VapeMentors

Igniting Your Success in the Vape Space

How To Pick A Brick And Mortar Location

7 Essential Tools For Branding, Researching and Selecting Your First Store

By Jesse Plautz

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The Anatomy of a Successful Store

Without a doubt one of the most common questions we get at VapeMentors is "How do I pick a brick and mortar location?". If you are reading this book you are likely in the beginning stages of selecting and securing your first store. Congratulations! We hope this reference guide will help. We have helped dozens of vapreneurs across the country open and succeed in their first store, and now we are going to share with you our process and our guidelines for success. For this book we focused on a suburb of Salt Lake City, Utah called "East Millcreek". Incidentally we found that this was a fairly promising area for a new vape store.

Before we get started, let's define what the ideal vape store looks like and what kind of attributes you should seek out in a commercial property.

Square Footage

Most vape stores are in the 800 to 1,500 square foot range. This is about the size of a typical 1-2 bedroom apartment. Of course this includes your front of house space and your back-room office space. Don't let that number constrain your vision though, we have seen stores larger than 2,000 square feet have success. One store is 3,000 square feet and features a coffee bar.

Branding and Signage

Successful stores craft and communicate a consistent brand image from top to bottom. From the name of the store, to the location, to the décor and experience inside, the customer knows what to expect when they walk in the door. This is no accident. You need to align your brand experience with your target market and your location. Also, make sure your store sign can be easily seen from the street.

Accessibility and Visibility

Like any retail location your store has to be easy to get to and in proximity to other consumer attractions. Ever seen a 7-Eleven open a location next to an industrial park? No and there is a reason for that. Go where your customers are and brand your store as such.

The Tools To Get Started

Nowadays there is a plethora of online tools and resources you can use to research and select your ideal retail location.

These tools will be instrumental in your effort to gather basic information about your local market and your target demographic.

Although a lot of research can be done on your own we still highly advise that you contact a local commercial real estate agent that can help you with your final decision.

The good news is that getting your research started is not difficult. Below is a list of all our top tools for picking a retail location. We will dig deep into each of these tools in this book.

- Vapor Search USA
    - The largest database of vape stores in the country. Use this to identify your potential competitors.
- CityFeet.com
    - The "Zillow" of commercial real estate. Search thousands of commercial listings in your area.
- Google Maps
    - Essential for seeing what is around you. Use the street view feature to get more in depth detail of the surrounding area.
- Google Earth Pro
    - Provides invaluable demographic and traffic data to help determine the richness of the market
- Yelp
    - Essential for seeing what is right and wrong about the competition in your area
- CityData.com
    - The best place for area-specific demographic information on your local market. Marketing nerds rejoice.
- YouGov Profiler
    - Compare demographics between brands. Looking to attract females between 33 and 45? Find out what other brands they enjoy.

Vapor Search USA

If you want to see where your competition is we suggest Vapor Search USA first. They have the largest online directory of vape stores in the country.

The first thing we are looking at is saturation – how many stores are there in your target area?

In this example we clicked on "Utah" and zoomed in on the "East Millcreek" suburb of Salt Lake City. As you can see there is quite a large gap between vape stores here, and only two competitors in a 4 mile radius.

