

# Pinkberry coming to Austin

## Pinkberry wants 8 stores in Austin area; more in San Antonio

*Premium content from Austin Business Journal by Vicky Garza, Staff Writer*

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[http://www.bizjournals.com/austin/print-edition/2011/12/16/pinkberry-coming-to-austin.html?ana=e\\_ph](http://www.bizjournals.com/austin/print-edition/2011/12/16/pinkberry-coming-to-austin.html?ana=e_ph)

Pinkberry Inc. is bringing its popular chain of frozen yogurt stores to Austin.

**Started in 2005 in California and famous for people waiting almost an hour in line, Pinkberry may soon have 20 locations in Austin and San Antonio.**

[Kurt Pederson](#) — an experienced franchisee, having run Jiffy Lubes in Connecticut and Burger Kings in California — has bought the franchise rights to bring Pinkberry to Austin and San Antonio. He plans to open up to eight stores in Austin and surrounding areas and up to 12 in San Antonio, adding to Pinkberry's more than 160 locations in the United States and several other countries. There will be more locations in San Antonio because it has a larger population, and it is more spread out.

Pederson — who came to Austin to retire, but not without something to keep him busy — has garnered \$1.25 million in equity investment from friends and family.

Pederson is negotiating on several sites and hopes to open his first Pinkberry by the second quarter of 2012. Each location will range in size from 800 to 1,500 square feet and will have about 25 employees.

United Commercial Realty Inc. and [Lauren Brunner](#) with The Retail Strategy Real Estate Group are helping Pederson choose locations.

[Bill Blackmon](#), a franchise consultant with FranChoice Inc., estimates setup costs at \$300,000 to \$400,000 per location.

Blackmon has seen growth in semiabsentee ownership, with most people in that category acquiring multiple stores in the niche retail food industry sector.

The trend has a lot to do with the banking climate, Blackmon said. Even people with high net worth can have difficulty getting their first units financed, so what most of them do is pay for the first one or two units on their own and have the banks finance the rest, he said.

Despite the presence of several independent frozen yogurt restaurants and another international chain, Menchie's, in Austin, Blackmon thinks Pinkberry can succeed here.

“We’ve seen a surge of interest in frozen yogurt, an old tried and true product,” Blackmon said, adding that Pinkberry is family-friendly and it will be locally owned and operated.

The frozen yogurt chain has strong brand loyalty in many parts of the country and has become a habit, much like Starbucks, he said.

Pederson said he looked at a lot of frozen yogurt chains with franchising opportunities, deciding on Pinkberry because the product is so different from the rest. The fact that it is made from fresh, high-end ingredients — such as chocolate from Belgium and hazelnuts from Italy — to create unusual flavors and exotic toppings, sold him on the product.

**Courtesy of JB Goodwin**