

## DOUGH T.O: A SWEET EXPANSION OPPORTUNITY

*Shivani Pradhan wrote this case under the supervision of Professor Miranda Goode solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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After mixing the last batch of cookie dough for that night, Hana Elali, co-founder and co-owner of DOUGH T.O, put down her spatula. The past two weeks had been some of the busiest the company had ever faced. For Valentine's Day, which had just passed, DOUGH T.O had received more than 300 orders for its signature edible cookie dough products.

Since Hana launched DOUGH T.O with her identical twin sister, Farrah, in June 2017, DOUGH T.O had sold products through both a "pop-up" store model and an online e-commerce site. Now, in early March 2020, Hana wondered what next steps DOUGH T.O should take. Although the pop-up store model enabled DOUGH T.O to test new product flavours frequently and minimize the financial risk of obtaining a long-term lease, it also involved a significant amount of planning. Hana knew that DOUGH T.O's products were nostalgic and had been successful within the Toronto market but wondered what was next. If DOUGH T.O were to expand, what was the best option? She knew that the decision she and Farrah pursued had to pave the way for DOUGH T.O to become a sustainable business.

### THE FOUNDING STORY

From an early age, Hana and Farrah Elali had been interested in consumer goods and business. This interest led them to pursue business degrees from the University of Toronto. After graduation in 2014, Hana wondered whether it was the right time to pursue an entrepreneurial venture. She remembered that throughout the time she had grown up, she had always enjoyed purchasing cookie dough from grocery stores—with no intention of baking it. The cookie dough made the perfect snack for cottage weekends and social occasions with friends. Hana felt that, due to the limited selection of flavours available in grocery stores and people's strong sense of nostalgia toward cookie dough, a business that sold edible cookie dough could be a worthwhile opportunity to pursue after graduation.

However, Hana also felt pressure to pursue a full-time career, so she joined TJX as a buyer for HomeSense. Farrah also joined TJX but as an allocation analyst. Within her role as a buyer, Hana frequently travelled for work and saw a pop-up store in New York City that was selling edible cookie dough. Remembering her ongoing interest in entrepreneurship and cookie dough, Hana called Farrah and said, "We have to bring this to Toronto, and do it our own way."

Three months later, Hana and Farrah opened their first pop-up store in collaboration with a local art gallery. They decided to run the pop-up store for three days a week while both of them worked full-time. Although the sisters had no formal training in food, they researched recipes online and completed the necessary certifications to sell their product. After making several test batches, they developed a core recipe. During the opening weekend, sales were low, and the sisters realized that while the product of edible cookie dough was fun and unique in Toronto, they needed a solid marketing strategy to make the business viable. After the initial pop-up store closed, Hana and Farrah continued to receive questions about when they would pop up again. In their minds, the sisters would pop up again when the time was right.

The timing of their pop-ups was flexible and ranged from one day to seven months. Their longest running pop-up occurred from May to November 2019 on Queen Street West (see Exhibit 1). Eventually, they were asked to cater a wedding, which led DOUGH T.O to launch the catering side of its business. As corporate firms began to express interest in ordering the product for office events and brand launches, DOUGH T.O began to fulfill these orders with custom cups and packaging (see Exhibit 2). Due to continued customer interest, DOUGH T.O also fulfilled orders through its website during seasonal holidays such as Valentine's Day. An ongoing challenge DOUGH T.O faced with online orders was high shipping costs and sustainable packaging that maintained freshness.

## THE CANADIAN BAKED GOODS MARKET

While the baked goods market did not exactly include DOUGH T.O's core product of safe-to-eat cookie dough, consumers considered this industry when searching for a sweet treat. In 2017, the Canadian baked goods market's retail sales achieved US\$5.6 billion,<sup>1</sup> and since 2013 had achieved a compound annual growth rate (CAGR) of 2.2 per cent (see Exhibit 3A). Over the period of 2018–2022, the Canadian baked goods market was projected to grow at a CAGR of 3.4 per cent and achieve US\$6.6 billion in sales in 2022 (see Exhibit 3B).

