

5. Creating Value—Real or Perceived

So how do you create value for yourself? One of the key ways to create a higher perceived value is to underpromise and overdeliver every time. If you tell your customer their portraits will be done in four weeks, make sure they are ready in three. If you quote someone \$500 for their portrait package, come in under that price. It's all part of giving your clients the positive experience that will reap rewards for years to come.

Defining Value

Value is not the same as cost. Cost is what we pay to purchase something. The value of our products and services should be significantly higher than the cost, or the client won't have an incentive to buy.

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Let's say you have a product in your studio that sells for \$100 (or should I say you *want* to sell it for \$100). I think most of us can think of a something in our studio meets one of those criteria. Through all your marketing efforts, advertising, promotional pieces, positioning, and image creation, you want customers to flock to your studio to pay \$100 for your Black Supersonic Whatsahoosit Widget. Now, whether you are successful at selling the Black Supersonic Whatsahoosit Widget is completely dependent on its value—or the “perceived value” it has to your client. So, will the widget be a hit? Basically, one of the following three marketing phenomena is going to take place.

Loss Leaders. First, let's imagine that your client's perception of your widget is \$50, so you run a 50-percent-

off sales promotion in order to have a successful campaign. In the real world, this is a popular technique that's typically used in retail establishments—especially before and after the holidays. Retailers motivate us with a very deep discount to lure us into the confines of the store and hope that we will purchase more than the item that is 50 percent off. Grocery stores are famous for using a low-priced item to lure customers into the store. They run an ad stating that a gallon of milk is on sale for \$1.49, and on your way to the farthest corner of the store to pick up the milk, you pass large end cap displays towering with six-hundred rolls of paper towels or a thousand cans of pumpkin pie filling for \$.99. Well, you can rest assured those items carry with them a nice profit margin.

Through their marketing research, the stores know that for every ten gallons of milk they sell at \$1.49, they will sell a fair number of other products as well. Therefore, they will make up for their discount on milk with sales from other higher-profit items. This technique is called using a “loss leader” to get customers in the door, and it can easily be adapted to a smaller business. In our industry it's most prevalent in the high-school senior market; photographers offer these clients sessions at pennies on the dollar, or free, to get them into the studio, then the profit is made with sales of packages and wall portraits. If you have a strong sales program and effective salespeople to work with, this can be an effective strategy.

Luxury Appeal. In the second scenario, the client's perception of your widget is right at \$100. Not more, not less. Right at \$100. This is strategically worked to perfection by companies like Nordstrom, or The Bon Marché, or Lexus automobiles. They create a demand for their

FACING PAGE—The front of this marketing piece from Jeff Hawkins Photography establishes what makes the studio special. The reverse (see page 48) defines their qualifications, puts a friendly and personal face on the business, and makes a special offer.

When only the finest will do.



real emotions.



real moments.



real lives.

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www.jeffhawkins.com

Jeff
Hawkins
photography

children . families . events . commercial



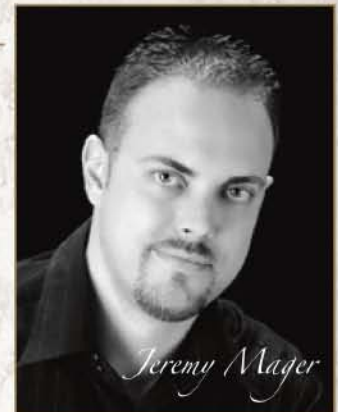
Jeff Hawkins

Your story. Your forever.

Jeff Hawkins is proud to operate an International Award-Winning wedding and portrait photography studio in Orlando, Florida for the past 20 years. Together with his wife Kathleen, are excited to be authors of 9 published photography books! Industry sponsored, they are both very active in the Photography lecture circuit and take pride in their impact in the industry and in the community. In September of 98, the studio was nominated as "Small Business of the Year" from the Seminole Chamber of Commerce. They were recently honored as "Volunteer of the Year" by the State of Florida for their efforts in the "Heart Gallery" of Central Florida. In 2007 Jeff Hawkins Photography was voted as the best Photographer on WESH TV's A-List.

