



Tart Frozen Yogurt



# Frozen Yogurt – HOT again

- 1980s: frozen yogurt shops take America by storm.
  - Dominated the frozen dessert industry for almost 10 years
- Mid-90s: frozen yogurt popularity slowly overtaken by premium ice cream shops and gourmet coffee houses
- Today: “fro-yo” is hot once more.
  - *Restaurants and Institutions* magazine named frozen yogurt one of its “Big Menu Ideas for 2009,” and *Nation’s Restaurant News* named franchisor Red Mango as one of its 5 “Hot Concepts” for 2009.
  - “Yogurt will likely be a longer-lasting trend, and I see no reason why the frozen variety should fade out sooner,” says Bret Thorn, Food Editor for *Nation’s Restaurant News*.
  - Yogurt is being marketed more as a healthful indulgence than as an ice cream substitute
    - NPD reports a steady increase in interest in probiotics - the reportedly healthful bacteria in yogurt and elsewhere - over the past couple of years.
      - Frozen yogurt can deliver these benefits.

# Frozen Yogurt: The New Cult



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Red Mango's exclusive loyalty program

**How Club Mango Works**

Benefits of Club Mango

How to Join Club Mango

Enjoy Red Mango. Earn Mango Points.™ Reap the rewards.

Register your free Club Mango card and you'll receive Mango Points with every purchase. Watch them add up, then redeem them for Red Mango products. You can even use the Club Mango card as a gift card or prepaid card and load value on it online or in the store. No matter how you enroll, the rewards are delicious!

Each Club Mango membership is attached to a universal card that works:

- As a loyalty card to reward you for visits and purchases
- As a refillable prepaid card for personal use

> Benefits of Club Mango

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**Frugos Frozen Yogurt**

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Frugos Frozen Yogurt Just Fans

**Frugos Frozen Yogurt** Just another day in the life at Frugos Yogurt

**Frugos Yogurt**  
8 new photos  
January 30 at 9:03pm  
Cindy Coale likes this.

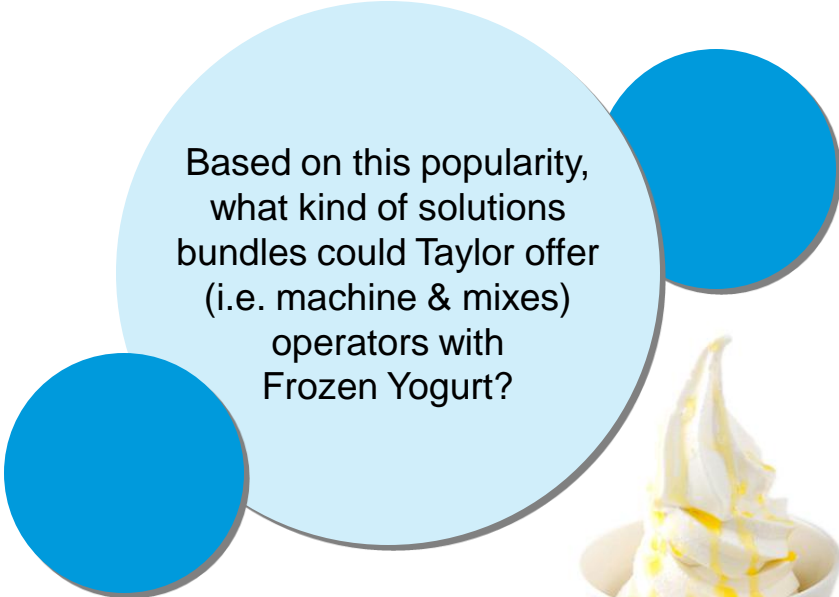
**Information**

Location:  
13595 Whittier Blvd Whittier, CA  
Whittier, CA, 90605

Phone:  
(562) 696-5676

# Frozen Yogurt Servings Continue To Grow

- About 45 million servings of frozen yogurt in the U.S. for the year ending November 2009.
  - Growth of 15% in two years ending Nov ' 09 vs. prior two years.
- Almost 6% of servings of frozen treats are frozen yogurt, up from about 4% in 2006.
- Frozen yogurt does not appear seasonal as the % of time it is ordered – among all restaurant visits – has remained steady



Based on this popularity,  
what kind of solutions  
bundles could Taylor offer  
(i.e. machine & mixes)  
operators with  
Frozen Yogurt?

