

# A moving experience

*Store visibility too limited? Conditions too cramped? Rent too high? Maybe it's time to pull up stakes and find a new place*

BY SUE BRETTINGEN

Is your store making you and your customers claustrophobic? Is space too tight to expand a product section or to add a new one? Do you have nowhere to put that train layout, slot-car or R/C track you've wanted to build? Do people have a hard time finding your store because of its location? Is your lease about to expire?

It may be time to relocate. And, while making a move can be a risky, headache-inducing proposition, consider the alternative. Can you really afford to stay where you are if it means sticking with the status quo?

Penny and Mike Marquart played it safe when they opened Mike's R/C World nine years ago. "When we first started this, we decided to see how it would go, and so we rented a warehouse in downtown

Bellingham (Wash.)," said Penny Marquart. "It was small. Our store was probably only about 200 square feet, and the racetrack was probably only 45 by 55 (feet), so it was tiny, with very little pit space, but we didn't want to invest a whole lot of money if it wasn't going to work."

Almost immediately, though, they knew the store was too small. "We would have races, but we'd only pull in about 15 to 20 entries ... but we were packed," said Marquart. "So that was really sad. And then of course, the store was horrible. You could only get two or three people in the store, and it was packed."

After two years of cramped conditions, they scouted out several locations and decided to buy land near Bellingham Inter-

national Airport. After nearly a year of zoning battles with the county and numerous public hearings, the Marquarts got their spot and constructed a warehouse that provides them with nearly 1,400 square feet of retail space and room for a much bigger race track.

"I'm really, really glad that we had run the business a couple years prior to building it, because that helped us with the layout," Penny Marquart said. She and Mike asked themselves these questions as they put their plans together: How do we want it to work? What works for the racers? What works for people just coming in to play?

Mike's R/C World was determined to keep things as normal as possible while preparing for the move. "My philosophy was, 'The store never closes,'" Penny Marquart said. "And it still is. And so thankfully the [former] store we had was tiny, so Mike could come over to the new store and work there, getting it ready for how we wanted it set up."

Penny shopped at companies going out of business, snapping up shelving, display cases, registers and counter tops. As they took the old store apart, they sorted products by brand name, sticking HPI parts in one box, Blade in another, and they continually wrote messages on the white board by the track, keeping customers informed about the relocation.

On the evening of the move, the store's regulars chipped in, lending sweat equity to the cause. "We have people here that have been with us since we first opened, and they pretty much live here with us," Marquart said. "So they had all their trucks with them on the move. They all chipped in. All the guys do that a lot. When we change the track, they're all here; when we have a project, they're all here ... even when we have inventory, they're helping. They're just awesome. That itself made life a lot easier, too."

Although it took several days to unpack and neatly arrange the merchandise, the store opened the morning after the move, with some customers already waiting at the door, anxious to see the new space and try out the new track.

"Since we've been here, business has exploded," said Marquart. "When we started this, the whole object of Mike's R/C World was that we wanted to provide everything that had to do with R/C: a track for the cars, a pond for the boats, a strip for airplanes. Unfortunately, land is expensive, and we haven't been able to do all of that. But one of the other biggest things we've always dreamed of doing was having birthday parties, and so when we got over here, we had the space, we had the ability, and so we finally were able to find the cars that work for that, and we do birthday parties now."

Track space has been a boon for Mike's R/C World. Now that the store has two floors, radio-frequency conflicts are no problem. Upstairs is a 40-by-18-foot on-road track for parties; downstairs is an 80-by-60-foot off-road track that brings in as many as 100 participants to events such as a winter racing series and a stop on the Electric Championship Tour.

More space, more visibility, more events; it naturally adds up to more customers. "The trick is getting people in," Marquart said, noting that the "wow factor" usually kicks in the second they come through the door. "Since we've moved here, it's been a lot easier, because we're on such a better road. The airport people come here and hang out while they're waiting for their airplane. We've had people who are dropping people off at the airport come back and say, 'I had to see this!' That has been huge for us."

