Kitschy new breakfast concept becomes a Cereality

By Paul King

BOULDER, COLO. — Would Americans go cuckoo for Cocoa Puffs and other popular cereals if they were offered in a freestanding restaurant that catered only to cereal lovers?

David Roth and Rick Bacher are betting that people would, so much so that they've designed a concept called Cereality Cereal Bar and Café and opened a test unit in the Memorial Union Building at Arizona State University in Tempe.

"Ninety-five percent of the public eats cereal and are extremely habitual and ritualistic about the cereal they eat," said Roth, who serves as Cereality's chief executive. "What I wanted to do was tap into the idiosyncrasies people have about cereal and really celebrate those idiosyncrasies."

Cereality, as born at Arizona State, is a 200-square-foot counter space that, Roth explained, was designed with Jerry Seinfeld's kitchen in the sitcom "Seinfeld" as a template. Cereals are displayed in glassfronted cabinets on the back wall, and "cereologists" in pajamas dispense cereals according variety of hot cereals. In addition, 34 toppings are offered, ranging from fruits, nuts and grated coconut to malted milk balls and



David Roth, left, and Rick Bacher, founders of Cereality Cereal Bar and Café, opened their first unit in the Memorial Union Building on the campus of Arizona State University in Tempe.

to customers' orders.

A total of 33 name-brand cold cereals are available, along with a milk flavor crystals. Whole, 2 percent, skim and soy milks make up the liquid toppings. Cereality also makes its own cereal bars, granola and cereal-based snacks to be sold by the bag or box. The ASU unit is open from 7 a.m. to 7 p.m. Monday through Thursday, 7 a.m. to 3 p.m. on Friday and from 7 a.m. to noon on Saturday.

Roth noted that the concept, whose name he and Bacher already have applied to patent, is all about celebrating individuality.

"Everybody has his own ideas about what a good cereal is," he explained. "It's an intensely personal experience, and we wanted to tap into that. For example, some people like to mix cereals. We thought we could play off that and make this a unique experience for each customer."

The basic option at Cereality is the bowl of cereal, which here means a cardboard bowl with a fold-down lid for portability. For \$2.50 customers receive two cups of cereal, one topping and their choice of milk.

There are two versions, Roth said: "Your Cereal. Our Way" and "Your Cereal. Your Way."
The former is a choice of Cereality mixes, such as Devil Made Me Do It and Banana Brown Betty. Named for the Arizona State mascot, the Sun Devil, Devil Made Me Do It is Cocoa Puffs and Lucky Charms cereals with malted milk balls and chocolate milk flavor crystals. Banana Brown Betty is oatmeal made with banana syrup and molasses sugar, topped with streusel and bananas.

"Your Cereal. Your Way" encourages students to mix their own favorites and includes an option called Invent-A-Blend, which is a self-serve kiosk in which students create their own boxes of cereal from choices on the touch screen. Even the boxes, which hold 10 cups of cereal and sell for \$4.50 at ASU, are designed to be personalized by the customer.

A third menu option at Cereality is "Your Cereal. A Whole New Way." It includes the

(See KITSCHY, page 20)

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ON-SITE FOODSERVICE

NATION'S RESTAURANT NEWS

Kitschy new breakfast concept becomes a Cereality

(Continued from page 8)

granolas and cereal bars, parfaits made with granolas and vanilla yogurt, and Slurrealities, which is the company's version of a smoothie.

Roth, a sociologist by study — he holds a master's degree in Human Development from Harvard University — said the idea came out of his own observations of people in New York City, among other places.

"We would be in some corporate office, and we might notice an executive sneaking cereal at his desk," Roth recalled. "Now, that man would not go out in the middle of the day and buy a box of cereal, but he might take a break at an outlet where everyone else was enjoying the same thing."

Adding that to the numbers of mothers he would see at airports, handing bags of cereal to young children, he and Bacher began to think that a restaurant designed around cereal might have some legs.

Others have agreed. Among the investors in the concept are one of the founders of Pier 1 Imports and the former executive director of the U.S. Olympic Committee.

Although Roth would not share any sales figures, he explained that students have responded well to the idea, as have university administrators.

"We've been very pleased," said Sally Ramage, associate vice president for student affairs at ASU. "Their menu, hours of operation and packaging accommodate the hectic schedules and nontraditional meal times of students, faculty and staff. And people are intrigued by the idea when they walk by Cereality."



Cereality staff members top off bowls at guests' requests with such items as fruit, nuts or even malted milk balls.

Ben Hartley, general manager for Sodexho at ASU, which manages most foodservice on the campus, agreed that the idea has potential.

"It's very young looking. It has good color and energy, and the menu is very trendy and appeals to students," Hartley said. "It gets a pretty strong draw in the midafternoon."

Roth noted that even employees enjoy Cereality; since it opened last August not one employee has quit, he said. Industry analysts undoubtedly will be watching to see

Industry analysts undoubtedly will be watching to see whether Cereality has staying power. "The key for them would be to make their locations very simple to run, more like a retail environment than a foodservice environment, with the cost of the site kept to a minimum," Mark Godward, president of Miami's Strategic Restaurant Engineering, told the Boulder Daily Camera.

Despite the fact that Sodexho is the university's foodservice provider, Roth and Bacher decided to work directly with the university to set up the test. "We would like to maintain control of the brand for now," Roth explained. "Eventually, we would look to franchise the concept."

Although it could be argued that a college campus is not exactly a strong litmus test for a cereal concept, given students' penchant for eating cereal at multiple dayparts, Roth said he believes the idea would be even stronger in venues outside of the college market.

"Because of cereal's ubiquitous nature, I would expect to see similar, if not better, results in sites

where the demographics are broader," he said. "I don't believe it's just a college concept. We only chose college because we thought the quirkiness of the concept would work well here while we refined the process to make it as bulletproof as possible."

He said other targets for the concept are corporate offices, hospitals, airports and recreation venues, such as stadiums and amusement parks. His ideal site would be between 300 and 600 square feet and can be set up with or without seating.

Senior living community adds two restaurants, plans for two more

NEWS DIGESTS

Air Canada expands on-board meal service to U.S. flights

Montreal — Air Canada will begin offering its pay-as-you-go onboard meal service on selected flights to and from the United States, the airline said.

Breakfast Junch and dinner meals will be available on several flights ranging

PEABODY, MASS. — Brookshy Village, a bistro-type fare. Cider House features a



USA TODAY · FRIDAY, MAY 21, 2004 · 7D

Food

Cereal: It's what's for lunch, dinner

Concept is as Froot Loopy as it sounds

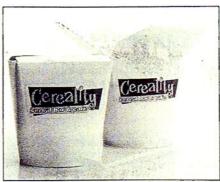
By Jerry Shriver USA TODAY

The latest fast-food concept is so absurdly simple, self-indulgent and reflective of one's inner child that, well, how can it fail?