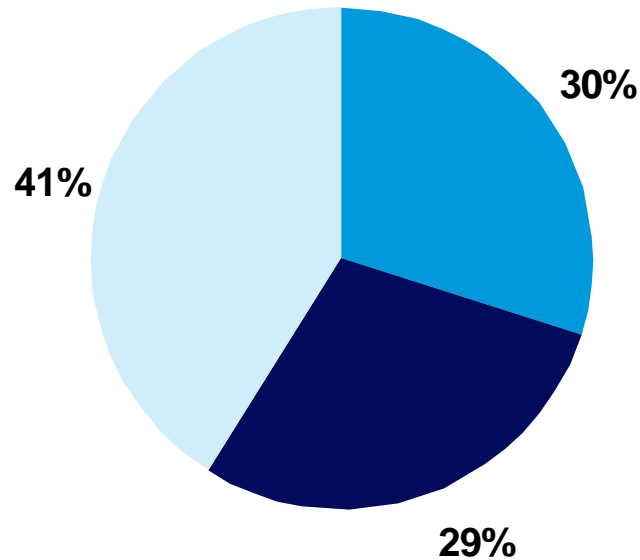


# Opportunities For Frozen Yogurt at Major Chains & Independents

Six in ten yogurt servings of frozen yogurt at restaurants are from a chain

Street business accounts for almost half of all frozen yogurt servings.

**Channel Importance  
Distribution of Servings  
2 YE Nov '09 vs. 2 YE Nov '07**



■ Major/Regional Chains: 30%...PCYA (+17%)  
■ Small Chains: 29%...PCYA (-14%)  
■ Independents: 41%...PCYA (++)

If sample is estimated at under 250, trend is shown as "+" or "-".

If sample is over 250, pcya is shown, If pcya is 20 or above, shown as "++". If pcya is -20 or less, shown as "--".

NC= No Change vs. Year Ago

Use information like this to:

- Identify potential sales targets
- Demonstrate how other operators are successfully taking advantage of frozen yogurt on their menu

# Who eats frozen yogurt at restaurants?

## Frozen Yogurt Demographic Indices - 2 YE Nov '09 vs. 2 YE Nov '07

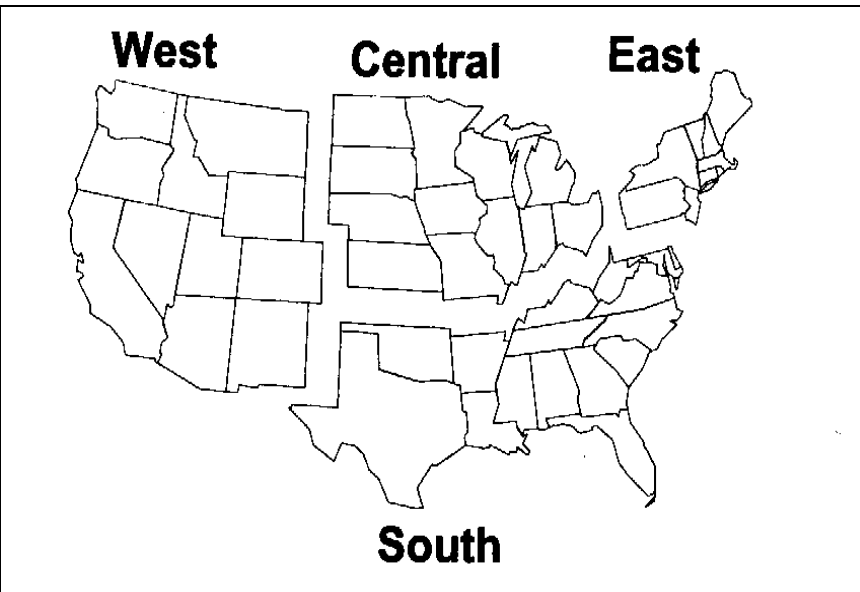
	Dist.	Index 2 YE Nov '07	Index 2 YE Nov '09
<b>Gender</b>			
Male	32%	79	66
Female	68%	120	132
<b>Age of Eater</b>			
<18	24%	111	97
18-24	15%	143	152
25-34	13%	96	95
35-49	20%	74	92
50-64	17%	107	97
65+	11%	86	90
<b>Household Income</b>			
Under \$25,000	16%	65	82
\$25-44,999	12%	108	63
\$45-59,999	10%	93	78
\$60-74,999	10%	94	89
\$75-99,999	18%	75	137
\$100,000 and More	34%	152	141

### Consumers of frozen yogurt tend to be:

- Female
- Under 18 (teens) and 35-49 year olds
- (18-24 year-olds have the highest probability to eat frozen yogurt)
- Upper income (lower incomes pulled back on consumption)
- Match this up to your target's core customers – could be a natural fit on the menu!