Jeff holds the prestigious Master of Photography, Certified Professional Photographer (CPP) and Photographic Craftsman degrees. He previously served on Professional Photography of America's Digital Advisory Committee representing the wedding industry. Jeff has many awards in print competition as well as having his work in the prominent "Loan Collection", He has been featured in many industry magazines and is listed as of the top 60 photographers in the world by Canon USA. He has photographed many named celebrities, a few include: Ed McMahon, Regis Philbin, Reba McIntyre, Billy Ray Cyrus, Mary Kay, Charlie Daniels, John Anderson, John Michael Montgomery, Marty Stuart and Shaquille O'Neal.

Jeremy Mager, has been an award winning photographer with Jeff Hawkins Photography for over 5 years. He specializes in Wedding and Commercial Photography as well as custom designed Videography with a unique virtual video album for special events. Photography has always been his passion. With his cutting edge computer skills, we really do have the perfect team and it shows in the award winning style of photography provided by Jeff Hawkins Photography.



Jeremy Mager

We can offer our clients all the latest technology, creating more than images, creating art! Let us capture your emotions, feelings, and relationships and document them for a lifetime! Remember, your memories are not expensive, they are priceless!



As a Seminole County Chamber of Commerce or WOAMTEC member, book a photography session or special event in and receive:

10% Off ^{*} your entire order

Mention this coupon when making your appointment.

*Offer available to active Chamber of Commerce and WOAMTEC members only. Offer not transferable, or redeemable for cash. Valid through December 31, 2008.

Jeff Hawkins
photography

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FACING PAGE—The front of this marketing piece from Jeff Hawkins Photography establishes what makes the studio special (see page 47). The reverse (seen here) defines their qualifications, puts a friendly and personal face on the business, and makes a special offer.

products in such a way that we will gladly pay the asking price, just so we can be associated with that product. It's more about our image and making us feel special than it is what price we pay. They have made us believe that the price really isn't that important. We want to belong to the "club" so to speak. When you go to a Lexus dealer, the asking price is also the selling price—no dickering, no negotiating. If you want to drive a Lexus, this is the price. If you are a Nordy, someone who shops at Nordstrom, you know that they do not offer big sales, except for once a year. The rest of the year, we will pay pretty much their asking price. If you want what they sell, you pay.

Higher Valuation. In the third scenario, you manage to create for your product a perceived value of more than \$100—maybe it's \$120, maybe \$150, maybe \$200 or more. The greater the discrepancy between the selling price and the perceived value, the higher the level of motivation your customer will have for buying your product, and the greater the level of sales you will have. Accomplishing this is the subject of the following section.

Enhancing Perceived Value

So, how do you create a discrepancy between the selling price and the value of the product? Here's a rule of thumb that I want to encourage you to make part of the fabric of your business: don't discount—give stuff away. Let me say that again: don't discount—give stuff away! When you discount, you penalize good clients and attract the price shoppers. Give your clients something for free that adds value to their purchase or brings some joy to their lives.

In this business, value is often added by including a frame at no charge, a free portrait, a mini two-way portfolio, or a no-charge session when they purchase that specified product. The fun part for you, as a Power Marketer, is that you can do anything you want—just make sure your "added bonus" is something that potential clients can't get from any of your competitors. Remember one of the basic rules of marketing: either you are different and unique or you are out of business. Find out what everyone else is doing, then don't do it. Run as fast as you

can in the other direction. This is how you guarantee you will separate yourself from the rest of the pack and continue to gain ownership of your hook and category each and every day. Obviously whatever you do needs to make sense financially, and only you know what your restrictions and limits are. Fortunately, the sky really is the limit here, and the more creative you get, the better the client's response will be.

I love a group called Mannheim Steamroller and their leader, Chip Davis. Many of you may recognize the name (and if the name doesn't ring a bell, you'd know their music if you heard it on the radio). You can walk into any music store year-round and find a big display of their music—and it's never on sale. Instead, they motivate us to buy this music by including a free CD of holiday music, a free mail-order barbeque sauce kit, or a large tin of gourmet hot chocolate.

