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Business

RETAIL

Dearden's store in Los Angeles survives for a century



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Dearden's downtown L.A. store at 7th and Main streets, shown in 1979, started out as a small furniture seller. It has expanded its selection of goods over the years to include perfume, watches, cookware and more.

This is just the latest recession that the downtown seller of furniture and other items has faced. The ability to change is seen as a factor in its staying power.

By Andrea Chang
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In today's retail environment, stores are lucky to keep their doors open. Dearden's, a furniture, electronics and appliances store in downtown Los Angeles, has done it for 99 years. And fingers are crossed for many more.

The store, at 7th and Main streets, is technically 100 years old, executives say. Dearden's officially opened in 1909, but early employees thought the slogan would sound catchier if it read: "Since 1910." A century later, no one seems to mind.

But Dearden's isn't planning a blowout party to commemorate the occasion. Except for a few mentions of the big birthday in upcoming circulars, the company is holding off as it struggles with many of the same financial problems that retailers decades younger are facing.

"It's awful, we've never seen anything that's as bad as this, and we've seen a lot," said Ronny Bensimon, president and chief operating officer. "Rather than thinking about celebrating, we're thinking -- just like everybody -- about surviving."

The company, which now operates nine Dearden's in Southern California and has nearly 500 employees, saw its best year in 2006 when sales topped \$100 million, he said.

But revenue began to decline in 2007 and "completely fell off the table in September 2008," Bensimon said. Same-store sales in 2008 plummeted about 20% over the previous year, he said. "We're selling things that are obviously not the first things on people's minds when they're struggling."

Still, the five-floor, 150,000-square-foot downtown store -- the biggest Dearden's both in size and volume of sales -- has emerged from the country's economic downturns several times before, and its long-standing experience could help it ride out the current recession.

Few businesses in downtown L.A. have reached the century mark. Local historians and urban development experts say Dearden's joins an elite group that includes restaurants Philippe the Original and Cole's, the Alexandria hotel and a couple of law firms.

"I remember as a little boy, coming in on the streetcar from Huntington Park, and Dearden's was always there," said economist Jack Kyser, 74, of the Los Angeles County Economic Development Corp. "They've been able to go with the flow of the community, which is quite impressive."

When the store first opened as a small furniture seller, it catered to a white middle-class clientele. Edgar Dearden, an immigrant from England, started the business when he was in his 20s; over the years, dozens of his relatives from four generations have been involved with the business.

These days, most of the store's customers are lower-income Latinos. They predominantly speak Spanish, and most pay for their purchases using the company's in-store credit plan.

To make those customers feel comfortable, nearly all store employees wear suits to work and are required to speak Spanish fluently, Bensimon said. His mother, Raquel Bensimon, joined Dearden's nearly 50 years ago and is now chairwoman and chief executive of the company.

"It's a very professional attitude -- we really try to make them feel good and that they're important while they're here," Ronny Bensimon said. At other stores, Latino customers "don't necessarily get the respect they deserve."

Dearden's has expanded its selection of goods to include perfume, watches, cookware and more. During World War II, when materials used to make furniture were shipped overseas, the store began selling clothing, which it discontinued in the 1970s.

And Dearden's has become far more than a place to buy a new sofa or microwave. The store also provides an extensive array of services, including check cashing, travel planning and bill paying. During tax time, an in-house H&R Block location helps customers prepare their taxes.

In the late 1990s, the store even offered mortgage services, but it exited that market before the mortgage meltdown began.

"We haven't just thought of ourselves as a furniture store -- I think if we had, we wouldn't be here anymore," said Christiaan Van den Akker, an operations director at the company and great-grandson of Edgar Dearden.

To attract customers during the recession, the store has started to stock lower-priced items and plans to add more services in the coming months.

Dearden's ability to change with the times, and to capitalize on the region's robust Latino population, may have been the key to its long-term success, Kyser said.

"A lot of people underestimate the buying power in the Latino economy," he said. "With Latino customers, if you treat them right, they become very loyal."

Longtime customer Estela Ramirez, 55, comes to the downtown Dearden's once a month, accompanied by her son, Jose Sanchez. Over the last 14 years, she has purchased numerous items from the store it, including a television, stereo system and a computer.

"She doesn't go anywhere else," Sanchez, 19, said at Dearden's on Wednesday. "At other stores, they treat us really bad. They think we're someone else, but we're human just like everyone else. So we're backing off from other stores and coming here because they respect us and do their jobs."

Despite the economy, Dearden's opened two new stores last year, in Anaheim and Chino. In the late-1940s, the company slowly began expanding to areas with large Latino populations. Today its nine locations in the Southland include stores in Van Nuys, Pico Rivera, El Monte and Santa Ana.

Local figures have lauded the store's milestone birthday, saying it's an accomplishment that reflects well on all of downtown L.A.

"They've kept pace with people's tastes and changes in styles and need," City Councilwoman Jan Perry said. "As the mural on the side of the building points out, it's a tradition among families to shop there, and they've been able to sustain themselves for so many years. It really embodies the spirit of what downtown symbolizes, which is the spirit of being very resilient through good times and bad times."

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