# Frozen Yogurt Regionality

## Frozen Yogurt Regional Indices - 2 YE Nov '09 vs. 2 YE Nov '07



	Dist.	Index 2 YE Nov '07	Index 2 YE Nov '09
<b>Region</b>			
<b>East</b>	18%	59	100
<b>Central</b>	13%	76	60
<b>South</b>	24%	92	65
<b>West</b>	45%	168	192

\*Indexed to Panel. Index of 100 = Average Usage

- Frozen yogurt – sensation on both coasts.
- Nearly half of all frozen yogurt servings were consumed on the west coast alone.
- Concentration of unit/concept expansion.
- Great opportunity for other operators to capitalize on.
- Growth occurred in the east
- How can Taylor help fuel this?



# Where do consumers eat their frozen yogurt?

## Dist. of Servings and Trend

	Dist. 2 Yr. Ending Nov '07	Dist. 2 Yr. Ending Nov '09	PCYA Trend/ Direction
On-Premises	52%	51%	+11
Off-Premises	48%	49%	++
Carry Out	42%	45%	++
Drive Thru	5%	4%	NA
Delivery	1%	0%	NA

If sample is over 250, pcya is shown, If pcya is 20 or above, shown as "++". If pcya is -20 or less, shown as "--".  
If sample is estimated at under 250, trend is shown as "+" or "-". NC= No Change vs. Year Ago; NA= Not Available

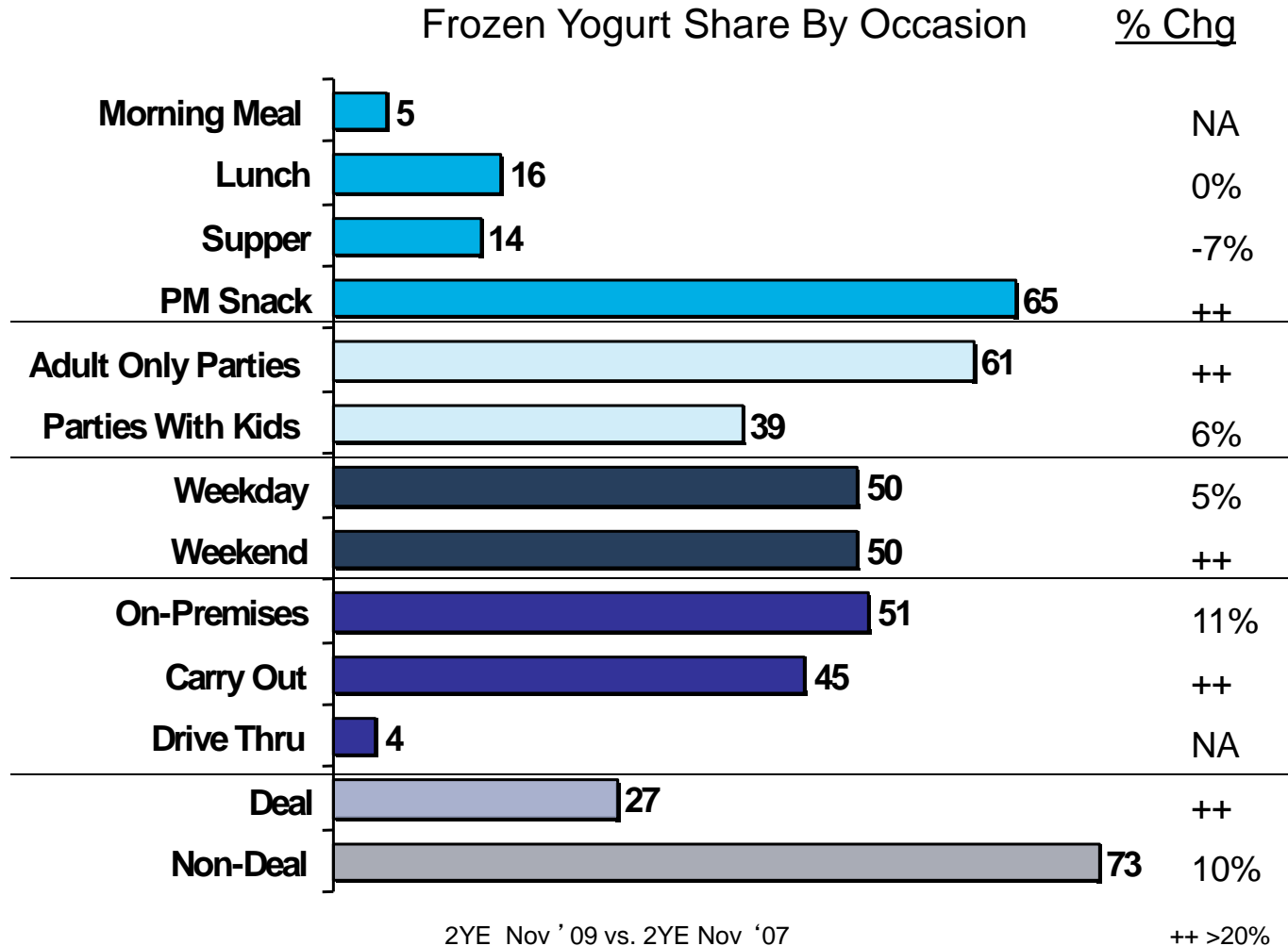
- Both in and out of the restaurant occasions grew!

