



PEPPERONI TIMES



THE PIZZAIOLO'S PEPPERONI

MAY 2015

Limited Time Offers: A Chance to Boost Sales



Despite their name, Limited Time Offers (LTO's) can offer some big time, ongoing returns. They are ideal for creating a buzz about your restaurant, attracting new customers and energizing the staff.

"People use them to test a new concept or introduce a new menu item," says Lloyd Oshiro, the National Sales Manager at Liguria Foods. "But pizza is comfort food so these ideas don't always work."

Oshiro said pizzerias might want to stick to offers revolving around what they do best. "The ones that work seem to be variations on pepperoni, which is the no. 1 topping. So something like a double pepperoni offer can be very effective because it is a known quantity."

A true Limited Time Offer is what the name implies: A good deal (often a really good deal) that's available for a short period of time. Restaurant owners turn to LTO's to boost business, change up the menu, or to kick off a holiday or special event.



Ararat (Aro) Agakhanyan, CEO of BMPP Franchising Inc.,

The customers who take advantage of the offer are likely to buy other items and bring along their friends or family.

Ararat (Aro) Agakhanyan, CEO of BMPP Franchising Inc., the parent of Big Mama's Pizza in Los Angeles, says they have developed ongoing LTO's. "We offer a weekly text marketing promotion on the slow days – Monday to Wednesday. We then offer a weekend discount for those who missed the first one. It might be pizza wings and a drink, pasta and side salad or another menu idea," says Agakhanyan.

He says the LTO's include a 30 percent discount off the regular price. "If we get a two percent return on 6,000 emails, we are happy."

The challenge for any LTO is they need to be well planned – an effective LTO requires specific purchasing requirements, staff training and marketing. The LTO can often fall flat if it's poorly implemented or promoting a convoluted offer.

Oshiro says he has seen hundreds of LTO's and agrees that they can be hit or miss. He said the key is for the restaurant not to step too far out of its

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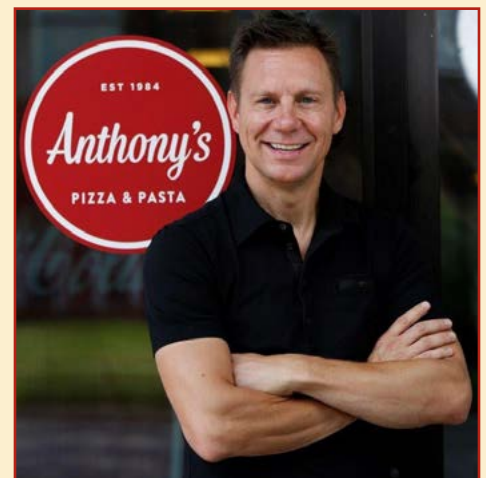
CUSTOMER PROFILE

Anthony's Pizza and Pasta: Make Every Slice Count

Have you ever noticed how running a restaurant is a lot like running a political campaign?

There's the intricate preparation, the development of a knowledgeable, well-trained staff, the community outreach and marketing and, most importantly, the development of a great product and menu.

So, it makes sense that John Le Bel, who worked with lobbyists, political fundraisers and elected officials in Washington D.C., would end up becoming the President & CEO of a successful and rapidly growing pizza chain called Anthony's Pizza and Pasta based in Denver, CO.



John Le Bel, President & CEO

"I love politics, love the idea of it and the fast-paced nature of it," says Le Bel. "Running a restaurant is just like running a campaign. You gear up for something, whether a speech or a dinner or an event; then you produce it and then it

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Limited Time Offers - continued

comfort zone. "Managing an LTO might require special boxes or new products. Consider how well your kitchen can deal with a new item they have never produced on a busy Saturday night. You don't want to be stuck with products or turn off your customers because you didn't make a menu item correctly.

"LTO's can be loss leaders to get people in the door, but you don't want it to be a total loss," he says. Oshiro offers Liguria's Bravo Gusto as an example of an LTO. As Liguria's newest innovation, Bravo Gusto is a smoky pepperoni that offers a unique flavor profile combining spice and smoke. Oshiro said it's special enough to demand its own promotion: "Try our new Bravo Gusto Pepperoni Pizza and get a FREE drink or a slice of pie!"

Another LTO idea involves all-natural is especially appealing to Millennials. interest by making June "All-Natural on specialty all-natural menu items.

Rick Glenn, president of Pizza Schmizza, Willy's, uses LTO's because they are and teamwork.

"I believe the LTOs are an excuse to are for 'us' more so than they are for give us something to talk about, argue about, and develop every quarter. I'm not sure there is a great argument for them being a necessity."