Imagine a food stand that resembles the kitchen of your youth and serves nothing but cereal and breakfast drinks from sunup to sundown. A place where you can create

your own blend of Cap'n Crunch nestled on a bed of Lucky Charms and garnished with Cocoa Puffs, honey, bananas and soymilk.

If co-creator David Roth has his way, the whole country could experience munch mania at a chain of eateries called Cereality Cereal Bar & Café. He and partner Rick Bacher tested a prototype during the past eight months at the Arizona State University student union in Tempe. Now they're negotiating



Cereality

Cereal monogamy? Cereality diners will be tempted by 30 cereals and 34 toppings.

for space at train stations, arenas, hotels, office buildings and healthcare facilities. The first stands will probably open this fall, at colleges and airports, Roth says.

"I wanted to create a totally cool experience where all of those (cereal) rituals and habits can be celebrated out of the home," says Roth, who has a Harvard master's degree in human development. He was inspired by cereal-loving characters on Seinfeld, "executives on Wall

Street sneaking Cocoa Puffs at 3 p.m. and moms with strollers who wouldn't think of leaving the house without a bag of Cheerios. Everyone loves cereal. More people buy it than toilet paper."

Each Cereality would offer about 30 hot or cold cereals; 34 toppings; seven types of flavored and unflavored milk; cereal-and-yogurt-based smoothies (Slurrealities); and fresh-baked breakfast bars.

Customers can construct their own mixes and store the formula in an on-site computer for their next visit. Or they

can buy a prepackaged designer mix such as Devil Made Me Do It, consisting of Cocoa Puffs, Lucky Charms and chocolate-milk-flavored crystals, topped with malt balls. Or they can consult with "cereologists" wearing pajama tops.

A basic "meal" — two scoops of cereal, one topping and milk — will cost about \$4.

"We've figured out how to make oatmeal exciting," Roth says.

Restaurant Chain Report

The Comprehensive Report on Expanding Restaurants

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ONE OF THE FEW TRULY NEW CONCEPTS

With the restaurant industry stuffed with burgers, pizza and chicken, there is plenty of room for a quirky concept. Cereality Cereal Bar & Cafe looks to fill diners' stomachs with something that is nothing new to their meal repertoire but puts a spin on an old standby: cereal. Cereality serves its product in a leak-proof container, enabling patrons to eat it on the run. And although cereal boxes can be found in cafeterias or at a sit-down restaurant such as Denny's or Elmer's Breakfast.Lunch.Dinner, this unique "cereal-to-go" concept could very well carve out a new morning niche, and perhaps even compete across all dayparts. Boulder, Colo.-based David Roth and Rick Bacher are banking that American's love affair with cereal will lead them down the road to success.

Cereality Operators Inc., which snagged Quaker as a strategic partner, aims squarely at the 95 percent of the country that eats cereal—a <u>clear and wide market for the concept</u>. Further, with today's nutritionally conscience consumers, cereal benefits from a long-held perception that it is, or at least can be, a part of a balanced diet. Roth envisions quickly growing Cereality by signing experienced multiunit franchisees to open stores, typically in nontraditional locations, including transportation centers, hospitals, university campuses and arenas. Store-in-store units will be considered.

The first Cereality opened eight months ago in the student union of Arizona State University in Tempe. The 200 s.f. store serves 33 choices of popular hot and cold cereals, ranging from Life and Raisin Bran to Lucky Charms and Cocoa Puffs, and an array of 34 fruit, nut and candy toppings. Customers can create their own mix or choose from suggested, tried-and-true combinations such as Life Experience, comprising Life cereal, almonds, bananas and a drizzle of honey. A milk dispenser lets customers add their own skim, 2 percent or whole milk. Specialty milks, such as soy, also are available. At the first Cereality, two cups of cereal, one-quarter cup of a topping and milk costs \$2.50, while each topping is an additional 50 cents. Franchisees will be able to set their own prices.

<u>Grab-and-go bags of mixes also are available for snack seekers</u>, along with homemade cereal bars and granola, fruit and yogurt parfaits and cereal- and yogurt-based shakes. Patrons can even custom mix an entire box of cereal to take home. Half of the Arizona unit's sales are coming from bowls of cereal. Juice, tea and coffee also are sold. The kitchen-styled stores feature cabinets filled with cereal boxes. Units will measure about <u>250 to 300 s.f.</u> and cost roughly \$100,000 to open. A modular design allows a store to be opened in as few as 90 days.

Roth counts on a strict attention to branding to build the Cereality brand. In 1997, Roth founded a full-service marketing and brand development consultancy focusing on new and young companies. Bacher, who created Cereality's logo and helped craft the brand's image, has produced promotional pieces for HBO's "Sex and the City," created packaging for Nikon and was art director for **The James Beard Foundation**. The company's board includes a **Pier 1 Imports** founder, **Donald Emery**, and **Harvey Schiller**, a former executive director for the United States Olympic Committee.

Contact: Cereality Cereal Bar & Café (*Cereality Operators Inc.*), 2525 Arapahoe Ave., Suite E4-312, Boulder, CO 80302. David Roth, President & CEO, (303) 449-2921; fax: 303.449.2870; http://www.cereality.com.

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A Store for Cereal (Seriously)

LIKE ICE CREAM AND COFFEE BEFORE them, cornflakes and puffed oats are getting an upscale makeover. Cereality, a startup based in Boulder, Colo., is betting that consumer nostalgia for Cheerios and Lucky Charms can be the foundation for a new specialty chain. Cereality served its first bowl at Arizona State University in Tempe in 2003. The pilot store was so successful that cofounder David Roth is opening new outlets in Philadelphia and Chicago this month and plans to add 15 more next year. These are the ingredients of his sales strategy. — MATTHEW MAIER

1 Home Sweet Home

Pajama-clad employees and kitchenstyle cabinets create a cozy environment. In larger locations, couches and free Wi-Fi encourage customers to linger (and spend more).

2 Cerealizing the Industry

Customers choose from more than 30 familiar brands, thanks to distribution deals with Quaker (also an investor), General Mills, and Kellogg's. Cereal sales have dropped 8 percent, to \$6.2 billion, since 2000, so industry giants see Cereality as a way to expand the reach of their products.

3 Way Beyond Blueberries

For about \$3, customers can mix two cups of any cereal and select from dozens of toppings. Quaker's Life cereal is the best-seller, but half of all sales come from custom combinations.

Cereal bars and smoothies account for a third of sales.

