

The  
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**AFEX**

*Highlights of the 2003 Show*

**WORDS OF WISDOM**

*Words to work by*

**THE ART OF CREATING COLLECTORS**

*Collectors do not cease acquiring art when the walls of their home or office are filled*



# The Art of Creating Collectors

Collectors do not cease acquiring art when the walls of their home or office are filled. Collectors are not only a source of repeat business but a source of referrals. Do not underestimate the value of creating a relationship with your collectors. You may share nothing in common but an appreciation of art, but that can be a strong bond!

By Zella Jackson

## What is a Collector?

A collector is not a client who makes a single purchase of art or even multiple purchases unless they leave your gallery with their desire for art unfulfilled. Collectors do not cease acquiring art when the walls of their home or office are filled. True collectors add to their collections even when it requires them to store art under the bed, or hopefully in a less perilous area of their home or office. World class collectors have what psychiatrists might label as an addiction.

Your task is to create collectors and make these collectors your collectors? While someone who makes a single acquisition from you may be a collector, he or she is not your collector. A collector who is your collector is not only a source of repeat business but a source of referrals. Your collectors will require personal attention. Do not underestimate the value of creating a relationship with your collectors. You may share nothing in common but an appreciation of art, but that can be a strong bond!

## Higher Sales Plus Much More

Aside from the increased sales you will achieve by cultivating strong repeat buyers, there are more fundamental reasons to pursue this approach to business. The realities of today's marketplace tell us the consumer wants, if not demands, personalized and convenient service. Today, the share of consumer purchases transacted by telephone, mail order, internet, and cable TV is growing at an unprecedented rate. Financial institutions have made remote shopping simple through the use of bank cards, giving the consumer the bonus of improved record keeping as a free spin off.

In addition, prosperous consumers are busy people who wish to simplify their lives. They long for personalized service from business people they trust and with whom they have a long standing relationship. When you stop and think about it, these relationships express the very best of humankind – people who love art and wish to share it with others who love art. Each appreciates, respects, trusts, and enjoys the other.

So please keep in mind that direct mail design, planning, and organizational tools are only devices that assist you in your endeavours. It will be your win-win attitude that will imbue your every sales presentation, letter, and invitation with the exciting energy required to reach your personal best. On the other hand, if you really don't want to know how lovely the client's home and current art collection are, no amount of record keeping or planning will sustain your art collector. Only your heartfelt connection with your clients as human beings will inspire you and them toward visionary art collections.

## Goals

By planning a comprehensive marketing program complete with exhibitions, auctions, and direct mail/phone campaigns, you can accomplish the following:

1. **Expand Your Market:** By establishing solid relationships with all of your high end prior buyers, they will reciprocate with your encouragement, to provide you qualified referrals. In fact, studies indicate a satisfied client will provide an average of five qualified referrals. Some will give you zero while others will give you everyone out of their organizer! Thus, a systematic way to obtain referrals should be part of your marketing program.
2. **Obtain Repeat Business:** A previous buyer is six times more likely to buy from you than "cold" traffic. Therefore, one third or more of your advertising dollars should be earmarked for obtaining repeat business.
3. **Improve Client Satisfaction:** The market demands high quality, personalized service. Once you provide this, the likelihood of obtaining referrals and repeat sales goes up.
4. **Cultivate Client Loyalty:** Numerous psychological profile studies indicate 60% to 65% of the population are deliberative thinkers and loyalists. Thus, we can faithfully construct promotions in a routine fashion that in fact, will result in a routine schedule of art purchases for the majority of your buyers!
5. **Exemplify Professional Selling Standards:** As we strive to make our art business successful, we wish to be professional about our dealings. Tell the art buying world you stand behind your art, respect each individual, and follow through on commitments in an orderly, proactive manner. All things being equal, when art buyers are given a choice they will most certainly place their loyalties with the professionally run art firm rather than the unprofessional one.

## Why Effective Qualifying is Essential

Qualifying is determining a person's ability to spend a specific amount of money on art now and in the near future. Within twenty minutes with a prospect for the first time- even when the prospect is a total stranger - you should be able to sketch a demographic profile from facts inferred from your qualifying dialogue. The demographic information should include:

- estimated annual income
  - nature of present art collection
  - art buying motivations (decor, emotion, dedicated collector, investment)
  - specific reasons(s) client bought or declined to buy artwork you discussed
  - name, address, phone number, and permission to contact
  - decision making style (deliberative, impulsive, alone vs. jointly with spouse/advisor/decorator, etc.)
- Why is this information so crucial to creating collectors? Well, many art professionals respond candidly to this by saying, "I need to make sure I'm not wasting my time with a gallery hopper who appreciates art but is not and never will be a collector."