"I don't think we're unique in this either," he says. "If the McRib was really a huge profit, it would be a regular menu item. On the contrary, I don't see them pulling the Big Mac off the menu anytime soon. For us pepperoni pizza is our Big Mac and it's not going anywhere."

Ultimately, LTO's are both fun and profitable. They shake things up for both your clientele and your staff. They show you are not stagnant, are creative, and interested in bringing new ideas to your customers.

"If we get a two percent return on 6,000 emails, we are happy."

pizza, which is a growing category that Pizza operators can measure customer Month" offering a 25 percent discount

Figaro's Italian Pizza, Inc. and Nick-N-"fun" and help with employee morale

do some advertising, but otherwise customers," says Glenn. "They're fun, do some advertising, but otherwise customers," says Glenn. "They're fun, do some advertising, but otherwise customers," says Glenn. "They're fun,

Anthony's Pizza & Pasta - continued

ends and you do the dishes and go home, only to start anew the next day."

After heading west a few years ago, Le Bel met Henry Mann, who had founded Anthony's in 1984. Le Bel began working for Mann and eventually purchased the intellectual rights to Anthony's. Today, there are 25 locations with plans to open more in throughout Colorado and Utah.

One of his initial challenges was to rebrand the chain in order to stay relevant in the competitive Denver market, where, he says, Anthony's is not just competing against pizza places but against all quick service restaurants in the area.

"This is the home of Chipotle so you can imagine how competitive it is," he says. "I have a \$6 lunch and Chipotle has a \$6 lunch. People ask themselves where to eat and we have to provide a value and a great product for them as well as a comfortable environment."

In some ways as much as things have changed, they have stayed the same. Anthony's was doing "farm to table" before it was trendy. "We buy our vegetables and sustainable products locally and always have. It makes us chuckle to listen to others who are just now getting onboard with that idea."

What makes Anthony's standout is this attention to what the customer wants. "People expect more from their dining experience, more from their food, more for their families."

That is why Anthony's is incorporating the all-natural pepperoni from Liguria Foods. "There is no need to have nitrates in your food and our customers expect us to provide them with the cleanest ingredients. Working with Liguria which takes enormous pride in everything they do, from selecting pork to processing, is right in line with how we want to treat our customers," notes Le Bel.

On their website, Anthony's lists 30 Lessons from 30 Years in Business. Among the many things they have learned are: Always assign the laziest person the most difficult project because they will find the easiest way to complete the task; It's easy to do something well one time. The hard part is doing it well every time; and Everyone has a bad day now and again. It happens. (We have them too, unfortunately!) Although not an excuse, we are all human.

But, No. 1 on the list is a tried and true credo for any successful pizzeria: Make Every Slice Count!

If you substitute the word "idea" for "slice", you could also have a pretty good political slogan.

PRODUCT SHOWCASE

Liguria's Line of Smoked Pepperoni

One of the hottest food trends is smoked meats and dishes. Chefs refer to the smoky flavor as the "invisible spice" saying you can't feel it or touch it, but you can sure taste it!

This is a great opportunity for pizza operators and Liguria Foods has developed an innovative line of smoky pepperoni to meet the growing demand. Liguria's smoked selection, which is kiln dried and aged in redwood drying rooms, includes three unique brands:

Liguria Bravo Gusto

The premium smoked pepperoni, Liguria Bravo Gusto undergoes a natural smoking process that serves to stimulate the taste buds; its smoky spicy flavors and slightly coarse texture provide a full mouth-feel and satisfying finish.

Liguria Artisan

A high quality, high value pepperoni that accentuates the Old World style. Liguria Artisan is narrower in diameter than traditional pepperoni, which allows the natural hardwood smoke to deliver maximum smoky flavor.

Liguria Deli Pepperoni

Liguria offers a Deli Pepperoni with a large diameter, which is ideal for delivering a big, smoky flavor for sandwiches, strombolis and calzones.

Contact Liguria Sales for more information on Liguria Pepperoni at: sample@liguriafoods.com.



Protein Market Outlook

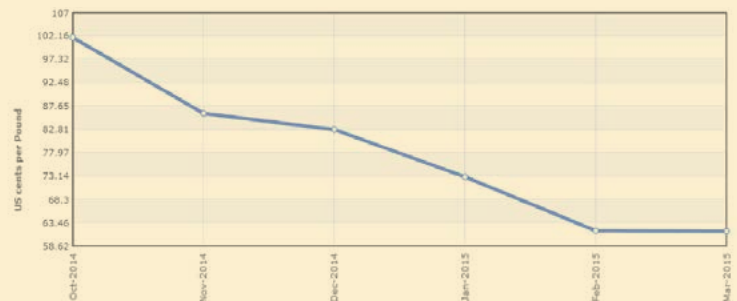
Pork Market

The spot prices of hogs continue to collapse due to a combination of heavy weights and large kills that have put plenty of pork on the market – great news for pricing. Although it appears to be resolved now, the export debacle progressively got worse through February and early March and as a result, shipments out of the U.S. slowed considerably. This led to some distressed price sells back into the domestic market. These factors combined with the strength of the dollar and recent weather conditions have been harmful to the pork industry, but also offer some welcome relief on prices.

