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## Prince Pückler's Case Study

### Part I: Environmental Scan

#### Economic Scan:

This case study is going to be different from the case study would be if I were analyzing a nonprofit arts organization. Because Prince Pückler's is a for-profit ice cream shop, the environmental scan will yield different results because its business model is much different than a nonprofit arts organization's would be. That being said, a number of economic factors influence the business. As a business Prince Pückler's doesn't have much in the way of contributed income. The closest analog would probably be tips that their employees get, but the vast majority of the money that the shop makes is earned income on all of the ice cream that they sell. That, paired with the fact that buying ice cream is very much a leisure buy as opposed to a necessity, makes it so Prince Pückler's is at the whim of the seasons.

There are a few factors that could affect Prince Pückler's finances. First of all, ice cream is something that the vast majority of people associate with late spring, summer, and early fall. As it gets colder, fewer people opt to go out to an ice cream shop to buy just a scoop, and would rather get a pint from a grocery store. Prince Pückler's does sell ice cream by the pint, quart, and half-gallon (and the customer selects the flavor), but going to an entire separate place to buy that as opposed to the convenience of the grocery store might make those sales unable to make up for warmer weather sales. They also combat this with popular seasonal flavors like pumpkin pie, white licorice, and egg nog. Another economic factor to consider (that will come up again in the demographic scan) is the fact that Prince Pückler's is located so close to the university and get a lot of their business from students. This can be good during finals or game days when students want to unwind, but it can also be harmful when school isn't in session. Finally, the business has to consider competition from the growing industry of self-serve frozen yogurt shops as well as Red Wagon Creamery downtown, which is very similar to Prince Pückler's. Luckily, with ice cream, people will always have their favorites and the fact that Prince Pückler's has been in town for almost forty years gives them a good reputation. Because of this longevity, the business seems financially healthy and well managed, as well as just generally reputable.

#### Demographic Scan:

A demographic scan for any ice cream shop must be prefaced with "I scream, you scream, we all scream for ice cream." In all seriousness, in the many times that I've observed the people buying ice cream at Prince Pückler's at various times of day, there is always a hodgepodge: college students, families, the elderly, young

professionals, children, and couples and groups of friends of all ages. Because Prince Pückler's is situated at the intersection of the University of Oregon, student housing neighborhoods, and the affluent neighborhoods in Southeast Eugene, they see a variety of different customers. I think they have capitalized on this by making their hours fit the various schedules of their customers: they are open daily from noon-11pm. This means that families and older folks can go earlier in the day, anyone can go in the dinner hours in the evening, and the college students can go later at night. Having lived across the street from Prince Pückler's, I saw that they had at least a reasonable number of customers most of the time that they were open.

As far as national trends go, the Small Business Development Center Network (SBDCN) has some interesting (and old) research on ice cream parlors. They say that even though 90% of US households in 2004 consumed ice cream,

The ice cream industry has reached a mature stage. Growth in the market comes from dollar sales rather than volume sales. Consumers are not eating more ice cream, but they are spending more to get it due to price increases for key ingredients.

They found that people are starting to care much more about the quality of the ice cream that they get from parlors as well as how healthy it is. Fortunately for Prince Pückler's, they are situated in an area where people are willing to pay more for the quality ice cream that they offer; the demand is there. As far as health concerns go, they also offer dairy-free sorbets and low-fat frozen yogurts, so they are adapting to the demands of their market.

To me, it doesn't seem that the organization has a major demographic concern, but if I had to identify one, I would say that due to its geographic location, it doesn't really have the opportunity to serve lower income populations. Though, at \$2.95 for a single scoop, that's not such a bad deal especially when compared to other similar food offerings like a tall Frappuccino from Starbucks (\$3.75).

#### Cultural Scan:

The culture of the business seems, from an outsider's perspective, as one that is friendly and inviting. The shop usually has at least a few people in it (and often is rather full) and everyone is chatting and enjoying their ice cream. The employees are friendly and helpful, and they highlight each of their employee's favorite flavors for any customer to see, which sends the message that they not only appreciate their employees, but their employees appreciate the business and the product.

