

KRINGLE

SPRING 2012 • VOLUME 1 • ISSUE 2

Quarterly

DayLights Are Here!

...so are SummerLights, WinterLights,
Colored Tumblers and Potpourri Melts!





NEW! WinterLights



NEW! Wax Potpourri Melts



NEW! Colored Tumblers



NEW! WinterLights

KRINGLE

Quarterly

SPRING 2012 - VOLUME 1 - ISSUE 2

features



PROVENCE; HOW A GREAT FRAGRANCE WAS BORN

Creating a new fragrance is a journey that sometimes takes years.

WHAT THE HECK IS A DAYLIGHT?

Kringle pioneers a breakthrough new candle style.

SUMMERLIGHTS & WINTERLIGHTS

Bold new graphics meet Kringle fragrance in a style that adds sales fast!

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A LETTER FROM THE PRESIDENT



On behalf of everyone here at Kringle, I wish you the most sincere - if slightly belated - good wishes for the New Year upon us!

My father’s letter later in this issue mentions our January trip to Atlanta, and I highly agree that meeting with so many successful Kringle resellers was absolutely the high point of the journey. I wasn’t quite prepared to field so many accolades day after day about our line and our customer service team. Dad always warned me about the dangers of getting a swelled head, so I made sure that I spent more time listening than talking as the feedback poured in.

The most excitement was definitely centered on the 16 new fragrances we’ve added to the wholesale lineup. In this issue, we’re going to focus a bit on exactly how a fragrance moves from the “what if?” moment to appearing on the store shelf.

“The arrival of the DayLight made major waves as well. People love the idea of a new kind of small, self-contained candle that offers all of the standard Kringle benefits.”

Another hot topic is the introduction of some new colored containers. Kringle burst on the scene as “The all-white candle line” and that’s still our #1 claim to fame. But we’re also listening carefully to the marketplace. Based on our success, a great many requests for some color in the product lineup have been reaching us. And we’re responding with SummerLights and WinterLights in intriguing new graphic looks.

The arrival of the Daylight made major waves as well. People love the idea of a new kind of small, self-contained candle that offers all of the standard Kringle benefits. We think this one is a sure home run!

These, and other topics, are covered in this issue of the *Quarterly*. Read on, and enjoy!

Sincerely,

Mick

Mike Kittredge III

INTRODUCING 16 NEW KRINGLE FRAGRANCES FOR 2012!

Kringle Candle burst on the national scene in 2010 with dozens of intense, ultra-realistic fragrances. The marketplace embraced our concept, but we’re not resting on our laurels for a moment. Sixteen new fragrances grace our 2012 range, and we know that many of these are already becoming fast consumer favorites. Be sure to include plenty of what’s new in your offerings this year!



Black Tea and Honey
The natural earthiness of ground tea leaves is buoyed by sweet golden nectar. As comforting as a freshly-brewed cup.



Snow-Capped Fraser
Crisp, bright and fresh airy notes accent the authentic botanical fir tree base. Hints of warm amber and moss further enrich the senses.



Cherry Blossom
This is a lively and authentic botanical fragrance, celebrating the renewal of spring with a promise of luscious tart/sweet fruits to come.



Under the Sea
This oceanic fantasy fragrance combines subtle accords of lemon, tea and woods to achieve a modern and tantalizing alliance.



Fresh-Cut Grass
This lush, accurate botanical captures the unmistakable green-sweet aroma of a newly-trimmed lawn. Pure nostalgia for many of us.



Warm Cotton
Light citrus/fresh notes, gentle florals and traces of musk unite to create the ultimate warm cocooning fragrance.



Gift of Kings
A magical elixir of sparkling citrus nuances mingle with spiced florals and rich oriental accords. Truly fit for the noblest of noses.



Watermelon
Summer sweet and luscious, few things are as truly refreshing as fresh watermelon on a sunny afternoon. We believe this fragrance hits the mark.

(Continued on page 19)

PROVENCE

How a great fragrance was born

When Mike Kittredge II sold Yankee Candle in 1998, he was certain that after over 30 years in the candle game, it was finally time to see some of the world. Over the next decade-plus, the family traveled to the Caribbean, Alaska, South America, Antarctica, the Baltic region, the Galapagos Islands and many other far-flung destinations. But if asked to choose his favorite among that long list of places, Mike's selection might surprise some.

