

Transmittal Memo

TO: Senior Partners — David Brown, Tom Marchese, Catherine Penrod, and John Roberts Jr.

FROM: MID107 Team 5 — Zoe Cox, Chloe Culp, Lauren Dreyer, Connor Hamm, Ian Lindstrom, and Lana Weston

DATE: November 14th, 2022

SUBJECT: Submission of Graphical Report

We are pleased to present our new business proposition, Salt & Shakes. Our team worked diligently for many hours to present you with our proposal. The purpose of creating this graphical report is to inform you, the Senior Partners, about our new milkshake company.

The information we used to guide our business decisions was mainly found through library databases, and scholarly websites, as well as utilizing our knowledge from our four cluster classes. We researched current established competitor strategies and studied how they operate their businesses and apply similar techniques within our business plan. We used creative skills to make a mock-up of our business's app, menu, and store front to help visualize our concept further. Other important piece we considered was understanding the finances to keep our business up and running, our target market and the industry we are pursuing. We dive deeper into each of these categories to access the success of our business in the short and long-term which can be found within the body of our report.

We want to thank our Senior Partners for their continued guidance throughout this semester. Throughout both P1 and P2, your input has been greatly appreciated. It has been our pleasure to create this deliverable for you, and we hope you are satisfied with our findings.

We look forward to your feedback, inquiries, and have enjoyed researching each of our concepts further to make this report. Thank you for your time.



MID107 Team 5



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Business Start-Up Proposal:

Salt & Shakes

Integrated Business Cluster – MID107 Team 5

Prepared For: Copeland Associates Senior Partners

Prepared By: Zoe Cox, Chloe Culp, Lauren Dreyer, Connor Hamm, Ian Lindstrom, and Lana Weston



Submitted:
November 14, 2022

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Executive Summary

Introduction

The concept of Salt & Shakes is to provide customers with a simple and easy option for combining snacking and shopping. Salt & Shakes will offer multiple flavors of milkshakes, from classic chocolate and vanilla to more premium flavors like cake batter paired with its signature fresh-cut crinkle fries. Salt & Shakes will operate in Easton, Ohio by snack shack and mobile app ordering. The business will use technology within the app to help build brand loyalty and awareness in the area, as well as incentivize past customers to return. Salt & Shakes provides a unique concept for consumers in the area by providing only milkshakes and fries in an easily accessible mall snack shop.

Industry Overview

Salt & Shakes is considered part of both the ice cream industry and the coffee and snack shop industry. Salt & Shakes would be the perfect place to grab a snack because more than half of Americans drink milkshakes. Additionally, fries are an unusual but popular combination. The salt of the fries enhances the sugar flavor and creates a positive biological response. Salt & Shakes is located in a mall, and malls have the perfect foot traffic composed of hungry snack cravers.

The Snack Industry

Being in the coffee & snack shop industry, Salt & Shakes is part of the rapid expansion and increased competition. This industry is expected to increase in profitability due to the demand for snack shops increasing. For snacking behavior, snacking is popular in the midday and afternoon, and most people snack 2-3 times per day. A factor of success in this industry is to differentiate from the competitors by having a clear market position. Salt & Shakes has a strong market position that separates it from its competitors.

Salt & Shakes Overview

Many busy individuals, especially in the mall environment, crave a sweet or salty treat with quick and easy service. We have curated the perfect combination of high-quality, delicious

milkshakes that pair elegantly with crispy, salty crinkle fries. Introducing Salt & Shakes, our company seeks to provide simple accessibility with various milkshakes and crinkle-cut fries to serve families and individuals.

Company Goals

Having SMART Goals for a startup company is a crucial step to success. We are planning to open on May 5th, 2023. Our plan starts on November 11th, 2023 and goes until our grand opening in May. We also created a goal for possible future expansion based on revenue and profit of three years. We will measure our success of these goals by looking at profitability, units sold, and total transactions.

Segmentation and Targeting

Our target is people who identify as "mall maniacs" and consume ice cream as a snack/dessert. A mall maniac is a consumer who visits malls often, tending to create strong loyalty with the brands and stores they purchase. Such consumers are also eager to try new products and services, in which first impressions are essential to capturing their future loyalty. An additional segmentation into mall maniacs who consume ice cream as a snack/dessert narrows the target consumer into those willing to spend money at our store during their mall visits. Presenting a target demographic with high income and a natural desire to try new products, Salt & Shakes is positioned to reap the benefits of such consumers.

Location Analysis

In similarity to the target consumer, Salt & Shakes will be launched in the Easton Town Center in Easton, Ohio. Presenting strong popularity in the local Columbus market, Easton offers the ability to pull well over one million local consumers. Additionally, in the Gahanna, Ohio region there is a large consumer base with an identical match to the target consumer base, including a multitude of high-income individuals and families.

Executive Summary

What Makes Us Unique?

Many fast-food restaurants offer milkshakes and ice cream to go along with their food. Salt & Shakes will be the only one-stop milkshake shop that offers simple milkshakes and fries in the Easton Mall. The variety of flavored milkshakes creates options for any consumer's cravings. Salt & Shakes is a unique combination of fries and milkshakes, giving us the ability to compete with Auntie Anne's, Cinnabon, and Graeter's in the mall. Our products create a one-stop shop, so mall shoppers are only going to one location to get everything they are craving.

Advertisements & Promotions

Salt & Shakes will advertise in a few ways. We will focus primarily on online advertisements, choosing the medias of Spotify, TikTok, and Yelp. Spotify will cost us \$8,760 over the course of 6 months. TikTok will cost us \$48/day and will have ads run over the course of 6 months. Finally, we will use Yelp to build brand awareness amongst the general public. We will spend an average of \$24/day throughout the first year of operation. Yelp will only charge us each time someone clicks on our advertisement.

Impressions on the app are free. We plan to expand on the mediums we advertise with as revenue grows.

Technology

Our app will allow customers to order their favorite items from their phone and skip the line when picking up their orders. Customers can track loyalty rewards through the app. For example, upon a customer's 10th order, they will receive a free medium milkshake upon their next visit to our shop. The app also allows customers to pay through their phones via a saved credit card or gift card.

Additional technological elements include using Square for our POS system and Gusto for payroll and HR services. Square will help us keep track of a variety of information, such as our inventory and sales information, and help us visualize current customer trends. Gusto will allow our employees to easily be able to keep track of their hours and clock in and out of work. Additionally, we will be utilizing DoorDash for the optional delivery of our products.

Financial Projections

The main revenue stream will be our products, the shakes, and the fries. We created a list of all the startup costs including inventory, equipment, and technology. From this, we calculated the revenue based on how many products we would sell and how much inventory we would have to purchase for a year. Base-line pricing is sourced from the location choice and surrounding franchises because considering competitors is a crucial element to consider for business survival when entering the market. Also included is an estimate of how many units of each product (milkshakes and fries) are needed to sell each day within a year's payback period to begin to make a profit.

Profit Margins

The total yearly profit was calculated by finding the total yearly revenue and total year expenses. From there, we subtracted those two and got a total profit margin of \$31,830.99. This profit margin is positive because we are not losing money which can be challenging while being a start-up business because of the major start-up costs.

From finding the profit, we found the profit margin percentage by using the equation (total revenue – the cost of goods sold) divided by total revenue. Our yearly profit margin is 52% which is used to gauge if Salt & Shakes is positively making money. The higher the number, the more profit a business makes its cost.

Conclusion

There is nothing like a cold milkshake and hot crispy fries. The perfect combination of hot and cold, as well as sweet and salty. Salt & Shakes provides the perfect sweet or salty snack that customers can indulge in after school, throughout their shopping endeavors, and whenever they are craving a high-quality snack. Salt & Shakes is the one-stop milkshake shop that provides the perfect combination of fresh-cut fries and high-quality shakes prepared fast and for a low price because eating delicious snacks shouldn't shake up your day.

Industry Overview

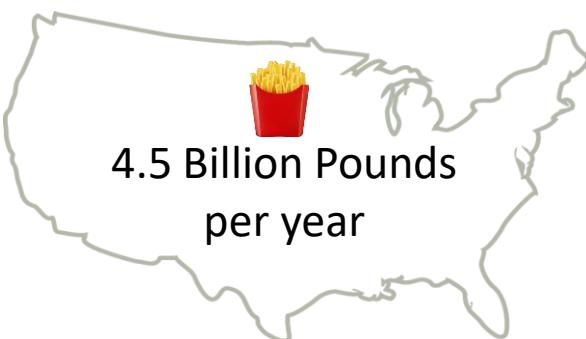
The purpose of this report is to introduce our innovation Salt & Shakes. This was performed by first defining the industry and customer needs, then thoroughly describing the business, the target market, the technology utilized, and all the financial information required for a startup. Salt & Shakes will be a mall snack shop where consumers can get a sweet and salty combination of milkshakes and fries.

The Ice Cream Industry

The ice cream industry is categorized by hard ice cream, soft serve, frozen yogurt, sherbet, ice pops, and milkshakes. The concept of Salt & Shakes takes a unique approach to the milkshake side of the ice cream industry by combining sweet milkshakes with salty French Fries. Our product falls under the ice cream industry, but our business model aligns with the snacking industry. The ice cream industry is a relatively slow but stable growth industry. The idea of “snackification” and making on-the-go ice cream is becoming popular. Another key trend in the ice cream industry is flavor mashups and innovative flavors becoming more popular. Salt & Shakes would combine snacking with innovative milkshake and French fry flavors (Yougov.com, 2020), (Travelandleisure, 2022).

French Fries

One of the most common sides to any entrée is French fries. Each year, Americans consume more than 4.5 billion pounds of French fries. A popular food combination in America is dipping French fries in milkshakes. The salt of the French fries enhances the sugar flavor. The right mix—not too sweet and not too salty—gives the brain a positive biological response (mashed, 2021), (howstuffworks, 2014).



Malls

Thousands of people come to a mall every day. Malls provide a built-in customer base for snacking businesses. Malls are usually located in busy, high-traffic areas, which makes them prime for businesses that rely on foot traffic. Mall stands are less expensive than stand-alone stores, so it's a perfect option for Salt & Shakes (The Wolf of Franchises, 2022).

Milkshakes

Milkshakes are a sweet, quick, and low-mess dessert. In a survey of 2,000 adults, 69% said they're more likely to order drinkable desserts. Milkshakes are a popular drinkable dessert with 58% of Americans drinking milkshakes. Additionally, 88% of millennials like to have a dessert after every meal. Milkshakes can also be a snack to satisfy hunger, or to celebrate an occasion (Study Finds, 2022).



69% Want Drinkable Desserts

Figure 2: Drinkable Desserts Image



Extensive Look Into The Snack Industry

Industry Overview

The specific industry that Salt & Shakes falls under is considered the Coffee & Snack Shop industry. The revenue for this industry is \$51.3 billion and has an annual growth rate of 2.8%. The profit in this industry is \$1.9 billion, and the profit margin is 3.8%. As for the size of the industry, there are about 71,693 businesses that fall into this industry (IBISWorld, 2022).

Key Trends

The coffee & snack shop industry is characterized by high product turnover and discretionary spending. The industry has also had rapid expansion over the past decade, and profitability is expected to increase. Competition is expected to intensify due to the demand for snack shops increasing at a faster rate than most segments of the food service sector (IBISWorld, 2022).

Success Factors in the Industry

One of the best ways to differ from the competitors would be to have a clear market position against the competitors. Having products sold in high-profile outlets is also important because it allows easy access and convenience for the consumer. Another thing to consider for success is to do thorough market research and understand the consumer needs, wants, and desires (IBISWorld, 2022).

