

Ice cream firm hot to expand in Canada

Ben & Jerry's aims to open 100 stores

BY MARINA STRAUSS
RETAILING REPORTER

Ben & Jerry's, the pricey, all-natural Vermont-based ice cream company that was swallowed by giant Unilever NV, has ambitious plans for about 100 stores in Canada.

Ben & Jerry's Canadian franchisor already has teamed with reser concern Intrawest Corp. to build ice cream shops at a number of their sites — and one was opened this summer at Blue Mountain in Ontario.

"We're going to be aggressive," Morrie Baker, co-director of franchisor Amazing Scoop Shop Co., said in an interview. "Wherever the opportunities are, we'll take them. We want to build a lot of stores quickly."

Ben & Jerry's, known for its trademark picture of black and white cows in a green field, was founded in 1978 by hippies Ben Cohen and Jerry Greenfield in a renovated gas station in Burlington, Vt.

Scopped up by Unilever in 2000, the ice cream company has garnered a reputation for pulling off playful public relations stunts while taking stands on social and environmental issues.

But a scoop of Ben & Jerry's ice cream costs a steep \$3.50 (before tax) compared with, for example, \$2.10 for a scoop of Baskin-Robbins. The Baskin-Robbins Ice Cream Co. chain has stores across Canada. (An official at Baskin-Robbins could not be reached for comment.)

Sill industry observers believe price won't be a barrier to what many described as a delicious super-premium treat.

Ben & Jerry's launch hailed

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"I think they are going to do extremely well," said Rick Pennycooke, a market research consultant in Toronto. "They have a fun persona and they're new and different."

He said people are ready to indulge in a small but expensive luxury. "I wouldn't be surprised if their ramp-up expands beyond 100 stores."

Max Reim, a vice-president at Vancouver-based Intrawest, said his company has signed deals to put Ben & Jerry's outlets in three of its resorts, including Blue Mountain, and is looking at several more.

It is also considering selling the ice cream at all its restaurants and cafeterias at its resorts' ski hills and golf courses, he said.

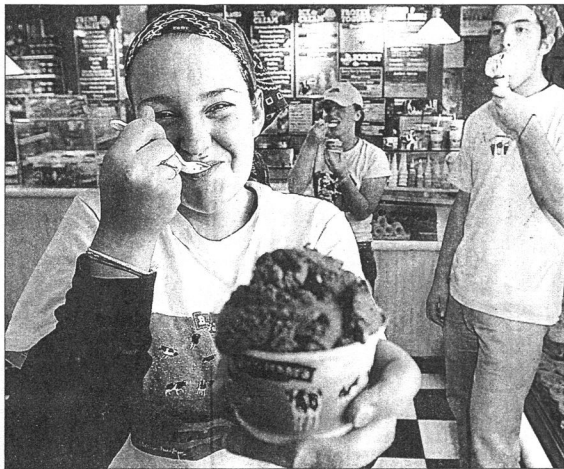
He said the Blue Mountain shop in its first month rang up 70 per cent of the annual sales of the previous Intrawest-owned, no-name ice cream store.

Intrawest resorts attract affluent families from around the world — the same people who are Ben & Jerry's customers, he said. "The synergies between our demographics and their demographics are identical."

Wealthy visitors at the resorts seem to enjoy the anti-corporate, edgy image of the ice cream purveyor, he said.

Mr. Baker and partner Gary Lackstein have run three Ben & Jerry's in Quebec — two of them since 1988 — but were unable to build more shops because Canadian dairy quotas require that the ice cream be produced in Canada; Baker & Jerry's did not have enough capacity to make more ice cream here.

But the new owner, Unilever of the Netherlands, is now ready to produce the ice cream in its facilities in Canada, Mr. Baker said.



ANDRÉ PICHIETTE/THE GLOBE AND MAIL

From left, Erin Corber, Khadija Farhat and Jeff Turner sample ice cream at Ben & Jerry's in Montreal.

The past spring, it began selling Ben & Jerry's in major supermarkets across the country — and sales have beat expectations, Mr. Baker said.

Mr. Baker and Mr. Lackstein were in Toronto last week drumming up interest for new locations at the International Council of Shopping Centres meeting. The partners set up a booth at the trade show and handed out free samples of their

treats, which became one of the most popular attractions at the show.

"We have lots of deals pending," Mr. Baker said, although no locations have been set. "We're not going to have any problems with our goal of 10 stores in the first year."

He expects 10 to be open by next spring — beyond the four existing outlets — and 100 to be launched over the next decade. Montreal-

based Amazing Scoop will own and operate all the stores, Mr. Baker said.

It costs \$250,000 to open each shop, he said. The partners are funding the expansion with their own money plus bank financing.

The company is looking for the best real estate anywhere in the country, and will not necessarily move from region to region in its expansion, he said.