Now that we have identified a general target area we can begin looking for available commercial properties. We suggest starting with CityFeet.com
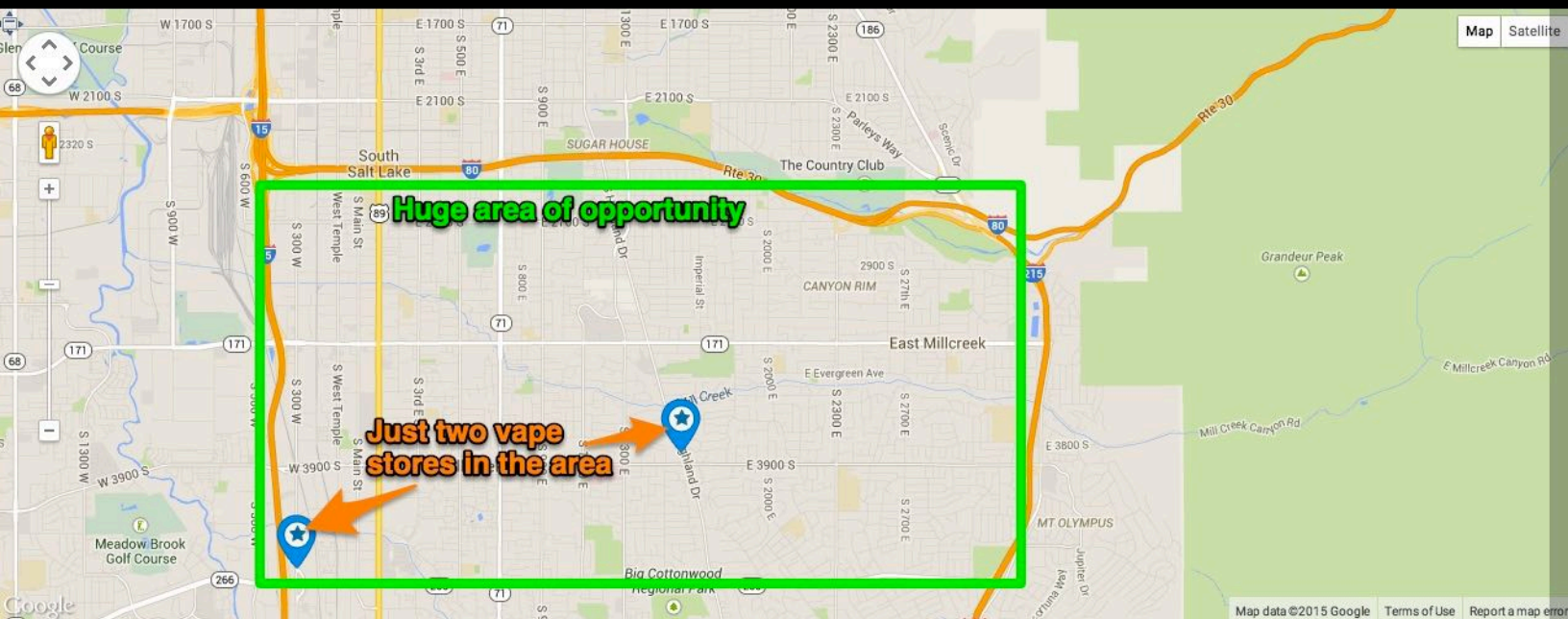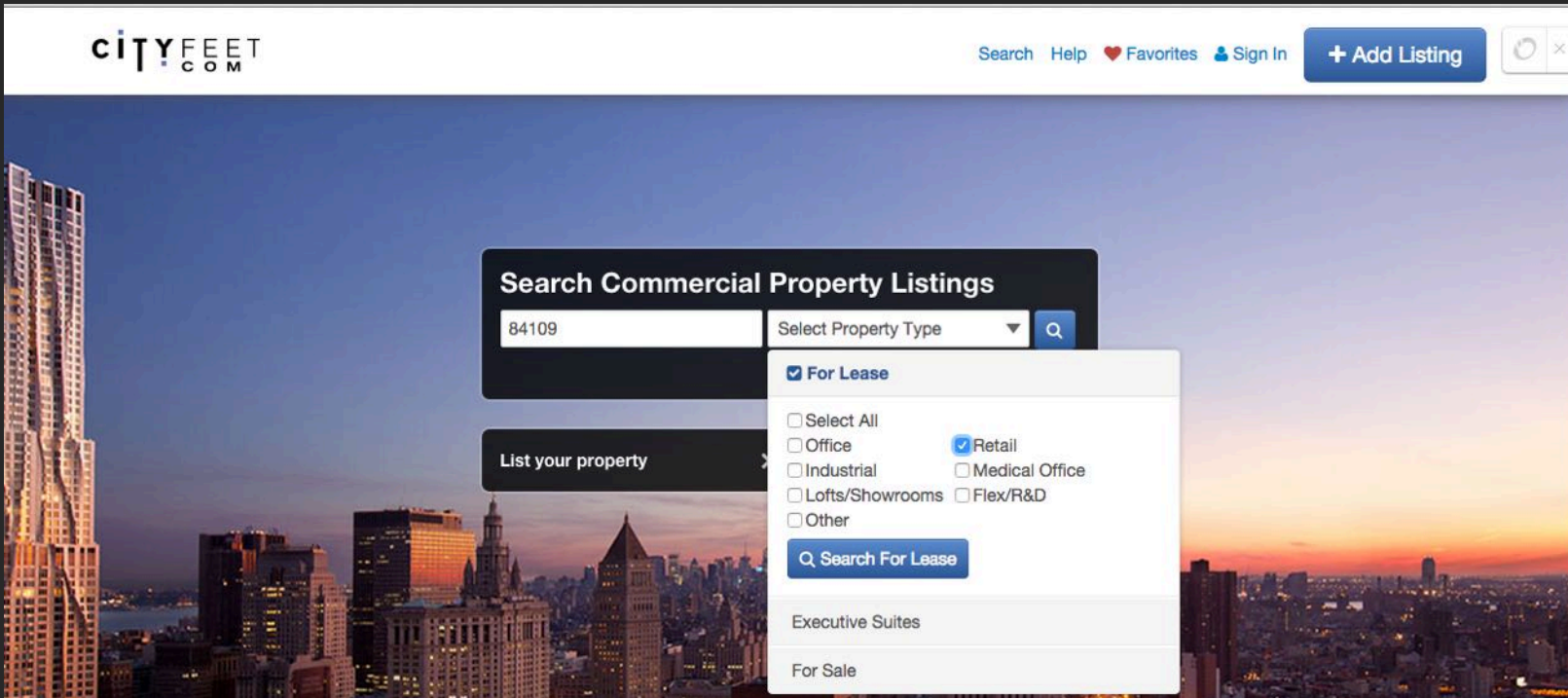
City Feet

Considered the "Zillow" of commercial real estate, Zillow allows you to search commercial real estate listings in a given area. Go to CityFeet.com and type in our target zip code "84109". In this example I selected "Retail" only.

Just like that, two promising locations are returned right in our target area. Both of these listings are below 1500 square feet and feature easy access from 3300 south – a highly trafficked street.

