

Ed Avis: ... A, and as you just heard, this meeting is being recorded so that we can watch it later on the members page of the NCA. So please be aware of that. And when we're done with the panel, stay around, we're going to take a short break and then we'll go into the business meeting. So I want to welcome our panelists this morning. Thank you so much for joining us. We're still waiting for one.

He may have forgotten, even though I just talked to him yesterday. But let's go ahead and I'm going to introduce Scott and Tom, and then we'll jump into the panel. And if Brandon joins us when he does, that'll be great. Scott Morris, thank you very much for joining us. Scott is co-owner of Morris Costumes. And one reason I really am happy to have Scott on the panel is that Morris is not just a manufacturer, but they're also a distributor and a retailer.

So Scott has his fingers in all three edges of this business, and so should have a very good idea of what to expect at Halloween. I'm also very delighted to have with us this morning, Tom Arnold. Tom is a professor at the university of Richmond. When I was looking up details about him, he came up frequently as a scholar. So he is a scholar also. He is an expert on Halloween retail issues. That is how I came across him.

And if you would like to read some of his predictions, there's an article in which he is interviewed on our website that I posted last week. And so he has some interesting, things to say too. And we're delighted to have you, Tom. Thank you for joining us.

Tom Arnold: Thank you.

Ed Avis: Okay. Let's jump right in. I've got a series of questions that I'm going to pose to the panelists. But if you have questions, like I said, fire away and we'll get them in there as soon as we can. This first question is general. Scott, let me start with you. Are you confident that Halloween 2021 will be better than 2020? And if so, why?

Scott Morris: There's no question that Halloween 2021 has to be better than Halloween 2020. The guys that did Halloween 2020 were very successful. There's many people who do temporary Halloween that did not do Halloween 2020. But in 2021 it will be very successful. In fact, we're just coming off one of the strongest fireworks holiday, July 4th, that has been in many, many years. All the guys I've talked to, they basically sold out, sold almost everything they have for the July 4th holiday.

And I think the same atmosphere is going to roll into Halloween 2021. There's huge challenges that we have in front of us for 2021. And that is mainly supply. I was talking to some of the fireworks guys and they're paying as much as \$31,000 to bring in containers from China, and the cost of containers are outrageous. And that's one of the things that we're seeing, is the containers

themselves or whether to get supply here. But Halloween 2021 is going to be fantastic.

Ed Avis: Great, thank you. I'm delighted with your confidence, Scott. Tom, same question to you. Are you confident that Halloween this year will be better than last year? And if so, why?

Tom Arnold: My inclination is I think it is going to be better. And a lot of it has to do with... I won't say the pandemic is over but I would say that it's being managed better than it was a year ago. I mean, Scott has already talked about the supply issues, but the thing that has probably changed is as a consumer. I know people who have had their shots and are still wearing double masks, and I know people who refuse to get shots and would just assume share drinks.

So we're running a wider gamut of what the consumer is going to be. And it will be interesting to see what their reactions to Halloween will become. And I'd say the wild card comes down to, will kids be able to get vaccinations? We know they can to the age of 16 and they're supposed to have vaccines appearing early in the fall. So my hope is that the vaccines come through, the kids get back to school and this is really the first holiday they get to tee up and have something relatively normal to what they're used to.

Ed Avis: Great. Thank you. Scott, you touched on this next question, and it's about logistics. And I know that because of your position, you're seeing the logistics situation from all angles. You mentioned that the containers are costing. Someone paid \$31,000. Well, what's a normal container cost in a normal year?

Scott Morris: In a normal year continuous that we would bring in would be about \$3,000. Fireworks containers typically were in the seven to \$8,000 range. So we're seeing prices right now of about 18 to \$23,000 for a container. So in other words, it's going from 3,000 to roughly \$20,000. And the cost of the containers is not only one of the big hurdles. Obviously is, and that's one of the reasons we're seeing inflation in this country, and I don't see that slowing up anytime soon.

But the other problem is of course, getting containers and that supply chain has become very difficult and very long. It would take us about 37 days to get containers down, all water servers which means the container would come down and go through the Panama Canal to come up to the East Coast. We're seeing now it's taking somewhere between 50 and 60 days. And that's once containers start to move. Then beyond that, just trying to get containers, trying to get bookings, trying to get chassis, which the chassis are the wheels that go underneath the containers and then trying to get a trucker or rail service to bring it from the port to our door is horrendous.

And it's both true on the import and the export side. We're trying to book some containers to go to export some product to some other countries. And we're

having to book... It's almost a 30 day lead time to try to get containers and truckers to move the containers to the port. And so typically in most given years, we are seeing the product for Halloween coming in the June, July timeframe.

Luckily, we cure a lot of inventory. So that's very helpful. But I don't expect to see a lot of the product in the marketplace just show up until August, September and October. And it's going to put a lot of pressure on all of the suppliers.

Ed Avis: Now, Scott, when you say that a container costs, in your case, 20 some thousand dollars more than normal, how does that trickle down to the price that a retailer is paying? A container obviously holds X number of costumes, right?

Scott Morris: Sure. So to give you a rough idea, I put that a container is typically going to carry somewhere about \$100,000 of goods. So if the cost of the container has gone from \$3,000 to \$20,000, the price is up, what, 15% or something. When the freight used to cost us 3%, now it's going to cost us about 20%. And so that will go into the cost of the goods. Now, does it go into the cost of goods in 2021? Is it going to the cost of goods in 2022? And I think that some of the pricing had already been set by manufacturers for 2021. So I expect to see even more price increases going into 2022.

Ed Avis: That's interesting. So price is one thing that's being affected maybe, and timing. So from the retailers perspective, from an NCA members perspective, what does he or she need to know about timing since these things are going more slowly?

