

CASE STUDY

Voodoo Vapor

 **IOU Financial**
Business Lending. Simplified.

As first movers in a booming industry, Voodoo Vapor was quickly becoming the preferred vaping retailer of their region.

But how would they maintain current revenue growth while taking on additional projects to stay competitive?

After two years of operation, Voodoo Vapor found itself with two successful locations. The company's owner had recently moved into a larger brick and mortar store and expanded her business with a free-standing mall location.

In order to continue the successful growth and evolution of the company, **Voodoo Vapor realized that adjusting the way inventory was managed would be crucial.** Increasing foot traffic and building a larger base of loyal customers could be attained if inventory could respond quicker to the rapidly changing variety of inventory the market was demanding. This was going to require additional capital, but the books showed the potential for a great return.

OPPORTUNITIES FOR GROWTH WERE OUTSTANDING

The vaping market has come a long way since the introduction of electronic cigarettes. Since 2013, vaping has been experiencing explosive growth. In 2015, the market was estimated to be approximately \$3.5 billion, and some experts are predicting growth to \$25 billion in just the next 10 years.

Voodoo Vapor already had some experience with alternative financing, and was interested in exploring options and restructuring a loan from their current lender to better match their current cash flow needs. Voodoo Vapor wasn't initially looking for a second position, but when IOU Financial offered their terms combined with the opportunity to put that funding to work, it was too good to turn down.

"The online application process couldn't have been simpler. It only took a few minutes to complete. And the terms, specifically the daily payback amount, made it easy to put these new funds to use immediately. Working with IOU was a pleasure because our loan officer not only understood our business and market, he even came up with some great suggestions for us."

Voodoo Vapor Owner

FUNDING POWERS GROWTH IN A COMPETITIVE MARKET

As an early player in the central Ohio market, Voodoo was one of 12 vaping retailers in 2013. Today, there are nearly 120 outlets. Previously, quarterly inventory cycles used to be enough to keep up with the latest consumable vape products known as e-liquid. However, today the lightning pace at which the products are changing requires constant updates to inventory and services to stay relevant.

While there are many innovations and new products when it comes to hardware, the market for the e-liquid consumable component is constantly evolving. There are literally thousands of flavor options and hundreds of potential vendors for this consumable product, and trends rise and fall in a matter of weeks. Voodoo Vapor knew that shortening the inventory buying cycle could increase foot traffic to their retail locations, translating to a growing, loyal customer base.

"We received our funding from IOU within days and it enables us to put newer product on our shelves more frequently. This gives us more reasons to engage with our target market on social media, attract new customers, and build relationships with loyal customers."

READY FOR NEW OPPORTUNITIES

Attracting new customers with a wider variety of inventory isn't the only way Voodoo Vapor has been putting IOU Financial's funding to use. With the extra capital available, Voodoo was ready to act when the opportunity presented itself to expand the product line.

Voodoo has now entered the e-liquid game with its own product. The new e-liquid has become a huge success in her own store and has even landed on shelves of several other stores.

"I'm thrilled to say that we now actually have a waiting list of stores that are interested in carrying it. This exciting new venture wouldn't have been possible without the funding we received from IOU."



LOOKING TO EXPAND YOUR INVENTORY AND REACH YOUR TARGET MARKET?

A fast, fair and affordable small business loan could be right for you. Call **866-217-8564**, or visit IOUFinancial.com to learn more.