



Hot Outta The Oven

THE OFFICIAL PHILLY PRETZEL FACTORY NEWSLETTER

2009 DOG DAYS OF SUMMER EDITION
AUGUST, 2009



FROZEN LEMONADE - NOW AVAILABLE AT OVER 20 LOCATIONS SYSTEM-WIDE

SUMMER COOL... FROZEN LEMONADE

We have over 20 stores currently selling frozen lemonade. The average % of sales per location is 3.5 - 5% of total sales. Mike Gabbett from the Bensalem store recently stated that he's selling more frozen lemonade than previously was of all 3 flavors of twisted freeze combined. There are still quite a few locations selling their extra machines so please contact Frank Weiss if you are looking to purchase a machine.

PERFECT PRETZEL TIP #27

A pretzels quality is greatly enhanced by the right twist. Ensure employees have adequate spacing in the loop of the pretzel, at least a two to three finger spacing. When twisting, the rows of 10 pretzels should extend to both ends of the board with a small space separating the two groups. The open spacing in the row allows a better distribution of heat when the product is baked.

FRANCHISEE SPOTLIGHT - CLIFTON PARK, NY RAY & SHANNON MELLEADY

Congratulations to franchisees Ray and Shannon Melleady from our Clifton Park, NY location for being selected as our Franchisee Spotlight for our Summer Newsletter. Ray and Shannon opened their location in November of 2008. The Clifton Park location is located in a busy shopping center 20 miles north of Albany, NY. Realizing the opportunity of a movie theater and mall in their backyard, they decided early on to extend their hours into the late evening. They have enjoyed positive results from adjusting their hours to fit local customer's routine.

Since opening Ray and Shannon have capitalized on the growing trend for soft, hot pretzels in a new market. Ray and Shannon aggressively market the Philly Pretzel Factory Brand. Currently 37 busses in the Clifton Park area display a four sided advertisement featuring our Philly Pretzel Factory Brand along with a photo of Ray and Shannon's youngest son Conner shown enjoying a Philly pretzel. They have seen

positive results since the bus advertisements launched 2 months ago. Ray and Shannon are committed to only serving the highest quality product and maintaining a spotless store. Since opening they have consistently provided excellent customer service to their market. Never straying from the system they have seen great results in marketing how this company started, from the original soft pretzel. Just this month Ray and Shannon invested into our New Frozen Lemonade to help build their business. Soft Pretzel Franchise Systems would like to thank Ray and Shannon for all their hard work and constant dedication to building the Philly Pretzel Factory Brand in the New York Market. In addition to operating the store, Ray & Shannon keep busy raising 5 children whom each play a role in helping out at the factory. This truly is a family affair.





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VENDOR UPDATE...

Order Guide-In July we introduced a new order guide from Zilka that we believe will improve inventory control. The intent is to allow you to track your actual usage from one delivery to the next and to keep you better informed of price changes each month. Please take the time to utilize this new tool and let us know if you have any ideas for improvement.

Credit Applications-during the Pretzel Expo Zilka gave most people a credit application to fill out and return. We will send everyone a backup copy of the application. Zilka must have a returned credit application on file for September 1st.

OVEN MAINTENANCE...

During the Pretzel Expo we introduced the new preventive maintenance program being offered by Hobart for your Baxter Ovens. The cost of the preventative maintenance is \$499 per visit. This includes cleaning, lubricating and checking/adjusting burner and baking chambers, purge cycle, door components, hood pressure switch, emergency bar, tray rotation assembly and check all gas valves for pressure and leaks. A great value that will extend the life of your oven. Additionally the Philadelphia Hobart office has developed a proprietary oiler that can be purchased to self oil the bushings on the oven from outside the oven. There is a 4 inch stem attached to the oil source with a fitting on the end that allows you to oil the oven prior to turning the oven on in the morning. The cost of the oiler is \$105 and \$130 for a quart of oil and can be purchased directly from Hobart in Philadelphia at 215-331-8400. Ask for the parts department. A quart of oil should last approximately 1 year if used properly (monthly oiling) and the oven must be below 200 degrees during this process.

