



**Digital Camera
Warehouse
Sydney, Australia**

Lucinda Dalton

Sharyn McKissock

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Bill McCurry: The year was 2001. A woman went in a camera store in Sydney Australia to buy a 64 megabyte card and they said it cost \$60 more to buy it in store than the price she saw online. And thus was born Digital Camera Warehouse.

Good morning Lucinda Dalton.

Lucinda Dalton: Good morning Bill.

Bill McCurry: Now there're four of you who are what we would call in the States, partners? You're down here called directors?

Lucinda Dalton: That's correct, there's four of us. There's Robyn Hall, and Tracey Beckler and Celeste Hough and myself, Lucinda Dalton.

Bill McCurry: And Celeste got frustrated because she couldn't get the card in store for the same price. So where were you guys when all of this happened?



Lucinda Dalton: We weren't in photographic industry. We were actually running a business doing MYOB consulting.

From the beginning, Discount Camera Warehouse knew they must be a destination store. When an iconic building, complete with historical aerial became available, it was a natural location. Paint the building purple (see picture above for final look) and it became DCW's first retail location to supplement their growing on line presence.

So we were in a great position to look other businesses and see what worked and what didn't work. Having said that, we were consumers. So we were out there buying goods from other retailers. We could recognize an honest one . . . maybe not so honest one. We're adults and we know how we like to be treated. So we had some experience in retail in past lives but we were running businesses so we were pretty busy.

Bill McCurry: Now MYOB is that kind of like a Quick Books kind of thing?

Lucinda Dalton: It's exactly the same. It's a small software package that small businesses use to look after their accounting.

Bill McCurry: So in 2001 the four of you were in essence business consultants and you immediately closed down the consulting . . . what was the process?

Lucinda Dalton: No we didn't immediately do it; there was still too much money to be made. One of the directors, Tracy, she's a photographer, so she was more interested in this



The new location was repainted to DCW specifications

business. She spent a bit of time setting up the web page and started sort of trading while she was doing some consulting work at the same time. Celeste and I, we were still running the business. So that went on for a couple of years until Digital Camera Warehouse got a bit out of hand and a bit out of control and very, very busy and Celeste and I came in on a consulting basis in about 2003 – 2004.

Bill McCurry: And where are you today, 2009?

Lucinda Dalton: We're thriving. We're having fun. We're having a lot of fun. We've got a staff of nearly 40 people now. There's no doubt that this industry has

a long way to go and we've got a long way to go with it. So we're really excited, we've got lots of plans, we've got lots of things in our heads that we want to implement. We're making a profit and we're not ashamed to say it. We see a bright future in the photographic industry for Digital Camera Warehouse and anybody that wants to be associated with it. So we're hiring and we're training and we're taking photographs and we're selling lots of camera gear.

Bill McCurry: Rumor on the street is you could hit \$35 million in sales this year.

Lucinda Dalton: Yeah, there's a very good chance of that, yeah. But that's going to take a lot of work and that's going to take a couple more store's being opened and that's what the plan is, so yeah step-by-step, but we've got some internal things to get straight first and that's primarily around some software. But once that's done yeah 35, yeah that sounds achievable.

Bill McCurry: Interesting enough, you come from a software background, all four of the partners, and yet you wrote your own software rather than buying off the shelf?

Lucinda Dalton: Yeah because we went and we had a go at couple of software packages off the shelf and they just weren't going to do it. You know, I guess it's because we're doing something that nobody else is doing and so the software's not written. We used MYOB and because we really knew it very, very well and we've used it for years and we've written programs to come off the back end of MYOB

and it's done us well. We' whinge and complain about MYOB, but actually MYOB's not broken, we've broken it. If there's something not on a showroom floor or a shelf that you can buy, then you got to be brave enough to say alright, well we'll build it ourselves. And if you're brave enough and you're patient enough to do that, because this is a project that's taken two and a half years, then you're going to get something that's just perfect for you, and if the software developer makes some money on the side then that's great.

