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## 2010 *m2* Convenience Information Package



[www.MinimeltsBC.ca](http://www.MinimeltsBC.ca)



## BACKGROUND

Mini Melts BC is the exclusive distributor of Mini Melts patented cryogenically frozen ice cream in British Columbia. Mini Melts has grown rapidly since its inception in early 2006 with distribution throughout major centres in British Columbia, including the Okanagan. Our retail locations range from permanent mall installations, seasonal vending carts, mobile festival trailer units and numerous automated retail units.

Mini Melts, "The Ice Cream Dream", offers something exciting and new. This is a super-premium kernel-shaped ice cream with a unique texture and flavour that has been flash frozen through a special manufacturing process that locks in all flavour and taste. The end product is served and stored at an extreme low temperature of  $-40^{\circ}\text{C}$ , the result being an outstanding cold sensation while the ice cream melts in your mouth. "Worlds Coldest Ice Cream"

Mini Melts is manufactured around the world in twenty different countries using specialized high tech equipment. The finest quality of ingredients and a cream content of 12% make Mini Melts one of the highest quality ice cream products in the world.

Mini Melts is manufactured using cryogenics. Cryogenics use liquid Nitrogen (which is totally inert and tasteless) to instantaneously freeze Mini Melts to less than  $-187^{\circ}\text{C}$ , this is close to the coldest temperature achievable on earth. The rapid freezing process enables Mini Melts to "lock in" flavour, while specialized storage freezers are used to guarantee the highest flavour and quality are maintained.

Mini Melts is uniquely shaped, comes in a wide variety of colours and is currently available in ten different flavours: vanilla, chocolate, strawberry, mint chocolate, cookies & cream, banana split, mango, cotton candy, orange creamsicle, and a non-dairy tropical ice. This unique shape makes it easy and quick to serve, to maximize sales and minimize product over-serving. It also makes it much cleaner than "ordinary" ice cream, especially with young children.

Mini Melts ice cream is a patented product; Tom Mosey (the President and CEO of Mini Melts) and Nick Angus have been awarded a United States patent for a method of rapidly producing cryogenically frozen dessert particles. This patent #6,349,549 was awarded on February 26, 2002 by the United States Patent and Trademarks Office.

Mini Melts has partnered with reputable firms throughout the world and continues to build strong relationships internationally. Here is a partial list of the partnerships that have recently been developed in other countries:



- Kravco/Simon
- Subway
- PREIT
- The Mills
- Glimcher
- General Growth
- Feldman
- Wal-Mart

## PRODUCT

Ice cream conjures emotions of nostalgia, but not all ice creams are created equally. Most are plain and lack depth of flavour, Mini Melts offers something wholly different. It's colourful, kernel-shaped and is designed to give consumers levels of flavour and enjoyment unparalleled by any other ice creams.

The taste and quality of ice cream is determined by the quality of ingredients, the speed at which the product is frozen and the amount of air that is whipped into the product.

Mini Melts has scoured the world in search of the highest quality ingredients, maintains a cream content of 12%, while the ice cream mix is flash frozen in a split second. Furthermore, since serving Mini Melts does not require scooping the product, there is no air whipped into the mix, resulting in a mouth watering exceptionally pure ice cream. "The Ice Cream Dream"



In self-serve formats, Mini Melts are available in a pre-packaged 5oz cup that includes a small serving spoon and a sealed foil top.

Pre-packaged product typically retails for \$3.75 - \$4.25 per unit.

## MARKET SIZE & TRENDS

Canada is the fifth highest consumers of ice cream per capita in the world. Currently, each Canadian consumes over 9.0 litres of ice cream annually. The ice cream market is well established and mature one; ice cream has become a staple and is readily available in numerous forms through various distribution channels ranging from grocery stores to ice cream parlours. In the last decade little innovation has taken place aside from new flavour introductions and new packaging. As a result, combined with our aging population, overall ice cream sales growth have flattened and most recently declined by 2-3%. However,



novelty/premium ice cream category sales, in the same time period, show a 4% growth.

