



## Mum's the Word

Midwest retailer Hot Mama is building an empire by rethinking shopping as a mom.



BY STEPHANIE SCHOMER

➤ **SITTING ON A CUSHY**, oversized red couch in a blue polka-dot dress, white knit tights, and cowboy boots, Morgan, 6, contentedly watches *Ratatouille*, one of her favorite movies. Her 4-year-old sister, Maya, is dressed to match and has settled on the slate-gray carpet near a coffee table covered with toys. Both snack on animal crackers, paying no mind to the crumbs that fall around them. It looks like a happy home.

But this isn't their home. This is Hot Mama, a fast-growing Minneapolis-based chain of clothing boutiques for moms—and their kids. “They ask to come here,” says Anne Trujillo, the 37-year-old mother of Morgan and Maya. “It’s fun

for them, which makes it fun for me. I get some time to focus on myself.” And time equals money. Hot Mama opened six new stores in 2010, bringing the chain to 17 locations in seven states. Executives say revenue for fiscal 2010 hit \$15.1 million, a 62% increase over 2009. Same-store sales were up 30% for the year and 45% for September (back-to-school, when stay-at-homes go public again, is Hot Mama’s Christmas).

Each location entertains kids with video games, movies, toys, and coloring books—all centrally located to help Mom keep an eye on the little ones. Every aisle is wide enough to accommodate a two-seat stroller, and sales employees double as

babysitters—it’s common to see one holding a toddler as she runs a sweater to the fitting room. The goal is to give every mother 15 minutes of shopping peace; most stay nearly an hour.

The boutique is a hip mom’s haven, packed with clothing from more than 200 brands, including Splendid, Trinity, and Michael Stars, as well as premium denim (no mom jeans allowed!) from Hudson and Joe’s Jeans. Hot Mama is the brainchild of CEO Megan Tamte, 37, and her husband, Mike, who serves as CFO. The couple—both sun-kissed, something that seems out of place in frosty Minneapolis—met at North Park University, a small Christian college in Chicago. They married shortly after

### MOM WITH A MISSION

CEO Megan Tamte refuses to stock mom jeans or sweatpants.

graduation. Mike went off to work as a CPA, while Megan stayed home to raise Ally, now 13, and Ryan, 11. Megan's first shopping trip with Ally in tow proved unsuccessful—the tot was fussy, Megan was unfamiliar with her postbaby body, and help was nowhere to be found. Leaving a store frustrated and empty-handed is something that most moms can relate to, but it

**“Our customers want to be dared,” says Hot Mama CEO Megan Tamte. “If they’re in this store, they want to be hot. They take that word very seriously.”**

gave Megan the idea of a better shopping experience for mothers.

Hot Mama remained just that—an idea—for years as Megan spent her days as a stay-at-home mom. Her “aha” moment came during an episode of *American Idol*. “I was watching other people make their dreams come true instead of chasing my own,” she says. “I just realized, ‘This is really dumb!’ I don’t watch TV anymore.”

In 2004, the first store opened in the downtown shopping district of Edina, an affluent Minneapolis suburb. The location positioned the retailer among the storefronts of Anthropologie, Banana Republic, and Monique Lhuillier. Customers say it’s the service that sets Hot Mama apart. Sales employees—or “stylists”—go through three certification

programs in their first few months on the floor: denim, body type, and maternity. “All women have issues with their body,” says Hot Mama president Kimberly Ritzer. “Our stylists can outfit any woman, aged 25 to 65, based on her body the minute she walks through the door, but they also build personal relationships to find a style that makes her feel comfortable. It’s like shopping with a girlfriend.”

And, indeed, it’s not unusual for customers and stylists to shed tears when the perfect pair of jeans restores a mom’s confidence. “They’re offering something unique,” says Nikoleta Panteva, a retail analyst for IBISWorld. “Moms want to be catered to, but they’re underserved, and the demographic Hot Mama is after has high disposable income. It’s created a valuable concept.”

Admittedly, “Hot Mama” is a dicey name for a store whose wares are not strictly maternity clothing. But Mike and Megan aren’t apologizing for the name. “Yes, it limits our clientele. But we’re serving a niche,” he says. “You can go to other stores to get our product, but not our service.” “Our customers want to be dared,” Megan adds. “If they’re in this store, they want to be hot. They take that word very seriously.”

The boutique continues to stretch across the Midwest—

revenue is expected to edge over \$20 million this fiscal year, and the Tamtes plan to have 50 locations by 2014. But Panteva warns that the Tamtes’ goal of a nationwide presence may require tweaking the model: “As they approach cities like Los Angeles, New York, and their surrounding communities, they might have to create a more posh atmosphere to serve a pickier, more brand-aware shopper.” The Tamtes aren’t worried. “[CEO] Howard Schultz calls Starbucks a third place—not work, not home, but a place of comfort,” Megan says. “That’s what I want Hot Mama to be for women everywhere.” **FC**

#### PLAYDATE

More than 250 square feet of Hot Mama’s floor is given over to toys and video games.

