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Magazine of the Coin Laundry Association

THE OTHER WAY

## Just Who Do You Think You Are?

It's Not a Trick Question, But the Future of Your Laundromat Business Depends on the Answer

THAT WAY

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# Just Who Do You Think You Are?

It's Not a Trick Question, But the Future of Your Laundromat Business Depends on the Answer



Have you been to a Dollar Tree lately? Now there's an organization that knows exactly what it is and who they want to be.

After all, just look at the size of their exterior signage. It's enormous, and it leaves little doubt as to whom they're attempting to appeal.

Two other very successful retailers who know exactly who they're in business to serve are Target and Walmart. Here are two high-profile brands with an interesting coexistence with each other. Typically, they're located just a few blocks from each other in the very same markets - and they both sell pretty much the same items.

Target differentiates itself from Walmart by being priced higher, but creating an environment that attracts shoppers looking for a better quality

shopping experience. In general, Target customers don't seem to mind paying a bit more for the same goods.

Walmart, on the other hand, advertises convenience and low prices - convenient locations, convenient store hours and the consistently lowest prices anywhere. Walmart doesn't hold special sales events or run "buy-one-get-one-free" promotions. They tout always having the lowest price.

By sharp contrast, Tiffany & Co. in New York City could not care less that the very same diamonds they're selling for ridiculously high prices can be purchased from several other jewelers for a mere fraction of what they charge. Tiffany customers will never shop anywhere else, and the company's management understands this.

The retail companies noted above understand the importance of "picking a lane" with regard to their business models and then staying within those confines.

Some years ago, a friend of mine bought, refurbished and modernized an old country club in Palm Springs, Calif. The plan was to convert this cool, old facility into a small, first-class hotel. Of course, he had to compete with the newer, larger and more modern hotels springing up throughout the city.

Then again, he wasn't looking to compete with every hotel in town. He wanted to attract the wealthy and influential from Los Angeles to his Palm Springs paradise.

To that end, he bought a gorgeous, vintage Cadillac limousine to pick up guests at the airport and bring them

to the hotel. He also rented a dozen high-end classic cars, including Bentleys and Rolls-Royces, and parked them around the grounds for several months after opening.

He also built a five-star restaurant connected to the hotel, with a posh cocktail lounge. And he brought in one of the top chefs in L.A. and made him a part-owner of the business.

My friend knew exactly who he wanted his customers to be, and he built his hotel around that clear vision.

So, what does all of this have to do with you and your laundromat?

Everything!

After all, as the owner of your laundromat, you get to choose your store's "brand" and what your business will be known for throughout your community.

Knowing your customers, their specific laundry needs and who you are to them is crucial to developing a successful vended laundry business in your particular community. No matter how many laundromats you own, each individual store must blend comfortably and seamlessly into the specific fabric of the neighborhood in which it's located.

No doubt, your days and hours of operation, equipment mix and staffing strategy - unattended, partially attended or fully attended - will determine what products, services and amenities you will be able to provide your clientele. Will you be strictly a self-service laundry, or do you want to provide additional amenities such as wash-dry-fold, drop-off drycleaning, commercial accounts work, alterations or possibly a residential pickup-and-delivery service?

### Staffing Your Laundry Business

Today - thanks in part to equipment technology, payment options and robust management tools - there are several different modes of laundromat operation. There is no one single way to run a laundry business in 2021.

Many owners choose to run their stores as unattended, 24-hour operations. This no-frills type of laundromat model has been around for decades with varying degrees of success, depending on the market and the specific ownership. These minimalist operators are focused on the walk-in, self-service customer. Fortunately, the current management technology available has given these types of owners a much clearer picture of their businesses - machine usage, out-of-service equipment, etc. - than in years past.

What's more, owners with multi-camera systems installed in their laundromats have the ability to see and speak or text directly with customers from outside the store, as well as address any customer concerns, including restarting machines remotely.

With labor costs on the rise, some store owners who have decided against running completely unattended

laundromats have chosen to operate partially attended stores, with employees on duty only during the busier times of day. This provides the owners with limited payroll costs, yet still allows them to offer some additional amenities, such as taking in wash-dry-fold or commercial accounts orders during specific times and days.

Of course, a number of laundromat owners today also are choosing to run fully attended stores from open to close, which enables them to offer a wide array of additional textile-care services all day, every day. With exceptions, these stores tend to be somewhat cleaner than their unattended counterparts, simply because someone is there to wipe down the machines and folding tables all the time. Moreover, many laundromat customers have stated that they prefer fully attended stores simply because they feel safer there.