With these listings at our fingertips it's time to begin assessing the surrounding area using Google Maps, Google Earth and Yelp.
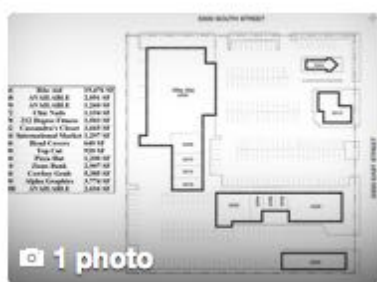
2300 E 3300 S
Salt Lake City, UT 84109
Retail
$16.00 - $17.00 /sf/year | 920 - 2,091 SF
Rite Aid anchored, great tenant mix including Zions Bank and Pizza Hut, New restaurant under construction

1 photo

PREMIUM

2037 E 3300 S
Salt Lake City, UT 84109
Retail
$15.27 /sf/year | 1,100 SF
One space opening April 1, 2015 in the center of very successful retail center. Air conditioned, gas heat, individually metered, restroom acoustical dropped ceiling, flourescent lighting, carpeted and hardwood

3 photos

6

Getting Your Bearings

Using Yelp and Google to Size Up Your Target Area

Retail locations fight over market share and foot traffic. When selecting your first store you want to make sure you pick a spot that is both high in foot traffic and far enough in proximity from your competitors. You wouldn't want to open a store right across the street from your competition (at least not for your first store).

You've heard the term "location, location, location" before, but I argue to throw out this old adage. "Market, market, market" is the new approach. You shouldn't be asking "is this a good location", but rather" is this a good location in the market, given the competition?"

Now that we have our target area and have scouted two promising listings it's time to do some market research on the area. We want to know who our competition is, how busy the area is, how many people live in the surrounding neighborhoods, what the other consumer attractions are and how many cars drive by the location.

Let's take a look at how to get this info from Google and Yelp.

Google Maps

Simply understanding who the other tenants are in the area and what the visibility is from the street can help you immensely, without having to even leave your house.

I will show you how I used Google maps to drill down on our target area on the next page, but first a quick tip:

Look for an "Anchor Tenant"

Anchor tenants are staples of the neighborhood that are guaranteed to bring in foot traffic to a shopping center or area.

Supermarkets and grocery stores have always served as great anchor tenants, particularly in strip malls. They provide a constant flow of foot traffic to an area day and night. When selecting your location you want to get as close as possible to one of these anchor tenants.

Other examples of anchor tenants are department stores like Macy's and Dillard's. These are nationally recognized brands that have built in consumer appeal.

Tenants that are also valuable but not officially "anchors" are gas stations, restaurants, bars, banks, coffee shops and movie theaters.

Understand that different types of tenants attract foot traffic at varying times throughout the day and night. Additionally a bar will not attract the same demographic as a flower shop. Pay attention to this when sizing up your target area.

Your goal should be to align yourself with anchor tenants that attract your target demographic and are in close proximity to your store. Be careful though. If it's not easy for the anchor tenant customers to get to your store it won't benefit you at all.

Customers need easy access, otherwise you may as well be 2 miles away.

Google Maps

Google Maps is the best tool we can use to asses what other tenants surround our listings. We are trying to understand what kind of foot traffic the other tenants will attract.

In the screenshot below I have zoomed in on our target area to see what else is around. At first glance there are plenty of high quality consumer attractions.
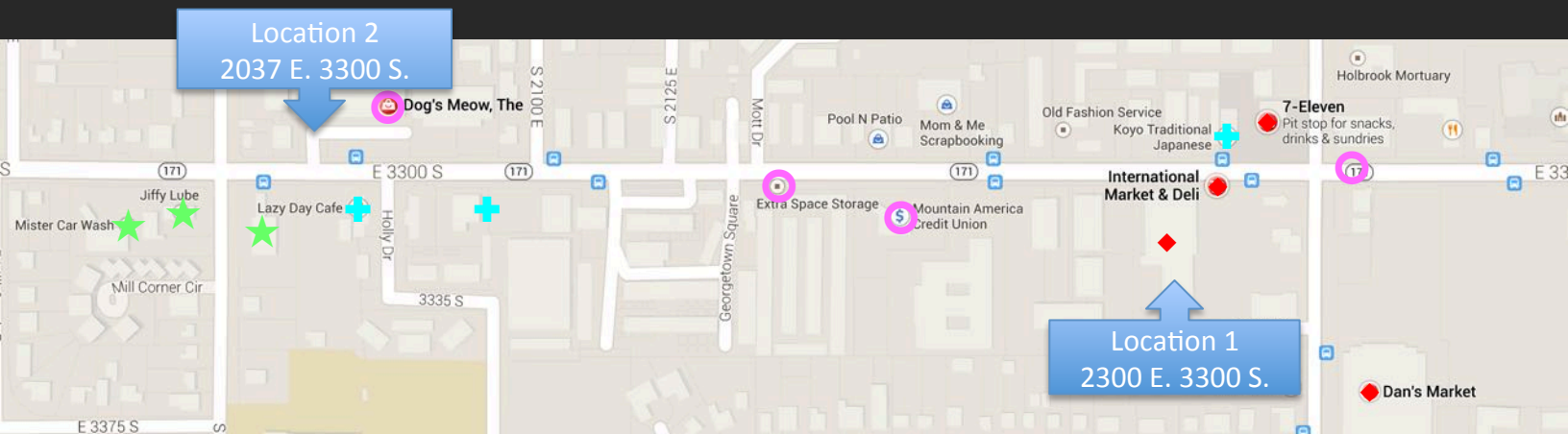
Grocery Stores – all day traffic

Dan's Market, Rite Aid, 7-Eleven, International Market and Deli

As you already know, grocery stores are among the best anchor tenants. I was surprised to see a national brand (Rite Aid), a strong regional brand (Dan's) and an ethnic store (International Market and Deli) all in the same area. Although not an official grocery store, 7-Eleven is open 24 hours and is still a destination for hungry people. Plus they sell cigarettes so you know you have potential converts.

