



Aquarium Professionals Group

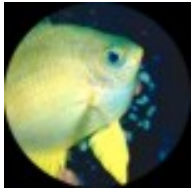
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Industry Issues

Aquarium Stores vs. Aquarium Maintenance Companies



What about good aquarium maintenance companies?

Aquarium retailers, if you're still with us, consider this scenario.

What if an aquarium maintenance company is started by experienced, knowledgeable aquarists who do everything to operate legitimately except buy or lease a retail store? They have capital. They lease a space separate from their home, set up an aquarium system, buy inventory, get the right licenses, obtain insurance, and engage in honest competition through advertising. They join aquarium societies and the Better Business Bureau. They set up a web site. They may not have a retail storefront, but they do have a fair amount of overhead.

What about these companies? There are plenty of maintenance companies that don't want to operate a retail store but do operate an aquarium service business with integrity. Why no retail store you ask? Maybe they don't have quite enough money to set up nice merchandise displays. Maybe they're not salespeople or "people-people (an undisputed requirement for a retailer)." Maybe they just like to clean aquariums or just love aquarium mechanicals. Does that make them any less of a legitimate business? The answer to that question, in the spirit of the free-enterprise system this great country was founded on, is . . . NO!

So why do these companies have to put up with discrimination? They face major barriers to overcome that a retail store doesn't have to worry about. Should they have to put up with the legacy left by irresponsible, illegitimate businesses that don't even compare to them? They too have to compete with mail-order, internet, and super store business. What can they do? They still have a difficult time obtaining dry goods and livestock, because wholesalers are afraid of rocking the boat and losing customers. We propose that if legitimate aquarium maintenance businesses were fully supported by the aquarium industry, their resulting strong market share would discourage inexperienced hobbyists from opening fly-by-night businesses that hurt the industry.

They also have to deal with distributors that violate more anti-trust and fair-competition laws than some so-called monopolies. In some areas, these wholesale distributors are the only source for certain major product lines. These distributors are those that have so-called "retail storefront only" policies which discriminate against these businesses. This is done supposedly to "protect retail pet stores," but don't you believe it. We know of at least one of these distributors in our area that won't sell to any maintenance business, but turn around and sell to mail-order and/or super stores, which truly represent unfair competition to the aquarium retailer. The bottom line is that when money talks, greed listens. In this particular case, this distributor happens to be the only full-line aquarium dry-goods supplier in the Chicago metropolitan area. They hold a monopoly, and therefore it would be impossible for their business to be damaged through boycotts from retailers. Although The Aquarium Professionals Group does not rely heavily on local sources for dry-goods, we are against distributor policies that restrict fair-trade in the interest of promoting competition and free-trade in the aquarium maintenance industry.

So how do we sort the good from the bad?

The unfortunate truth is there will always be fly-by-night businesses in any trade, and we can name quite a few retail aquarium stores that easily qualify for that title. Aquarium maintenance is becoming big business, and more aquarists who can do it right are doing it. Nothing any retailer says is going to stop this trend. We suggest that all morally

and ecologically responsible aquarium retailers and maintenance companies join together to educate the public about businesses that hurt our industry. We propose different criteria for the sale of aquarium goods and livestock than exist today. These criteria would protect retail aquarium stores from unfair competition even more than they are now, allow responsible, legitimate aquarium maintenance businesses to co-exist in the same market, and help prevent irresponsible aquarium trade practices.

The bottom line is that any legitimate aquarium retailer who starts a business that has insurance and proper licensing should be able to buy what they want from whom they want. If you cut through all the fancy language of modern anti-trust and fair-competition laws, that's basically what they say. No other sector of that market should be allowed to lobby or otherwise influence the decision of a distributor to sell or not to sell to any legitimate business in their industry. If a real aquarium business exists, they should not be discriminated against.

The criteria that should be used to determine legitimacy should be the square-footage of space devoted to operating the business. Another distinguishing criteria could be the possession of an aquatic holding system (say, greater than 500 gallons in volume) that has been certified by the state Dept. of Agriculture. Finally, we propose that all aquarium retailers that sell livestock, and any of their employees that sell livestock or maintain aquaria, be certified by a standardized qualification test that insures they have a good working knowledge of the basic principles of freshwater and marine aquaria and fish. The American Marinelife Dealers Association is already in synch with this goal, and we suggest you visit their web site for more information (www.amdareef.com).

Passing this qualification test should be a requirement before an aquarium business is given a state retail license. Keeping that license would also require reported employees to qualify as well. Since that will mean knowing what you're doing BEFORE opening an aquarium business and hiring knowledgeable employees, it will prevent supermarket pet stores (and most mail order and internet aquarium sources) from selling or caring for aquarium livestock unless they're willing to pay more for knowledgeable labor. Higher labor costs will mean raising prices to regular retail, thereby leveling the playing field. This will promote competition in the aquarium retail trade to what it should be: Better service and expertise. Everyone in the pet business knows that most managers and employees of many supermarket pet stores don't know diddly (or maybe just a wee bit more than diddly) about the fish and livestock they sell. If they did, they'd be making more money working in a real aquarium or pet store. The so-called "animal care schooling" the super stores give their employees is an inside joke amongst most pet retailers. As retailers, we've all had to contend numerous times with customers who bought their fish and pets at these joints and were given horrible advice, often leading to the death or illness of the animals purchased.

The realization of our proposals will go a long way towards promoting a new attitude towards aquariums and fish-keeping, and it will bring in more business because hobbyists and non-hobbyists alike will be able to shop for aquariums and fish with confidence.