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Back to the future

— By Don Long

Forced out by a staggering rent bill, Fotofast's move leads to great things

After three years of watching his bottom line turn from black to red, **Phil Gresham** of **Fotofast** in Brisbane, Australia did the only thing he could do. He moved.

No, it wasn't a matter of getting away from his creditors; it was finding a far less expensive storefront to rent. In fact, with his move in July to a new location in a Brisbane suburb, this will be his third store. The first store, which opened in a major downtown mall in 1990, underwent three expansions during the course of 21 years. The second store was 80 percent larger. But the rents were larger, too. Too large. And about to become killer large.

How does A\$34,000 a month sound? That's almost US\$31,000. And, no, that's no typo – that's *per month*.

Today, in a new and smaller location, rent is down to a far more manageable A\$3,600 a month.

Gresham, a past president of the **Digital Imaging Marketing Association** (DIMA), a former chairman of **PMA Australia**, and a current PMA Trustee, is no dummy. He didn't purposefully put himself in this position.

He made the move to the second location because it was "a great location in theory," but it didn't turn out that way.

The location had the right demographic mix in a desirable area, extremely good signage, a big door, a good-looking interior, and a bus stop right outside the front door – sounds perfect, right? "Everything looked

right. In reality ..."

It was that darned bus stop.

It was in use throughout the day, with people coming and going, getting on and off the bus, going past the store on a narrow sidewalk, leaning against the store while waiting for the bus. In fact, he had people tell him they had used the stop for years, had passed the store regularly, *but had never seen the store*.

Also, notes Gresham, people using the bus were not in a buying mood – they were in a having-to-get-somewhere-else mood.

Go to the corner less than 200 feet down the street, where the open air mall is located, and people were in a different state of mind. There, they

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On hand to celebrate the opening of the new Fotofast store with cake and coffee are, left to right, Ian McEllister, of IPS, Australian distributor for Kodak and Dakis; Phil Gresham, Fotofast; Stuart Holmes, IPS co-owner; Pat Hugron, vice-president, Dakis Decision Systems; David Slade, IPS; Rob Voysey, IPS co-owner.

Photos by Paul Dawson



Despite downsizing, Fotofast maintains an array of in-house production

wanted to look at something, purchase something – not get through the area and on to another.

But, to get to the nub of it, “the major reason we had to move was the rent that we were paying in the previous location was way out of touch with reality. Had we stayed, the rents there would be over A\$40,000 a month. Outrageous.”

Gresham says they were three years into a five-year lease, but were “lucky enough to have the landlord let us out of the lease.”

A move had been in mind for a while, but it all came together fairly quickly in the end. “We made the deci-

sion to move in June,” and they were up and running in the new location in late July.

Having previously moved just three years before made the job easier, as did the fact that they downsized considerably, so didn’t bring everything with them. One of the labs now sits in Gresham’s basement, as a backup; and they no longer have a studio, so they could sell off equipment that wasn’t going to make the move.

Cheaper, faster, better bottom line

Retail space in the new store is about one-quarter that of the previous

location. The number of kiosks has been reduced, from 14 in total, to six – three for ordering photos, posters and books, two for gifting, and one for mobile devices.

“We really cut down. We worked out what sells and what doesn’t. We’re not wasting space on frames and albums; we needed them to fill the walls because the old store was so big.”

The new store is 900 square feet. “That’s a substantial loss of space.” The new store, says Gresham, “is just a better style of store to suit today’s new business model.”

Gresham also reduced staff to half the number at the old store. He notes



Panorama shows the interior of Fotofast’s new store.

they had to have staff dedicated to specific areas at the larger location, but now staffers are able to handle all aspects of the store's business.

The new store is about a 10-minute drive from downtown Brisbane, and there's a huge amount of traffic – it's a one-way street, for a start – and the store is very visible from the road. On top of that, they can put signs out on the sidewalk (the "pavement," as it's called in Australia and Britain).

Gresham practically waxes poetic about the sunlight that streams into the store. "I don't turn the lights on before the store opens; it's bright enough to work without them." This is in direct comparison to the old store where, with lights off, it was dark at the far end of the store.

"It's somewhere nice to work. I can actually see the sunlight."

Has the move meant a change in clientele? "Our very good clients have come with us, the ones we want to keep," Gresham says, but also notes, "Yes, there's new clientele. We're on the road leading out to what we call the western suburbs, one of the more affluent parts of the city. One of biggest plusses, apart from having easy transport, is we have free parking underneath the store. In the old location, if you wanted to come in for an hour, you could pay A\$30 plus

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Film, anyone? Fotofast still does a nice little business in film sales and processing.