Staple Restaurants– mostly lunch and dinner traffic

Lazy Day Café, Mill Creek Grill and Bar, Terrapin Station Smokin', La Fountain (Mexican), Koyo (Japanese)

Ranging from breakfast joints to ethnic food, these staple restaurants will help diversify the foot traffic hours and demographics. With morning traffic going to Lazy Day Café, look to take advantage of the lunch rush at La Fountain and Koyo. The late night crowd will hit up Mill Creek Grill and Bar and Terrapin Smokin' Station.

Automotive Services – weekend and seasonal traffic

Big-O Tires, Jiffy Lube and Mister Car Wash

Count on seasonal traffic in the spring and fall near Big-O tires for people changing out their winter tires. People will wash their cars on sunny days in the winter and after rain storms in the summer at Mister Car Wash. Jiffy Lube is really a year-round attraction for regular auto maintenance. People tend to deal with Their car maintenance on the weekends when they are off work.

BONUS – more reasons to stop by the area

Mountain America Credit Union, Check City, Extra Space Storage, Pet Food Store, Gas Station (at 7-11)

Financial services like credit unions and check cashing specialists always attract steady traffic. Right next Door to location 2 you have a high end pet food store and a comic book store. Additionally the 7-11 features a gas station. Location 1 has a Top Cut, a fitness gym and a nail salon right next door.

Google Earth Pro

[Download](#)

Google Earth Pro is the best kept secret in business. It used to cost $399 a year, but as of February 2015 Google began offering it for free. You can pull valuable business statistics and demographic information about any area in the United States. Plus you can upload custom data from different sources to help visualize. In this example I uploaded traffic information from the Utah Department of Transportation. Your state should have similar data available.

In the screenshot below I have zoomed in on our target area. Can you see the little symbols of cars and people? Click on them and Google Earth will pull demographic information and traffic statistics. There is built-in traffic data already in Google Earth, or you can upload your state's traffic data. Whichever works.

We learned that there are about 24,000 people that live in this area, an even mix of Male and Female with an average age of 36 ("Gen-X"). Average household income is $60K.

Also, about 20,000 cars drive by our anchor tenants every single day!
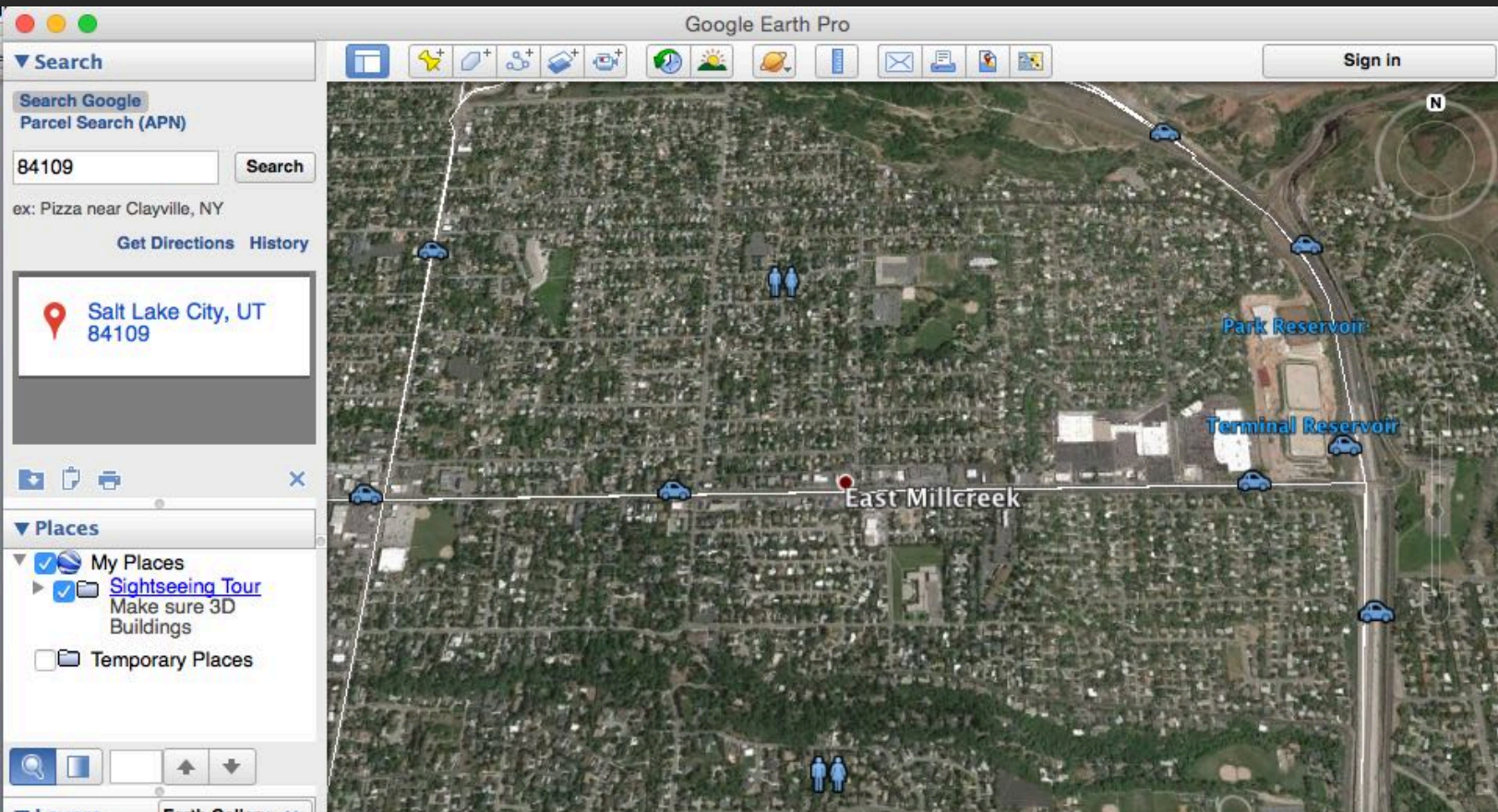
Yelp

