
Who Is Your Competition?

In my humble 17 years of experience working in our industry, I've never seen a framing business close down due to not being able to compete with an "aggressive" competitor. Never. However this is "the reason" many unfortunate operators cite when the time comes to finally close their doors. Most businesses close down because of one simple reason – they didn't change.

When I ask the question, "Who is your competition?" – what is your answer? Is it really the other framer in the next suburb, or the backyard framer at the markets?

In order to understand who our competition really is, we first need to understand our market?

"Who" is our market?

For the average custom frame shop, we are competing in a retail environment, selling a "luxury" consumer product. And in this environment, there is one fact that no one can deny - today's consumers have MORE choices to spend on luxury products, but LESS disposable income.

Consumers have a choice where to spend their money, and they usually spend it on "desirable" products that they are aware of! The key word here is "aware". Custom framing is certainly a desirable and relevant product to most consumers, but are most consumers actually aware of it?

Based on PPFA research figures from the US, and my knowledge of the market here in Australia, I would place an educated guess that no more than 7-10% of our population indulges in custom framing. If this is the case, then this would mean that there is a potential opportunity to cater to the other 90% of the population for custom framing?

The Pie?

There's a common analogy used that "*we are all fighting for our fair slice of the pie*"!

This analogy may apply if you are selling a commodity that people "have" to buy like gasoline or milk. These products have reached a fairly limited market share and threshold... and certainly don't have the 90% of untapped market potential that custom framing has.

However, many framers seem to think along the same lines; if another custom framer sets up "across the road" to them, they are going to have to "fight it out" for a thinner slice of "the pie".

Is this really the case? Based on my experience, I would have to say that in our industry, this has NEVER been the case. And it doesn't just apply to our product or our industry either... let me explain why....

Abundance Theory of Marketing

There is a theory in marketing commonly referred to as "Abundance Theory" which dictates that for some products, there is not set limit to "how big" the pie can get... in other words, "the pie" can grow (or shrink).

When you apply this theory to our industry of selling custom framing, this means that other custom framers actually add credibility to your concept (custom framing), and ultimately enhance the exposure of your product... not detract from it. So effectively, they are increasing the consumer awareness of custom framing with the potentially untapped 90% of the market, and thus, potentially increasing the size of "the pie"

Being on the wholesale side of the industry, I must confess that I've seen this theory prove itself time and time again.... one framer sets up near another framer, both businesses feel threatened by each other, both start advertising and working hard for "their share" of the pie, both become better off in the end... and no one actually suffers?

So it is as simple as this - the more a consumer is "exposed" to a desirable product such as custom framing, the more "normal" they think it is to purchase and own it.

For example: if you are the only bakery in your town selling muffins, you might sell 6 muffins a day. But, if 5 other bakeries in town decide to copy your "muffin concept" and promote and sell muffins as well, then they increase the consumer awareness of muffins. This creates a situation where consumers think it is "more normal than normal" to eat muffins, and you end up selling 18 muffins a day as a result.... All thanks to your competitors!

This is why the concept of "shopping centres" work, why "food courts" work, why big furniture retailers set up next to each other... from both a marketing and an awareness point of view, these similar businesses all complement each other, and feed of each other's marketing direction.

Summary

When it comes to identifying your "real" competition, look first at the large retail giants who are aggressively fighting for a huge share of luxury consumer goods, like Harvey Norman, Flight Centre, Apple, Myer, etc.... these guys are fighting much harder for the luxury consumer dollar than "the other framer down the road from you".

But even then, these guys are not really your toughest competitor.... your toughest competitor is much worse. Your toughest competitor makes you set limitations on yourself, makes you doubt your concepts, and even makes you lose your confidence on a daily basis!

Your toughest competitor is YOU....

Ultimately, competition doesn't put you out of business – YOU do!

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