

Changing Course

Former Drycleaner Makes a Profitable Transition to the Coin Laundry Industry



Edward Choi got his start in the drycleaning business in 1986, taking over the business his parents had started—and even opening up three additional drycleaning locations to complement the original store.

However, by the 1990s, between employee headaches and regulatory issues, Choi was looking for an alternative to the drycleaning gig.

His drycleaning businesses relied heavily on highly skilled labor.

“Employees have to run machines, spot and press, and have a good attitude over the counter,” Choi explained. “In the drycleaning business, there are some difficulties I was going through, managing the employees. It’s very labor intensive. It’s tough to get quality work.”

In turn, these workers also demand relatively high wages.

Other hurdles facing the drycleaning industry include increasing insurance premiums to help protect businesses from liability claims, as well as hikes in the cost of materials needed to run a drycleaning operation, such as hangers.

The cost of hangers used to be something that you didn’t really think about, but recently it has become a big factor,” Choi noted. “Hangers have gone up three times in price over last year.”

What’s more, the industry is turning to more environmentally friendly solvents, which according to Choi, work only with newer, more costly equipment.

“These factors push drycleaners’ profits down,” he said. “The drycleaning business has a lot of regulations coming in now.”

Not that Choi has to worry about that anymore.

In 2002, after years of planning his exit from the drycleaning business, Choi sold three of his drycleaning facilities to fund a new, more profitable business venture—a 4,000-square-foot self-service laundry.

Profitable, indeed. In fact, in its second week open for business, Choi’s Liberty Laundromat, located in Trenton, N.J., met its six-month revenue goal. And since then, the store’s total monthly gross revenue has nearly doubled.

And, as with his start in the drycleaning business, Choi has his family to thank for his introduction to the coin laundry business as well.

“My uncle, who is in the real estate business, had opened up his own chain of coin laundries in a different part of New Jersey,” Choi related. “I had visited him, and at the time, I wasn’t even thinking about running coin laundries. This was in 2000. I saw one of his stores running and thought that this industry might be something for me.”

Choi did some further research into the business and immediately began looking for sites to accommodate his new business venture.

He eventually located an existing laundry for sale, which he thought was perfect for his plans.

“The first store was a small, 2,000-square-foot laundromat with very old equipment,” he explained. “The owner was retiring, so I was able to purchase the store at a good price. The previous operator owned the entire property, and I bought it from him.

“I knew that it was very under-equipped,” he added. “But I also knew it could be a great store. The location was perfect. The owner was retiring, so he didn’t necessarily see the potential there. I spend a lot of time looking at the commercial real estate market. I try to find very affordable, underserved markets in urban areas.”

With Liberty Laundromat, he uncovered a gem. The stand-alone building, which features 20 parking spaces, is located in a mainly Hispanic neighborhood. In fact, Choi estimated that about 65 percent of his customers are Hispanic, with another 15 percent being African-American and the remainder Caucasian. In addition, the area is overwhelmingly blue collar and teeming with apartment complexes and other rental units.

Furthermore, the laundry is surrounded by other small to mid-sized, high-traffic destination businesses, such as a grocery store, a pizzeria, a beauty salon and a brand new CVS drug store.

Although Choi found himself a coin laundry gem, it was truly a diamond in the rough.

“I started looking for coin laundry locations in 2000,” he said. “And it took me more than two years to get that first store opened. It was an interesting two years.”



Choi knew his store would need more room and new equipment. Basically, he had to gut the current laundry and start from scratch. However, first he had to slice through a mountain of red tape.

“Being naïve about bureaucratic matters, the approval process took almost a year and a half,” he explained, “while the construction took another eight months.”



The construction phase included expanding the facility by an additional 2,000 square feet, in essence doubling the size of the laundromat.

The entire project, not including the laundry equipment, ended up costing Choi approximately \$400,000. However, the result was well worth it: a fully attended “flagship” laundry that also offers wash-dry-fold and (of course) drop-off drycleaning services, in addition to vended snack and beverage options, arcade-style video games, Internet access, four televisions and the latest high-efficiency laundry equipment.

“In the beginning, the store performed better than I had expected,” Choi said. “Until I opened up, I didn’t realize how my customers actually used their time in the laundry. I thought people would come once in a while to wash their clothes, but I found out that they come in quite regularly, once a week. I realized that the volume can be very constant. Initially, I thought the business would be more up and down, but I have found that it is constant. Annual sales are very constant, and that was a little bit surprising.

