

BUSINESS

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Barks beat economy's bite

ECONOMY | Shops must find niche, focus on basics to make it: pro

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Why would retail businesses be closing and vacancies left begging in the fastest-growing community in the Chicago area?

At least 14 businesses have closed and two others have moved away in recent months in an area bordered by Cermak on the south, Roosevelt Road on the north, State Street on the west and Indiana Avenue on the east. The businesses range from restaurants to pet-supply boutiques to Laughing Iguana, one of the neighborhood's better-known clothing, accessories and gift boutiques. (See accompanying map and list.)

Near South Side retail and real-estate experts say even the well-heeled residents of the skyscraper-laced community are pinching pennies and seeking one-stop shopping trips.

In hard times, businesses are forced to focus on basics, such as having adequate finances, keeping inventories lean, paying attention to design details and hiring the appropriate staff, said Paula Coccimiglio, a Chicago native who worked as the head of Saks' visual merchandising before opening her own consultancy, C Designs.

"Shoppers will still buy something if they find it to be original, unique and fitting for their lifestyle, no matter the price," Coccimiglio said.

A retail success story, Soggy Paws at 1912 S. State has secured its niche with the utmost in customer service. The business, co-owned by Paul Rathe and Kevin Richardson, offers dog owners luxuries such as raised dog



Owners Kevin Richardson (left) and Paul Rathe wash Bart, age 6, an American Eskimo dog, last week at Soggy Paws, 1912 S. State. Soggy Paws is a cat- and dog-grooming dog wash and pet products store. | SCOTT STEWART-SUN-TIMES

tubs for washing so owners don't have to kneel; dog facials featuring a mango-scented foaming face wash from the retailer's proprietary product line, "Growl and Meow"; and guidance for owners in checking their pets for bumps or other medical concerns while they are washing the pets.

"We create a custom blend of shampoo for each dog, based on the skin condition and whether the dog has been on the beach or in the woods. We're the experts on helping with a dog's coat and condition," Richardson said.

Richardson said Soggy

Paws has run into a few challenges: South Loop residents appear to stay within three geographic boundaries — Printer's Row, Roosevelt to 15th Street, and 15th Street south to Bronzeville.

"One-third to one-half of our customers live in the South Loop," Richardson said. "Many customers come from Bridgeport, Bronzeville and Hyde Park, as well as from River North and the West Loop."

Soggy Paws, which is profitable, relies on dog-washing for one-third of its revenues, with the rest divided between

grooming services and products such as food, toys, leashes and apparel. Soggy Paws makes special efforts to participate in community events and surprises some of its customers by keeping its product prices below those at discount pet stores, Richardson said.

The strategy has paid off. Soggy Paws will open its third location in Logan Square by Sept. 1. Its other store is in Uptown.

The South Loop also is experiencing a trend similar to that of Armitage and Southport avenues, which started with mom-and-pop owned

BUSINESSES CLOSED IN THE NEAR SOUTH SIDE



- 1 Laughing Iguana: 1247 S. Wabash
- 2 Pet Particulars pet shop: 1329 S. Michigan
- 3 White Hen convenience store: 5 E. 14th Place
- 4 Mystique Boutique ladies' clothing store: 1503 S. Michigan, Suite B
- 5 Z Hand Wash and Auto Spa: 1522 S. Wabash
- 6 Solo 1530 restaurant: 1530 S. State
- 7 Carolina Caramel cake and dessert shop: 1511 S. State
- 8 Heelz Chicago shoe store: 69 E. 16th St., Last Call sale ongoing
- 9 Flaunt women's apparel boutique: 75 E. 16th St.
- 10 Downtown Pets: 1619 S. Michigan
- 11 Dog Food Deli: 1932 S. Wabash
- 12 We Plan the Parties party decor store: 2000 S. Michigan
- 13 Revival architectural salvage store: 19 E. 21st St.
- 14 Legend Restaurant and Lounge: 2109 S. Wabash

ECONOMIC SNAPSHOT

Sun-Times Business Reporter Sandra Guy is talking to businesses about how they are coping with today's economy. **Coming Wednesday:** Two niche businesses are finding this is a fine time to expand.

boutiques and then attracted national retailers, said Scott Maesel, a former chairman of the Chicago Association of Realtors who is executive managing director of Sperry Van Ness, a commercial real estate advisory firm.

As prices rise in the increasingly wealthy Near South Side, developers who've paid big money for their properties hike their rental rates.

"They've created a higher-value market by virtue of the new construction," Maesel said.

Another problem is that the small retailers in the area are spread out.

"If retailers are not congregated together, the only ones that can stand alone are those that offer services that shoppers cannot get on the Internet, such as a haircut, a meal or a pet service," Maesel said.

Shoppers looking for one-stop errands will go to the big box chains that are bunched together, such as the Southgate Market anchored by Whole Foods and the upcoming Roosevelt Collection, which is slated to include retailers, restaurants and a 16-screen movie theater.

"You've got more than one generator of activity to draw people in," Maesel said. "You're going to be able to go shopping, get a meal and see a movie, all in one shot."

Shoppers who go for the big-box chains must realize they can't have it both ways, said Soggy Paws' Richardson.

"Everyone wants the small independent business in the neighborhood," he said. "But people have to support those businesses on a regular basis, not just when it's convenient."

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