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THE CENTRAL OHIO BUSINESS AUTHORITY

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**PAGE A19**

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## Peddling price alone discounts company

Price alone won't win, as long as just one of your competitors has a No. 2 pencil and a big fat eraser. You go low, they go lower.

And worse yet, your customers, those who selected your product, no longer view your company or your services as valuable.

In other words, they buy from you because they value your cheapness. Does this seem like a tenuous relationship? It is.

As David Ogilvy, the pioneer of marketing differentiation, profoundly stated, "Any damned fool can put on a deal, but it takes a genius, faith and persuasiveness to create a brand."

So why do so many businesses act foolishly? First, many of them do not take the time to offer a more substantial relationship featuring their company's differentiated value. They fail to create a consolidated marketing, promotions and sales strategy for their core products.

If what they peddle is just price, they are discounting themselves, their employees and their companies. They are saying that no specific benefit, competitive advantage or uniqueness exists within their offerings.

Second, salespeople fall prey to the misconception when customers ask for a lower price, that is truly what the customers want. During sales meetings, we argue that if price is a primary concern, then so must be profit.

A successful salesperson must provide a unique value proposition by supplying what the prospect really wants and cannot live without.

Though customers might define their purchasing hesitance by using the word price, they may be disguising a much more emotional barrier based on perceived value, such as, "Help me make the best purchase decision. One I can live with."

And if we are not responsive to these unstated price objectives we become price takers, not value makers.

Harvard Business researcher Michael Porter delivers this alarming credo: "A company must match price only if it cannot offer some other trade-off: features, benefits, service, format, packag-

SEE PRICE, PAGE A21



## GLASS ACT

PHOTOS BY JANET ADAMS ■ BUSINESS FIRST

Tom Hawk, owner of Hawk Galleries at 153 E. Main St. in Columbus, opened his gallery two years ago and shows glass art pieces nationally.

## Art glass flourishes in Columbus galleries

BY LESLIE BIRDWELL ■ BUSINESS FIRST

Columbus has become a player in the country's art glass market.

Three art galleries in town specialize in glass sculpture, carrying pieces created by nationally recognized artists such as Dale Chihuly, Paul Stankard and William Morris.

Local gallery owners choose artists based on national prominence, but also say after spending years in the business, they've developed an eye for art that is marketable.

Tom Riley owner of the Thomas R. Riley Galleries on North High Street in Columbus' Short North District, started out by looking for top glass artists in the country.

He seeks compelling forms because he knows that's what sells. "If you have something beautiful and fairly priced, it moves," Riley says. "Success in the art business is not an accident."

Tom Hawk, owner of Hawk Galleries in downtown Columbus, was



Kelsey Murphy's untitled cameo vase at the 772 Cameo Gallery sold in May for \$12,000.

formerly in partnership with Riley until he opened his own gallery in the old Main Furniture store at 153 E. Main St. two years ago. He's been in the

business 18 years. Continually expanding his customer base, he attends the Sculptural Object Functional Art show in Chicago yearly. Hawk also takes work to shows in Miami, New York and Wheaton Village, N.J., home of the Museum of American Glass. "Going to shows helps us develop an audience," says Hawk, "It shows that we are a player."

Erin Nelson co-owns 772 Cameo Gallery with her mother and nationally recognized glass artist, Kelsey Murphy, who Nelson also represents in the gallery.

One of Murphy's pieces, a cameo glass Christmas ornament, was purchased for the White House Christmas tree during the Clinton administration.

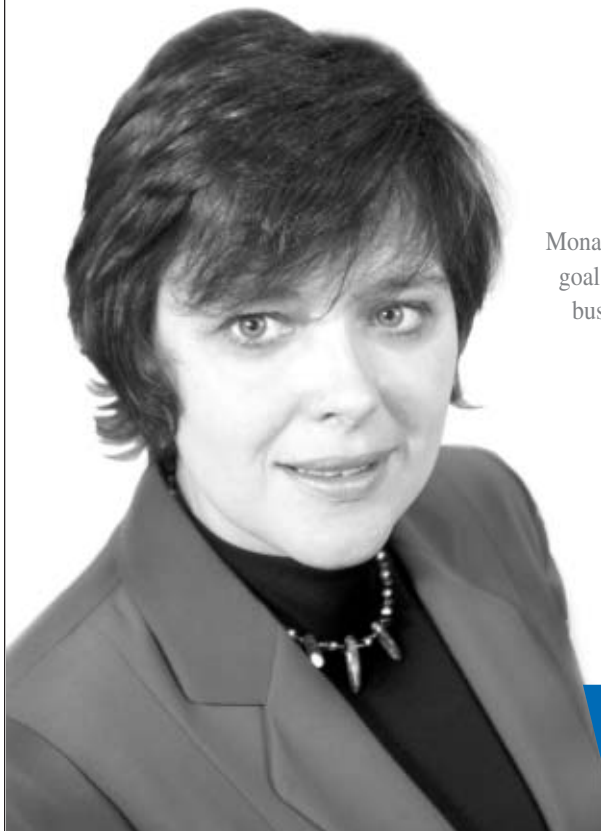
The Clintons also chose another of Murphy's pieces to present to Queen Elizabeth II as a gift.

