

Success Story :: Baas Art Gallery

Project Objectives

Baas Art Gallery and Framing offers its customers two primary services. Revenues from the framing half of the business paid the operating costs of the physical space, allowing the owner, Karrie Baas, to incorporate the second half of the business: the gallery, which was her true passion as an artist herself.

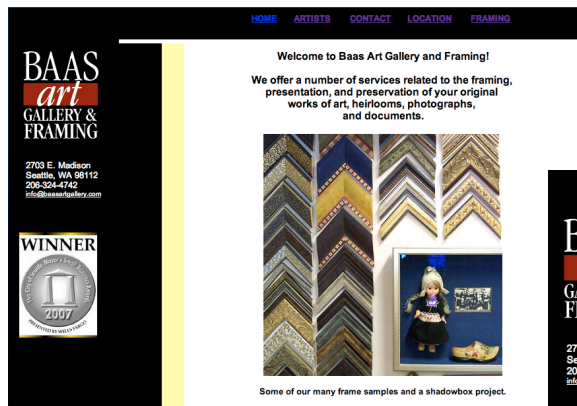
The full engagement included a business plan review and analysis, a customer profile analysis, an employee development plan review, a pricing analysis, and a marketing plan review. As part of the overall business plan review, we also reviewed her current technology status and plan. The GreenFerret expert would make recommendations for all these areas and would implement selected solutions.

Her overall goals for the engagement included:

- A plan to increase revenue or improve cash flow
- A plan to allow her to better engage with the art gallery side of the business and its customers

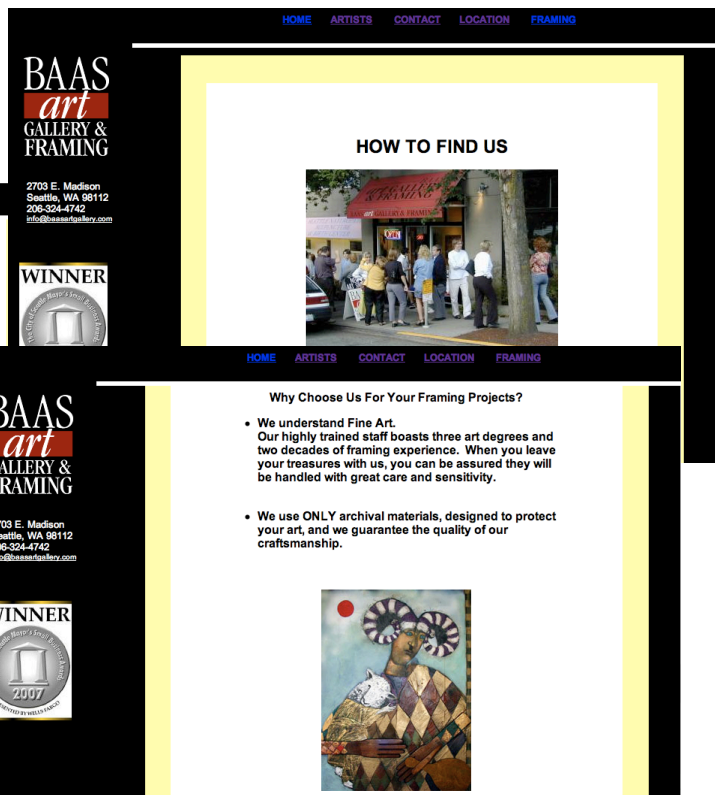
Existing Pain Points

Cash flow. Karrie was facing closing her business because of rising costs. To her, the business seemed thriving with lots of walk-in foot traffic from the “village” area surrounding her shop location, as well as a core group of regular



Screenshot 1: New website branding

customers who returned for their framing needs and gave referrals to friends. She had concerns about raising her prices, as she did not want to undermine the regular business



she had. In order to keep prices steady, she spent more time doing framing herself and less time marketing the artists' shows she held approximately every six weeks. The gallery or her artists had gotten one or two mentions in the local gallery monthly guide, but never as a featured show.

