

Open your own candy shop!

FabJob Guide to
**Become a
Candy Store
Owner**



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Contents

About the Author	9
Acknowledgements	9
1. Introduction.....	10
1.1 The Retail Candy Business.....	11
1.1.1 About the Industry	11
1.1.2 Candy Products and Services	13
1.2 Benefits of Being a Candy Store Owner	17
1.3 Inside This Guide	19
2. Getting Ready.....	21
2.1 Skills and Knowledge You Will Need	21
2.1.1 Candy Making Knowledge And Skills.....	21
2.1.2 Interpersonal Skills.....	25
2.1.3 Business Skills	27
2.2 Learning by Doing	29
2.2.1 Work in a Candy Store	29
2.2.2 Work in a Candy Factory.....	30
2.2.3 Get Volunteer Experience.....	31
2.3 Be Your Own “Mystery Shopper”	32
2.4 Learn From Other Business Owners.....	33
2.4.1 Talk to Candy Store Owners	33
2.4.2 Join an Association	38
2.5 Educational Programs	41
2.5.1 Candy Making Educational Programs.....	41
2.5.2 Business Courses	44

2.6	Resources for Self-Study.....	45
2.6.1	Books and Magazines	46
2.6.2	Websites	47
2.6.3	Trade Shows	49
3.	Starting Your Candy Store Business	51
3.1	Choosing Your Niche.....	51
3.1.1	Traditional Candy Store.....	53
3.1.2	Artisan Candy Store	54
3.1.3	Specialist in a Single Candy	55
3.1.4	Candy Store with Other Products or Services.....	55
3.2	Options for Starting a Candy Store.....	58
3.2.1	Buying an Established Store.....	58
3.2.2	Franchising	65
3.2.3	Opening a New Candy Store	71
3.3	Choosing a Store Name	71
3.4	Your Business Plan	73
3.4.1	What To Include In a Business Plan.....	74
3.4.2	Start-Up Financial Planning.....	80
3.4.3	A Sample Business Plan.....	89
3.4.4	Business Plan Resources.....	100
3.5	Start-Up Financing	101
3.5.1	Getting Prepared.....	101
3.5.2	Equity vs. Debt Financing	103
3.5.3	Borrowing Money.....	104
3.5.4	Finding Investors.....	106
3.5.5	Government Programs	109

3.6	Legal Matters.....	111
3.6.1	Your Business Legal Structure	111
3.6.2	Business Licenses.....	116
3.6.3	Taxes	117
3.6.4	Insurance.....	120
4.	Setting up Your Retail Store	123
4.1	Finding a Location.....	123
4.1.1	Possible Locations.....	124
4.1.2	Points to Consider	128
4.1.3	Signing Your Lease	131
4.2	Store Design	144
4.2.1	Outside the Store	144
4.2.2	Inside the Store.....	147
4.2.3	Store Security	151
4.3	Displaying Merchandise	152
4.3.1	Maximizing Sales.....	153
4.3.2	Creating Window Displays.....	154
4.3.3	Creating a Candy Buffet	156
4.3.4	Creating Gift Baskets and Candy Floral Arrangements.....	157
4.4	Retail Equipment and Supplies.....	160
4.4.1	Items You'll Need	160
4.4.2	Suppliers	164
4.5	Obtaining Your Inventory	168
4.5.1	Wholesalers	168
4.5.2	Manufacturers.....	170
4.5.3	Prices and Terms.....	170
4.5.4	Consignment	171

5. Running Your Business	175
5.1 Store Operations	175
5.1.1 Developing a Procedures Manual	175
5.1.2 Areas of Operations Checklists	177
5.2 Inventory Management	179
5.2.1 Inventory Software	179
5.2.2 Inventory Tags and Labels	181
5.3 Pricing Merchandise	182
5.3.1 Retail Pricing Formulas	182
5.3.2 Standard Markups.....	186
5.3.3 Clearing Items Out	187
5.4 Getting Paid.....	188
5.4.1 Accepting Debit Cards.....	188
5.4.2 Accepting Credit Cards	189
5.4.3 Accepting Payment Online	190
5.4.4 Accepting Checks	190
5.5 Financial Management	190
5.5.1 Bookkeeping.....	190
5.5.2 Financial Statements and Reports.....	193
5.5.3 Building Wealth	200
5.6 Employees	205
5.6.1 When to Hire Help	205
5.6.2 Recruiting Staff	207
5.6.3 The Hiring Process	210
5.6.4 New Employees	213

6. Getting and Keeping Customers	218
6.1 Marketing Tools.....	218
6.1.1 Printed Materials	218
6.1.2 Your Website.....	222
6.2 Marketing Techniques	226
6.2.1 Advertising.....	226
6.2.2 Free Publicity.....	230
6.2.3 Networking and Referrals.....	234
6.3 Marketing Events	236
6.3.1 Your Grand Opening.....	236
6.3.2 Other Special Events	240
6.4 Customer Service.....	241
6.4.1 Greeting Customers	241
6.4.2 Making the Sale.....	243
6.4.3 Return/Exchange Policy.....	245
6.4.4 Getting Repeat Business	246



1. Introduction

Congratulations on your decision to open a candy store! Few careers give you the chance to bring so much happiness to others. And not many careers give you the opportunity to indulge your sweet tooth at the same time.

