Mixx Frozen Yogurt

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December 4, 2012
Marketing 250
Professor Du
Situation Analysis
Creating own frozen yogurt treat
  - Over 35 flavors
  - Over 70 toppings

Made/Prepared in house daily
  - 2% reduced fat milk
  - Special probiotic-fused culture
  - Unique tart based
Industry Overview

- Packaged goods
  - ice cream retail
- Small portion of the industry due to high competition.
- In the future, smaller franchises will have various locations and become a bigger segment.
Environmental Analysis

- Targets health conscious consumers
- Modern franchises with appealing interior designing.
- Appeals to everyone.
- Self-service for freedom of customers.
- Comfortable atmosphere
Porter’s five forces

<table>
<thead>
<tr>
<th>Degree Of Rivalry (High)</th>
<th>Threat of new entrants (High)</th>
<th>Supplier Power (low)</th>
<th>Threat of substitutes (High)</th>
<th>Buyer Power (low)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Menchie’s Frozen Yogurt</td>
<td>Pinkberry</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Competitive Analysis

<table>
<thead>
<tr>
<th>Resource/organization name</th>
<th>Mixx</th>
<th>Zinga</th>
<th>Berry line</th>
<th>Pinkberry</th>
<th>How does our organization compare?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>Fresh premium quality frozen yogurt, about 20 different flavors and over 70 different fresh toppings</td>
<td>Over 50 toppings, choices of non-fat, reduced fat, low fat flavors</td>
<td>Fresh seasonal toppings, rich and creamy frozen yogurt</td>
<td>Original &amp; seasonal frozen yogurt, variety of toppings, Others choices like core, fruit bowl, smoothie, waffle cookie</td>
<td>Doing well in toppings, possibilities to create new products</td>
</tr>
<tr>
<td>Target Market</td>
<td>All who loves frozen yogurt, Young adults, students</td>
<td>All who loves frozen yogurt, women customers, more health conscious customers</td>
<td>All who loves frozen yogurt, young adults, working adults, students.</td>
<td>All who loves frozen yogurt, young adults, working adults.</td>
<td>Target market are similar, strong competition, but Mixx is doing well</td>
</tr>
<tr>
<td>Positioning Strategy</td>
<td>Focus on “create your own” frozen yogurt</td>
<td>Provide Health conscious and on diet customers with delicious and healthy frozen yogurt</td>
<td>Freshest ingredients. BOSTON'S BEST</td>
<td>Live and active cultures, European gelaterias and yogurterias</td>
<td>A very creative and original positioning strategy</td>
</tr>
<tr>
<td>Distribution/ Location</td>
<td>Boston locally owned, 66 Brighton Ave Allston. New store in Fenway</td>
<td>259+ franchise across the states One store in Boston 508 Commonwealth Ave, Kenmore</td>
<td>4 stores in Boston locally owned; 1668 Mass Ave, Porter square 3 Arrow Street, Cambridge 1377 Boylston Street, Fenway 303 Newbury St.</td>
<td>Over 100 franchise stores, 1380 Mass Ave, Harvard square 288 Newbury St.</td>
<td>In good locations, big crowd of people &amp; college students particular</td>
</tr>
</tbody>
</table>
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</thead>
<tbody>
<tr>
<td><strong>Pricing</strong></td>
<td>Affordable</td>
<td>Affordable</td>
<td>Affordable</td>
<td>Affordable</td>
<td>About average</td>
</tr>
<tr>
<td><strong>Promotion</strong></td>
<td>In store promotion</td>
<td>Zinga loyalty, franchise opportunities, commercial messages, use of social media</td>
<td>Gifts cards, buy 10 get 1 free, berry talk on website, active on social media</td>
<td>Pink card membership, download pink berry app, use cell-phone to pay, promote brand loyalty, active on social media</td>
<td>Weak on promotions compare to the competitors</td>
</tr>
<tr>
<td><strong>Branding</strong></td>
<td>Create your own frozen yogurt treat</td>
<td>A wide variety of fat free and low calorie frozen yogurt for health benefit</td>
<td>Boston A-list winners</td>
<td>LA-based Branding</td>
<td>creative</td>
</tr>
<tr>
<td><strong>Competitive classification</strong></td>
<td>challenger</td>
<td>follower</td>
<td>Leader</td>
<td>challenger</td>
<td>Very strong competition</td>
</tr>
</tbody>
</table>