Branding and direct marketing cost reductions. Karrie had recently contracted to have her website and logo updated (as shown above) and received positive responses for that. She did not, however, want to invest more in correcting any problems with it, so a cursory website analysis was completed, for example, pointing out inconsistencies in the menu across pages. Karrie preferred to focus further investment on marketing changes.

In conjunction with the website update, Karrie wanted to improve her direct marketing. Her current method of a postcard mailing produced dramatic keepsakes for customers who came to the gallery, but she had little understanding of the effectiveness of a mailing from one show to the next. Also, the printing and mailing costs were becoming prohibitive.

Karrie was gradually trying to move to an email-based direct marketing approach and had collected approximately 200 email addresses from previous gallery shows, regular customers who signed her guest book, and her own business email address book. She had a separate list of emails and postal addresses for media release announcements. She had already begun sending press releases using email on the request of the media community. This method allowed her to also send multiple attachments of the artists' work.

Her first attempts to move her customers to a similar email-based system resulted in the following pain points:

- The text-based messages with attached images forced recipients to separately download each image and match it with the description in the text, which many did not do for fear of virus downloads.
- The email list was manually maintained.
- Her then current email provider limited each mail to 50 recipients, so she had to send the composed mail out several times to subsets of her full list.
- The text-based messages provided no branding with her recently launched website.
- She had no better indication of the email marketing effectiveness than she had of the postcards.

Solution

The GreenFerret expert stepped Karrie through multiple analysis meetings and provided the following solutions and recommendations:

Business strategy review. As part of the business strategy review, we walked Karrie through more clearly articulating her target customers. While there was some overlap between the two businesses, each target customer looked for different things. Through this exercise, Karrie realized that her framing target customer cared about value not just cost.

Pricing. Next, we used a simple spreadsheet tool to demonstrate the power of understanding fixed costs versus variable costs. By increasing her overall prices by, for example, 10%, the business would increase its profit by almost 300%, and her target customers would still view her product as a good value.

Direct marketing update. Finally, we tackled the issue of direct marketing using email, an area just starting to emerge in the business community at that time. In looking for a tool that could help her, we took into account

the moderate level of skill she and her staff had using computers and other technologies. We leveraged the fact that her framers often used high-end graphics applications, such as Adobe Photoshop. They did not, however, understand much about HTML or web design basics. Because we had confidence in their ability to use a web product specifically designed for a consumer or small business, we looked for a product that overcame all the issues she had with her current email program and could provide additional value in helping grow the beginnings of some customer relationship management approaches. We chose Constant Contact as the service provider that could address her needs.

The Constant Contact tools provided graphical, easy to follow tools. Using a base template provided by Constant Contact's offerings, we created the initial branded templates Karrie and her staff could use for the customer and media press mailings. The template allowed us to juxtapose images from the upcoming shows with text describing the art and the artist.

We provided some training for the staff on using the templates for the regular mailings and how to update it with new images and text. We also provided some guidelines about image size to minimize bounces from undeliverable email due to message size. After the first trial run with GreenFerret driving the email release, the Baas Art Gallery staff did the second round and required no additional assistance after that. (See sample email message on the right.)

We helped with the original bulk imports of her email lists and after that the tool took care of managing dead mailboxes, bounces, and requests for changes or removal from the list. It also automated requests to join.

ROI for total engagement. By raising her prices, Karrie was able to keep her doors open and maintain her staff count. Her understanding was she did not lose any regular customers based on price increases.

Her new direct marketing pieces earned rave reviews from customers as well as the media. Her costs from doing a postcard mailing went from thousands of dollars every six weeks to less than \$50 per month. The time saved from moving to the Constant Contact tool from the manually intensive previous method allowed all the staff to spend more time in direct customer contact or on completing orders, making the overall operation more efficient.

Karrie kept the original plan and goals from the analysis exercise and continued over the next four years to implement suggestions we had made.



Screenshot 2: Marketing email branded to match website



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Techniques and Technologies Used

- Business plan and strategy analysis
- Customer profile analysis
- Product pricing analysis
- Marketing plan development
- Employee development plan
- Email direct marketing
- Customer relationship management strategies