## CONSUMER TRENDS

According to Mintel survey data, 31 per cent of consumers agreed with the statement "Sweet baked goods make for good snacks," suggesting that portability and simple packaging could be competitive differentiators in this industry<sup>2</sup> and that DOUGH T.O's single-serve scoop format aligned with consumers' consumption preferences. Although Canadians enjoyed eating sweet foods, 12.1 per cent of Canadians were estimated to be diagnosed with diabetes by 2025.<sup>3</sup> While DOUGH T.O did offer vegan and gluten-free options, natural or organic sweetener options might be needed in the future.

Canada was well known as a diverse country with approximately 313,580 people immigrating to Canada in 2019. Mintel survey data found that "37 per cent of consumers agree that they are interested in internationally inspired sweet baked goods."<sup>4</sup> As DOUGH T.O's pop-up model enabled an iterative testing process, the company had a large amount of flexibility to produce batches of new flavours to see which ones resonated with customers.

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<sup>1</sup> All currency in Canadian dollars unless otherwise specified.

<sup>2</sup> "Mintel: Nearly Three Quarters of Canadians Eat Cookies," iN: Ingredients Network.com, July 17, 2017, accessed March 30, 2020, [www.ingredientsnetwork.com/mintel-nearly-three-quarters-of-canadians-eat-news047278.html](http://www.ingredientsnetwork.com/mintel-nearly-three-quarters-of-canadians-eat-news047278.html).

<sup>3</sup> Robyn L. Houlden, "2018 Clinical Practice Guidelines: Introduction," CJD: *Canadian Journal of Diabetes* 42, supp. 1 (2018): S1–S5, accessed March 30, 2020, <https://doi.org/10.1016/j.jcjd.2017.10.001>.

<sup>4</sup> Mintel, *Cookies, Cakes and Sweet Goods Canada, April 2017*, 2017, accessed March 30, 2020, [www.mintel.com/market-reports/wp-content/uploads/2018/10/market-research-report-brochure-cookies-cakes-and-sweet-goods-canada-april-2017.pdf](http://www.mintel.com/market-reports/wp-content/uploads/2018/10/market-research-report-brochure-cookies-cakes-and-sweet-goods-canada-april-2017.pdf).

### For Real Dough<sup>5</sup>

Located in a storefront in Hamilton, Ontario, For Real Dough sold safe-to-eat cookie dough in scoops and jars, paired with soft-serve ice cream, and in the form of stuffed cookies, cookie dough bars, and cookie dough pops. During the winter, For Real Dough closed its storefront. For Real Dough was operated by a husband and wife duo and offered a comprehensive flavour range including unique flavours such as Dunkaroo, Nutella, and Fluffer Nutter. As its interior design was “Instagrammable,” the company rented its storefront for special events.

### Bliss Dough<sup>6</sup>

Located in Guelph, Ontario, Bliss Dough sold safe-to-eat cookie dough in glass jars through a permanent storefront, delivery partners, and specialty grocery stores. Bliss Dough completed local deliveries in the Guelph area and worked with partners such as SkipTheDishes and DoorDash and distributed its product through specialty grocery stores such as Origins Co. in London, Ontario. Bliss Dough offered a comprehensive flavour range, including mint chocolate chip, oatmeal cookie, brownie, and funfetti. The brand also offered vegan and gluten-free options. As of March 2020, the 280-gram snack-size serving option was priced at \$6.00 and the 560-gram regular size was priced at \$10.00.

### Sweet Jesus<sup>7</sup>

Founded in Toronto in 2015, Sweet Jesus was a franchise business whose core product offering was elevated soft-serve products. It also served pints, shakes, cakes, baked goods, hot chocolate, and “take-home” kits. As of March 2020, Sweet Jesus operated nine locations in Canada and one in the United States. The brand’s social media strategy had been immensely popular with consumers. Sweet Jesus’s products were known as “the Number 1 most Instagrammed food item Canada with over 115,000 Instagram followers.”<sup>8</sup> In recognition of its strong franchisee relationships, the brand had received the Award of Excellence and Franchisee Choice Designation Awards in 2019. Sweet Jesus also offered catering options for its pints and cakes, with the option for consumers to select event staffing or a branded booth. Sweet Jesus’s flavour options combined soft-serve ice cream with several ancillary ingredients, including cookie crumbles, sprinkles, and caramel sauce. Its flavours included rocky road rage and bounty killah.