How Many Snacks People Consume Per Day

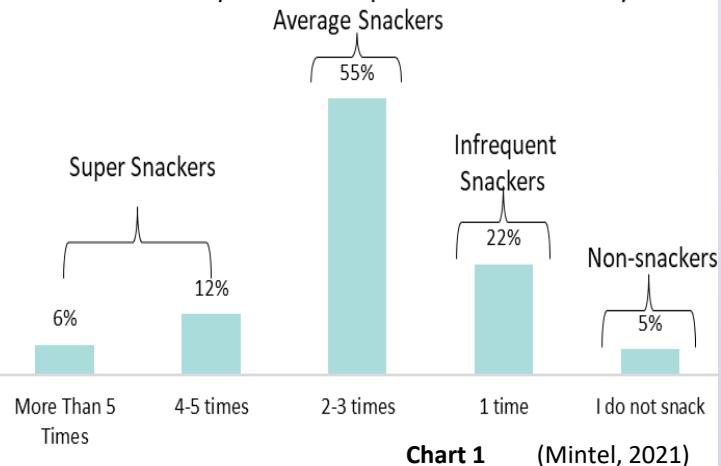
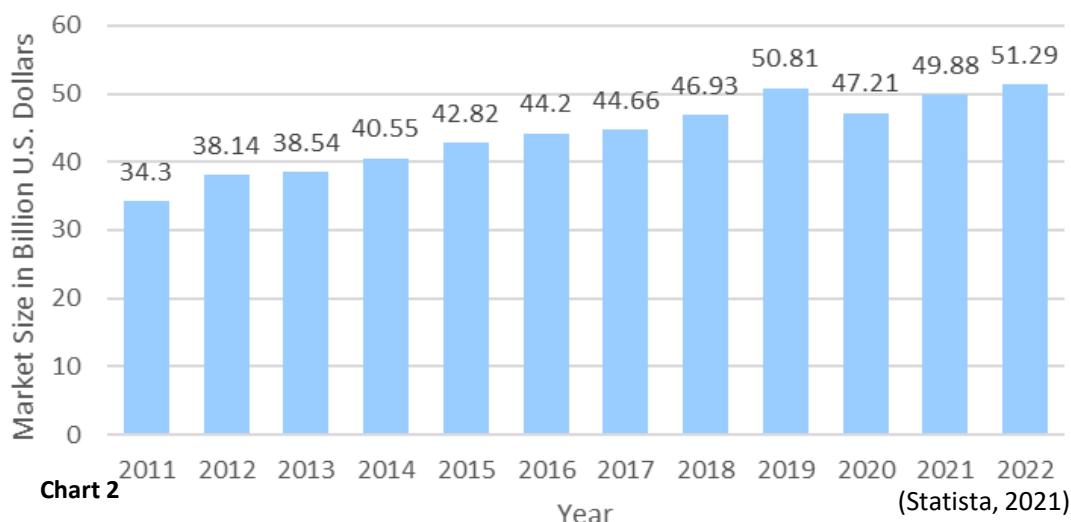


Chart 1 (Mintel, 2021)

Snacking Behavior

Breakfast, lunch, and dinner are the main meals of the day. Snacking between meals has become popular, with 55% of people snacking 2-3 times per day. 69% of consumers snack because they're hungry, and 66% of consumers snack to satisfy a craving or treat themselves. Salt & Shakes would be open 11 am- 12 pm because midday/afternoon between lunch and dinner is when 81% of consumers eat a snack. (Mintel, 2021).

Market Size of the Snack Industry



(Statista, 2021)

Business Description

Who Are We?

Salt & Shakes is an avid snacker's dream fast-food destination. Salt & Shakes focuses on providing product excellence. Our snack shack model will create speedy service opportunities and get you on your way back to shopping as soon as possible. This idea came from our love for dipping salty French fries into sweet milkshakes for the perfect combo bite of sweet and salty goodness. We provide the freshest crinkle-cut fries to provide extra dipping power that allows consumers to scoop the perfect amount of milkshake onto their fries. Consumers can enjoy premium milkshakes made with creamy soft-serve chocolate or vanilla ice cream and have the option to flavor their shakes with a variety of tasty additives. Easton requires its vendors to be open 7 days a week during the mall operation hours. Monday – Saturday we will operate from 10am – 9pm and on Sundays we will operate from 12 pm – 6 pm.

Our Vision

Salt & Shakes aspires to give customers the best possible snacking options at the most efficient speed

Our Mission

Salt & Shakes provides a quick and easy, unique snack option for busy shoppers

Our Products

Salt & Shakes offers a variety of delicious milkshakes and crispy crinkle-cut fries. Our shakes come in small, medium, and large sizes. We will have 12 consistent milkshake flavors and rotating seasonal ones. A few examples of seasonal flavorings include pumpkin spice and cinnamon in the Fall, as well as Summer flavors like peach, orange creamsicle, and black raspberry. Customers can choose if they want their shake to have a chocolate or vanilla soft-serve ice cream base. As for crinkle fries, we will have regular and large sizes, always providing plain salted fries. Similar to how we will have rotating seasonal milkshake flavors, we will also have rotating French fry seasonings. There will be one additional flavoring a week. Examples of flavorings include ranch dusting, fry seasoning, sweet potato fries, and Cajun fries. Customers can order a combo meal where they get either a large fry and large shake or regular fry and medium shake for a reduced price than if they ordered both items separately.



Sip & Dip

Figure 3: Slogan and Product

Full view of menu in Appendix A



Goals of Salt & Shakes

Our Opening Goal

We are looking to have our Grand Opening on the first Friday of May 2023, more specifically, May 5, 2023. In this infographic, we have laid out an eight-step plan with goals and the completion dates above them. This infographic ranges from our original pitch to the Easton Mall on November 11, 2022, to the Grand opening on May 5, 2023.

Possible Future Expansion

After being open for three years, we want to consider expansion. Our goal is based on the average profit and revenue per single Auntie Anne's mall location. If we hit a minimum revenue of \$550,000 and profit of at least \$66,000 per year for three years, there will be a possibility of expansion (The Wolf of Franchises, 2022), (DrFranchises, 2022).

See Appendix J for SMART Goals

Measuring Success

To ensure that monetary demands are met, Salt & Shakes direct financial success will be measured on monthly profitability. To measure an intended increase in brand awareness, monthly units sold, and total transactions will be recorded and compared. An additional analysis of daily and hourly revenue reveals which times and days produce the greatest results and dictate measured success to a further segmented degree.

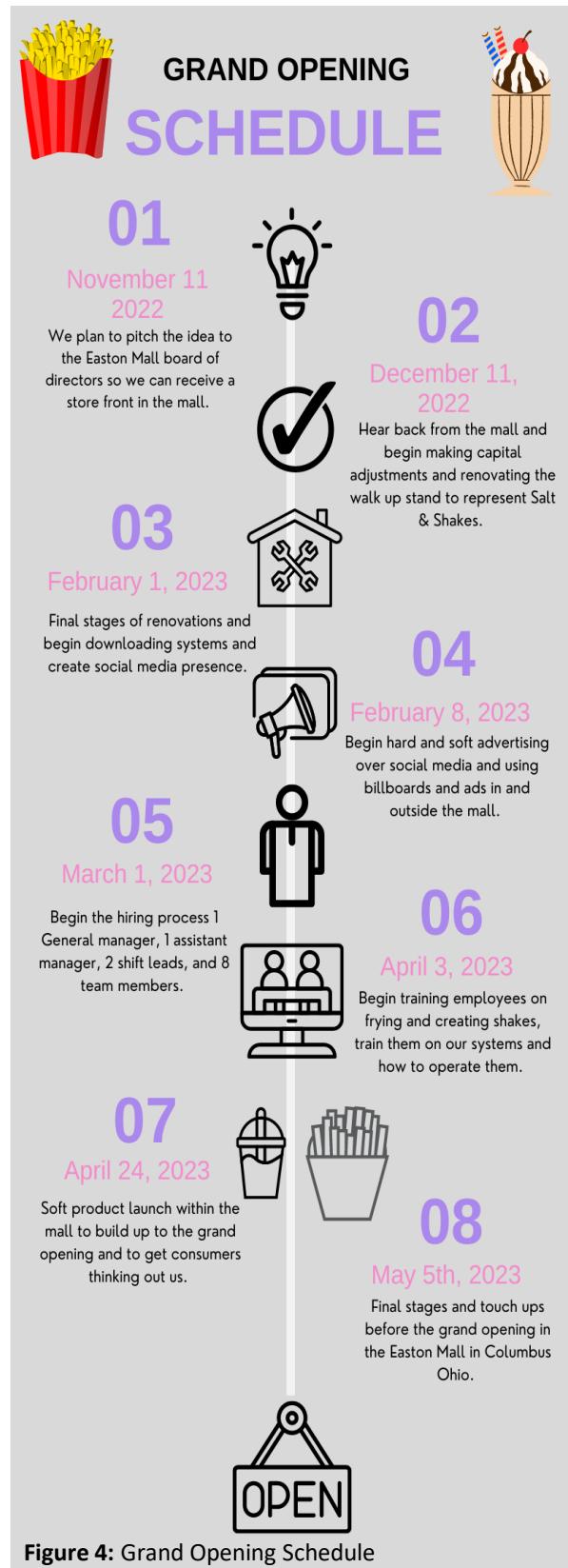


Figure 4: Grand Opening Schedule



Segmentation and Targeting

Target Psychographics

Due to the unique mall format that Salt & Shakes presents, the target demographic is segmented by consumers that fit the psychographics of "mall maniacs" and "consume ice cream as a snack/dessert". The selection for targeting mall maniacs is due to their desire to try new products and services. Additionally, such shoppers connect and interact with brands they grow loyalty with. The additional requirement of consuming ice cream as a snack/dessert focuses on the ideal target audience of mall shoppers who spend money on food during their shopping experience. Capturing the loyalty of mall shoppers with high food purchasing habits presents the strongest opportunity for profit and the prime target market. (MRI Simmons, 2022)



High-Income Families
Figure 5

The Johnsons

The Johnsons represent high-income, middle-aged families with an average household income of above \$100,000 (35% of the income target). Whether it's the whole family shopping together (44% of target) or just mom or dad, the Johnsons always present a potential customer ready to indulge with their favorite salty or sweet treat.

(MRI Simmons, 2022)

Target Demographics

High Incomes

Median Household Income: \$74,917
Household Income Over \$100,000: 35%

Millennial Population

Median Age: 41.3
Millennial Amount (Ages 25-44): 39%

Highly Educated

College Education: 55%
High School Graduate or More: 84%

Split Family Population

Children in Household: 44%

Predominantly Female

Female: 60%
Male: 40%

Detailed Demographics in Appendix G
(MRI Simmons, 2022)



Social Spenders
Figure 6

Bridget

Bridget represents the youthful social shoppers in their early 20s who treat their mall visits as an experience far beyond shopping. Often visiting with friends for an extended time, Bridget always stops for something to eat. Making up nearly half of the target education level and the perfect combination of age and desired psychographics, Bridget represents the ideal young target.



Locational Analysis

Columbus, Ohio

When searching for a target market, the Midwest was an optimal geographic selection due to the lack of an existing direct competitor type. Furthermore, Ohio offers large limited-service food consumption with the 5th most of any state and a total population of 907,353. The more competitive states like California and Arizona were not taken into consideration due to the immediate competition of similarly existing restaurants such as In-N-Out and Dutch Bros. The general Columbus region has a large number of consumers in the target income and age, presenting an initial target match of over 24,000 consumers. Additionally, 37% of Columbus contains household incomes of over \$75,000, so selecting a wealthier segment neighborhood presents the best opportunity for maximizing profit and sales.

SimplyAnalytics, 2022

Statista, 2022



Figure 7: Columbus Skyline Image



Figure 8: Easton Town Center Image

Easton, Ohio- Easton Town Center

Despite offering low income and demographics as a stand-alone city, Easton, Ohio, projects to reach over 1.6 million people by 2023. Nearby Gahanna, Ohio, offers a key target market due to its proximity to the Easton Town Center. With a nearly identical target average age of 39.6, a high household income of \$89,532, and a high family percentage of 70%, the Easton Town Center presents a great match with the target demographic. The Town Center also features high-end shopping and profitable competition such as Graeter's, Five Guys, and Shake Shack. Along with this, the Easton Town Center reports that the average household income of all consumers in a 20-mile radius is \$90,719, including 462,348 total customers making over \$75,000 annually. The Easton Town Center presents a strong opening location due to its matching target demographics, successful competitors, and proximity to many consumers

SimplyAnalytics, 2022

Point2, 2022

Easton, 2022



Who Is Our Competition?

Who are Our Competitors?

With our location being inside the Easton mall on its main strip, we must consider an array of competitors from traditional ice cream scoop shops like Graeter's to snack places such as Cinnabon and Auntie Anne's. Competing against the traditional scoop shops will be the biggest task due to Graeter's ability to have shake variety because they offer a milkshake form of every flavor they have in stock. We also must compete against companies like Cinnabon and Auntie Anne's as they are the staple of mall shopping snacks. They have the largest brand awareness for food in malls and shopping centers. The pie chart below shows the average annual sales of a single location.

Graeter's

With our location being inside the Easton mall on its main strip, we must consider an array of competitors from traditional ice cream scoop shops like Graeter's to snack places such as Cinnabon and Auntie Anne's. Competing against the traditional scoop shops will be the biggest task due to Graeter's ability to have a shake variety because they offer a milkshake form of every flavor they have in stock. We also must compete against companies like Cinnabon and Auntie Anne's as they are the staple of mall shopping snacks. They have the largest brand awareness for food in malls and shopping centers. The figure below shows the average annual sales of a single location.

Cinnabon

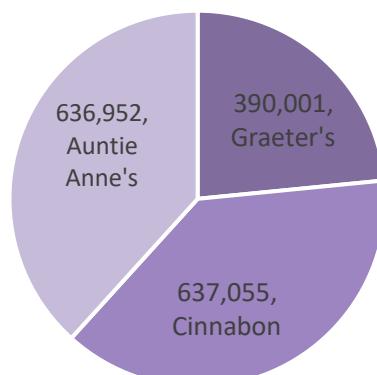
Cinnabon is not so much a direct competitor for milkshakes because they only offer three different flavors, however it is a competitor within the snacking aspect of our business. Cinnabon is one of the largest snacking food services in areas of high foot traffic, places such as rest stops, airports, and malls (Cinnabon). This company poses a threat to us because it has very high brand awareness and product excellence with its cinnamon rolls.

We can overcome Cinnabon through our uniqueness in the Easton area. Although it is a highly sought-after snack product, we offer alternatives to the snack companies that you see frequently in a mall or shopping center.