"Provence, in southern France," he muses. "There is absolutely something special about the terrain, the colors, the pace of life, even the light that kept drawing us back there."

And what of the most memory-connected sense – smell?

"The smells were truly something special. I have a vivid memory of standing on the edge of a lavender field near a tiny village that dated to medieval times. It was a perfect sunny day and the flowers were at peak bloom. Their fragrance was incredible. What I recall the most is the old wooden fruit vendor's cart in the cobbled town square – we walked over and he had these small, dark, perfectly ripe local oranges, with a few sliced open on display. The stand next to him was run by an elderly woman selling potted honey and honeycombs. We visited them both, tasting and smelling everything at once. I turned to my wife Lisa and said, 'Someday I'd love to design a fragrance that captures this moment, right here. This *is* Provence.'"

That was in the early 2000's, adds Mike, and of

course he was long out of the candle business and had no plans to start up again. But life takes unexpected turns and less than ten years later, Mike's son Mick proposed the idea for Kringle Candle. Soon it was up and running, with a full complement of fragrances in the line. Not long afterward, Mike was reviewing some of the family travel photos, spotted the shots of the French village and suddenly remembered the alluring blend of scents from that bygone afternoon.

During a 2011 fragrance meeting, Mike retold the Provence story and the team readily agreed that it sounded like a sure winner. There would be a barrier; some sweet notes like honey can be easily lost when a candle is burning if the blend of accords is not perfect. "And," reminds Mick, "getting citrus and floral notes to play well together and maintain realism both hot and cold is no easy task."

Despite the technical concerns, Mick was confident Kringle's fragrance suppliers could meet the challenge. He worked for weeks with a host of samples, refining, adjusting and tweaking them in the lab for optimal performance. One day Mick arrived with a candle in his hand and a smile on his face. "Try this," he grinned, sliding a small jar across the table.

Eyebrows quickly went up. As a cold-throw fragrance, this was a home run, without question. The bright citrus was perfectly balanced by the sweet, mellow honey and the lavender was outstanding. So far, so good. But the real test was moments away.

Mick placed a lighter to the new cotton wick, and as the flame grew, so did the expectations in the room. Thirty seconds passed, then a minute. The fragrance of the candle was quickly filling the air.

Everyone began nodding wordlessly, and a few thumbs-up gestures appeared. Mike spoke first. "If I close my eyes, I'm right back in Provence. I cannot believe this!" And a new Kringle fragrance had joined the fold. And what else to name it but for the very place that inspired it – *Provence*.

Not every addition to our fragrance line owns such a colorful development history as this one, but we pledge to you that none will be released into our line until they have been thoroughly tested for realism, cold and hot throw and proper burning performance. If we didn't honor our commitment, it wouldn't be a Kringle Candle! ■



NEW PRODUCT UPDATE: WHAT THE HECK IS A DAYLIGHT?

Nope, it's not an overgrown tea light, it's a Daylight - the newest, coolest small candle in the Kringle Candle range.

What makes them so cool? Check out this huge list of features:

- 12 hour average burn time – that's all DAY (or night, really) and beats standard tea lights by a long shot.
- BIG fragrance output – Daylights can fragrance a large room in minutes.
- The perfect low-price “tester” candle - Daylights are a perfect way for your customer to try fragrances they're curious about. And they'll be back when they LOVE them!
- Colored or clear cups show off a lot of light from a small source.
- Sized to fit the new generation of candle accessories.
- Tiny “feet” on the bottom each cup allow airflow beneath, allowing them to burn safely on all surfaces even without an accessory glass.
- Unlike messy, melting votives, there's ZERO messy cleanup when they're finished – just pop the empty cup into your local plastics



NEW PRODUCT INTRODUCTION: SUMMERLIGHTS AND WINTERLIGHTS



Whoa! Check out the colorful graphics on those candles! Those can't be Kringle products, everything they do is white. Right?

Wrong! These are SummerLights and WinterLights, two brand-new candle concepts from none other than Kringle Candle. We've worked hand-in-hand with one of America's finest glass decorators to develop a line of candles with nifty colored patterns on the exterior of the glass, and we believe these products complement our white wax concept beautifully.