### Grocery Store Options

In Canada, cookie dough was widely available from grocery stores and wholesalers. Brands such as General Mills’ Pillsbury and Nestlé’s Toll House cookie dough were popular among consumers. These brands benefited from established distribution networks and advertising teams that large consumer packaged goods companies had developed over time.<sup>9</sup>

<sup>5</sup> For Real Dough, accessed March 30, 2020, [www.forrealdough.ca/about](http://www.forrealdough.ca/about).

<sup>6</sup> Bliss Dough, accessed March 30, 2020, [www.forrealdough.ca/about](http://www.forrealdough.ca/about).

<sup>7</sup> Sweet Jesus, accessed March 30, 2020, [www.sweetjesusicecream.com/](http://www.sweetjesusicecream.com/).

<sup>8</sup> “Franchising,” Sweet Jesus, accessed March 30, 2020, [www.sweetjesusicecream.com/franchising](http://www.sweetjesusicecream.com/franchising).

<sup>9</sup> Lucie Couillard, “Cookie, Cracker & Pasta Production in Canada—Market Research Report [31182CA],” *IBISWorld: Where Knowledge is Power*, March 13, 2020, [www.ibisworld.com/canada/market-research-reports/cookie-cracker-pasta-production-industry/](http://www.ibisworld.com/canada/market-research-reports/cookie-cracker-pasta-production-industry/).

## At Home

Forty-five per cent of consumers surveyed agreed “they enjoyed baking from scratch,” suggesting that most Canadians appreciated the experience of baking and cooking at home.<sup>10</sup> Furthermore, many viewed cooking at home as a way to bond with friends and family. Social media and cooking had also become more intertwined with content creators such as Tasty, producing several videos highlighting at-home cooking and baking recipes on Facebook.

## DOUGH T.O'S PRODUCTS AND FEATURES

### Flavour Profiles

DOUGH T.O's core cookie dough flavour lineup included chocolate chip, birthday party, salted caramel, oreo, s'mores, red velvet, matcha, snickerdoodle, mint chocolate, peanut butter crunch, gingerbread, and candy cane. The brand also frequently tested seasonal flavours such as pumpkin spice.

### Product Range

DOUGH T.O initially began selling safe-to-eat cookie dough but expanded to offer other products such as cookie dough–stuffed macarons and cookie dough charcuterie boxes (see Exhibit 4). The company also sold baked cookies, stuffed cookies, and both vegan and gluten-free options. A key differentiator between DOUGH T.O's cookie dough and grocery store cookie dough was DOUGH T.O's special production process that used heat-treated flour to ensure food safety. Other factors included DOUGH T.O's creative packaging and the experiential store interior of the pop-up locations.

## COMPANY PERFORMANCE

### Financial

Within the grocery and distribution industry, profit margins between 13 and 15 per cent were typical, excluding alcohol and beverage sales. With direct-to-consumer and online sales, profit margins of 15–18 per cent with shipping were expected. DOUGH T.O had achieved significantly higher than the industry's average profit margins due to its manufacturing process and low-cost ingredients (see Exhibit 5A).

DOUGH T.O's sales data (see Exhibit 5B) demonstrated that the 28-week pop-up store on Queen Street West was the largest contributor to the brand's 2019 sales revenue. DOUGH T.O's 2020 Q1 sales (see Exhibit 5C) demonstrated that distribution focused on a seasonal holiday such as Valentine's Day resulted in \$8,000 in sales revenue over a two-week period.

### Operations

The largest expenses DOUGH T.O faced were for labour, for both training and the production of cookie dough. Labour typically comprised 20 per cent of costs across all product.