Auntie Anne's

Auntie Anne's is also a large snack competitor in the Easton Mall. Along with Cinnabon, they only offer frozen slushies, but their pretzels are highly sought after by mall consumers. Auntie Anne's poses the threat of brand awareness and multiple locations. They have a good advantage in malls and shopping centers due to their parent company, Focus Brands. Focus Brands is also the parent company for Cinnabon and controls both marketing and franchise expansions for both. We will be competing with Auntie Anne's on a snacking front where our unique combinations of crinkle cut fries and milkshakes will allow variety for the main snackers in the malls and shopping centers.

Annual Competitor Sales in Dollars



Source: Mergent Intellect, 2022

Chart 3



What Makes Us Unique

Why Choose Us

What makes us different? Salt & Shakes brings a unique product concept to malls and shopping center locations. We offer a combination like no other with our crinkle fries paired with milkshakes. We strive for minimum customer wait time so you can get back to shopping. Salt & Shakes takes pride in being the only company that offers this combination of salty and savory products in this region. When you enter a mall, there are normally the same two to four food options in every region. We offer a new variety options for shoppers. Our Main differentiation will be our product line based on our competitors.

Salt & Shakes

As you can see in the table below, our competitors are missing one thing. They either have snacks or desserts. Salt & Shakes provides a one-stop place that fills those missing categories. We offer customer convenience, so they do not have to go to Graeter's for dessert and Auntie Anne's for a snack. You can come to Salt & Shakes and get a combination of fries with your favorite milkshake. Our simple but unique product line gives us the advantage of customer convenience in the Easton mall region.

Competitor's Product Lines

			
Desserts	Ice cream and milkshakes	N/A	N/A
Snacks	N/A	Variety cinnamon rolls	Pretzel, Pretzel bite, Pretzel dog
Slushies	N/A	Chillatas Oreo cookies and cream, Strawberry, and Mocha	Frozen Lemonade Blue Raspberry, Strawberry, and Mango
Drinks	N/A	Coffee	Coca Cola Products

Chart 4



Company V.S. Company



	General	Specific
Observed Measures	Demographics	Demographics
	<ul style="list-style-type: none"> Younger to middle aged consumers Those wanted something quick and easy 	<ul style="list-style-type: none"> Regularly eats ice cream High limited-service consumption
Inferred Measures	Lifestyle	Attributes
	<ul style="list-style-type: none"> Always on the move More in person shopping 	<ul style="list-style-type: none"> Wants something salty and savory Looking for a snack not a meal

To busy dessert cravers, Salt & Shakes is the one-stop milkshake shop that provides the perfect combination of fresh-cut fries and high-quality shakes prepared fast and for an affordable price because eating delicious snacks shouldn't shake up your day.



Chart 5

To the flavor cravers, Cinnabon is a sweet and savory snack that is readily available and easy to eat because Cinnabon uses premium ingredients from around the world to create indulgent cinnamon treats.

	General	Specific
Observed Measures	Demographics	Behavior
	<ul style="list-style-type: none"> Younger 20's-30's aged consumers Looking for it on the go 	<ul style="list-style-type: none"> Indulgent looking for a treat Buying for the family
Inferred Measures	Lifestyle	Attributes
	<ul style="list-style-type: none"> On the go shopper Flavor cravers looking for a treat 	<ul style="list-style-type: none"> Wants consistency Looking for something filling but sweet

Chart 6



Consumer Interaction

Social Media

One of the fastest and easiest ways to reach consumers is through social media. Social media can be used to receive consumer feedback, interact with consumers, and provide information about products.

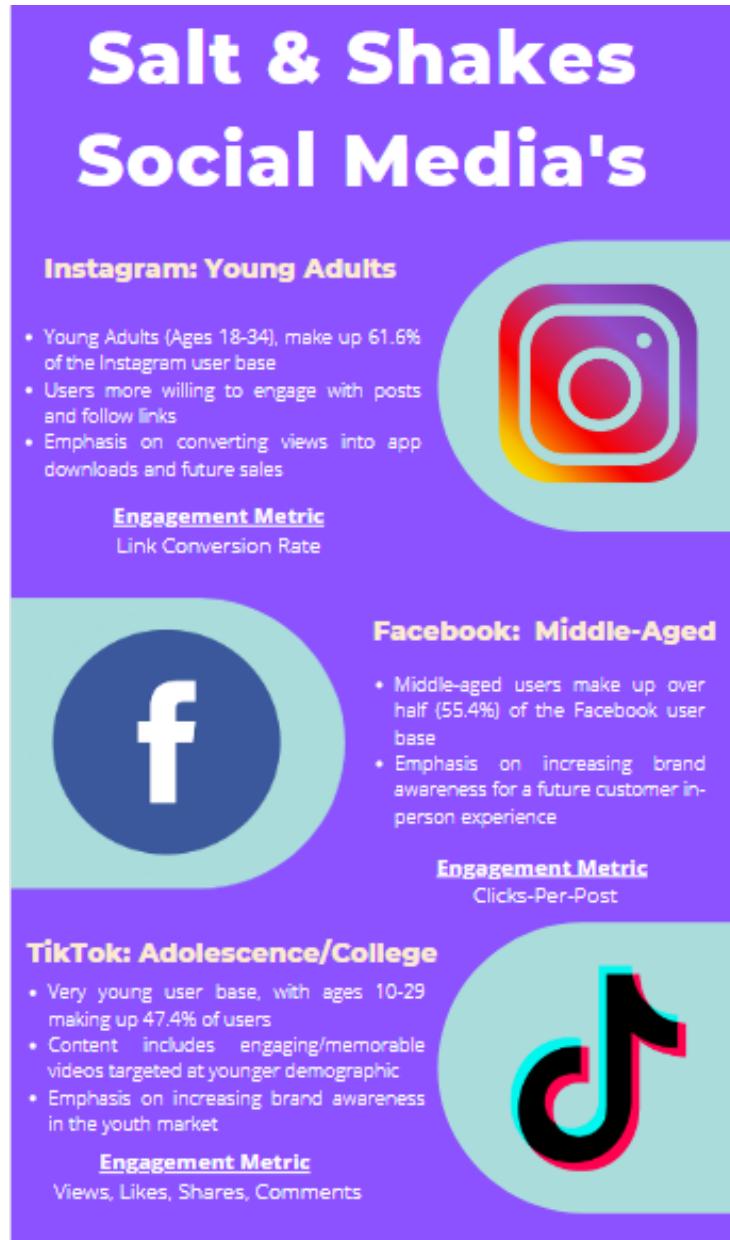


Figure 9: Salt & Shakes Infographic

Rewards Program

The Salt & Shakes rewards would allow the business to show appreciation to frequent consumers. For every ten orders of any menu item, members will receive a free medium milkshake.

In the App

After an order, rewards member's points will automatically be shown via the stars at the bottom of the profile page. These stars creates a simple visual indicator of consumers points.

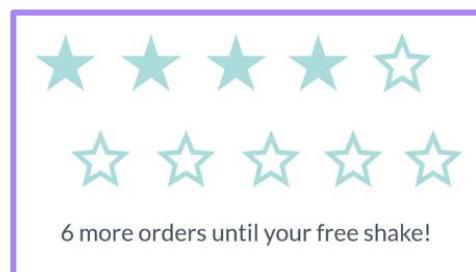


Figure 10: App Rewards Stars

Email

One of the most widespread methods of communication is email. The email system for Salt & Shakes would be a monthly email that talks about the months special fry flavors for each week. There would also be a reminder of how many stars the consumer has collected.

Consumer Feedback Survey

For a startup business, it is crucial to get consumer feedback. Random consumers who just made a purchase will get an email asking what they thought about Salt & Shakes. This survey will allow the company to adapt and improve business practices and products.

More about Consumer Interaction in Appendix N



Advertisements

To promote Salt & Shakes, we will begin by running advertisements on various online streaming and subscription services. Eventually we will expand to additional advertisement methods as sales grow. We will also have personal social media pages on platforms such as Facebook, Instagram, and TikTok to highlight our menu items and special promotions. We will be spending 5% of our annual sales on advertising, which equates to \$26,315.



Spotify is the most trafficked music streaming platform in the world, with 350 million users and 150 million subscribers (CNN, 2022).

The 200 million users who aren't subscribers but are free users who listen with ads will be our target. Our ads will be sent out to users ages 25 – 45 to fit within our target market. We have chosen the method of advertising Spotify describes as "building awareness with reach", which involves delivering our ads to as many users as possible to raise awareness of our startup. Spotify describes this method to be the best to get a brand or product discovered (Spotify, 2022).

Price

Pricing is based upon a budget you give to Spotify. You tell them how much to spend and they evenly distribute your budget during your time frame.

We will be spending \$8,760 on Spotify ads for 6 months (181 days) beginning one month before opening and ending 5 months after opening.

Price

Pricing is run at a daily cost. We will be spending on average \$48/day and running the ad for 6 months (181 days) for a total advertising cost of \$8,760. Ads will begin one month before opening and run for 5 months after.



Advertising on TikTok is a short video about your company that highlights certain products. 81% of users on TikTok use the app to discover new products and brands, which perfectly fit the description of Salt & Shakes. Additionally, 1 out of every 2 Generation Z users are likely to be inspired to purchase something new while using TikTok. Contrasting a banner ad on a website, video advertisements on TikTok take up 6x more screen space and catch users' eyes (TikTok, 2022). The use of sound within TikTok ads also provides an advantage compared to using a banner ad. We will be targeting an audience of users ages 18 – 35 to play off the greatest number of app users. We will be utilizing paid TikTok ads as well as posting on our personal account for no charge consistently.



Yelp is a consumer response-based service that provides reviews and ratings. Yelp will allow Salt & Shakes to provide a personal connection with potential customers. 90 million people visit Yelp each month, and approximately 50,000 of those visitors either request a service or purchase a product from the businesses found on Yelp (Yelp, 2022). Yelp also allows us to choose a specific target to advertise to. With Yelp, ad impressions are free. We would only pay when consumers click on our ads. The higher the price businesses pay per impression, the higher up the list they will be for search results.

Price

Pricing is based upon a daily cost. We chose to spend an average of 24/day and will only be charged this price whenever someone clicks on our ad. We will have our ads on Yelp year-round, resulting in a total cost of \$8,760.

Mobile App

Salt & Shakes has a mobile app that will serve all our customers' needs. Through our app, users can order from our store, favorite previous orders, and keep track of rewards. Each account will have a rewards system whereupon your 10th order, users will receive a free medium milkshake of their choosing. The app will keep track of rewards for you, automatically updating with the rewards system being built into your account. We modeled our app off current food service apps such as Starbucks and Chipotle. Users' credit cards can be stored in the app to allow for easy and efficient ordering. The app focuses on our favored menu options but will have all options available to order. Upon pickup of orders, customers will scan a QR code presented to them in our app. This QR code will tell us that the customer picked up their order and limits the risk of orders getting stolen. For additional app images and to run through a prototype of the app, see appendix M.

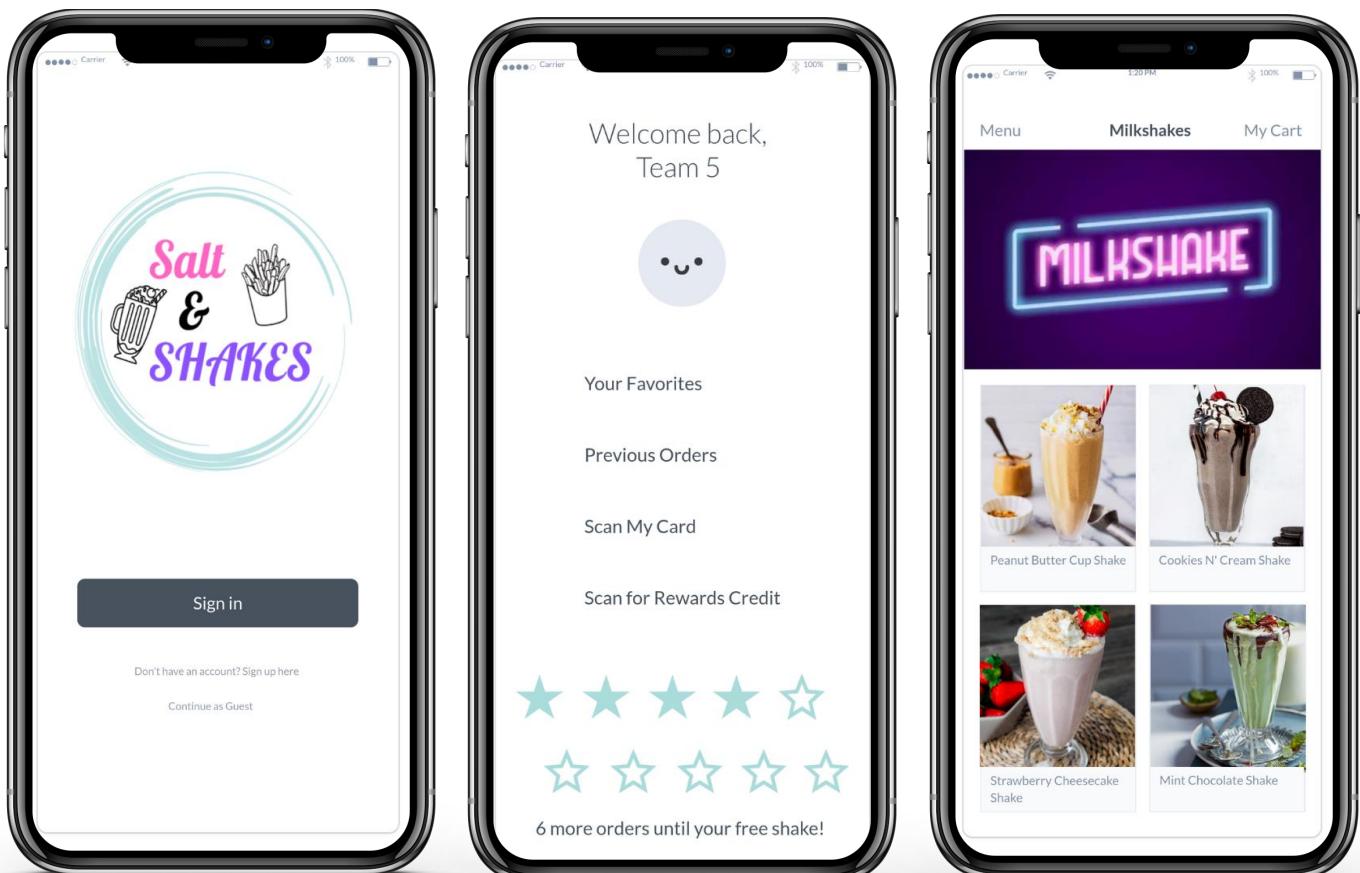


Figure 11: Salt & Shakes App Preview

Functionality of Mobile App

Because of our location in Easton Mall, most of our sales will come from hungry shoppers looking for a snack. We designed the app to allow shoppers to order their delicious treat while they are still shopping and be able to pick up their order without having to waste any shopping time waiting on their food to be ready.