Mike's R/C World is not the only game in town. Just before it moved, HobbyTown USA opened. Marquart said she remained calm, considering it healthy competition. If Mike's doesn't have a part in stock, Marquart says she calls HobbyTown to see if they do. And HobbyTown will send customers to Mike's if they seek more specific R/C expertise than HobbyTown can provide, or if they want to race their cars.

No matter how spacious and shiny your store may be, customer service is still the key to success. Marquart said Mike's R/C World continually strives to keep old customers and bring in new ones. One of the ways they do that is by offering classes that teach people to maintain and fix their



Bill Ott said he's filled with hope now that his store, Modellbahn Ott Hobbies, is in a new location with much more space than the previous location.

own R/C vehicles. Another is to get people involved with racing. Eventually, if they can figure out how to offer more parking space, they'd like to be a stop for the Nitro Championship Series.

Penny Marquart's advice to others considering a move? "Even if it means digging out of boxes, even if everything's not on the wall, don't close the store," she said. "Customers need to know you're there, and they need to know you're there every day — even just getting them into the store, even if you can't find that part, at least you can talk to them, get their number and say, 'OK, I'll look for it and call you.' I believe that's important, to not close the store."

## On the sunny side of the street

Why did Frank Ruby cross the road? To get to the other side, of course, so that he could move his store, Blue Ridge Hobbies in Greenville, S.C., into a space that provided twice as much room (2,400 square feet) as the previous location.

"We outgrew our first location within a year," Ruby said. "The Internet business was three years old at that point (2007). It started slow, but the Internet business picked up. That's what drives what we do. Make no mistake about that; we're still doing about 70% Internet. And with that, we had to expand the shipping department, but

there still wasn't enough room. We were winding up sorting items in the aisles for shipment and trying to get product out, and it was not conducive to staying in that location."

The previous location wasn't exactly suitable for the brick-and-mortar end of the business, either. "It wasn't a retail space," said Ruby. "It was more of a flex space. Semis were pulling into the parking lot all the time ... signs were facing the wrong way." One of the good things about the location, however, was that it was near a Home Depot, which was helpful when giving directions to the store. "We get a lot of people who come in from out of town," said Ruby. "They look in the back of Model Railroader and find us that way, and we're fairly accessible off the Interstate."

For the last couple of years, Ruby had been keeping his eye on a space across the street, talking with the owner, trying to work out lease terms. Eventually, early in 2009, they came to an agreement. Finally, Ruby had a new spot, one still close to the Home Depot, but in a more visible and retail-oriented environment.

When it came time to move, Ruby and his staff tended to regular business at the old location; at night, they threw themselves into build-out work at the new one. And then one Saturday last August,

## SEVEN TIPS BEFORE MAKING THE SHIFT

Thinking about relocating your store? Bill Ott of Modellbahn Ott Hobbies suggested keeping these factors in mind:

**Distance:** Are you moving too far to keep your customer base? No one wants to start all over.

**Overhead:** Keep overhead changes to a minimum. "Don't take on a much higher rent, since you'll have to increase sales four times the rent increase (amount) just to cover it," Ott said.

**Lease:** Read over the new lease very carefully in case it contains hidden costs.

**Signs:** Ask your former landlord if you can keep a sign at the old location telling where you've moved. "Our old landlord took down our banner after seven days, so we taped smaller signs

to the windows," Ott said. "She requested those be removed after about four months, even though the old store is still empty nine months later!"

**Customers:** When dealing with customers, be upbeat about the move so they'll want to follow you. Let them know about upcoming improvements, even if they're a year away. This way, customers will keep checking back for updates.

**Phone calls:** Make sure everyone who calls your store knows about the move, both before and after it happens.

**Advertising:** Use whatever form of advertising works best for you to get the word out about your move. If your local newspaper has a business section, consider submitting a brief press release.