Bill McCurry: Now I see ads in the Australian papers for an outfit like Bing Lee that says "Everything's negotiable." I go into a JB Hi-Fi and it says if you don't like our price, make us an offer. Your attitude?

Lucinda Dalton: Yeah well if I had a slogan it'd be "Best Not Negotiable Prices." But I'm not allowed to use that. Look,

I think that's great, if they want to run their business

and negotiate on price that's fantastic because everyone's entitled to run their



Above picture was taken at a typical JB Hi-Fi – The store's signage reflects the personality the store tries to portray, laid back, contemporary and a bit irreverent. The prices are in big letters with the universal "no" circle through them with text reading, "We will beat this price. Ask for a JB Deal"



BING LEE
Online Voucher

BING LEE
VOUCHER



50% OFF

Step 1: Print off this voucher and visit your nearest Bing Lee store.

Step 2: Negotiate the best price on



Desktop Keyboard / Mouse Combo

Step 3: Present this voucher to receive a further 50% off.

Don't pay the advertised price...

Come into any of our stores and negotiate a better deal today! We are seldom beaten when it comes to the crunch, because at Bing Lee...

Everything's Negotiable

► [Learn more](#)

Capture the Moments you Never Want to Forget

~~\$379~~ **Negotiable**

► [View Product Specifications](#)



Taking photographs has never been more fun and easy with the Nikon S230. The stylish camera incorporates an array of innovative features which will ensure that every

Everything's Negotiable



Home > Colour Television > LCD Television

LCD Television 116 cm Inter

~~\$1,999~~ **Negotiable**

Everything's NEGOTIABLE

Details Product Enq

Bing Lee's Chinese culture has long recognised customers want "to do a deal" when purchasing electrical equipment. After all, as the Chinese say, "everything's negotiable, isn't it?"

Other than our weekly specials appearing on the homepage of this website, all the prices on the Bing Lee website are listed at manufacturer's recommended retail prices. We use manufacturer's recommended retail prices simply to maintain uniformity within the substantive catalogue product listings contained herein.

In the real world of buying and selling, few if any products are sold at the manufacturer's recommended retail prices. The natural forces of negotiability always force prices down, often substantially below the listed prices. So if you are comparing prices online, be aware that Bing Lee will always negotiate a sell price at or below the market.

We invented "everything's negotiable", and we are seldom beaten when it comes to the crunch.

Bing Lee is a 52 year old Australian CE chain with 35 locations. They are proud of their Chinese heritage and use that to convince customers they will "negotiate" on every purchase. Images on this page are from Bing Lee's website www.BingLee.com.au

DCW currently competes with this type of pricing by holding firm on their prices. There are postings on Australian photo forums asking if anyone has ever gotten DCW to break their stated prices. The responses have all been "no" – a fact DCW believes brings integrity to their offerings and comfort to their customers.

business the way that they want to run their business. But we've chosen not to do that, so we've chosen to say "We'll put our best price out there. Doesn't matter who you are. Doesn't matter when you come in. Doesn't matter if you phone us up. You buy off the internet. You come into one of our stores, that's the price. When I shop, I like to know that, one, the retailers making some money, because I want them to be there next year, when I come back to buy my next product, so I'm quite happy for retailers to make money, because that's why we're in business. But I also want to be treated fairly and that's fair across the board, so that's fair for our staff, they don't have to think about anything other than giving the customer information about the product. So I'd much rather them spend the 15, 20, 30 minutes talking to the customer about the product and zero amount of time talking about the price, because that's the price, they ask the question, "Is the price negotiable?" They say no and then that's the end of the conversation. So then the rest of the time is about the product for the customer. So that's the investment there. And so, if people want to negotiate on price and some people love to shop like that, well they're the places that they should go to buy. If they don't want to talk about price, because they're not comfortable, they just want to know that that's the price and it's not going to change depending on who they are, then come and buy from us, because that'll be price

Bill McCurry: So what do you tell me if I say I can buy this someplace else for less?