4 Counter Intelligence

Customers can place their orders at kiosks, bypassing lines and paying on pickup. The kiosks also serve as a market research tool: Cereality shares point-of-sale data with its partners.



You just knew a backlash to the Atkins-diet craze was inevitable. Finally, here it is: three startups enjoying rising sales of carb-laden products and profiting from Americans' cravings for the starches of their youth.

—JULIA BOORSTIN



House of Bread

WHILE MOST BREADMAKERS HAVE been hammered by the Atkins craze, Sheila McCann, owner of House of Bread, has prospered by educating customers on the health benefits of whole grains. McCann, 40, based in San Luis Obispo, Calif., offers a wide range of breads, from Apple Cinnamon Swirl to Pesto Artichoke Sourdough, "Bread is a staple of the American diet-it's not a fad," says McCann, who since launching her first store in 1996 has expanded to nine additional franchise locations, five of which debuted last year. Over the next six months, five more House of Bread stores are scheduled to open and, thanks to a sharp increase in sales of "super premium" breads in flavors such as Ghirardelli chocolate, McCann predicts a surge in revenue growth ahead. Meanwhile, whole-grain bread sales are growing 3% a year, a trend McCann says is sure to keep the dough rising.

CARBS PER OUNCE:

Grandma's White Bread 12 grams

Cereality

INSPIRED BY THE UNTAPPED POTENtial in turning cereal from a much-loved commodity into a dining experience, David Roth and Rick Bacher launched Cereality in Arizona State University's student union building in Tempe last September. Cereality lets diners pick two cups of cereal from 33 hot and cold brands, plus one of 34 toppings-from malt balls to dried cherriesand add milk, all for less than \$3. Just a few months after launching, the business was cash-flow positive and expects to be profitable in two to three years. Now, with 65% repeat customers and Quaker as an investor, Cereality plans to roll out dozens more stores at colleges, hospitals, office buildings, and airports. "We know," says Roth, 41, "that lots of people, including businessmen, sneak an afternoon bowl of Cocoa Puffs."

Lucky Charms Cereal

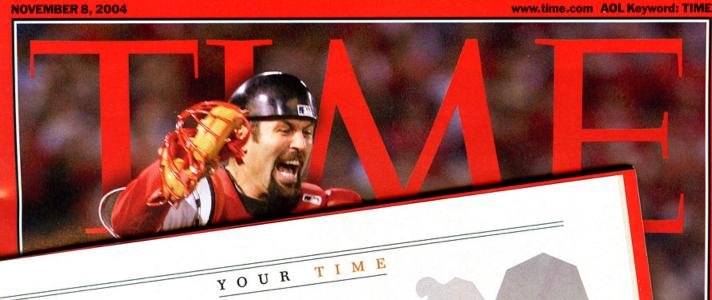
Popcorn, Indiana

LOOKING TO CREATE A NATIONAL brand in the image of Starbucks, entrepreneurs Richard Demb and Warren Struhl stumbled upon gourmet popcorn in downtown Chicago. "The thing about popcorn is the emotional connection-from carnivals, movies, childhood," says Demb, 27. Why not, wondered Demb and Struhl, sell great popcorn on the streets? They launched their first Popcorn, Indiana, store two years ago in Manhattan and since then sales have been so hot they can't pop corn fast enough. To meet demand the company has expanded into Times Square, built a popping facility in New Jersey, and offered a full range of popcorn online and wholesale. Soon the company shingle will change to Dale & Thomas Popcorn, in honor of a historian of the city of Popcorn, Ind., Dale Humphrey, and investor Isiah Thomas, president of the Knicks basketball operations and a former Hoosier star.

Country Cheddar

22 grams

4 grams



hting for Fitness

e over, Curves. Now there's a hot h club designed just for the boys

FREY RESSNER

uys, imagine if you could work out for 20 minutes just three times a week, lose weight ent your frustrations at the time. Then envision doing at a gym without mirrors, weights or treadmills. One re thing: you can sweat and p without insulting women cause it's a men-only club. bys, welcome to Blitz.

In the 14 years since the first curves fitness club for women

opened, the single-sex, expressgym business has exploded, accounting for close to 25% of the entire U.S. health-club market. Figuring what works for women should do just as well for men, a number of male-only gyms-like Blitz-have recently sprung up around the country.

Blitz was launched last year by Scott Smith, 46, a former Curves franchise owner who wanted to adapt for men that company's quickie regimen. Today Smith counts 86 Blitz locations in the U.S. and Canada.

(There's even a franchise in Guatemala.) The gyms, many of them found in strip malls, are set up like mock boxing rings, with members moving

between machines and punching bags at the sound of a bell that rings every

30 seconds. "I don't care what your size or strength is," says Smith. "At the end of two 10-minute circuits, you'll wear yourself out and get blitzed."

As with Curves, the genderrestrictive Blitz policy hasn't yet been successfully challenged in court. In 2003 a suit against Curves's women-only policy in Wisconsin resulted in a new bill exempting single-sex fitness centers from the state's discrimination statutes. Curves executives believe men-only gyms won't work because males don't need the sense of support that women crave. But, says Brooke MacInnis of the International Health, Racquet & Sportsclub Association trade group: "The jury is still out." Blitz also offers something

that Curves doesn't-a chance to play Muhammad Ali, if only for 20 minutes. "At other gyms I'd sit on a stationary bike for 45 minutes and never see results," says David McWilliams, 42, a manager at Louis Vuitton. "But here it's really fast-paced. You really have to move around."



Modeled on Seinfeld's kitchen, stores in a new chain of cereal-only cafés sport cabinets stuffed with 33 types of cereal and 34 toppings, from dried blueberries to Pop Rocks. Cereality customers pay \$4 a bowl, then choose and pour their milk-soy, flavored, skim or whole. At the Tempe, Ariz., flagship, "Cereologists"—pajama-clad servers—serve up plain old corn flakes as well as fancier combos. Among their popular concoctions: Devil Made Me Do It, combining Cocoa Puffs and Lucky Charms with chocolate milk and malt balls. On Nov. 29, a 1,500-sq.-ft. Philadelphia outpost is set to open. The chain's slogan? "95% of people like cereal; 57% like sex. We have cereal." -By Jeremy Caplan

BROTHERS OF INVENTION



Talking pictures were barely a year old when anarchy broke loose at the movies. At the start of The Cocoanuts, ucho Marx stalked down the steps elouch and spat the new DVD is pretty skimpy: no commentary, no documentaries, just three short clips of Marxes on the Today show. Nor is the ribaldry intact; a famous line ("I think I'll try and make her") from the Animal Crackers song Captain Spaulding, cut long after the film's release, is still missing. But why pick nits when the movies deserve such high Marx? With dialogue crafted by George Kaufman and S.J. Perelman and snappy tunes by Irving Berlin and the Kalmar-Ruby team, the films have a racy pulse to offset or primitive technique, Savor Groucho's balletic brashness and his amortal jane: "Go, and never

The New York Times

These Days, the College Bowl Is Filled With Milk and Cereal

By LISA W. FODERARO

Published: November 14, 2004

Perhaps it is an effort to counter those dense ideas they are force-fed in high school and college with something light and refreshingly mindless. What, for instance, could be less taxing after poring over the philosophy of Michel Foucault than a bowl of Lucky Charms?

