
Bulk Candy Specialty Retailing

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Bulk candy specialty, a new retail idea, began in the mid-1980s located mainly in strip malls on the East Coast. By the late 1980s this idea had spread across the country, producing a new era, new operators and new problems. Often the operator did not understand the confectionery industry, plus there was a lack of new items. Usually the first opening was successful, followed by movement into multitiered pricing for value-oriented shopping. A great deal of the market was directed to gift-giving.

In the mid 1990s more covered malls opened in the East and Midwest. Some bulk retailers were undercapitalized and located in marginal areas. Many of them were franchised operations and the franchise company could not deliver product or support to their clients. There was a consolidation of the business—Mr. Bulky, Candico, Candy H.Q. and Candy Express were forced into defensive strategies.

Today the business is changing with slower and more intelligent growth. Locations are picked carefully, alternate venues such as airports and kiosks have appeared and the successful stores are concentrating on their core business. These stores are developing proprietary items in bulk items and packaging. They are partnering with established brands and are innovative with their packaging and gifting to create more traffic.

Five major criteria for a successful retail store in bulk specialty confectionery retailing are—

- location,
- housekeeping,
- store upkeep,
- customer service, and
- understanding the competition from other snack food companies in the malls.

THE BUSINESS

What makes up this segment of the business? It's a fun business; it has sizzle. It means a pleasant shopping experience with complete freedom in choice of items. In any purchasing decision of candies, quality should be foremost, along with an understanding of the self indulgence motive of some customers.

THE CUSTOMER

The typical customer (Figure 1) is a woman age 18–44... a typical mall shopper. She may be entering the store with a goal of rewarding a child. The customer base also includes young kids, heavy consumers of confectionery, and the teen market, a very important segment with large disposable income. An additional segment is other mall employees. They are regular customers and their word of mouth to other mall