

Ebook

Out of the Deep Freeze.



Table of Contents

P. 03	Introduction
P. 03	Be Front and Center
P. 04	Unlock New Sales Channels and Markets
P. 05	Test New Products and Packaging
P. 05	Conclusion

Introduction

Today's consumers have more food options than ever before, from entire aisles dedicated to ice cream to the rapidly growing number of fast-casual restaurants. Brands must find ways to differentiate among countless competitive products and retailers, while operators must enhance the customer experience to drive return visits.

In this highly-competitive market, customers expect innovation and convenience. The companies and brands that offer both will succeed.

There's a new and significant way for brands, retailers and restaurants to stand out in the minds of consumers – the placement of single-serve frozen products. Coincidentally, these are some of the highest-margin items but they often fall victim to terrible placement, hidden among a sea of popsicles.

Solid-state cooling unlocks new opportunities for the placement and promotion of these single-serve products. It is disrupting traditional freezer displays, allowing brands and retailers to sell more high-margin products – even in unusual or compact spaces.

In this eBook, we explore how solid-state cooling gives brands and companies three key opportunities to sell more with increased freedom of placement: prime placement, new markets and channels, and the ability to test products.

It's time to move your frozen items out of the deep ice chests located at the periphery of stores, restaurants and venues – and into prime, high-traffic locations.



Be Front and Center, Even When Space is at a Premium

Today, the average supermarket carries more than 30,000 products and small convenience stores [c-stores] stock 3,000 items. For consumers, this means they are never at a loss for options. For brand and category managers, it means they are constantly faced with two key challenges: how to get their products to stand out among the endless shelves of frozen items and how to get more of their products in front of consumers when space is at a premium.

Whether customers are at the grocery store or c-store, there's a limited amount of time for brands to capture awareness. The average time it takes a customer to walk into a c-store, purchase an item and depart is just 3-4 minutes. At the grocery store, people are often in a hurry to get everything on their list in the shortest possible amount of time, especially if they have young children with them.

In that short, rushed timeframe, many customers never even see the products in the back coolers and freezers. And if they do, they just grab the same thing they bought previously or whatever has the most stock. It's very difficult to stand out among competitive products. Even if your packaging is eye-catching, how likely is a busy shopper to notice it among a sea of popsicles in the deep freezers?

Instead of trying to compete with all of the other items in the built-in freezers, brands can now use a compact, solid-state freezer to place high-margin products in highly visible areas [places where their competitors are not] and to display more products directly at the point of sale.

But it's not just brands that can gain a competitive advantage with small-footprint freezers at the checkout. Restaurant and franchise owners can differentiate from similar eateries by offering a unique or local frozen treat at checkout. If there's a certain item that a restaurant is known for, offering a frozen version would allow customers to take one to go or to share with friends or relatives. With this new way to promote signature menu items, restaurants not only boost sales, but also raise brand awareness.

Unlock New Sales Channels and Markets

Prime placement at the checkout aisle isn't the only way brands or restaurants can use compact, solid-state freezers to increase revenue. Freedom of placement uncovers three key opportunities to capitalize on new sales channels and markets:

1. Reimagine the retail experience.

Whether it's switching up product placement at existing retailers or finding completely new stores for product sales, the opportunities are endless with distributed cooling. Placing single-serve breakfast burritos alongside cereal and oatmeal? Why not? Selling frozen fruit snack cups in the produce section? Absolutely. Bringing your frozen novelty pops to the boardwalk and beach shops? Yes, yes, yes!

2. Say goodbye to seasonal limitations.

Anyone with kids in their life will tell you that ice cream is not a summertime-only item.

Retailers can increase ice cream sales year-round with just a few small changes. Putting compact, quiet solid-state ice cream freezers in high traffic areas like the checkout, especially around holidays, can drive impulse sales. Novelties and single-serve portions are perfect candidates for promotions, such as BOGO or similar deals. With products that are consistently and easily visible to customers, brands can boost off-season sales, try out new promotions, and make ice cream (or other frozen treats) more convenient to buy when they aren't necessarily top of mind for customers during the colder months.

Furthermore, compact, solid-state freezers can provide an opportunity for frozen food brands to take advantage of produce that's off season. Having a special display of frozen berries or other fruits and vegetables in the produce section of a supermarket can help remind customers that they have options and ultimately drive increased sales.

3. Make dessert a sweeter sell.

According to data from LevelUp, a digital-ordering, payment and loyalty app, the most popular time for ordering desserts is now between 2 and 4 p.m. For consumers indulging in a mid-afternoon dessert, restaurant owners and operators have an opportunity to market frozen treats at checkout. Adding a frozen treat at the point of sale doesn't put any added stress on the kitchen staff and is also easier for cashiers when items are marked for individual sale. With so many frozen options, there are product types to complement every sort of menu. A Mexican restaurant can stock Choco Taco® frozen treats. A healthy fast casual spot can offer frozen fruit or yogurt bars. A sandwich shop can sell ice cream sandwiches or The Original Chipwich™.



Test New Products and Packaging

What's the most effective way to get consumers to buy a new product? Let them try it first. However, in-store sampling programs are expensive and it's difficult to track the direct correlation to purchases. Health-conscious millennials are looking for convenient foods, but they don't want to buy a box of 10 veggie wraps without trying one first. Offering individual servings, especially at checkout where people have a few spare minutes to look at the products in a freezer, can lead to higher new product adoption or provide an indicator that a new product may have missed the mark.

Compact, solid-state freezers allow brands to not only test new products, but also promotions, branding, packaging and seasonal offerings. Magnet wraps can be easily changed to identify the brand images that drive the most sales. And single servings of new or limited-edition products can help companies understand whether mass production of bigger sizes is likely to be profitable.

For retailers or owner/operators, a solid-state freezer can provide a unique opportunity to feature in-store promotions and specials, test new flavors or products, or increase sales of in-house brands and ready-made products [e.g., bakery, deli, butcher, prepared foods]. Such premier placement can also be an attractive perk for brands they want to stock or an upsell opportunity for contract negotiations.

Conclusion

Now, more than ever, retailers, convenience stores, restaurants and consumer brands need to constantly evolve to distinguish their offerings in the minds and lives of today's consumers, who:

- want new, convenient, healthy and fast options.
- don't want to go out of their way to discover or purchase those options.

Using prime product placement and unique displays to boost sales isn't anything new. Retailers and brands have been analyzing customer behavior for decades in order to determine the best strategies to improve in-store performance.

What is new is Phononic's patented, solid-state freezer technology. Unlike antiquated, compressor-based freezers of the past, Phononic's freezers are compact, quiet, clean and safe, with greater capacity than traditional freezers, unrivaled temperature stability and smarter resource consumption. In other words, you can literally store more products and place them – even ice cream – where buyers are most likely to see them, like on the checkout counter.

By moving your products out of the deep freeze and into the places where consumers are, you can unlock a world of new sales opportunities – new customers, new channels and new ways to grow revenue.



About

Phononic is reimagining cooling and heating in ways never thought possible. Its breakthrough solid-state technology is transforming industries and creating new markets with innovative solutions that disrupt antiquated business models and incumbent technologies. Phononic is the critical element of innovation needed to radically change what it means to be efficient, effective and sustainable. The company has been named to the 2016, 2017 and 2019 CNBC Disruptor 50 lists, received the US EPA's 2017 Emerging Tech Award, R&D 100 Award and more

Learn more at www.phononic.com/food-beverage/