If you're like most people, you probably have fond memories of candy stores and the candies they sold. Maybe you remember the days of penny candy, when you walked into your favorite candy store and for 10 cents walked out with a bag stuffed with your favorite sweet treats. Walking through a department or grocery store candy aisle just doesn't compare to walking into a full-service candy store with its shelves brimming with colorful and delicious candies of every description.

The nostalgia value of the candies themselves is something treasured by people who love candy. Remember wax lips, licorice cigars and pipes,

Atomic Fireballs, books of Lifesavers? Well, many of your customers will remember them, too, and they'll be thrilled to find these and other retro candies in your store. (Many retro candies are still available and you'll learn where to find them later in this guide.) They'll be delighted to pass on their fond memories to their own children and grandchildren. And you'll also introduce new generations of candy lovers to all the sweet treats you sell.

Candy stores go beyond mere nostalgia, though. These days, candy stores are much more diverse in their offerings and very attentive to consumer demand. Candy stores sell everything from gourmet chocolates to artisan candies to organic candies, as well as old favorites like licorice whips and bubble gum. They even cater to the special dietary demands of their customers by selling kosher and dietetic candies.

Of course, owning a candy store isn't always as smooth as a mouthful of saltwater taffy. You'll be running your own business. You'll need to know how to choose a location for your candy store, how to put together a business plan, how to create a start-up budget, and a host of other important concepts like buying inventory, marketing your business, staying on top of consumer trends in candy buying, and much more. That's why we created this guide. Everything you need to know to get you started on your dream of owning a candy store is right here. Let's get started!

1.1 The Retail Candy Business

1.1.1 About the Industry

In 2002 according to the most recent full statistics available from the U.S. Economic Census data, there were around 3,400 candy stores in the United States, whose combined earnings were more than \$1.3 billion. The growth in revenues in the "Other specialty food stores" sector, of which candy stores are a part, was a very respectable 25% in the 5-year period from 2002 to 2007 according to more recent sector reports from the same source.

According to the International Confectionery Association, an organization that represents confectionery industry associations from around the world, global sales of confectionery products topped \$136 billion in

2006. In the U.S., according to figures from the National Confectioners Association, industry sales climbed by 3.6% in 2009 over 2008 figures. As you can see from these figures, candy sales do well even through tough economic times.

Emerging Trends in the Industry

According to Susan Fussell Whiteside, VP Communications with the National Confectioners Association, the following confectionery categories stood out in the 52 weeks ending April, 2010, in terms of sales performance and consumer demand:

- Coconut and nut confectionery grew 12.1 percent
- Gummy and chewy candy is up 11.6 percent
- Dark chocolate sales slowed compared to previous years, but still grew an impressive 9 percent
- Sugar-free gum grew 7.3 percent
- Theater box candies grew 6 percent (indicates increased attention to value brands and sizes in keeping with the economy)
- Licorice grew 4.7 percent

“To that list, I’d add all natural products (especially products featuring honey – they were everywhere at the [Sweets & Snacks Expo] show this year),” Whiteside told us.

The confectionery market is constantly changing and so are its consumer trends. A February, 2010, report on the confections and dessert industry by Packaged Facts, observed a number of shifts in consumer trends. The principal consumer-driven trends in the confectionery industry today are:

- Nostalgia
- Indulgence
- Flavor adventure
- Artisan appeal

And, of course, candy stores can benefit greatly from these consumer trends. You can appeal to your customers' sense of nostalgia, since candy consumption is often linked to positive childhood memories, family get-togethers, and other fond remembrances where candy was involved. Candy is also a very affordable indulgence, and many turn to candy as a relatively inexpensive comfort food, especially in trying times.

The rise in a more global cuisine, as the report notes, has also created a demand for more exotic flavors from around the world and candy manufacturers are responding to this trend by creating more interesting flavors in addition to the more traditional candies we're all used to.

Finally, if you are an artisan candy-maker yourself, you'll have a ready market of consumers who crave the original flair of the artisan producer, as well as the higher quality of artisan candy offerings. Even if you're not a candy maker yourself, there are many artisan confectioners who would be happy for you to sell their wares in your candy store.