There are two basic looks. SummerLights feature a small checked graphic that reminds many of delightful gingham cloth. With an array of

pastel colors, they're ideal for warm weather decorating, indoors and out. The WinterLights' claim to fame is a bolder "buffalo plaid" look, reminiscent of cabin blankets and vintage wool jackets for a cozy lodge feel.

And make no mistake, the pure white Kringle wax inside each candle glows as brightly as ever, backlighting the graphics for a stunning appearance when burning. When the wax is fully-consumed, customers can easily peel the labels off and enjoy these artfully-decorated containers in countless other ways. They make great pencil jars, flower vases, etc., and there's no shortage of other ideas.

Looking for something new and exciting? Consider adding SummerLights and WinterLights to your upcoming Kringle Candle orders in 2012. They're a great new way to enjoy the most exciting candle line the industry has seen in a long, long time! ■



SALES REP PROFILE: KAY RALEY

(Kay is a sales representative with Bill Curlee and Associates, which is headquartered at the Americasmart in Atlanta. She handles their Central and Eastern North Carolina territory.)

How did you get started as a giftware rep?

Like seemingly half the reps in this business, I started out as a shop owner. I had a retail store called Kitchen Things in Charlotte NC. That was before I even knew how to cook – I'd just wash the dishes after our cooking demos! When I closed the store I needed work. I knew lots of people in the trade and I was very quickly offered a job repping. Funny, I remember saying "Being a rep is the last thing I'd do!" But I took the job, because I knew the person well, I trusted that it would be a good learning experience and I actually spent five great years there. And I've been with Bill Curlee now for 25 years. I discovered I liked the freedom of setting my own schedule; when I was working at a department store much earlier in my life I was really great at being there for 8:45am sharp. The problem was, I was supposed to be there at 8:30 sharp!

In 30 years, what kind of changes have you seen in the business?

I think there are far more women in the game today; the majority of reps are female. Even the corporate buyers are women now. Being in the same territory for so long I've seen accounts come and go – even big chains with 100+ stores. It's a fluid business with new things happening every year. There are always some new lines and new companies. But there are actually fewer new products today – I think there's more fear about investment because everything is so expensive. Offshore, the minimums are high, and much domestic manufacturing is still expensive. Fortunately, Kringle Candle is domestic. Already I'm seeing that Kringle is not afraid to try new things.

What's a good line in your view?

Naturally, I like selling consumable items, because the customer gets repeat business and so do I. It's tough with collectibles, they tend to max out after a time. I do carry some "durable" lines but at the most you can only



Kay Raley (center) with Scott Webber - Gift and Floral Manager (left) and Willard Doxey - House and Home Buyer (right)

sell a couple of pieces in many cases. We have a very good bridal-driven line which is great because there are always new brides every year. It's a semi-consumable with new buyers being recruited annually. So, mixing quality with consumability is the ideal formula. I think Kringle has that!

How are you as a rep, and what makes a good rep?

A good rep follows up faithfully. I try to call folks back the same day whenever I can, or at least within 24 hours. I think you should try to get to know your accounts on a personal basis; it actually helps you to read them and build a relationship where you can talk straight. It's a win-win if you can be very honest. I will tell my customers if a line is strong or not. I don't push, and I never did, even when I had my own store. There's no point in me creating a bad sale. I'm very honest about who has what lines; honesty is the best policy. They'll find out anyway and there's no benefit to being disingenuous.

What's your take on the future?

I believe our "typical" customer has changed – the age of the average buyer has lowered. There's a new crop of store owners and managers coming up. They're web-savvy, but frankly it hasn't had much of an effect

in my area. I think more buyers trust their reps as much or maybe even more than they did in the past. After a market you can say "We sold this!" or not, and they can use that as a reliable guide when buying.

How about Kringle?

Well, I'm just ecstatic about having the Kringle line. I first heard about it when Bill said the company had started up; that word got around very fast. I was on the Web one day, right after the Bernardston store first opened. I knew then that they had decided to go forward with their own retail. I had sold other lines, and YCC was always a tough one to sell against. The average consumer would always know YCC, so my accounts felt comfortable bringing it in. And now, to be able to work with the people who originally started YCC is a great thing.

