

Open a party supply or party rental shop!

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



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1. Introduction

Congratulations on taking the first step towards opening your own party store. As the owner of a party store, you will have the opportunity to make people happy every day as they celebrate special occasions.

You will learn how to get started in this exciting and rewarding business in the *FabJob Guide to Become a Party Store Owner*. This chapter begins with an overview of the industry. In the pages that follow, you will read about different types of party stores and products, learn some benefits of this exciting career choice, and discover the steps needed to get started.

1.1 The Retail Party Business

1.1.1 About the Industry

When you open a party store, you will join a multi-billion dollar industry. The party supplies business brings in \$27.9 billion in yearly revenue from 54,330 individual companies, according to the business research firm Hoover's Inc., while the equipment rental business, which includes

party rentals, brings in \$35.3 billion according to the American Rental Association.

Halloween, the biggest sales producer of the year for the party supply industry, has consistently grown from bringing in 3.3 billion in 2005 to nearly 6 billion in 2009, despite the downturn in the economy. Other holidays, like Christmas and New Year's, consistently provide party store owners with revenue from holiday gatherings, but it is the off-seasons daily occasions such as graduations, weddings, and birthdays that keep store owners thriving.

For example, weddings bring in about \$87 billion in the U.S., according to the Association for Wedding Professionals International. If you decide to carry wedding supplies in your party store, your business will benefit from the thriving wedding industry.

No matter how the economy is doing, people still want to make their special days memorable and party store owners make that desire a reality. In fact, a 2009 survey by the industry publication *Party & Paper Retailer* found more than one-third of party store owners have plans to expand.

1.1.2 Types of Party Stores

While the words “party store” may make you think of one particular type of business, in fact there are different types of party stores. Some party stores offer a wide variety of party items for all popular holidays and occasions while others specialize in selling or renting particular types of party items. For example, you could choose to open a party store that specializes in selling costumes for Halloween, a business that offers bounce house rentals and supplies for children's birthday parties, or a store that provides everything needed to plan a fabulous wedding.

The main factor in determining the type of party store is whether it is a “party supply” store” or a “party rental store” — although some stores are both. We'll examine this distinction, and provide an overview of the products and services that can be offered by both types of stores.

Party Supply Stores and Party Rental Stores

Party supply stores buy items from the manufacturer or wholesaler to resell for a profit to local customers. Typical products sold in party supply stores include paper products, decorations, party favors, and disposable party items such as plastic eating utensils. In addition party supply stores may offer lower cost versions of products offered by party rental stores.

Party rental stores rent equipment and supplies for almost any imaginable party, special event, festival, or other get-together. Typically items which are rented are higher quality party supplies and equipment which customers may need only once. For example, many party items, such as concessions and tents, are more suitable for renting than for selling because most people cannot use or store them on a regular basis.

As mentioned, some types of products are offered by both party supply and party rental stores. For example, you might sell inexpensive costumes but rent more elaborate costumes that cost hundreds of dollars. Or you might sell colorful paper products for parties, but rent beautiful dinnerware and other items for weddings.

While you can choose to focus entirely on retail or entirely on rental, there is no rule that says you must do one or the other. If it makes sense to stock mostly party supplies and supplement those with a few key rental pieces that you know your customers will be looking for anyway, then by all means do it. As you get more experience you will learn just what sells and what doesn't and will be better able to develop a unique mix of merchandise.

Types of Party Products

The following are typical products sold or rented by party stores:

- **Costumes:** Adult costumes, children's costumes, costume jewelry, feather boas, glasses, headgear, makeup, masks, pet costumes, temporary hair dye, wigs, temporary tattoos, tuxedo rentals, etc.
- **Decorations and Props:** Balloons of all shapes and sizes, bubble machines, cake decorations, cake toppers, cardboard cutouts, chuppas, columns, confetti, disco balls, drapes, easels, flags, fog machines, flower petals, gazebos, helium tanks (for filling balloons),

mirrors, murals, parasols, pennants, plant stands, podiums, props, silk plants and flowers, ring bearer pillows, tulle, umbrellas, wall urns, etc.

- **Disposable Products:** Bags, banners and signs, bows and ribbon, boxes, centerpieces, cups, disposable cameras, gift wrap, greeting cards, invitations, napkins, paper plates, party hats, place cards, plastic eating utensils, poster board, save the date cards, table numbers, table skirts, tablecloths, thank you notes, tissue paper, etc.
- **Event Necessities:** Aisle runners, baby seats, bars, canopies, chairs, chair covers and sashes, cleaning equipment, coat racks, dance floors, fans, flat screen televisions, handcarts, heating and cooling systems, lecterns, lounge furniture, outdoor heaters, projectors, risers, screens, stages, tables, tents, trash cans, etc.
- **Food Preparation and Serving Ware:** Barbecues and grills, barware, baskets, cake decorating tips, cake knives and servers, cake stands, candy dishes and containers, candy wrappers, china, chocolate and drink fountains, coffee urns, cookie cutters, cupcake papers, fondue warmers, food picks, glasses and stemware, grilling supplies, ice buckets, novelty cake pans, platters, punch bowls, serving trays, silverware, table linens, vases, etc.
- **Games and Concessions:** Admission tickets, arcade games, bingo, bounce houses (also known as bouncy castles), bowling lanes, casino equipment, children's craft projects, cotton candy maker, dunk tanks, drink mixes, gaming tables, group games, hot dog warmer, laser tag, limbo, magic kits, mechanical bulls, megaphones, mini golf courses, moonwalks, obstacle courses, photo booths, piñatas, poker chips, popcorn poppers, pretzel warmers, raffle drums, rock climbing walls, slushy machines, water slides, wristbands, etc.
- **Gifts and Favors:** Art supplies, awards, beach balls, button pins, candy, certificates, coloring and activity books, frisbees, gift baskets, glow-in-the-dark items, inflatables, kites, noisemakers, novelty wedding and party favors, photo albums picture frames, pom-poms, poppers, scrapbooks, silly string, small toys, stickers, stuffed animals, surprise bags, tote bags, trophies, window clings, etc.

