

Mixx Frozen Yogurt

Rachel Snow, Amy Tai, Keiarra Ragland, Anna Dai and Emma White
December 4, 2012
Marketing 250
Professor Du

Situation Analysis

Organization Information

- 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



Degree Of Rivalry
(High)



Threat of new entrants
(High)

Supplier Power
(low)

Threat of substitutes
(High)

Buyer Power
(low)

Competitive Analysis

Resource/organization name	Mixx	Zinga	Berry line	Pinkberry	How does our organization compare?
Product	Fresh premium quality frozen yogurt, about 20 different flavors and over 70 different fresh toppings	Over 50 toppings, choices of non-fat, reduced fat, low fat flavors	Fresh seasonal toppings, rich and creamy frozen yogurt	Original & seasonal frozen yogurt, variety of toppings, Others choices like core, fruit bowl, smoothie, waffle cookie	Doing well in toppings, possibilities to create new products
Target Market	All who loves frozen yogurt, Young adults, students	All who loves frozen yogurt, women customers, more health conscious customers	All who loves frozen yogurt, young adults, working adults, students.	All who loves frozen yogurt, young adults, working adults.	Target market are similar, strong competition, but Mixx is doing well
Positioning Strategy	Focus on "create your own" frozen yogurt	Provide Health conscious and on diet customers with delicious and healthy frozen yogurt	Freshest ingredients. BOSTON'S BEST	live and active cultures, European gelaterias and yogurterias	A very creative and original positioning strategy
Distribution/Location	Boston locally owned, 66 Brighton Ave Allston. New store in Fenway	259+ franchise across the states One store in Boston 508 Commonwealth Ave, Kenmore	4 stores in Boston locally owned; 1668 Mass Ave, Porter square 3 Arrow Street, Cambridge 1377 Boylston Street, Fenway 303 Newbury St.	Over 100 franchise stores, 1380 Mass Ave, Harvard square 288 Newbury St.	In good locations, big crowd of people & college students particular

Competitor Analysis

Resource/organization name	Mixx	Zinga	Berry line	Pinkberry	How does our organization compare?
Pricing	Affordable	Affordable	Affordable	Affordable	About average
Promotion	In store promotion	Zinga loyalty, franchise opportunities, commercial messages, use of social media	Gifts cards, buy 10 get 1 free, berry talk on website, active on social media	Pink card membership, download pink berry app, use cell-phone to pay, promote brand loyalty, active on social media	Weak on promotions compare to the competitors
Branding	Create your own frozen yogurt treat	A wide variety of fat free and low calorie frozen yogurt for health benefit	Boston A-list winners	LA-based Branding	creative
Competitive classification	challenger	follower	Leader	challenger	Very strong competition

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

<p>Strengths</p> <ul style="list-style-type: none">•Healthy snack-trendy•Many options/varieties•Close location to college students/young adults who are their primary customer base•In locations with heavy foot traffic	<p>Weaknesses</p> <ul style="list-style-type: none">•Expensive (.49 cents an oz)•Only 2 locations•Limited products
<p>Opportunities</p> <ul style="list-style-type: none">•Food truck that travels throughout the city•Store expansions to malls and other states•Catering service for parties•Product expansion (Greek Yogurt, health bars, health treats)•To-Go options in stores that are pre-made	<p>Threats</p> <ul style="list-style-type: none">•Competes with other frozen yogurt companies like Berryline, PinkBerry and Zinga•Other dessert places•Other ice cream places

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.

Positioning Statement

- “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

Feature	Benefit
Choices: 20 flavors of frozen yogurt	<ul style="list-style-type: none">. Variety appeals to many consumers with different preferences. Appeals to health-conscious consumers. Appeals to consumers looking for a healthy dessert frozen yogurt. Adapts to variety of consumer preferences with “create-your-own”
Choices: 70 choices of toppings	<ul style="list-style-type: none">. Variety of toppings appeals to many consumers with different preferences. 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.
Disposable frozen yogurt containers, three sizes	<ul style="list-style-type: none">. Three sizes appeal to many different customer preferences in frozen yogurt size. Disposable containers allow costumers to take their product on-the-go
Disposable frozen yogurt spoons, variety of colors	<ul style="list-style-type: none">. 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
New: New greek yogurt product to be launched	<ul style="list-style-type: none">. Aims to target those who want a sweet snack but also want the benefits of consuming a healthy greek yogurt product. Adapts to variety of consumer preferences; “create-your-own”

Product Strategy (with table)

Product Description

Feature	Benefit
Promotional Member loyalty card	. Offers benefits to members including emails with new products, promotions, and new store locations
Store environment – clean, colorful, attractive design	. Accentuates company’s value in health, cleanliness . Promotes fun, relaxing environment