In addition to these trends, a recent article in *Consumer News* notes several factors affecting consumer candy-buying choices. These include a desire for more exotic flavors, the growth in demand for artisan candy, a desire for more natural and higher-quality ingredients, and a shift in tastes from sweet flavors to more sour flavors. By being on top of these trends, your candy store will be assured success in this ever-changing and dynamic market.

1.1.2 Candy Products and Services

Candies and confections come in an amazing variety of products. As a candy store owner, you will be expected to be the expert in every type of candy you sell. The more you know, the more you can entice your customers into trying new varieties they've never tried before. This not only increases your revenues, but keeps your customers coming back for more. Here are some of the different types of candy you can sell:

Hard Candies

The hard candy category includes many of the traditional and old-fashioned types of candy. These are often individually wrapped. You can

sell them by the piece, in bulk, or in pre-packaged bags of individually wrapped candies.

- Drop candy (butterscotch, lemon, raspberry, spearmint, etc.)
- Horehound
- Jaw breakers/gob stoppers
- Lollipops
- Mints
- Rock candy
- Stick candy (e.g. candy canes)
- Taffy (although some are soft)

Soft Candies

The market for soft candies is also vast. Nearly everyone has their own favorite type of soft candy. Just think about the many different varieties of gummies for example: everything from gummy bears to gummy worms. Another classic soft candy is the *pate de fruit*, a soft, chewy candy similar to gummies and made from fruit puree.

- Caramels
- Dried fruits (whole dried fruits)
- Gum (technically a soft candy)
- Gummies (many different shapes and flavors)
- Jelly beans (hundreds of flavors)
- Licorice (ropes, whips, pieces)
- Marshmallows and marshmallow filled candy
- *Pates de fruits* (a fruit-based soft candy)

Chocolate

Chocolate is a perennial favorite among candy lovers everywhere. As a candy store owner you will be stocking this treat, and you should know

something about it. There are many different types of chocolate that appeal to different consumer tastes.

People's palates are also becoming more sophisticated in terms of the types and quality of chocolate they're choosing. Sales of premium chocolate and artisan chocolates have taken off in recent years, as reported in Confectionery News in March, 2010. Whether you choose to make your own chocolates or purchase them from suppliers, you should be aware of all the different varieties available for sale. This might also include knowing some of the more exotic flavors available and variations like gluten free and vegan chocolates.

Seasonal Candies

Certain holidays seem to be made for the candy seller. Where would Valentine's Day be without the traditional gift of chocolate? There are dozens of Easter-themed chocolates and candies you can add to your line-up, too. Name a holiday and there is likely some type of candy associated with it or packaged just for the season. Your wholesaler's rep will be able to set you up with almost any kind of seasonal candy you could want.

Dietary Candies

Dietary candies are manufactured with certain dietary restrictions in mind. These can be health-related, religious (e.g. kosher), or made without any animal products (like milk, eggs, etc.) or artificial additives. If you're looking for these types of products for your store, be sure that each product is manufactured in a facility that does not manufacture other products that do contain the restricted ingredient. For example, if you're selling nut free candy, make sure they are made in a facility that is completely nut free, otherwise the manufacturer cannot guarantee that their products might not become contaminated with nuts. Here are the main types of dietary candies you might carry:

- Food dye free (food dyes are linked to cancers, hyperactivity, allergic reactions, etc.)
- Gluten free (gluten is a protein in wheat, barley and rye that many people are allergic to)
- Kosher (dietary restrictions that follow Jewish beliefs)

- Lactose free (does not contain milk products)
- Nut-free
- Sugar-free
- Vegan
- Vegetarian

Fruits and Nuts

Nuts, fruit pieces, seeds, and grains are found in lots of different kinds of candy, especially chocolate. However, some are worth noting as they are perennial favorites among candy-lovers as stand-alone products. In addition to candy-glazed nuts, many candy stores also sell regular salted and unsalted varieties like cashews, peanuts, sunflower seeds, pumpkin seeds, etc.

- Almonds (chocolate covered or glazed)
- Dried fruit (natural or with candy glaze)
- Peanuts (chocolate covered or glazed)
- Popcorn (e.g. caramel corn)
- Raisins (covered in chocolate, yogurt, glazed)
- Sunflower seeds (natural or with candy glaze)

Other Snack Foods

Besides candy, you might also want to become familiar with the many different snack foods available. Not everyone who comes into your store will be a candy lover (difficult as that is to imagine), so you might want to include snacks like chips, plain or salted nuts, and so on, in order to round out your offerings.

