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Coping with the recession

by Willow Belden , Chronicle Reporter

Vanessa Espinao, a stylist at Original Beauty Hair Salon in Queens Village, used to get about 10 customers a day; now, she gets two. Instead of making upwards of \$700 a week, she's lucky if she brings home \$400.

The salon has been offering specials to try to attract more customers, such as reducing the price of perms from \$50 to \$35, but Espinao said it's not working.

Espinao isn't alone. Small businesses throughout eastern Queens have been seeing sharp reductions in the number of customers, and those customers who do come tend to spend less.

"The businesses that we find in eastern Queens are generally immigrant- or minority-owned businesses," said Jack Friedman, executive vice president of the Queens Chamber of Commerce. Such small "mom and pop" businesses tend to have a particularly hard time when the economy starts to tank, Friedman said.

Ron Schwartz, who has been working at a 99-cent store on the corner of Springfield Boulevard and Hempstead Avenue for the past four years, said that a year ago, the store saw an average of 200 shoppers a day, compared to fewer than 150 now. He also said people don't buy as much, especially when it comes to frivolous items.

A year ago, people would "spontaneously buy," Schwartz said. "But now we are observing that the pattern is going away. People get just exactly what they need."

The manager of Queens Building Supplies, a hardware store in St. Albans, said there has been a 30 percent decrease in customers recently.

Even liquor stores are hurting. Kenny Mahendran, one of the owners of Thevi Discount Liquor on Hempstead Avenue, said he still has approximately the same number of customers as he did earlier, but they are buying cheaper liquor and smaller bottles.

Liquor stores in more affluent areas may not be doing too badly, Mahendran said, but "here, even though people are sad, they can't pull out \$20 to buy something nice."

As a result, he said sales are down to \$18,000 a month, compared to about \$30,000 a month last year.

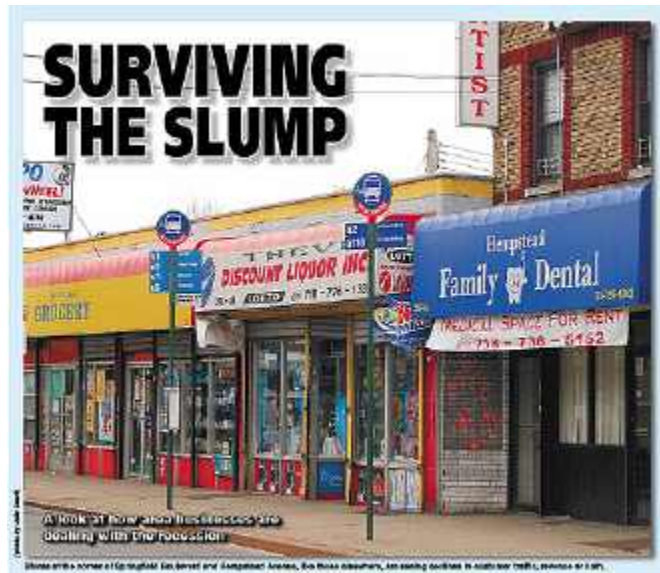
Marilyn Freemantle, the owner of Flowers by Marilyn in Cambria Heights, is experiencing a similar trend. She said that instead of buying \$60 bouquets, customers often spend only \$25.

The cashier at Springfield Market in Queens Village, who declined to give his name, said a lot of people have started paying for their groceries with food stamps.

So what are businesses doing to offset the economic hardships they're facing?

Some are lowering prices or offering sales to attract more customers — although many say specials aren't helping much. Some are cutting workers' hours. Others are taking various measures to reduce operating expenses. And a few have folded completely.

Schwartz said all the employees at the 99-cent store have had their hours cut by about one-third. When asked if he was worried about someone getting laid off, he said, "It's imminent."



(photo Julie Court)

Marie Dupiton, one of the owners of EnerG Women's Fitness Club in Cambria Heights, said she has reduced membership prices from \$40 a month to a dollar a day in an effort to attract more customers.

Since she lowered the prices in January, membership doubled. But Dupiton said the success is bittersweet, especially since the gym opened less than a year ago.

"It is working out in the sense that for this type of business you want to increase your membership, and that is happening," she said. "But on the other hand ... it's going to take even longer for us to break even."

Some businesses aren't as successful in drawing additional customers. The manager of Queens Building Supplies said there's not much a hardware store can do to attract more business in bad times.

"If people aren't spending, they're not spending," he said, adding that many seem to be holding off on repairing broken elements in their homes at the moment.

Freenmantle agreed that sometimes you just have to tough it out. "You just have to bear with [customers] and sell them whatever they can afford," she said. "You have to look successful and think successful. ... That's what I do."

She added that she gives her employees extra days off but doesn't want to lay off anyone.

Mahendran said his partner has started driving a taxi at night since he isn't earning enough to make ends meet at the liquor store.

Kevin Jemmott, president of the Cambria Heights Development Corporation (CHDH), said businesses can boost sales without incurring additional expenses by "developing a personal relationship with [their] customers."

"It's not so much the advertising; it's the one-on-one interaction you have with your customers," Jemmott said. "Consumers will come into a store and spend more money if it's a pleasing atmosphere."

Friedman said the Chamber of Commerce is also trying to help local businesses. The chamber advises businesses about how to promote themselves better and offers workforce development training designed to teach people how to write business plans and apply for grants, among other things.

In conjunction with the Queens Borough President's Office, the chamber has also launched a program called "Keep It In Queens," which is intended "to connect Queens-based businesses to each other and to economic development projects in the Borough," according to the initiative's website, keepitinqueens.com.

Business owners can register their company on the borough's website in exchange for promising to patronize Queens businesses whenever possible.

Of course, not all businesses are hurting. Tiffany Cantave, who works at Cambria Car Wash on the corner of Springfield Boulevard and Linden Boulevard, said people haven't stopped bringing in their cars.

"Cab drivers come every day," she said. "Some drivers come twice a day."

Frank Acosta, who has worked at R&M Village Grocery on Hempstead Avenue for the past 12 years, said the store is doing as well as ever, in part because a competing 24-hour deli closed nearby.

"People cry about the pricing," Acosta said, "but they still buy."

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