I am one of those people who will always look for the unique and different, and Mannheim Steamroller's approach to marketing is just that. With millions of album sales to their credit, I'm surprised more musicians haven't borrowed the technique. (From personal experience, I can tell you the barbeque sauce goes great with chicken and the hot chocolate is wonderful on those cold nights in front of the fire!)

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Another example of this technique is television infomercials. The product spokesperson will spend the first twenty-five minutes of the show creating a value in our minds of \$19.95—and most of the time, we probably believe that's what the product is worth. Then all of a sudden, they sweeten the pot by announcing, "If you call in the next seven minutes, we will include a second one absolutely free!" You see it time and time again; it obviously works or they wouldn't continue doing it.

If the value in the mind of the customer is greater than the asking price—boom!—you have a good chance of making the sale. So the bottom line in all of this is simple:

always give customers value that is greater than the price they pay.

How can you immediately begin to create value (perceived or real) in your products that motivates people to want to do business with you? Remember that perceived value is strongly influenced by emotion, ego, and personal image—things that are intangible—and each of these should be considered in your marketing programs.

One thing you will find as you begin to brainstorm and come up with creative marketing programs is that you will have some good ideas and some not-so-good ideas, and you have to be willing to try them both. An idea I tried a few years ago for my wedding business sounded great at the beginning but turned out to be a lot of work in the end, and I'm sure you'll see why once you read this story.

You must be willing to risk failure in order to attain the highest level of success.

I was looking for an innovative idea that I could use to entice and motivate potential wedding clients to book with me instead of my competitors. Originally, I was going to use it for people who signed a contract at a bridal fair, but I ended up using it the entire year. My idea was this: for every one hour of coverage my client booked for their wedding session, I would provide one hour of limousine rental for free. So if the client had a five-hour wedding package, they would get a nice limousine for five hours, and it didn't have to be at the same time. That way, they could use it to pick up the wedding party from home, or shuttle guests from the church to the reception, or whatever they chose. Well, instead of working some sort of arrangement with a local company, I decided to just go out and purchase the entire company, lock, stock, and barrel!

The idea was a tremendous success. Our booking rate went through the roof, and we became the talk of the town. I hired a chauffeur, arranged all the necessary insurances, licenses, phone numbers, etc. Our clients absolutely loved what we did for them, but I had just purchased a business, complete with a toll-free number

and yellow pages ad. The calls came in at 8:00AM Sunday morning and 11:00PM on Tuesday; people wanted to book wedding sessions, birthday parties, anniversaries, business get-togethers, and even sweet-sixteen parties. It was a real business, which meant I had to arrange coverage twenty-four hours, seven days a week for the phone and for a driver.

Many times I ended up being the chauffeur, the mechanic, and the person who washed the limo. The business did well, but it became very time-consuming and diminished my ability to provide my clients with something unique and different—something that would position my studio in their minds as a cut above the competition. After about a year, I decided to sell the company and move on to other ideas.

The moral of the story is this: Regardless of the outcome of your ideas, you must be willing to risk failure in order to attain the highest level of success. You will not be able to discover new lands unless you risk losing sight of the shore. Be bold, be adventurous, and have some fun!

As you can see, creating value for yourself and your company can be achieved in a wide variety of ways. It's all up to you and what your goals are in life. It's very easy for us to fall into that old management trap and get caught up in the day-to-day details of running our businesses. We end up running our studios instead of designing our lives. We all fall prey to the day to day stuff—answering phones, meeting with clients, managing our digital files, ordering supplies, and mowing the lawn. Before we know it, our free time is gone, and there is no time for the things in life that are truly important, like family and personal hobbies. You're working Friday nights, Sunday mornings, holidays. You don't have time to play with your children, or to take a drive with your family along the lake, or to read that good book you've been meaning to get to, or to practice your putting at the golf course. The things that are most important to us start slowly slipping away, and we become a slave to our business rather than its master. I encourage you to go back and read chapter 1 from time to time to keep yourself honed in on what's important in your life.

