

# Tom's tactics: low prices and larger than life

*Tom Mihalik reached cult status with a store that defies most of the rules*



*Tom's Place, a discount men's and women's designer clothing store owned by Tom Mihalik, is an unlikely success story in a market dominated by glitzy fashion palaces such as Harry Rosen and Holt Renfrew.*

*Photo Credit: Tibor Kolley / The Globe And Mail*



190 Baldwin St., Kensington Market (just off Spadina Ave.)  
TEL. 416-596-0297

HOURS:

Mon.-Wed. 10-6	Saturday 9-6
Thurs.-Fri. 10-7	Sunday 12-5

JOHN HEINZL

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Here's a really bad business idea.

Open a store in the stinkiest part of the city, not far from a shop that offers "live carp." Make sure your aisles are good and cramped, and whatever you do, don't put prices on the goods.

To ruin any hope of success, cram the store with upscale items, specifically designer suits and ties. People who buy expensive clothes would never want to put up with all this nonsense, would they?

You bet they would. Tom Mihalik, proprietor of Tom's Place, a discount men's and women's designer clothing store in the heart of Toronto's odorous Kensington Market, is living proof that a retailer can break almost every rule in the book and still become a roaring success.

His store sells about \$8-million worth of designer suits, shirts, jackets, blouses and ties annually. Sales per square foot, a key measure in retail, top \$1,000 - more than twice the industry average.

That's impressive, considering the whole store was pulling in less than \$100,000 a year when it opened in the early eighties.

His secrets: offer friendly service, good prices and a little razzle-dazzle. If you've got those, customers will forgive all sorts of sins.

"At first, people were laughing at us . . ." says Mr. Mihalik, 42. "When things started

to heat up for us, then they started to notice."

People noticed all right. He has become so successful that two major suppliers cut him off, he says. He suspected big retail chains, upset about being undercut, complained to the suppliers about his discounting of brand name merchandise.

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The aisles are cluttered, the fixtures dated, the technology backward. The store has no voice-mail and only one computer, to track accounts payable. Many items aren't even priced - a throwback to Mr. Mihalik's boyhood when he worked in his father's second-hand store in the same neighbourhood.

What Tom's Place lacks in glamour, it makes up for with its colourful owner. Mr. Mihalik is the retailing industry's answer to Monty Hall. With all the charm and wit of a seasoned game-show host, he makes every customer at the store feel like a winner on *Let's Make a Deal*.

A towering, barrel-chested figure, he roams the aisles of his store seven days a week, never missing an opportunity to close a sale. A visitor quickly learns that there are two prices at Tom's Place - a virtual price, to which the sales people initially quote to customers, and Tom's price.

On a recent shopping excursion, Judy Molloy of Toronto picks out two suits and two blouses for \$1,100. Suddenly, Mr. Mihalik emerges. He chops a few dollars here, a few more there, and the price magically drops to \$950.

That's one customer who will be back. "We've been coming here for 14 years and Thomas keeps getting kinder and kinder," Ms. Molloy says.

*Edited version of originally published story*