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Point of Sales – POS

When starting up Salt & Shakes, the point of sale (POS) system is one of the most important tools to utilize. A POS system allows us to generate sales, making the checkout process as easy as possible. Square Online will serve as a platform to run the entire business. Square Online is able to track inventory, generate future sales, and customer trends with purchasing particular items. With their inventory management, it will help with orders and items that will need to be filled. We will be paying 2.9% of the cost with an additional \$0.30 per sale (Square Online, 2020).



Figure 12: Square POS Kit Image



Employee Payroll and Human Resources

Establishing a fixed structure that provides an ease to the monetary structure of the company as well as employee benefits is essential. Gusto provides the ability to create employee profiles and self-service, as well as lay a system for employee benefits and Human Resources. Unique to Gusto Plus is the needed addition of full support with advanced hiring, employee time tracking, and team management skills. Gusto costs \$60/month with an additional \$9/month per employee. For Salt & Shake's 12 employees, Gusto will cost \$168/month or \$2,016 per year and offers the much-needed human resources and employee benefits to make Salt & Shakes organized on a structural level. (Gusto, 2022)

More information about technology in Appendix O



Management Structure

Salt & Shakes management structure will be comprised of four major components that can be seen below in figure 13. We set it up in this manner so if needed in the future, as we expand there is plenty of room for added management. We thought this would be a good starting place as there aren't too many employees, and everyone knows who to report to. Having a smaller management structure will help us focus on employee excellence, connect with our customers and make the highest quality product.

Employment Structure

The management structure for Salt & Shakes, in total, will include one general manager, one assistant general manager, two shift leads, and eight team members. During every shift, there will be two team members and one manager on the clock. This will allow one higher upper position to be present to manage the couple employees working. The manager will be responsible for ordering the inventory and will focus on running our business successfully through leading our employees. They also need to have a driven business mindset since we're a new business, finding ways to grow and develop is critical for future expansion. The employees that work at our store will work directly under the managers to make our menu items requested by our customer.

Figure 13: Management Structure



Employee Compensation

In chart 7 the compensation for each employee is broken down by how many employees, the hours per week, salary and hourly wage, and benefits we plan on including. We kept these numbers competitive and based them off surrounding Columbus employer numbers by looking on Indeed and Statista.

Chart 7: Employee Compensation

	General Manager	Assistant General Manager	Shift Leader	Crew Member
# Hired	1	1	2	8
Hours per Week	50	40	27	20
Hourly Wage	\$20	\$17	\$14	\$11
Salary	\$52,000	\$35,360	\$19,656	\$11,440
Benefits*	\$5,320	\$3,800	N/A	N/A
Total Expense	\$52,320	\$39,160	\$39,312	\$91,520

* Benefits include 401k, paid time off, and health insurance

More Employee Compensation Breakdown in Appendix P

Medicare & Taxes \$30,459.81

Total \$257,771.81

(Indeed, 2022) and (Statista, 2022)



Financial Projections

Startup costs are expenses that are incurred during the process of opening Salt & Shakes. When creating and developing this new business idea, there are many different components that will go into having a successful opening. We have decided to break it down into different categories which include, rent of the building, machines/equipment, inventory, cost of goods, and salaries for wage.

Major Start-Up Costs

Inventory	Price	Initial Purchase/Restock	Total Cost
Soft Serve Vanilla Mix (4 gallons per case)	\$ 60.00	16 gallons (4:4 gallon cases)	\$ 240.00
Soft Serve Choco. Mix (4 gallons per case)	\$ 60.00	16 gallons (4:4 gallon cases)	\$ 240.00
Crinkle Cut French Fries (30 lb. per case)	\$ 49.00	120 pounds (4:30 pound cases)	\$ 196.00
Milkshake Straws (9,600 ct. per case)	\$ 123.00	9,600 straws (1 case)	\$ 123.00
Forks (1,000 ct./case)	\$ 9.00	2,000 forks (2 cases)	\$ 18.00
Spoons (1,000 ct./case)	\$ 9.00	2,000 spoons (2 cases)	\$ 18.00
Napkins (8,000 ct./case)	\$ 28.00	8,000 napkins (1 case)	\$ 28.00
Shake Lids *lids fit all sizes* (1,000 ct./case)	\$ 44.00	6,000 lids (6 cases)	\$ 264.00
<u>Shake Cups</u>			
Small 9 oz. (1,000 ct./case)	\$ 68.00	2,000 small cups (2 cases)	\$ 136.00
Medium 16 oz. (1,000 ct./case)	\$ 70.00	2,000 medium cups (2 cases)	\$ 140.00
Large 24 oz. (600 ct./case)	\$ 63.00	1,800 cups (3 cases)	\$ 189.00
Drink Carrier (200 ct./case)	\$ 58.00	400 carriers (2 cases)	\$ 116.00
<u>Fry Containers</u>			
Regular 5.5 oz. (1,000 ct./case)	\$ 65.00	3,000 containers (3 cases)	\$ 195.00
Large 7.5 oz. (1,000 ct./case)	\$ 68.00	3,000 containers (3 cases)	\$ 204.00
Paper Bags (500 ct./bundle)	\$ 12.00	5,000 bags (10 bundles)	\$ 120.00
Sauce Total *			\$ 626.00
Flavors Total *			\$ 1,745.00
Sauce Pumps for Syrups	\$ 10.00	2 pumps for choc. & caramel sauce	\$ 20.00
Equipment		How Many We Need to Buy Initially	
Commercial Floor Deep Fryer	\$ 1,800.00	2	\$ 3,600.00
Industrial Size Fridge	\$ 2,550.00	1	\$ 2,550.00
Industrial Size Freezer	\$ 2,900.00	2	\$ 5,800.00
Electric Food Warmer	\$ 90.00	2	\$ 180.00
Electric Topping Warmer	\$ 115.00	1	\$ 115.00
Ice Cream Dispenser	\$ 13,346.00	1	\$ 13,346.00
Blenders	\$ 250.00	5	\$ 1,250.00
Square POS	\$ 1,188.00	1	\$ 1,188.00
<u>Other Costs</u>			
Estimated Rent per month *	\$ 2,000.00	1 month	\$ 2,000.00
Gusto per month	\$ 168.00	1 month	\$ 168.00
Door Dash (16.5% of all revenue on orders)			
TOTAL =			\$ 34,815.00

(WebstaurantStore, 2022)

* More Detailed Breakdown in Appendix Q

Chart 8



Financial Projections (Cont.)

Revenue Streams

Salt & Shakes will gain revenue through two different products that we will sell to customers. With the limited product breadth, only selling fries and shakes, we will still be able to attract customers with our product depth. Customers will be able to choose from a variety of options to make their experience and product more customizable to their liking. We plan to increase our revenue by including combos and weekly special items, as well as our traditional menu items.

Combos

We plan to offer combos to appeal to a variety of customers. We will suggest a pairing of fries and a milkshake that we believe compliment each other. This will encourage customers to spend more at our establishment and in turn, bring in more revenue with this choice.

Regular Combo ----- \$9.00

*Regular Fry and Medium Shake

Large Combo ----- \$10.00

*Large Fry and Large Shake

Weekly Fry Specials

Weekly fry specials will entice new or existing customers and attract them to our store. The newness surrounding our specialty fries will have them coming into our store just to try something different that hasn't been offered yet. We plan to promote this on our social media platforms.

Regular Seasoned Fry ----- \$4.25

Large Seasoned Fry ----- \$4.75

*Upgrade to fry of the week for no additional cost

Feasibility Analysis

Pro Forma Income Statement

(\$)	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	526,296	553,768	582,675	613,091	645,094
Cost of Goods Sold	143,235	150,712	158,579	166,857	175,567
Gross Profit	383,061	403,056	424,096	446,234	469,527
SG&A	287,291	287,476	288,922	290,442	292,043
Depreciation Expense	4,872	4,872	4,872	4,872	4,872
EBIT	90,898	110,708	130,302	150,919	172,613
Taxes	6,563	7,993	9,408	10,896	12,463
Net Income	84,335	102,715	120,895	140,023	160,150

Project Decision Criteria

Payback Period (years)	1.40
Net Present Value (\$)	1,193,624
IRR (%)	49.50%
Decision	ACCEPT

Our Estimated Expenses and Projected First Year Revenue are broken down in Appendix S



Pricing Structure

Price Reasoning

Deciding on a pricing structure, we were able to finalize our prices shown in the table below because we wanted our price to represent our product quality and time put in by our employees but also wanted to keep it reasonable.

We considered the prices of nearby competitors also located in Easton to set a fair price that will still attract customers. To remain profitable, we needed to make a decent profit margin back on each item we will sell. To do this, we first broke down the cost of each inventory item we will use in the process of making our two individual products. Then, once we figured out how much each item will cost us to make, we marked up the price to make that money back and more so we can continue to operate and pay our employees a fair wage.

Chart 9: Comparison Prices

	Fries	Shakes
Five Guys	\$6.09 (R) \$7.69 (L)	\$5.49 (one size)
Shake Shack	\$3.19 (one size)	\$5.69 (one size)
Graeter's	N/A	\$7.00 (R) \$7.50 (L)
Salt & Shakes *	\$3.50 (R) \$4.00 (L)	\$5.50 (S) \$6.00 (M)
Seasoned Fries →	\$4.25 Fry of the Week (R) \$4.75 Fry of the Week (L)	\$6.50 (L)

* More Detailed Breakdown in Appendix R

We figured out what we should charge the items that would still lead us to gain profitability but would also be reasonable based on other food chain competitors located in our area. Since a food place like ours doesn't exist yet, it was difficult to know what would be attractive pricing to bring new customers into our new business since our competitors have other food items, they offer that we do not and vice versa.

Profit Margins

Profit margin is found by dividing revenue minus expenses by revenue. This was challenging to calculate as there is not any evidence pointing to an amount of revenue or profit. However, we found the profit margin regarding our menu with combos, shakes, and fries. We did this by dividing the selling price of our menu items divided by the amount of profit we're making on each product to find the profit margin percentage. This is broken down in Appendix R.

Chart 10: Profit Margins for Products

	Regular	Large
Combos	70%	62%
Shakes	66%	53%
Fries	81%	78%

Since we have a variety of different ingredients to mix-in our classic and premium shakes and seasoning to sprinkle on our fries, it was difficult to come to an average cost of producing each shake and then turning that around and estimating our profit margins.



Conclusion

Key Takeaways

Salt & Shakes is considered a part of the ice cream industry, but its main competitors and information are based on the coffee and snack shop industry. This industry has had rapid expansion, and profitability is expected to increase. Salt & Shakes is considered a part of this industry because it is in a mall where hungry shoppers can buy fresh crinkle-cut fries and delicious milkshakes to satisfy their sweet and salty cravings.

The Consumer

Salt & Shakes targets common mall shoppers with a specific desire to consume ice cream as a snack/dessert. With an especially high-income demographic, Salt & Shakes offers the ability to combine high-quality and easily accessible snacks to mall shoppers, which makes it unique to other mall-front food stores. An important thing for businesses to consider is how they can interact with consumers. With the creation of our app, email, and social media accounts, consumers will be able to order online, see their rewards, and provide feedback to Salt & Shakes.