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<sup>10</sup> “Battle of the Bakes: Cookies Are Canada's Favourite Sweet Baked Good,” Mintel (blog), July 13, 2017, accessed March 30, 2020, [www.mintel.com/press-centre/food-and-drink/cookies-are-canadas-favourite-sweet-baked-good](http://www.mintel.com/press-centre/food-and-drink/cookies-are-canadas-favourite-sweet-baked-good).

The key ingredients were flour, butter, and sugar. While these were commodity products, the current pop-up model meant that DOUGH T.O was unable to fully take advantage of bulk ingredient orders to achieve economies of scale.

Hana and Farrah currently owned one 30-quart (28-litre) mixer that could produce 100–125 servings at a time. This process took 30–40 minutes to complete plus one hour to scoop and package. They also had two under-the-counter fridges for storage, a “grab-and-go” display for jars and refrigerated products, and a gelato display for cookie dough scoops. When the pop-up was in operation, Hana and Farrah used this equipment and manufactured all product within the pop-up facility.

For times of the year when DOUGH T.O was selling only online or through catering, Hana and Farrah put their equipment in storage and used a commercial kitchen facility. The commercial kitchen rented for \$20 per hour and had two mixers, a 20-quart (18.9 litre) and 60-quart (57-litre). The 60-quart mixer was capable of producing 250–275 servings in 35–45 minutes. Scooping and packaging took two hours.

### Human Resources

For physical pop-up initiatives, Hana and Farrah had a group of employees they typically relied on to work in the front of the store. For large catering orders or brand partnerships, Hana and Farrah also had a group of staff they were able to hire on a contract basis.

### MARKETING STRATEGY

When speaking about their company, Hana and Farrah often referred to “hustling for dough.” For both co-founders, this statement meant that dough was not only a mixture of flour and water but also represented empowerment. Being able to “make your own dough” meant you could hustle for something you were passionate about and inspire other members in the community.

DOUGH T.O’s promotional strategy focused on social media rather than spending on print media or commercials. Hana developed all branding for DOUGH T.O herself with the idea that when consumers interacted with the brand, it should be like talking to a friend. DOUGH T.O’s social media posts often used pop culture references and memes (see Exhibit 6). Hana was active on DOUGH T.O’s social media accounts and often reshared customer posts and images of the products. Although other competitors also used social media frequently, DOUGH T.O’s focus on pop culture references and memes was unique in Toronto.

DOUGH T.O also received publicity from being featured on other sites such as blogTO, which produced a video and article on the business. The video achieved approximately 1.5 million views on Facebook and frequently attracted consumers to try DOUGH T.O. Hana and Farrah had acquired a notable corporate partnership with Hershey’s Chipits Canada and Sobeys. Through this partnership, DOUGH T.O developed and sold five stuffed cookie dough flavours at the Sobeys Fort York location in Toronto during April 2019.

### BUYER BEHAVIOUR

Due to cookie dough’s sense of nostalgia and link to fond childhood memories, DOUGH T.O often attracted a younger audience. From observing who came into the store, Hana felt that approximately 65 per cent of customers were women and 35 per cent men.

Customers typically viewed DOUGH T.O's products online through social media such as Instagram. By seeing photos or videos of seasonal flavours such as pumpkin spice, customers were curious enough to visit the DOUGH T.O pop-up storefront. However, Hana noticed that most customers ended up purchasing a core flavour such as chocolate chip or birthday cake, which demonstrated that seasonal flavours attracted customers into the store, but core flavours solidified the decision to purchase. Customers typically purchased in-store for social reasons such as meeting up with friends or dates. Customers who ordered online had usually tried the product in-store or were placing a large group order.

## EXPANSION OPPORTUNITIES

Hana had observed competitors and food brands in other industries and felt that DOUGH T.O had five main expansion options: open a permanent flagship location, offer franchise rights, sell through grocery stores, enter into strategic partnerships, or think outside the box.