Scott Morris: Sure. So what I'm telling customers is this. Number one is that, in previous years me as a retailer, I'd want the vendors to ship us one time to try to maximize my freight. And I'm telling customers now is as if they've placed an order with a vendor and half the goods are there, I'm suggesting to people to go ahead and take those goods now and then take the back order whenever the back order comes in, whether it's late August, whether it's September or whether it's 1st of October. But I think that us as retailers need to get the goods in as early as possible because there's going to be a shortage of product in the marketplace just simply due to the lateness.

Ed Avis: Okay. Now, Scott, how about domestic shipping? Is that affected or is that normal?

Scott Morris: No, that's going to be affected also because whether it's us or whether it's the disguises or the rubies or the fun worlds of this world. Or if it's the small guys, whether it's the Cinema Secrets or whoever in this business. We're all having trouble getting product in from China that were shipped in domestically. So if it's a domestic production, and that's one thing.

But even the domestic production guys are having problems getting raw materials. So we've had number of the guys that produced domestically have come to us and said they're having problems getting domestic materials, and there's going to be delays in that and the costs are going up. And that problem is worldwide.

Ed Avis: Okay. Tom, what can you add on the logistics situation? How is the worldwide logistics problem affecting retailers in the US?

Tom Arnold: Oh, good? Well, Scott hit the nail on the head. You're not getting the whole orders, you're getting handful orders and so that's dragging the timeline. The one thing that's playing into the retailer's hand is that whether your costs have gone up or not, everybody is expecting inflation. And one of the misconceptions about this is that the price is set is to what you can get for the product.

So I would say in this case, and Scott feel free to chime in, even though prices have been set, they're probably not going to have to decline as fast, okay, as you start approaching the holiday. And that's just simply scarcity. So the person who's sitting there going, "Hey, if I buy the costume a couple of days before, I can get it maybe 25, 30% off." Now, the big danger you have right now is will it be there at all? So, consequently, I would say from the retailer's perspective, you are going to have supply headaches. And I suspect you're not going to have to take many mark downs, okay, to move the product down.

And the other curious thing about inflation is that in a sense once the consumer is, shall we say, trained to paying a higher price, a lot of times that's where the prices will stay. And if you want to sit there and go, "How does this work?" Just think of gas prices. They move, but once consumers get used to a gas price being at a certain level, they tend not to move down nearly as fast as they move up. So I would venture to say, and Scott also hit on this, whether there's a supply chain problem in 2022 or not, prices are going to push out. All right. And just simply because they can and the consumer in a sense is being trained for it with this functionary environment.

Ed Avis: Scott, anything you'd like to add to what Tom said in that regard?

Scott Morris: Tom is exactly right about that, is that the retailers are going to have a real opportunity also to raise your prices and to not discount, and not try to clear things out the end of the season. We're seeing that in the pearl market, we saw that in the fireworks market. I was talking to one of the fireworks guys and he said in previous years, they typically would... Somebody would buy two fireworks packs, they'd give him a third one for free or whatever. And basically the set of increase in prices this year they got rid of all that free material they were given away. And we expect to see retailers raising prices as we go through the season just because there's that shortage.

Ed Avis: Interesting. Tom, can you give us a quick explanation of why there's these logistics issues? Maybe it's intuitive, but can you explain to us why are these problems existing this year?

Tom Arnold: Okay. It all seems to come down to the pandemic, but it does come down to the pandemic. When the worldwide economy just interacted, okay, anybody who was part of the supply chain had to go and cut back. Probably best example is the rental car. Okay. The only way the rental car agencies could make any money during the pandemic so nobody was running in their cars, they just went and sold all of their inventory.

All right. Well, now everybody wants to go and rent a car and they're like, "Well, we can't get the stuff back nearly as fast as we could move it out." And that's just happening worldwide in just about every phase of the supply line. If there's enough material, there's not enough workers. If there's enough workers, there's not enough material. It's amazing how fast you can make things contract but how slow it is to make things expand back up again.

And there's also always that little bit of trepidation of do we go back to full capacity because it was hard to make the cut downs that were done a year ago? And it's like a balloon that deflates real fast, but it inflates much slower getting back to steam. I would like to think that we should start hitting at least a decent level of capacity in six months maybe. But the other issue we have is that even though there's large vaccination in the United States, there's still not terribly large vaccination elsewhere in the world. And it's any link in the chain. Okay.

Scott mentioned getting it through the Panama Canal. Panama has issues. The Suez Canal got blocked for a week and a half. Okay. And then you also have to deal with the ransomware guys who were feasting on desperate supply chains. I'm hopeful that things will get more back to normal in six months. Okay. But Halloween's coming faster than that.

Ed Avis: Great. Thank you, Tom. So lots of reasons, lots of factors playing into this tough situation. Let me go back to Scott. So we've talked about the problems, the logistics, the long jams, but are there some other macro factors that might be affecting Halloween 2020? A big movie coming out or pent up demand? What else is going to affect the success of Halloween this year?

Scott Morris: Well, I think unquestionably, it's a pent up demand. I mean, I don't know if there's any big movies or anything that's driving a license or a Frozen or an Elsa or a Disney or whatever. I think it's really a matter of people are ready to get out and celebrate party and enjoy one another, enjoy our friends and family and do all things we haven't done for the last year. And there's also a lot of disposable income that's available in the US.

I mean, there's money flying all over everywhere and people are ready to spend it, and they're not on tight budgets. So it's even what will make it a stronger

Halloween. We're seeing business being up. And I think the other thing that we saw is that a number of shores did not buy in 2020 simply because they weren't sure what COVID was going to do, and so they sold out a lot of what they had. And so we're seeing some higher purchases, which is going to make supply even shorter.