Hog markets have seen prices slip into the mid/upper \$50 range. The future will depend on whether this low pork product pricing will stimulate strong retail sales in the weeks and months ahead. Given the continued record high cattle and beef prices it seems highly likely.

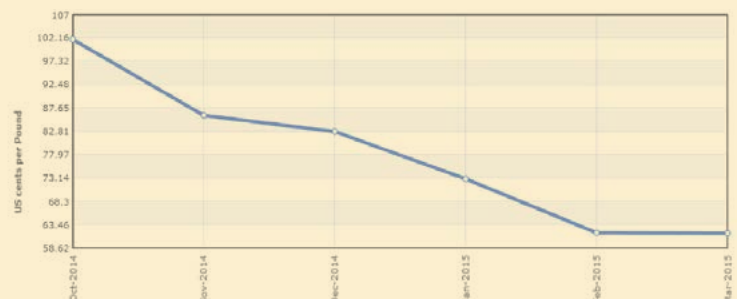
Pork Monthly Price – U.S. Cents per Pound – Oct. 2014 – Mar. 2015: -40.190 (-39.44%)

<http://www.indexmundi.com/commodities/?commodity=pork>



Beef Market

The year 2014 was certainly without equal. It was a year in which unique circumstances propelled the beef category into uncharted waters. Prices reached all-time highs and resulted in market fluctuations that were astonishing at best, debilitating at worst. While we may balk at the price hikes, there is a sizeable number of consumers that have shown a willingness to pay more for quality beef products.



Protein Market - continued

Following several years of herd reductions and in the wake of surging feed costs and lingering effects of drought, the nation's cattle inventory continues to rebound this year.

Larger herds mean larger beef outputs, but significant increases are unlikely before 2016. In the interim, smaller feedlot placements late last year and into early 2015 will continue to limit fed beef production into mid-year. In addition, larger imports and smaller exports, spurred by historically high prices and the strong U.S. dollar, may further temper declines in domestic beef supplies.

Beef Monthly Price – U.S. Cents per Pound – Oct. 2014 – Mar. 2015: -59.130 (-22.15%)

<http://www.indexmundi.com/commodities/?commodity=beef>

Liguria Foods uses sources that it believes to be reliable, but it cannot warrant the accuracy of any of the data or forecasts included in this report.



Briefs

Let's Hear it for the Pizza Nerd

One of the first big pizza bloggers, Adam Kuban, now runs his own pizzeria featuring Bar Pies with his own specially formulated crust.

Bloomberg.com says the pizza nerd, blogger and pizzeria owner truly breaks down the math behind his pie making. Kuban carefully builds each pizza himself, insisting the quality of his pizza lies in his Bar Pie crust – breaking down the hydration level of 55% compared to Neapolitan pizzas, which are closer to 65%.

PMQ Magazine, May 8, 2015

The Healthy Side of Pizza

One common misconception about pizza is that it is unhealthy. When topped with the right ingredients, pizza can actually help you get your recommended daily amount of at least three food groups. The key to eating healthy pizza is knowing what to order.

PMQ Magazine, May 8, 2015

Pepperoni Beer!? Cheers!

Pizza Hut, the nation's largest pizza chain hired two brewmasters to create a Pepperoni Pilsner. Mike O'Malley and Zach Schultz thought the idea was crazy but still created the "flavor of now".

<http://newslines.org/pizza-hut/>



ABOUT US

Since our beginning in 1974, Liguria Foods has been dedicated to the foundation of recipe formulation. We painstakingly follow our old-world recipes, providing our customers (and your customers) with the same performance and flavor every day.

We blend our traditional recipes and production processes (such as our redwood drying room) with state-of-the-art quality control and product distribution to ensure you're never disappointed, or have to worry about whether your customers have a consistent, enjoyable dining experience that keeps them coming back.

For almost 40 years, we've been your partner, sharing your passion for the best tasting pepperoni and Italian meat products. If you already use our products, we thank you. If you aren't a customer yet, why aren't you? Take a minute to contact us to learn more about the Liguria difference, and what so many successful pizza storeowners already know.

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