Lucinda Dalton: if I was on the shop floor I would say, yeah well this is why I'm not on the shop floor, I would yell "Run for your life and go buy it." but I certainly don't tell my staff to say that, I'd say that's fantastic, that sounds like a great price, but if you need to buy this, that, you know, a bag and a memory card, then perhaps once you've bought all that then at the end of the day – it's going to be worthwhile to stay here and buy from us. But you know, if it's a great price then I certainly wouldn't say don't go and buy it from them, but you get what you pay for.

Bill McCurry: Now, very interestingly you have Lowepro bags, it looks like you have every Lowepro bag available, but you don't have any other bag lines. You

seem to pick some brands and just go very wide, but you don't have a lot of brands am I



understanding your model?

Lucinda Dalton: Yeah, as far as bags you can assume that's true. I mean we've got quite a few different brands of tripods for example and a couple of different brands of filters and stuff like that but we made a decision when we when we moved the store actually to the big location in Sydney, that Lowepro pretty much covered everything and there was no contract. People out there thought oh, we

must have signed something to say that we would go exclusively with Maxwell (Lowepro's Australian distributor) and



only sell Lowepro. That's absolutely not true. We made a business decision. We looked at their range and we thought wow, there's a bag for every situation and so there was no need to try and dilute that, by bringing in other brands. So we were really comfortable going with Lowepro, and I think it's a fantastic thing to be able to display the whole range so that people can aspire to you know, perhaps when

they buy their SLR, you know, two years down the track then I'm going to get that backpack because that'll fit that, so they actually can see you know, a progression of their purchases. We're really comfortable with being able to just show one brand.

Bill McCurry: Four women coming together around a common cause that is unique.

Lucinda Dalton: Yeah, it's different. Especially in this industry it just seems to be a



very male dominated industry. We've all been in business in other industries, so we're not afraid of being different and we roll around in it so it doesn't bother us at all.

Bill McCurry: You treat your employees differently; tell me about your spiff program.

Lucinda Dalton: Yeah, we don't have one. We don't have individual spiffs for our staff. We don't want people to switch sell in store or on the phone, if somebody walks in and they ask for a particular camera we don't want them to sell something else just because there's a spiff on that product or that brand. Because the only the people that are going to suffer for that is us, because if the customer

walks out with something that they didn't actually want, then they're not going to be happy, they won't come back or they'll come back complaining so you allow people to buy what they choose to buy what they want – and a lot of the time people know what they want when they walk into our store, so you allow them to buy their camera that they've chosen or the brand that they've chosen and then you sell them the peripherals that go along with that. We have group incentives so if there's a spiff that's going with company we'll ask them to group that so we'll combine all the sales and then we'll do something like we'll go out to dinner as a team, or we'll buy something.

We've bought a Coffee Machine. We've bought a table tennis table. We'll do things as a group so



everybody will win. So that means that the people in the warehouse, the web team, the sales team, the management, they all get to enjoy the group success, Digital Camera Warehouse success and that's really important for us because I think that's that set's us aside from other people.

Bill McCurry: What happens Friday night around here?

Lucinda Dalton: Yeah it gets a bit rowdy. 5:30 is knock off time and it's time for drinks. We've got some promotions coming up, Sharon, our marketing manager, she'll use that time to sort of get everyone up to speed with promotions, and we'll have a couple of beverages, some alcoholic, some not sometimes you know, if we've met target that previous month we'll have a barbeque and so yeah, we sort of sit around and then you know, sometimes it's just a debrief for the sales team. Sometimes they go oh, they just need to have a chat and talk to each other about customers that they've had during the week. And same thing for the warehouse too. So it's a nice time for everyone to come together and just have a bit of a chill.

Bill McCurry: You're having this big party and then all of a sudden you've brought in this word "meet your targets". You set targets?