The view through the front door from inside.

The Fotofast timeline

- 1990:** Opened the family-owned and operated business in the Myer Centre in the downtown Brisbane business district.
- 1996:** Fotofast website launched. Started scanning and printing photos.
- 1998:** Was the first in Australia to introduce whole roll film scanning to disk.
- 1999:** Began scanning and storing customers images on the internet.
- 2001:** Launched Fotofast Display, offering posters, backlit transparencies and banners in all shapes and sizes. Specialized in small run/high quality display products with design. Began offering digital photo ordering in-store, using a photo ordering kiosk, the first in Queensland.
- 2007:** Introduced 1-hour bound photo books and many other photo creative products, all produced in-store. Started offering online photo prints and photo gifts.
- 2010:** Added two customer-operated, easy to use, "Creation Station" kiosks, for photo gifting, another Australian first.
- 2011:** After 21 years and three expansions, moved to an 80 percent larger store.
- 2014:** After 24 years in the Brisbane CBD, moved to 200 Moggill Road, Taringa.



Fotofast's busy production area.



Nearby businesses could be a prime market for signage made on Fotofast's 60-inch printer.



The exterior of Fotofast, Brisbane, Australia.

for parking. Here, there's free parking right underneath.

"That's a huge benefit. People love it."

Gresham notes the store still deals with a lot of baby boomers, "self-funded retirees. They don't want to spend money to go into the city, so they don't go into the city. They shop local. One of largest shopping malls is about a 5-minute walk from here. It's busy, hard to park, with long distances to walk. With us, it's so easy; people can park right in front [of the store], as there are two dedicated spaces. So much easier."

But what about the bottom line?

What has he seen after about a month in the new store?

"When you cut rent by 90 percent and staffing by 50 percent, then you're in a very good position."

Increased customer spending

What's interesting, he says, is that "the average spend per customer is up." What's also interesting is that the store processes about 200-300 rolls of film per week. "People travel a considerable distance to leave film with us." Sure, it's not the 1,700 of old, but still worthwhile. And scanning is "very high on our agenda; we're focusing on that, because we are in that area of boomers, and they're wanting to digitize their photo memories."

Gresham notes that, despite the downsizing, the store still carries "a huge range of product. Biggest in the country, probably."

They have a 60-inch printer for signage, and want to emphasize that, figuring the nearby businesses could be a prime market.

They're also very strong online, he suggests. Dakis, out of Montreal, Canada, "does a fantastic job for us."

Fotofast moved to this location because Gresham wanted to see growth in certain areas and needed the visibility to do that. "We need the bricks and mortar." Had they wanted to push the online side of the busi-



Photo related gifts on display.

ness instead, they could have moved to a back street, or into Gresham's basement, he says.

To tell Brisbane about the store's move, he made sure the website told the tale; plus, they wrapped the old store with signs, and those relocation signs stayed up for a while after the move. In fact, he chuckles, the landlord still hasn't re-leased the store. There's still a sign in the window, although smaller, and there's an acrylic holder with information and maps, so people can grab those. Prior to the opening, they placed a couple of highly visible signs on the sidewalk, so people could see them as they drove by. They also used email blasts for three weeks.

Google's good, social's so-so
Social media? Nope, not so much. Gresham is not a big proponent.

Yes, the store is on **Facebook** and **Twitter**, but they didn't use those as methods for talking up the new location in a strong way, he says.

He jokes, ruefully, that they're struggling to get 700 "likes" on Facebook. There's no one on staff assigned the task of handling social media; Gresham does what he can. "I could spend a lot of time on it, but, frankly, I'm not too sure of the results.

He takes more interest in any medium that reviews retailers, noting the store has a good rating on Google. "I take a reasonable amount of interest in people's comments."

He feels more stores should be checking out those comments on Google. "It's so important to get Google ratings going."

But social media? "It's very warm and fuzzy."

He figures it must work for some,

but he's not sure it works for photographic services. He admits he went to a lot of seminars and workshops on social media, but whatever they did, he really didn't see a payback. Maybe if you spent a lot of time and effort on it, the results would be better, he suspects.

Gresham also notes the store is not getting as many orders via mobile devices as might be expected. So here he sits, in a new location, thankful for having made the move.

Australia has undergone some changes, as has the photo industry, and business had dropped off in the old location. "It was costing me probably A\$1,000 a week. We were going backwards at A\$1,000 a week. That's not sustainable," he says. "Today, we've gone back to the future with our business. We're doing business very much like people were 25 years ago." ■