

ROCKHOPPER ICE COLLECTIVE

THE VALUE OF ICE RESEARCH REPORT



**NO LONGER A
COMMODITY,
ICE IS A CHOICE**

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WARNING!

This report will challenge your perceptions of ice and change much of which you previously believed to be true.

The research approach and data is detailed at the end of the report.



Introducing the next great wave of consumer personalization:

Ice



ICE IS NOT A COMMODITY

Ice can no longer continue to be viewed as a cost center and commodity. The gap between consumer desires and industry offerings is significant, and its impact can be felt across businesses today. Consumers care significantly about the ice in their drinks. In fact, of the restaurant customers that we surveyed:

88%

have an ice preference

60%

prefer a different type of ice than what you are currently offering

ICE IS AN OPPORTUNITY

In this report, you will learn the research behind why **ice is a growth opportunity estimated to be worth \$75,000 to the average quick service restaurant** and why you must establish an ice strategy that positions your company on the right side of the next great wave of consumer personalization.

Additionally, you will learn how Rockhopper Ice Collective ("Rockhopper") and its innovative ice-making technology enables you to close the gap between consumer demand and your current ice offering, ultimately achieving:

Profitable Growth

- ↑ Revenues by 1.2% to 4.3%+
- ↑ Profit by .4% to 7.8%+

Happier Consumers

- ↑ Customer Satisfaction
- ↑ Brand Loyalty

RESEARCH

* CONSUMERS HAVE STRONG ICE PREFERENCES

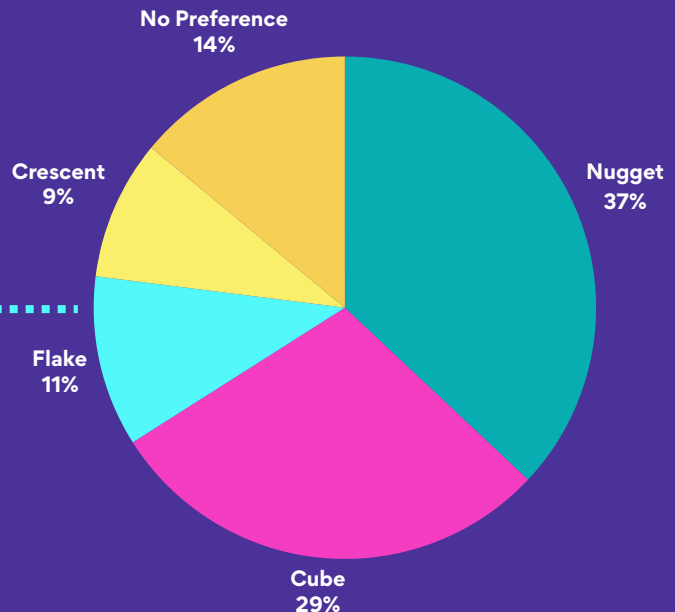
In the restaurant industry, personalization continues to be a competitive advantage. Ice is an emerging personalization trend that the restaurant industry needs to pay closer attention to.

According to Bosch, **51% of Americans identified themselves as “ice-obsessed,”**¹ consuming 116 glasses of ice per month. This obsession has been mostly consumer-driven, with social media content creators forming giant ice spheres, mini-cubes, and novelty shapes like bulldogs, skulls, and pineapples. At home, ice-making even features people freezing flowers into their cubes while parents freeze small toys for their kids to crack open. The hashtag #icetok has garnered an impressive 1.7 billion views on TikTok! Consumers are exploring and identifying their ice preferences; and its only a matter of time before they demand restaurants to cater to them.

* ICE PREFERENCES ARE DIVERSE

In 2023, Starbucks, well known for consumer drink personalization, announced that it would change the ice it serves from solid half-cubes to chewy nugget ice. Undoubtedly, it is a bold move for an organization that generates 75% of its beverage sales from cold drinks.² The internet went frantic with responses ranging from “I hate that type of ice” to “This ice is gonna be amazing.”³

Why? Because consumer ice preferences are incredibly diverse. In fact, no single ice type is preferred by the majority of consumers. According to our research,⁴ nugget ice is the leading favorite but only preferred by 37%. Solid, dense cubes are a close second at 29%. But even this is subject to change as 30% of consumers would choose a different type of ice depending on the drink they were having. As consumers continue to explore ice at home, restaurants must be aware and lead. The “right” ice must be a choice. Ice must be on the menu.



RESEARCH

* ICE PREFERENCES DRIVE PURCHASE BEHAVIOR

Today, consumers are already conveying their ice preferences with their wallets. More than half of the respondents we surveyed have already bought food at one restaurant and drinks at another because of the ice. This is a repeated behavior, as one-third of those surveyed consider a restaurant's ice more than half the time when determining where to visit. Consumers are even willing to go to great distances for their favorite ice, as two-thirds say they are willing to go out of their way to a restaurant that offers their preferred ice type, with over half willing to add more than 10 minutes to their trip.)