Mini Melts, a truly new and innovative product, is ripe for rapid growth in Canada. Sales are sky-rocketing in the United States and in other nations around the world. As with most innovative product and services originating in the US, it takes a few years to cross the border into Canada. Mini Melts is now here and Canadian consumers are looking for innovation in their favourite desert.

Mini Melts was initially launched in Ontario in 2004. All distribution locations have achieved higher sales than forecasted and the product has been well received by the public. In many cases, people are coming back for seconds and thirds after trying Mini Melts for the first time. Several existing Canadian locations hold a worldwide MiniMelt sales record for most units sold in a single day, over 3000 units.

In the US, 60% of ice cream revenue comes from purchases made outside the home which accounts for 40% of the ice cream production. While 60% of the volume is consumed at home, but only accounts for 40% of all ice cream revenues. These statistics highlight the fact that people are paying premium dollars for novelty ice creams while outside their homes.

## Demographics

There are four primary consumer segments that Mini Melts is targeting: children, teenagers, young urban professionals and tourists .

### Children

The age range for the childrens' segment is four to twelve. This market is especially important because of their influence on parental spending. Since ice cream is an impulse buy, children likely influence their parents purchasing decisions. This is important in destination locations for children such as theme parks, malls and special events geared towards children. In BC, this age group represents approximately 380,000 individuals or 9% of BC's population.

### Teenagers

The age range for the teenager segment is thirteen to nineteen. These are educated youth with access to local media. Teenagers are among the first group of individuals that are willing to try a new, innovative product. If the product is marketed as something new and hip and becomes part of their culture, they will purchase the product when they are out with their friends. In BC, this age group represents approximately 763,000 individuals or 18% of BC's population.

### Young urban professionals



The age range for the young urban professional segment is twenty to thirty-five. This group of individuals represents a group with a large amount of disposable income. They also spend the most amount of money on entertainment and snack foods that include items such as ice cream. Within this group are families with double incomes and no kids. These individuals have more purchasing power and are willing to spend their after-tax dollars on new innovative products. In BC, this age group represents approximately 579,000 individuals or 14% of BC's population.

### BC BUSINESS MODEL

As well as having a truly unique and exciting product, Mini Melts BC has developed a range of distribution channels to maximize brand awareness and product availability.



Mini Melts BC grows its product distribution network through a licensing structure. Locations throughout BC are licensed to selected business partners; five separate licensing options are available in certain markets:

- m2 Implant packages for existing retail establishments
- shopping centre retail kiosks
- seasonal retail kiosks
- special events vending kiosks
- automated vending machines



## m2 Implant Packages

The m2 Implant was designed to allow Mini Melts ice cream to be sold at various existing high traffic retail establishments such as entertainment venues, sports arena's, family fun centres, ice cream parlours, cafés, concessions, convenience store and entertainmentretailers .

The m2 Implant is designed to be easily deployed with minimal space requirements. Mini Melts BC handles all the logistical requirements of setting up the equipment and all necessary signage. The product is delivered to each location as needed on a weekly or bi-weekly basis. Each account will be familiarized on how to handle, serve and store the product.

As each account needs differ and space constraints change we have various freezer types and sizes available. Typically one of the following freezers is chosen:

Each m2 Implant package will include the following items:

- 1 Specialized -40°C Freezer (size may vary based on space requirements)
- signage & POS Materials
- set-up & installation
- ongoing support



43" x 25" Glass Top Sliding Freezer

For pre-packaged product implant packages, 4 flavours are available; Cotton Candy, Cookies & Cream, Banana Split and Mint Chocolate. (these for flavours are our most popular and account for 85% of our sales as compared to our full flavour line-up)



## LOGISTICS

Mini Melts ice cream has a special temperature requirement of -40°C. Mini Melts operates its own modified trucks for transportation and delivery. Depending on sales volumes deliveries are necessary 2-4 times per month.

## CONTACT INFO

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