



A Voice from the Industry Speaks Out

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Business of Doing Business

Prioritizing the Myriad Challenges, Problems, and Diversions

Sometimes when you see others trying to take business from you, the diversion can be more detrimental than the actual consequence.

Some time ago, I noticed that FedEx was poaching my customers. In fact, they had initiated a new business model to snatch new customers from my online package-ordering traffic.

In the past, I had customers overnight photo restoration work and shoe boxes of generations of family photos to be scanned and uploaded to *30minphotos.com*, which I thought was only being viewed by their families. I was wrong. Federal Express began offering 25,000 products on its *FedEx.com* website, which competes with many of its freight customers. Forget seeing the pictures—they were seeing my customer list!

Among the worst violations of fair trade was the FedEx main website broadcast with large banner ads for my customers to order photo greeting cards from FedEx Kinko's, rather than from 30 Minute Photos Etc. In fact, their privacy policy explained that they can market to my customers via email and direct-mail solicitations.

I did what most merchants would do, and then some. First I contacted FedEx and asked them to rescind this practice. No response.

[As a side note, this is how Visa, MasterCard, and the major banks got themselves into a multibillion-dollar antitrust suit. I called and emailed to simply ask them to rescind certain interchange credit and debit card fees. There was no response, so I made a call to the *Wall Street Journal*—now my new title is “class representative and lead plaintiff” in the multibillion-dollar price-fixing antitrust class-action. For more info, check out *The Credit Card Interchange Report: WayTooHigh.com*, which my company edits, at www.WayTooHigh.com.]

Step two: I contacted friends throughout the national media. Almost immediately, a Sunday feature story ran in the *San Francisco Chronicle* (<http://30minphotos.com/news/sffedex.html>).

Step three set me back. Due to my nearly 24/7 involvement with the antitrust

litigation and Hurricane Katrina striking, attacking FedEx became less of a target. Besides, I was so moved by how responsive and heroic the company was in rescuing and saving so many businesses and lives in the region affected by the monstrous storm.

During the excitement from all these events, I had just enough time to transfer the accounts for *30minphotos.com* and our online boutique photo service to UPS.

But during this transition, my entrepreneurial eye was taken off what really mattered. The fact was that I had trusted FedEx for 15 years. Never a problem. Never a lost package. Never a

So our eye is back on the ball. We're back with FedEx and understand that in this highly competitive technological race to score new customers, everything and everyone is fair game. Today my e-commerce business competes directly with every other local and national online and retail photo center.

But because we are constantly reinvesting our business and specializing with a core principle of differentiating our services, 30 Minute Photos Etc. is too busy racing toward new adventures and business opportunities to waste time wondering if my customers will switch to FedEx Kinko's



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delay. Their service was impeccable. Like UPS, their employees were sensational and always professional.

Then it happened.

Can you believe that UPS actually lost a package? It was valued at \$1,600, but no insurance was taken out on it. Who would have thought? Having a problem with shipping was uncommon, and certainly with the spotlight on UPS, there was no need to secure that item with them.

Wrong.

Not only was the package lost, but it took four months to get a paltry \$100 refund, plus a \$19 shipping reimbursement. I think my staff invested a combined multi-day effort to recover just that money. Four months. Scores of emails, phone calls, and contacts all the way to corporate communications in Atlanta, and not even a goodwill adjustment.

Nothing.

greeting cards.

The same scenario is playing out with photo leaders like Kodak. Recent concerns were expressed about Kodak striving to take business away from the photo specialty retailers. In fact, all our competitors are trying to win over our customers. If we pause to ponder their intentions, the result is that we'll get distracted from our main focus: taking business away from *them*. *ptn*

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Do you have an industry issue you would like to “Sound Off” about? Then contact PTN Editor Diane Berkenfeld at 631-845-2700, ext. 270, or via email at diane.berkenfeld@cygnuspub.com, and submit your idea today. Remember what they say about opinions? Everybody's got one...