### Option 1: Open a Permanent Flagship Location

Choosing to open a permanent flagship location would provide some stability compared with the pop-up model. However, where should it be located? Downtown Toronto had some merit due to its high foot traffic. Monthly leasing costs in the area were approximately \$7,000 per month. Opening a permanent storefront meant that DOUGH T.O would likely incur fixed costs during the "low season," as sales tended to be higher during the spring and summer. Hana felt that in the winter months, the company would likely earn half of the sales they would typically earn in the busier spring and summer months. What additional products could DOUGH T.O add to its product line to encourage foot traffic during the winter months?

### Option 2: Offer Franchise Rights

Over the past few years, Hana had also considered allowing individuals to purchase the franchise rights to open other DOUGH T.O locations. The franchise model typically required individuals to pay an initial fee and pay ongoing royalties to the brand owner in exchange for advertising support, training, and the right to use the brand.

Royalty rates ranged from 5–6 per cent for retail brands and 8–10 per cent for service brands.<sup>11</sup> If Dough T.O chose to allow franchises in other cities, what would it mean for the company's name? DOUGH T.O's name originated from its founding location of Toronto, Ontario. Would the name need to change if the store opened franchises in other Canadian cities? What criteria would Hana and Farrah need to develop to select suitable franchisees?

### Option 3: Sell through Grocery Stores

Selling through the grocery store channel presented an opportunity to predict product demand, as grocery stores typically placed orders for products in advance. Pusateri's Fine Foods, a specialty grocery store, had four locations across the Greater Toronto Area in high-income neighbourhoods such as Yorkville. Another option

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<sup>11</sup> "Looking for a Franchise?," Franchise Canada: Canadian Franchise Association, June 8, 2016, accessed March 30, 2020, [www.cfa.ca/lookforafranchise/franchise-fee-fundamentals/](http://www.cfa.ca/lookforafranchise/franchise-fee-fundamentals/).



could be Loblaws, which operated more than 350 locations across Canada and included low-cost grocery stores within its portfolio. Notably, 90 per cent of Canadians lived within 10 kilometres of a Loblaws-operated store.<sup>12</sup>

By selling its products at a grocery store, DOUGH T.O would add another stakeholder in its value chain, leading DOUGH T.O to incur a smaller margin on products. From her experience as a buyer in the retail industry, Hana felt that grocery stores would reasonably be able to test the DOUGH T.O product in select stores to decide whether it would be successful. If the product resonated more with customers in a certain geographic area over another, it might be possible to include the product only in that location rather than across Canada.

#### Option 4: Enter into Strategic Partnerships

Hana could seek out several potential partners to expand DOUGH T.O through strategic partnerships. The portion size of DOUGH T.O's product was convenient and aesthetically appealing. Approaching a large company such as Cineplex to include DOUGH T.O on its snack menu was one option. Also, DOUGH T.O could be included as a dessert for airline meals served on WestJet or Air Canada. Hana could also reach out to local companies, including spas such as Her Majesty's Pleasure. This option would mean that Hana could ensure the branding of the partner did not diminish the "cool and fun" brand that DOUGH T.O had developed since 2017.

#### Option 5: Think Outside of the Box

Hana had also thought of several "out-of-the-box" ideas that could generate additional buzz around DOUGH T.O. For example, would customers be interested in picking up a scoop of cookie dough from a DOUGH T.O ATM (automated teller machine)?

### THE DECISION

Since launching DOUGH T.O, Hana and Farrah had been able to take their passion for cookie dough and share it with the Toronto community. They had put in several hours in their commercial kitchen testing new flavours and believed they had an opportunity to establish their brand as a household name. Although Hana had completed some preliminary research, she wondered what other pieces of information would be helpful to guide their decision. As the sun began to set, Hana opened her laptop and began reviewing DOUGH T.O's historical sales data and social media profiles. Whichever option she chose could not be "half-baked" but needed to make a material impact on profits and align with DOUGH T.O's fun and youthful brand identity.

