

EXECUTIVEDISCUSSION

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REPORTS

Gelato: Social Media, Couponing Inspire Consumer Trials

Manufacturers identify strategies for continued sales gains in 2011

Roba Dolce
 Matt Olerio
 CEO

Roba Dolce has launched a national PR and marketing campaign that intertwines social media outreach, advertising efforts, and newspaper and magazine editorials with promotions at special events where free samples are distributed, along with discount coupons.

We are also including aggressive couponing programs in our 2011 initiatives, and will begin leveraging the Roba Dolce brand as "Made in America."

Last year we signed a five-year contract to be the official frozen dessert of the New England Patriots. This partnership not only carries clout in the New England states, but also creates opportunities to drive brand identity in other parts of the U.S. We believe Patriots owner Bob Kraft saw Americans embracing gelato, and now Roba Dolce brings panache to Gillette Stadium, with football fans then carrying that brand familiarity to their local supermarkets.

At the retail level, Roba Dolce is offering more frequent, more aggressive promotions to entice consumers to try our gelato, when they might otherwise purchase a pint of super-premium ice cream. When consumers taste Roba Dolce, we believe they will keep coming back for more. The quality and taste of our product is building brand identity. We have created better tasting gelato, with about half the butterfat of super-premium ice cream.

We have also grown our company in order to increase our purchasing power for raw materials and packaging, making us more competitive in quality and price. We've built a brand based on a pricing structure where consumers can afford to come back every week and enjoy gelato, and we offer private label programs to our retail partners.

Our approach to driving growth this year is grounded in fundamentals. We will continue to provide great products, promote them aggressively using every

tool available, price them correctly, and continue to innovate, all while never compromising on quality.

Ciao Bella Gelato Co.
 Deborah Holt
 VP Marketing

The integrated try-it-and-buy-it "Fall in Love with Ciao Bella" campaign is helping drive awareness of gelato. The campaign centers on experiencing Ciao Bella's gelato flavors through sampling and utilizing social media, PR, and advertising resources. We have more than 26,000 fans on Facebook, and we use the site to attract new consumers and interact with current consumers. With Twitter, we can drive consumers to sampling events and new store openings.

We consistently employ a message that our gelato tastes, smells, looks, and feels like the ingredients therein. We also use colorful messaging and a playful look that appeals to our consumers' inner child.

Ciao Bella expects to conduct more store-level sampling this year than ever before. Additionally, the company will increase coupon efforts in markets where the brand is new.

Ciao Bella also continues to develop new products. Last year, we rolled out a cup program with six flavors of 3.5-ounce cups and introduced three novelties, including a key lime graham gelato square and gelato dips. This year, we are expanding on these concepts with national distribution of the novelties and the addition of a new Belgian chocolate cup and a Belgian chocolate s'mores novelty square.

Consumers are value driven, even with higher-quality items. They want the best products at the lowest price possible. Ciao Bella delivers a price that encourages sampling and repeat purchases.

The trend of retailers offering a private label gelato continues to grow. This can be a great opportunity for introducing consumers to gelato, but the challenge lies in offering high-value

products without compromising the quality or ingredients.

G.S. Gelato & Desserts, Inc.
 Kindra Svendsen
 Marketing Coordinator

We make frequent updates on social media websites, like Twitter and Facebook, as a way to talk about upcoming events, promotions, and news in the gelato industry and to promote trends for the future.

We have limited our traditional advertising, as we believe the experience of gelato is better conveyed person-to-person. As such, we focus on direct interaction with buyers and prospects. G.S. Gelato promotes on a quarterly basis with TPRs and scan downs, and we conduct demos throughout the promotion periods to enhance awareness of our brand. We are also exploring cross-promoting our gelato with other manufacturers of complementary products, as well as actively supporting health-awareness programs.

We work hand-in-hand with retailers on their in-store programs and ad coupon promotions. We also incorporate our own manufacturer coupons at events and during in-store demos.

G.S. will continue to resource the best ingredients available. For over a decade we have created a product that has been loved by some of the most discerning palates of top chefs and buyers around the country. Our objective is to ensure that we are bringing that quality to consumers so they can easily perceive the value they are paying for.

Every major chain has or is exploring private label gelato. We offer more than 150 flavors to our private-label partners, so the challenge is choosing between all of them.

Gelato sales will increase as suppliers continue to focus on consumer awareness. As our country moves toward a changing lifestyle of healthier eating habits, gelato has an opportunity to grab the attention of ice cream lovers who want to indulge but are looking for something different.



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