- Relatively even split between eating frozen yogurt at and away from the restaurant

- Implications for service, portability, etc.?



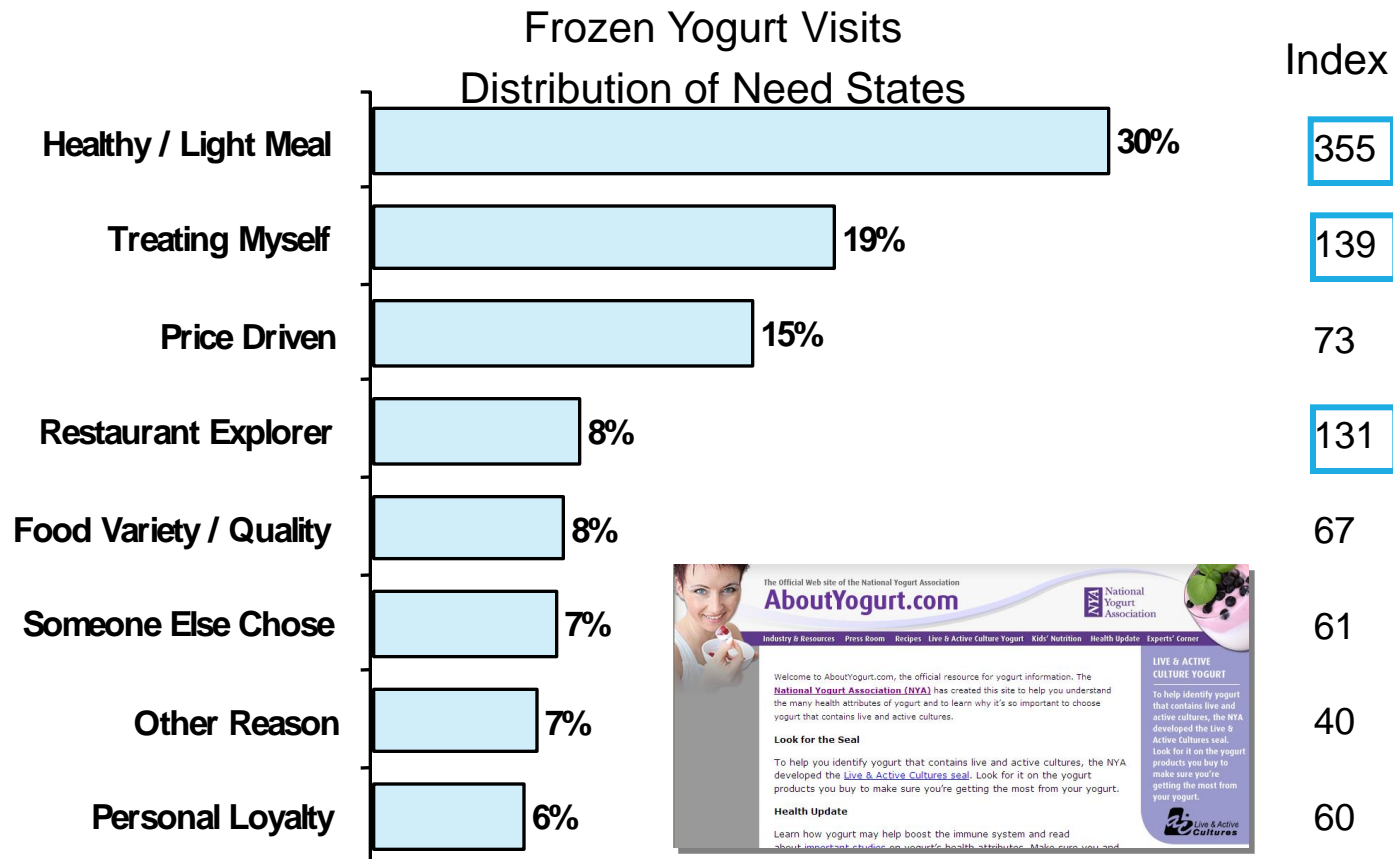
# How do consumers eat frozen yogurt?