Yelp is truly one of the most insightful and indispensable tools for any brick and mortar shop owner. Not only is it invaluable for sizing up your competition, a properly configured Yelp page will help you acquire new customers. Sometimes simply having a better looking Yelp page will drive a customer into your store rather than a competitor's.

That's also why we look at it at this point in our search. Businesses with strong Yelp pages and a lot of 5 star reviews are much harder to compete with. I will teach you how to dig deep into what your area competitors are and are not doing for their customers – i.e. where you can step in and differentiate.

I took a look at the 2 other vape stores in the target area – Electronic Stix and Salt Lake Vapors.

At first glance, Electronic Stix looks like a worthy competitor. They have an impressive website, great product photos and what looks like a great selection, however they are located 15 minutes away from our shopping center, so they aren't exactly competing for the same customer base (although it's not uncommon for people to drive that far for better service). Their Yelp profile does also raise some concerns about customer service. I would monitor them closely if I owned a store.

Salt Lake Vapors is much closer to our shopping center than Electronic Stix (about 7 minutes away) but does not have a very good website or a strong Yelp page. This store is more likely to steal foot traffic from our location, so they are much more of a threat than Electronic Stix.

I wanted to show you how to deconstruct a competitor's Yelp page, but I also wanted to keep our fellow Vapreneur anonymous, so I won't tell you which Yelp page I chose for this example. Just know that it is a vape store in the SLC area.

Pay attention to how I deconstructed the page so you can apply the same approach to your competitors. Learn from their mistakes and (especially) their success so you can craft an excellent experience.

Let's take a closer look at an anonymous Yelp profile on the next page.

Yelp

In this example I took note of review volume, overall customer rating and dug deep into what customers were saying. Doing this will help you understand what competitors are doing right and wrong and how you can differentiate your offering and your store.

Yelp Page Assessment

Review Volume: F
User Ratings: B
Yelp Profile Completeness: C
Overall Yelp Profile Score: C-

Areas of improvement:

- Ask for more reviews!
  - This business has just 8 recommended reviews since 2008. More 5 star reviews = more customers
- Upload more pictures
  - Only 2 pictures of the business. Not enough to help customers make a decision. Upload your own pictures and encourage your customers to do so as well.
- Write a better Yelp business description
  - Don't ever miss an opportunity to sell your potential customers on your vision and values.
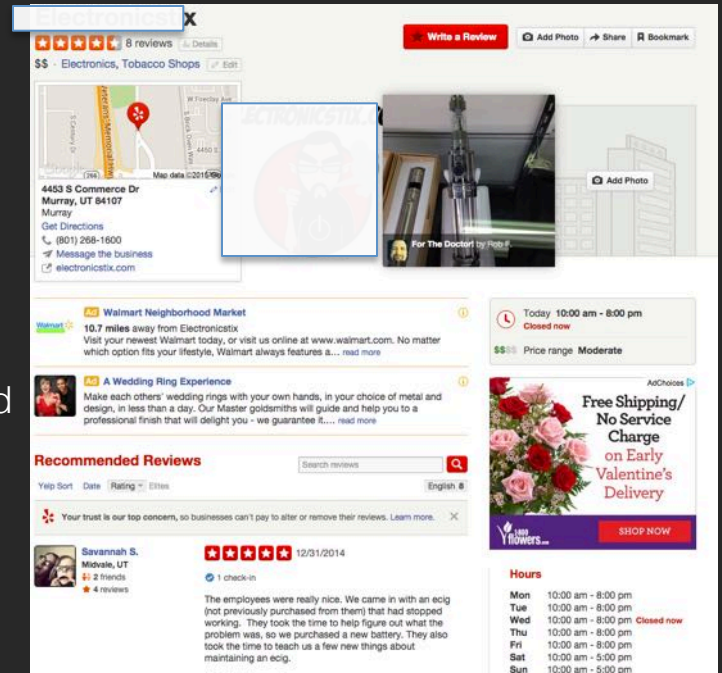
The real gold of a Yelp page however comes from reading the hidden reviews. Yelp does not show every review that is submitted. It only shows "recommended" reviews. Make sure to read ALL the reviews, scathing or not.