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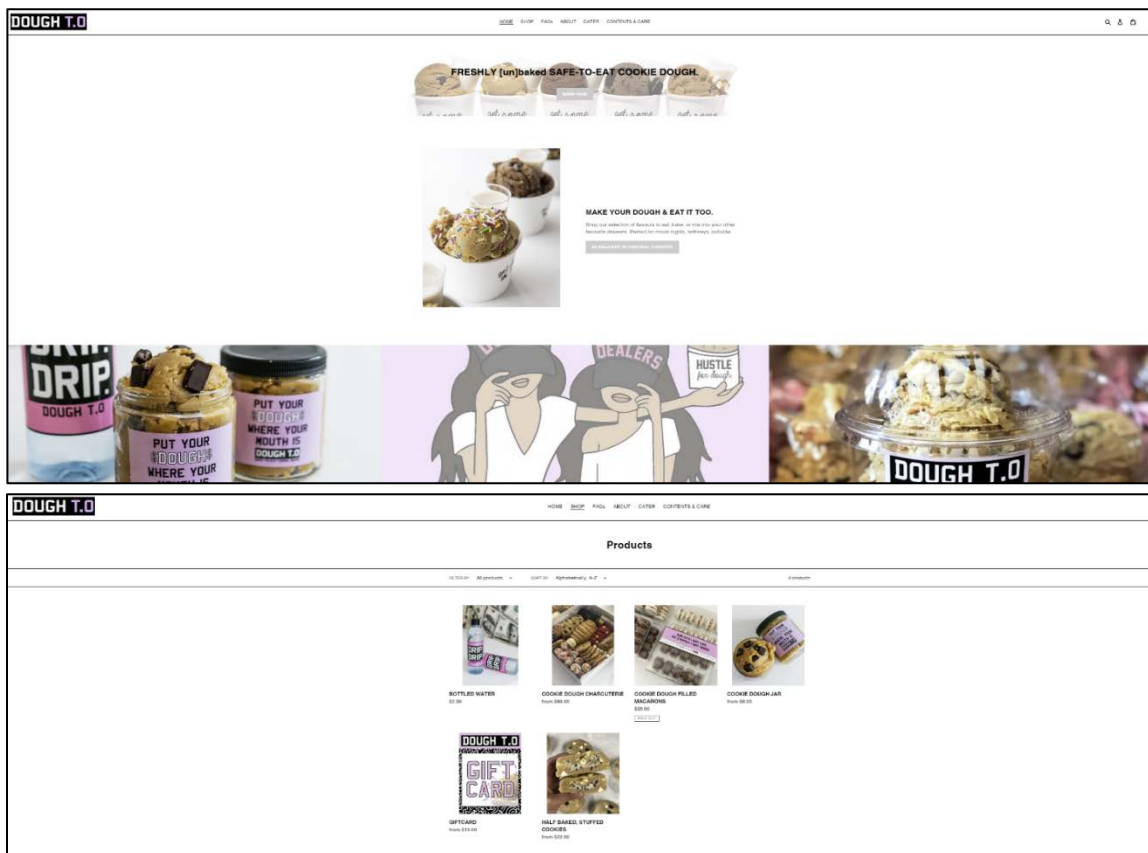
<sup>12</sup> Loblaw Companies Limited, *Focused: 2018 Annual Report*, accessed March 30, 2020, [https://s1.q4cdn.com/326961052/files/doc\\_financials/2018/annual/03/Loblaw\\_ENG\\_2018\\_AR\\_Final-v2.pdf](https://s1.q4cdn.com/326961052/files/doc_financials/2018/annual/03/Loblaw_ENG_2018_AR_Final-v2.pdf).

## EXHIBIT 1: DOUGH T.O'S QUEEN STREET POP-UP STORE



Source: Company files.

## EXHIBIT 2: DOUGH T.O'S WEBSITE FOR ONLINE ORDERING



Source: "Freshly [Un]baked Safe-To-Eat Cookie Dough," DOUGH T.O., accessed July 12, 2020, [www.doughto.com/](http://www.doughto.com/).