Company Analysis

- **Locations**
  - 66 Brighton Ave, Allston, MA
  - 1258 Boylston St, Boston, MA
  - Easily accessible by public transportation; near colleges and universities; near large companies; attraction for tourists

- **Target Market**
  - Those who love frozen yogurt
  - Those who are health conscious
  - Young working adults, students who live in city
Company Analysis

• **Atmosphere**

• **Production – products made in house**
  - Frozen yogurt made with 2% milk, probiotic-focused culture, unique tart base
  - Primary product → create-your-own healthy frozen yogurt snack or dessert
    - “No limitations in satisfying frozen yogurt cravings” (Mixx Frozen Yogurt)

• **Expansion**
  - Launching a catering truck to expand services; goal of expanding to other states
  - Switching costs
    - High – company locations-- may be challenging to gain new consumer base due to many frozen yogurt shops in Boston; high barriers for new consumers
Company Analysis

- Market position – growing
  - Health awareness increasing - aligned with society’s health consciousness with emphasis on nutrition and healthy snacks
  - Industry increasing; in good position to increase product line

- Goods needed:
  - 2% milk, probiotic culture, tart base, different flavors, toppings, supplies
  - Operations – yogurt made in house; Buyer volume – increasing; Product differentiation – unique yogurt recipe; health promotion
## SWOT

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Healthy snack-trendy</td>
<td>• Expensive (.49 cents an oz)</td>
</tr>
<tr>
<td>• Many options/varieties</td>
<td>• Only 2 locations</td>
</tr>
<tr>
<td>• Close location to college students/young adults who are their primary customer base</td>
<td>• Limited products</td>
</tr>
<tr>
<td>• In locations with heavy foot traffic</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
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<tr>
<td>• Food truck that travels throughout the city</td>
<td>• Competes with other frozen yogurt companies like Berryline, PinkBerry and Zinga</td>
</tr>
<tr>
<td>• Store expansions to malls and other states</td>
<td>• Other dessert places</td>
</tr>
<tr>
<td>• Catering service for parties</td>
<td>• Other ice cream places</td>
</tr>
<tr>
<td>• Product expansion (Greek Yogurt, health bars, health treats)</td>
<td></td>
</tr>
<tr>
<td>• To-Go options in stores that are pre-made</td>
<td></td>
</tr>
</tbody>
</table>
Goals

1. Expand the brand through advertising and loyalty programs (such as a buy 10, get one free card)

2. Expand customer base by 30% by developing a food truck and other healthy options (such as greek frozen yogurt)

3. Become #1 Frozen Yogurt Company in Boston for the year 2013

4. Expand store locations into malls, other Boston locations, and into other states in New England such as Rhode Island, Connecticut, Maine and New York.
Target Market

Now…
- Cater to a youthful audience through interior design.

In the future…
- Expand globally to increase brand awareness.
- Provide Incentives for families and elderly.
- Include ideas for consumers who have sporty lifestyle.
- Know the trend for the growing market.
Points of Difference

- Mixx Frozen Yogurt guarantees to provide a great assortment of healthy, delicious, and refreshing frozen yogurts, greek yogurts, and fresh toppings, while ensuring a fun, relaxing, peaceful experience, within a youthful, pleasant, and vibrant environment.

