

# Long Beach

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## Local Retailers Are Optimistic For A Better Holiday Season Than Last Year



Hot Stuff owner Barbara D dresses up in holiday gear in preparation for the Christmas season. The card, gift and novelty shop, located at 2121 E. Broadway, celebrates 30 years of business this year and expects moderate growth during these winter months. (Photograph by the Business Journal's Thomas McConville)

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The retail industry is expected to show some growth during this year's holiday shopping season compared to 2009, according to several national economic forecasts. Locally, retail shop owners are dropping prices and getting more creative in an effort to lure shoppers. Most are optimistic that this year's sales will beat out last year's, but crossing their fingers may still be necessary.

According to Archstone Consulting, a strategy and operations management division of The Hackett Group, Inc., this year's U.S. holiday retail sales will likely increase 1.5 percent. The group predicts this small growth shows a healing economy but the remaining effects of the recession on American's pocketbooks. The National Retail Federation predicts a slightly larger increase of 2.3 percent, equating to \$447.1 billion. This is an improvement over last year's 0.4 percent uptick and the 3.9 percent decrease in sales during the holiday months of 2008, but overall consumers are likely to remain highly aware of prices.

This hesitance matches the NRF forecast of consumers relying more on debit cards and cash to pay for items during the holidays versus credit cards, which hints at a focus on spending within a budget. "Many families may choose to leave credit cards at home as they shop this year, making sure to only purchase what's on

their list and within their budget," NRF President and CEO Matt Shay said in a statement. "A variety of promotions ranging from free shipping to one-day sales will make it easier for shoppers to afford the perfect gift for their loved ones this holiday season."

In Long Beach, retailers are doing just that. Take Phnom Pich Jewelry, located at 1006 E. Anaheim St., which opened last year. The store is owned by Bopha Phan and managed by her sister, Kathy Lor. Lor told the Business Journal the store is looking to do more sales in the tough economy by revamping its inventory and offering significant holiday discounts.

"We would like to help out the economy also by making [our inventory] affordable for people who still wear jewelry," Lor said. "Before, we had larger stones and more expensive settings. Now, we are designing wedding bands and engagement bands that they can still afford without making it more extravagant. [We're] keeping it simple knowing that the economy is like this." Phnom Pich has begun selecting designers who offer simple but elegant designs using smaller stones that come with a smaller price tag.

She said business is looking good for this holiday with hopes of an increase in transactions resulting not only from inventory changes but significant discounts ranging from 35 to 65 percent and an expanded layaway option from three months to six months. "We don't showcase or customize ourselves to only people who have money anymore," Lor said. "We accommodate ourselves to



H. Maxine "Max" Viltz displays art and artifacts from around the world in her boutique gallery Village Treasures, located at 146 Linden Ave. in the East Village Arts District. (Photograph by the Business Journal's Thomas McConville)

everyone, especially if people have a budget. We have come to that turn and we will bend."

BeMe Boutique owner Linda Chey is expecting a tough but better year. "Sales-wise, I have a good feeling that this December will be better than last year," she said. The women's clothing and accessories boutique, currently located at 3500 E. Anaheim St., is moving at the start of 2011 to the former Doggie in the Window shop at 4106 E. Anaheim St. "We just purchased that building. Right now it's under construction," Chey said. She expects BeMe to have a grand re-opening by February. "I can't afford too much downtime, because when I'm not open I'm losing money," she said. BeMe will remain open through the holidays and the first couple weeks of January.

BeMe thrives on word-of-mouth referrals and repeat customers, with rave reviews on Yelp and Google, which have helped her business during a tough time. "The really bad part about last year is that a lot of people got laid off and hours got cut," Chey said. "So clothing is not their number-one priority on the list. But hopefully people this year got back their footing a little more than last year. . . . That's my prediction and I hope that's what it is."

Ali Kobeissi, owner of the upscale boutique Sway in Belmont Shore that opened this summer, said over the last month and a half, business has been picking up strong, which he thinks indicates that his shop might have a great holiday season.

The boutique, located at 5211 E. 2nd St., expanded its inventory a few months back to add men's clothing in the store's upstairs mezzanine with items from Diesel, G-Star and other top brands. "That's doing really well," he said. "Since Body 'O Soul went out of business, I thought maybe I [could] capture some of that business that she had for the last 15 years."