“As soon as I opened up the first one, I knew that this was a good location,” he added. “It actually did way more business than I expected the first year, so I was encouraged to look for a second location.”



“The second location was actually a house,” explained Choi, whose coin laundries are open from 7 a.m. to 11 p.m. daily. “I bought the lot, knocked down the house, and built from the ground up. It was a corner lot. I received some good training when I opened up the first store, as far as going through the city and dealing with the officials there. So things went smoother.”

Choi’s second laundry was up and running about a year and a half after the first Liberty Laundromat opened its doors.

The third laundry is a whopping 6,500 square feet. And both of these additional locations serve as a safety shield to protect the first store’s market share. Like the first store, the second and third laundries feature the same services and a similar mix of laundry equipment.

“I chose the locations knowing there would be some overlap between the stores,” Choi says. “My strategy was to make sure no competition came within one mile of the first laundry.”

Not that Choi doesn’t face any competition.

“When I opened the first store, the reason I wanted this location was because there wasn’t much competition at the time,” explained Choi, whose only advertising is in the backs of the bulletins printed weekly by the local Catholic churches in the area. “Since then, I opened up my second store just a mile away. But two additional stores have opened within a mile of my stores.

“At the beginning, there was less-than-average competition. Right now, there is healthy competition.”

To keep his business’ bottom line just as healthy, Choi makes certain that Liberty Laundromat is bright, clean and inviting.

“I even did my own drawings for the store,” he noted. “I made sure there were enough windows to keep it bright, and I insisted on very bright, white ceramic tile on the floor. Even the design from the outside makes the store look much bigger than it is. I used the corner of the lot and that becomes a very differentiating element. Most of my competitors are located in shopping centers, or they have older buildings with design limitations.”

And by also offering wash-dry-fold and drop-off drycleaning services, Choi grew Liberty Laundromat’s gross revenue by 20 percent.

Building a Chain

To ensure Liberty Laundromat’s long-term success, Choi quickly constructed his second store just a mile away, also in Trenton—and a third just 30 minutes away in nearby Pennsauken, N.J. The second store flanks the entrance of a major shopping center and boasts 3,500 square feet of space.





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Equipment Mix
Liberty Laundry • Trenton, N.J.

- 16 Continental Girbau 18-pound frontloaders\$2.25
- 20 Continental Girbau 30-pound frontloaders\$3.75
- 8 Continental Girbau 40-pound frontloaders\$5.25
- 2 Continental Girbau 75-pound frontloaders\$8.25
- 52 Continental Girbau 30-pound stack dryers7 min/25¢
- 1 Hamilton Engineering water heating system
- 2 Standard Change-Makers bill changers
- 20 R&B Wire Products laundry carts
- 10 Sol-O-Matic folding tables
- Ceramic tile flooring
- 1 Vend-Rite Manufacturing soap vending machine75¢/box
- 1 soda vending machine
- 1 snack vending machine
- 3 arcade-style games
- Internet access for laundry customers\$1/10 minutes
- 1 ATM unit
- 1 47-inch television
- 3 32-inch televisions
- Wash-dry-fold service\$1.15/pound, 10-pound min.
- Drop-off drycleaning service
- Distributor:
 Wholesale Commercial Laundry Equipment NE,
 Hatboro, Pa., (800) 281-6878



“In the beginning, I decided to keep one of my drycleaning stores in order to utilize drop-off drycleaning from the laundromat,” he explained.

That decision boosted the store’s business and, simultaneously, increased revenue by \$2,400 per month at the drycleaning location—a win-win situation.


Today, Choi operates four self-service laundries—those first three New Jersey stores, which he owns outright, along with a fourth laundromat, which he leases and is based in a new shopping center in Philadelphia.

In addition, as of this writing, he was preparing to close on three more coin laundries in Trenton, Roselle and Asbury Park, N.J. And with a soon-to-be seven-store laundry chain, including an average of three attendants per

store, Choi has brought his brother, Paul, into the business to help him manage the day-to-day operations.

Clearly, the Choi family has made a seamless (and relatively quick) transition from the drycleaning business to the self-service laundry industry.

“I sold the last drycleaning store last year to fund the additional coin laundries,” Choi said. “I don’t know that I would ever go back to drycleaning. However, if I can get enough drop-off drycleaning orders for each of my coin laundries, I might think about that. But, for now, a local drycleaner does that for me. Unless my total volume of drycleaning becomes substantial, I’ll probably keep it this way.”

Choi’s way seems to be working well so far. 



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