### The Pickup/Delivery Option

Again, thanks to technology, many owners are now taking their businesses one step further, venturing outside of the traditional one- to three-mile market radius for laundromats - and picking up and delivering residential

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wash-dry-fold laundry. Yes, this requires additional staffing, vehicles and new business systems. However, for those willing to take on this “business within a business,” the increased revenue is more than worth the effort. In fact, some owners have revealed that their delivery services have more than doubled their drop-off laundry business.

New technology has played a pivotal role in this growing industry trend. Today’s mobile apps and powerful laundry POS/management systems are enabling owners to answer the call for wash-dry-fold services from an entirely new breed and new generation of laundry customer – one that uses the internet and social media to request and pay for laundry services without ever setting foot outside their residences.

Clearly, the laundry pickup-and-delivery service has been around for decades. Cloth diaper companies have been providing this convenience for as long as new parents have been changing diapers. However, a professional pickup-and-delivery service offered through a laundromat business is still a relatively new concept. But those store owners who recognize a changing customer profile in their marketplaces and choose to embrace this new business opportunity can benefit greatly.

I know laundromat owners from Brooklyn to Cincinnati to Long Beach who have established incredibly successful residential delivery services

and, as a result, have tremendously increased their wash-dry-fold and overall store revenues.

### **It’s Not a ‘Cookie-Cutter’ Industry**

The laundromat business has never been a “cookie-cutter” type of business.

Obviously, an urban laundromat with limited square footage and located on the ground floor of a commercial building in a densely populated neighborhood will look, feel and operate markedly different than a facility built in a sprawling suburban shopping center with abundant parking and ample square footage for all sorts of additional amenities.

Through the years, the laundromat industry has flirted with such ancillary money-makers as coffee shops, cafes, bars, tanning beds, exercise machines, pool tables, vibrating massage chairs, pinball machines and video games – some of which actually proved to be a deterrent to business in certain instances.

Therefore, it’s always wise to first think in terms of neighborhood connection, ambiance and customer experience, regardless of whether your store is fully staffed or unattended.

For today’s owners, payment options are plentiful. Customers can activate washers and dryers with quarters, loyalty cards, credit and debit cards, mobile apps, and so on. And voice-command technology for the industry isn’t far off. How do you want your customers to be able to pay you for your services?

In addition, many owners choose to provide comfortable seating areas with large-screen televisions, Wi-Fi access, computer stations, and a variety of food and beverage options for their customers. Some

operators are giving back to their communities by installing designated children’s reading and learning spaces, which include Family Read, Play & Learn Centers, provided by the CLA’s LaundryCares Foundation.

Whichever direction you decide to go, you need to continually ask yourself: “Who are my customers, and what kind of laundry business do I want to provide my community?”

If you’re considering a certain “theme” for your laundromat, a close look at a detailed demographic report will be invaluable to help you formulate a clear profile of the customers you’re trying to attract.

If you don’t live in the neighborhood in which your store is located, be sure to spend a significant amount of time walking and driving around the area to observe the restaurants, supermarkets, cafes, bookstores, specialty shops and other retail businesses within the community to get a feel for the people living and working there.

Several years ago, I designed a laundromat in a double basement of a large apartment building in the middle of Greenwich Village in New York City. The surrounding area had recently changed and was filled with predominantly young, affluent, single and married people who apparently spent most of their leisure time mingling in bookstores and coffee shops.

All of the nearby laundromats at the time were either mom-and-pop operations or unattended stores, which were not very appealing to this new demographic. The building/store owner also was quite young and had a vision of his customers being able to do their laundry and sit in a comfortable coffee shop environment while waiting.

We designed and mounted a board in the coffee shop with small numbered bulbs corresponding to the laundry machines, indicating when the



washers and dryers were done. Although it sounds pretty rudimentary now, back then it was state-of-the-art and the customers loved it. As it turned out, it was the right theme in the right place at the right time.

So, what's your theme? What's your brand?

There's no wrong answer. But you've got to know what you want your laundromat business to be known for. Just like my friend who bought the old country club in Palm Springs or the owner of the Greenwich Village hipster laundry/café, you can't be all things to all people.

What will your laundromat be?