Advertising Strategy

Salt & Shakes plans to advertise online at the start. Online advertisements will be targeted towards our audience's age demographic of millennials as well as individuals who are in college and will be shopping with their friends. TikTok is used more by the younger demographic choice, so our ads on this platform will target to them. Our ads on Spotify will target the millennials listening to music in the Columbus area. Yelp will not only help us advertise to our primary target market, but it will also help us reach beyond our target and advertise to the general public looking for a snack.

Financials

When estimating cost projections, our team was able to identify companies that have similar expenses to base the needs for starting up. Our major start-up costs included the inventory, equipment, technology, and renting. From there we found how much we needed to initially purchase so we can have a successful grand opening. Additionally, we looked at our financial projections from a yearly perspective, so we calculated how often we would need to restock the inventory and how much of it would be needed. We were able to calculate many different variables including our revenue, profit, and profit margin percentage. From these numbers, Salt & Shakes will be positively making income and our profit margin is over slightly over 50%. The future of Salt & Shakes is looking profitable based on our estimated calculations.



Figure 14: Salt & Shakes Logo



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The menu is designed with a black background and white text. It features several sections with illustrations:

- SALT & SHAKES**: Features a large illustration of a salt shaker on the left.
- SHAKE BASES**: Includes options for Vanilla and Chocolate, with sizes Small, Medium, and Large.
- CLASSIC CHOICES**: Lists Cookies n' Creme, Peanut Butter Cup, Hot Fudge Sundae, Mint Chocolate, Butterfinger, and Strawberry.
- PREMIUM SHAKES**: Lists Banana Split, Salted Caramel, Cake Batter, Strawberry Cheesecake, Peanut Butter Marshmallow, and Hazelnut.
- SEASONAL FAVORITES**: Lists Peppermint, Peppermint Mocha, Gingerbread, and Eggnog.
- CRINKLE-CUT FRIES**: Lists Regular Fry of the Week, Large Fry of the Week, and sizes Regular, Medium, and Large.
- COMBO OFFERS**: Lists Regular \$9.00* and Large \$10.00*.
- FRY OF THE WEEK**: Shows an illustration of a milkshake.

*Upgrade to Fry of the Week for no additional charge

Figure 15: Mockup Menu



Appendix B - Building Mockup

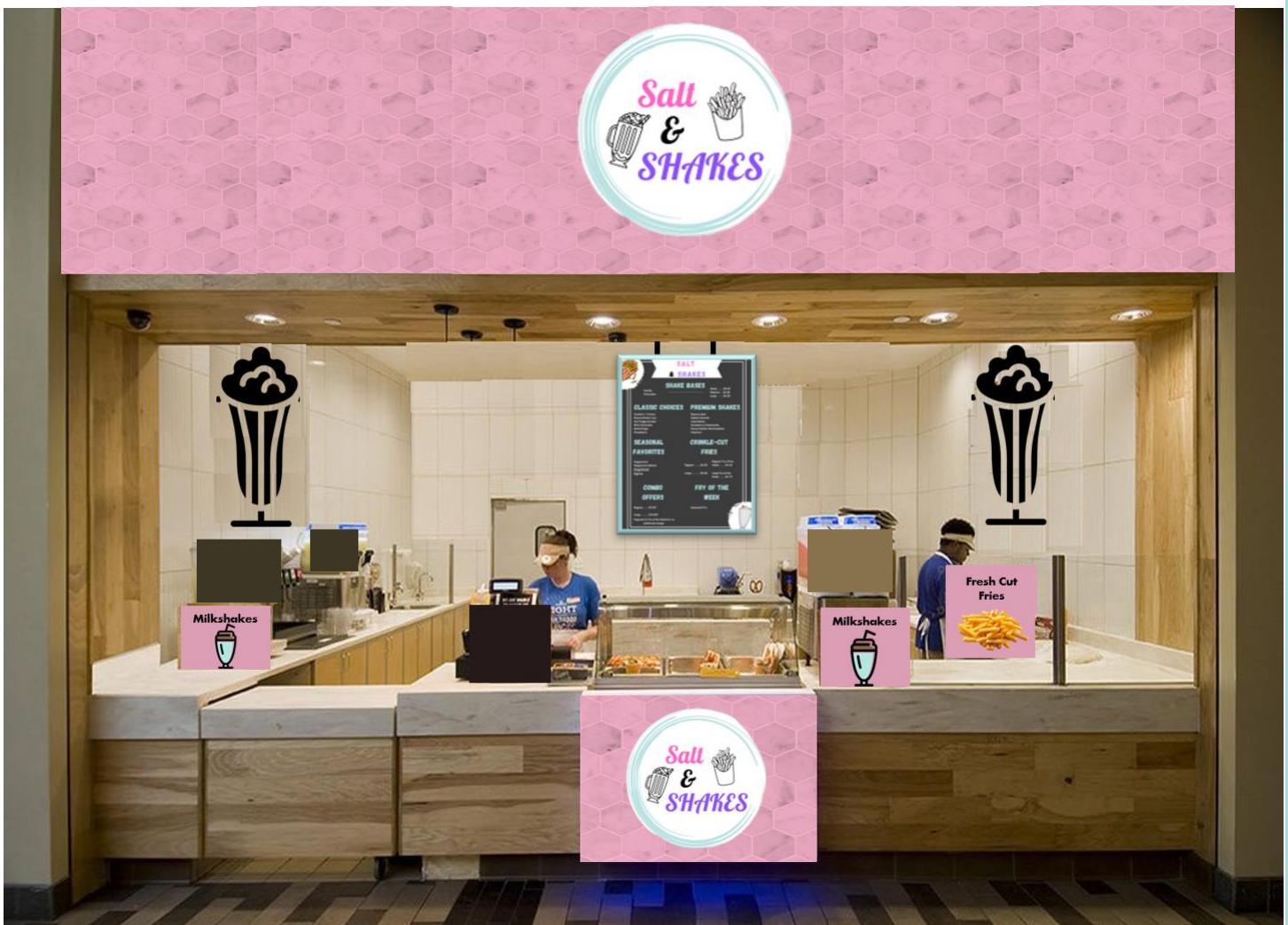


Figure 16: Building Mockup



Appendix C - Positioning Pyramid

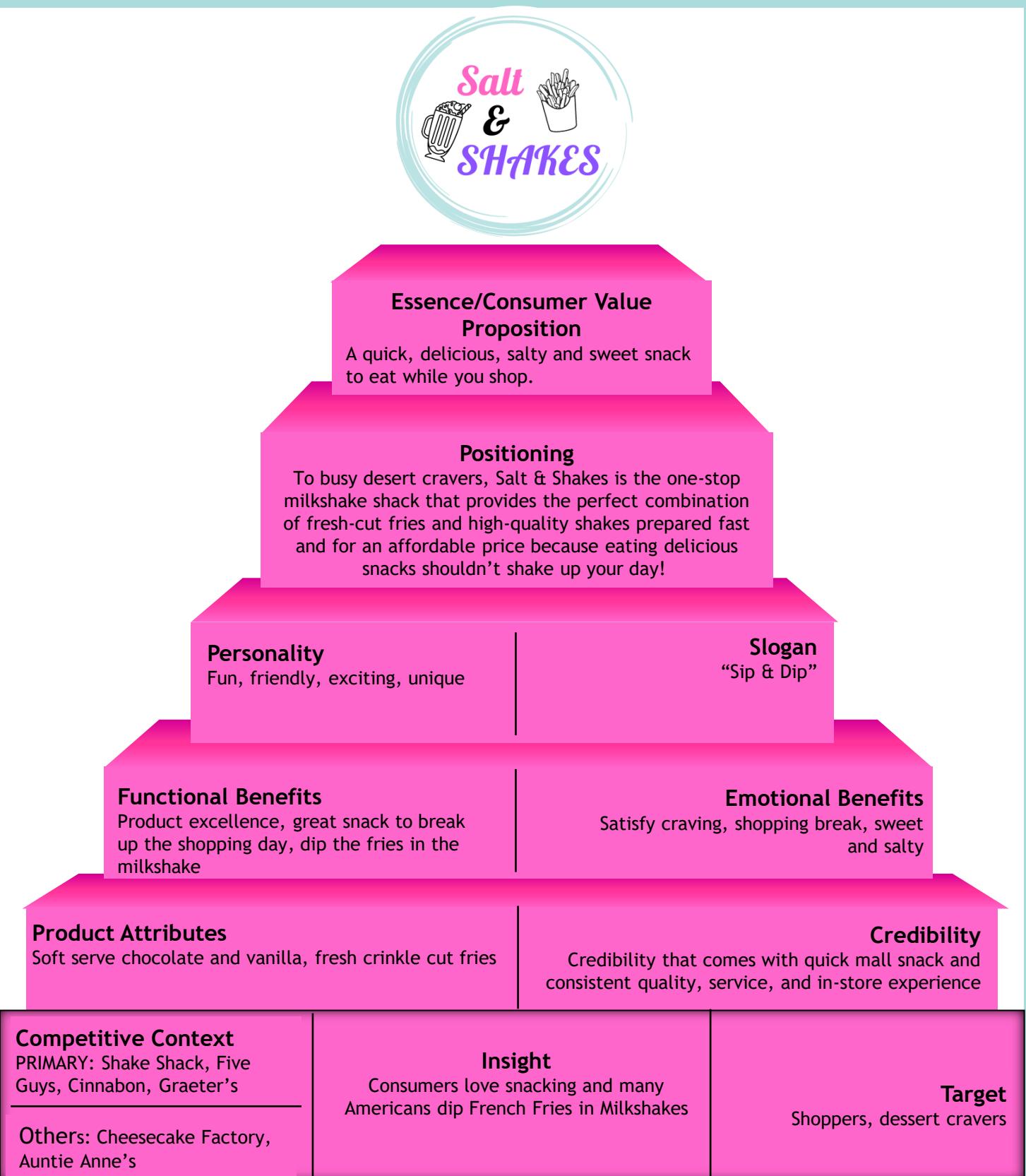


Figure 17: Positioning Pyramid



Chart 11: Basic Concept Format

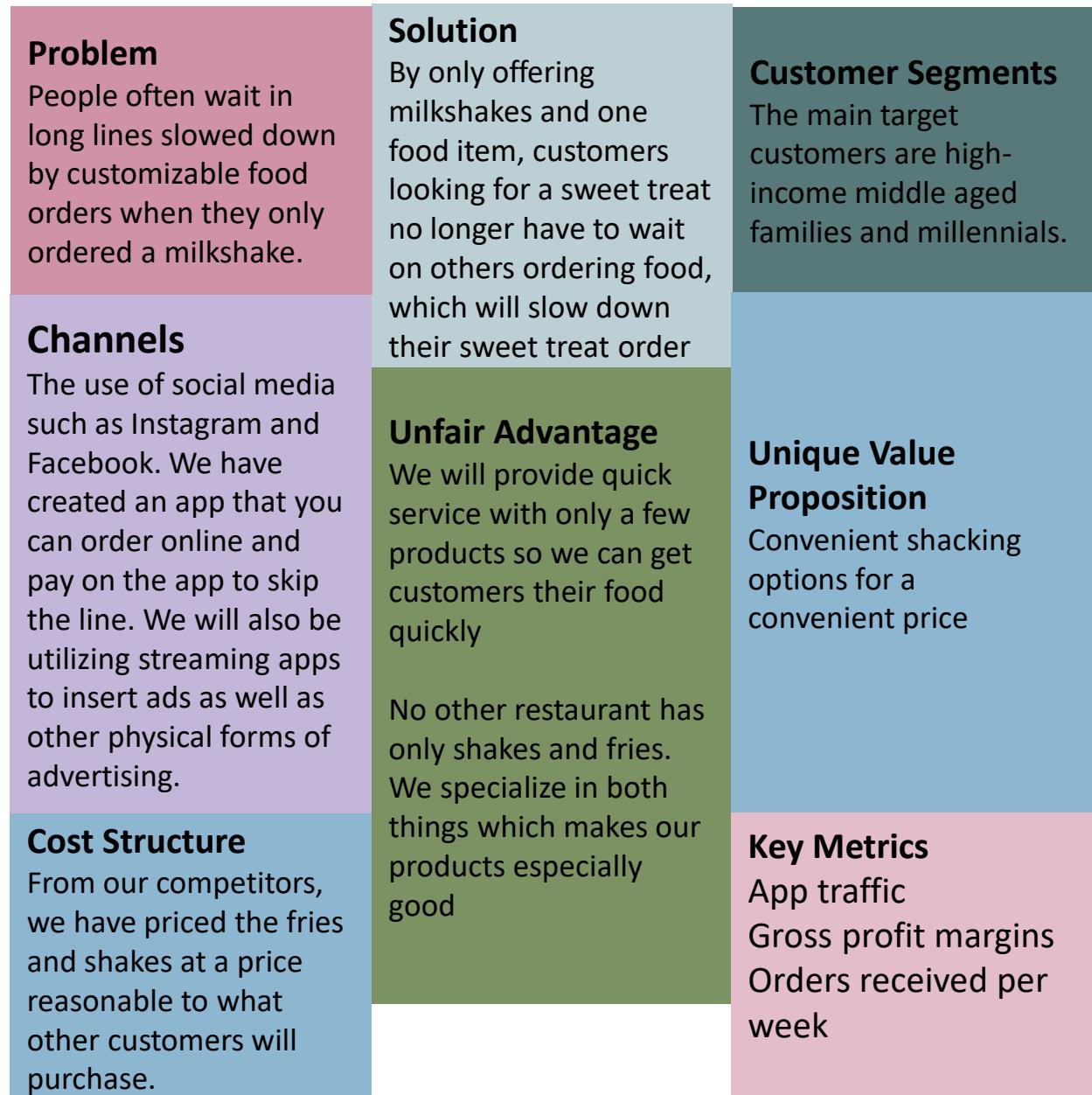
Salt & Shakes	Accepted Consumer Belief
<ul style="list-style-type: none">The snack shack model will create speedy service and get consumers back to their shopping. The combination of shakes and fries gives consumers a salt and sweet treat.	<ul style="list-style-type: none">While shopping, consumers like to take a break and enjoy a delicious snack.
Consumer Benefit	Product Description
<ul style="list-style-type: none">A quick snack that focuses on the sweet and salty lovers.A unique combination that satisfies a shopper's cravings.	<ul style="list-style-type: none">Soft serve chocolate and vanillaFresh crinkle cut fries for maximum "scoopability"Fries sizes regular and largeMilkshake are small, medium and large

.....

