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Charles V. Tines / The Detroit News

John Brueck, owner of a Cold Stone Creamery in Birmingham, says he's experienced heavy sales during the evenings in the upscale community when people stroll in the downtown area.

Cold Stone Creamery targets Michigan

Franchise plans to add 6 more stores this year and another 15 in 2004

By Neal Haldane
Special to The Detroit News

NOVI -- Kevin and Michelle Adams plan to open Cold Stone Creamery in June in Fountain Walk, one of dozens of upscale, franchised ice cream outlets national chains have slated for the state.

The old-fashioned ice cream business is finding new life around the country as consumers seek out more "comfort food."

Cold Stone Creamery

Michigan outlets:

Birmingham, East Lansing,
Grand Rapids, Novi (June)

Possible locations: Ann
Arbor, Plymouth, Royal Oak,
Troy, Utica, Bloomfield Hills

Informational meeting: 1-5
p.m. Thursday

Information: (419) 350-3828

Cold Stone has three units in Michigan and wants to open six more stores this year and another 15 next year in the state. The chain hopes to have 1,000 stores nationwide by 2004.

Competitor MaggieMoo's Ice Cream and Treatery out of Maryland has stores in Rochester Hills and Lansing. Operator George Skandalaris has a 10-unit deal with the chain and plans to open a store in either the Detroit or Lansing markets by October and two more by December 2004. MaggieMoo's has 85 stores open and 232 under contract.

Marble Slab Creamery from Texas has no sites in Michigan, but is looking to expand here. "We are in hot pursuit of a candidate and we would like to see at least a dozen units in the area in the near future," said Chris Dull, vice president of franchise development for Marble Slab, which has 275 stores open or under development.

With investments costs that range from \$166,000 to \$348,370, franchise holders could spend almost \$10 million in the next two years opening ice cream parlors in Michigan.

"We haven't opened our first and we're already considering our second," said Kevin Adams of Livonia, whose wife introduced him to Cold Stone Creamery after she sampled the ice cream while visiting relatives in Arizona.

The couple were looking for a business opportunity, but Kevin said he was unconvinced about the potential of a Cold Stone franchise until he visited another store.

"We drove out to Arlington, Ill., in the dead of cold," Kevin said. "I figured if that store had anybody in it that day, it was probably a good venture. The place was packed."

The Novi store will feature the formula that has allowed the privately held Arizona chain to grow to 370 stores with 300 planned to open this year and 450 in 2004, said Michael Flaum, Cold Stone's area developer for Michigan.

"We feel Cold Stone Creamery is truly an ice cream destination," Flaum said. "You can get virtually anything you want, your exact dessert taste, made right in front of you."

Customers select from 15-18 ice cream flavors available each day and have a choice of more than three dozen mix-in items -- fresh fruits, nuts, candy, brownies and pie fillings -- to complete their treat, which can cost up to \$5 apiece.

Staff members combine the mix-ins and ice cream on a frozen granite stone, place it in a waffle cone or bowl, and entertain customers by twirling their ice cream spades and singing songs.

Franchisees are expected to invest from \$235,035 to \$348,370 to open a Cold Stone Creamery. And while Flaum would not discuss company or store revenues, he did say annual sales at individual outlets exceed the initial investment. Documents indicate annual sales at Cold Stone, MaggieMoo's and Marble Slab stores range from \$100,000 to \$600,000 depending on the size and location of the store. The three companies are capitalizing on a trend in the ice cream business, said Katie Koppenhoefer of the International Dairy Food Association.

"Mix-ins in ice cream are really popular," she said. "The decadent treat, comfort food ice creams are popular."

The most recent statistics about ice cream consumption show Americans spent \$20.7 billion in 2001 on frozen treats, with \$13 billion of that spent on "away from home" eating. The association says more than 90 percent of households in the United States consume ice cream and frozen desserts.

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