- An unattended, "bare-bones" operation that's open 24 hours.
- The low-price leader in the marketplace - the "Walmart" of your neighborhood.
- The store with the fastest machines in town, to get customers in and out quickly.
- The laundry with the largest washers in the market, to handle comforters, sleeping bags, dog beds, etc.
- The store with comfortable lounge chairs and an outstanding coffee selection, where customers want to hang out for a while.
- The laundromat with the friendliest and most knowledgeable staff.
- The "green" laundry with solar panels on the roof, water reclamation technology and eco-friendly detergents available.
- The high-tech store with multiple payment and wash-cycle options.
- The "community center" laundry, which hosts free laundry events and regularly sponsors local charities.

Using today's incredible technology and letting your imagination run wild, you can create a whole new environment and customer experience in which to do laundry. Embrace that environment - and live that experience!

However, also understand that there are some basic, tried-and-true laundromat principals at play that must not be compromised. These include:

- A great location.
- A favorable, long-term lease (if you don't own the property).
- The proper configuration of equipment for your market.
- An adequate number of folding tables and laundry carts.
- Convenient business hours.

Add a high-quality staff (if you chose to be attended), and those "basics" will go a long way toward helping you weather any future business storms on the horizon.

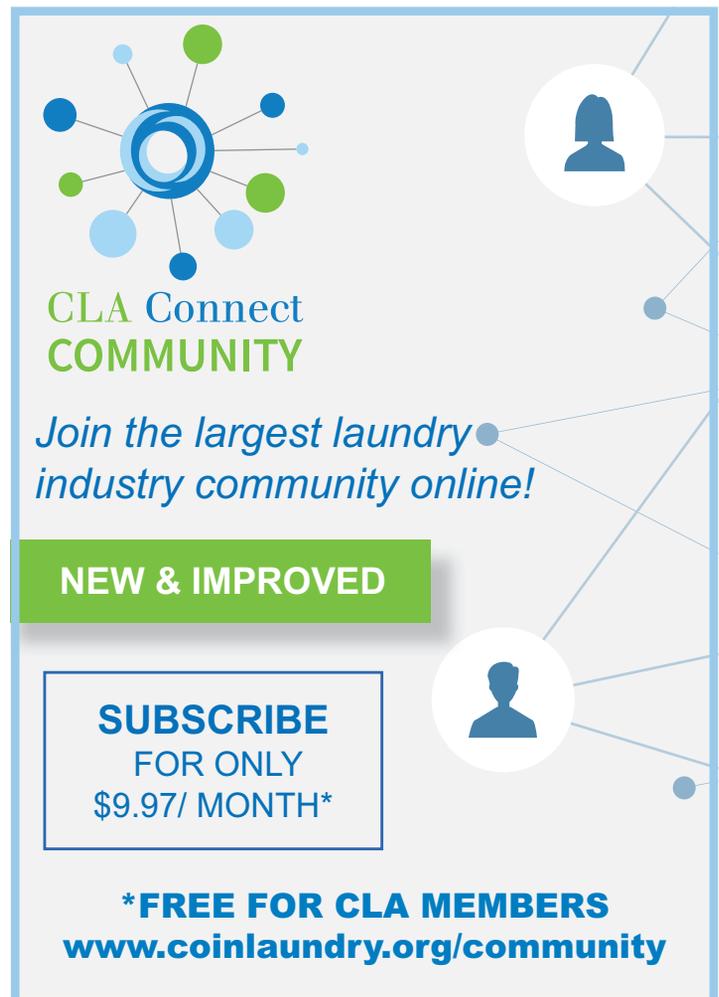
Given that, it also stands to reason that laundry owners with established residential wash-dry-fold businesses or a number of strong commercial accounts are more likely to survive any marketplace upheaval. Furthermore, operators who regularly retool their facilities also are more likely to flourish.

All in all, when you build your laundromat in a strong location and provide a positive customer experience - and fully understand and adopt just what you are as a laundromat and a business brand... whatever that may be - you very well might find that you've created "the right theme in the right place at the right time."

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Cary Lipman is the co-owner of a 5,000-square-foot laundromat in Roswell, Ga. During his 30 years in the industry, he has designed, built, owned and operated seven vended laundries. Cary can be reached at (770) 262-0129 or [carylipman@gmail.com](mailto:carylipman@gmail.com). Visit his website at [www.coinlaundry101.com](http://www.coinlaundry101.com).

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