- Mixx Frozen Yogurt is eager and willing to expand its store locations to best ensure great accessibility to its wide range of customers, and is willing to listen to customer ideas, and, with the contribution of its customers, strives to make the company the #1 Frozen Yogurt Company in Boston, while striving to expand outside of the state.
For those who love a delightfully sweet treat, MIXX is a frozen yogurt company that not only guarantee a healthy, light and satisfying snack, but also a fun atmosphere to share with others. With MIXX, you can always share perfect moments without the extra calories"
Product Strategy

**i. Product Description**

- Production and Choices; Primary Product
- Variety of choices appeals to many different consumer preferences, many target markets

**ii. Product Changes**

- Greek yogurt option - create-your-own; Apply toppings
- Targets those who love frozen yogurt, and who lead active and healthy life style; healthier choice
## Product Strategy (with table)

### Product Description

<table>
<thead>
<tr>
<th>Feature</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choices: 20 flavors of frozen yogurt</td>
<td>. Variety appeals to many consumers with different preferences&lt;br&gt;. Appeals to health-conscious consumers&lt;br&gt;. Appeals to consumers looking for a healthy dessert frozen yogurt&lt;br&gt;. Adapts to variety of consumer preferences with “create-your-own”</td>
</tr>
<tr>
<td>Choices: 70 choices of toppings</td>
<td>. Variety of toppings appeals to many consumers with different preferences&lt;br&gt;. Allows consumers to choose toppings based on how they feel, what they want, if they want to have a healthy snack, if they want to have more of a dessert product, etc.</td>
</tr>
<tr>
<td>Disposable frozen yogurt containers, three sizes</td>
<td>. Three sizes appeal to many different customer preferences in frozen yogurt size&lt;br&gt;. Disposable containers allow costumers to take their product on-the-go</td>
</tr>
<tr>
<td>Disposable frozen yogurt spoons, variety of colors</td>
<td>. Variety of colors brings a colorful atmosphere to the environment; a sense of fun and relaxation&lt;br&gt;. Disposable spoons allow consumers to take their product on-the-go</td>
</tr>
<tr>
<td>New: New greek yogurt product to be launched</td>
<td>. Aims to target those who want a sweet snack but also want the benefits of consuming a healthy greek yogurt product&lt;br&gt;. Adapts to variety of consumer preferences; “create-your-own”</td>
</tr>
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Disposal frozen yogurt spoons, variety of colors.: Variety of colors brings a colorful atmosphere to the environment; a sense of fun and relaxation. Disposable spoons allow consumers to take their product on-the-go.
# Product Strategy (with table)

## Product Description

<table>
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<th>Benefit</th>
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<tbody>
<tr>
<td>Promotional Member loyalty card</td>
<td>. Offers benefits to members including emails with new products, promotions, and new store locations</td>
</tr>
</tbody>
</table>
| Store environment – clean, colorful, attractive design | . Accentuates company’s value in health, cleanliness  
. Promotes fun, relaxing environment |

### Mixx Frozen Yogurt Flavors


### Mixx Toppings

Pricing Strategy

- .49 cents an ounce is a competitive price
- Target Market- college students and young adults
- FroYo is not a luxury item, readily available
- Price should remain the same in following years to stay competitive and sustain customer base
Distribution strategy

- Market Coverage strategy
  - The extent of geographic coverage
  - The intensity of distribution
Open up new stores locally (within Boston areas)

Expand into other states started with the states near by.

Expand into the international markets & expand into foreign countries
Intensity of Distribution

- Target market coverage
  - all frozen yogurt lovers, younger generation
- Types of goods
  - convenience good
- Shopping options are plentiful
  - Can be distributed at numerous places
  - E.g. stores, restaurants, trucks or pushcarts, vending machines
Channel Design

- Direct channels:
  - Frozen yogurt stores
  - Frozen yogurt trucks
- Strength & weaknesses
Channel Design

• Indirect channels
  • Grocery stores or convenience stores
  • Restaurants and dining service outlets
  • Vending machines and self-service
## Distribution strategy

<table>
<thead>
<tr>
<th></th>
<th>Company owned</th>
<th>Franchising</th>
<th>Local partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>High risk</td>
<td>Big margin</td>
<td>Median risk</td>
<td>Brand quality risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Median margin profits</td>
<td></td>
</tr>
<tr>
<td>Large investment</td>
<td>Intensive control</td>
<td>Median speed</td>
<td>Small investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Median control</td>
<td>Fast</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Less control</td>
</tr>
</tbody>
</table>
Distributions Channels