Lucinda Dalton: Yeah we do. we set targets monthly and that's a group target it's a turnover (sales) target – we have an intranet and on that intranet is a thermometer and that's kept up to date daily and everybody is well aware of if we're on target so yeah if we're not on target, then some e-mails go out towards the end of the month and we try and give everyone a bit of a rev-up so that we make target, because if we make target then everyone wins. And everyone gets a prize.

Bill McCurry: Can I ask what I get if I'm on the team and we hit target?

Lucinda Dalton: Yeah, it's usually some kind of voucher, it's usually a voucher where you can you can come spend it at a store of you know, your liking.

Bill McCurry: And that happens every month?

Lucinda Dalton: Yeah, it happens every month, we set a monthly target, that's correct.

Bill McCurry: How many months do you hit target?

Lucinda Dalton:

Oh I'd say 80% of the time.

Bill McCurry: So you've got some hockey stick growth, if you don't mind that



term, and you're still setting aggressive targets on top of that.

Lucinda Dalton: Yeah, you have to. You have to set aggressive targets, you know there's no point in sort of you know, resting on your laurels. Yeah we set aggressive targets. We look at trends for us, which is you know, sometimes difficult, we have a spreadsheet with some formulas punched into it and yeah we don't set unrealistic targets, but we set achievable targets, but they're always above and beyond last week.

Bill McCurry: Your store in Sydney, not really in a retail location?

Lucinda Dalton: On purpose, yeah it's about destination. We have people that walk in that know what they want. That's because we have a really strong web presence so a lot of people that walk into the store they find us via our web page. And while they've found the location on the web page, they've also found usually the products that they're after. Our staff aren't that used to people tire kicking. That means just coming in and asking a lot of questions and not purchasing. So most people that walk into our store, walk out with a brown paper bag filled with photographic goodies and we love that. That's part of the philosophy of the business. We want people to come into the store that are interested in purchasing.

Bill McCurry: When you needed to have a store, you picked one with a radio aerial on it?

Lucinda Dalton: Yeah. It's a good aerial isn't it? And we've painted it purple. So



it's a purple building with an aerial on the roof. It's a landmark yeah that's all part of destination. Our Melbourne's store on the other hand is on a shopping strip, but its painted purple, it's in line with our city store – all our stores when we have them all will be painted purple.

Bill McCurry: What made you decide to hire a marketing manager?

Lucinda Dalton: Because the four directors were really bad at marketing. We got to the stage where we had to recognize where our strengths and weaknesses were as individuals and we were really good at starting and building a business, but there were things within that business that we weren't good at. So that's when you employ and engage people that can do those jobs and that's one area that we knew that we weren't very good at. So we sought out someone that could do that job.

Bill McCurry: And how did you find a marketing manager in Sydney, Australia?

Lucinda Dalton: This industry is one of those industries where people move around internally quite a bit. Our current marketing manager was associated with us through one of the wholesalers so we had a relationship with her already and we recognized within that relationship, that she had some skills that could transfer over to our business. And also at the same time she was looking for a challenge and I think it's worked out very well for both of us.

Bill McCurry: Lucinda Dalton, thank you and how about we talk to Sharyn McKissock?

Lucinda Dalton: That's a very good idea.

Bill McCurry: Good morning Sharon.

Sharyn McKissock: Good morning.

Bill McCurry: You were with Cannon and Nikon in the field and all of a sudden along comes Digital Camera Warehouse and what happens?

Sharyn McKissock: I jumped on board.

Bill McCurry: What was your biggest surprise?

Sharyn McKissock: Not a great deal of surprises, I worked with the girls in both roles over a number of years, so I knew what they were doing. I guess the biggest surprise, systems and processes and the amount of growth that they've had in the Australian market and we continue to have that. I'm still surprised by that, because

we hear feedback and it seems a bit quiet out there. It's changed over the last six months it's been wonderful, been a great change.