Industry Information Salt & Shakes Target Analysis Competitors Advertising & Promotions Technology Finances Appendices

Appendix E - Lean Canvas Model

Figure 18: Lean Canvas Model



Appendix F - Information Systems Needs

Figure 19: SWOT Analysis



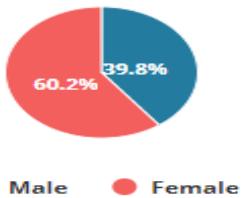
Appendix G - Target Audience Demographics

Chart 12: Target Audience Demographics

Demographic Profile

Base Name	Sample	Weighted (000)	Percentage
All Adults	24,804	246,456	100%
Target Name	Sample	Weighted (000)	Percentage
RETAIL SHOPPING SEGMENTATION: MALL MANIACS AND ICE CREAM & SHERB...	2,177	21,129	8.573%

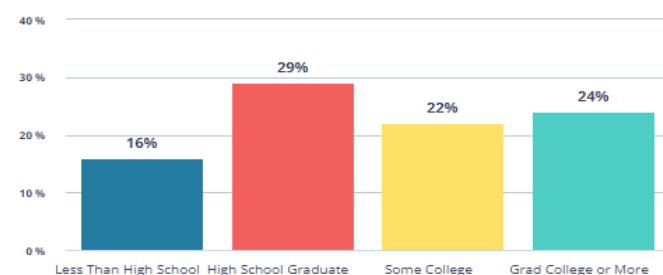
Gender



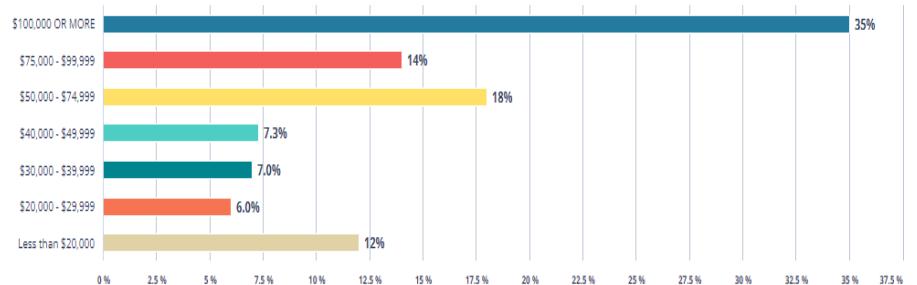
General Statistics

● Median Household Income	\$74,917
● Median Age	41.3
● Employed (Full or Part-Time)	61%
● Married	48%
● Children in Household	44%
● Homeowners	60%

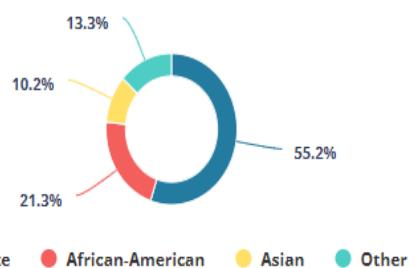
Education



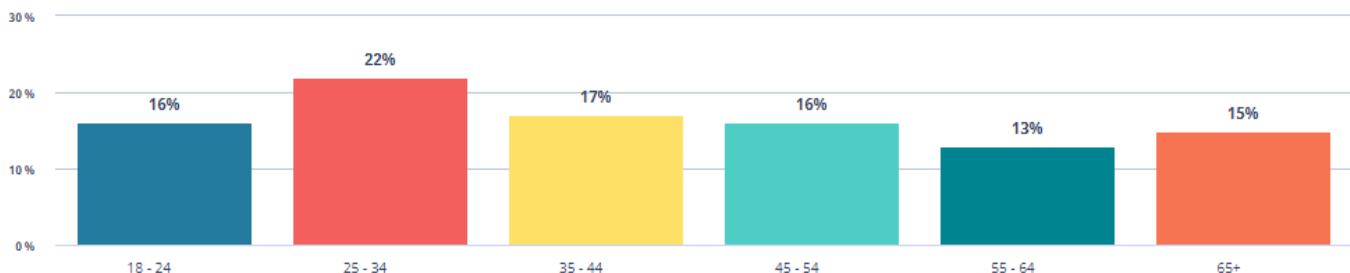
Household Income



Race



Age



Appendix H – Easton Demographics

Chart 13: Easton Demographics

DEMOGRAPHICS

DATA - 2023 PROJECTIONS	5 MILE	10 MILE	15 MILE	20 MILE
POPULATION	280,587	961,608	1,534,249	1,693,712
TOTAL DAYTIME EMPLOYMENT	145,778	579,726	821,009	863,930
HOUSEHOLDS	116,491	405,906	623,949	681,399
AVERAGE HOUSEHOLD INCOME	\$74,278	\$86,510	\$89,327	\$90,719
HOUSEHOLDS WITH AN INCOME ABOVE \$75,000	39,401	157,430	255,040	284,446
HOUSEHOLDS WITH AN INCOME ABOVE \$100,000	22,339	98,042	158,685	177,902



Appendix I - Target Audience Blueprint

Chart 14: Target Audience Blueprint

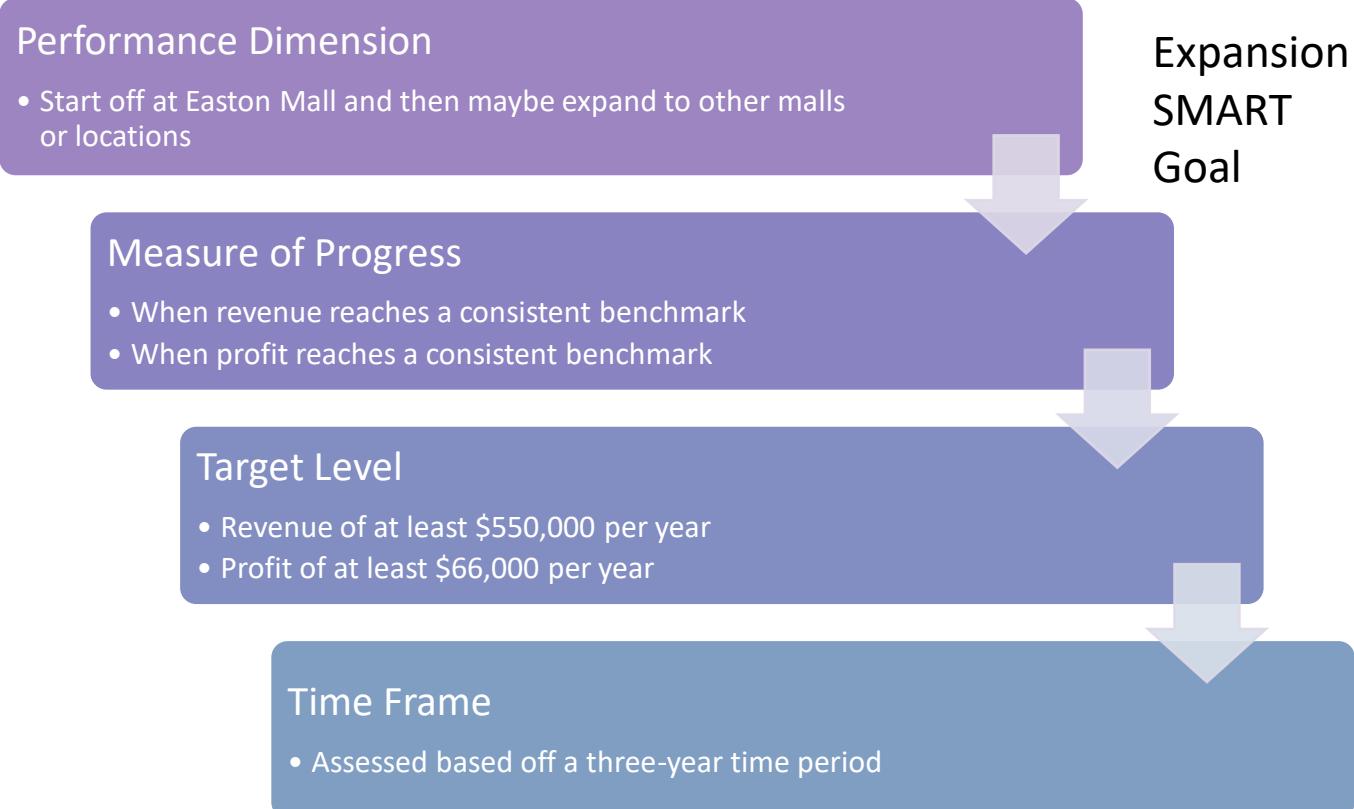
	GENERAL	SPECIFIC
OBSERVED MEASURES	DEMOGRAPHICS	BEHAVIOR
	<ul style="list-style-type: none">■ Younger to middle aged consumers■ Majority Male customers■ People looking for something quick and simple	<ul style="list-style-type: none">■ High limited-service consumption■ Regularly eats ice cream■ Looking for something, simple, easy, and cheap
INFERRRED MEASURES	LIFESTYLE	ATTITUDES
	<ul style="list-style-type: none">■ Busy always on the move■ Wants an easy snack■ Interested in customization that is simple and easy	<ul style="list-style-type: none">■ Looking to explore a new milkshake flavors■ Needs something fast and on the go■ Wants a milkshake but likes variety flavors combined with fries



Appendix J - SMART Goal for Expansion



Figure 20: Two SMART Goals



Appendix K - Information Systems Needs

Business Category	Business Process	Information System(s)	Measures and Metrics	Considerations and Risks
Marketing	Mock Advertisements	Canva, PowerPoint	Reach, Conversion Rates, Frequency	High advertisement cost, low new customer pull leading to loss of profit, low conversion rates.
Sales	Mobile Delivery: DoorDash	Doordash app	Relay customer orders to Salt & Shakes	Doordash has fees, drivers, meltability.
Sales	Customer payment	Square	Total of customer payments	Lag sometimes, price is risky, not great for high volume transactions.
Marketing	Customer Targeting and Advertising	Social media	Number of clicks on an Ad, number of followers	Social media can be a risk because hacking and also consumers don't interact too much with social media accounts.
Sales	Customer Satisfaction Feedback	Company Website, Receipts, Google Analytics	1-10 Satisfaction Rating Scales	Feedback could be really bad and hurt the business.
Sales	App with Mobile ordering	Company App	Uses sales tracking and order processing	Software can't handle usage, Pricing with app stores. Malfunctions in transactions.
Sales	Loyalty Program	Company App	Purchase History on a per product basis	Risk of low participation from consumers.
Sales	Loyalty Emails	Email	Clicks, reach, frequency, conversion rates	Low conversion rates and engagement with constant emails. Customers want deals and are more willing to engage with less frequent emails containing incentives.
Operations	Employee Payroll	Gusto	Work hours, Per employee pay rate	Employee integrity of reporting hours, consider a clock in/clock out system but also has risks of forgetful employees.
Supply Chain	Inventory	Square	Easily import, track, and manage inventory and keep tabs on stock levels. Also reports insights on sales, customer, inventory, and employee data.	Not buying enough, buying too much.