- **Lighting and Music:** Battery operated candles, candelabras, candleholders, candles and candle lighters, chandeliers, karaoke machines, luminaries, mirror balls, paper lanterns, party music CD's, sparklers, sound systems, spot lights, strings of lights, torches, strobe lights, etc.

While this is not an exhaustive list, it should give you a good start. To narrow down your choices, start thinking about what sorts of party themes and events interest you most, and then noting what products are necessary for those parties. For example, although it might make sense to sell wedding supplies along with offering wedding and event rentals, it might not make as much sense to sell only Halloween costumes and prom decorations.

Party Themes and Events

In addition to deciding what types of products to carry, you will also need to consider whether you will offer products and services for all types of parties or if you will focus on particular events, holidays, or themes. These include:

Events

- Anniversary Parties
- Baby Showers
- Bachelor/Bachelorette Parties
- Bar/Bat Mitzvah
- Baptismal Parties
- Birthday Parties
- Bridal Showers
- Charity Fundraisers
- Christenings
- Class Reunions
- Corporate Events

- Engagement Parties
- Family Reunions
- Going Away Parties
- Graduations
- Homecomings
- Housewarming Parties
- Proms
- Quinceañera
- Retirement Parties
- Slumber Parties
- Super Bowl
- Sweet Sixteen

Holidays and Cultural Events

- Chinese New Year
- Christmas
- Cinco de Mayo
- Easter
- El Dia de los Muertos
- Father's Day
- Halloween
- Hanukkah
- Independence Day
- Kwanzaa
- Mardi Gras
- Mother's Day
- New Year's

- Oktoberfest
- St. Patrick's Day
- Sweetest Day
- Thanksgiving
- Valentine's Day

Themes

- Animals
- Casino
- Circus
- Fiesta
- Hollywood
- International
- Luau
- Pirates
- Princess
- Pool Party
- Retro
- Safari
- Sports
- Television Shows (e.g. *Survivor*)
- Vineyard
- Western
- Whatever themes you or your customers dream up

Section 3.1 of this guide provides more detail about popular party store specializations (also known as niches) and gives some advice to help you decide what type of party store to open.

1.2 Benefits of Being a Party Store Owner

Chances are you have shopped in party supply stores or used the services of a party rental store. You might even have worked in a party store. But while it can be rewarding to work in someone else's party store, nothing quite compares to the benefits of running your own business., including:

Freedom

Nothing quite compares to the freedom and satisfaction of running your own business, implementing your own creative ideas, and taking credit for your own successes. That's why many store owners cite the ability to make their own decisions as a very rewarding aspect of the business. Being your own boss allows you to choose the kinds of merchandise you will carry, the power to implement your own ideas, and the satisfaction of running your business the way you want.

Fun and Creativity

Imagine arranging displays of brightly colored decorations, selecting fabulous products for your store, and helping customers put together everything they'll need for the perfect bash. If there is one thing that party store owners can agree on, it's that the party business is fun! You get to help your community celebrate birthdays, weddings, graduations, and holidays all year long. Not only that, but you'll have everything you need to put together your own parties right in your own store.

Helping People

"The party industry is a wonderful business to be a part of because it celebrates the wonderful things in life. I've had a great time. Party supplies is a very happy business."

— *Norma L. Ball, executive director,
Paper First Affiliates, LLC*

Some people think retail is all about sales. However, in the party store industry, it's also about providing a way for customers to make memories. For example, a bride who has imagined her wedding day all her

life may come to you for ways to make this important day exactly what she wants it to be. She'll want more than what department stores have to offer and she'll want something that fits with her unique taste. You will have the satisfaction of participating in her celebration and in the celebrations of many others. For this reason, the party business is a "feel good" business, which makes party store ownership a satisfying career choice.

Financial Rewards

Even if you believe money isn't everything, it's hard to ignore the fact that the party business can be very lucrative. Many successful party store owners earn a comfortable living. You can earn from tens of thousands to hundreds of thousands, or more for a large store, or even a chain of stores. This business is so rewarding, that a 2009 survey taken by *Party & Paper Retailer* showed that 37% of party store owners have plans to expand.

If these benefits of being a party store owner sound good to you, read on to learn what's inside this guide.

1.3 Inside This Guide

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

Chapter 2 ("*Getting Ready*") provides information about what skills you will need as a party store owner and office resources for developing any skills you may need to acquire or brush up on. It covers ways you can learn through observation, professional trade organizations, educational courses, and other learning opportunities.

Chapter 3 ("*Starting Your Party Store Business*") will help you explore the possibilities within this exciting industry and decide what kind of store you should open. This chapter will help you decide whether to buy an existing store, franchise, or open a new store at your chosen location. 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 Party Store”*) offers the information you need to actually set up your store. It gives advice on how to choose a location, discusses what equipment and supplies you will need, explains how to find merchandise from wholesale vendors and suppliers, as well as how to arrange attractive store displays to maximize your sales.

Chapter 5 (*“Running Your Party Store Business”*) takes you into the day-to-day challenge of running your store once it is open. It explains how to develop and implement a procedures manual and areas of operation checklists, and covers inventory management, financial management, and working with staff. This chapter also includes advice on pricing party supplies and rentals.

Chapter 6 (*“Getting and Keeping Customers”*) covers how to effectively market your business, from planning your grand opening party to attracting repeat customers. This chapter also offers tips on how to provide excellent customer service and suggestions for additional services you can offer to increase your income.

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