Whether you want to be the Cadillac in your market or the Volkswagen—and there is plenty of room for both—adding value to your customers' lives should be one of the

most important aspects of your marketing philosophy. There is always a way to add value, whether it be real or perceived. Not everyone can be the Cadillac (in fact, there's only one), and not everyone wants to buy a Cadillac. The truth is, there are a variety of widely respected models, and there's plenty of room for each of them in the market.

It's okay to borrow ideas from others within our industry and to incorporate strategies that we find outside of our field, just as long as they will benefit our business. You don't need to reinvent the wheel; just find an existing idea and customize it to meet your personality and style. Since you can't be all things to all people, find out what you are really good at and make it your trademark, your personal stamp. The day of the jack-of-all-trades is long gone, and the age of specialization is upon us. So decide what position or niche you want to occupy in your customers' minds, and be sure that everything you do will help you to achieve your goals and objectives.

Before we move on, I would like to share a few more thoughts with you. First, I hope you'll remember that we

have the honor and the privilege to not only sell fine products and services to our clients, but to sell ourselves as well. Remember that believing in yourself and your abilities as a professional photographer and a Power Marketer can bring you rewards too great to number. You must also keep in mind that the challenge of creating effective marketing programs in order to achieve your desired position in the market can be difficult at times. In order to stand

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out, you'll have to separate yourself from the crowd; however, the process will also be one of the most fulfilling and rewarding experiences you will ever have. Separating yourself from the rest of the pack is never easy, but it can take you to places you never dreamed of—if you are willing to take the risk. Life is not a spectator sport!

Power Corner

Focus on . . .

Rick and Deborah Ferro



From stunning imagery, to cutting-edge marketing techniques, Rick Ferro and Deborah Lynn Ferro have developed a surefire approach to business success. Rick Ferro is one of the leading wedding photographers in the nation.

In addition to countless brides and grooms, his clients have included 7-UP, Sprint, the Miami Dolphins, MasterCard, and Mercedes Benz, just to name a few. In 1993, Rick became the Senior Wedding Photographer for Disney, and Walt Disney World became the world's most sought-after wedding destination! Deborah has been on the fast track in photography since 1996 when her passion for photography became more than a serious hobby and she opened her first studio. For more information on Rick and Deborah's educational materials for professional photographers, visit www.ferrophoto.physchool.com.

Mitche: What do you feel will be the biggest challenge our industry faces in the future?

Deb: I believe our biggest challenge will be digital workflow. Photographers are just picking up their cameras and going with it, thinking they can correct any problems in Photoshop, and it's just eating up all their time. This creates big problems.

What is your core marketing philosophy?

Deb: From a marketing standpoint, the biggest questions we get are where do people even start to market themselves? How do they know where to spend their limited dollars? That will differ depending on your market. The way we do things will be different than somebody in a small town. Also, we're challenged to educate the public about the difference between a professional photographer and an amateur photographer.

What do you want to be your share of the market? There are all different kinds of clients out there at all different income levels. Where do you see your photography studio? We believe in going for the gold! Instead of work-

ing our way up to the client we eventually want, we believe in targeting that client first. From our image presentation through promotional pieces, to our advertising dollars, to our pricing, to the way our studio is set up, we are focused on that market. We believe that we are selling ourselves and that our images are an extension of ourselves. You only have five seconds to make a first impression! Everything from answering the phone, to your studio's appearance, to your marketing pieces—they all have a tremendous impact on whether you will procure the client. Do you know how many times people change doctors because they have lousy bedside manner? People connect with personalities and how they are treated.

Many photographers tell me that the reason they don't have the images we do is because they don't have beautiful clients or the kind of higher-income clients that we have. You sell what you show, so you should create a portfolio filled with images of the kind of clients you want to have! How? Set up a photo shoot in your area at either a beautiful location or the type of reception location where you would love to photograph at regularly. Get together with area vendors like a florist, bridal salon, vintage car or limousine service, and modeling agency, then offer to exchange images for their help with the photo shoot. Make sure your name is on each image you give the vendors so their customers will see it. You are now in control of the quality of image you want to present and market with.

