

TITAN TIMES NEWSLETTER

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TITAN BUSINESS DEVELOPMENT GROUP, LLC



Halloween and the “Pop-Up Shops”

Halloween is right around the corner and Halloween Pop-Up Shops have begun sprouting up left and right. We define those types of shops as a temporary leasing of space for anything from a day to a year - though usually for about 6 – 8 weeks for Halloween Shops.

These short-term businesses usually rent space in a vacant storefront and quite often find relatively reasonable rent for temporarily occupying a space that might otherwise not be seeing any rental income. However, some national chain stores actually pay a premium.

For national chains such as Spirit Halloween and Halloween City, that concentrated selling time brings in big sales --even in New York City where the rents for retail spaces can top \$79,000 per month, according to Christina Norsig, CEO of PopUp Insider, a firm that helps retailers locate and staff temporary shops. Those retailers and e-commerce merchants aren't even as concerned about operating their profit margins because of the brand and name recognition they earn.

To further maximize sales, these seasonal retailers have also turned to the Web. It's the #2 destination for shopping during the holidays, especially when consumers are discouraged by packed mall parking lots and crowded stores. Wide selections and overnight shipping mean that procrastinators can have their vampire fangs delivered to their door just in time for the big night.

The size of the market is one reason that Halloween is a solid business opportunity. Around 160 million Americans celebrate Halloween and that number seems to be increasing year over year. The National Retail Federation says consumers spent \$6.9 billion on Halloween in 2016, while Canadians have become so wild about Halloween that they now spend more per capita on costumes, candy and décor than those in the U.S., with holiday-related spending that is second only to Christmas.

So now you know – those Pop-Up Shops are actually credible, seasonal businesses, operating in a substantial economic space.

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Small Business Seasonal Cyclicity

“Although these business owners struggle with cyclical revenues, they need not necessarily cease operations entirely.”

Many retailers depend on holiday sales to earn a profit for the year. Some small businesses rely on sales generated primarily in one season, too, even those that aren't involved in retailing. But unlike national chains, small businesses typically need to generate a profit every quarter or month. They must optimize their earning potential year-round to really establish a strong financial footing. Following are three very basic concepts.

Diversify a Company's Offerings. Everyone is familiar with the Halloween stores that pop up in late August or early September. They appear in vacant shopping mall storefronts, luring in customers with animatronic displays and interesting costumes. They do a booming business—for the two months they're open. As soon as November begins, Halloween shops are vacated and become empty storefronts again. Although these business owners struggle with cyclical revenues, they need not necessarily cease operations entirely. They can work to generate a profit even when their primary activity is out of season.

A landscaping company owner, for example, may find that come October, his business prospects begin to wither. He can optimize his earning potential year-round by raking leaves and winterizing properties in fall, clearing snow and ice in winter and prepping gardens and lawns in the spring. He may need to invest in some new equipment, but the cyclicity of his earnings will be reduced significantly.

Similarly, the owner of a Christmas shop may do 90 percent of her sales between October and December. If, for example, she changes her product offerings slightly, diversifying into home décor or other holiday items, she is more likely to help normalize (evenly spread) her earning potential throughout the year.

Seek Opportunities to Promote Yourself in the Offseason. Clearly, small business owners shouldn't move away from their primary revenue drivers. The landscaper and Christmas shop owner ought to continue landscaping and selling Christmas items. But, they should also try to market their original business offerings while they are generating revenue in the offseason. The landscaper can mention to winter clients holiday merchandise is even put on display.

Marketing is a study in consumer psychology, and small business owners can hint at the value their enterprise adds. Rather than refer to his business as a landscaping company, the landscaper can refer to it as a "property maintenance" firm. The retailer can use red and green in her logo or marketing materials to subtly suggest that Christmas is her specialty.

Seek Other Income Sources. Perhaps an entrepreneur's revenue optimization and marketing strategies are not working as planned. Or a business owner may want to expand his or her roster of talents and have new career experiences. The best way to pursue personal growth and new revenue streams may be the addition of entirely new business activities. Consulting is one such option, an avenue by which a small business owner can offer his or her expertise and make money doing so. In addition, business owners likely have talents that they don't typically use in their line of work. The Christmas retailer may be a talented writer; she could write on a freelance basis to supplement her income.

Seasonal cyclicalities are something that many small business owners may face. They can take action to reduce cyclicalities and bolster their revenue stream. Being creative, flexible, and open to new challenges can move a business into the black. By offering new services, marketing cleverly, or pursuing new personal ventures, a business owner can take charge and ensure his or her success.

Masterful Quotes

*"Identify your problems but
give your power and energy to solutions."*

~ Tony Robbins



Titan: of prodigious size, strength or achievement