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Ciao Bella—in Your Grocer's Dairy Case

How friendly media attention helped a Little Italy gelato shop move from being a restaurant supplier to a premium supermarket brand

by [John Tozzi](#)

SPECIAL REPORT



[Ciao Bella](#) was once content to produce generic desserts. The maker of premium gelato and sorbet sold its wares mostly in bulk to restaurants that served them as unbranded "home-made" ice cream. Retail was just 10% of the company's business in 2000 and the least profitable part. The last thing Ciao Bella wanted to deal with was the logistics of shipping pints of frozen ice cream to far-flung stores. "We fought the growth of retail," says Deborah Holt, the company's vice-president for marketing.

But today Ciao Bella sells through 4,000 retailers accounting for half of its business. The 150-person Irvington (N.J.) company announced a private equity injection last month to expand its reach to consumers. How did the food service supplier transform itself into a premium consumer brand?

Founded in 1983 as a gelato shop in New York's Little Italy, Ciao Bella sold pints in local boutique grocers, but food service quickly became its core business as restaurateurs reached out. The company resisted expanding its lower-margin consumer business, says Charlie Apt, Ciao Bella's president and chief operating officer, until the demand became difficult to ignore. "Several of our retailers called up—and hit me over the head and said: 'You're crazy. Your product sells better than most. You've got terrible packaging but the product itself is wonderful,'" Apt says. So Ciao Bella hired New York branding firm Wallace Church to redesign its pint tubs in 2000.

Bright Swirls and Snowflakes

"They had a very small consumer business, and the package at that point was a very, very dark blue, almost black-looking," says Stacey Kelley, a partner at the 40-person firm. The new version painted each flavor in a pair of bright, contrasting colors surrounding an iconic C-shaped swirl for gelato or a snowflake for sorbetto. "The colors are so intense that we wanted to really get that idea across through the packaging, that it's this really pure, intense, flavorful product," Kelley says.

The redesign came as Ciao Bella gained recognition in the food trade press and won awards at the semiannual Fancy Food Show. A positive industry response can be invaluable for a brand trying to move from the business-to-business market into the consumer arena, according to David Vinjamuri, author of [Accidental Branding](#). "The implication is that you're really an expert because you've been satisfying other businesses already," Vinjamuri says. "The trick is to not start from scratch and to realize that you've built some credibility."

In the early 2000s, select Whole Foods ([WFMI](#)) shops and more specialty groceries started carrying Ciao Bella. Then, in 2004, Holt got a call from a TV producer at *The Apprentice* who wanted to do an episode in which contestants designed new flavors. Before the show aired, Ciao Bella added mail-order sales to its Web site. When the flood of traffic from *Apprentice* viewers crashed the site's servers, the company realized it was suddenly a hot consumer brand. "We didn't have a strategic plan to go consumer, but we realized the opportunity was there and we needed to adjust," Holt says.

Oprah's Favorite Sorbetto

By 2004 revenue grew to \$9.6 million, up from \$6.4 million in 2000. The following year Ciao Bella started distributing to Whole Foods nationwide, increased its reach into specialty food stores, and began entering conventional supermarkets as well. The company has focused its PR, once oriented around the food press, toward promoting the pint lines for consumers. It has also expanded the number of flavors offered in stores—now 22 of Ciao Bella's more than 100 flavors sell at retail.

If the *Apprentice* pickup was a bolt from the blue, lightning struck twice last year. Oprah chose Ciao Bella's Blood Orange Sorbetto as one of her [favorite things](#) (BusinessWeek.com, 8/24/06). Just before the show aired on Nov. 20, the company

redesigned its Web site to appeal to consumers rather than food industry buyers. And having learned from its prior experience on TV, Ciao Bella made sure the site's servers could handle the traffic. "We had a million hits from Oprah," Holt says. "The day before [the show], we had 16,000."

Half of the company's \$15 million in sales came from retail in 2007 and Ciao Bella expects that share could grow to 70% in the coming years as it uses its new equity investment, which Apt says is between \$10 million and \$20 million, to expand. Ciao Bella is now trying to brand its food service business by adding gelato carts and display freezers, and giving restaurants incentives to sell the ice cream by the Ciao Bella name. The effort brings the company [full circle](#) from being a generic supplier to a consumer brand visible on shelves and in restaurants. For Ciao Bella, being branded is sweet.

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