

The Picture Spa Could Be The Future of Digital Retailing

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It was just 25 years ago last month (1981) that I opened the first of my eight Photo To Go locations in New Jersey. This was the first free-standing minilab in the state, and to my wife and I, as well as to our customers, it was the eighth wonder of the world. People came from miles around to get their [prints](#) in an hour (when we newbies could manage it) and were happy to pay our price. It was a green Christmas.

Maybe, just maybe, I may have visited the new wonder of this photo generation: The Picture Spa.

The Picture Spa is the invention of Sid Davidowitz with the input of a lot of other folks who helped create this concept operation to see if it is possible to devote a separate storefront to a retail site focused strictly on the digital customer. Is such a store ready for the digital consumer? Is the digital consumer ready for such a store?

The trade has been inching into the digital service business with the caution of a stalking cat. Likewise, the consumer, quick to jump on the bandwagon to purchase digicams with ever-increasing megapixels, has been somewhat at sea in terms of what to do with the billions of images being captured. Printing at home was the easiest concept to embrace in the earliest days, especially since the traditional retail locations for photo processing were, themselves, slow to react to the changing market.

Kodak may have been somewhat ahead of its time with its Create-a-Print, a cumbersome system designed to scan prints and make copy enlargements. It was in the early '90s, the pre-digital era, but it introduced customers to the idea that they could come into a retail environment and make prints all by themselves.

Bringing a kiosk into the lab environment and placing it on the customer side of the counter seemed to be the first step in the digital era for retailer and consumer alike. As this concept started to catch on, consumers let us know that they were not so happy to stand in line and wait for the previous customer to finish her order. A second and third kiosk was plugged in at busier labs.

The more progressive operations caught the scent of opportunity and developed the idea of setting aside an area of the floor exclusively for a gang of kiosks to serve the digital shooter and make it as easy as possible for her to convert those captured images into hard prints. Mike Woodland, owner of Dan's Camera City, Allentown, PA, carved out an area of his store to create a DigiPrint Lounge.

Many dealers, knowing that 4x6s have become a commodity and no longer sustain their business, have been juggling various ideas and floor plans to incorporate a kiosk area within their locations.

An Experiment at Photo Retail

Sid Davidowitz, an industry veteran with two high-volume Moto Photo stores in northern New Jersey, also saw the handwriting on the wall as he has watched his business drop by double digits in each of the past few years—as have most lab operations in the country. Having opened his first lab in 1982, when the business model of one-hour service was still a question mark, Sid is not adverse to looking into the future and trying new concepts. In fact, at one time he was hired by Moto Photo, Inc., to be its director of emerging technologies.

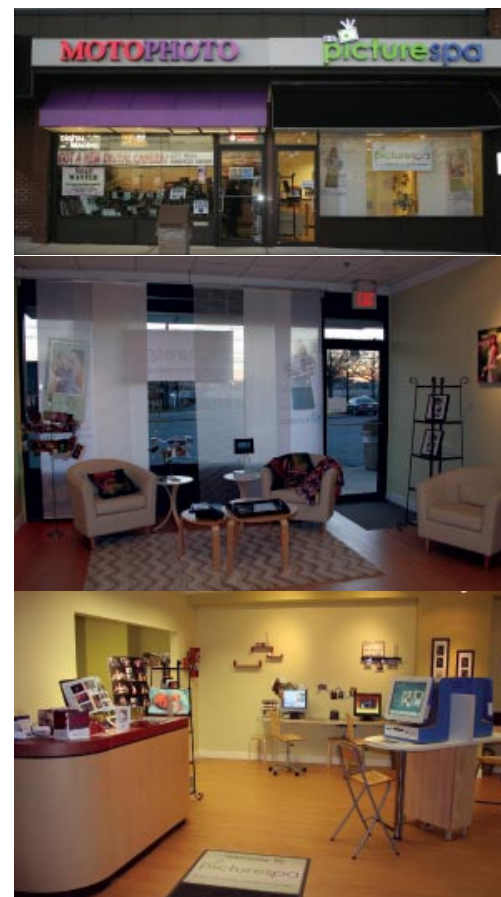
He is now a well-known and well-respected minilab operator with a unique understanding of the industry. Hardly a newcomer to the photo business, he's second generation, having worked in the family business, Leon's FotoShop, Bayonne, NJ, and his opinion is sought by many, manufacturers and retailers alike. He converted his own one-hour lab to a Moto Photo franchise in 1984 and has since been a very active Moto champion, having been named Franchisee of the Year, Area [Developer](#) of the Year, and recipient of the President's Award.

Sid was intrigued by the challenge of how to best serve "Jennifer," the Gen X lady that seems to be the target of the entire retail world. He was inspired by The Complete Picture store design unveiled at PMA Orlando, visited Mike Woodland's DigiPrint Lounge, and spoke to many in the industry on the matter of enticing the digital Jennifer.

Sid decided it was time to do what he refers to as "clearly an experiment."

Rather than simply reconfiguring his Paramus store with a kiosk corner, it was his idea to test whether he could develop an entire business around a variety of digital services by having a complete store with its own storefront devoted to all things digital with the latest technology and equipment.

A storefront meant there had to be a big sign out front with a name on it. What to call the new business? Digital Lounge and Digital Café are being used in some labs, and Sid felt these were okay for a section inside a store, but not so when the name was blazing in



lights outside. Sid and his wife, Debbie, felt "Lounge" might be inviting people to a coffeeshop, and "Café" could be welcoming passersby in for a stiff drink and represent a turn-off for women.

What is it that Jennifer relates to when she thinks of a casual, relaxing, comfortable environment? Yes, her spa. Sid credits Debbie with the name of The Picture Spa and is in the process of having it registered as a trademark.

