
Your Bottom Line

By Dr. Henry J. Oles, Cr.Photog.

Finding the competition's soft spot

A common theme I encounter when consulting with studio owners from around the country, is a feeling of helplessness in their battle against what appears to be insurmountable competitive forces.

Many photographers want to know how to successfully compete against national chain studios with gargantuan power, massive advertising budgets, and an ability to make a profit selling prints for only \$9.99. Small studios must also contend with a variety of independent photographers—including free-lancers and one-hour minilab portrait photographers—in addition to well-known, expensive portrait artists. Many may ask, "How can anyone possibly survive, let alone profit in such an environment? Is it better to pack up the tent and set out for new territory?"

Generally, relocating and starting over is not the answer. While the grass may look greener across the road, in reality, it usually isn't. The key to survival, and possibly true success, is to capitalize on what the competition can't or won't do.

Everyone has a soft spot. The trick is to protect your own while discovering effective ways to attack the weaknesses of competitors. Although these areas are sometimes well-hidden, it helps to remember that the bigger the operation, the bigger its soft spot—and, the harder it is for a large company to react quickly and effectively when threatened. Many large operations may not even become aware of a devastating attack on their soft spot until serious damage results. Small operations, on the other hand, have the advantage of being able to respond and maneuver more quickly.

The first step is to perceive business as a small war. Many small studios are challenged by major portrait company branch studios earning millions of dollars annually, as well as other small business competitors. Although it may appear that competing against national studio chains is similar to the confrontation between David and Goliath, it is important to remember who won that encounter.

There are many soft spots in a Goliath. All a photographer must do is look for

them and plan a strategy accordingly. For example, the big guys usually promote photographs requiring minimum creativity, with standardized lighting and posing techniques. This offers independent photographers an avenue to capitalize on creativity. However, because the public is not always aware of differences in portrait quality, small studios must effectively educate potential clients.

Unfortunately, independent photographers seldom join together effectively enough to produce significant advertising that clearly demonstrates the difference between run-of-the-mill photography produced by chains, and high-quality images created by talented independents.

If these differences are not presented effectively, portrait buyers may not recognize that a distinction exists. Of course, there are times when the only difference between a K-Mart-generated portrait, and images produced by qualified photography studios, is price—in which case consumers are well served to patronize the lower priced operation. And that is exactly what they will do.

It is unwise for an independent studio owner to attempt to compete with the Goliath operation by cutting prices, since chain store studios are masters at this technique. In fact, the public assumes that photography produced at K-Mart or Walmart is "cheap," and this concept is emphasized in advertising material produced by these companies. These operations make a large profit using high-pressure sales techniques, designed to increase overall orders, and by generating extremely high volume.

The primary soft spot in most large studio chains is lack of personalized service and product. In order for independent studios to capitalize on this weakness, they must know customers by name, treat them as individuals, customize their studio experience, deliver a quality product at a reasonable price, and be prepared to sell accessories, such as frames and albums. Small studio owners must also offer highly desirable specialized services and products unavailable at the chain operations.

The method can work. When Walmart opened in my town, two local hardware stores closed because the owners thought that they could not compete. However, a third store which chose to dramatically improve its customer service and product line, actually thrived. Upon entering this local hardware store, customers are greeted within seconds and provided with competent information and assistance. The store is more successful than ever, even though some products are priced higher than the same items at Walmart.

For most independent operations, the primary soft spot is plain, old-fashioned laziness—which is demonstrated in many ways. It may appear in a business' general operations, customer treatment, or lack of innovative product. The best tactic photographers can use in this situation, is to assess the area where a competitor is deficient because of laziness, then develop counter measures which successfully promote their own services. A competitor's laziness can become a major benefit for aggressive studio owners. When it comes to business, those who make a greater effort are more likely to reap the benefits of success.

What if your major competitor is doing an outstanding job and doesn't appear to have a soft spot? No single studio can cover all potential opportunities. Therefore, photographers dealing with extremely competent competitors must seek out opportunities that are not yet developed. The photo world abounds with uncultivated opportunities for those willing to go after them. That is how photographers can build their bottom line, even when competition is tight. In fact, significant competition often leads to more success. 