The shop is mainly a shoe boutique showcasing international designers like Frye, Jeffrey Campbell, Caleen Cordero, Hudson, J Shoes and TOMS. Kobeissi said Sway is carrying lots of boots right now for the season and that he is "doing great" selling TOMS. Sway also carries handbags, accessories and jewelry.

Kobeissi said business is very inconsistent but better than expected with the overall impacts of the economy on business. "We have some good days and some bad days, but it's hard to break things down on a daily basis considering the economy. On a quarterly basis, things are good and getting better."

Most luxury stores are experiencing slow sales, as is the case

for Eaton's Golf Shop in Northeast Long Beach. Business there is down 70 percent from last year. "I am a luxury item and not a necessity," owner Glenn Eaton said. "So September, October and November are slow, as a rule, in my business through years past. But it seems to pick up after Thanksgiving. Compared to last year's Christmas, I was down 50 percent from the previous year. Going from 2010, in 2009, I was down 50 percent from 2008. So it started last year, and this recession is pretty tough right now."

Eaton opened the shop in North Long Beach in 1988 and moved the business to its current location at 3028 Woodruff Ave. in 1991. He used to spend thousands on advertising a month, but once he accumulated a client base he has relied mostly on word-of-mouth.

Unfortunately, even his attempts to carry and sell new lines this year haven't resulted in strong sales. "People just aren't spending the money. I wish I could say it was great, but I'm sure I'm not the only one in the hurt locker right now. I'm hoping for a good Christmas, that's for sure."

Eaton said if business doesn't pick up soon, he might be forced to close shop. "This is a business that is used to \$2,000 to \$5,000 a day. Yesterday, we did \$23 for the day," he said. "If I can make it through December, I should be OK, because it's good all the way through September again. I'm hanging in there; that's all I can do. I'd hate to close up after so many years."

Unfortunately some businesses are fair weathered enterprises – literally. Coastal Paint, located at 4127 E. Anaheim St., has been in business for 20 years and, not surprisingly, does best during summer months when there's less chance of rain. Owner Chad Gingher, who has been operating the store for the past 17 years, said sales are typically slow in winter but that this year overall sales are looking better than last year. "This is generally our slower time of the year," he said. "We're looking forward to next summer and painting season."

Gingher said the store recently added to its product line. "Paint isn't a big thing to give at Christmas. But we do have a new product called Advance," he said. "It's a water-base hybrid. It has the characteristics of an oil-based product with the ease of water cleanup."

Other businesses that have difficulties are those tucked away in the city. One such is Village Treasures, located at 146 Linden Ave. Owner H. Maxie "Max" Viltz said the last couple of years have been down in retail in general, but even more so in Long Beach. Her location in the East Village Arts District has challenges of getting people to the area to get to know her business. She said organizations like the East Village Association and Downtown Long Beach Associates try to help, but her business is also a unique specialty store. "Things have not been the best, as with most retail businesses in this new economy," she said. "But my outlook for the holidays is very optimistic. I need to be positive about the possibilities of increased sales."

Village Treasures, which opened in 1997, is an African gift shop and gallery with world imports and an emphasis on African art. Her customer base is a mix of local buyers, regional buyers and tourists. "I'm hoping that I can put together some things to bring people in, advertising and so forth, that will help," Viltz said. "We have unique gift items that can fit your holiday needs as well as your everyday personal and home furnishing needs with an ethnic flare. We have everything from jewelry, clothing, textiles, artwork and

artifacts. I bet most people would be surprised to see what we offer and at affordable prices.”

Businesses that thrive during the holidays tend to be those that offer reasonably priced gift items that have broad appeal. Randy Kemner, owner of The Wine Country, located at 2301 Redondo Ave., said he always looks forward to the holidays. The gift basket and gourmet food and wine shop is celebrating its 15th year in business. The store makes its own gift baskets; each one created using items offered in the store. In terms of quality, selection and value, Kemner said his store has positioned itself as the top wine shop in Long Beach. “The wine and spirits and gift basket business is in its full bloom at this time of year,” Kemner said.

The Wine Country has done a complete store reset, Kemner said, expanding its spirits selection by 50 percent by adding hard-to-find and unique artisan spirits and evolving the store’s craft beer selection. The 7,000-square-foot superstore also expanded its tasting room and reset all the racks and shelves to make the store more dramatic when customers walk inside. “We made quite a few changes here at The Wine Country recently,” Kemner said. “We’re expecting significant growth over the holiday season last year, which, as everybody knows, was very depressed.”

