

Retailer Spotlight: Wolfe's Cameras, Camcorders & Computers

Reinvention – It's the Name of the Retail Game

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PTN Editor

What makes a business successful? What keeps a successful business at the top? Singer Kenny Rogers' song *"The Gambler"* sums it up: "Know when to hold 'em, and know when to fold 'em." One key reason for success is knowing when to stick with what's worked for years, but most of all, knowing when to stop and reinvent the business to fit the needs of "today's" consumer. That's how CEO Mike Worswick and his partner, president DeWitt Harkness, have been successful with the full-service, Topeka, Kansas-based Wolfe's Cameras, Camcorders & Computers. "A retailer's only reason for being in business is meeting the needs and wants of your customer," explains Mike. "If you don't adapt to a changing market mix, being ahead of your customers with regards to technology and products and services [needs/wants] and changes in generating profits, then you won't last."

Wolfe's Cameras, Camcorders & Computers, run by Worswick and Harkness, employs a loyal staff—many of whom have worked at Wolfe's for 20 years. "One key part of our business has been how hard we've worked over the years to retain our sales team," says Mike. "At Wolfe's, staffers can make a good income, grow in responsibility, and feel they are a contributing part of the team. Working at Wolfe's isn't simply a job—it's a career."

When we spoke with Mike, he was literally in the middle of a major store renovation. "We reinvented our business 15 times in the last 35 years," says Mike. This time they're renewing the photofinishing business—Wolfe's Photoworks. Fully aware that 4x6s won't cut it anymore, photofinishing at Wolfe's includes enlargements and poster prints, photo books and scrapbook pages, and other photo gifts.

"We've created a bunch of specialists over the years, in telescopes, cameras, and computers," explains Mike. "Now we want to make all employees experts in photofinishing." By doing so, the entire staff at Wolfe's will be able to assist each and every customer in their photofinishing experiences.

Today's customers are becoming more and more comfortable "hanging out" in retail stores that offer them an "experience." "I think specialty stores in particular are reaching a new generation of customers," says Mike. These customers enjoy the experience at a brick-and-mortar store and want the experience of "Wow, I enjoyed being there." Mike feels it's critical for customers to have a positive attachment to the store. "I think the customer has to decide you have a good value—if we can't show we're delivering more value, then we aren't doing our job." Wolfe's offers competitive pricing—usually there is little price difference between them and their competitors. It's not just enough for a retailer to say they're more knowledgeable or experienced—they must demonstrate their value as well.

Mike explains that they've carved out a new space for their Wolfe's Easy Photo Stations. (The Wolfe's Easy Photo Stations are made up of a mix of Lucidom kiosks and HP Photosmart Studio input stations. They've been branded Wolfe's Easy Photo Stations so customers don't think of them as just another kiosk like those they may find at a competitor's location.) New carpeting covers the floor; tables and comfortable rolling office chairs make it an inviting place to sit and work at one of the 14 Easy Photo workstations.

Value Propositions

"Knowledge is the weapon of the specialty store," says Mike. Customers can often find out about new product on the internet before you can. It's "critical to be alert and pay attention—if customers inquire about something we don't know about, we make it our objective to learn," he says. Morning meetings are often spent going over new products, services, or customer issues. Recently the staff discussed Microsoft's new Windows Vista [operating system](#) and how it would impact customers.

"I don't think we have the technological lock we had on things 10 years ago," Mike adds. "I think the challenge for specialty camera stores is to try to figure out how to stay in the hunt for technology and expertise to keep that reputation." Another way that Wolfe's shows the community how valuable they are is by becoming known as the local experts. Mike explains that one way to do this is to go on the local TV early news shows to talk about new technology, which he does regularly.

Translating the quality products and service message to customers who shop at Wolfe's is an immense task. "It's a challenge to convey to customers that what we do once the customer says 'make me a print' is different than what the mass merchant does," Mike says. "It's important to make sure customers realize what we do."

"We try to have an explainable value proposition for everything we sell," he says. Wolfe's staff is dedicated to conveying this message. "We're always trying to have customers understand that we're better," Mike adds. This holds true for products that fill the shelves and services that Wolfe's offers.

"We've found that customers [finally] have figured out they can print digital," Mike says. "We must make our customers want to drive past competitors to print pictures with us." Multiple kiosk units are key: there are currently 14 workstations, with room to expand that to 22, if needed. "We're trying to create an experience that's enjoyable and relaxing, so they don't have to wait a half hour for a kiosk," he adds.

Wolfe's took possession of the [HP Photosmart Studio](#) in late October. According to Mike, calendars were the highest-volume product for the month of December. Mike expects January's to be photo books.

And photo books are another example of how Wolfe's caters to its customers. They can be created in-store via the Easy Photo Station or online by customers who upload their images. "In the picture business, however your customer wants to use a picture—printing at home, in-store, online—you need to cater to them," Mike says. Offer multiple solutions for different customers: supply do-it-yourself customers with the inks and media to print at home; offer convenient photofinishing in-store for customers who don't want to do it themselves, and kiosks for those who want to sit and stay awhile and not just drop a print order at the counter; and make online uploading available for those who want the flexibility to submit a photofinishing order 24/7.

Another way that Wolfe's shows added value to its customers is at the point of sale. When a customer comes in to purchase a digital camera, Wolfe's staff probes them with questions to help find them the appropriate camera out of the 90 or so that Wolfe's carries. Mike explains that as part of that convenience, they'll also show customers what other items they'll need for the camera to work well. This results in add-on sales of accessories.

