



Taking shoppers to the cleaners: a turnkey dry cleaning operation may be another way to bring shoppers into the store on a regular basis.(Nonfoods for Profit)

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Retailers are always searching for ways to attract new customers and convince existing shoppers to make extra trips to the grocery store. Dress for Success Cleaners COO Bruce Stegmaier thinks he has the answer.

His Santa Anna, Calif.-based company provides supermarket chains with a dry cleaning operation designed to bring consumers into the store when they drop off their dirty clothes and a few days later when they pick up their dry cleaning.

"One of our goals is to help provide incremental sales and profits for the supermarket," Stegmaier says. "The average consumer with dry cleaning is in the store once every one to two weeks. That creates a tremendous opportunity for the supermarket chain to grab more traffic and sales. This is an additional consumer draw and an enhancement to the one-stop shopping experience."

Dry cleaning operations have been tried before in grocery stores, usually with minimal success. While retailers have always realized the potential to draw more shoppers in on a constant basis, many say running a dry cleaning operation can be full of hazards that can lead to lower sales and lost income. "We tried running a dry cleaning shop in five stores in the late 1980s, and no pun intended, we lost our shirt," says one former retail executive. "We thought we could manage it ourselves and quickly realized that we did not have the expertise to get the job done. I think we lost customers because of that venture, and we got out as quickly as we could."

[ILLUSTRATION OMITTED]

Stegmaier says his company's turnkey operation is designed to eliminate retailers' fears. First, Dress for Success provides employee training to ensure that store workers are aware of all nuances involved with dry cleaning. Then the company handles all aspects of the dry cleaning itself. The dirty clothes are picked up at the retailer daily and are returned within two days. Store employees are only asked to enter each dry cleaning order into a computer system to properly account for all items and address any special concerns, such as hard-to-remove stains.

"Our job is to manage everything," Stegmaier adds. "Besides providing training to employees, we also offer training tools that include a 16-minute training program designed to help the retailer be more labor efficient."

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Starting a dry cleaning operation is not difficult, he says. Retailers need to devote about 100 square feet of

space to the section and can normally place a counter at the front of the store within the store's service counter. Stegmaier says retailers need to invest about \$20,000 per store, and merchants can expect to get a return on investment on a five-year depreciation schedule of about 73%

Stegmaier says that at grand openings a regional operations manager will come to the store to do a four-hour training program and a one-hour class for store management personnel.

Once a store opens, Dress for Success continues to help promote the dry cleaning operation. The company can tie into the retailer's club cards and offer dry cleaning promotions and discounts as a value-added service. "We have a whole range of events to promote the service. They include such standard promotional efforts as shelf-talkers and other signage to special promotions like 25% off dry cleaning and buy one, get one free," he says.

Stegmaier says his 11-year-old company has dry cleaning operations in several hundred locations in seven chains, including Publix, Albertsons, Marsh and Kroger in the U.S. and Australia. He says that the store count is increasing by about 20% annually. "When retailers find out about us it becomes a very easy sell," he says, noting that operating a dry cleaning venture in a grocery store gives a retailer a point of differentiation.

"The bottom line is that consumers like this service a lot," he adds. "A telltale story is that during the California grocers strike, many of the retailers shut down their perimeter departments but kept the dry cleaning operation open. The reason was because consumers were asking for it. It is that important to them."

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