Suppliers

Mixx & Local distributors

Different outlets

Customers
Marketing Communications (Promotion) Strategy

- Communications Objectives
  - Aim to reach primary target market; aim to reach outside of primary target market with new implementations
  - Aim to communicate to consumers about company, values, new products, new location, to best create connection between company and present and prospective consumers

- Proposed Budget
  - $204,500
Marketing Communications (Promotion) Strategy

- **Recommended Media** (print, broadcast, direct mail, Internet) and Scheduling

  - **Print**
    - Store locations are in the city – the city has many places where print ads can be implemented and seen by many; Ex. busses, trains, public billboards

  - **Advertise on Internet – most essential**
    - Media’s influence
      - Encourage participation in online discussion, info gathering, product enthusiasm
      - Facebook page, loyal consumer participation
      - Utilize growth and influence of social media to best connect to current and prospective consumers
Marketing Communications (Promotion) Strategy

- Trade and Sales Promotion Plans

  - Created to best gain customer loyalty; provide products to customers

  - Membership loyalty program – emails, coupons, and encourages members to take advantage of Mixx’s promotions

- Public Relations Plan

  - Grand opening when new stores open

    - Invite employers, employees, loyal customers, prospective customers, and other stakeholders

    - Advertised through print and Internet media, membership email

- Personal Selling

  - Customer survey
Marketing Communications (Promotion) Strategy

- **Best vehicles for communicating with target audience of Mixx:**
  - Internet media advertising and the utilization of social media
  - Membership sales **promotional plan**, and the utilization of customer loyalty programs
  - **Personal selling** and customer survey

- **Specialty markets**
  - Primary target market – students and young adults
    - Utilize social media, adhering to target market
    - Communicate successfully with target audience in ways that adapt to changing consumer preference and changing technology, to best reach target market.
Sales Forecast

• Average Cost
  - Frozen Yogurt & Toppings: $.49 per oz
    - Average 5 oz. of frozen yogurt: (5 oz. x 0.49) = $2.45
    - Average 3 oz. of toppings: (3 oz. x 0.49) = $1.47
  - TOTAL Average Price per Froyo = $3.92

• Total Annual Revenue = $451,584
Fixed Costs

- Labor Cost: $87,500.00
- Rent: $36,000.00
- Utilities: $18,000.00
- Design/Decoration: $30,000.00

Total Fixed Cost: $171,500.00
Profit and Loss Statement (cont.)

✦ Unit Variable Cost

- Frozen Yogurt Mix: $0.07
- Toppings: $0.60
- Material (Cups & Spoon): $0.10
- Total Unit Variable Cost: $0.77
Profit and Loss Statement cont.

- Total Variable Cost: $117,810.00
- Total Fixed Cost: $171,500.00
- Total Profit Per Store: $162,274.00

- Total Revenue – Fixed Cost – Total Variable Cost = Profit
- Total Profit with both stores: $324,548.00
Break Even Analysis

- IMC Campaign = $204,500
- Desert Truck = $159,300
- New Stores = $162,500
- Greek Yogurt = $80,850

Marketing Expenditures

= $526,300

Using the BE formula…

BEP \_units = 167,079 \text{ units} \\
(little more than a year)

BEP \_revenue = $654,951
## Implementation Timetable

<table>
<thead>
<tr>
<th>New Product</th>
<th>When</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greek Yogurt</td>
<td>Within the next 3 months</td>
</tr>
<tr>
<td>Food Truck</td>
<td>By Summer 2014</td>
</tr>
</tbody>
</table>
Monitoring and Control

- Contingency Plans
- Monitoring and control
  - Measure where we are in our goals
  - Make sure we are where we are supposed to be based on our timeline
  - Identify problems and how to correct them
- How will we monitor our success?
  - Set goals and various detailed checklists
  - Achieving goals