Nelson is a more recent entrant into the Columbus glass gallery business. She carries a variety of glass but emphasizes a type of art glass called cameo glass.

SEE GLASS, PAGE A20

# Mona Thiel

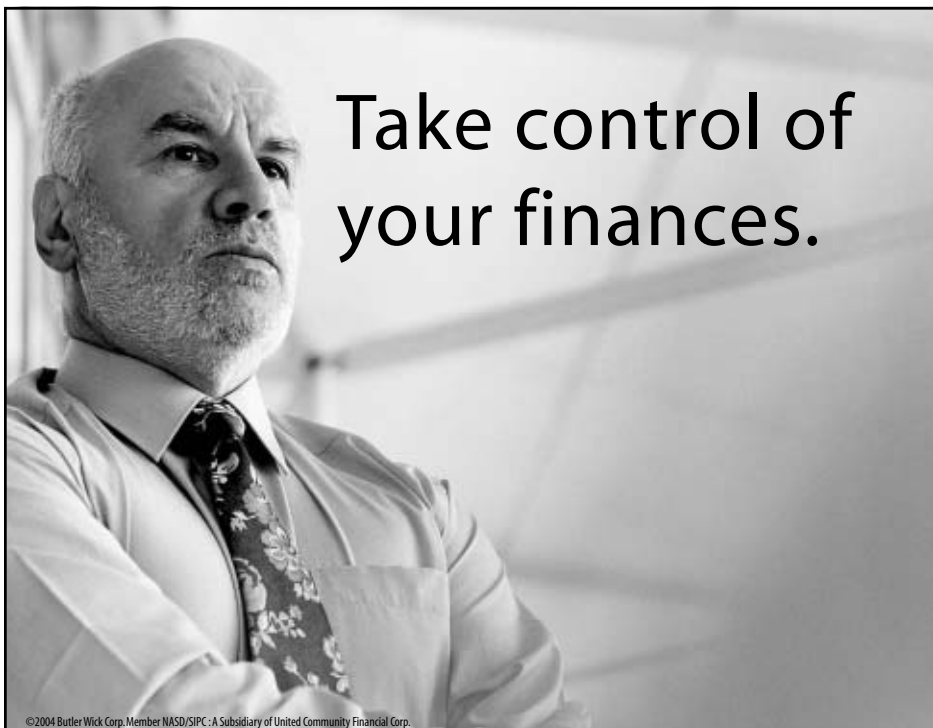
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## GLASS: Challenging the traditional form

FROM PAGE A19

Cameo glass begins with a blank piece of glass, perhaps in the form of a vessel or a plate made with several layers of color. The layers are then carved at various depths using dental tools or sandblasting equipment.

### Glass good for business

Prices for glass artwork carried by local galleries range from \$50 for small items such as jewelry and salt and pepper shakers, to \$85,000 for large sculptures.

Nelson says glass art has been growing in popularity with customers. "Every month since we opened in 2000 we've see an increase in business," she says. "It was just one economy nightmare (nationally) after another since we opened, but it hasn't really affected us terribly. I think when people are feeling insecure about the economy, they like to buy tangible things."

Riley declined to reveal sales figures, but said after being in the business for a quarter of a century, he's not worried about profitability. "There are self-evident conclusions that can be drawn from longevity," he says.

Riley ran several galleries and was a physician before retiring from his medical practice about 10 years ago. Riley and his wife, Cindy also owned a gallery in Seattle, which they closed when they decided to call Columbus home and concentrate on business here.

Some people collect as an investment, Nelson says. Historically, cameo glass has never decreased in value because it's unusual and expensive to make. Some of Nelson's customers are motivated by love, not profit, and "are willing to give up a new roof or a driveway in order to own art," she says.

Hawk Galleries' clients include the Toledo Museum of Art, the Dayton Art Institute and the Indianapolis Museum of Art.

Hawk and Riley also sell much of their glass art to people over 40. "The demographics for the art business are good," Riley says. "The baby boomers have accomplished many of their life goals and are looking for ways to fulfill themselves. They've taken care of the kids and their discretionary dollars are now available for enhancing their environment."

A recent example, Riley says, was a married couple celebrating their 25th wedding anniversary who bought an art glass piece as a gift to themselves.

Riley often sells three-dimensional pieces to couples. He says two people relate to three-dimensional objects in unison; something that doesn't happen with flat art.

Another attraction for the buyer is the ability to own pieces by artists represented in museum collections. "Some collectors will say that they like their own pieces better than the ones in the museums," Hawk says.