Bill McCurry: What's your logic to take a number when you come in the store?





Sharyn McKissock: It gives customers peace of mind, so the whole process that we have is transparent and peace of mind. We found that when customers walked in the store, they would see a queue because we are busy, it is a destination store, so if people can't get here Monday through Friday they have to come on a Saturday, we have a mindful

that customers are valuable, their time is valuable, so instead of them walking into an environment and just having to stand in a queue, we have a fantastic retail execution that's brilliant. People come in, they should look around. They should investigate. They should touch and feel. So what we did is we wanted to try that and take that insecurity or the unsureness out of the equation so okay come and take a number, wander as you will, okay, when we're ready, when the other customers have been served, we're going to call your number. You can come up and we'll talk to you. Which is fantastic. We call it the bistro number system. It's

in Coles Supermarkets and bistros they call a number you go and get your food.

But it really does give peace of mind to the customer that they know that they're going to get dedicated service. The staff aren't looking over their shoulders signaling to other people saying they won't be



long, that they will get 100% dedicated service while they're there, but that also they just want to look around and see what we do.

Bill McCurry: What's your marketing plan for the rest of 2009 and 2010?

Sharyn McKissock: We're going to continue to do some strong brand campaigns so we are partnering with brands in the marketplace that drive customers into our store, I mean we've just been to the recent PMA (Australia) Convention and at DIMA day they were talking about how it's turning into a demand driven marketplace, so we're going to partner with those brands quite strongly that are actually spending the money, investing it in the industry and driving people in. So we'll continue those and they work very successfully for us. We're also going to increase our brand awareness so people know who we are. We've got some great things for the latter half of this year where we can actually expand our database by

simply putting new products in our mix. So we're going to be doing that which means we're going to have increased visibility throughout the whole imaging market. And obviously opening new stores and that sort of thing creating that database, getting database acquisitions, doing some hidden page offers so we can see what our customers respond to and just keep testing the market that way.

Bill McCurry: What else should we know about Digital Camera Warehouse?

Sharyn McKissock: I think Digital Camera Warehouse is a snapshot of what the imaging industry is going to move to. I think our customers are demanding transparency. We've



delivered that. We have great success in doing that. But there's been a shift in the Australian market from specialty photographic through into sort of mass and I think it's moving back into specialty. People want to have an environment where they can create and communicate with people who are passionate about the same thing. So for Digital Camera Warehouse in the future we're going to be connecting with our customers. We're going to be communicating with them and we're going to help them create what they want to create in that type of environment. Big

things coming. We're going to do that all around Australia and just keep building on that, because I strongly believe that people are moving back to the specialist arm of photography.

Bill McCurry: You spent a fair amount of time putting your website together and showing recommended accessories? (www.DigitalCameraWarehouse.com.au)

Sharyn McKissock: Yes we do. Once again it's about providing solution to the customer. There are a lot of customers out there who are responding to brands, but brands are obviously



promoting their own brand. There are a lot of fantastic accessories out there which are outside the normal brand's scope. So if you want to buy a Canon or a Nikon camera, then you're only going to get those accessories, but there's so many other things out there. So we spend a lot of time doing that and once again it's providing the solution to the customer saying we're not just going to sell you the camera, we're going to sell you and create the desire about everything that goes with it, so they might not have thought about applications for underwater housings, they might not sort of doing their own broadcasting, but they can find all the things as

recommended accessories just to give them the hint of what they can do, so if they don't do it initial transaction they go "Ahh, but I can do that." So hopefully we'll create repeat customers because they'll come back and spend and spend and explore their photographic passion.

Bill McCurry: Lucinda, Sharyn, thank you very much and best of success to everybody at Digital Camera Warehouse.

Sharyn McKissock: Thank you. Lovely meeting you this week and we hope you've enjoyed Australia.

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We would love to hear from you with your ideas, suggestions and comments . . .

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