Whatever the reason, students these days are consuming breakfast cereal as if their grade-point averages depended on it - for breakfast, yes, but also for lunch, dinner and in between.

"My hallmates have boxes and boxes of cereal in their rooms," said Chloé Charlet, a freshman from Belgium at the University of Pennsylvania. "They live off it."

While affection for cereal among the young is certainly not new, anecdotal evidence suggests that they are eating it like never before, and industry analysts say that such pervasive consumption by teenagers and young adults makes that age group one of the strongest markets for manufacturers. While their parents' generation may be shunning carbohydrates as part of the Atkins diet phenomenon, young people are devouring almost as much cereal as elementary-school children.

Perhaps it was inevitable that someone would capitalize on that appetite by taking the simple ritual of eating cereal in the home - or dorm room - out into the world. A new restaurant called Cereality Cereal Bar and Cafe is scheduled to open at the end of this month on the University of Pennsylvania campus, with a menu of more than 30 cereals and even more toppings served by pajama-clad "cereologists" in a setting of comfy chairs and farmhouse tables.

"When we went out to do our initial research it was clear that college kids were getting tired of typical institutional food service and were looking for more branded and hip concepts," said David Roth, a co-founder and the president of Cereality, which is based in Boulder, Colo. "Cereal was a staple of their diets, and they would eat it at different times of day."

The ultimate dumbing down of the dining experience? Maybe. But the dawn of cereal restaurants - the Cereality at Arizona State University is hopping - is a sure sign of young people's strange love affair with cereal, and not just for breakfast.

According to ACNielsen, a marketing research firm, households with children ages 13 to 17 accounted for 25 percent of all the money spent on cold cereal in 2003 - a

disproportionately large share given their size in the overall population.

Another company that follows national eating trends, NPD Foodworld in Chicago, reports that the biggest cereal consumers last year were children between the ages of 6 and 12, with 87 percent of survey participants in that age group eating cereal at least once every two weeks. But the teenage population (ages 13 to 17) was close behind, at 80 percent.

While NPD Foodworld does not specifically break out college-age consumers, anecdotal evidence of cereal's popularity on campuses abounds.

College officials who oversee food services say they are constantly restocking sweet, kid-friendly cereals. Nick Mennillo, the senior director of dining services for the State University of New York at Purchase, said he offered a few sugary options, as well as two "health cereals" like granola or Raisin Bran.

"The most popular one is Cap'n Crunch, by far," he said. "And if you put Cocoa Puffs and Fruity Pebbles out, they fly through the stuff."

Students who live off campus and who must cook or forage for themselves say they are drawn to cereal because it is cheap and easy. Those with prepaid meal plans say they turn to cereal as a hedge against uncertain dining hall offerings.

Most colleges keep several kinds of cereal, including childhood favorites, out at all times in large help-yourself bins.

"You know that Cap'n Crunch is going to taste like Cap'n Crunch," explained Chris Zelles, a senior at Manhattanville College in Westchester County. "It's a definite thing, whereas the pork roast could be iffy."

Still other students, who might be experiencing the stress and alienation of living on their own for the first time, argue that a bowl of sugary cereal has a way of evoking cozy images of home and childhood.

"It's some kind of Freudian childhood regression thing," said Matthew Lynch, a sophomore at the SUNY-Purchase who favors Froot Loops and Cinnamon Toast Crunch. "It's a comfort mechanism. I remember eating cereal in the mornings with my dad and brother before kindergarten and first grade."

Industry officials are pleased, of course, that teenagers show such fierce brand loyalty for cereals often associated with early childhood.

"I don't think you can ever outgrow the taste of something you love," said Mary Dillon, president of Quaker Foods, which makes Cap'n Crunch.

Cereal seems to push a number of psychological buttons for high school students, too. Perhaps it serves as a sweet escape - an ice cream substitute - for young people who are feeling anxious about a post-9/11 world, with periodic terror alerts and the rumblings of a faraway war.

Erica Roselle, a sophomore at White Plains High School, said she ate four big bowls a day, alternating between Froot Loops and Trix. "When you're hungry, you just put it in the bowl and put the milk in and go watch TV and everything's O.K.," she said. "You know how when you're depressed, you eat ice cream? Well, I eat cereal like that."

Erica, who is such a fan of Trix that she plans to have a denim jacket airbrushed with the logo, said that cereal was sometimes the centerpiece at get-togethers with friends. "When I go to my friends' houses, we sit around and eat cereal - that's what we do," she said.

Many nutritionists caution against eating large amounts of breakfast cereal and some criticize colleges for making it available for lunch and dinner. Marion Nestle, a professor of nutrition and food studies at New York University, said that breakfast cereals marketed to children offered "an excuse to eat candy."

"If you have sweet things around all the time, then people are going to eat them," Professor Nestle said. "It's asking far too much of late adolescents to exercise that kind of choice. It's no wonder kids gain 15 pounds their first year."

Mr. Mennillo of SUNY-Purchase countered that students were old enough to decide what to put in their mouths. "College students are not children anymore, and they are supposed to be here to make choices as adults," he said. "We give them the choice of eating brussels sprouts or squash or cereal."

But even some students say there are signs that their classmates are not eating right. Keveney McCrillis, a sophomore and resident assistant at Manhattanville, believes excessive cereal consumption is taking a toll on the energy level of students in her dormitory.

"I already see the freshmen lull - students dragging their feet, taking naps, getting sick," she said. "I'll suggest that they go eat some protein and they come back and say they feel better."

Ms. McCrillis admits that she, too, will sometimes resort to an all-cereal lineup for dinner, if nothing else catches her eye. She chooses a healthier cereal for the main course, followed by, say, Lucky Charms for dessert. "I do that, too!" exclaimed her friend Stephanie Dignan, a sophomore, who was standing next to Ms. McCrillis on the college green.

Mr. Roth of Cereality makes no claims for the healthfulness of his restaurant's offerings, which include toppings like marshmallows and M&M's, along with high-minded ones like dried apricots and pecans.

