



Airbrush TECH
DIGITAL MAGAZINE

"Airbrush Tattoo"

Make Money In Malls

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Written By Kirk Knapp

I want to tell you how I made **\$7,000 profit per month** in the summer owning a cart doing tats in a mall. Also, how to use your mall tat operation to build your brand/business and why now is the perfect time to start.

But first, why should you listen to me? I am a bit of an expert on this subject:

- I have owned and managed cart operations in malls for over 15 years from New Orleans, LA to St. Cloud, Minnesota to Alexandria, Virginia, etc.
- I have owned and managed 66 carts in 33 malls simultaneously.
- Most important: I owned and managed 11 carts in the summer of 2002 that offered tats exclusively. I made money. So can you.

Here is how I made \$7,000 profit per month at Rivertown Crossing Mall in Grandville, which is near Grand Rapids, MI. But first, the issues I dealt with are the same issues you will deal with.

- When to set up and exit the mall
- Selecting the best mall
- Getting approval - visual merchandising
- Selecting a location in the mall
- Negotiating rent
- Keeping employees honest
- Credit cards
- Insurance
- Sales projections
- Building your brand, your year around business

If you are adding tats to an existing cart operation like body jewelry, for example, you can operate year around, otherwise no. I only did stand alone tat carts in the summer.

In the summer malls are a play ground for teens and preteens – our customers. When school is in session there are about 60 hours a week when our best customers can not be in the mall. Forget it!

OK! Summer is coming. Open a week before the schools let out for the summer and close as soon as the kids go back to school.

How to select a mall

I always went into the most expensive (rent) mall I could find. Your labor expense, is your greatest expense and is the same whether you are in a five star or a one star mall.

You are in the mall because the people are there. Since more people mean more sales and since more rent means more people with more money, chances are you will show the greatest profit in a 5 star mall and maybe a loss in a 1 star. So, what is a 5 star mall?

Here are three questions you will want to ask the specialty retail agent at the mall who wants to rent you space.

1. What are their sales per square foot? You would like to see \$400 per square foot or higher.
2. How many people pass through the mall in a year? You want 12 million or more.
3. What is the total leased square footage in the mall? You want 1 million or more.

Rivertown Mall in Grandville met these requirements. I earned **\$7,000 per month profit** for three months in the summer of 2002. I did not work at the cart myself. Here were my expenses per month: labor \$3,000, rent \$1,500, and cost of goods \$500.

So, my total expenses were about \$5,000 per month. Since I grossed about \$12,000 per month, I netted \$7,000 per month. I exited the mall in September when the kids went back to school.

If you locate a good mall, how do you get approved? It is easy. They want your business but here are a few do's and don'ts:

- Don't use the word tattoo to describe your business. To some, the word "tattoo" suggests sailors, warfs, prostitutes, etc. Refer to your product as "cosmetic body art." Invite the agent to look at how carts have been set up in malls. See [the mall cart gallery](#). Finally if you are still not approved, call me as I can help: Kirk 1-800-280-8198.

True Story

One of our customers in Providence, RI, was approved to set up a tat cart at Providence Mall. The mall's specialty retail agent had approved the cart. The mall manager was absent. When the manager returned two weeks later he said he wanted the cart out. Mall managers are like feudal lords. In their mall, they rule.

Brian, our customer, called me. He said he had been in that mall for years, that the manager and he were friendly, but the issue was not open to discussion. I told Brian to ask the manager to ask his wife what she thought of the airbrush tattoo cart concept. He did, approved the cart, and Brian's now been there for a few years.

Once you are approved, you will want to have the best location in the mall. The ideal location is near the food court and the movie theaters. Over 90% of all people who enter the mall, regardless of their point of entry, go to the food court. So, we want to be in that hallway/corridor.

Rent

Rent will normally range between \$1,500 and \$3,000 per month. Rent is often negotiable so attempt to get the best deal. Rivertown Mall is now asking \$1,800 per month, whereas in 2002 they accepted \$1,500. If I wanted a cart in that mall I would still offer \$1,500 but be willing to pay more.