Ed Avis: Excellent. Tom, can you add to that? Are there other big factors that might affect Halloween this year?

Tom Arnold: Now, let's push the pandemic to the side for the moment. The only other factor I could see is that last year Amazon had their Prime Day in the middle of October. And whether they attempted to or not, they kicked off the Christmas season even earlier than usual. I don't know if they have designs on doing that again since they just had Prime Day, let's see, last month. Okay. But, yeah, you never quite know what Amazon's going to do.

And that I would say is the outside factor there, is Amazon or any other retail entities going to keep pushing the Christmas holiday season? I mean, we can tell they've already pushed the past Thanksgiving, and that's why they're being closed on Thanksgiving. Okay. How it's always been able to hold it off? And I would say that's the curve ball I'm looking at, is will Amazon do something in the middle of October like they did last year? And it was very successful for them, so I wouldn't be surprised if they tried to do it again.

Ed Avis: Tom, you and I talked two weeks ago briefly about Amazon. And you mentioned something that maybe retailers could do or should do if they want to get ahead of this bricks and mortar retailers, I mean. Can you talk a little bit about that? What can a costume shop with a bricks and mortar presence do if it learns, oh, big old Amazon is honing in on their business early?

Tom Arnold: Well, this is something that the pandemic has been teaching a lot of retailers. Okay. The value of being able to order something online and just go right and pick it up. That has to work pretty flawlessly and not create any a log jam, and to a degree that consumer has been trained in that. And now they expect it to be honest with you. It's funny. We were talking about a fast food restaurant. You'd almost say, "Lock your doors and just work the pickup window." It's not quite like that with retail. Okay.

But having your order and pick up, okay, routine nice and flawless and you'll realize things. Okay. If you can move 10 customers through in an hour and you can get that at the 15 and you can get that up to 20, okay, you're going to move your merchandise much faster than others. And to agree, that is the Amazon effect. The other part about Amazon is sometimes you can't beat them. You have to do it in some form or another, whether you're listing product on their website or catching surges.

But almost in a sense everyone's going to have to operate in a virtual pickup routine and as a retailer. And the future is to have always been saying, "Well, all the stores are going to close and it's just all going to be pickup." I don't think that's quite going to happen anytime soon. Okay. But the idea of having a smooth pickup routine, that's going to be very important to the business.

Ed Avis: Great. Great advice. Scott, anything you can add on competing with Amazon over the Halloween season? How members can do that better?

Scott Morris: Well, I think that Amazon and the world logistics has his own share of problems. They still have a capacity problem of getting the orders out fast enough. The UPSs and FedEx of this world are going to have peak season surge charges. They already have some in place now, and those will grow as we move through the fall and Halloween and holiday season. So I think that's going to push costs up, having practice delivered through Amazon and through the carriers. So I think that's what give us some opportunities.

And the other challenge is that I think that there will be some capacity issues by the FedExs and the UPSs of this world in the fourth quarter just as it was last year. So customers that need stuff right away or whatever will be going to the stores. Or when they get something wrong from Amazon, they won't have time to react and they'll have to go to the brick and mortar side.

Ed Avis: Yeah. That's great advice. So attendees promote the fact that customers can come right in and pick up your stuff. They don't need to wait for it to be shipped. Attendees. I am looking at the list of attendees and there are lots of shop owners from different parts of the country here. And because Brandon wasn't able to join us, if any of you would like to jump in and comment on some of the things we've been talking about from your perspective as a shop owner.

Please do a little chat thing, and then I'll put the highlight on you because we'd love to have the perspective of one of the shop owners too. But let me go onto the next question. Scott, I think this one's probably best for you because of where you're at. But what costumes or decor items or categories of such do you think will be particularly good sellers this year for Halloween?

Scott Morris: I think that we're going to continue to see the trend which we saw in 2020, and that was decor, whether it's outdoor decor, indoor decor and parties. Celebrating for parties, I think, is going to be huge. And I think that we're seeing that continue to be the case. One of the things that the Amazon's of this world can do, they can ship costumes pretty well because they're in a very small package.

But they have a much more difficult time shipping decor. And also I think it's harder to see the decor online and really know what you're getting. And so I think that the store operators will have much more success with decor and animated decor. And costumes are probably more readily available online.

Ed Avis: Scott, can you give us some examples of decor items that Morris is selling that are very popular or you think will be popular this year?

Scott Morris: We have everything from reapers to six foot horses. Last year one of the big pieces that everyone talked about was there was a 12 foot skeleton at Home Depot. We're doing a 10 foot reaper this year that's going to be very competitive to that. So I think those types of things create excitement in the store because it's just not walking in and just seeing a package costume or a package, but they can see something that moves, see something that's really a wow factor.

Ed Avis: Got it. So point being, if you're selling decor, don't just leave it in the package. Put it out, let people see, especially if it's something great and big like a scary carnival barker or something. Great. Terry Sinopoli has messaged us. Terry, do you mind if I put the spotlight on you for a minute and then you can talk to us for a second about your experience this year.

Terry Sinopoli: That's fine.

Ed Avis: Oh, sorry.

Terry Sinopoli: [crosstalk]. We get that a lot.

Ed Avis: All right.

Susie: Hello, Terry.

Ed Avis: Just a minute.

Terry Sinopoli: I missed you.

Ed Avis: There we go, Terry. All right. Terry, you were mentioning, and I know you and I have talked before about your experiences selling online. Can you share with us your success there?

Terry Sinopoli: Sure. Like I mentioned in my chat, we've actually sold online for probably more than 20 years. We have our own website. And then about seven years ago we went to Amazon and eBay and Walmart. So we really have expanded out for that. And that was great for us during COVID. We didn't have to make that adjustment at the last minute, trying to make it all work. Where we made our changes was that then we did allow people to come in for appointments in our store.