Patty Newkirk of Creative Cakery is also expecting growth over last year with her decorative cakes, cookie platters and bar platters business. “We know it will be an upturn, obviously, for this year. We’re still getting some of the big orders that we always get,” she said. “We are on a slight upswing over last year, so that’s good news.”

Newkirk said Creative Cakery, located at 6467 E. Pacific Coast Hwy. next to Trader Joe’s at The Marketplace, offers an affordable alternative gift during the holidays for families, friends or co-workers. “The one thing about what we have, and we found this happens, when people don’t have a lot of money it’s a family gift or a gift that they can eat,” she said.

The bakery has been in business for 28 years and has consistent corporate clients who purchase hundreds of cakes a year, particularly around the holiday season. The shop has examples of decorated delectables online and can ship cakes anywhere in the United States. “As the holidays get closer, we do ask our customers to give us a day’s notice, but we will never turn you away as long as you can wait,” Newkirk said.

Hot Stuff, a card and gift shop at 2121 E. Broadway, expanded last year to double its size, allowing customers more room to roam around and look at inventory. The owner, who goes by “Barbara D,” expects business to look a little better than last year since most of its gift items are priced under \$25. This year, the business celebrates 30 years on Broadway and has regular customers who return year after year.

To Barbara D, Hot Stuff is much more than a business: it represents stability through some of the toughest times in the community. “Hot Stuff was there in the ’80s through the fear and loss from one of the worst epidemics of our time,” she said, referring to HIV/AIDS. “Through the ’90s revival, the real estate boom changed our customer base and competition. And now through this new millennium of financial uncertainty, the mega stores are changing their business models to resemble boutiques. We will endure.”

Barbara D decorates the shop for the holidays and offers a “decadent sipping chocolate, even though sometimes the weather

is not conducive to that,” she said. “[On] Christmas Eve, we usually have some hors d’oeuvres and something to drink while you’re shopping last minute.” The store stays open later starting December 6, closing at 9 p.m. during the week and at 8 p.m. on the weekends for last-minute shoppers. “It’s so important, now more than ever, to support our neighborhood boutiques and small businesses, where they know your name and shop with you in mind.”

That same “shop local” spirit is echoed at {open}, a new and used book, music and media shop located at 2226 E. 4th St. Co-owner Shea Gauer said he is very hopeful this holiday season as the store gears up with more stock and new products. One of the shop’s new offerings is a locally made set of bookends made of books. “They’re



{open} bookstore co-owners Shea Gauer and Sé Reed sit among the stacks of reading material at their shop on 4th Street’s Retro Row. The store celebrates its 7th anniversary this year with its annual Christmas event on December 11 at 7 p.m. The business owners expect holiday sales to be up from last year. (Photograph by the Business Journal’s Thomas McConville)

really cool, and definitely something we’ll probably be selling quite a bit of this Christmas,” he said. “Those were done by dasdot studio,” another Long Beach-based business.

The bookstore opened in the East Village seven years ago and moved to 4th Street’s Retro Row in 2007. “We’ve had, since we’ve moved to 4th Street, a pretty successful Christmas,” Gauer said, who added that the holiday season is when the shop has the highest sales. “So we’re hoping this year will prove equally successful.”

The store is celebrating its anniversary at its annual holiday party, tentatively set for December 11 at 7 p.m. Each year, the retailer hosts local band Greater California, which transforms into a Christmas choir by adding an all-girl choir section comprised of local musicians. “It’s going to be a lot of fun. They do some traditional Christmas songs but then some others. Last year they did a Bob Dylan cover and a Velvet Underground cover.”

The shop fits perfectly on the retro-themed street, Gauer said, where there is a collection of retro clothing, housewares and furniture stores – as well as an increasing number and diversity of new stores selling everything from clothes to surfboards to skateboards. There are also new restaurants and wine bars. “We all benefit from each other from the crowds that are attracted to each individual business during the Christmas season,” he said. At {open}, the price points are at an affordable range, and items are becoming more attractive as more people become comfortable shopping at second-hand stores. “People don’t have to drop a lot of money down to get something unique from here.” ■