**EXHIBIT 3A: HISTORIC MARKET SIZES OF BAKED GOODS IN CANADA, RETAIL VALUE SALES  
2013–2017 (IN US\$ MILLIONS)**

<b>Category</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>CAGR % 2013–2017</b>
Bread	3,217.5	3,329.4	3,417.1	3,477.2	3,532.1	2.4
Cakes	691.6	703.1	724.0	736.1	746.8	1.9
Dessert Mixes	74.6	75.5	75.7	75.6	75.3	0.2
Frozen Baked Goods	201.6	205.8	207.6	209.2	210.7	1.1
Pastries	972.2	999.8	1,024.9	1,043.6	1,060.3	2.2
<b>Total Baked Goods</b>	<b>5,157.4</b>	<b>5,313.6</b>	<b>5,449.2</b>	<b>5,541.7</b>	<b>5,625.1</b>	<b>2.2</b>

Note: CAGR = compound annual growth rate

Source: Karim Zarrouki, "Sector Trend Analysis - Baked Goods in the United States and Canada," Government of Canada, updated April 1, 2019, accessed June 2, 2020, [www.agr.gc.ca/eng/international-trade/market-intelligence/reports/sector-trend-analysis-baked-goods-in-the-united-states-and-canada/?id=1537381272039](http://www.agr.gc.ca/eng/international-trade/market-intelligence/reports/sector-trend-analysis-baked-goods-in-the-united-states-and-canada/?id=1537381272039).







**EXHIBIT 3B: FORECASTED MARKET SIZE OF BAKED GOODS IN CANADA, RETAIL VALUE  
SALES 2018–2022 (IN US\$ MILLIONS)**

<b>Category</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>CAGR % 2018–2022</b>
Bread	3,660.0	3,795.3	3,937.6	4,087.3	4,243.4	3.8
Cakes	771.3	796.0	820.8	845.4	869.9	3.1
Dessert Mixes	76.4	77.4	78.1	78.8	79.2	0.9
Frozen Baked Goods	216.7	223.2	230.1	237.5	245.4	3.2
Pastries	1,090.3	1,120.9	1,151.8	1,183.0	1,214.4	2.7
<b>Total Baked Goods</b>	<b>5,814.7</b>	<b>6,012.8</b>	<b>6,218.4</b>	<b>6,432.0</b>	<b>6,652.4</b>	<b>3.4</b>

Note: CAGR = compound annual growth rate

Source: Karim Zarrouki, "Sector Trend Analysis: Baked Good in the United States and Canada," Government of Canada, updated April 1, 2019, accessed June 2, 2020, [www.agr.gc.ca/eng/international-trade/market-intelligence/reports/sector-trend-analysis-baked-goods-in-the-united-states-and-canada/?id=1537381272039](http://www.agr.gc.ca/eng/international-trade/market-intelligence/reports/sector-trend-analysis-baked-goods-in-the-united-states-and-canada/?id=1537381272039).

## EXHIBIT 4: DOUGH T.O.'S PRODUCT LINE

	<p><b>INDIVIDUAL SCOOPS</b></p> <p>\$4.85 + tax per scoop</p> <p>Minimum 15 units</p> <p>Add on + \$: custom cup, shot of milk</p> <p>Available in Gluten Free</p>		<p><b>JARS</b></p> <p>4oz - \$5.00 + tax per jar 8oz - \$10.00 + tax per jar</p> <p>Minimum 15 units</p> <p>Available in Gluten Free</p>
	<p><b>COOKIE DOUGH STUFFED MACARONS</b></p> <p>\$2.75 + tax per macaron</p> <p>Choice of chocolate chip cookie dough or birthday cookie dough for filling</p> <p>Minimum 30 units</p> <p>Add on + \$: custom box, mini milk dispensers</p>		<p><b>COOKIE DOUGH CHARCUTERIE</b></p> <p>Small (as seen in photo) serves 4-6 \$55 + tax</p> <p>Medium serves 8-10 \$90 + tax</p> <p>Large serves 10-12 \$110 + tax</p>
	<p><b>BAKED COOKIES</b></p> <p>\$3.00 + tax per cookie</p> <p>Stuffed Cookies</p> <p>Gluten Free + Vegan Cookies</p> <p>Minimum 60 units</p>		<p><b>STAFFED DOUGH BAR</b></p> <p>Prices start at \$1500+</p> <p>Minimum 200 guests</p> <p>Includes set up/take down and staff for 2 hour serving window</p>

Source: Company files.