And while we were closed, we would just do very small appointments and then wipe everything down in between, and then allow help people to come in the next one. And of course, my phone's ringing right now. And also... You get it. We kept it going.

Speaker 6: [inaudible].

Terry Sinopoli: Hang on one second. I'm sorry.

Ed Avis: It's cool.

Terry Sinopoli: I apologize. And then we kept that going after when we reopened and allow people. A limited amount of time, we're open three days a week. We allow people to come in for appointments or just to do a quick grab and go if they need something and they know what they need. We see it a lot for theatrical makeup, we see it a lot for when somebody has a big party and they just need something fast. But otherwise we do see a lot of people still who want to come in and shop. I had two calls this morning just for that.

Ed Avis: Great. Thank You, Terry. And attendees I forgot to introduce Terry. She is with Arlene's Costumes in Rochester, New York. She's a third generation. Right, Terry?

Terry Sinopoli: I'm actually the fourth generation, but we have five generation.

Ed Avis: The fourth generation. Wow. That's great. Well, thank you for joining us, Terry. And while I've got your attention, can you speak to costumes or decor items that you think might sell well this year? Any thoughts on that?

Terry Sinopoli: Well, I heard the skeletons being mentioned and things. Those seem to be very popular, especially last year when people were trying to keep a little bit of distance. People were getting very creative with their skeletons and letting their skeletons their candy givers rather than having people right out there. So that is a big, big, big thing for us, is a lot of that type of decor.

Costumes, it's truly a little bit of everything. We we've been selling everything from adults and kids to infants. The whole family still want to do it. We have everything. All of the, the costumes that we've been selling we've selling in quantity. Many, many people want to be able to dress them. So when they are doing their parties and they are doing their celebration, they are ready to party. So we're seeing a lot.

Ed Avis: Great. Thank you, Terry. And if you don't mind, can I keep the spotlight on you and you can stay for the last couple of questions? Okay. Tom, let me jump back to you. I know that maybe you don't have your finger on this. But in your work as a Halloween specialist, do you see any costumes or decor items that you think might do well this year that people should be paying attention to?

Tom Arnold: Okay. Well, with the costumes that I usually see, it's the field from a set of hit movies. But the movies have been restrained this year. And there wasn't a big Marvel cinematic thing where you had like 20 different superheroes. Okay. And Disney didn't have a cuddly princess or anything like that. So my thinking is

probably the more traditional costumes, the skeletons, the cats and everything else will wind up being a popular.

One of the things that I want to highlight what Terry said, the idea of having appointments is a very good idea. Restaurants do this with catering. Okay. Instead of having a big line out the door of people trying to get into the restaurant, if you do take appointments it can manage that order flow okay much easier. And that way you're able to hit more clients. I would ask Terry, are you getting more opportunities in the morning, in the afternoon, in the evening? Is there a time that usually is solved that you can move more appointments to, to take advantage of that?

Terry Sinopoli: We go around the schedule that we're working around here. But if someone specifically asked for time, we would pretty much take whatever time. In that case I would have to say afternoons because most people are back to work. So they are coming in afterward to see us. But we typically see people all times of the day. So we take people for appointments both at our showroom as well as we have a warehouse that we're starting work things out of, and allow people into to shop a little bit for some retired rentals. So we've been taking appointments there as well. And those tend to be morning appointments and the showroom tends to be afternoon appointments. But we would take them pretty much at any time.

Ed Avis: I think that a good point that Tom makes is that the value of a bricks and mortar retailer taking appointments is something that Amazon cannot do. You cannot walk into an Amazon place and try on a costume. So I think that's an advantage that the bricks and mortar retailers need to play up. Even if they're relying on internet sales, they can say, "Hey, if you want to try this on or look at it or feel it or whatever, you can actually come in and do that here." Which they can't do otherwise.

We had a message from Kathy Sprague. You probably saw this, but I'll read it to you. Movie theaters have been closed, so we need to look at what people have been streaming. Loki is big right now. I am not familiar with Loki. What costumes does that involve? Can someone comment on that?

Scott Morris: That's a Marvel villain. And right now Loki has episode streaming that are very popular. Disney has also streamed... Let's see. There is WandaVision. But Loki has a lot more costume characters in it than some of their previous offerings, and it's hitting at the right time.

Ed Avis: Got it. And are Loki costumes available? Someone has that license, you think? Scott, any idea?

Scott Morris: I'm not sure.

- Ed Avis: Scott, how long after a movie is announced normally does someone negotiate license for the costumes?
- Scott Morris: That's usually pretty early in that process. I mean, typically a year or so or while the movie is in production is when all that is occurring. Because by the time the licensee such as a disguise or rubies or whatever gets a license, they still have to go onto the development and production and getting it over from China. So that's really your process.
- Ed Avis: Got it. Kathy messaged here that Rubie's should have a Thor movie Loki costume. So if you're looking for Loki. Pam mentions here that also Black Widow is screaming, which makes all the Avengers popular. So that's good to know too.
- Terry Sinopoli: And Rubie's does have Black Widow. They actually came out with that the previous year. So they the movie was supposed to be out last year, so it is actually available and was available during purchasing for 2019 into 2020.
- Ed Avis: Got it. Okay. That makes me think of another question and, Terry, you might be able to comment on this best. Because purchasing was somewhat diminished last year because people were nervous or whatever, are people buying some of the 2020 inventory this year and trying to move that, or are they moving it all onto the new stuff?
- Terry Sinopoli: Pretty much through all of last year they were buying old merchandise. We had luckily been able to go to show and been able to go and see Rubie's things and see things from Scott and things like that during January of 2020. But then many of those things didn't come in. So our customers anyways were buying mostly old products and still are. We're just now starting to get in a lot of that newer product in.
- Ed Avis: Scott. Are you seeing anything in that regard too, old stuff being popular?
- Scott Morris: Yeah. Well, I think over the last year I think everybody's been selling what they have because, let's see, they couldn't get supply or they really weren't sure that they wanted to buy very much and take that risk with COVID. And also I think that manufacturers also themselves either did not get product in or also produced very conservatively. And then of course, with the logistics issues this year, not a whole lot has come in.
- So I think a lot of us are working off of old inventories. And again, there's really hasn't been that many great new movies coming out. And so things really haven't changed in the marketplace is a great deal. We all want something to freshen up the stores. But there's a lot of good old stuff that is still being sold and that will continue to be sold throughout this season.
- Ed Avis: Got it. Great. Attendees let me remind you that if you have questions, fire away using the chat function. This is your chance to ask these experts what you want

