

Yogurt your way

YOGURLAND'S SELF-SERVE CONCEPT RESONATES WITH HEALTHFUL CONSUMERS
By Molly Knight

B

ESIDES BODY MASS

index, what might Victoria Beckham and a 10-year-old have in common? Yogurtland, perhaps. When Beckham, the former Posh Spice, was spotted leaving the Yogurtland shop in Sherman Oaks, Calif., with her three young sons in November, celebrity watchers let out a

very public gasp at her very public support of carbohydrates. In fairness, the famously thin Beckham was not seen toting any dessert cup of her own.

But even if she had been, a small cup of the chain's product registers just 18 calories per ounce, the equivalent of a medium-size apple, in view of which, it seems, many a Californian subscribes to the idea that a Yogurtland run a day may keep the doctor away.

"Business has been nonstop since the beginning," said Ken Lee, who opened his Yogurtland franchise near San Diego State University in July 2008. "I see some people in my store every day."

Well, OK, with the Pinkberrys and the Red Mangos all elbowing each other for space at the frozen-yogurt counter, Lee's assertion might be a tad bold, but that does not mean he is wrong. In any case, analysts and children alike have been wowed by this customer-driven,

self-serve concept with its part slurpee machine, part salad bar assembly line.

"People love to be in control of their shopping experience," said restaurant consultant Paul G.W. Fetscher, SCLS, who heads Long Beach, N.Y.-based Great American Brokerage. "Plus, if the guy in front of you is taking too long, you get mad at him, not at the employee."

Fetscher says one of Yogurtland's strengths is that the customer is getting exactly what he or she wants every time, because no one else has the chance to

muck it up. Patrons grab oversize cups upon entry and are encouraged to pour their own combination of yogurts from the 16 flavors on the wall, along with choices of nearly 40 different toppings. And at 30 cents per ounce, Yogurtland product costs half as much as Pinkberry.

"It's the best price per ounce in the business," said Kyle Kavanaugh, who heads Main + Main, a Santa Monica, Calif.-based retail tenant firm that represents Yogurtland in Los Angeles, Orange and San Diego counties.

Before launching Yogurtland in 2006 in Fullerton, Calif., Phillip Chang started the Bobaloca bubble-tea chain. Last May Yogurtland brought in Juice It Up founder Larry Sidoti as vice president of development and operations. "I saw how the smoothie industry was hurt



YOGURLAND IS PART SLURPEE MACHINE AND PART SALAD BAR ASSEMBLY LINE.

by the emergence of frozen yogurt first-hand," said Sidoti. "And after studying this concept, my signing on was really a no-brainer."

At year-end 2009 Yogurtland had 75 stores and was growing at a rate of four units a month. The majority of these are in California, but the company also has three units each in Arizona, Nevada and Hawaii, and one in Texas. "We hope to have 150 locations up and running by the end of 2010," said Cesar Shih, Yogurtland's real estate development manager. "But we're going to be careful about where we expand. To go nationwide with a yogurt concept, we're going to need significant developers in places like Chicago and New York. We wouldn't do one-offs."

About 90 percent of the units will be franchised.

In addition to growth within California and slated openings in Florida, Utah and Colorado this year, Yogurtland is seeking locations in Alabama, Georgia, Louisiana, New Mexico, North Carolina, Oregon, South Carolina, Tennessee and Washington. "The build-out doesn't cost as much as Pinkberry, but it's nicer than, say, a Dunkin' Donuts," said Fetscher.

Shih says Yogurtland is primed for international expansion as well. The company already operates two units in Japan and plans to open four in Mexico this year.

The company seeks sites in regional power and neighborhood centers and enclosed malls for the 1,500-square-foot shops. Airports and colleges are attractive candidates too, Shih says. Indeed, travelers and college students should be particularly pleased with Yogurtland's hours — most stores are open until 10:30 p.m. during the week, and many stay open until 1 a.m. on weekends.

"It's like what happened with Starbucks when it took off and everyone wanted one in their center," said James Chung, vice president of Terranom-

ics, a San Francisco-based brokerage. Chung has represented Yogurtland in 15 deals in Northern California and says 10 more are in the works.

At least one landlord can attest to that. Dana McKay, leasing manager at the Redondo Beach, Calif.-based Riviera Village says he selected Yogurtland for a space once occupied by Ritz Camera over proposals from four other yogurt concepts. "Two of them offered to pay

10 percent more in rent than Yogurtland, but we made our decision based on which concept we felt had the best chance of surviving long-term," said McKay. The Riviera Village Yogurtland unit opened last fall. "Since Yogurtland has been here, Trader Joe's business has actually gone up."

ECT

For leasing information, contact Cesar Shih, real estate development manager, at (714) 939-7737, ext. 131.



MOVIE TAVERN

MOVIES NEVER TASTED SO GOOD!

- ▶ Typically 8-12 screens with 30,000 to 50,000 square feet
- ▶ Full mixed beverage alcohol license must be obtainable
- ▶ Prefer 2nd generation, vacant big boxes or ground up construction
- ▶ Natural gas service required
- ▶ Preferably 2 miles from closest competing theatre
- ▶ Full menu of classic American favorites & bar selections all served at your seat in state-of-the art auditoriums featuring Real D Digital 3D
- ▶ All 1st-run movies
- ▶ Movie Tavern is the largest and fastest growing operator of cinema eateries in the country
- ▶ Locations in TX, KY, CO, OH, GA, VA
- ▶ Time-saving entertainment option, dinner & a movie all in one

For more information contact kpittman@movietavern.com