

How baskin-robbins is trying not to disappear

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If you look at Baskin-Robbins' performance for 2013, you may think you're adding the numbers wrong. The ice cream chain, whose parent company is Dunkin' Brands, added only four new stores in the U. S. last year. That's right – four. The craziest part: It was the first time the brand netted *any* new U. S. stores since 2006.

By contrast, Baskin-Robbins' sister company added 371 new stores in the U. S. alone over the course of last year. Unsurprisingly, the donut chain's national revenue drove 74 percent of its parent company's ; Baskin-Robbins drove just six percent.

With Dunkin' Donuts continuing to dominate, it's almost a miracle that Baskin-Robbins keeps limping onward. In franchising, growth is key to survival; when the growth's not there, the franchise is often sold off. Darden Restaurants, for instance, said it would be spinning off its struggling Red Lobster unit to focus on faster growing chains. And Dunkin' Brands itself isn't a stranger to cutting off the weakest link, either, having sold the underperforming sandwich chain Togo's Eateries in .

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At one point, Dunkin' seemed ready to let Baskin-Robbins slide. CEO Nigel Travis the ice cream chain received less support than it should have prior to Dunkin' Brand's new management in 2010.

However, today, the company is in it for the long haul. “ We feel good about Baskin-Robbins' performance in the U. S., where we have experienced three straight years of comparable store sales growth, and believe the brand is

well-positioned for slow growth in the coming years,” says Bill Mitchell, president of Baskin-Robbins U. S. and Canada.

Baskin-Robbins isn’t trying to speed up much, but the ice cream chain is exploring growth in some unexpected areas. Here are three ways Baskin-Robbins is aiming to stay relevant today.

International presence

Baskin-Robbins’s hidden power is in its international growth. Even if the chain has stopped substantial expansion in the U. S. – Dunkin’ Brands expects five to 10 new stores in 2014 – the international community has not stopped buying Baskin-Robbins’s ice cream. Baskin-Robbins doesn’t break out international development, however, Michell says the company plans to open 300 to 400 new Dunkin’ Donuts and Baskin-Robbins outside the U. S. in 2014.

Even without the breakdown, it’s clear that Baskin-Robbins internationally is growing in a very different way than in the U. S. “ Something that surprises many people is that Baskin-Robbins actually has more locations internationally than we have in the U. S.” says Mitchell. Nationally, Baskin-Robbins has 2, 467 locations. , the chain has 4, 833 shops in 45 countries, with 7 percent net unit growth in 2012. The brand is also celebrated abroad – Baskin-Robbins recently became the official ice cream of the Liverpool Football Club.

Further, these international locations are key to changing the way that Baskin-Robbins shops operate stateside. Key learnings from overseas are

allowing Baskin-Robbins to revamp store design, operations and products. “The international Happy 1. 0 restaurant design, which has been successfully introduced in markets such as Canada, Japan, Mexico, Singapore and South Korea, among other international markets, became the template for Baskin-Robbins’ new U. S. restaurant design, which began rolling out domestically last year,” says Mitchell. New flavors and ice-cream cake designs have also been rolled out internationally before being tested in the U. S.

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Revamps

In the most typical of Baskin-Robbins’ solutions, Dunkin’ Brands is attempting to rebrand in the U. S. using international learnings. Dunkin’ Brands maintains separate advertising funds for Baskin-Robbins and Dunkin’ Donuts, with Baskin-Robbins’ annual ad budget reportedly totally \$25 million compared to Dunkin’ Donuts’ \$350 million. This, coupled with the frozen yogurt craze of recent years that has hampered ice cream franchises , has made it difficult for Baskin-Robbins to reestablish itself in any drastic manner. However, evidence of its attempts are there.

The biggest change was adopting a modernized store design pioneered abroad last year. Also notable is the constant rollout of new flavors. The chain that once advertised its variety with “ 31 flavors,” has now introduced more than 1, 000 options, with site currently listing 53 picks.

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Grocery stores

Baskin-Robbins announced earlier in February that it would begin selling ice cream and other frozen treats in supermarkets and grocery stores. This is the first time Baskin-Robbins packaged ice cream will be sold in grocery stores across the U. S. (though the company launched a line of Sherbet Flavored Freezer Bars in 2013). The products are in the process of rolling out at grocers including Ralphs, Food4 Less, Jewel, Shaw's and A&P.

“ One of ourgoalswith the launch of Baskin-Robbins packaged ice cream and ice cream bars at grocery stores across the U. S. is to raise further national awareness of the Baskin-Robbins brand, which in turn benefits our franchised Baskin-Robbins shops,” says Baskin-Robbins spokesperson Justin Drake. “ In addition, a portion of sales of our packaged ice cream and ice cream bars will be contributed to Baskin-Robbins' national advertising fund, which will directly impact marketing initiatives to further benefit the Baskin-Robbins brand.”

Will grocery stores provide the national boost that Baskin-Robbins needs? Only time will tell. However, with slow changes, Baskin-Robbins seems willing to play the long game as Dunkin' Donuts continues to support Dunkin' Brands with its more explosive growth.

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