to know. Well, let me go into the next question. Tom, I'd like to start with you. And that is overall what advice do you have for costume retailers to maximize their Halloween sales this year?

Tom Arnold: Given the discussion that we've had already, okay, Terry made the point of having appointments and things like that. And I made the point about having your pick up and ready to go and be able to move customers. Not rush them, but don't let them stay longer than they need to. And I would probably anticipate not having to cut prices real drastically. And at the same time sitting there going, "I hope I can get more supply and I hope I can get it in a timely manner because the supply lines really they're hurting for everybody." Scott also mentioned, okay, if you have some older merchandise, get it out on the shelves and get it sold. This is going to be the opportunity to do it.

Ed Avis: Before we ask this question of the other two panelists, I've got a couple other comments and questions here I want to read. Cortland Hickey from Chicago Costume asks, "Among Us costumes and accessories, are those available? What costumes come from that?" Anyone comment on that.

Terry Sinopoli: I haven't seen much from Among Us, Cortland, yet. But I know from previous experience with other video games like Fortnite, they seem to tend to go toward large, big box stores first and then distribute down from there. So I know with Fortnite, they went to Spirit first and none of us to get them right away. So that might be the situation here.

Ed Avis: Scott, any thoughts?

Scott Morris: Yeah, there was a company out of Canada that was making some Among Us costumes. I think their penetration into find that support has been very minimal. We have some product that's coming in that's parallel design. But, yeah, I think they'll do very well. Obviously, last year with the space Among Us and everything, that was flying off the shelves and we expect to see the same thing this year or so. So I think there'll be Among Us costumes or Among Us like costumes in the marketplace that you can find very easily.

Ed Avis: All right. Great. Cortland, I hope that answers your question. And then there's a comment here from somebody with the first name Ed. I'm sorry I don't know who this is otherwise. But he says, "Rubie's has put the brakes for online sellers selling new licensed products. I'm wondering what others are planning to do regarding their new policies." And I assume he means other vendors. Scott, any thought on that? Have you heard about Rubie's doing this and you think-

Scott Morris: Yeah. Rubie's is under new ownership in large part, and I think their approach is try to take in more control of the marketplace instead of having all these sellers out there that tend to drive down price. And actually it tends to drive down the markets. What it actually tends to do also is I think they want to try to raise margins and raise prices and try to control the marketplace.

In their case, possibly it takes some of that business in-house. But I think all the manufacturers overall, if you look at the marketplace, I think they have this tendency of trying to control the marketplace much better and control price. And at the end of the day it helps us as retailers. The world has become too transparent and very tough for us to get reasonable margin and to remain profitable.

Ed Avis: Right. If Rubie's is restricting online sales. Fantastic, right? I mean, Terry, what's your feeling on that?

Terry Sinopoli: We've been a customer of Rubie's for many, many years so we're not as restricted of a category. However, they were very happy that they're doing it. Because we sell on Amazon and we see the price differences between sellers. And I know they don't see this as well. It's scary the difference from seller to seller. You can have people who are selling below costs and you can have people who are selling at double costs. I guess it depends on the thoughts that you have behind how you make the money on Amazon. And I think Rubie's is trying to restrict some of that, so that it's a little bit of a fair shape for everyone.

Ed Avis: That's great, Tom, in your experience and not necessarily just related to costumes, but are some vendors trying to control their online sellers to prevent this price cutting constantly?

Tom Arnold: Any vendor who's trying to sell will always try to control their product and pricing as best as they can. But as Terry demonstrated, yeah, some of that follow a Walmart model where we buy a bunch and we sell really, really inexpensively and try to get you to buy add on items where there might be more margin or something to that effect. But then you also have places like Apple computers that controls their product and their price very significantly. You're not going to find a bargain on one of those items.

So it does run the gamut from unload as many as you can for as little as you can and make pennies on the dollar. And then others are about really control. And a lot of times when it's about controlling the price, it's also controlling the quality. Okay. And then the thing that you have to watch out for, cheap imitations or counterfeit products. And even Amazon has had trouble with that, where a counterfeit product has managed its way through its supplies. And that's why it was the least expensive item. So that I'm not very, very familiar with Rubie's, but it sounds to me that they're trying to control the price, control the quality and maybe prevent infringement on lower quality knockoffs of their product.

Ed Avis: Kathy Sprague sent us a message. She says, "Rubie's new owner has sold merchandise in the collectible game market for years. They are very good at protecting their licenses and shutting down discounters. They take good care of brick and mortar. So that's good to know. Thank you, Kathy, for that. A couple other things I want to touch on here. Brandon and Lilly, I'm so delighted to see

that you could join us. Brandon, I'm going to put a spotlight on you. Brandon, thank you very much for being here.

