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# Your Bottom Line

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

## He's good, but his portraits are so expensive

The ultimate goal of most professional photographers is to gain a reputation as both a very talented *and* very expensive image-maker. This noteworthiness, they hope, will result in an exclusive clientele, fewer assignments, more time to create superb images, and a much higher profit.

To achieve this ideal, a photographer may market his studio as *the* most costly, select portrait business in the area. However, follow this formula too closely and you could inflict your business with a disease which may be impossible to cure.

I've worked with many photographic studios afflicted with, and even dying from this disease. "Why is this happening?" they ask frantically. The answer, although usually elusive to them, is often simple for an outside consultant to see. Join me in a tour through the inner workings of a hypothetical studio.

The owner strives to produce the most excellent photographic work in the area, charges above-average prices for his portraits, and endeavors to achieve a reputation as the most prestigious studio in town.

His studio walls are awash with eye-catching prints no smaller than 20x24 inches. In fact, the owner's price list places special emphasis on \$1,000 deluxe, textured canvas-mounted wall prints (which occasionally do sell), and deemphasizes inexpensive products. The owner diligently implements carriage trade marketing methods prescribed by writers and convention speakers, yet his business is dying and he does not understand why.

A glance through the studio's books would reveal that his business had peaked, then gradually declined even though the quality of the owner's work remained superb—indeed, significantly better than portraits produced by the competition. Finally, in desperation, prices are lowered—then lowered again when sales fail to rise. Eventually, the studio is offering by far the best work in the area at prices that are much lower than the competition. Still, the photographer cannot glean enough volume to stay in operation. The disillusioned owner keeps ask-

ing, "Why? Why would the public go to the competition and pay more for less?...I just don't understand."

The answer may be right under his nose—and easily discovered by basic market research. Simply ask the potential customer why he or she is not patronizing a particular studio. All too often the typical response is, "I know that studio is really good...probably the best in town, but it's so expensive...I just don't want to spend that kind of money now." We have identified the illness, but curing it can be difficult or impossible.

Once the public forms a mental image of a particular business, that perception is very difficult to alter. As a general rule, the public sets a value on any product. Consumers do not necessarily want the highest quality available, but rather the best merchandise they can receive for the price they are willing to pay. If a business is known for exorbitant prices, regardless of the superiority of the product, that company simply does not receive serious consideration.

The jewelry business is an example. A consumer can spend from \$500 to \$5,000 for a 1-carat diamond. Yes, the more expensive stone is probably of higher quality, but this difference may not be important to the customer. If a local jewelry store is thought to sell only very expensive diamonds, a customer may not take the time to enter, and will remain unaware of the fact that the store actually sells fine jewels for nearly the same price as the local discounter sells flawed stones.

The moral of the story is simple. Before you promote the exclusive, prestigious, high-priced studio image too far, consider the negative factors of this marketing strategy. This is especially important if the economy in your area begins to decline, in which case, the more costly products, such as photographs, would be the first items cut from customers' budgets.

How can you successfully market your business as a prestige studio without alienating potential customers? By soliciting both the high and low ends of the

portrait market in your area. Gene Cetrone, owner for 21 years of the exclusive portrait studio, Cetrone Photography, in Billings, Montana, opened McThrifty Studio next door to Cetrone Photography in 1979. Cetrone is now in a position to capture both the high and low ends of the Billings market. He has installed a one-hour processing lab at McThrifty, and, instead of keeping his ownership of this studio a secret, markets McThrifty as the place to get a casual picture taken, while Cetrone Photography is the studio you would visit to have a high-quality portrait created.

Too often we tell our customers, "If you want a cheaper photograph, you'll just have to go somewhere else," without realizing that another photographer will make the profit you could have earned! And, when you chase away customers today, they may not return tomorrow.

Many factors affect the bottom line of your business. Always keep one all-important factor in mind—broadening your market base. It is seldom wise to send potential customers to the competition...unless, of course, like Gene Cetrone, you are your own competition. ■

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