Some snack foods to consider for your candy store include:

- Corn (whole flavored/salted kernels)
- Chips (potato, corn, tortilla)
- Cheezies

- Cookies
- Hickory sticks
- Jerky
- Nuts (plain and salted peanuts, cashews, almonds, etc.)
- Popcorn (flavored or plain)
- Pork rinds
- Pretzels
- Pumpkin, sunflower, and sesame seeds

Although there is an almost infinite variety of candies and related treats that you can purchase wholesale for your store, you may also have an interest in creating and selling your own candy creations. You could start your store using wholesale purchased candy and gradually add your own creations as you go. You might also be interested in starting a unique store that sells just your candies. We'll look at the knowledge and skills you need for making your own candies in the following chapter.

Services You Can Offer

In addition to the products listed above, you can also offer some unique services to your customers. These include:

- Catering for events (party favors, wedding candies, cotton candy, etc.)
- Gift baskets and candy "floral" arrangements
- Personalized candy

We'll tell you more about these service in chapter 3.

1.2 Benefits of Being a Candy Store Owner

Owning a candy store can be a fulfilling and rewarding career. In addition to the benefits of working for yourself, it offers the possibility to shape the size of your business according to your own preferences and

personal ambitions. You can work to establish a store that turns a profit and provides a fair income or choose to expand beyond the original store and open up another store once the first becomes profitable.

Fun Work Environment

What could be more fun than working in candy store? You'll feel like a kid again every time you step into your store. All the many varieties of confections, right there at your fingertips, and it's all yours.

No more 9-to-5 job, no more grumpy boss looking over your shoulder. When you're the owner of a candy store, you'll set your own hours. Many candy stores are a family affair, too. Imagine being able to spend time with your spouse and kids who can work right alongside you and learn the business with you.

You'll also be an important part of helping people successfully celebrate events like birthdays, special life events, and just about anything else that people want to commemorate by throwing a party and adding candy to it. Many celebrations will center on your candies and service offerings.

Financial Rewards

Many candy stores have started out as small proprietorships and then gone on to bigger and better things. Candy giant, Mars, started out in a family kitchen in Tacoma, Washington. The Jelly Belly company started out as a small ice cream and candy store in Belleville, Illinois. And, as we mentioned earlier, the industry as a whole produces billions of dollars in sales. Your candy store will have the potential to provide you with a good living or maybe even give you the chance to turn your little candy store into a million dollar empire.

Make People Happy

Most candy store owners take great pleasure in helping make other people happy. They enjoy developing relationships with their customers and other members of the community, getting involved in community activities, and becoming respected members of the business community. And they get these benefits on a daily basis. You'll see the

smiles and happy faces of customers from the very first day you open your doors for business.

Exercise Your Creativity

If you're a creative person, and you probably are, you can use your creative imagination in many different ways as candy store owner. Imagine developing exciting new candy flavors, undiscovered taste combinations that make your product list unique from other shops like yours. Create fancy gift baskets, floral arrangements, or go wild in your store creating enticing candy displays.

You can also create a unique environment for people to enjoy purchasing your products. Many candy stores harken back to long ago times by turning their shops into old-fashioned candy stores brimming with nostalgia. If you remember the days of penny candy or just long for a time when the neighborhood candy store was a center of activity on a lazy Sunday afternoon, you'll love owning your own candy store.

1.3 Inside This Guide

The *FabJob Guide to Become a Candy Store Owner* is organized to help take you step-by-step through the basics you will need to open and operate your own store. The chapters are organized as follows:

Chapter 2 ("*Getting Ready*") explains the skills you will need as a candy store owner. It covers ways of learning from experts and through observation. You'll also find resources for learning more.

Chapter 3 ("*Starting Your Candy Store Business*") will help you decide what kind of store you should open. This chapter discusses different types of candy stores you can open and will help you decide whether to buy an existing store, operate a franchise, or open a new store. It also explains what you need to get started, including your business plan, start-up financing, store name, and other important matters.

Chapter 4 ("*Setting Up Your Store*") offers the information you need to actually set up your store. It gives advice on how to choose a location, get merchandise to sell, and arrange displays. You will also discover what equipment and supplies you will need.

Chapter 5 (“*Store Operations*”) takes you into the day-to-day challenge of running your candy store once it’s open. It explains how to develop a procedures manual, and covers inventory management, financial management and pricing, and hiring staff.

Chapter 6 is all about “*Getting and Keeping Customers.*” We’ll show you how to put together a marketing plan to let customers know you’ve opened. You’ll learn how to put on a grand opening for your store and find many other promotional ideas to get people interested in your store. Finally, we’ll look at customer service and how to keep your customers happy and coming back for more.

By following the steps in this guide, you will be well on your way to living your dream — opening your own successful candy store.