First-mover brands like Sonic and Dunkin' have noticed and begun incorporating ice in their advertising campaigns (see image below). In a time of compressing margins, restaurants must protect the highest-margin item on the menu. At an average 85% gross profit for beverages, restaurants cannot continue to lose drink sales to a competitor because they offer the consumer's preferred ice. The research in this report makes the case that if ice were on the menu, restaurants could expect consumers to buy, visit, and surprisingly even pay more.

BUY MORE

50% have gone to one restaurant for their food and a different restaurant for their drink (to get their preferred ice)

VISIT MORE

47% would visit a restaurant more times than they do today if ice was an option on the menu

PAY MORE

42% are willing to pay more for a beverage to get their preferred type of ice (over a free option)

Photograph taken by Casey Phillips



VALUE CASE

The following business case is illustrative and uses publicly available information to approximate the financial impact you can expect by adding ice to the menu with Rockhopper. We welcome the opportunity to refine these numbers with you based on inputs from your business.

HOW WE MADE THE CASE

- * The research discussed in this report builds the case that offering ice options will drive consumers to:

Visit more

By offering ice choice, restaurants can expect current consumers to come back more frequently and new consumers to start visiting.

Buy more

By offering ice choice, restaurants can expect consumers who come only for the food to now potentially order a beverage as well. Similarly, consumers who are now coming for the ice, may also order food.

Pay more

By offering ice choice, restaurants can expect consumers to pay more for beverages.

- * While there are many potential scenarios that can be forecasted when leveraging Rockhopper's offering for your consumers, the analysis in this report considered the following scenarios comprised of three independent value levers:

Value Lever	Conservative Case	Base Case	Optimistic Case
% Increase in # of Drinks Sold	1%	3%	5%
% Increase in # of Visits	1%	2%	3%
Price Increase Per Drink	---	\$.05	\$.10

SAMPLE VALUE CASE

The below tables summarizes the expected impact with our low, medium, and high scenarios based on a sample restaurant brand.

Assumptions

Store count	1,000
Sales per unit	\$ 2,500,000
Beverage sales per unit	\$ 500,000
Beverages sold per year	195,000
Beverages sold per day	541

Economic Impact per Average Unit

Scenario	Conservative	Base	Optimistic
Return on Investment (ROI)	99%	599%	1099%
Revenue Increase	\$ 30,000	\$ 75,000	\$ 120,500
Profit Increase	\$ 4,700	\$ 28,500	\$ 52,800
Franchise Profit	\$ 1,500	\$ 3,700	\$ 6,000
Franchisee Profit	\$ 3,200	\$ 24,800	\$ 46,800

Economic Impact across All Units (in millions)

Scenario	Conservative	Base	Optimistic
Return on Investment (ROI)	99%	599%	1,099%
Your Revenue Increase	\$ 30 M	\$ 75 M	\$ 121 M
From Price Increase	\$ -	\$ 10 M	\$ 20 M
From % Increase in Beverage Sales	\$ 5 M	\$ 15 M	\$ 26 M
From % Increase in Daily Visits	\$ 25 M	\$ 50 M	\$ 75 M
Your Profit Increase	\$ 5 M	\$ 29 M	\$ 53 M

Contact Rockhopper Ice for your own customized value case report.

THE ROCKHOPPER PLATFORM

For the first time ever, restaurants can profitably cater to consumer ice preferences by deploying the Rockhopper Ice technology platform. Rockhopper Ice Collective's patent-pending technology is designed to enable restaurants to offer ice options to their customers. Machines can be configured to create 4 distinct ice types from thousands of available customizable ice recipes. Offer your customers the choice of:

- solid, dense, clear cubes
- soft, chewy nuggets
- crispy, refreshing flakes
- your own branded proprietary ice



Unparalleled Customization

- Offer all ice types (cube, nugget, flake)
- Create your own proprietary ice
- 1,000+ ice recipes

Designed for Sustainability

- Next-gen sustainable refrigerant
- Industry-leading water filtration
- First In, First Out ice management in both bin and dispense models

Built for Experience

- Choose machine colors to match your brand concept/design
- Transparent windows display ice options and cleanliness
- Intuitive design for simple operations

Made for Convenience

- 'Ice-as-a-Service' model includes install, maintenance, repair, and upgrade
- Pay-per-drink pricing (billed monthly, no capital expenditure)
- Modular components enable minimal downtime during maintenance
- Visual notifications & alerts

THE ROCKHOPPER PLATFORM

WHAT IS PROPRIETARY ICE?

Rockhopper's unique technology allows restaurant brands to truly differentiate with ice. You can offer your customers the ices they know and love today (cube, nugget, and flake) as well as provide them with something only available at your restaurant. Whether an iconic branded ice or a limited-time promotion, Rockhopper can help design an ice perfect for your consumer, selecting various shapes, sizes, densities, and textures. Whether you want your logo on the ice, a specific shape unique to your brand, or that perfect texture for the drinks you serve - Rockhopper has you covered.