Chart 15: Information Systems Needs



Appendix L - Presence Mapping

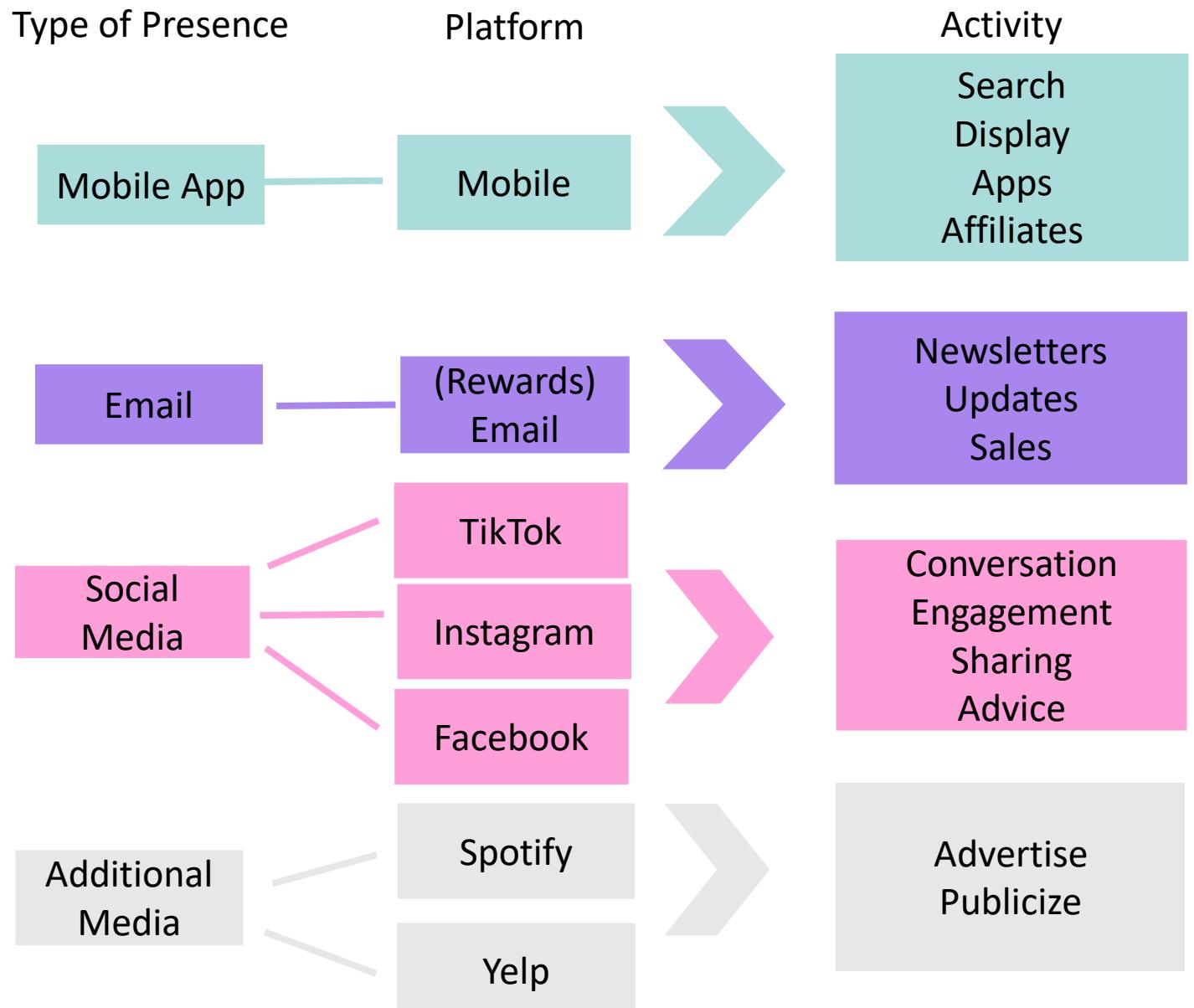


Figure 21: Presence Mapping

Appendix M – App Tour

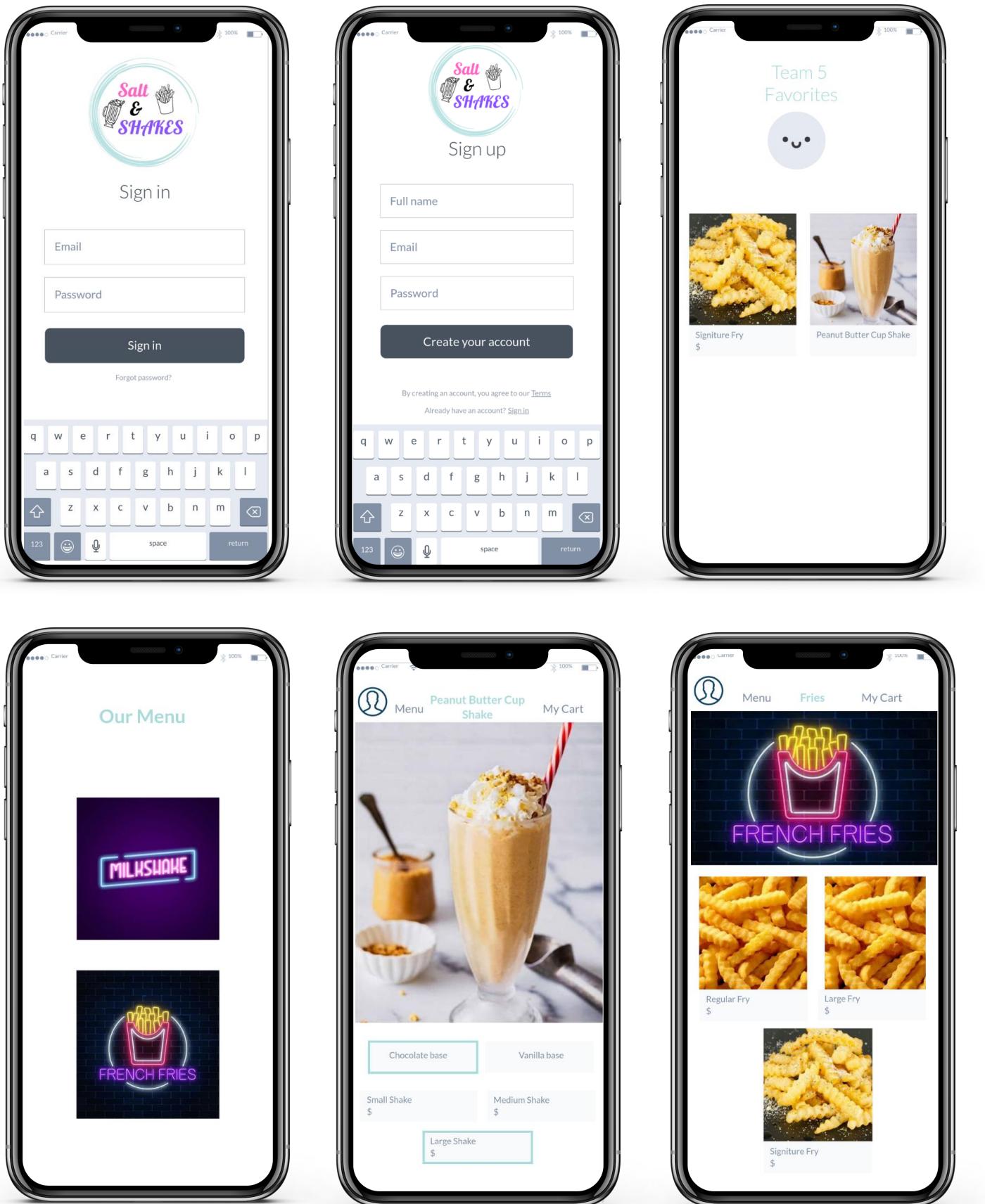


Figure 22: App Tour



Appendix M (Cont.) – App Tour

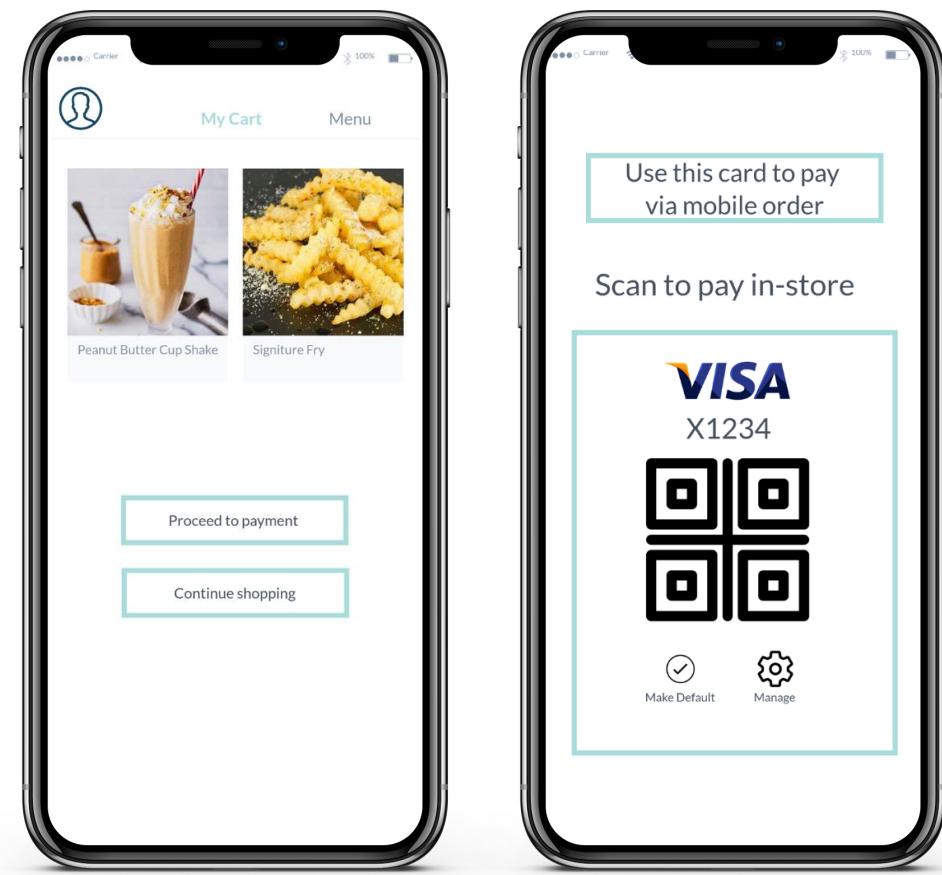


Figure 23: App Tour Cont.

[Salt & Shakes – Image 1](#)
[\(marvelapp.com\)](#)

Appendix N - Consumer Interaction

Figure 24: Salt & Shakes Email Example



Salt & Shakes Customer Feedback (google.com)

Figure 25: Salt & Shakes Customer Feedback

Salt & Shakes Customer Feedback

Thank you for taking the time to help out your favorite snack stand! Don't forget to follow us on Instagram, Facebook, and TikTok to continue spreading the love!

dancergirlmd@gmail.com (not shared) [Switch account](#)

* Required

How would you rate your overall experience? *

Very Satisfied
 Satisfied
 Neutral
 Slightly Dissatisfied
 Dissatisfied

How would you rate the taste of your order? *

1 2 3 4 5 6 7 8 9 10
Unpleasant The Best Ever!

