

Restaurant Chain Report™

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MAUI WOWI BREEZES ACROSS THE NATION

Maui Wowi Fresh Hawaiian Blends grows fast—adding new products and franchisees at a rapid rate. Projections call for 500 more units nationwide by the end of 2003 and another 1,000 in about a year. The chain currently has 225 kiosks and storefront units run by 160 franchise owners in 41 states. The smoothie chain now works on a private placement, with the goal of accelerating its growth and launching an initial public offering within three years.

Maui Wowi surfs the shift in the nation's attention to healthier foods and away from fast food with a menu best known for fresh fruit shakes made of ice, a banana and a blend of fruit juice and nonfat yogurt. Flavors include black raspberry, strawberry banana, mango orange, piña colada, kiwi lemon lime, orchard peach, cappuccino, strawberry piña colada and strawberry mango orange. Alcohol is optional. The chain touts its shakes as healthy fast food as they contain no fat, no artificial ingredients, no preservatives and are mixed to order. Maui Wowi also offers Kona blend espresso, lattes, mochas, hot chocolate and Fiji water.

New to the menu are Rip Sticks, an all-natural, fat-free squeeze-up consisting of fruit and nonfat yogurt. Rip Sticks also became available in 7-Eleven stores on May 1. Maui Wowi CEO **Michael Haith** expects Rip Sticks to be the chain's biggest retail success, expanding the brand more than anything else. The sticks are advertised as alternatives to frozen candy and ice cream bars, with 88 calories and no fat. The next product rollout will be Maui Wowi Extreme, a line consisting of smoothies with exercise-oriented supplements, and gourmet espresso. **Jeff and Jill Summerhays** started Maui Wowi in 1982 in Salt Lake City, Utah. Haith bought the chain in 1997.

Maui Wowi franchisees receive training at the chain's home office. They get to know the product, the company, and the people behind Maui Wowi. Training includes the company's standards of care and quality, as well as how to transport product to a kiosk, business operations, marketing, and staffing. Maui Wowi boasts that its flexibility allows a franchisees to easily move kiosks, from one location to another, or even moving it every weekend. The chain's concept enjoys success in a variety of locations including malls and office settings, as well as in stadiums, at fairs, concerts, and various events.

The center-point of Maui Wowi's business, the kiosk, is made out of stainless steel and oak, and advertised as practically maintenance-free. The kiosk has a tropical, Hawaiian-feel to market the chain's products. The kiosk sits on locking wheels that make the fully transportable unit easy to load and unload. The Kaanapali Cart is designed with two blending stations and has the ability to make 10-12 drinks per minute. Each cart can serve up to four different flavors at one time. Additionally, carts are designed with an abundance of storage. Franchisees can purchase additional accessories including the triple sink, a custom-designed, stainless steel sink designed to make running a kiosk easier, with two holding tanks, a water heater, casters to make for easy moving, plenty of storage space and locks; or for larger events, an insulated product and ice chest that also is built on casters for ease of movement and holds 18 cases of Maui Wowi Fresh Fruit Blends and 90 pounds of ice. The 14-foot, custom Maui Wowi trailer carries a kiosk, triple sink, and product and ice chest.