Pro Tip

21 other reviews that are not currently recommended ▾

Scroll to the bottom of the "Recommended Reviews" to see the feedback that Yelp hides. These ratings do not factor into the overall star rating, but they are incredibly valuable.

I derived three opportunities after reading the hidden reviews:

- Provide CONSISTENT service
  - Some service reviews were soaring, others were scathing. Properly train everyone on your team for consistency.
- Keep your juice in stock!
  - Lots of complaints about out of stock juice.
- Offer an iron-clad return policy
  - Many reviews mentioned a bad return policy. Keeping your current customers happy is less costly than acquiring new ones. Do whatever it takes to keep them coming back. 12

Researching Demographics

CityData.com is the best place for area-specific demographic information on your local market. Drill down to age, sex, income level, ethnicity and family status. These types of statistics drive thousands of business decisions every day. Alternatively the [U.S. Census Bureau](http://census.gov) and a newly launched open data effort called Data.gov have similar info.

Why is demographic research so important?

Imagine this scenario:

You have been cooking up vape store brand for months called "Cowboy Vapors". You want to appeal to blue collar vapers that live near Houston, Texas and you want to open it in your neighborhood because you already know the local crowd. You are sure they would love to come to your store.

However in your location scouting you find that there are already a lot of stores in your initial target area, and the competition landscape doesn't look pretty. There also aren't any great commercial properties available. You decide to look at other locations.

In your expanded search you find a great location with a perfect anchor tenant. The owner is offering an amazing deal on rent, but it's a little outside of your original target area – right in the center of the financial district of Houston.

Not exactly your target demographic…

How are you going to connect with your local population? The answer: Demographic research.

City Data

There is so much information on this website it can be very overwhelming. Be careful not to get sucked into "paralysis by analysis" – i.e. getting so consumed with the decision making process that you never actually make a decision.

It's important to narrow down your focus to these 3 key demographic metrics:

1. Median household income
    - Not to be confused with *mean (or average)* household income, median household income splits a given population directly in half, with equal data points above and below the median. This metric eliminates skewing if an extremely wealthy person moves into the area and boosts the average upwards . Median household income is a much more accurate picture of the local income level.
    - Interpreting Median Household Income: Our target area (zip code 84109) is home to about 24,000 people living in households. The median household income is $70,677. This means there are 12,000 people that make as much as or more than $70,677 a year, and 12,000 people that make less than $70,677 a year. This about $15,000 more in this area than in the entire state ($55,869).
2. Median resident age
    - Again, not to be confused with mean age. Our target area's median resident age is about 35 years old. This indicates a decent mix of gen-xer's and millenials. Another strong metric for a vape shop.
3. Races and sexes in the area
    - These metrics will not only help you pick your desired location they can be helpful when staffing your vape shop. Hire employees that fit into the common surrounding culture (of course, without discriminating).
    - In our target area there are 21,391 people with a Caucasian background. Secondly and thirdly we have Hispanic (908) and Asian (754).
    - There are slightly more Males (12,087) than Females (11,953)
4. BONUS:
    - Want to know how many smokers live in your city? See This CDC Report

Summary:

