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Baskin-Robbins Plans A Store 'In Every Neighborhood' Venerable Ice Cream Vendor Takes A Page From Starbucks' Playbook

By Valerie Miller
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Offering 31 flavors isn't enough anymore. Neither is having 18 local stores.

Baskin-Robbins is completing a makeover and looking for a few good franchisees. The 61-year-old ice cream empire plans on opening up to 30 more stores in Las Vegas Valley and recruiting 10 new franchisees.

"Ninety-eight percent of people know what Baskin-Robbins is, so we are opening 25 to 30 new stores in the next five years," James Franks, director of franchising, said. Eight to 10 of those are planned to open over the next year.

"We want to have a Baskin-Robbins in every neighborhood," he said. There are now 18 of the ice cream shops in the valley, according to Franks. To help accomplish its lofty expansion plan, the company held a seminar for potential franchisees in Las Vegas last week at the Embassy Suites.

VEGAS LED THE WAY

The hoped-for proliferation of franchises is the result a redesign effort that kicked off in Las Vegas nearly two years ago. Boston-based Baskin-Robbins' new look proved a success. In addition to getting rid of the admittedly tired, old-style design, the ice cream chain instituted some more inviting features.

Customers can now sit at the sundae bar and watch their banana splits and other treats being made. Children can lean over the lower dipping cabinets and eye all 31 flavors for themselves. Colorful walls display inviting pictures of various desserts. "Candy Bar Madness" incorporates sweets such as Hershey and Heath bars with Baskin-Robbins ice cream

All the changes add up to growth potential for Baskin-Robbins and its franchisees, says Franks. "Last time, we used Las Vegas to launch our (redesign) nationwide. The results were so successful that we turned it into a brand transformation."

Of the existing Baskin-Robbins stores, most have instituted the voluntary changes, he explains. The territories will be sold one store at a time but include area licenses to open two or three more locations within a few years. "We have a lot of single-store owners out there, but we are really focusing on (licensing) two or three stores," Franks said of Southern Nevada.

NEXT STOP: MESQUITE

Existing single-store owners will keep their operations and have the option of adding stores. The Baskin-Robbins director of franchising did not rule out selling more single-unit franchises. The company, which is owned by U.K.-based Allied Demecq, has just signed a franchisee to open three new stores in the Las Vegas area. Another store is about to open in Mesquite.

Baskin-Robbins is choosy about those who are given the little pink plastic spoon, says Franks. "We say, 'You have to be in touch with your ice cream self.'"

Having some money in the bank doesn't hurt, either. The franchise licensing fee is \$30,000 for the first store and \$20,000 for each additional location. The corporation charges a 5.9 percent monthly royalty fee. Baskin-Robbins signs 20-year contracts with franchisees.

"We have locations that have been open 20, 30 or 40 years," Franks pointed out. That longevity makes the franchises a valuable asset to pass along to family members, he adds.

The ice cream exec shrugged off questions about Cold Stone Creamery and other dessert stores. "Competition is a factor when you've been in business 61 years."