How would you rate the speed of your experience? *

Very Satisfied
 Satisfied
 Neutral
 Slightly Dissatisfied
 Dissatisfied

How would you rate the cleanliness of your experience? *

Very Satisfied
 Satisfied
 Neutral
 Slightly Dissatisfied
 Dissatisfied

How likely are you to return to a Salt & Shakes? *

Very Likely
 Likely
 Slightly Likely
 Neutral
 Not Likely



Appendix O- Technology Utilized by the Company

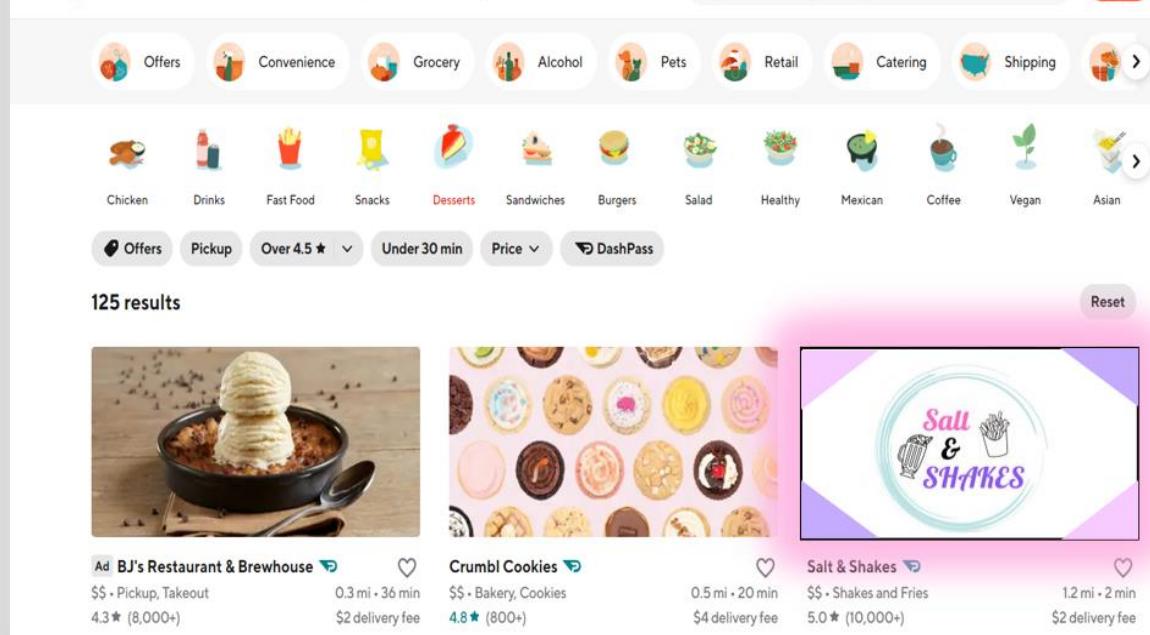
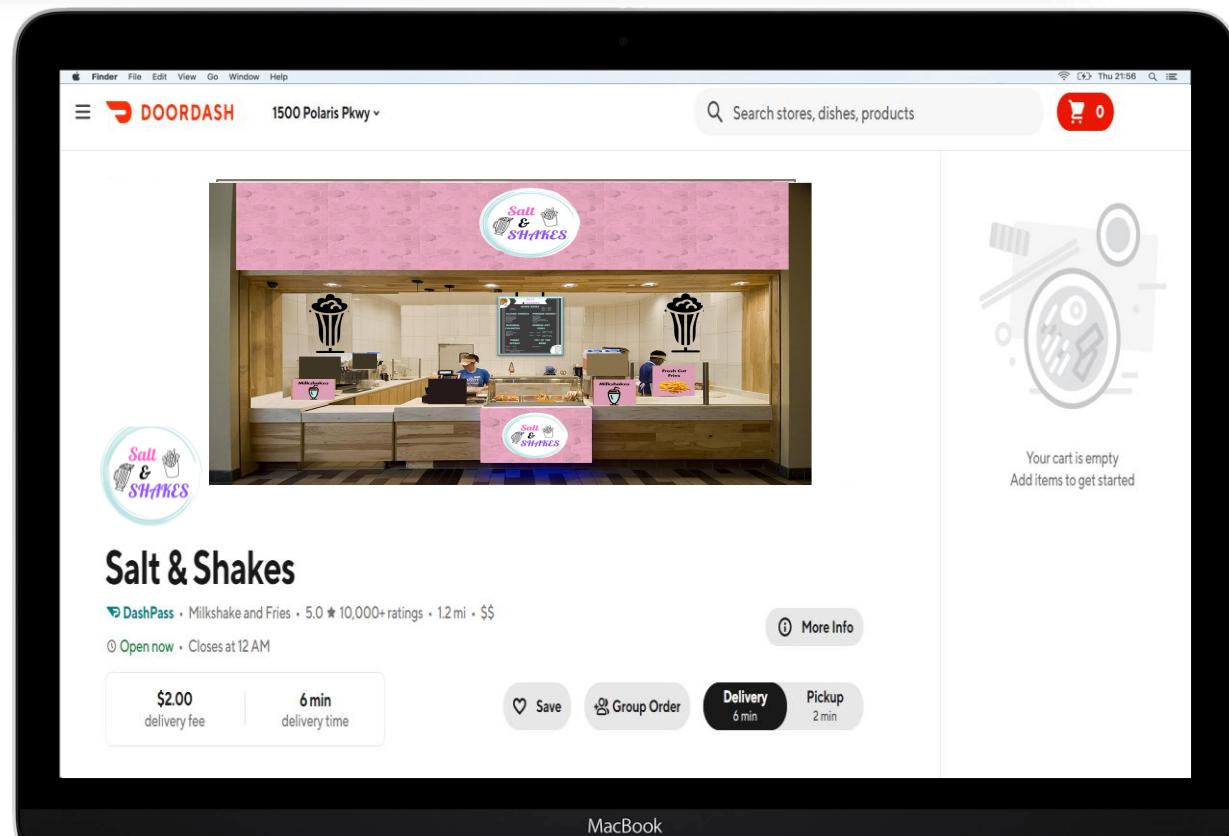


Figure 26: DoorDash Mockup



Appendix O (Cont.) - Technology Utilized by the Company

Figure 27: Gusto Payroll

The screenshot shows the Gusto Payroll software interface. On the left, there's a sidebar with various menu items like Dashboard, People, Run Payroll (which is selected), Pay Contractors, Time Tracking, Time Off, Benefits, Stay Connected, Team Insights, Reports, Company Details, References, Documents, Settings, Help, and Upgrade. The main area is titled "Run Payroll" and has four tabs: 1. Hours, 2. Time-Off, 3. Payroll, and 4. Customization. Below the tabs, it says "Double check hours and pay." and lists three employees with their hours worked and additional earnings. To the right, a large pop-up message says "Jessica You just got paid by Acme Company!" with a "gusto" logo and "Happy payday!". It also shows a breakdown of the paycheck amount: Net pay \$1,201.00 (91.9%), Federal taxes \$275.50 (7.6%), State taxes \$25.00 (0.9%), and Gross pay \$1,360.50 (100.0%). It also displays metrics: 70 tip/receipts, 12 refunds, and 0 double time.

Figure 28: Square Kit Information

In stock · Free and expedited shipping available

@Rest Stand for iPad mini 2 Kit

\$659.00

with Square Reader for contactless and chip, cash drawer, receipt printer and paper

Would you like to add an iPad?

No, I already have an iPad

Yes, add iPad mini (5th generation) 64GB Wi-Fi + Cellular Space Gray +\$529.00

- | 1 | + Add to cart • \$1,188.00

Free shipping (3-4 business days)
Expedited shipping (1-2 business days)
All shipping is carbon-neutral.

A complete countertop point-of-sale kit great for the iPad mini.



Appendix P- Employment Breakdown

Chart 16: Employment Breakdown

	General Manager	Assistant General Manager	Shift Leader	Crew Member
# Hired	1	1	2	8
Hours Per Week	50	40	27	20
Hourly Wage	\$ 20	\$ 17	\$ 14	\$ 11
Salary	\$ 52,000	\$ 35,360	\$ 19,656	\$ 11,440
Benefits	\$ 5,320	\$ 3,800	-	-
Total Expenses	\$ 57,320	\$ 39,160	\$ 39,312	\$ 91,520
		Medicare & Taxes	\$ 30,459.81	
		Total Employee Expenses & Taxes	\$ 257,771.81	

Total Employee Expenses \$ 227,312

Medicare Tax	1.45%
Social Security Tax	6.20%
Ohio Unemployment Tax	5.75%

Working Weeks 52

Medicare Calculation = Total Employee Expenses * 1.45%
 $227,312 * .0145 = \$3,296.02$

Social Security Calculation = Total Employee Expenses * 6.20%
 $227,312 * .062 = \$14,093.35$

Ohio Unemployment Calculation = Total Employee Expense * 5.75%

Medicare & Taxes Calculation

$\$3,296.02 + \$14,093.35 + \$13,070.44 = \$30,459.81$

Total Employee Expenses & Taxes Calculation

$\$227,312 + \$30,459.81 = \$257,771.81$

* Benefits include 401k, paid time off, and health insurance



Appendix Q – Start-Up Cost Breakdown

Chart 17: Start-Up Cost Breakdown

Flavor Cost Breakdown

Flavors	Price	Initial Purchase/Restock	Total Cost
Crushed Cookies & Crème (30 lb. each)	\$ 83.00	2 cases (60 lb.)	\$ 166.00
Peanut Butter Cups (30 lb. each)	\$ 123.00	2 cases (60 lb.)	\$ 246.00
Hot Fudge (8 lb. can)	\$ 28.00	6 cans (48 lb.)	\$ 168.00
Mint Syrup (1 gallon)	\$ 41.00	3 cases (3 gallons)	\$ 123.00
Chocolate Sauce (1 bottle = 64 fl. oz.)	\$ 15.00	6 cases (384 fl. oz.)	\$ 90.00
Strawberry Puree (115 oz./case)	\$ 66.00	3 cases (345 oz.)	\$ 198.00
Butterfinger (25 lb. each)	\$ 88.00	3 cases (75 lb.)	\$ 264.00
Bananas (40 lb. = about 40 bananas)	\$ 28.00	1 case (about 40 bananas)	\$ 28.00
Salted Caramel Sauce (1 bottle = 64 fl. oz.)	\$ 17.00	6 bottles (384 fl. oz.)	\$ 102.00
Cake Batter Syrup (1 bottle = 750 mL)	\$ 7.00	4 bottles (101.5 fl. oz.)	\$ 28.00
Cheesecake Syrup (1 bottle = 750 mL)	\$ 7.00	6 bottles (152 fl. oz.)	\$ 42.00
Peanut Butter (24 lb. per case)	\$ 61.00	1 case (24 lb.)	\$ 61.00
Marshmallow Fluff (17 lb.)	\$ 37.00	1 case (17 lb.)	\$ 37.00
Hazelnut Syrup (1 bottle = 750 mL)	\$ 6.00	6 bottles (152 fl. oz.)	\$ 36.00
Whipped Cream (12 bottle/case)	\$ 46.00	2 cases (24 bottles)	\$ 92.00
Cherries (4 gallons/case)	\$ 64.00	1 case (4 gallons)	\$ 64.00
TOTAL =			\$ 1,745.00

Sauce Cost Breakdown

Sauce Packets			
Ketchup (1000 ct./case)	\$ 50.00	5,000 packets (5 cases)	\$ 250.00
Ranch (100 ct./case)	\$ 33.00	300 cups (3 cases)	\$ 99.00
Honey Mustard (100 ct./case)	\$ 38.00	300 cups (3 cases)	\$ 114.00
BBQ (100 ct./case)	\$ 25.00	300 cups (3 cases)	\$ 75.00
Mayo (200 ct./case)	\$ 44.00	400 packets (2 cases)	\$ 88.00
TOTAL =			\$ 626.00

Rent Cost Breakdown

Avg. Estimated Rent ----- \$2,000

The average size of a food court restaurant is about 500 sq ft and the average rent is about \$800 a month. Due to the high-end shopping offered at Easton we believe our rent will be higher than the average.

Easton can't provide an accurate proposal unless there we fill out a specialty leasing application that must be reviewed and evaluated to determine the type of space needed and product being proposed. (Easton, 2022)



Appendix R – Pricing Structure Breakdown

Chart 18: Pricing Structure Breakdown

Combos	Regular	Large
Total Cost to Make	\$ 2.66	\$ 3.84
Price of Combo	\$ 9.00	\$ 10.00
Profit	\$ 6.34	\$ 6.16
Profit Margin	70%	62%

Fries	Regular	Large
Fries	\$ 0.57	\$ 0.77
Container	\$ 0.065	\$ 0.068
Bag	\$ 0.024	\$ 0.024
Total Cost to Make	\$ 0.66	\$ 0.86
Price of Fries	\$ 3.50	\$ 4.00
Profit	\$ 2.84	\$ 3.14
Profit Margin	81%	78%

Shakes	Small	Medium	Large
Mix	\$ 1.06	\$ 1.88	\$ 2.82
Straw	\$ 0.02	\$ 0.02	\$ 0.02
Spoon	\$ 0.01	\$ 0.01	\$ 0.01
Napkins (4)	\$ 0.02	\$ 0.02	\$ 0.02
Lid	\$ 0.04	\$ 0.04	\$ 0.04
Cup	\$ 0.07	\$ 0.07	\$ 0.11
Total Cost to Make	\$ 1.22	\$ 2.04	\$ 3.02
Price of Milkshake	\$ 5.50	\$ 6.00	\$ 6.50
Profit	\$ 4.28	\$ 3.96	\$ 3.48
Profit Margin	78%	66%	53%



Appendix S – Expenses and Project First-Year Revenue Breakdown

Chart 19: Expenses and Project First-Year Revenue Breakdown

Average amount a customer will spend at our store	\$ 5.10
Yearly Expenses	\$ 550,000.00
How many units we need to sell a year to break even	107,843.14
Monthly	8,986.93
Daily	1,506.85
Amount of ppl that will visit our store in a yr.	114,084.51
About how much revenue we'll generate in a yr.	\$ 581,830.99

Total Yearly Expenses	\$ 550,000.00
Total Yearly Revenue	\$ 581,830.99
Total Yearly Profit	\$ 31,830.99
Yearly Profit Margin	52%



Yearly Probit Margin Calculation:
 $(\text{Total Revenue} - \text{COGS}) / \text{Total Revenue}$

$$(\$581,830.99 - \$279,309.00) / \$581,830.99 = 52\%$$

Chart 20: Estimated Traffic Breakdown

Amount of people that visit Easton in a yr.	30,000,000
People stated that they buy something at the food court (almost) every time they visit a mall	27%
Avg, amount of that will buy food at Easton	8,100,000
About 71 food options to pick from at Easton	71
Percentage of people that will choose our store (1 out of 71 chance)	1.408%
Avg, amount of ppl that wil visit our store in a yr.	114,084.51
Number of working days in a year	250
Avg. amount of people that will visit our store a day	456.34



Appendix T – Perceptual Map



Figure 29: Perceptual Map



Appendix U – Mock Instagram Post



Figure 30: Mock Instagram Post



Appendix V – Spotify Advertisement Script

Attention hungry shoppers! Easton Mall has a brand-new snack shack that is fun for all ages...Salt & Shakes! We have the freshest crinkle-cut French fries that pairs perfectly with your new favorite milkshake. Salt & Shakes operates at an affordable price with quick service so you can get back to shopping as quick as possible. Each week we feature a new fry flavoring and provide flavored shakes for all seasons! Sip your shake and dip your fries for the perfect snacking experience.

Salt & Shakes is in the food court area of Easton Mall and is open 7 days a week. Hours of operation vary by day.

Figure 31: Spotify Advertisement Script