- Snacking is most important daypart
- Growth strongest among adults, weekends, carry-out, and occasions on deal
- Opportunity to grow other occasions.

# Frozen Yogurt Satisfies Need for Healthy/Light Snack

Frozen yogurt consumers were most often looking for something light and treating themselves.



Impact on flavors?  
Positioning on the menu?  
Operator solutions?



# Flavor & Toppings Trends



- Most of the predominant chains offer soft-serve and smoothies made with frozen yogurt.
- TCBY states they have 60 flavors!
- Pinkberry and Red Mango offer fewer but more exotic flavors, including an “original”, plus seasonal items like cocoa and passion fruit.
- Fresh fruit, granola, cereal and nuts are common toppings and mix-ins
  - Parfaits with yogurt, granola and fresh fruit
- Taking probiotic benefits beyond just soft serve
  - Red Mango’s Probiotic Iced Teas
  - YogunFruz & Pinkberry probiotic smoothies



# Flavors and Toppings Trends

Incorporating premium toppings/flavors in order to charge the consumer more... which they are willing to pay!

Frozen Yogurt pricing starts at about \$2.50...for a Small...with NO TOPPINGS



## Cocoa

Exclusively at Red Mango for a limited time only


**Quick Facts**

Is Cocoa all-natural?	Name:	Cocoa
How many calories are in one serving of Cocoa?	Flavor Profile:	Rich Cocoa Bean
Which toppings go best with Cocoa?	Developed by:	Dan Kim, President and CEO of Red Mango and Chef Candy James, Food technologist
	All Natural?	Yes, 100% all-natural. No artificial flavors. No artificial colors.
	Calories:	110 calories per serving.
	Nonfat?	Yes
	Gluten-free?	Yes
	Cholesterol?	No
	Kosher?	Yes. Cocoa is certified kosher by the Kasher Supervision of America.
	When?	From Thursday, January 14th through Tuesday, March 16th

Served with  
100% Organic  
Chocolate Sauce!

Yogurt Flavors

- Pomegranate
- Tangomonium



new pinkberry liquid toppings  
available in 3 liquidy flavors

100% pure pomegranate juice  
bold + tangy

italian caramel  
rich + golden

pure and natural honey  
sweet + smooth

# Tart Trends





## Key Implications

# Key Implications

**There are only 6 key ways for operators to grow sales:**

1. Reach New Customers (Develop Trial)
2. Get Existing Customers to Visit More Often (Frequency)
  1. Improve Operational Efficiencies
  2. Increase Party Size
  3. Increase Check Average:
    - Raise Prices
    - Increase Number of Items Ordered
    - Trade Up
  4. Increase Margins



# Key Implications

- Demonstrate how operators can increase sales by adding frozen yogurt to the menu
  - Reach new customers/drive frequency
    - Offer indulgent as well as healthier flavor options (probiotics)
      - Capture sales from multiple demographic groups
      - Gain new customers who would go somewhere else for their frozen yogurt!
    - Build on the concept of limited time only (LTO) flavors/mix-ins
      - Create demand - help your customers create a crave
    - Position as a snack as well as a healthy meal replacement





# Key Implications

- Increase check averages
  - By touting the benefits of frozen yogurt as well as including premium mix-ins, operators will be able to upcharge consumers!
- Improve operational efficiencies
  - Provide total solution bundles on frozen yogurt to the operator
    - The “red cape” treatment
      - Gold standard equipment
      - Business building programs
      - Best-in-class support