ROCKHOPPER'S BUSINESS MODEL

Ice should be a choice, but it should also be accessible. Rockhopper eliminates many of the traditional burdens that ice machines carry. We won't sell you a machine, saving you from a significant upfront capital expenditure. Nor will we burden you or your employees with cleaning and maintenance.

We are a full-service company and invest alongside your business to help you profitably increase your drink sales by providing the following components of the Rockhopper Ice Platform:

- Installation
- Proprietary Ice Design
- Machine Configuration
- Cleaning & Maintenance
- Customer Support
- Repair
- Upgrade

In exchange, our customers make a simple monthly payment based on the number of drinks you sell. If you do not find value in Rockhopper's offering, you can cancel anytime. We want to succeed together.

GETTING STARTED

We hope you enjoyed this report and are as excited as we are about putting ice on your menu with Rockhopper. If interested in joining the next great wave of personalization, there are a few simple ways to get started together.



PROOF OF VALUE

Are you stuck between wanting to be an innovative early adopter and needing to see proven results in the field? Let Rockhopper help you run a pilot with your customers to determine what ices you should be offering.

PROPRIETARY ICE DESIGN

Looking to understand how your brand can translate to your very own ice? Let our team of creatives and ice scientists work with you to design an ice your customers will love and that will drive net new traffic.

PILOT CUSTOMER

Want to be the first to have access to this differentiating technology? Let's discuss what a pilot customer and deployment roadmap could look like.

JOIN THE WAITLIST

Those who adopt early stand to benefit the most - but being a pilot customer is certainly not for everyone. Join our waitlist to learn more as this technology nears market readiness.



OUR RESEARCH METHODOLOGY

* Rockhopper Ice Collective partnered with Centiment in October of 2023 to execute a quantitative consumer research project regarding consumer ice habits and behavior. The research targeted members who reside in the United States, are over 18 years old, and visit restaurants at least twice per week. In total, 292 survey responses were collected and certified as valid by Centiment. Consumers who met this definition were asked multiple-choice questions, and their responses were anonymized and aggregated.

On average, how many cold drinks do you buy from restaurants in an week?	<ul style="list-style-type: none"> • 36% order 1-2 drinks a week • 42% order 3-5 drinks a week • and 19% order more than 5
How strongly do you prefer ice in your cold drinks?	<ul style="list-style-type: none"> • 64% almost always prefer ice in their drink • 7% almost never prefer ice in their drink
What type of ice do you prefer in your drink?	<ul style="list-style-type: none"> • 38% prefer nugget ice like found at Sonic and Chick Fil A • 28% prefer traditional cube ice like that found at McDonalds • 8% would prefer flake ice like found in a snow cone • 10% prefer crescent or crushed ice • 12% do not have a preference
How strongly do you prefer a specific type of ice in your drink?	<ul style="list-style-type: none"> • 40% strongly prefer a specific type of ice • 27% minimally prefer a specific type of ice
Do you prefer the same type of ice in all your drinks?	<ul style="list-style-type: none"> • 37% prefer the same type of ice in all their drinks • 33% prefer a different type of ice depending on the drink
When at a restaurant, how aware are you of the type of ice in your drink?	<ul style="list-style-type: none"> • 47% are highly aware of the type of ice in their drink • 20% are minimally aware of the type of ice in their drink
When choosing a restaurant, how long out of your way would you travel for a drink with your preferred ice?	<ul style="list-style-type: none"> • 72% would be willing to add time to their trip • 55% would travel more than 10 minutes • 17% would travel up to 30 minutes
When choosing a restaurant, what percent of time do you choose where to eat based on the ice available?	<ul style="list-style-type: none"> • 60% of respondents select the restaurant because of the ice served at least some percentage of the time • 35% respondents select the restaurant at least half the time because of the ice served • 17% select the restaurant most all the time because of the ice
For the same meal, have you ever gone to one restaurant for the food and another to get your drink ice?	<ul style="list-style-type: none"> • 50% of respondents responded affirmatively • 8% percent responded that they have not done this but thought about it
Do you believe a restaurant should make ice choice an option to you?	<ul style="list-style-type: none"> • 46% believed ice type should be an option • 38% believed it should not be an option • 16% were undecided
If ice type was an option, do you believe you'd visit a restaurant more often than you do today?	<ul style="list-style-type: none"> • 46% said they would visit more often • 15% are undecided
Would you be willing to pay more for a beverage with your preferred ice type over a free option?	<ul style="list-style-type: none"> • 44% would be willing to pay more <ul style="list-style-type: none"> ◦ 18% would pay an additional 5 cents ◦ 12% would pay an additional 10 cents ◦ 12% would pay up to 25 cents more

THANK YOU



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