This area is quite typical for Utah – mostly Caucasian with a touch of Hispanic heritage. The great news is that the area is slightly more wealthy than average and contains the perfect age range for a vape shop. The only downside is that Utahn's are not big smokers per the CDC report, however this area is still above state average.
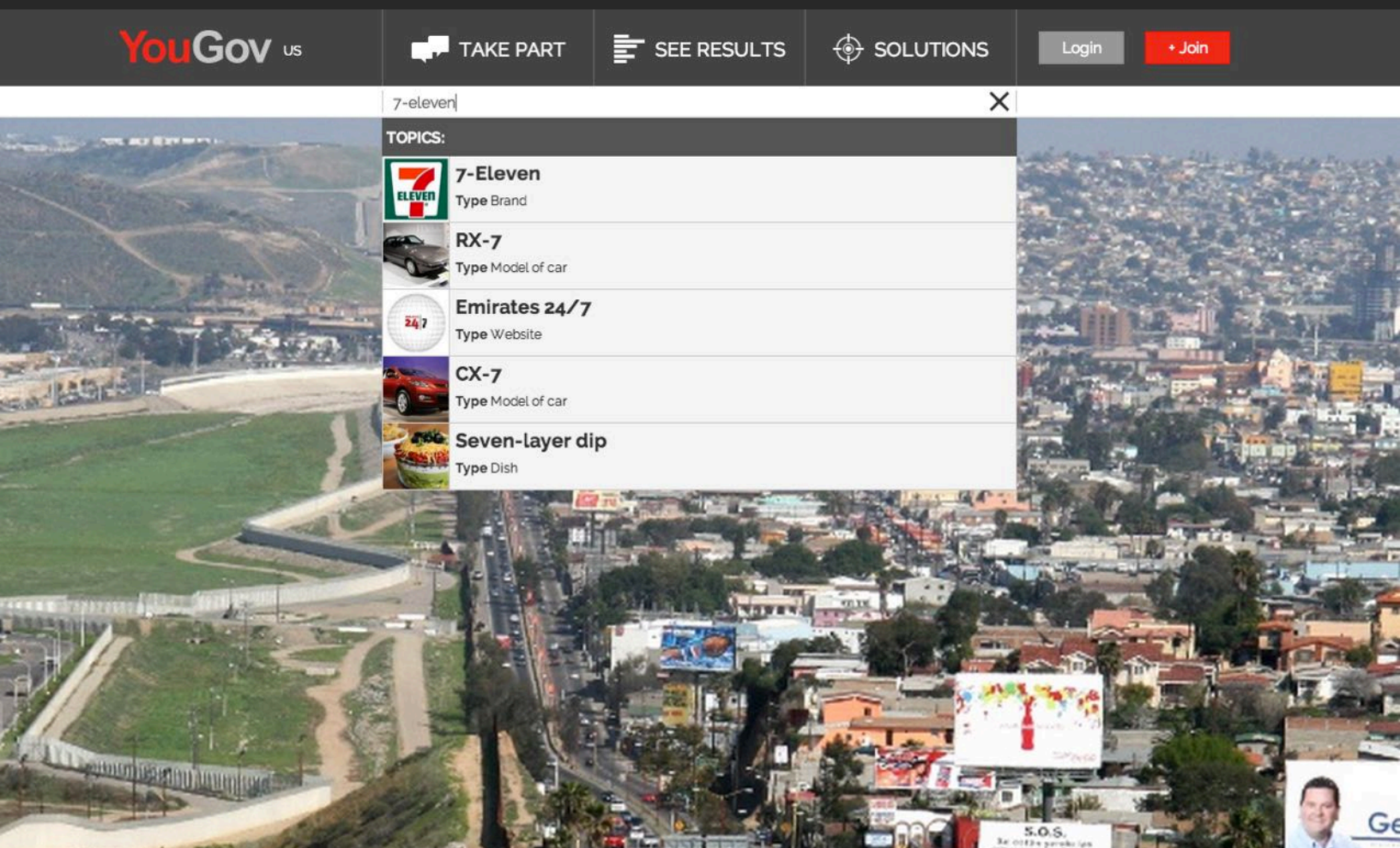
YouGov Profiler

One of the most interesting and informative resources for consumer research that you have probably never heard of. YouGov Profiler collects information from millions of consumers across the globe and makes it available in a beautiful and easy to use interface. It's most useful for understanding what kinds of people are loyal to which national brands.

In this example we are going to take the top 2 anchor tenants in our target area, plug them into YouGov Profiler and retrieve information on political affiliation, age, sex, education and related brand loyalty. It's really quite amazing.

Let's use YouGov to look at 7-Eleven and Rite Aid

To get started, go to the YouGov Homepage and type in "7-Eleven"

In addition to some basic information pulled from Wikipedia, YouGov gives you in depth consumer insights such as satisfaction ratings, age, gender and political affiliation.

The "Ratings Distribution" section is not meant to be an "official" poll because it is self-selected, but it does offer a good indication of brand loyalty. For 7-Eleven, most people feel just "ok" about the brand as a whole.
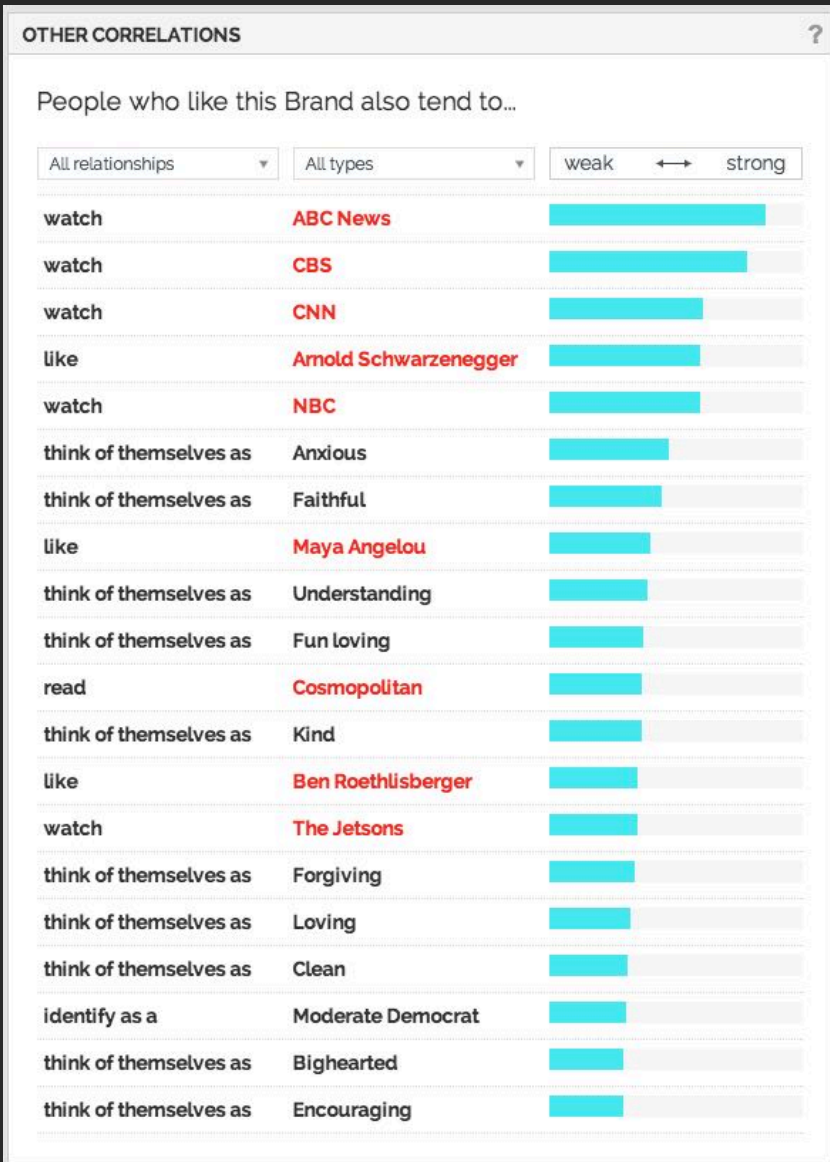
In the "Statistics" section, the default "Compared To…" selection is set to "All Brands". While this is helpful I would rather see a more realistic comparison.

