

# Shop resists the lure of 'Made in China'

ORNAMENT, From 1A

It was up to the Workshop to save the original old world Christmas for its customers. It did, and discovered a new route to profits along the way.

Ranes started the Workshop in the late 1970s when do-it-yourself framing was the big thing. In 1981, he set up a couple Christmas trees, more for seasonal flair than to sell the ornaments on them.

But sell they did, and at a tidy markup. He added more trees, Old World ornaments, nutcrackers and other traditional German decorations: pyramids — the twirling wooden platforms populated with wooden people and scenes — and smokers, small wooden figures that hold cones of burning incense and that appear slightly surprised to be releasing smoke through their permanently open mouths.

Old World Christmas of Spokane, Wash., had cobbled together a national brand from the handcrafted production of tiny artisan companies, some of them literally cottage industries. One of its primary suppliers was Inge-Glas, a family-owned German company that let Old World control the American brand for its Santa faces and stars and dozens of other classic designs.

“Virtually every (Christmas) tradition we celebrate in the U.S. is from Germany.”

Roger Lund, owner of The Christmas Haus in New Oxford, Pa., which specializes in imported ornaments and decorations. German decorations take top bough in the glittery crowd.

“There are the 3 percent that are absolute freaks for Christmas, and as many as 20 percent leave out some Christmas (decorations) year-round, and the other folks, they can't wait till Halloween is over with to start putting up Christmas,” says Roger Lund, owner of The Christmas Haus in New Oxford, Pa., which specializes in imported ornaments and decorations.

German decorations take top bough in the glittery crowd. “Virtually every tradition we celebrate in the U.S. is from Germany,” says Lund. “The Christmas tree and, from that, ornaments. The nutcracker originated in Germany and, from that, wooden toys.”

Lisa D. Wegner, a longtime



Sarah and John Ranes dropped the Old World Christmas line from The Frame Workshop when the ornaments' manufacturing moved from Germany to China. Their decision, coupled with an online presence, has paid off.



A display at The Frame Workshop shows the steps involved in creating an authentic blown-glass ornament.

nutcracker collector and Pewaukee resident, wasn't sure what to expect when she ventured up to the Workshop over 10 years ago in pursuit of nutcrackers made by Christian Ulbricht, a German artisan.

“I thought, this is odd that a frame shop all of a sudden turns into Christmas. The first year, we wondered, what are we going to find there? I never expected to find Christmas, and that's what they provide,” she says.

“Twice the quality, half the price”

For the Frame Workshop and other Christmas retailers, the sleigh was on automatic pilot until 2000, when international competition swept through their snug world. That was when Old World Christmas re-

placed its German suppliers with Chinese-made ornaments. “We realized that if we didn't move to China, somebody was going to undercut us and leave us out in the cold,” says Tim Merck, president of Old World. “It took us seven years to develop the product line.”

The company now has 30 U.S. employees and 500 in the Chinese factories it owns, he says. The European-style designs produced in China have resulted in “twice the quality at half the price,” Merck says. “The molding is more intricate; they do sharper angles in the molds.”

And the price can't be beat, especially for the wide swath of customers who consider shopping for a few new ornaments part of the fun of Christmas.



Nutcrackers and other wooden Christmas toys have their roots in Germany. Christmas decorations are an \$8.5 billion annual business.

a decision on Ranes: moderate prices, with Old World, or moderate growth, with the German pedigreed lines. He went with the Germans and got both.

### Workshop finds success online

At the same time that Old World cut loose its German suppliers, Ranes was ramping up an Internet marketing strategy.

The Old World switch left ornament distribution in chaos. As retailers, distributors and German artisans slowly forged new distribution channels, a minor Christmas miracle occurred: Heretofore little-known names such as Inge-Glas turned out to be key Internet search terms. Customers who wanted genuine German ornaments were initially confused by the new look of Old World. But once they figured out that what they really wanted was Inge-Glas, they found the Workshop and its peers online.

In 2000, the Workshop had about \$350,000 in sales, none from the Web. Its site launched in 2001. Now, Web sales account for about 25% of the Workshop's annual revenue of \$600,000 and will likely account for 50% within two more seasons, says Ranes. In-store sales of Christmas items account for another 20% of revenue.

The same factors that drove Old World to Chinese production — the long turnaround time, dealing with numerous tiny suppliers, and high-end qual-

### ON JSONLINE.COM

For a slide show with audio about how blown-glass ornaments are created, go to [www.jsonline.com/links/ornaments](http://www.jsonline.com/links/ornaments).

ity and prices — set up the Workshop for Internet success. “I believe in inventory,” says Ranes.

The shop's stockroom is piled to the rafters with organized stacks of boxes, each labeled with the name of the item and its German maker. Many Web customers call after placing their orders online for reassurance that the Workshop actually has in hand what they've ordered. If it doesn't, Ranes takes it off the site.

The German brands are still little-known. Christmas retailers have to keep cultivating the market by explaining why a 2-inch German glass house is worth \$14.95, or a tiny four-car train, \$17.95, says Meredith Schwartz, business editor of Gifts and Decorative Accessories magazine. It's not so different from explaining to customers why a \$35-a-foot molding is worth more than a pre-made frame, says Ranes. Visits from German artisans to sign their work helps.

Just this Christmas, international competition came full circle at the Workshop. Ranes this month shipped two orders of German nutcrackers — to Germany.

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