To stay competitive in the marketplace, Wolfe's offers classes (they're offered free of charge to Wolfe's customers), or will often throw in free printing—things the mass guys aren't doing, and it adds value.

Involvement Has Its Rewards

Mike considers himself just about third generation in photo specialty retailing. His uncle Harold Wolfe opened the business in 1924, with Mike's father, Harold Worswick, joining in 1946. Mike joined Wolfe's in 1971; DeWitt joined in 1980. In 1996, Wolfe's Cameras, Camcorders & Computers was honored as *PTN's Dealer of the Year*. In the 10 years since, Wolfe's has consistently worked to adapt to the changing needs and wants of its customers.

Mike has been involved with the PRO buying group for three decades now. "Being involved in PRO has been one of the most profitable things I've ever done," he says. However, it took the loss of a major vendor to get Mike to think seriously about joining the buying group. He'd had the opportunity 35 years ago and decided against it. After losing a vendor a few years later, he looked into the group again, and this time he decided it was the right thing to do. "Joining PRO was the best single business decision I've ever made," he says. "By being a member of a buying group, it allows you to find quality merchandise we can sell at a profitable price. We can



Wolfe's
Cameras, Camcorders & Computers



(l. to r.) DeWitt Harkness, president, and Mike Worswick, CEO, look over part of the frame and album sales center of Wolfe's.



Wolfe's offers customers full-service custom framing; a wide array of choices are available, to match any décor, from classic to contemporary.



DeWitt Harkness (right), president of Wolfe's Camera, discusses sales techniques with members of the Wolfe's team: (l. to r.) Brad Schlyer, webmaster; Mike Worswick, CEO; Marty Ayers, electronics specialist; Chad Sidesinger, VP; and Chris Glasgow, Frank Honn, and Tom Tweddell, sales specialists.



Wolfe's recently renovated the store—now there's plenty of open space for customers to [print](#) via the

proudly sell Promaster products and create margin opportunities that make the business succeed."

"PRO is the key to our success," explains Mike. In addition to the power of the buying group, sharing ideas and working with other dealers is an important aspect of the PRO Group. "It is my responsibility to share ideas, too," adds Mike. "No one person can invent everything. If each retailer who's part of PRO thinks up one good idea a month and shares their ideas, that's a lot of great ideas being generated."

With fewer independents staying in business, Mike feels it's more important than ever to participate in a buying group, whether it's PRO, which focuses more on hard goods; or Independent Photo Imagers (IPI) or Town & Country; both IPI and Town & Country focus more on photofinishing. "I don't think there's any independent [who] shouldn't be part of a buying group."

Meeting Customer Needs

"We're always looking for something new to add to our mix," Mike says. About 10 years ago, Wolfe's added 4,000 square feet to the store's existing 6,000 sq. ft. to bring it to 10,000 sq. ft. At that time, photofinishing, frames, and custom framing were added to the store's mix. At one point, computers made up 40% of the store's sales volume.

About five years ago, Mike and his staff began to realize that the stronger the digital revolution became, the quicker they'd have to figure out what the next business model would be. And as with anything new, the challenge that arose is communicating the message to the customer.

"Our real initiative right now is to grow services while having no slip in hard goods," says Mike. Consumers need replacement cameras for their first digital, if they haven't yet moved onto their second one. "Maybe there'll be one more round of that upgrading, but once simplicity and speed of operation are there, which it almost is now, it will be harder to sell digital cameras four to five years from now," says Mike. Consumers may wait up to five years to replace a second- or third-generation digital camera, slowing the rate at which new cameras are sold, so it is important to offer a range of services that will keep customers coming through the doors.

Wolfe's has also scaled back on the scrapbooking that they offer. Mike explains that scrapbooking was good early on, but the physical layout of the store doesn't lend itself well for crop parties or other such gatherings. For scrapbookers, Wolfe's does incorporate the Lucidiom Luci kiosks and has added a new scanner that can scan a customer's 12x12 scrapbook page with a 3-D appearance. Mike says the job now is getting out the message to customers that the scanning service is available.

Today Wolfe's is working aggressively to sell HDTVs to bring in new revenue. At one time they sold PDAs, but those faded out of the product mix when they became unprofitable. In the '90s they sold home theaters for a short time, but phased them out for the same reason.

Mike enjoys running Wolfe's Cameras, Camcorders & Computers, and there's no stopping him anytime soon. "DeWitt and I love what we're doing and are having fun, and if we can do that and make some money, we'll keep doing it."

FAST FACTS:

Store name: Wolfe's Cameras, Camcorders & Computers

Location: Topeka, Kansas

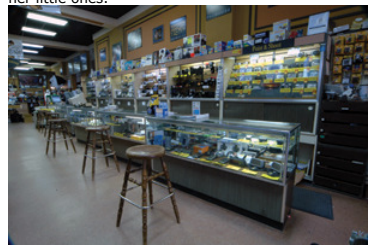
Owner: Mike Worswick

Years in Business: 82

Claim to Fame: Successfully reinventing the business model to cater to the changing needs of their customers.

Website: www.wolfescamera.com

Wolfe's Easy Photo Stations. There are even toys to keep kids busy, where mom can keep an eye on her little ones.



Stools line the sales counter, customers can feel they're welcome to stay awhile as opposed to feeling they're being herded out the door after the sale.



Marketing the capability to print digital as well as film is an important message to remind customers whenever possible, when they're in the store.

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