"I would never say that eating sugary cereals is a healthy thing," he said. "I'm not interested in changing people's cereal-eating habits. We're giving it to them on their own terms and in an experiential setting."

Cereality's restaurant at the University of Pennsylvania will also offer seven milk options, from soy to strawberry. "You can be as healthy or as indulgent as you want," said Mr. Roth.

He said he came up with the idea for the restaurant in 2000, when he noticed that a business associate on Wall Street kept a stash of Cocoa Puffs in his office.

"He was in a very buttoned-up Brooks Brother suit, and he just started sneaking these Cocoa Puffs behind his desk," Mr. Roth recalled. "I said, 'What are you doing?' And he said, 'Oh, we all do this.' "

Some University of Pennsylvania students, though, wondered whether their classmates

would pay almost \$4 for a bowl of cereal and a topping when they could buy a whole box for that amount.

"Most people are very price-sensitive," said Wei Ming Yen-Dorado, a junior. "Students who are not on the meal plan spend \$3 to \$5 on lunch and dinner, and they generally want to spend less than that on breakfast."

But Mr. Roth is feeling pretty bullish about bran these days. With start-up capital from the Quaker Oats Company, he is set to open two new cereal cafes in Chicago.

"The ubiquity of Starbucks is what we aim for," he said. "There's precedent for this."



Snap, Crackle, Cash

David Roth and Rick Bacher create cafes that sell breakfast cereal—with candy on top, if you please

ike bartenders at a neighborhood dive, the servers at Matt Kronwald's regular breakfast place know his usual: a mix of Frosted Flakes, Froot Loops and Lucky Charms marshmallows. "I like it diabetic, straight up," says the 21-year-old business major at Arizona State University in Tempe. "To me cereal is a food group."

To David Roth and Rick Bacher, it's a potential gold mine. Just over a year

ago they opened Cereality, a kitchenstyle cafe that specializes in cereal, on the campus of Arizona State. For \$2.95, customers can fill a 32-oz. container with two scoops of cereal (from oatmeal to Cap'n Crunch) and one topping (bananas to Pop Rocks) chosen from more than 30 varieties of each served by pajama-wearing staff called cereologists. Dentists and moms may cringe, but business has boomed for Roth, 42.

and Bacher, 36, selling favorites like Banana Brown Betty, a mix of oatmeal, banana syrup and molasses sugar with streusel and bananas. The store turned a profit just two months after opening in August 2003, and a second, much bigger Cereality will open in Philadelphia after Thanksgiving. "The idea," says Roth, "is to become the Starbucks of cereal."

A former marketing consultant who grew up in Westbury, N.Y., Roth had the idea for the store four years ago after meeting an executive who kept Cocoa Puffs hidden in his briefcase. He enlisted his friend Bacher, a graphic designer from Toronto, and after some early skepticism, they eventually found investors. Now, says Roth, briefcase man and all the other "closeted cereal eaters can come out and enjoy themselves."



ALMOST

CEREALITY>>

MORNING GLORY

TAPPING INTO A WIDESPREAD PASSION, THESE ENTREPRENEURS HOPE TO MAKE EVERYONE'S FAVORITE BREAKFAST FOOD AN ALL-DAY EVENT.

VITAL STATS>> David Roth, 42 (l.), and Rick Bacher, 36

COMPANY>> quick-serve restaurant; cereal bar and cafe

GROWTH PROJECTIONS>> a dozen new stores nationwide by the end of fiscal 2005

CEREAL ENTREPRENEURS>> Roth enjoyed helping clients through his brand development and marketing firm, but the thought of applying his branding skills to another business fired him up. Seeking a product with strong personal ties, he was intrigued by cereal's lasting hold on consumers. "They were eating it everywhere, at different times of day," says Roth. The idea of a cereal retail experience excited Roth's graphicdesigner friend Bacher, who was inspired by the creative challenges and possibilities.

SURVEY SAYS>> According to both Kellogg's and Quaker, 95 percent of the American public enjoys cereal, and even more enjoy milk. Armed with that information, Roth and Bacher set out to create a way for people to savor cereal away from home.

Initially targeting the college market—"They basically live on cereal," quips Roth-the entrepreneurs knew that acceptance by these cynical consumers meant they could get in with everybody. In fact, the popularity of Cereality's prototype kiosk in Tempe, Arizona, at Arizona State University's food court has been trumped by the December 2004 opening of their full-fledged cereal bar and cafe in Philadelphia.

BREAKFAST BONANZA>> Thirty cereals are scooped by pajama-clad "Cereologists," who add any of 30-plus toppings, including the number-one seller: bananas. Cereal bars, snack mixes, "Slurrealities" (smoothies meet cereal), juice, soft drinks, coffee, steamers and seven different milks round out the menu. Next, the company plans to expand into office buildings, airports, hospitals and train stations. -APRIL Y. PENNINGTON



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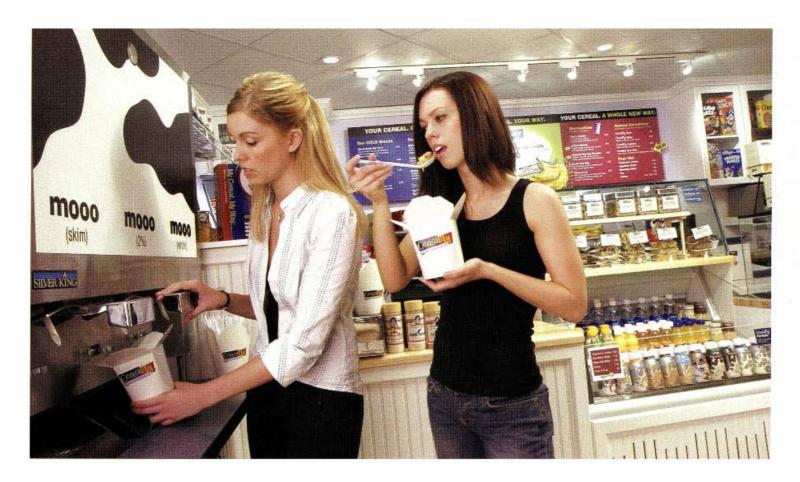
CEREAL: TRIX ARE FOR TRADERS

by Nick Summers (/contributors/nick-summers.html) | July 3, 2005 8:00 PM EDT

The concept behind Cereality, the chain of all-cereal-all-the-time stores, sounds like a no-brainer for a college campus: for breakfast, lunch or dinner (or maybe all three), \$2.95 gets you two scoops of more than 30 brands, plus toppings from bananas to Reese's Pieces to yogurt-flax bark, doused with the milk of your choice. Pajama-topped employees and TVs tuned to--what else?--the Cartoon Network help re-create the feel of home.

