



## Two Minute Drill / Business Overview

### Who Gets Candidate Pre-Registration & Territory Check

Name: Morris Shamouni

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Email: morris@generalfranchise.com

Email to Send to Candidate:

Website: <https://americasgreatestfranchises.com/fantasy-claw-arcade>

### Who Works with Candidates Through Discovery Process

Morris Shamouni

## Business Basics

Industry	Arcade/Amusement	Year started franchising	2025
Year business started	2024	Franchise units open	0
Number of Company units open	2	Investment Range (Item 7)	\$250,000-\$445,000
Franchise fee \$	\$40,000	Req.d liquid capital \$	\$100,000
Required net worth \$	\$1M	Royalty	7% single, 6% multi. Add'l 2% marketing
Industry size \$		Available in Canada/ Internationally	No

<b>SBA Registry?</b>	Yes	<b>VetFran/Minority Fran</b>	No
<b>Accepts E-2 Visa?</b>	No	<b>State Registrations</b>	<a href="https://dash.spadealaw.com/33297FantasyClawArcade">https://dash.spadealaw.com/33297FantasyClawArcade</a>
<b>In House Financing?</b>	No	<b>Buyer Motives</b>	
<b>Is an Item 19 Provided?</b>	Yes		

#### Overview:

#### Unique Selling Proposition:

- **Immersive Theme:** Unlike typical claw arcades, our wizard-themed environment is designed for social sharing and memorable guest experiences.
- **Everyone Wins Approach:** Staff are trained to ensure guests have a fun, rewarding experience — even if they need help winning.
- **Locally Curated Prizes:** Prize assortments are customized for each market, featuring local sports team merchandise, gift cards to area businesses, and market-specific plush lines.
- **Proven Model:** Our flagship Las Vegas location has demonstrated strong performance, with additional corporate stores expanding in prime markets.

#### Target Market:

- Families, teens, and young adults seeking affordable entertainment
- Mall and shopping center visitors
- Tourists in high-foot-traffic locations

#### Franchise Opportunity:

Fantasy Claw Arcade offers a turnkey franchise model with comprehensive training, site selection assistance, and ongoing operational support. Franchisees benefit from our proven operating procedures, curated vendor relationships, and national brand marketing.

**Franchise Investment Range:** \$250,000 – \$450,000 (single unit)

## Business Description / Industry Need / Market Opportunity

### Growing Demand for Affordable, Interactive Entertainment

- U.S. family entertainment center (FEC) industry valued at **\$27+ billion** and growing.
- Rising popularity of claw machines fueled by social media virality.
- Affordable, high-value entertainment appeals to families in all economic climates.

### Prime Mall & Retail Real Estate Conditions

- Landlords actively seeking experiential tenants to drive traffic.
- Claw arcades fit underutilized spaces with **low staffing requirements, quick build-outs, and high per-square-foot returns.**
- Opportunity for **tenant improvement allowances and favorable lease terms.**

### Social Media-Driven Foot Traffic

- Immersive, “Instagrammable” environment fuels organic promotion.
- Gameplay generates repeat visits and viral exposure with minimal marketing spend.

### Franchise Scalability & Efficiency

- Low labor, predictable maintenance, and centralized vendor sourcing.
- Proven SOPs enable easy replication and multi-unit ownership.
- Attractive ROI potential and quick ramp-up for franchisees.

### Competitive Edge

- Differentiation from generic arcades through **theme, customer service, and local customization.**
- Commitment to ensuring **every guest leaves happy** builds loyalty and repeat business.

## Proposed Bulleted Script for Candidates / Franchise Owner Benefits

- Fantasy Claw Arcade is a wizard-themed claw machine arcade blending entertainment, retail, and community connection.
- Guests enjoy a fun, immersive experience where everyone leaves happy, whether by winning on their own or with a little help from staff.
- Our model offers reasonable labor requirements, strong margins, and simple day-to-day operations.
- Franchisees benefit from turnkey support including site selection, build-out guidance, staff training, and marketing programs.
- Locations are designed for high-traffic malls, entertainment districts, and tourist areas.
- Prize assortments are locally curated to reflect community interests and drive repeat visits.
- The business is social media-friendly, generating organic buzz and free promotion.

## Proposed Written Script for Candidates

Fantasy Claw Arcade is an wizard-themed claw machine arcade that combines entertainment, retail, and community engagement. Our guests enjoy a fun, immersive experience where everyone leaves happy.

As a franchisee, you'll benefit from a proven, easy-to-run business model with low staffing needs, strong unit economics, and a turnkey system for site selection, build-out, operations, and marketing. We're expanding nationwide and looking for owners who want to bring the magic to their local market.

## Function of the Owner & Daily Tasks

The owner's role is primarily **managerial and strategic**, not hands-on arcade staffing.

- Oversee staff and ensure adherence to brand standards.
- Monitor financial performance, token usage, and prize inventory.
- Execute local marketing initiatives provided by corporate.
- Build relationships with landlords, mall management, and community partners.
- Ensure machines are maintained (using corporate-approved vendors or in-house staff).  
Most owners spend **15–30 hours/week** if semi-absentee, or full-time for multi-unit development.

