

# How much Does it **Cost** to Open a Vape Shop ?



We get this question ALL THE TIME, and of course the answers vary greatly depending upon where you are. Even so we asked Jon Merton, founder of Vapor Craze in Long Beach, California, to put together some figures based on their experiences.

You may be familiar with Vapor Craze since they hosted and sponsored the largest West Coast Vaping gathering in 2013, Vaptoberfest, in Long Beach and currently have six franchise locations.

If you want to open a retail shop probably the biggest expense—and certainly the biggest long term commitment—is rent. Rent prices can vary to less than \$1.00 per square foot in industrial areas in certain parts of the country, to double digit numbers per square foot in pricey areas. In Southern California, which seems to be “Ground Zero” as to the largest concentration of locations in the country, some locations can be found for less than a buck a foot, and usually less than \$4.00 a foot unless you are in Primo-land in Beverly Hills or San Francisco.

Next biggest expense: **Inventory**

Mods, juice, parts, etc... It can get very pricey very fast. Those costs will be broken down below.

Back to the store opening: after rent there are other factors to consider as a BUSINESS owner, and that includes expenses like:

- ❖ Insurance
- ❖ Payroll
- ❖ Taxes and licensing and permits

These items specifically need to be addressed since many Vape Shop owners have never owned a business OR a retail location. Aside from the COST of some of these things, there is also the **process** of training staff and dealing with customer service issues, plus the process of dealing with regulators at every level. Payroll alone can choke you and even though you think you can work 24/7, you cannot. As I’ve shared in multiple presentations over the years, “There are only a few ways to do a business **right** and multiple ways to screw it up...” You can get a sense of some of those areas in my other Special Reports.

Another option: opening a kiosk, which may become more difficult since cities are bringing the hammer down on kiosks and trucks and such. Here are the numbers for those:

### **KIOSK:**

- RENT: ~\$2,500-\$5,000/month
- 100 Starter kits: ~\$2,500
- (10) x 15ml Bottles of e-liquid in 20 flavors (0,6,12,18,24 NIC): ~\$15,000.00
- phone/internet ~\$200/month
- point of Sale ~\$100/month (yearly subscription/1 seat)
- electric bill ~\$150/month
- misc. ~\$300/month
- marketing/promotion ~\$100/month minimum
- + liability insurance ~\$150/month
- + employee's pay (2 employees+25hrs/wk each=\$1,800/month)
- + working mall hours (10am-10pm)
- TOTAL MONTHLY EXPENSE: ~\$6,300-\$8,800 minimum (NOT INCLUDING PRODUCT)

And here are the estimated numbers provided by Vapor Craze for a retail location:

- RENT: ~\$2,500-\$5,000/month
- 100 Starter kits: ~\$2,500
- 100 intermediate kits: ~\$5,000
- tanks, tips, and accessories ~\$5,000
- (10) x 15ml Bottles of e-liquid in 20 flavors (0,6,12,18,24 NIC): ~\$15,000.00
- electric bill ~\$150-250/month
- liability insurance ~\$150/month
- working hours ~10-12hrs a day. Mon-Sun.
- employee's pay (4 employees+25hrs/wk each=\$3,600/month)
- phone/internet ~\$200/month
- point of Sale ~\$200/month (yearly subscription/2seats)
- ADT security ~\$20/month
- misc. \$500/month
- marketing/promotion ~\$100/month minimum
- TOTAL MONTHLY EXPENSES: ~\$7,420-\$10,020 minimum (NOT INCLUDING PRODUCT)

In these examples the estimates for inventory are very low, so you can modify the numbers based on your own situation. When someone asks me a pointed question like, "How much do I need to open a store?" I usually say you should have a minimum of \$25,000 and that is bare, bare bones pushing it. One of the biggest failures of ALL businesses is "under-capitalization" which means running out of money. Getting a bank loan is not going to happen and your relatives will get pretty angry if you borrow from them, cannot pay them back and go back for MORE.

Some solutions we can help with:

**YES**, we have financing available to open a store or buy a franchise.

**YES**, we can help with merchant services

**YES**, we can help with inventory, suppliers and wholesalers

**YES**, we can help with training your staff as well as guidance on running your business

And **YES** we can help if you want to get into the Vape Space *without* opening a store. Our partnership with [www.LoveToBlo.com](http://www.LoveToBlo.com) is allowing many to get into the business for less than the price of a car.

If you are set and committed to opening a store we recommend you have a minimum of \$50,000 available, up to \$100,000. Not too long ago just opening a store would guarantee you business, but competition is encroaching upon every part of the country and guaranteed you will have competition when you open or not long after. We recommend having **SIX** (6) months worth of operating expenses available to be safe and even though you won't need a business plan to get a LOAN, it's a good idea to complete one for your own value and benefit. We have templates if you need them.

Good Luck!

What are the top questions you wished YOU asked about opening a store or what do you wish you knew **then** that you know now? Can you avoid learning “the hard way?”

Send your ideas to the address below and if I include them in future reports you'll get **Free Stuff!** You tell me what you want and we'll work out the details.

Please read our other FREE e-report at our web site and inquire about our Blo Gourmet e-juice Distributorship Model which will allow you to get into the Vape Space for less than the price of a car.

## next steps/ action items

1) You: \_\_\_\_\_

2) E-mail: \_\_\_\_\_ 3) Cell: \_\_\_\_\_

4) Do you own or operate a Vape Store now? \_\_\_\_\_ 5) Location: \_\_\_\_\_

6) YOUR location web site: \_\_\_\_\_

7) Which of these are you most interested in? (1-5, rank by priority):

- Business plans/ planning
- MasterMind classes (Live)
- Webinars & Peer:Peer guidance
- Consulting & Mentoring
- Joining the VapeMentorS national expansion team? (looking for social media and tech proficient entrepreneurs)

Please send responses to [norm@VapeMentorS.com](mailto:norm@VapeMentorS.com) marked 1-7 and your answers.