Granted, it is important to not waste time but there is much more to this topic. For starters, you must separate, in your own mind, your buyers who are "one time only" from the ones who have the potential to become collectors. The tendency is for art professionals to underestimate their buyers potential interest in collecting. In addition, the marketing program you put in place to provide art buying incentives for your clients must reflect your goal of developing collectors.

Most art professionals simply see art collecting as a series of impulsive purchases over which they have little or no control. Nothing could be further from the truth! Once you separate those "one time only" from the crowd, you are left with potential collectors who want to be wooed on an ongoing basis. They long for the art professional who will take the time to create exciting reasons to buy.

One of my clients, for example, published a series of large sized sculptures. In addition to creating a marvelous story about the sculptor, they designed a promotional package that provided an opportunity to acquire all 15 sculptures immediately even though the art was not immediately available. The sculpture was going to be issued over a period of five years. However, by making a large deposit on the entire collection of 15 sculptures, the collector received advantageous pricing, assorted gifts, and other benefits.

Think of it! Where in the world would most people even put 15 sculptures...all by the same artist...using the same medium? Well, you see, for the true art collector, the joy of having this collection supersedes any and all possible objections. They are convinced at a much deeper level that this collection is extraordinarily valuable to them -and I am speaking of an emotional value, not a financial one.

If you can understand that there are many persons who collect on an emotional level, then you will be motivated to adopt a new attitude about creating collectors and institute marketing programs that support your beliefs.

### Prior Buyers vs. Cold Traffic

If you are the only person in your gallery and a stranger walks in while the phone begins to ring what do you do?

- (a) Let the phone ring while you greet and qualify the stranger.
- (b) Answer the phone and risk having the stranger enter and leave.
- (c) Quickly greet the stranger, then answer the phone and arrange a time to call the person back. Next, reapproach the stranger.

If your answer is 'c', the correct answer, you are already aware of the key fact that Prior Buyers are six times more likely to buy from you than "Cold" traffic. In other words, if you have ongoing promotions/exhibitions that capture the repeat business you deserve, then whenever that phone rings you must give it priority.

Strictly speaking, no one should be alone in any art gallery that has even low to moderate traffic. Otherwise how do you cope with one collector already on the phone and another entering the front door? As any business owner (who cultivates repeat business) knows, you always serve your existing clients ahead of potential clients.

If you accept the basic premise that more of your business will come from collectors then your marketing and sales programs ought to aim a lot of attention to prior buyers who may or may not already be collectors. Many of my clients report that 25% to 50% of their art sales come from repeat business.

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What this may mean to you is: (1) If your repeat business is less than 25 to 50% of your business, you have significant potential business out there you can cultivate on a strategic basis; or, (2) If your repeat business is within this range already but you are not conducting targeted mail/phone promotions to prior buyers, you still have additional untapped business!

### The "Art Professional in Control" Strategy

For those of you with a showroom or gallery, the example I give to illustrate this concept is with the greeting. After the initial pleasantries, most prospects want to browse. They will indicate that with words or body language (e.g. they start walking away from you). At this point I say, "Ofcourse you want to look around; please take your time and I will check back with you later". First, who is "in control" at this junction; me or the client? I am! And moreover, I have established the precedent for positive disengagement. This strategy allows me to re-enter their "space" periodically with an appropriate re-approach question (e.g. "That's really captivating, isn't it? What about this painting caught your eye?") It also, alerts the prospect from the very beginning that I am going to respond even to their objections (the first objection being -Don't bother me, I'm just looking.") with positive aplomb. The ease of the re-approach and your positive attitude are just the beginning. I also alert the prospect that I am insistent on penetrating their protective "armor" and my disarming positiveness says, "you can trust me". Using this strategy essentially guarantees you that when you re-approach the prospect, the "ice has been broken."

In contrast, the "let the prospect be in control" strategy doesn't work and actually exasperates any potential dealings. How many of you have sat at your desk or counter pretending the person wasn't even in the gallery because you "felt" they wanted to look around. The moment you began to stand up from your chair - what do they do but scoot our the door. Or how about the losing strategy of greeting with "May I help you?" When isn't the answer "No, thank you; I'm just looking". Then when you reapproach, the prospect keeps just enough distance between you to make it uncomfortable to speak as this invisible barrier you have created "pushes" the prospect right out the door. While no sales approach works 100 percent of the time; the "art professional in control" strategy clearly works better than the "prospect in control" one.

### Communication

Respond to the following questions for what may prove to be valuable insights.

1) Do you communicate with your "high end" prior buyers:

- (a) Only if they contact you.
- (b) Only to mail out exhibition invitations.
- (c) At least 6 to 12 times a year with an exciting art acquisition opportunity.