

### FRANCHISEE PROFITABILITY



### How Franchisees' Profitability Rules the Day at Smoothie king

# TABLE OF CONTENTS

<i>Foreword</i> 2
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II. The Royal Treatment: Rolling Out the Clean Blends Initiative and	
Rule The Day® Campaign	3-4
• What is the Clean Blends Initiative?	3
• What is the Rule The Day Marketing Campaign?	4
III. Why Now? The Consumer is King	5-6
• Leading the Charge in Clean Eating (and Drinking)	5
• Going the Extra Mile with Engaging Marketing Campaigns	<b>6</b>

#### IV. Growing with a Purpose.....

...7

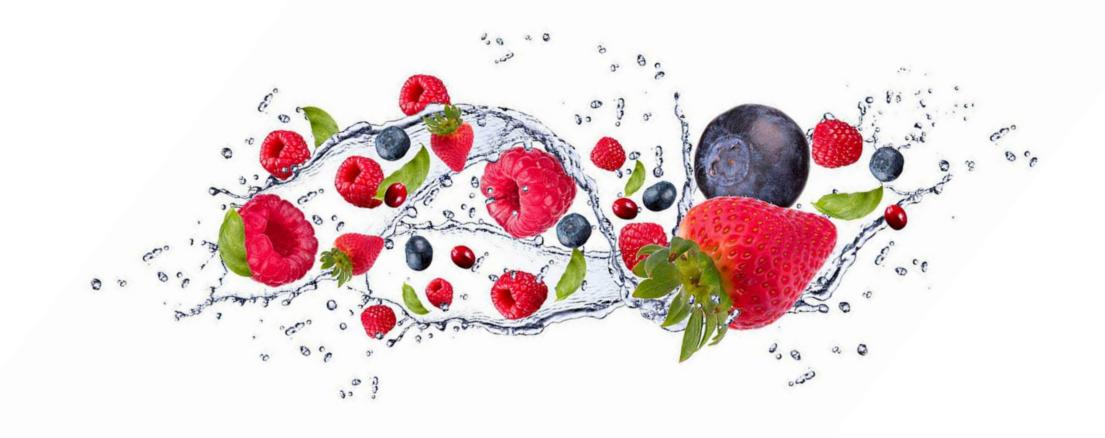
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## Foreword

We are always looking for new ways to foster and fuel our franchisees' success in business while helping guests fuel up to pursue their passions and lead a healthy and active lifestyle.

We rolled out our Clean Blends initiative with both purposes in mind, along with our latest brand-wide marketing campaign encouraging guests to Rule The Day with our better-for-you smoothies. By staying ahead of the latest consumer trends, we can offer guests the products they want while cementing our place on every wellness journey.

And, by communicating our purpose and latest product developments to the right audiences, we're able to ensure the strength of the Smoothie King business opportunity for franchisees. In this eBook, you'll learn more about how our dedication to innovation impacts every part of our brand. From perfecting our product with Clean Blends to rolling out new, impactful marketing campaigns like Rule The Day, our agility is an asset for our franchisees.



The Royal Treatment: **Rolling Out The Clean Blends** Initiative And Rule The Day Campaign



Our unwavering commitment to our brand and business strength has made us a leader in the smoothie segment for more than 48 years. But you don't generate nearly half a century of staying power by remaining the same.

#### What is the Clean Blends Initiative?

Our Clean Blends initiative and Rule The Day messaging are the most recent results of the agility and innovation that have driven our fast-growing franchise forward. With the roll-out of both initiatives, we've bulked up our efforts encouraging guests to live their best lives with our clean blends and creating more demand for our entire purpose-driven product line. Clean Blends are all about making more innovative, more transparent choices with every ingredient added or eliminated at Smoothie King.

As part of the initiative, we expanded our menu to include blends with 0g of added sugar throughout many of our blends while incorporating more whole fruits and organic vegetables into existing and future blends. At the same time, we eliminated:

- Artificial colors, preservatives and flavors
- High fructose corn syrup & corn syrup
- Gluten
- Trans fat
- rBST/rBGH added dairy hormones
- Hydrogenated oils
- and everything on our No-No list



Eliminating artificial ingredients and packing in powerful natural flavors is also part of our promise to make healthier habits more accessible - and delicious.

Finding the sweet spot in enhancing flavor while boosting health benefits didn't come without hard work.

The journey to perfect the Clean Blends initiative took over five years, 15,000 hours of research and development, and 150 changes, additions, or reformulations to ingredients.

These smoothies go beyond merely supporting our guests' health and fitness goals from a nutritional standpoint. They help guests reach their unique goals - whether they grab a craving-curbing meal replacement smoothie or a nutritious, protein-packed post-workout blend.