But workers--sorry, Cereologists--at the Philadelphia branch, which looks out at Penn's Wharton School, say it's not just students who like regressing to their childhood Saturday mornings. Since the store opened in December, half the customers have been businessmen or whole families trekking in from the suburbs. "We get these really geeky business executives in buttoned-up suits," Cereality cofounder David Roth says, "and they show up at lunch with these big smiles--'Our wives don't let us eat Cinnamon Toast Crunch, but here we can eat it in secret!" "It's given us the confidence to rev up our development cycle," Roth says. The chain's newest store, opening this week in Chicago, is across the street from the Mercantile Exchange--not Northwestern. (Another is slated for mid-July at a toll plaza in the Northeast, and one is in the works at an airport. At least seven new locations are scheduled by the year-end, and none of them are in the student union.) Roth expects stockbrokers to down Froot Loops as readily as students. "I don't know if we'll get the fluffy slippers in the financial district," he says, "but you never know."

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EAT OUR WHEATIES

Cereality Cereal Bar & Cafe spices up the most important meal of the day

By Rodger Brown

hen the brain trust behind Cereality Cereal Bar & Cafe was ready to announce their new business back in 2004, they condensed the whole pitch behind their venture into one simple equation: "Ninety-five percent of the American public likes cereal; 57 percent likes sex. We've got cereal."

Even without the sex, the concept was so hot that major media around the country lined up to interview the wunderkind behind Cereality, where it's "Always Saturday Morning." With only three stores open — in Tempe, Ariz., Philadelphia and Chicago — they did People magazine. They did The New York Times. They did the Today show.

"It was like announcing the iPod," said David Roth, CEO and co-founder of Cereality. "It was thrilling for us as entrepreneurs. We had hit a nerve around the world."

What Roth and his partner Rick Bacher had come up with was an idea that was startlingly simple in its basic product proposition — serve cereal to customers — but sophisticated in its execution. They would leverage the loyalty consumers already had with name-brand breakfast cereals to create what amounts to a "meta" brand: a trademarked environment where customers are invited to indulge in everything from wistful nostalgia by slurping the milk from a bowl of their childhood favorite, to zany self-expression by mixing their Lucky Charms with Rice Krispies and Pop Rocks.

It would be a brand based on selling other brands. It sounds like a postmodern art project concocted by over-amped marketing consultants on a sugar high, with the brand no longer serving to sell the product itself. Instead, the product, cereal, is used as a delivery system for the brand experience.

"Rick and I were both working in the world of brand development and marketing, and we were helping other clients build relationships between products or services and customers," Roth explained. "It occurred to us, well, there's a category here where there's already a built-in relation-

RETAILING TODAY

ship between consumers and a brandname product, and that's cereal."

Their conversations began around 1997, when single-concept restaurants were springing up in Manhattan, and Jerry Seinfeld's cereal fetish and kitchen setting were must-see TV.

"No restaurant was dedicated to selling cereal, nor had any retail store even thought about mining the rich, personal experiences people have with branded cereals," Roth said. "To us it was a kind of a hybrid of the best of traditional retail and of great food service coming together.

"No restaurant had ever built a menu around other people's food. But when other people's food was what was so compelling, we said, 'Let's figure out how to do that.'"

Roth began to work full time on the concept in 2000, but it wasn't until 2003 that he and Bacher — and by that time, deep-pocket strategic partners like Pepsico/Quaker — opened their first test store in a 165-square-foot space tucked away down a hallway in the student union at the University of Arizona at Tempe. Two more locations followed, one in Philadelphia and another in downtown Chicago.

At a glance...

Cereality, Chicago

No. of stores: Three

Preferred locations: Lifestyle centers, transportation hubs, business and college districts

Leasing contact: Stanley Synkoski, COO, (312) 893-4171

The time was well spent. Working with "best of breed" marketing and product development consultants — their head of research and development is the former head of R&D at Quaker — Roth and Bacher developed a brand proposition and designed the decor and product extensions that played off people's already established relationships with breakfast cereals. The servers at Cereality are called "cerealogists" and wear uniforms resembling pajamas. The physical environment is designed to evoke the casual experience of ordering and eating cereal in a home kitchen.

Bowled over

With college students, families, tourists and business people discovering Cereality and returning frequently, Roth and Bacher saw that something was happening that was more than just an insatiable hunger for wheat and oats.

"We realized that what we created wasn't a cereal business," Roth said. "What we created was the 'Always Saturday Morning' promise. No matter where you are, what time of day, if you come to Cereality, you can have a little touch of that idealized Saturday morning. And it resonates with children as much as it resonates for adults."

Roth and Bacher have hit the sweet spot in new restaurant concepts, says Annette McEvoy, a retail analyst with McEvoy & Associates. In addition to serving cereal, the company offers additional products like breakfast bars and smoothies that take cereal "beyond the bowl."

"I think Cereality could be the next big idea in food," she said. "The product is high quality, and the environment is very experiential. It's very fun. It takes an American type of food ritual, which is cereal, and makes it into a community event and a fun thing to eat."

With the product itself already produced (Cereality has relationships with all the major cereal manufacturers, such as Kellogg's and General Mills) the Cereality team has been able to focus on stirring up marketing gimmicks, a relatively easy task, given the host of puns that the names of cereals offer a clever mind.

For example, among the cereal blends offered is "Life's A Bowl of Cherries," made with Life cereal and dried cherries. Recent marketing initiatives include a partnership with Old Navy to hand out Jolly Ol' Breakfast Bars to every Old Navy customer on Black Friday, the busy shopping day after Thanksgiving; catering a party with cereal for a theatrical production of The Pajama Game; and concocting the "All Mixed Up" cereal blend as a promotional tie-in with the movie She's the Man, which involves a girl posing as a boy to earn a spot on a soccer team.

With the concept proven by the success of the three prototype restaurants, Cereality is now ready to take the business to the next level.

"I didn't want to create a one-off, faddish restaurant," Roth said. "I was interested in creating a brand that could be replicable in a lot of different settings, a brand that would have the same potency as some of the other brands of record out there in the coffee category. We wanted to design it right out of the gate so we could franchise it."

No flakes, please

Cereality is still refining the various templates to use in franchising, including mobile units and kiosks as well as fully developed stores, but in the meantime, executives say they have begun screening some of the more than 6,000 inquiries they've gotten from people who want a piece of "the next Starbucks," as McEvoy puts it.

"We don't want to overextend ourselves or denigrate the brand by having the wrong partners," Roth said, explaining their cautious approach and high standards for franchisees, who need a minimum net worth of \$5 million just to get an interview.