Malls will often want a "15% override." This means that you have to pay the mall 15% of your sales over an above your rent divided by fifteen percent. So, if your rent is \$1,800 per month, you would pay an additional 15% of all sales over \$12,000. $1,800 / .15 = 12,000$. If your sales were \$15,000 your first month, you would pay the mall the \$1,800 plus 15% of \$3,000 or a total of \$2,250 in rent. I would happily pay this rent because doing so would be extremely profitable for me - more on this later.

The malls want a minimum guaranteed rent plus more if sales are good. This is fair. Think of all the money the mall owners have to risk to create the mall. Like you they want to make a fair profit.

Projections

Let us look in some detail at how I made about \$7,000 profit per month at Rivertown Mall in the summer of 2002.

I grossed about \$12,000 in sales per month. My expenses were roughly \$5,000 per month: \$3,000 for labor, \$1,500 for rent, and \$500 for miscellaneous items, i.e., ink, paper towels, rubbing alcohol, q-tips, swabs, etc.

Compensation

Malls are usually open 11 hours a day (Monday through Saturday) and 6 hours on Sunday. So, they are open 72 hours per week.

I recommend that you have a key full time employee and maybe a couple of part timers. I would pay my workers \$7 per hour plus 6% of sales. If you crunch the numbers, you will find that this works out to about 25% of sales.

You do not have to pay your key full time employee/manager any extra because they will be allowed to work the best hours and on the best days when most sales occur. They will make far more than the others who work during the lean hours - more on this in a minute. This extra income is their reward for accepting responsibility for the cart.

You will learn that malls insist that their carts be opened on time everyday. Unless you want the mall calling you, you will want a cart manager who knows that they must insure that the cart is open daily, on time, without exception and manned all hours the mall is open.

I will use an example to illustrate how your manager is rewarded. If your cart were to have gross sales of \$2,700 in one week, chances are one third (1/3) of your sales or \$900 would occur on Saturday. Another one third (1/3) or \$900 would occur on Friday and Sunday combined. That is, on average you would expect to get one sixth (1/6) of your sales or \$450 in sales on Friday and an equal amount on Sunday. The final one third (1/3) of your sales would normally occur during Monday through Thursday. That is, you would expect \$225 per day in sales on these days.

Clearly you will want your key person/manager working during key days and hours. This arrangement serves both your and your managers interests.

Here is an important issue: How do you keep employees honest. The answer is that you make 6 identical signs that read:

If you do not
get a receipt,
your tat is free.

Display a sign on each side of your cart and on each side of your cash register. This forces all transactions through the register so you have a record of all sales.

Should you take credit cards to increase sales? No! Spare yourself the headache and expense. You are selling a low cost item and ATM's are readily available in the mall. I lost next to no sales by not taking credit cards.

You need insurance. Here are two companies that I believe are the lowest cost providers:

K & K 866-554-4636; Shoff Darby 800-840-7762 or 860-283-6640

It will cost between \$500 and \$600 for a years coverage. This same coverage can cover you while doing public and private events. You have to have insurance.

There are some expenses you should not pay.

Malls will often want you to pay them a large deposit. This can be either negotiated away completely or reduced dramatically. At Rivertown in 2002, they wanted a \$1,500 deposit; I ended up paying a \$500 deposit as I recall.

Malls will often want to charge you for an application fee. Try to get this waived but pay it if you have to.

Finally, malls will attempt to bill you \$500 or more to have a "visual merchandiser" help set up your cart. You should not pay this. Direct the mall's specialty retail agent to our website where they can see how others have set up their displays. Let them know that you do not need their help on this. Also, go to [the banners page](#) and scroll to the bottom where you will see some new banners for carts.

There is one last, extremely important issue to discuss: the mall affords you an incredible opportunity to build your brand/business, to advertise the fact that you do private events. You will want to provide incentives to your workers to book private events - more on this below and to refer potential public events to you.

Even if you do not make \$10,000 in the summer doing tats in a mall, even if you broke even, you would be wise to get into the mall before your competition locks it up. See: www.tatstore.com/how_to.asp. You can make more money doing private events than you know. You will be exposed in the mall to the private/public event decision makers: women.

Operating a cart in a mall in the summer is an important tactic in developing a year around business and can be extremely profitable. I know; I have done it.

Today we offer additional ways to enhance your cart earnings, products that were not available in 2002. Today you can make more.



TATstore.com