Yet, Hawk advises against buying something just to own it. If a potential collector doesn't see anything they like, they should wait until something moves them.

Riley agrees. "The idea of good art is determined by collectors," he says. "Museums won't like this but this is true. Collectors have the energy, the drive, the money and the courage (to collect what they like)."

### Past and present

Glass art is the home turf for a young generation of artists. Chihuly is the most widely recognized name in Columbus thanks to local exhibits, including a current one at Franklin Park Conservatory.

Chihuly is the founder of the Pilchuck Glass School in Washington State, where he teaches his technical and artistic knowledge to other artists.

Some of those artists are from Columbus



JANET ADAMS ■ BUSINESS FIRST

Glass art, such as the cameo vase above, requires an oven heated to 1,800 degrees Fahrenheit.

and were trained at Ohio State University. OSU grad Brian Becher, who studied at Pilchuck, is one of them. At age 26, he is already exhibiting at 772 Cameo.

Becher rents furnace time at Glass Axis in Grandview, a nonprofit art studio that provides the space and equipment for glass artists, including an oven that heats up to 1,800 degrees Fahrenheit.

### Form and style

Glass can be melted, molded, twisted, layered, pinched, clamped, crimped, painted, blown again, painted again, dipped and carved. Glass sculpture can and does look like anything.

Artist Morris, represented by the Riley Gallery and featured in the May edition of Southwest Art magazine, makes pieces that look like bone or rock.

Stankard, whose work can be found at both the Riley and Hawk galleries, takes the basic paperweight form – flowers in a dome of clear glass – and then expands on it. His works are small, intricate and detailed, resembling insects and plants with mysterious human shapes twining in the roots.

Challenging the traditional form is one of the hallmarks of an artist, says Riley. "Stankard broke free from the paperweight tradition and changed the form," he says. "He entered the art glass world and was embraced enthusiastically."

Ohio-based glass artist Harvey Littleton discovered "a way to take function out of form," Hawk says. Working with glass engineer Dominick Labino of Grand Rapids, Ohio, Littleton treated glass as a sculptural material capable of becoming more than simply the stuff of utilitarian objects.

### Maintaining a customer base

Nelson is preparing for a presentation for potential customers at the Miranova building in downtown Columbus. She will feature artists, their works and videos of each artist at work.

Hawk keeps a lending library of books and videos for his customers, and Riley regularly informs former clients about what the artists are currently working on.

The galleries also offer design services, helping clients place their pieces in their homes to display them to the best advantage.

The gallery owners stress word-of-mouth as a key ingredient to maintain sales. Art glass collecting can become a habit, also good news for the owners. "Almost all the people we sell to come back," says Riley.

**PRICE:** *Can be used in overall strategy*

FROM PAGE A19

ing, delivery or something else. This is a dire, last alternative for most companies.”

Finally, price is an excuse used by one party or the other. The seller for either not developing valued differentiators, or by being insensitive to market price versus the product's perceived return.

The buyer uses price as an excuse for deceiving the seller as to the real reason for the declined purchase, or in believing that a win in a price war is a purchase victory.

It may not be. It is usually only a price victory that works to inhibit other valuable service offerings, which could of supplied greater return.

Can price work as part of an overall strategy? Of course it can, as long as it is incorporated as a differentiator.

Wal-Mart made it work by quietly merchandising its everyday low prices in rural, noncompetitive markets. The company then coupled this growth with technological traction, which created process efficiencies and buying leverages unparalleled in any prior distribution model.

Yet all of us, especially market leaders, have had to fight against price bandit competitors. So what can be done?

We've found five consistent initiatives to fight price wars:

- Keep leading, never follow. New technology and products are always welcomed by the early adopters, who buy on being first, not for the lowest price. If you keep leading, they'll keep paying.

- Create constant convenience. Nothing in a convenience store is cheap, we pay for convenience. Save someone time through inventive services, valued offerings and customer conveniences, and you can maintain your price point.

- Increase price. Make your price markedly higher and people will be intrigued. Those who want to be included and believe your promise will feel exclusive and will buy.

- Sell specialty and exclusivity. Offer your best customers special promotions and exclusive products, especially those that can germinate your brand. Entice new prospects, not with price, but with customization and flexibility.

- Quit selling, start building. Educate and consult with every customer at every possible contact point. Help them build their businesses and quit selling them on yours.

If cost is their initial issue, make them realize that their total return – using your company's services over time – is a much more cost-effective purchase. Remember the Maytag tradition.

In the end, if the price war gets heated, you need to be as creative as the well-established, large-market companies are. Avis "Tries Harder." Subway commands you to "Eat Fresh." And Circuit City offers its "Online Express In-store Pickup."

Successful companies are not price focused. Sure, they'll have sales and price-match guarantees, but their unique value offerings will ultimately control their products' destinies and price points. So will yours.

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