

## **GEL Factor Analysis**

### *American Wildlife Art Galleries*

#### **Art Gallery**

Wildlife has been increasing in over the last 10 years with works by major artists regularly selling for anywhere from \$20,000 to \$50,000. The American Wildlife Galleries originally sold a variety of artists but when a new owner took over he focused on the wildlife art of Lee Kouba, who was one of the founders of the wildlife art genre, who had died in 1998. To bring the prices down to a level that was more affordable to most people the store started reproducing the paintings using a process that prints the pictures onto canvas. The owner holds down the reproductions to 750 to 1000 of each painting. The reproductions sell for about \$600 each. The owner also produces prints of the paintings that range in price from \$30 for a small size print to more than a \$100 for a full size print. He also sells T-Shirts, playing cards, plaques and other products based on Kouba's work. Since Kouba produced thousands of paintings the store has an unlimited number of potential pictures to work with. The gallery is the ninth floor of a downtown, Minneapolis office building, a somewhat out of the way location for some, and operates with two employees. The business is a success because the gallery appeals to people who love wildlife art but aren't in a position to pay the high prices of original work.

**Business Model Checklist  
American Wildlife Art Galleries**

		Desired	Excellent	Average	Poor	Compensating Tactics	
						Yes	No
<b>Customers</b>	Number	High		X			
	Ease of Finding	Easy	X				
	Spending Patterns	Prolific	X				
<b>Value to Customer</b>	How Important	Important	X				
	Competitive Advantage	High	X				
	Price / Value Relationship	Low		X			
<b>Acquisition Cost</b>	Entry Points	Many			X	X	
	Sales Support Required	Little		X			
	Promotional Activities	Low		X			
<b>Customer Value to Company</b>	\$ Value of Sale	High	X				
	Repeat Sales	Many	X				
	Ongoing Sales Support	Low	X				
<b>Profit per Sale</b>	Margins	High	X				
	Up Selling & Cross Selling	Much	X				
	Ongoing Product Costs	Low		X			
<b>Investment Required</b>	To Enter Business	Low			X	X	
	To Keep Market Share	Low		X			
	To Stay on the Cutting Edge	Low	X				

## **Strong Points**

1. Easy to find customers. Wildlife art enthusiasts can be found through hunting and wildlife art magazines and through art shows and exhibits that concentrate on wildlife art. The store didn't need to run an expensive ad or promotional campaign to the general public.
2. Customers enjoy buying wildlife art. People who enjoy wildlife art are willing to buy it, especially when it is at an affordable price.
3. Prices of prints and reproductions are a more affordable option. While there are some prints and reproductions of wildlife art available, most galleries concentrate on selling the more expensive originals, or prints by lesser-known artists. The gallery had a big advantage in its Minneapolis area location, since Lee Kouba was a Minnesota artist.
4. Dollar value for each sale is significant. The lowest price art in the store were \$30 to \$50 small prints. These still amount to a significant sale. While some people only purchased accessories, those sales still easily exceeded \$10.
5. Wildlife art devotees buy art on a regular basis. One of the positive points of serving a market where people indulge their hobbies or avocations is that people keep on buying and expanding their collection. This repeat business also generated "word-of-mouth advertising since one wildlife art enthusiast likely knows four or five others.

6. Very little on-going sales support is required. One of the nice things about selling art is that it doesn't require on going training, interfacing or support. Once it is sold, people hang it on a wall and pretty much nothing can go wrong.
7. Margins are relatively high. High quality artwork typically is sold at a margin of at least 50 % and sometimes much higher. The question about quality artwork is not how much money is made per sale, but rather how many sales can be made.
8. There are many up selling and cross selling opportunities. One of the great features of this business concept is that wildlife art enthusiasts tend to prefer the art of a select number of people. So if they buy one item, there is a chance they will buy another.
9. The store will have a relatively easy time staying on the cutting edge. Kouba has thousands of works of art, and he passed away in 1998 and people tend to appreciate an artist more the longer he or she is in the public eye. The store just needs to keep coming up with prints from different pictures, something it should be able to do without much trouble.

### **Weak Points**

1. There is only one entry point - a store. And the store is an unusual retail location. The mitigating factor is that the owner has a distinctive strategy and product line that has very strong appeal for his target customer group.
2. Acquiring original paintings can be difficult and expensive. The store was able to overcome this problem because the original shop owner was the nephew of Lee

Kouba. He was able to acquire a collection of original paintings from family and friends to launch the shop.