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COMPETITIVE STRATEGIES

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## Smoothie Sailing

Maui Wowi Hawaiian Coffees & Smoothies brings an oasis to retail with a Hawaiian theme and natural products in a relaxed, fun environment.

Starbucks calls it the third place – a place where people can go to relax, read, listen to iPods, work quietly on laptops or hang out with friends or family. This “third place” used to be bars. In Europe it was cafes. And in the last few years in the U.S. (thanks to Starbucks), that third place is now coffee shops.

Maui Wowi Hawaiian Coffees & Smoothies also provides that third place for consumers.

Founded in 1983 as a concept for a line of fresh fruit blends to be sold at special events like the Utah State Fair, Maui Wowi has since grown into a leading fran-



chise company. After first opening “smoothie bars,” the compa-

ny began opening actual retail locations. Maui Wowi has experienced 1,100 percent growth over

“If you look around at some of our competitors, you’ll likely see laptops, students, suits; a professional audience,” says Maui Wowi’s CEO (or Big Kahuna as he’s known) Michael Haith. “In our model, you tend to see students and to a greater extent, mothers with kids. Our target customers are younger, more active females because we are a more casual atmosphere.”

In order to create an “oasis” for people to comfortably hang out and relax, Maui Wowi stores have smaller footprints, averaging 100 square feet to 1,900 SF. This also offers flexibility, which enables the chain to move into spaces others cannot.

The company uses old Hawaiian recipes for the smoothies and the coffee comes from the Hawaiian Islands. The stores focus on Hawaiian-style products, only all-natural fruit smoothies, coffee from Kona, Kauai, Maui and Molokai, non-caffeine items (great for kids, Haith points out) and other Hawaiian products like macadamia nuts and Hawaiian clothing lines. Maui Wowi has

between 30 and 40 SKUs in its stores and is looking to double that number by year-end. “We’re looking to increase the number of Hawaiian products, such as estate coffees,” says Haith.

The Greenwood Village, CO-based Maui Wowi previously opened its outlets in non-traditional real estate locations only – universities, hospitals and stadiums. Now, says Haith, the company is including traditional real estate. “We started opening in regular malls about three years ago. We’ve been moving slowly to make sure it works.”

Haith says Maui Wowi has gone from 26 locations in malls and this year to 80 by the end of this year. He expects to have 250 open by the end of 2007. The chain currently operates 400 stores altogether. In five years, the plan is to have 1,000 operating units. As the company embarked on a new retail strategy, it simultaneously revamped its look, feel and brand; always staying true to its Hawaiian theme.

“We do well with grocery-type stores and we’re working with places that already attract audiences,” says Haith, adding that Maui Wowi does specialty events in stores like Macy’s and venues like Dulles Airport.

Haith says Maui Wowi has opened the first of many retail locations in the HEB grocery chain earlier this month.

“We benefit supermarkets because our wide range of products adds value to their proposition,” Haith explains. “Some of our competitors are so ubiquitous they’ve become commodities. Consumers are looking for the next new thing and we fill that point of differentiation because we provide something new and different – and fun.”