

Make no mistake, Oops! loves bloop

The rapidly growing chain of overstocks is finding customers with its bargain pricing and outlet positioning.

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Oops! They're doing it again – growing, that is. Kevin Kasch and Jack Lemuz marked their impressive inaugural year at the helm of Oops! Outlets this month with a bold blueprint for expansion.

The bargain industry veterans, buoyed by the rapid rise of their discount chain with the catchy name, haven't looked back since purchasing the assets of Reader's Digest Outlet stores a year ago and creating Oops!

The deeply discounted enterprise – with a wide-ranging inventory that includes books, toys, CDs, DVDs and games – opened for business in February 2009 with 12 stores located in outlet centers throughout the eastern United States. Kasch and Lemuz quickly expanded to 15 sites in 12 states and now have plans for another 15 stores by 2011.

"I think the biggest thing is that there's something in our store for everybody," says Oops! president Kasch, based in New Smyrna Beach, Fla. "And the great thing is the value that you get when you come into the store. Our average price for an item is anywhere from \$5 to \$7. So it's easy for somebody to pick something when they come in. It's a fun environment to shop in – and you can spend money."

Then there's that quirky name, which has proved a winner at creating interest and attention. The marketing campaign has flourished with the slogan, "Their Oops! is your gain" and the pitch to shoppers that the chain offers savings by taking advantage of publisher overruns, retailer overstocks and product closeouts "to offer brand new, first quality" products.

"We certainly knocked that name around a lot," Lemuz says. "And there's a little trepidation when you're naming your company Oops! But we talked to a lot of folks and what we discovered was that people were always interested. That was really critical to us. It also



The executives operating Oops! plan to rapidly expand the 15-store chain by adding another 15 sites, offering books, toys, CDs, DVDs and games popular with kids and teachers.

conveys a sense of fun and humor. And from my experience in the outlet business, when you can put a product in front of someone and say, "This book has a movie tie-in cover that's no longer an active movie, so I'll sell it to you for \$3 instead of \$15," they love that. They get it. It's like, 'Oh, oops! Fantastic.' People just love to be in on a deal."

The stores vary in size at 2,500 sf to 3,500 sf (though several sites are as big as 6,000 sf) and attract a mix of shoppers that mirrors the varied merchandise.

"I would say 60 percent of our business is from kids, with a lot of moms coming through," Kasch says. "We also have a huge number of teachers shopping with us: They

love our store because they often have to spend their own money, and when you're selling books at \$3 and \$5 it's easier to buy for their classrooms. We're pulling in the men with coffee table books, handy-man kind of products and DVDs. And we just added computer software, which no other tenants have, so we're bringing in the teens."

A large part of the chain's success is the complementary backgrounds of Kasch and Lemuz. Lemuz works from Chicago as Oops! president of product and marketing. Kasch had served as a regional sales manager for KB Toys, Carter's and Claire's. Lemuz' previous retail experience had been at Nine West. Their paths eventually crossed at Border's Group – where they worked on the same projects – and their blend of strengths from the world of toys, gifts and books gradually created the foundation on which they would build Oops!.

The turning point came when Kasch and Lemuz went to work for Reader's Digest three years ago to help move excess inventory. In the process, they came across warehouse sales and decided to open a temporary store at Prime Outlets Hagerstown (Md.) during the summer of 2007. The store did so well that by fall, the partners had opened some 20 locations, mostly geared for the holiday season. "We found out it was a pretty good model for us," Kasch says, "and therefore we kept about 12-15 open and started to build a business."

In January 2009, when Reader's Digest decided to close its outlet doors, Kasch and Lemuz didn't hesitate: They purchased Reader's Digest's assets and Oops! was born one month later. The stores were able to fill an important void. "As we all know, a number of players in toys and music have exited the outlet business," Lemuz says, "That created an opportunity for us."

Oops! currently has stores in Westbrook, Conn.; Huntley, Ill.; Kittery, Maine; Birch Run, Mich.; Tilton, N.H.; Deer Park, N.Y.; Charleston, Hilton Head and Myrtle Beach, S.C.; San Marcos, Texas; and Pleasant Prairie, Wis.

Expansion plans, meanwhile, are ambitious, with five stores scheduled to open this year and 10 more in 2011. Kasch and Lemuz have not yet revealed the new sites but says they will be on the East Coast.

"We're pretty opportunistic," Lemuz says. "And we have great relationships with a couple of de-

velopers. If they say, 'We have some fantastic centers that we'd like you to guys to be part of,' we don't have a giant organization to convince. Kevin and I just have to convince each other."

As their franchise grows, the duo continues to savor its relationships with outlet customers. "They're fun shoppers who come into the centers looking for the best deals," Kasch says. "It's the thrill of the hunt, and that's how we look at our store – you have to come in because you never know what great deal you're going to find."

Reflecting on their first full year with Oops!, Lemuz remembers the fear they felt launching their initial 12 stores, wondering if the concept

would catch on. Now each looks back with pride at the quick strides their business has taken.

"We've made it a year using our own resources," Kasch says. "And we've brought in an array of unique products that has really raised our sales from a year ago."

They've also given a whole new meaning to one particular word: Oops! never sounded so good. ■

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