Brandon: Absolutely.

Ed Avis: We missed you at the beginning. But now that you're here, let me fire out a question. Well, let me introduce you first. Brandon is with Life of the Party Costume Store in Fort Collins, Colorado. And he's also an expert on small business marketing and he's a cosplay enthusiast. So he's both a retailer and a buyer. Brandon, what costumes or decor items have you seen this year that are coming up that you think are going to sell well at your store?

Brandon: One that we've seen, I think, is going to be a hold over from last year is plague doctors. For obvious reasons, there's a cultural shift to identifying that. But it's also a really easy costume to put together and also something that can be easily modified to make your own personality shine through. So plague doctors absolutely is going to be something that I feel like we're going to see another big resurgence of.

And then of course we saw this last year and at the end of 2019, just '20 style, prohibition, flapper dresses, anything related to that. It's extremely popular. We're back in the '20s. So why don't we dress that way too? Both of those have been really big sellers for us and it looks like they're going to continue.

Ed Avis: Oh, that's interesting. I mean, I agree 100% the '20 stuff because I think everyone coming out of COVID is excited. Brandon, where are you sourcing your '20s stuff, your flappers stuff?

Brandon: Kind of all over the place. So we get a lot of our "higher end" flapper dresses from Western Fashion. They have a lot of different styles, which is great because we find that there's not one singular type of flapper dress that seems to do better than others. But we get a wide age range of folks that are dressing up as well. And we found that some of the flapper dresses, as long as they've got some shoulder covering or maybe a stole or something like that, they sell very well with the older crowd. Whereas some of the other ones that are maybe a little bit shorter, they've got the thinner straps, those generally skew a little bit younger. So having a wide variety is really important.

Ed Avis: Excellent. Terry, have you observed that trend, '20s fashion selling?

Terry Sinopoli: We actually have. We saw it right in the beginning of last year, and then it seems to have picked up again with theme parties. Pretty much if there's an excuse to have a party, there is a party but we have seen quite a few of the '20s. We have a large selection in our rentals, but as far as retail we have seen that as well. We also do high-end from Western Fashions and some of the more everyday styles from Forum. They had a cute selection last year that we got into and then assessors from Jacobson and from HMS.

Ed Avis: Great. Thank you. Scott, I want to put a question to you. This came in a little bit ago. Cortland asked, "Did someone know how to find the giant skeletons that Home Depot had last year that were hugely popular on social media?" And I don't know... Were those your skeletons Scott or some other supplier?

Scott Morris: I think that was exclusively produced for Home Depot by another supplier. So we made a skeleton that's similar to that. It's two pieces smaller, but it's very similar to that that we think that will sell very well this year. The challenge is again, with logistic problems in the world today, I'm expecting late deliveries. I'm not expecting delivery until early September on that item that normally would be in this time of the year.

Ed Avis: Got it. And then regarding domestic shipping, does this come in one big box or is it broken up? How is this skeleton shipped?

Scott Morris: Yeah. All the animated pieces are pretty much knocked down into one box to a fairly reasonable size box. Like I said, this piece is 10 feet tall and it's boxes is just a couple of feet by a couple of feet. So it takes a lot of engineering of how to figure out how to make the piece and be able to break it down and be able to sturdy it up to stand the string to the environment. But, yeah, it will be very competitive to the Home Depot one.

Ed Avis: Got it. Great. Okay. Let me return to the question that we had started. And that was, overall what advice do you have for costume retailers to maximize their Halloween sales this year? Scott, while we got you, tell me, what's your thing? Any other tips for Halloween retailers this year?

Scott Morris: I think the biggest thing is having to display in the store so that there's a reason people want to come in and see the stores and create some excitement. And it's not just come in to those packages on the shelf, but there's more than that that they create a reason for people to go to the store.

Ed Avis: Great. Thank you. Terry, any tips for your fellow members?

Terry Sinopoli: I think my biggest tip is that we do a lot on social media, and it's not for everyone. But at least just to show the fun that you're having and the excitement that you're creating around this holiday. We play a game every day with our people, our followers, and it's just a, "What do you think this is?" We zoom in on an item and we try to gear it toward whatever holiday is coming up or whatever special events.

So in our case, Christmas in July is big right now. So we're doing a lot of closeup Santa stuff and something like that. We just finished our Pride, so we did a lot with that. And as we get closer to Halloween, we'll do more with that. So we just have a lot of fun and create that fun atmosphere both in our store as well as online for our customers.

Ed Avis: Great. Thank you. Brandon, how about you? What tips would you say overall for retailers to maximize their Halloween sales this year?

Brandon: I think a great mix of what Scott and Terry said, the displays and then social. Digital and online is absolutely key to ensuring that we're, one, competing with the Amazons and competing with everybody else there. Because we have our place in the world and a lot of people would rather come in and try on a costume, and they want to touch the fabric and see how things work and see the quality.

Because we've all learned from buying from Wish on Amazon that these may not be exactly like what their pictures look like. So that's one of the things that we've found, is that we just have to showcase online and be where people are. Everybody's on Facebook, on Instagram, on Google, they're all searching there. So for us, that's been a game changer by getting... I'd say about 98% of our products are online now and that kept our doors open numerous times through 2020.

So it's only going to continue offering same-day shipping or in-store pickup. Anything that helps pull you away from this, "Oh, well, I can get it in 48 hours if I order from Amazon." To something unique, we found to be incredibly successful and something that all of us should be really considering.