Change the dropdown to something more subjective to get a more clear picture. In this example I changed it to "Only Food Chains and Supermarket Brands". Now we are basically comparing 7-Eleven to our other fast food and grocery store anchor tenants.

We can see that compared to them, 7-Eleven attracts a much younger, mostly Female crowd. Interesting!

YouGov Profiler

OTHER CORRELATIONS	?

People who like this Brand also tend to…

| All relationships ▾ | All types ▾ | weak ⟷ strong |

watch	ABC News	
watch	CBS	
watch	CNN	
like	Arnold Schwarzenegger	
watch	NBC	
think of themselves as	Anxious	
think of themselves as	Faithful	
like	Maya Angelou	
think of themselves as	Understanding	
think of themselves as	Fun loving	
read	Cosmopolitan	
think of themselves as	Kind	
like	Ben Roethlisberger	
watch	The Jetsons	
think of themselves as	Forgiving	
think of themselves as	Loving	
think of themselves as	Clean	
identify as a	Moderate Democrat	
think of themselves as	Bighearted	
think of themselves as	Encouraging	

Perhaps the most interesting insights that YouGov provides is their "Correlations" data. From this you can derive surprising cross-brand opportunities that may not be so obvious at first glance.

In our 7-Eleven example, I found it fascinating that people who like 7-Eleven also like ABC, CBS and CNN television networks. They think of themselves as "Fun loving", "Forgiving" and "Clean" and for whatever reason they like Arnold Schwarzenegger and Maya Angelou.

So what can we do with this information?

Well, it seems prudent to point out that the YouGov profiling engine is very informal and it takes survey results from the entire nation rather than a specific market so, we have to take everything with a grain of salt.

That being said we can still use this info to understand who might walk through our door if we shack up next to a 7-Eleven. Keep your store clean, your environment fun loving and maybe take out an ad in your local ABC affiliate news website. It's worth some experimenting.

Let's look at Rite Aid on the next page.

YouGov Profiler

What I found most interesting about these two brands is how similar their customer bases are. Perhaps it's not a coincidence that these two brands are right across the street from each other in our target area.

Much like 7-Eleven, people are not overly loyal to Rite Aid. Most have an average opinion of the brand.

Rite Aid has similar demographics to 7-Eleven in that it attracts younger females. I also noted in the "Opinion Summary" section (not shown) that people who don't like this brand describe it as "Outdated". I tend to agree.

Interestingly enough we see another correlation with 7-Eleven in Maya Angelou. TV Stations ABC, CBS and NBC also correlate. Rite Aid customers also describe themselves as "Fun Loving".

If we end up choosing our 2300 east location right next to Rite Aid and across the street from 7-Eleven we are likely to see this type of demographic in our stores. Good to know.

Settling In

Picking your final location is no doubt a nerve-racking decision. Getting it wrong could mean the difference between success and failure in your new business.

That is why we still highly recommend that you get some assistance. Imagine for a second you are buying a house. You know exactly which neighborhood you want to live in based on careful research on local schools, jobs and security. However you know nothing about the mortgage and real estate industries. What do you do? Without question you hire a real estate agent.

Much like selecting your first residential property, the intricacies of selecting, negotiating and securing your first commercial property should be left up to professionals.

That being said it's still productive to come to your agent with some hand picked locations you have scouted yourself. This will help your agent get a better idea of what you want, what you need, and the size and purpose of the space.

They likely have not dealt with a retail vape shop before so it will be helpful to give them some assistance.

We hope you found the information in this book helpful. If you have any questions, comments or concerns, please don't hesitate to reach out.

Online Courses For Vapreneurs

Our goal at VapeMentors is to help you succeed in the vape space. Since 2012 we have been connecting with top names in the vaping industry, and our hard work paid off when we launched Vape U In February of 2015. Over 30 vapreneurs joined us for 6 intensive online courses covering branding and competitive positioning, dealing with the FDA and local governments, product selection and social media strategy. Since then we've hosted many more, and we make the recordings available for you online through VapeMasters, our online membership product.

VapeMasters

Being a part of a community is by far one of the most important things any entrepreneur can do. Nobody should travel this path alone.

VapeMasters is our community of fellow Vapreneurs designed to offer you ongoing support and guidance – both from us and from the community. Memberships last a lifetime.

Become a VapeMaster