#### What is the Rule The Day Marketing Campaign?

Smoothie King is a purpose-driven brand that offers guests more than just a smoothie – it's an avenue to help people pursue an active lifestyle and achieve their health and wellness goals. Rule The Day is all about communicating that message and mission to our guests. The Rule The Day multi-channel marketing campaign leverages an extensive media mix of traditional mediums, from instore signage to billboards to TV and radio advertisements on a national scale, as well as in highly penetrated regional markets. However, the marketing team has primarily set its sights on the digital space to optimize the campaign's reach.

Our FREE mobile app, Healthy Rewards, allows users to take us wherever they go on any device! Guests will earn Purpose Points on every Smoothie King purchase, which converts to rewards they can spend toward Smoothies blended to help them be their best selves and Rule the Day.



We've been very laser-focused on our media approach, which has included video advertisements on YouTube and Hulu, as well as banner ads and other paid social display ads and campaigns. Our owned social media channels have a solid organic following, which has been instrumental," said Rebecca Miller, Chief Marketing Officer.

With endorsements from professional athletes like gymnast, Gabby Douglas, and football star, Drew Brees, the social media campaigns surrounding Clean Blends and Rule The Day have generated strong interest and brand affinity for Smoothie King.



Rebecca and her team have also disseminated the messaging through the Smoothie King Rewards loyalty base via e-mail marketing campaigns and in-app promotions.

In addition to media placements and social media promotion, the Rule The Day messaging is also engrained in-store design and point-of-purchase materials.

"We've seen a strong positive response to Rule The Day both internally and externally, among our guests," Rebecca said. "My No. 1 job in marketing is to drive unit-level sales for franchisees, making sure consumers are buying our products and coming into the stores."



So far, both the Clean Blends initiative and the Rule The Day campaign have seen a great deal of success. Both initiatives are also building the brand, keeping us aligned with our core values, and changing consumer preferences and health trends.

Never resting on our laurels, we are always looking for ways to evolve the brand and better serve the modern consumer – all while staying true to our purpose of helping guests along their wellness journey.

#### Leading the Charge with Clean Eating (and Drinking)

When we decided to launch our Clean Blends initiative, we knew it would benefit our guests and their well-being and be a strong differentiator for our franchisees, particularly when it comes to consumer demand.

Three-fourths of the world's consumers say they're concerned about the long-term health impact of artificial ingredients.

And, when it comes to cleaner eating, consumers are willing to put their money where their mouths are. The vast majority pay more for food and beverages that avoid undesirable ingredients.

All of this translates into an unparalleled degree of demand and profit potential for business owners in the health and wellness segment. As consumers lead the charge for cleaner ingredients and menu transparency, we've made sure our concept aligns with our guests' health priorities while ensuring strong consumer demand for franchisees.

#### Going the Extra Mile with Engaging Marketing Campaigns

In addition to the demand for cleaner ingredients, today's consumers are also characterized by the importance and need for engaging marketing campaigns.

Scrolling through social media and watching video content are two of the most popular online activities for increasingly digital consumers – which is why we've focused our marketing efforts on expanding our online footprint, mainly through video.

"Eighty percent of consumers will remember a video ad they viewed in the past 30 days," Rebecca said. "With Rule The Day, we wanted to reach the widest audience possible while creating an engaging campaign that would resonate with guests and provide them with continuous encouragement and motivation to achieve an active lifestyle every day."

In addition to the marketing campaign's ability to resonate with consumers, it has also helped position our brand as an integral part of guests' active lifestyles, translating into sales and store growth for franchisees.





# Growing with a Purpose

We created the original smoothie bar in 1973, with founder Steve Kuhnau experimenting with different blends of real fruit and nutrients to make smoothies that would combat his food allergies and nutritional deficiencies. From that point, we created dozens of unique smoothie recipes specifically designed to help people achieve their wellness goals.

One smoothie at a time, our mission has propelled us to 48 years in business and more than 1,300 locations across 34 states, three countries and counting.

As we've powered through each growth phase, our tactics have evolved, our approach has matured, and our guests have become more sophisticated.

But our purpose has never wavered.

We were, are and always will be here to inspire people to live a healthy and active lifestyle. Our future depends on our ability to stay true to our purpose, deliver our promise and continue to positively impact the lives of each guest we connect with around the globe, one smoothie at a time.

And, with every smoothie served, we also fulfill our promise to help our franchisees pursue a purposeful – and profitable – business.

When your passion is your road to profitability, owning a successful franchise is at its most rewarding – in every sense of the word. With average net sales of \$834,562

Franchisees find purpose and profit daily with Smoothie King for units in the top 25%\*and are heartened by countless guest success stories.





For more information Contact our Franchise Development Team

at

985.635.6984

or visit

<u>SmoothieKingFranchise.com</u>

**Download Our Free Franchise Kit Here** 