Ed Avis: Great. Thank you, Brandon. Let me go through the questions again. We've done a handful here, and some comments. Tammy Samilito from Sunny Wood notes that Sonny Wood has a lot of flapper dresses and accessories in stock also. And as we all know, Sunny Wood is very well known for their crowns and their tiaras and such. And Sonny Wood is a very valued vendor member. So please patronize Sunny Wood and check out their buyers group discount for NCA members. It's a valuable discount. I encourage you to use it. Then Marion Bradley asked if Brandon rents costumes and he says, "I do." Randy Vachez asked Scott, "What is the item number of that big new skeleton?" Do you have that yet, Scott?

Speaker 5: It's up there.

Ed Avis: Oh, you put it up there. I see. Got it. So anyone who's interested in that, you can see that. MR 124885. Great. All right. That looks like the end of this list of questions here, but fire away people. We've got three or four minutes left. If you have anything you want to ask, go ahead. But I'm going to ask my last question. And let's start with Tom on this. Any thoughts on how the NCA... We are the association for costume bricks and mortar retailers. Any thoughts on what we could do to help our members have a strong Halloween?

Tom Arnold: Well, I think this discussion has helped a great deal. Ed and I discussed this before, anything that can tag into getting folks vaccinated, like vaccinate to save Halloween. Or any promotion, okay, that could link the two. There might

actually be some federal money out there for doing some of these things. And the other part about it is... And Brandon was mentioning this and Terry was mentioning this, you want to be everybody's really good neighbor, okay, as a brick and mortar store.

So anything that helps the common good. I think whether it's the NCA or whether it's the individual retailers, I think that will pay off, okay, with more patronage. Not just this year, but over and beyond. Folks tend to be pretty loyal once you show yourself to be a good neighbor.

Ed Avis: Great. Yeah. Attendees just so you know, we will do the 'Help Halloween Happen' campaign again this year as we did last year, which provided stickers and posters and a booklet on a safe Halloween, which was popular. And we'll do that again this year. Scott, thoughts on that? How can the NCA help our members have a good Halloween this year?

Scott Morris: I think meetings like this just promoting within different ideas that each of us need to do as retailers. And just figuring out what problems that we all are having, whether it's logistical problems or whether it's hiring labor problems, whether it's getting product to our stores, the product categories that are doing well. I think that will help all the retailers to gather. I think that's very important.

Ed Avis: Great. Thank you. Terry, what can the NCA be doing this year, do you think, to help members have a good Halloween?

Terry Sinopoli: I agree with Tom and Scott, but also just education. There's so many things that are new and different out in the retail world as a whole as well as within our own industry. So just helping to be able to continue doing what we've done so far. Helping out maybe with some social media, helping out with maybe better website design, things like that, and also tips on how to do things in-store for a brick and mortar.

Ed Avis: Great. Thank you. Brandon, thoughts on that? How can the association help?

Brandon: Yeah. Going last, you pretty much just have to repeat what everybody else has said. It's the same thing. Opportunities like this to get together, get to know each other. I like to be an open book. I'm super happy to help where I can with my own expertise and I love to learn from other people that are smarter than me, which is probably everybody in this room. So the NCA I think can really help with a lot of the public awareness.

We've got a whole weekend to Halloween coming up. Halloween's on a Sunday, so that means we've got a whole weekend to plan or to celebrate that. I'd love to see the NCA really take advantage of that with the public awareness campaigns of, "It's not just Sunday. It's all weekend." And that'll really give us an opportunity to take advantage of finally things opening up. But also that will help to stagger some of the sales anyway. For those of us that still are needing

to restrict the amount of people in our stores or anything like that. If it's not just that final rush, if we're like, "This is a whole weekend. We got three days here." Then I think that will help as well.

Ed Avis: Great. Yeah. Hallo weekend, how about that?

Brandon: That's right. It's a Hallo weekend.

Ed Avis: It'll be our slogan. Great. Well, it's 11:01 Central time. We've been on for an hour. I promised our panelists we wouldn't go more than an hour. I do have a couple other little questions here, but I'm going to do is ask that we answer these questions via email, back to the people. So thank you very much panelists for your time and your expertise was greatly appreciated today.

And we've had a wonderful discussion and I hope it has motivated some of our members to have an excellent Halloween. Attendees who are on the call, please remember that you can stay for the business meeting, and we're going to take a 10 minute break prior to business meeting. But otherwise please don't go away. But panelists, thank you again very much for your time today and-

Scott Morris: Yeah. Thanks for the invitation-

Ed Avis: ... we appreciate it.

Tom Arnold: Thank you very much.

Brandon: Yeah. Thank you.

Terry Sinopoli: Thank you.

Ed Avis: Okay. Attendees who are still here, let's just take a 10 minute break. Okay. We all learned a lot in that session and let's catch our breath and come back. Okay. Let's come back at, let's say, 11:15 central time. Okay. So let's 12 minutes. And then we'll jump right into the business meetings. Okay. Great. Thank you.

Speaker 5: Okay. Thank you.

Susie: I'm going to have to compete with Cortland Hickey. I got to go find a wig.

Speaker 5: I was thinking the same thing. I was like, "Wait a minute now. I like you're cute, but I like that." That might be just a picture, though. I don't know.

Susie: I think it is too.

Speaker 5: But it's still a great picture though. It makes me smile.

Susie: Oh, there he goes. Yes, there his. I can't hear him. Why can't I hear you, darling.

Speaker 5: Cortland, we can't hear you. Is your mic off?

Cortland Hickey: No, it's on.

Speaker 5: Oh, there you go.

Susie: There you go. I said I have to go find a wig to compete with you.

Cortland Hickey: So I do a lot of communities Zoom meetings. I did one last night with some elected officials and I just have that as my background. It really helps to set this tone. Not that anybody ever takes me seriously, but there's a little good chuckle when you're doing it. Then they know who I am. Like, "I'm not like this."

Susie: Right.