A MILEY CYRUS SIGHTING WITH A TWIST

Lou and Jennifer Sist used their passion for pretzels to fulfill a dream for their daughter as the family met singer Miley Cyrus on Tybee Island last week.

The owners of the Bluffton Philly Pretzel Factory store initially took their 5-year-old daughter, Jada, to catch a glimpse of Cyrus filming "The Last Song" on Aug. 4. Security was tight with stalker concerns, but Jennifer struck up a conversation with Cyrus' driver while waiting to see the teen sensation.

"We told them we run Philly Pretzel Factory and he said Miley and the crew love pretzels," she said. "He got us connected with the crew's catering manager and they asked us to bring pretzels out later in the week."

The Sists took hundreds of regular and cinnamon pretzels and party trays to the set on Friday, including a pretzel concoction shaped in the form of Cyrus' signature.

"That really caught their eye and all of a sudden, Miley appeared in front of us," Sist said. "Jada was just in awe, and Miley told her, 'I love your hair and your skirt. I want one just like that.' That made Jada's life right there."

Sist said Cyrus talked with the family for a few minutes and sampled the signature pretzel.

"She said she loves pretzels. She'd only had Auntie Anne's but she said she could get addicted to the Philly style," Sist said. "It was just a surreal moment. To see our daughter so happy, I can't even put that in to words."





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A NEW SPIN ON ADVERTISING

At the recent Town Hall meetings Franchisees have been introduced to the newest form of outdoor marketing by Aarrow Advertising. Spinning signs is their specialty. The team at Aarrow is quite flexible in working with the franchisee in finding an affordable program that works for each location. For more info on hiring Aarrow to increase your sales call Rami Putrus at 619-944-7665.

Visit www.aarrowads.com to see them in action.



SIGN SPINNERS INSTANTLY GAIN YOUR STORE ATTENTION

THE ART OF SUGGESTIVE SELLING

"Was a drink, mustard or cheese suggested to complete your order?" This was one of the most commonly missed items System-wide on our recent Mystery Shop Survey. The best way to optimize each transaction is suggestive selling each and every customer that makes a purchase. This is the most effective way to increase your average check which in turn boosts overall sales. We need to ensure that all service counter employees are trained properly on how to complete a transaction.

- Would like any mustard or cheese with that?
- Would you like a beverage to complete your order today?

Customers ordering 20 Pretzels:

- We currently have a Crowd Pleaser promotion which is 25 Pretzels and a bottle of Mustard for only \$10!

SAMPLING 101

With the recent additions of the Cinnamon Pretzel and Frozen Lemonade to our Menu we have additional opportunities to increase sales. Being that these are new menu items we should still be sampling these everyday. This is the best way to get your customers to try something new. When offering these samples do not ask the customer a question they can say yes or no to. Instead: (while handing the sample to the customer) Try a free sample of our new Frozen Lemonade. Remember every time we do not take the opportunity to sample we are missing an opportunity to increase sales.

SECRET SHOPPER PROGRAM

We recently performed our first round of Mystery Shop surveys at all locations. In September we will begin our second round of visits as an ongoing effort to continue to improve service and operations at the stores. Please take some time to discuss the results from your last visit with your staff to address any issues. Mystery Shop reports can give the franchise owner an enhanced perspective on how our current or new customers rate the overall experience at a Philly Pretzel Factory location. There's a lot of competition in the snack category we need to keep focused each day on consistently providing fresh, delicious pretzels in a clean store, with service that WOW's our guest.

Overall most customers walked away satisfied with the quality of the pretzels based on the results from our previous mystery shop results. The key items that we missed points for on the last shop visits are listed below:

- Did an employee impress you in some way during your visit?
- Full uniform compliance
- Did the employee suggestive sell a dip?
- Would you recommend this location to a friend or family member?