

## SITE SELECTION STRATEGIES

### *Considerations for choosing the ideal location for your Laundromat*



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There are many factors that contribute to running a successful Laundromat business, including the partnership you have with your distributor, the equipment mix, amenities, ancillary services, hours, pricing and customer demographic, but perhaps the most important factor is the location of your store.

Whether you're opening a new Laundromat or moving your current store to a different location, it is important to carefully evaluate nearby competitors, location visibility, parking options, adjacent businesses, demographics of the surrounding area and the building's utilities infrastructure.

When it comes to searching for and selecting a site that your business can thrive in, there are a few key considerations to keep in mind.

#### ANALYZING CUSTOMER DEMOGRAPHICS

Vended Laundromats are everywhere, scattered across many different areas with diverse demographics. To find a location with the ideal demographic mix, look at areas with a high concentration of your target customers; most of the time, this is an urban setting with a high renter population.

Household size and income are factors you should look into and understand, but they can vary greatly from region to region, as can cost of living. Population density and renter population numbers are the best indicators of whether or not a Laundromat is a sensible investment in a particular area. More often than not, other demographic criteria seem to fall into place, such as a lower- to middle-income population (approximately 40% of all households earning less than \$35,000 per year use Laundromats) and an average household size of 2.3 residents and more.

You can find this demographic data by visiting the U.S. Census website ([www.census.gov](http://www.census.gov)), or working with your distributor directly. Leverage your distributor's in-depth knowledge of the area to determine if a location is a good investment for you or not.

#### LOCATION, LOCATION, LOCATION

When considering a location for a new Laundromat,



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you will want to analyze a 1- to 3-mile radius of the site with a goal of at least 30% of the population being renters (50% or more would be ideal).

It is safe to assume that if someone is renting an apartment, they likely don't have a washer and dryer in their unit. There may be a communal laundry room, but even then, statistics show that 30% of renters will go outside of their apartment complex to do their laundry. With the efficiency, speed and number of machines one might find at a modern Laundromat, they know there will be machines available that can clean their clothes in less time.

Next, the physical location of a Laundromat is a key factor in its success or failure. A space on a main roadway with high visibility and dedicated parking are guidelines for an ideal location. Ideal co-tenants include grocery stores, convenience stores, automotive parts stores and check-cashing establishments.

Laundromats have the potential to be run successfully anywhere with the right ownership, but they may be the most successful in or next to a high-traffic shopping center.

The best location is as close as possible to where your target customer base is going for their weekly shopping. In doing so, they will see your Laundromat as a reminder of an errand they need to run, as well as realize they can drop off their laundry and run other errands simultaneously.

#### IMPORTANCE OF PARKING

Parking can make or break a Laundromat location. If a customer can't find parking close to your store, they may go elsewhere. Find a location with head-in parking spaces that cover at least two sides of the building your Laundromat occupies. For every 1,000 square feet that your store occupies, you should have four dedicated parking spaces.

Perhaps most importantly, the nature of the Laundromat business requires parking that is easily accessible to patrons. Ease of access into a parking space is a primary consideration when selecting a site. Loading and unloading laundry can be a cumbersome process, and you want to make it as easy as possible for your customers. Setting up a designated loading and ▶

unloading zone can help immensely.

It's also vital to ensure that parking is not burdened with adjacent high-volume businesses, such as a busy restaurant. You don't want patrons of neighboring businesses using your parking lot during meal times when your customers need it. Work with the property manager to negotiate dedicated parking spots into your lease, as well as posted signs if you share a lot with other businesses.

## ANALYZING THE COMPETITION

The laundry industry is unique in that, when looking for a location for your Laundromat, you should look for a spot that has some competition already.

You should actually be slightly wary of opening a store in a location where there's no competition for miles; in that case, the surrounding demographics likely won't match your criteria.

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When you do identify an area that fits your core criteria, you can safely assume that plenty of others have done the same and are operating a successful laundry business.

The most important factor to keep in mind regarding competition is differentiation. Consumers won't start or stop using Laundromats on a whim because a new store opens its doors in the area—there has to be an added value.

Working with your distributor is the easiest way to determine the best marketing decisions for your store; it will help

make sure you can differentiate your store from what other stores in the area are offering and provide the best customer service experience for your guests.

For example, you may want to offer your customers larger equipment or wash/dry/fold services if your competitors don't. Customers will go out of their way to get the experience they want; in fact, 37% of consumers will drive past a competitor to visit their favorite store, which is why it's extremely important to offer services that will attract and maintain a clientele base at your Laundromat.

## BUILDING INFRASTRUCTURE

There are certain criteria a building must meet in order to accommodate a vended laundry. In most cases, you will want a space that is between 2,000 and 6,000 square feet. The current trend is larger stores, which, in a shopping center environment, can mean consolidating two or three spaces in order to achieve the

ideal space. Additionally, the Laundromat business is one that is utility-intensive, on par with a high-volume restaurant, requiring specifications such as a sewer line dedicated to your store.

An important question to ask the property owner when looking at a potential site is if the building is equipped to handle the specifications that a Laundromat requires. Most of the time, you can work with your landlord or property owner to work out services to the space as part of the conditioned precedence to opening the store. You can also work with your distributor's or manufacturer's laundry design service to configure the best store layout to maximize customer flow and utility usage.

## MUTUAL BENEFITS

Laundromats can greatly benefit from the traffic that shopping center environments attract; however, a laundry can easily become an asset to the owner of a shopping center, as well. Laundromats pull in consumers for the weekly task of doing laundry, which, on average, takes 90 minutes per visit. This provides downtime and great cross-marketing opportunities with other stores and restaurants.

Additionally, property owners can benefit from renting space to a Laundromat, as laundry owners typically sign lengthier leases and stick around longer than the mom-and-pop shops that cycle through the space. This is due in part to the fact that laundry is a recession-resistant business; unlike many businesses in a shopping mall, clean clothes are a necessity, not a luxury. Because the property owner can rely on steady income, laundry owners can usually negotiate less-than-market rent.

The ability to foster and maintain a good relationship with your landlord or property owner is a factor that you should consider when selecting a site. It is one consideration that is often overlooked but is important to the success of the business and can help you expand your business, as well.

Of course, the property owner must hold up his or her end of the bargain, but things like honoring your commitments, operating your store well and being fair to both sides when negotiating a transaction will help ensure that you'll be the first call when there is a new property for sale.

## THE BOTTOM LINE

Finding the right site for your Laundromat may seem like a daunting task, but the best equipment manufacturers are available for support and can provide invaluable insight into demographics, location, parking, construction, differentiation and more. Their unmatched experience and analytics can help identify the best location within your area and even help design and finance your business.

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