Cortland Hickey: But I'm that guy in the costume shop. They know exactly who they're talking to when I have a video of-

Susie: I get it too with all the Zoom readings I had, every time I go to a Zoom meeting. Now, I go to a meeting anywhere I wear something on my head.

Speaker 5: Yes. He is live. I love it.

Speaker 10: Terry, are you still around?

Speaker 5: Uh-oh.

Speaker 10: I lost her for a minute.

Susie: She's on mute.

Speaker 5: Yeah. Not great but in a minute.

Terry: Me Terry or Terry Sinopoli.

Speaker 10: No, you. It's me asking for you.

Terry: That's insane. I didn't want to eat inside everybody.

Speaker 10: You're good. You can stay like that. I just wanted to let you know. Donna wanted me to tell you, Arlene is in the hospital. She fell last week.

Terry: Oh, my god. What's going on?

Speaker 10: She fell last week, has a few problems from the fall, but then they found some other things. So she's going to be in for a couple of weeks.

Terry: Okay. I will call you.

Speaker 10: I wanted to let you know.

Terry: I will call you. Thank you.

Susie: Terry, I had a question for you.

Terry: Yes, ma'am.

Susie: Do you having trouble getting Santa suits?

Terry: We still have a lot of stock, but it's the same thing as Scott said. I mean, the freight, you guys, is ballistic. It's just crazy. Okay. Right. Last year a 40 foot container was \$4,600 to 5,000. And they're now 20,000. So it's crazy. This world is just... I mean, honestly you guys, after that whole... I don't know anyone who's come out of this pandemic unscathed with something. It's so sad.

Susie: Yeah, it is. It is a shame. Yeah. It affected everybody.

Terry: Everything and everybody. And you know it's right what Tom said. What's his name? Tom Arnold said, "It's true everything goes up, nothing goes down."

Susie: Right.

Terry: Susie, I still get aggravated because I still think the only people making money are UPS and FedEx seriously.

Susie: Amazon.

Terry: Susie, and every time they just add a surcharge, a surcharges, a surcharge. It's ridiculous.

Susie: Oh, my word. Yeah. I can't believe what they had to dumping a dumpster now. Oh, my word. The gas didn't go up that much. They're just adding \$100 surcharge.

Terry: Wait a minute. You'll love this. We went to chase down a FedEx driver, I want to say last week, and it was crazy. They charged us \$3 a package for chasing down this person who was coming past us anyway. It was so weird. Our driver had already picked up. We had other stuff. So literally they sent us a bill for \$3 a box. It was crazy.

Susie: I know.

Terry: I mean, it was crazy, you guys. But it was probably-

Speaker 5: That makes no sense. You already have an account.

Terry: Right. Because we do daily, so each week even if you don't have something they're going to still charge you. It's crazy.

Susie: Yeah. Jean. I'm going to ask Jean this. Mehron, I know they make their makeup here. But are they getting the containers in to put the makeup in? Jean, you're-

Jean: Yeah, I got it.

Susie: Okay.

Jean: Well, the containers and raw materials has always been an issue lately.

Susie: Oh, but they seem to be keeping up with it.

Jean: Well, as far as the orders that are in, yes. When they were talking about shipping, we talked to our Australia distributor and he's taken up to six months to get containers from the States to Australia.

Susie: Oh, my word.

Jean: Six months. He goes "The stuff's going to be old before you even get it."

Susie: Yes. It will be outdated.

Jean: Well, not outdated. But six months is a long time to wait for something that used to be 30 days.

Susie: Yeah. [crosstalk]. Oh. I've seen emails from different companies too saying how bad it is logistic wise and if you don't have your own brand now you might not get it next year.

Jean: Right. Well, I've not been happy with the stuff I've ordered online. Half the stuff I've ordered this last year I still haven't gotten.

Susie: Really?

Jean: Yeah.

Susie: From Amazon or from different companies?

Jean: Online. I don't order anything from Amazon.

Susie: Oh, okay.

Jean: But it's just coming from wherever. And I don't do anything on Wish because my son has never gotten anything from Wish. But we've received packages that we never ordered of things that we never ordered. It's getting crazy. I had ordered a Christmas ornament last August. I just got it last week.

Susie: Oh.

Jean: Yeah.

Susie: I had five Christmas presents like that too when I didn't order from Amazon and I ordered from different companies and they sent it by mail. It stayed in New Jersey forever. And I didn't get it until way after Christmas week.

Jean: Yeah. Most of our stuff's coming by mail. It's interesting. But I try to order from the supplier themselves and it doesn't make any difference because they may not even be in the states for all I know.

Susie: Yeah.

Brandon: Yeah, shipping anything through USPS is just a crap shoot at this point. Even Priority, they're like, "Oh, one to three days." It shows up two weeks later. And of course, they're not held responsible for it unless you do Priority Express, which is starting at 50, 60 bucks. So that's been our biggest complaints from people ordering online, is people are so used to Amazon, so they're like, "Well, I expect this in a three-day window."

"I can't guarantee that. You got a problem with that, take it up to the post office." So we've had to add disclaimers like shipping is estimated, shipping times are not guaranteed. If you want guaranteed shipping, you have to ship Priority Express or UPS, FedEx, something like that. Yeah, and adding those disclaimers has definitely helped, but in the grand scheme of things, it's also probably produced our online sales because people go, "Oh, I'm not going to take the risk." And they'll go somewhere else, buy the product. But then it doesn't get there on time because you ship USPS and then they're cranky with that company.

Susie: Yeah.

Jean: Yeah. And when I order it from the big box stores, they'll give you a tracking number and it says, "It's been shipped and it arrived at the store or whatever." But it's still taking three to six weeks to get it. And I had ordered something from...