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Cheap-stuff retailer coming here

Ollie's stores will open next month in Henrietta and Greece

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As the old saying goes, "Everyone loves a bargain."

A Harrisburg, Pa., retailer specializing in overstock, closeout, surplus and salvage merchandise is banking on that time-honored expression as it prepares to open two stores -- one in Henrietta and one in Greece -- next month.

Ollie's Bargain Outlet, with the tag line of "Good Stuff Cheap," sells name-brand merchandise 50 percent to 70 percent off the retail price, according to Mark Butler, president and chief executive officer.

Butler said the company will open its first store in Henrietta on Oct. 3 next to Kohl's in the plaza at 3150 West Henrietta Road. The 35,000-square-foot store will be the 54th location for the company and the second in the state.

The second Ollie's will open in Greece on Oct. 24 in the 30,000-square-foot location at 3160 W. Ridge Road, which once housed TJ Maxx.

The company opened its first location in New York in August in a former Media Play store in Cheektowaga.

"We make good deals and pay low rent," Butler said. "There is nothing fancy in our stores."

The company currently operates stores in Pennsylvania, Maryland, Delaware, Ohio and Virginia.

Butler said the Cheektowaga store had the best grand-opening day, week and month for the 25-year-old chain. Buffalo and Rochester are "two major metro markets," and the expansion into upstate is a natural progression. Company officials hope to open more stores near Buffalo, Syracuse, Binghamton and Albany.

Butler said the company has relationships with most major manufacturers, so if there is a product change or a ding or a dent, that merchandise comes to Ollie's.

"We sell name brands at discount prices, but you never know what you'll find," he said. "It depends on what we get the deals on. The products change every day."

The business model of Ollie's Bargain Outlet is similar to Costco, according to Eugene Fram, J. Warren McClure Research Professor of Marketing at the Rochester Institute of Technology's Saunders College of Business.

Costco, the upscale warehouse membership club chain, focuses on selling products at low prices, often at a high volume.

Fram said by emulating the business model of Costco, which treats the shopping experience as a treasure hunt, Ollie's "creates a lot of interest" for consumers. "Everyone loves a bargain, even the upper socio-economic groups."

"If this is done well and the company takes a different approach in terms of overstock and out-of-season merchandise, they could do well and expand more," Fram said.

Butler said every store is successful and has never lost money. However, because Ollie's is a privately-held company, he declined to disclose revenues.

Each week, three to four truckloads of merchandise are delivered to the stores. A store typically employs 50 to 60 full- and part-time workers and carries carpeting, housewares, hardware, sporting goods and books.

Butler said Rochester-area shoppers are in for a treat, including free coffee every day.

A typical sign above the store exit door may read: "Keep America clean. Wipe your feet before you leave."

"We like to have fun with the customers," Butler said.

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