## Describe Customer Acquisition Process / Targeted Customer Base

*(Business Owners Role in Sales & Marketing. Direct Sales or more digital marketing driven with soft conversion)*

Our customer base includes **families, teens, young adults, mall visitors, and tourists**. Acquisition is primarily **digital marketing-driven** with a strong **soft conversion strategy**:

- Corporate-managed paid social and Google campaigns.

- In-mall signage and promotional events.
- Social media engagement showcasing wins, prizes, and themed environment.
- Word-of-mouth and repeat visits encouraged by our “everyone wins” service model.  
Owners focus on **executing local partnerships** (schools, sports teams, community events) rather than cold sales.

### **Competitive Advantages of Product / Services**

- **Immersive themed environment** that stands out from generic arcades.
- **Everyone Wins philosophy** increases repeat visits and customer loyalty.
- **Locally curated prize selection** creates community connection.
- **Low labor model** — minimal staff needed per shift.
- **Proven unit economics** and turnkey franchise support.
- **Social media-friendly** environment that generates free publicity.

### **Overview of Financial Model / How does the Business Owner Make Money?** **(If you have an Item 19/Financial Performance Please Provide Data)**

Franchisees earn revenue from:

- Token sales
- Birthdays and events
- Ancillary retail or snack sales (optional).

Strong margins due to:

- Reasonable labor costs.
- Predictable inventory control
- High repeat customer rate.

See Note <sup>1</sup>	Las Vegas Fashion Show – May – Dec 2024 Act \$	Las Vegas Fashion Show – May – Dec 2024 Act %	Avg Monthly 2024 \$	Avg Monthly 2024%
Total Sales	\$666,457	100.0%	\$87,309	100.0%
Total Cost of Goods Sold <sup>2</sup>	\$165,959	24.9%	\$21,741	24.9%
Store Level Salary <sup>3</sup>	\$38,295	5.7%	\$5,017	5.7%
Store Level Bonus-Salary <sup>4</sup>	\$0	0.0%	\$0	0.0%
Total Payroll & Related <sup>5</sup>	\$100,813	15.1%	\$13,207	15.1%
Total Prime Cost <sup>6</sup>	\$266,772	40.0%	\$34,948	40.0%
Total Operating Expense <sup>7</sup>	\$90,684	13.6%	\$11,880	13.6%
Total Rent <sup>8</sup>	\$100,000	15.0%	\$13,100	15.0%
Royalty Fee <sup>9</sup>	\$40,042	6.0%	\$5,246	6.0%
National Marketing Fee <sup>10</sup>	\$13,347	2.0%	\$1,749	2.0%
Local Marketing Cooperative Fees <sup>11</sup>	\$0	0.0%	\$0	0.0%
Total Non-Controllable Expense <sup>12</sup>	\$162,158	24.3%	\$21,243	24.3%
EBITDA <sup>13</sup>	<b>\$146,843</b>	<b>22.0%</b>	<b>\$19,237</b>	<b>22.0%</b>

## Overview of Franchisor Training & Support

We provide **full turnkey onboarding**:

- **Pre-opening:** Site selection, lease negotiation, build-out oversight, equipment sourcing.
- **Initial training:** 5-day training program covering operations, staffing, marketing, and machine maintenance.
- **Opening support:** On-site assistance for launch and grand opening.
- **Ongoing:** Marketing programs, operational updates, vendor sourcing, and regular performance check-ins.

## Ideal Candidate / Desired Background

- Business management or retail/operations experience preferred, but not required.
- Strong leadership skills and willingness to follow a proven system.

- Comfortable managing a small team and executing local marketing initiatives.
- Semi-absentee owners welcome; multi-unit operators encouraged.

### **VetFran / Minority Discounts?**

Evaluated on a case by case basis

### **Territory Availability, Description & Protection for Business Owner**

**Exclusive territory rights** defined by population, trade area, and proximity to other locations. Territories will be designed to avoid internal competition and maximize market potential.

### **Financial Strength of the Franchisor**

- Backed by successful operators with experience scaling multi-location retail and franchise concepts.
- Debt-free, privately held, and reinvesting in growth.
- Corporate stores operating profitably and funding brand expansion.

### **Strength of Franchisor Management / Executive Team**

Led by experienced entrepreneurs with backgrounds in retail, franchising, and business development.

Executive team has scaled multiple businesses and built operational systems designed for franchise replication.

### **Prospect's Perception of the Company (what concerns may surface) / Potential Hang-Ups**

Some prospects may not be familiar with claw arcades as a stand-alone business. Education required to show scalability, low labor needs, and repeat customer potential. Lease negotiations can be competitive for prime mall locations — but our corporate support mitigates this.

### **International Franchising Opportunities?**

Currently focused on U.S. growth; evaluating international expansion in 2–3 years. Interested parties abroad can join our waitlist.

### **State Deferments?**

We comply with all state registration requirements. Fee deferments available in certain negotiation scenarios.

### **FDD Issues and Ambushes?**

No material litigation or bankruptcy history. Item 19 provided with performance ranges. Standard franchise agreement terms with protections for both franchisor and franchisee.

### **Awarding / Discovery Process**

Prospect will be awarded a franchise upon approval from the partners