**The off-road track at Mike's R/C World is one of its main attractions; offering classes on maintenance is another.**



**Blue Ridge Hobbies has a much higher profile in its new location; it even draws dental patients from next door!**

a group of regular customers teamed up with Ruby's staff, loading their pickups with gondolas full of merchandise and driving them across the street. The entire move took less than 48 hours.

Conditions weren't exactly perfect at first. Electricians were working in the new store even after it had opened. And because of a glitch caused by Ruby's Internet service provider, his website was compromised; he could take orders, but he couldn't update his site. Still, because it was summer, business was a little slower anyway. And before long, business was back to normal.

Now, people have no problem finding Blue Ridge Hobbies. In its new location, the business is near a Sprint store, nail salon and frozen-custard place. "And we're kind of the second waiting room for the dentist next door!" Ruby said.

More space means room to expand. Although model railroading is still the store's mainstay, Ruby hopes to go deeper into slot cars and R/C, although he's holding off on building a slot-car track. Why? "We're already looking for new space ... and we're not even in here a year yet," he said. "There's a lot of retail (space) available right now at a little bit lower price than it has been ... so we're looking at doing something."

And Ruby said he must be doing something right. Business has been up; in April alone, it was 15% higher than last year. "The biggest things that draw people in here are the prices and the Internet," he said. Snowbirds from as far away as Alaska and Michigan stop in the store on their way to Georgia and Florida. About a thousand people follow the store on Twit-

ter; about 7,000 people are on the store's e-mail list.

Besides providing good customer service and keeping a high profile, Ruby offers another piece of advice to other hobby retailers: "Write short leases!" He sticks with 1-year leases and has a 90-day out option so that once he decides to move, he's not locked into the old location.

### **Holding on to hope**

If there's anyone who knows what a burden a building can become, it's Bill Ott. Originally, he located his business, Modellbahn Ott Hobbies, in a 2,200-square-foot space in Gilbertsville, Penn. Four years later, he asked the landlord to add on, which brought the retail space to a little over 4,000 square feet.

Once the landlord's mortgage was paid off, Ott's portion of the mortgage was supposed to be dropped from the rent payment. But after the landlord died, his widow refused to drop the mortgage payment. From that point on, Ott opted to go with 1-year leases instead of the 5-year ones he had previously signed.

Last September, it was time for Ott to renew his lease. Because of the soft economy, he asked the landlord for some concessions, but she was unwilling to make them. By then, Ott knew it was time for a change. "We looked for properties to purchase or rent but wanted to stay fairly close to our then current location where customers knew us," he said. "Moving 10 miles in Pennsylvania would be the same as opening a brand-new business. People here don't travel too far too often."

Suddenly, things started happening. A company that Ott bought paper products

from went out of business in the middle of the night. Aware of the property, just two miles away, Ott contacted the owner to discuss size and rent; the owner agreed to meet him at the property in 10 minutes. Ott toured the property, analyzing how he could use the space for a hobby store. "Three days later, we met at the property again and had a handshake agreement before we left," he said.

As soon as Ott knew he was going to move, he posted signs in the store and in a nearby Taco Bell. He lined up temporary help for packing up the store, adding four people to the two full-timers and one part-time person making up the permanent staff.

Inside the old location, staff members moved boxes out of storage, disassembled slot-car tracks and removed shelves, all while the store was still open. Then, staff started packing up showroom items and cleaning. Ott closed the store for about 3½ weeks.

"We could have used more help packing up, since there was so much to move," Ott said. "If the economy had been better leading up to the move, we might have had more employees competent enough to help set up the store."

Regardless, Ott is excited about the move. He now has nearly 11,000 square feet to work with. His store's Facebook page displays photos of new slot-car and R/C tracks.

"The new location is filled with hope, where the old location simply had no place to go," he said. "Hope helps to keep us going in this tough economy, and we can see how great it will be here once things turn around." ■