He was able to take over the space formerly occupied by a jewelry store that adjoined his in a very busy strip center. Physically, he ended up with a 14-ft wide by 32-ft deep sales floor, a kid's play area, and a large backroom for equipment (Sid's future plans include a classroom for photo and scrapbook instruction). It is sort of joined at the hip with his Moto Photo operation by having a large passageway between the two stores so that his Moto customers have easy access to The Picture Spa—as well as his employees, some of whom serve both businesses.

Designing the store was a real challenge, according to Sid. This, for a man who, as a former franchise area developer for Moto Photo, assisted in the building of about 20 stores in the area. "I could build a photo lab in my sleep," said Sid. "But this was uncharted waters for me and the industry. There was no rule book to follow." Sid sought the advice of designers from Moto Photo, Lucidiom, and the folks that designed the PMA Complete Picture store.

In Jennifer's mind, what makes a spa, a spa? New age music is piped in; a subtle aroma introduced; a trendy color palette in multiple shades of green; a floor with a woodlike appearance; furniture; and area carpeting in tans and beiges.

Dozens of micro decisions were made: height and shape of tables; style of chairs; location of tables and other furniture; the restroom setup.

The result? As cluttered as Sid's adjoining Moto Photo store is with its busy wall, floor, and countertop displays, sales promotion signs, etc., that's how quiet and serene The Picture Spa environment is. And, Sid is proud to say, "No slat wall."

After many months of planning, a construction phase that took almost two months, and an investment of about \$100,000, The Picture Spa opened during Thanksgiving week with an attractive, lighted outdoor sign, and a sign in the window reading: "Relax. We'll help you get the picture."

The store layout sets up like this:

- Two separate wall-mounted tables, about 7-ft wide, one with two Lucidiom APMs and the other with one APM and one Luci scrapbooking kiosk; One peninsula table with two Lucidiom APMs, back to back; One center island with two input stations for the [HP Photosmart Studio](#); A comfortable seating area with upholstered chairs, an area rug, and a coffee table; A coffee bar with a small cooler for bottled water; A bright, well-decorated restroom with a changing table; Chairs at every station and stools for Jennifer's friends; Kid's play area with chairs, tables, and bins with toys; An idea table with a variety of product samples; Plans to add Wi-Fi; and Room for expansion.

Unlike the retail store where merchandise is an in-your-face deal, Sid has carefully set up The Picture Spa so that all of its decorations are items for sale. On the walls are a variety of pictures, animated art, posters, and the like. On the tables are picture trees, ceramic tiles, blankets with images, a serving tray with a print in it. All are cleverly presented as decorations, but with subtle suggestions that they can be purchased.

Every customer is offered coffee or bottled water. If help is needed at any station, either Sid or a salesperson sits with the customer to work the kiosk and offer product ideas. When I was there I would guess that about half of the Jennifers were working on their own. I saw one guy—he sat with his Jennifer.

How Is The Picture Spa Doing?

At this writing, only a few weeks after it opened, Sid said it's been very encouraging so far. On the Tuesday that I met with Sid, one enthusiastic woman was working two monitors at the same time and, with no prompting at all, turned to Sid and myself and said, "You opened this store for me, didn't you?"

Sid said his biggest kick so far came the first time he saw a customer sitting at each station: "That was exciting!" He has had at least one occasion where every station was in use and with a queue of customers, and he is prepared to add additional kiosks sooner than he expected.

It's too early to talk about revenue at this point, but Sid did indicate that his average sale at The Picture Spa is running about \$30, compared to about \$18-\$20 at the Moto Photo counter. "We are selling posters, books, calendars, and photo gifts in the Spa that we didn't sell on the other side of the wall because we can display it better in a more conducive sales atmosphere."

As for the customer base, Sid's seeing new faces that hadn't previously been Moto Photo customers. "We're not just looking to convert our existing customers. We're looking for new Jennifers." He hopes customers will find the surroundings comfortable enough to use as sort of a gathering place.

"Digital has changed the entire culture of the business. Until now we have been order takers. If they wanted an album, frame, or film, they had to ask for it. The Picture Spa is not an order-taking model, but hopefully it will be an entertainment experience."

What is the expectation for The Picture Spa? "The future is not on the other side of the wall (the retail store). I wouldn't be investing my time and money if I didn't feel it had potential."

Where does Moto Photo fit into The Picture Spa? "I am a Moto franchisee, and being part of a franchise means sharing ideas. I am more than willing to do that. The best ideas in a franchise operation come from the field, not from headquarters. Harry Loyle (Moto's president) has been here and is well aware of what we are doing and supports it enthusiastically." He foresees the day that The Picture Spa could be franchised or licensed.

"For now, a lot of people are anxious to see the development of The Picture Spa concept," Sid said. Including him and Debbie.

In the meantime, the bread and butter of the business, the Moto Photo minilab, is still functioning well. Jim Morello has been with Sid for three years and serves as GM for his two Moto locations, in Paramus and Park Ridge, NJ.

The lab area of the Paramus store not only handles the over-the-counter retail business but is networked to all of The Picture Spa kiosks as well. Jim manages a lab staff of four to five, to run a pair of Noritsu digital systems; a Noritsu B&W processor; workstation; an Epson 9800; and a Lucidiom APM print station management system. In the Spa's backroom, the complete [HP Photosmart](#) Studio array is set up.

Taking a step back and looking at what the project already is and what it's expected to be, Sid smiled and said, "This is the first I've been really excited about the photo business in a long time."

Is this déjà vu all over again? Are we seeing a new concept that will eventually replace the one-hour lab as we know it? As a business model, is The Picture Spa the new Photo to Go, 25 years later?

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