

CHAIN STORE AGE®

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TCBY

Heats Up

David Hall

VP of Marketing, TCBY

HEADQUARTERS	Salt Lake City
REVENUE	\$10 million (est.)
AREAS OF OPERATION	Worldwide
NUMBER OF STORES	Approximately 900

The launch of The Country's Best Yogurt (TCBY) in 1981 was met by a very receptive public. The idea that yogurt could be as delicious as ice cream—yet healthier—was the panacea that America craved in the 1980s and early 1990s. TCBY grew via franchising to 1,000-plus stores, expanding the frozen-yogurt phenomenon with every new market opened.

Then, a few years before the turn of the century, cravings changed. Healthy eating segued into indulgent consumption—and TCBY suffered for it.

Franchisees faltered. Stores closed. To try and stop the losses, Salt Lake City-based TCBY altered its focus, allowing ice-cream treats to supplant the yogurt products that had been the hallmark of the concept's earlier successes.

Three years ago, TCBY's owner—Mrs. Fields Famous Brands, which also owns Mrs. Fields and Great American Cookies—hired David Hall to lead a turnaround of the yogurt chain. As VP of marketing, Hall was charged with identifying the problems within the brand—and fixing them. Under Hall's leadership, TCBY has returned to its yogurt roots by revamping the menu, refining the messaging and redesigning the stores. *Chain Store Age* senior editor Katherine Field talked with Hall from his office in Salt Lake City about the changes that have been made and the ones still to come.

Chain Store Age: What are some of the changes that TCBY has gone through since it was founded in 1981?

David Hall: We've gone through cycles in our business, like many companies do. We opened and expanded rapidly as we created and leveraged this whole frozen-yogurt opportunity.



And we did well as The Country's Best Yogurt. But the frozen-yogurt category peaked around the mid-to-late 1990s, and was followed by a trend toward indulgence.

Indulgence meant forgetting about healthy nutrition and heading for the most-decadent, highest-calorie, highest-fat treat available. As that wave hit, it impacted our business.

CSA: What happened then?

Hall: We started closing stores. We were in decline. To combat the downward trend, TCBY brought ice cream into the stores, and began promoting that as well as frozen yogurt. But the

end result was that we lost our point of difference and our key focus as a company. TCBY was founded on frozen yogurt being the healthiest and smartest treat. It wasn't supposed to be about ice cream.

CSA: How did you come to join TCBY?

Hall: I was brought in three years ago with the objective of essentially rebirthing this great brand that is TCBY. Yogurt was trending upward, and interest was growing in managing health and nutrition. So my charge was to find ways to leverage those trends and get TCBY back to what it was good at—focusing on yogurt.

CSA: So your job was to help the company reposition itself and regain its footing by returning to its yogurt roots?

Hall: Correct. My first day on the job didn't involve coming into the corporate office. Instead, it involved going out to the research and development facility and meeting with the team assembled there. It was basically a matter of, "Your charge is to get

TCBY back to its focus, and here is your team. Go.” So I jumped in.

CSA: What did you do first?

Hall: We started by asking what consumers want and why they wanted it. Specifically, why do they eat frozen yogurt? We looked at grocery and product categories across the board. Once you understand consumer insights, then you can deliver on what they want.

CSA: What did you learn?

Hall: The data all suggested that clearly yogurt is on trend, and we had a great brand. So we had to look at how we went about delivering that brand to consumers. I discovered that we weren’t leveraging or talking about yogurt anywhere in our stores.

CSA: How did you act on all these insights?

Hall: Our first steps were clearly defining our point of difference and message, optimizing our product,

and optimizing and streamlining our menu.

Additionally, we enhanced the quality of our base yogurt product, and we rid the stores of all the ice-cream items because they were not consistent with our core strategy, which is yogurt.

We then took a closer look at how we were delivering our brand to the consumers. We decided to update the look, feel and image of the brand. In line with that, this past summer we launched a store redesign in 100 locations.

CSA: Tell us a bit about the design.

Hall: It’s a more contemporary image, with woods, new colors and beautiful displays, with an atmosphere that will wow consumers. In 2008, we plan to convert more stores to the new look and feel. And we’ll continue to roll it out to more stores going forward.

CSA: What are your continued expansion plans?

Hall: With this new image, we’re aggressively looking to expand. We’re looking to franchisees—new ones and successful multi-unit franchisees—who want to leverage a growing category. We’d love to have 40 new stores open in 2008 and then roll out 100 stores after that going forward. We’ve got lofty goals for aggressive growth.

CSA: How do you think consumers feel about TCBY?

Hall: We’ve got a loved brand. When you talk with consumers and you mention our brand, they say, “Oh, I love TCBY!” My job is to take a great brand, put a new, contemporary face on it, with the highest-quality, best-tasting products out there, so that people say, “That’s what I remember and that’s what I love about TCBY.”