"We're just trying to manage the demand carefully right now," he added. "We plan to have more than a dozen development deals with multiunit operators signed within the next 12 months."

Though franchisees will have a variety of store formats to choose from, the company will own and operate a limited number of marquee flagship stores in "high-profile" locations "to fully express the brand."

The first of these anchor cafe's was recently announced, and is to occupy 2,400 square feet in Sherman Plaza, a mixed-use development in downtown Evanston, Ill., just north of Chicago. The location will also house the "Always Saturday Morning BootCamp," a training facility for new franchisees, as well as "Cereality Kitchens," for catering and online order fulfillment.

Locations they are considering for placing Cereality stores include lifestyle centers, movie theaters, stadiums, arenas and transportation hubs, Roth says.

"Franchising is a proven strategy in the food arena," said McEvoy. "It's a very fast way to get the concept out. It's very timely and they should do it quickly and this model will work well for them."

But with great brand power comes great responsibility for policing trademark infringement. If there's any dark cloud over Cereality's sunny Saturday morning, it's the need to vigorously challenge any unwanted guests at the kitchen table. Consequently, the company is keeping a close eye on newcomers with names like "The Cereal Bowl" and "The Cereal Cabinet" and has already persuaded one called "Cerealogy" to change its name.

"With the demand, comes the threat of knockoffs and we monitor copycat behavior very closely," Roth said. "When we see trademark infringements or unfair competitive business practices, we take that very seriously."

FRANCHISING

Crunch time for your mouth

A restaurant serves cereal and sells the Saturday morning experience. **CARYN ROUSSEAU** met the company co-founders for breakfast to talk expansion.

May1,2006 CHICAGO (AP)—Usually when a trend gets the kind of buzz that Cereality restaurants received two years ago, the idea explodes and it's just a matter of months before it becomes an also-mentioned on one of VH1's string of "remember when" shows.

But not Cereality, thanks to shrewd co-founders David Roth and Rick Bacher, who have refined their business plan in the three years since the opening of their first restaurants—kitsch storefronts that serve custom combos of 30 cereals and 40 toppings. Now they're ready for their next move. Coming later this year: franchises.

"What you're going to see from this point forward is a limited number of big company-owned stores in certain cities," Roth said last week, sitting in his Chicago financial district store amid the din of the breakfast rush.



A bowl of mixed cereal and patented SLOOP, a combination straw and spoon served at Cereality. (AP Photo/Charles Rex Arbogast)

"Then the whole country blanketed with Cerealities. We'll be in malls. We'll be in airports. We'll be in downtown urban corridors and big in the suburbs."

With more than 6,000 franchise requests since the first shop opened at Arizona State University, Cereality won't be hurting to fill the demand, Roth said. Interest has come from every state, Canada and the United Kingdom.



Cereologist™ Kim Pappas prepares a hot cereal order at Cereality in Chicago. (AP Photo/Charles Rex Arbogast)

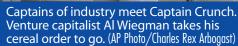
CAPTAINS OF THE CRUNCH

Bacher and Roth opened their first Cereality on the ASU campus in August 2003. Since then they have opened just two other locations—Philadelphia and Chicago. What followed those first spots was a media blitz lauding their unique idea—and for the entrepreneurs, thousands of e-mails and phone calls from wannabe investors.

But Bacher and Roth waited, wanting to expand wise, not fast. That meant building a strong brand and not being opportunistic, Roth said. "Just because the world said 'this is cool, we want to be a part of it,' doesn't mean that we should be going out and throwing Cerealities up all over the place," Roth said. "We want to build the company smart and we want to build the company with real backbone."

The pair had thriving careers as marketing consultants before Cereality and they weren't going to throw those away for an idea that would last for a few trendy years, Roth said.

"We're more inspired by the whole notion of iPod," Roth said. "What Steve Jobs did. He created not just an iPod. He created a Cantains of industry meet Cantain Crunch





The Birds and the Bees perform at an open-mic night at Cereality in Philadelphia. (AP Photo/Mark Stehle)

lifestyle. We always knew we were going to be a national brand. We never thought we would open up a cereal restaurant somewhere and leave it at that."

FLAKING, ERR... BREAKING OUT

Cereality does more than sell bowls of Cheerios mixed with Reese's Puffs and banana slices. Late this summer the company plans to open its first franchisee training facility—the "Always Saturday Morning™ Boot Camp"—in the Chicago suburb of Evanston.

Also in development: Cereality's growing corporate business. The company makes custom cereal bars and boxes for weddings, TV shows (Anderson Cooper), retail stores (Old Navy), Broadway shows (Harry Connick Jr.'s hit "The Pajama Game") and offers catering.



Cereality Sprinter hits the road — bringing the "All cereal. All day. All ways.™" promise to customers everywhere. (Photo: Cereality)

This summer expect to see two full-scale Cereality stores on wheels driving around the country—an attempt to reach another prime market: the suburbs, where the company can attract families wanting to eat in their pajamas and slippers.

"We serve cereal but what we sell is Saturday morning and it's a very important distinction," Roth said. "It's cereal. It's a commodity. You can get it anywhere. But when it comes through the filter of Cereality it's an experience."

CUSTOMERS

With its creative cereal mixes served up in Chinese food take out bowls, Cereality attracts lots of fans. Three of them chat with asap:

Tom O'Connell works as a commodities broker across the street from Cereality in Chicago. He stops in four to five times a week for breakfast. If he can't make it, one of his friends from work stops in for take out, he said. The plus for him is the fresh fruit—something he said he wouldn't add himself. "When it opened it was my Graceland," O'Connell said. "Cereal is actually my favorite food. I think people get addicted to it pretty easily."

Ishan Lal is a stock trader and he said he prefers Cereality because it's better for him than his usual breakfast. "Generally I eat bagels or McDonald's, which just kills me a little faster," Lal said, taking the lid off his steaming cinnamon-raisin oatmeal. "It's just much more health conscious."

Karin Silk is a Chicago businesswoman and said she likes the choices at Cereality. "You can concoct your own cereal. I like the ideas they gave but I had to change it up."

asap Midwest reporter **Caryn Rousseau** has Special K® every morning. ©2006 The Associated Press. All rights reserved.



Cereality's newest cafe in Evanston, IL — that is also home to the "Always Saturday Morning™ Boot Camp" franchisee training facility. (Photo: Cereality)



Cereality's newest cafe in Evanston, IL creates "your home for cereal away from home" — with distinctive seating areas that include an oversize kitchen island, a long dining room table and a living room area (seen below). The Evanston flagship location also features a separate "Cereality Celebrations" (party) room, that also serves as the company's "Always Saturday Morning™ Boot Camp" franchisee training facility. (Photos courtesy of Cereality)



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Food for Thought

by Alexandra Hiatt (/contributors/alexandra-hiatt.html) | April 13, 2007 2:31 PM EDT

"95% of Americans like cereal. 57% like sex. We've got cereal." Not a bad tagline for a company website.