Because of their location in the neighborhood around the University as well as its history in the community Prince Pückler's has a "mom and pop" feel to it, which is a local social value that makes people come here. I think many people would rather come to place like Prince Pückler's as opposed to Baskin Robbin's because the ice cream is fresher, homemade, and they feel like a member of the community with families and children all around. Something else that affects people coming, like I mentioned earlier, are Ducks games for various sports. Prince

Pückler's is just a block up from Hayward field, which means that many people go there during track meets, and it's between southeast Eugene and Autzen Stadium (and Knight Arena), which makes it a good pit stop to and/or from these games. Additionally, it has been identified by newspapers and magazines both locally and nationally as the best ice cream shop in Eugene and among the best in Oregon, which drives tourists and prospective UO students and their families there during the summer months. They've also done a good job, as I mentioned earlier, tapping into the seasonal flavor market à la Starbucks during the winter months to continue to drive sales. At places like Prince Pückler's, people these days expect seasonal "winter" flavors, and are somewhat put off if they can't get them. Prince Pückler's even extends their seasonal flavors into the summer with the fresh fruits and berries that are in season around then, capitalizing on Oregon's well-known crops.

As far as technology goes, Prince Pückler's actually does a pretty good job. Their website is clear and has all of the information that one would want from it without being hard to navigate or having too many frills. They have a facebook page that is regularly updated with incoming and outgoing seasonal flavors, special deals, surprise closures, and highlights on lesser-known products like handmade ice cream pies. Their twitter account is a highlight of their technology, featuring pop culture-relevant hashtags like #treatyoself, as well as mentions from athletic departments, academic departments, local celebrities, and even state politicians. All in all, their digital presence is consistent and appropriate for their product, which is good considering the large number of college students that are their customers.

#### Other factors

A factor that I haven't yet talked about in this analysis is diet. As Prince Pückler's is an ice cream shop, and ice cream is widely known to be not all that healthy, they should take the diets of their customers into account, which they have to an extent with the dairy-free and low-fat options that I mentioned earlier. However, given that we are in Eugene and the Pacific Northwest, which are health conscious regions, fad diets and food restrictions are both things that could come into play. Because they are an ice cream shop, there is only so much they can do, but it is something that they should keep an eye on as diets like paleo become more popular.

Something else for them to consider, especially in light of the recent ballot measure that barely didn't pass in Eugene is their use of GMOs if they do use them. I don't know whether or not they do, but it seems to be on the mind of many people living here, and being able to answer those questions will be important to maintaining the trust of their customers.

## **Part II: SWOC Analyses**

### **Cultural Product**

Strengths: They sell ice cream, and most everyone likes ice cream in some form. They have a variety of different flavors to appeal to diverse tastes, and their product is high quality and relatively low cost.

**Weaknesses:** Ice cream is unhealthy and many people try to cut it out as they pursue healthier lifestyles. Even though they have non-dairy options, some lactose intolerant people wouldn't even consider walking into the shop.

**Opportunities:** They've already begun doing this a little, but they could expand into other desserts like cakes and pies. Otherwise, adding more seasonal and regular flavors to always keep it fresh.

**Challenges:** Their product is tried and true, but they have to make sure to not fall back on past successes: quality and variety have to stay up and flavor and diet changes should stick with the trends.

**Pricing:**

**Strengths:** A single scoop is a little less than \$3, which is something that most people can agree to.

**Weaknesses:** I don't know their business model, but this low price could have an impact on their profit margins.

**Opportunities:** This could go both ways. They could offer more deals (they already offer some including a punch card), and/or they could probably raise their prices a bit without putting off too many people; the demand is there.

**Challenges:** They need to focus on always staying profitable. Again, their longevity suggests they know how to do that, but it is always something to keep in mind with a small business like this.

**Place:**

**Strengths:** Close to three important geographic locations: the University, student neighborhoods, and family neighborhoods. Also, they sell their ice cream at some cafes in Eugene, Portland, and Hood River.

**Weaknesses:** They are isolated from the rest of Eugene that doesn't live in that area and doesn't attend the University. Their location isn't central to Eugene as a whole.

**Opportunities:** They could expand the cafes and restaurants that sell their ice cream. With how popular they are, they could also probably seriously think about making a second location somewhere more accessible to West Eugene.

**Challenges:** Their main challenge is how to get people who aren't close to them to come to their store. If the customer doesn't already have a connection to that area, there's not much of a reason for them to be there.

**Promotion:**

Strengths: They have a strong and consistent online presence. Plus their reputation and word of mouth really helps their business.

Weaknesses: Their logo is not the most attractive. I have never seen any printed collateral from them in any newspaper or posted anywhere around town. Relying on word of mouth can be risky.

Opportunities: With a rebrand, they could come out with a marketing plan that really markets the shop to all of Eugene/Springfield and brings a lot more customers in. This could even be paired with a plan to build a new location.

Challenges: Because they have so much history, changing their brand and their business model could be met with inertia from within the business as well as from the community.

### Bibliography

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