Mixx Frozen Yogurt Flavors	Mixx Original – Acai Berry – Cheesecake – Chocolate – Coconut – Coffee – Cookies and Cream – Green Tea – Lychee – Mango – Passion Fruit – Pineapple – Pomegranate – Raspberry – Strawberry – Vanilla – Taro – Watermelon (Mixx Frozen Yogurt)
Mixx Toppings	Strawberry – Raspberry - Mango –Pineapple –Blueberry - Blackberry -Kiwi - Mandarin - Oranges - Maraschino - Cherries - Longan - Lychee - Aloe - Vera - Speciality - Jellies - Popping Bobas - Cookie Dough -Brownie Bites - Almonds – Granola - Crisp - Oats N Honey Granola – Walnuts – Peanut Butter M&Ms – Reese’s Pieces – Reese’s PB Cups – Coconut Flakes – M&M minis – Chocolate Chips – White Chocolate Chips – Yogurt Chips – Gummi Bears – York Peppermint Patty – Kit Kat Bar – Oreo Crumbs – Graham Cracker Crumbs – Rainbow Jimmies – chocolate jimmies – Mochi - Mango Mochi – Strawberry Mochi – Green Tea Mochi – Cap N Crunch – Fruity Pebbles – Cocoa Pebbles – Cookie Crisp – Mandranin Oranges – Maraschino Cherries – Longan – Lychee –Aloe Vera – Speciality Jellies – popping Bobas – Cookie Dough – Brownie Bites – Almonds (Mixx Frozen Yogurt)

Pricing Strategy

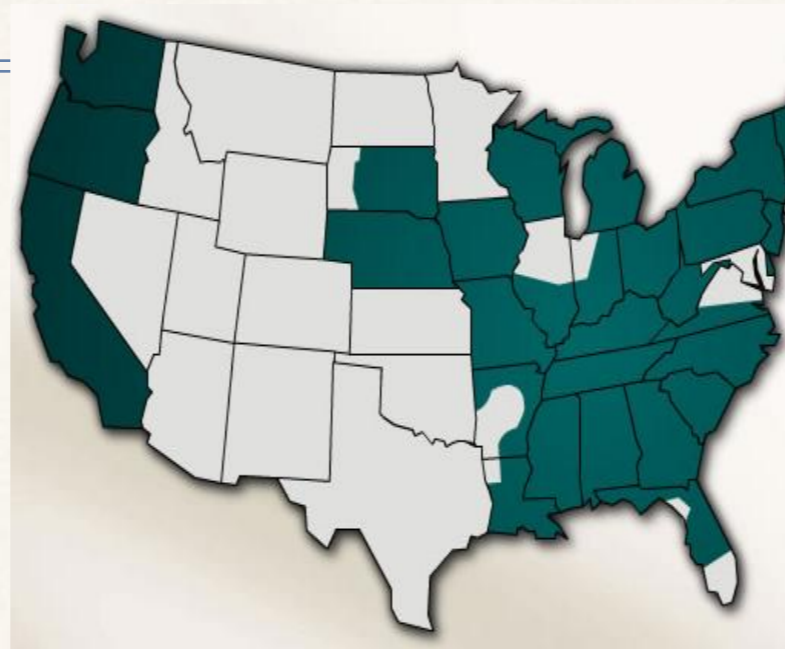
- ❖ **.49 cents an ounce is a competitive price**
- ❖ **Target Market- college students and young adults**
- ❖ **FroYo is not a luxury item, readily available**
- ❖ **Price should remain the same in following years to stay competitive and sustain customer base**

Distribution strategy

- Market Coverage strategy
 - The extent of geographic coverage
 - The intensity of distribution



Geographic coverage



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

Company owned	Franchising	Local partnership
		
<p>High risk Big margin</p>	<p>Median risk Median margin profits</p>	<p>Brand quality risk</p>
<p>Large investment Intensive control</p>	<p>Median speed Median control</p>	<p>Small investment Fast Less control</p>

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 \text{ oz.} \times 0.49) = \2.45

- Average 3 oz. of toppings: $(3 \text{ oz.} \times 0.49) = \1.47

- TOTAL Average Price per Froyo = \$3.92

- Total Annual Revenue = \$451,584

Profit and Loss Statement

- ❖ 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 units
(little more than a year)

BEP_{revenue} = \$654,951



Implementation Timetable

New Product	When
Greek Yogurt	Within the next 3 months
Food Truck	By Summer 2014
New Locations	Start expanding by Spring 2013 into malls, city locations. Start expanding to surrounding states by Spring 2014.

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

References

- ❖ Mixx Frozen Yogurt. (2011). *What's in Your Mixx?*. Retrieved from <http://www.mixxboston.com/>.