First established in 2003 by David Roth and Rick Bacher, Cereality, a cereal café, has followed this reasoning and had success.

For \$3.99, cereal-lovers can fill a bowl with two scoops of their favorite cereal, two toppings, such as malted milk balls or fruit and nuts, and unlimited milk (soy, if you please). Pajama-clad "cereologists" also offer tempting alternatives such as smoothies and cereal "bars" and "bites." Roth says that it is this sense of personalization that appeals to—and is expected by—today's generation of college students.

"We're not just creating a commodity, but giving it to you like you would have it at home," says Roth. "It's about the emotional ties surrounding the cereal meal—the rituals and habits, the loyalties to a particular product, the mood and ambience."

And with three out of the four prototypes on or near college campuses, including one in the student union at Arizona State University, Cereality serves many student customers. Although Cereality is not just a college concept, Roth says that "college kids make cereal a staple of their diet, so we went to them first."

Don't fret if there isn't a Cereality next door—as of 2006, 26 new franchise locations are under contract and the founders have received 7,000 additional inquiries. Kiosks are opening in airports, and keep an eye out for the Cereality Sprinter, a "reinvented Good Humor truck" that might be patrolling your neighborhood soon.

So next time you have a craving, don't reach for that three-month old Cheerios box, and have a relaxing bowl of cereal instead—or maybe a parfait—in a store made to feel like "it's always Saturday morning."

Tags:

• <u>Culture (/topics/culture.html)</u>

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July 12, 2007

The Cereality Acquisition: Big Ideas Live

Having proved the viability of a cereal-based restaurant concept, the entrepreneurial creators of Cereality Cereal Bar & Cafe are turning the brand over to Kahala-Cold Stone to guide its future growth. Cereality co-founder David Roth tells R&I Executive Editor Scott Hume why the concept works and why it was time to find a strategic partner.

Kahala-Cold Stone's acquisition of **Cereality Cereal Bar & Cafe**—announced July 12--is more than simply another example of a corporate buyout; it is a lesson in the power of consumer buy-in to an idea.

So says David Roth, who with partner Rick Bacher opened the first of Chicago-based Cereality's seven locations four years ago.

"It's a phenomenal thing that when we came out with our first press release in 2004, we had a little store at Arizona State University. It was 18 feet by 10 feet and it served cereal to college kids," says Roth. "Our press release said, '95% of Americans like cereal; 57% like sex. We've got cereal.' That press release about a little store on a college campus started a conversation-worldwide-about big ideas, about innovation and entrepreneurship.

"I think it tapped into the zeitgeist of the American dream. It was, 'Gosh, I could think about doing something completely upside down and make a business around it.' So I was stunned by how much Cereality resonated with people around the world, but at the same time, there was an inherent need, a consumer demand that we knew existed and that we met."

Selling the Cereality concept to Scottsdale, Ariz.-based Kahala-Cold Stone—which franchises a dozen foodservice concepts, including Blimpie, Cold Stone Creamery and Surf City Squeeze-makes both business and personal sense, Roth explains. "I'm genetically geared to be entrepreneurial. There's a certain time frame where I can keep my interest and then I need to move on the next thing. And I think both [Rick and I] reached that point with Cereality.

"We're not restaurateurs; we're not restaurant operators. We surrounded ourselves with good [operations people] but it always was our intention to build a model for a business that could be run by experts," he says. "And when we saw that interest in franchising was so strong--there were 7,000 or 8,000 people contacting us saying, "We want to franchise it'--we said let's look for a strategic partner who can do this."

Companies that wanted to buy, not just franchise, Cereality also were plentiful, and they came courting early on. Roth says that Kahala-Cold Stone was attractive because of, rather than in spite of, the number of quick-service brands already in its portfolio.

"There are so many synergies around the methodology of a scoop shop [such as Cold Stone Creamery] and Cereality, as well as



Roth (I.) and Bacher





MORE ON THE WEB Kahala

Cold Stone

Cereality Cereal Bar & Cafe

economies of scale that come from their distribution and real-estate muscle. Those are things that I as an entrepreneur was constantly struggling with. How do you raise enough money to get the absolute best real estate? How do you get your food costs in line when you only have four or five stores? Those are big obstacles to a small entrepreneur and huge opportunities to a Kahala-Cold Stone," Roth says.

Asked if he worries about his concept becoming diluted or overextended under stewardship of a billion-dollar parent, Roth says his confidence in the abilities of Kahala-Cold Stone principals Kevin Blackwell and Doug Ducey (read the R&I Interface interview with Blackwell and Ducey) is why he and Bacher agreed that company was the right partner.

"Of course there's concern at any stage—whether we run it or someone else runs it—that if you're not hyper-vigilant about maintaining the culture and the brand there can be trouble. But I'm the first to say Cereality can take many forms. It can be a wonderful success if it's co-branded with another concept; it may not. I think the key we found in running the company—and that I hope Doug and his team will continue—is the value of trial and error. You learn from doing and you make mid-course corrections," Roth says.

"I'm hoping there will be a lot of experiment with different formats. See how the consumer responds; see if "the Saturday morning experience" is being delivered. If it is, continue on, and if it's not, make a change. But the brand is so strong [Kahala-Cold Stone] doesn't really have to invent that, they can just inherit that an be true to it."

Cereality's first location was at Arizona State and others have since opened near the campuses of the University of Pennsylvania in Philadelphia; Penn State University in State College, Pa.; and Northwestern University in Evanston, Ill. But Roth believes the brand's appeal is not limited to any one demographic.

"For us [campuses were] a starting point because we felt that if college kids saw Cereality as hip and cool and relevant, they would embrace it, own it with that "My Cereality" attitude--like a YouTube or iPod attitude—and then that would spread and make Cereality recognizable with other demographics. And that's what happened," he says.

"But what's very interesting was that the appeal the brand had for families was even stronger than for college students. It makes sense because you have mom and dad and a couple of kids and they each have a particular way of eating cereal. They all get to express that individuality at Cereality and it's a very happy, positive friendly experience."

The Cereality operating in Newark (N.J.) Liberty international Airport has done well, Roth says, and a location at New York City's JFK International Airport is scheduled to open later this month. "Travelers gravitate to it as a healthy option, and I think that will continue to be an opportunity Kahala-Cold Stone," he says.

Roth already is at work on the Next Big Thing. He has formed a company, Idea Stewards, that will work with organizations "looking for guidance on innovation."