What would you recommend to someone who is trying to take their marketing to the next level?

Deb: Remember that you make the phone ring. How? Have a plan—let's say, for example, a direct marketing piece or a bridal show—and a way to implement the plan. Then take action to implement it and follow up. Don't wait for the phone to ring. Go out and get people to call by getting involved in your community through the Chamber of Commerce, charities, networking with vendors, and by visiting local businesses and leaving your business cards. Gloria Daly, a photographer who works with us, shared something she heard a long time ago that really stuck with her: "He who has a thing to sell and goes and whispers in a well is not as apt to get the dollars as the one who climbs a tree and hollers!" Just get out there and do it!

What is your biggest asset as a power marketer?

Deb: Our biggest asset is that we are in control of our client base, the direction of our photography, and our level of success. Success doesn't just happen, you make it happen!

What do you feel your hook is?

Deb: Clients come to us for the romantic location portraits we show on the Internet and through our advertising. Securing them as a client involves convincing them why they should choose us over all the other photographers out there. Our hook is that we tell our clients that they are not only hiring a photographer but also a graphic designer. With our ability to creatively enhance our images through Photoshop, whether we are retouching or designing our own digital albums, they are assured of a quality product unmatched by a mall studio.

Are power marketers are born, or can it be learned?

Deb: I believe that we are all born with a certain level of talent, but how we develop and use those talents makes a difference in our success. A great idea is worth a dollar, and a plan to implement the idea is worth a million, but without action you never see the money! Most people did not get into this business to make a million. They got into it because they had a passion for creating images. Being able to create great images doesn't pay the mortgage, though! Selling great images pays the mortgage. It takes both.

You met and fell in love, then merged your businesses and your lives. Tell me about the quality of life that you share.

Rick: Quality of life to me is very important, and I've been fortunate so far in my life. I've been around the world twice on a ship, and I've worked with the Dolphins. I've had three studios, and I set up Walt Disney World's photography department in 1993. So, I had some really great jobs, but it doesn't even compare to how things are right now. I never really had the chance to share my life with anyone like this before, and Deb is such a huge inspiration to me. My photography is getting better all the time, and I'm opening myself up to new ideas and areas that I never would have done before. I'm having the best time, and

it's because of her, actually! I get so excited that I can't sleep at night.

Deb: It's actually because of my cold feet!

Rick: If it all ended tomorrow, it would be totally fine because I would still have her. We are like two little kids!

How do you balance your personal and professional lives? Are there specific times during the week that you call "downtime"?

Rick: We try to go to a movie on Friday nights and also try to go to dinner during the week. Sundays we try not to do anything. In our house, I'm the chef; I enjoy cooking as much as photography. If I wasn't a photographer, I would probably try to enroll in culinary school to become a chef. Deb makes great reservations!

Deb: I do the desserts and the breads and stuff like that. We love to entertain, so we are constantly cooking. I love the fact that we can have a nice lunch and spend that time together talking and taking some time out. Our first year in business together, we used to take a lunch break and play a game of backgammon just to get our minds off the business and laugh. We also make it a point when we travel for business to take a couple of extra days just to spend time together.

Who are your biggest inspirations?

Rick: Don Blair and Monte Zucker for photographers. I had a teacher when I was in school named Mr. Williams, who gave me a lot of really good tips about life.

Deb: My mother. She's a very spiritual person, and if I could only be half the person she is, I would be very happy. She has more energy than I do; and because of her character, I admire her more than anybody I have met in my entire life.

Do you have a favorite quote or saying?

Rick: "I'll make you an offer you can't refuse!" (from *The Godfather*), "Leave the gun, take the cannoli!" (also from *The Godfather*), "Leave the camera, take the pixels!" (not from *The Godfather*).

Deb: "If you do what you love and are passionate about it, the money will follow." It's taken me a long time to believe that it's worth going after your dream to achieve what you really want out of life.