**EXHIBIT 5A: DOUGH T.O'S AVERAGE PROFIT MARGINS AND RETAIL PRICING, BY PRODUCT LINE**

<b>Product Type</b>	<b>Average Retail Price (in CA\$)</b>	<b>Average Profit Margin</b>
Cookie Dough Scoops	\$5–\$8	35%
Cookie Dough Jars	\$6–\$10	30%
Stuffed Cookies	\$3–\$4	25%
Gluten-Free/Vegan Cookies	\$3–\$4	15–20%

Source: Company files.

**EXHIBIT 5B: DOUGH T.O'S 2019 SALES, BY DISTRIBUTION CHANNEL**

<b>Distribution Channel</b>	<b>Revenue (in CA\$)</b>	<b>Notes</b>
Valentine's Day Campaign	\$4,000	A one-week online campaign
Brand/Corporate Partners	\$40,000	Throughout the year, delivery
Private Catering	\$20,000	Throughout the year, delivery
Queen Street Pop-Up	\$100,000	May 2019–November 2019, in-store
Distribution/Wholesale	\$3,210	Three locations, began testing in October 2019
<b>Total</b>	<b>\$167,210</b>	

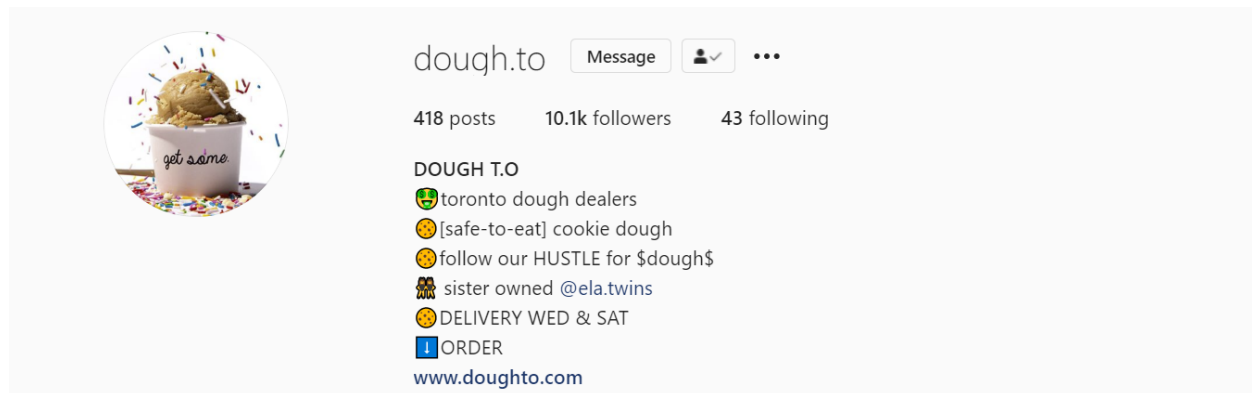
Source: Company files.

**EXHIBIT 5C: DOUGH T.O'S 2020 Q1 SALES, BY DISTRIBUTION CHANNEL**

<b>Distribution Channel</b>	<b>Revenue (in CA\$)</b>	<b>Notes</b>
Valentine's Day Campaign	\$8,000	A two-week online campaign
Private Catering	\$4,000	Includes weddings, birthdays, and other events
Distribution/Wholesale	\$3,000	Three locations, with plan to expand to 10 coffee shops within the next three months
<b>Total</b>	<b>\$15,000</b>	

Source: Company files.

## EXHIBIT 6: SCREENSHOTS FROM DOUGH T.O'S SOCIAL MEDIA



Source: "DOUGH T.O.," Instagram, accessed July 12, 2020, [www.instagram.com/explore/locations/810574502450217/dough-to/](https://www.instagram.com/explore/locations/810574502450217/dough-to/).