Why is that?

The people who've had YCC for years are actually the easiest ones to sell! Many knew Mike back in the day, it was such a hot line, and it was a great line at a great time. Prices now are so high vs. the 80's and 90's. Those who didn't ever have YCC like the story very much too. The all-white concept is very strong and they love the quality. I have heard virtually no complaints. I have been able to direct my customers to the best-selling fragrances like Splash, Beachside, Fresh Mint, Lemon Rind, etc. That first year there was not a highly-discernible pattern but now we can definitely recommend what's best. The quality is very high with Kringle and it's a line I feel will be a strong seller for a long time. ■



Meet the Dealer

PEPPER CREEK

ROCKFORD, ILLINOIS

(Rockford, Illinois was first settled in the mid-1830's, roughly halfway between Chicago and Galena. The community was briefly known as "Midway" but was renamed the more literal "Rockford" because of the excellent ford across the Rock River. Near the busy Cherryvale Mall, Pepper Creek is experiencing fast growth with the Kringle Candle line. We spoke with owner Vicki Hubbard to get the lowdown.)

Can you give us a quick overview of Pepper Creek?

Pepper Creek opened in 1994 as a brand-new store, a combination garden center, florist and gift shop; our motto is "A natural for plants, gifts and flowers!" We currently devote about 5,000 square feet to our gift area and have one full-time employee (daughter Marie) and a half-dozen part-timers. The store is right across the street from a large regional mall, and within two miles you'll find virtually every major big-box store. There's a

Yankee Candle store there now, essentially thanks to us pioneering the line in this area. It's a highly competitive environment, for sure.

How do you differentiate yourselves from all of that?

One way is to really emphasize the seasons and make the changes exciting; people are absolutely not looking for the ordinary! They can find that at the box retailers so we strive to be different at Pepper Creek. For example, we remerchandised our store completely over to a full spring look on New Year's day – we're not waiting until March! We swapped out lots of items practically overnight and really concentrated on the spring elements of our product mix. We try to focus on the type of customers who seek out better products and like to change their homes décor with the seasons. It's very exciting to make people happy with excellent products and service.

And what sorts of promotions are working for you?

Traditional newspaper and radio ads are still quite effective with our biggest demographic but we also recognize that Facebook is becoming an important factor too. So, we are working more and more with social media now. Our Point of Sale system is very useful for detecting and observing trends and helping us key in on our best customers. But the best advertising is still good old word of mouth; we really try to treat everyone well and make sure they're happy before they leave Pepper Creek.

Are you seeing any emerging trends now?

Definitely. Today's customers are looking for better-quality products at a fair price. More people are trying to shop locally and they prefer to buy American-made products whenever possible. They're tired of low-quality items, and shoppers will tell us that daily.

What do you look for in a sales rep?

We really like the reps who handle our orders accurately and promptly. But the best reps do a little more and keep us abreast of what's new and what's happening in the marketplace. That helps us make better decisions with our purchasing. We use the Open-to-Buy system for most of our reordering, and it's great when reps are able to work with us in that area.

How did you discover Kringle Candle, and what are your customers saying?

We saw an ad in the Atlanta Marketplace pre-show guide. It definitely piqued our interest and as we investigated the line we became very interested in taking it on. Our customers are extremely positive about Kringle and incredibly responsive to the story behind it. What they really like the most is the way the fragrance carries throughout the whole house, and the clean burn. I've had a great many people switch their allegiance away from "Y," and Kringle is definitely outselling all the other candle brands by a wide margin for us already.

What advice can you offer to someone thinking about gift retailing?

This is a constantly evolving and changing business. You have to keep your eyes and ears open, watch for trends and keep trying new types of products. Don't ever lose your sense of humor, because you will need it! Set goals and have a plan to achieve those goals. Look for companies that believe in the independent giftware seller. And if you carry candles, you absolutely MUST have Kringle Candle in your store! ■



WELCOME TO MY LABORATORY *Part Two*

More science behind a superior candle

In our first Quarterly issue we reviewed the critical role that wicks play in creating a top-performing candle. For the next installment of our candle tech series, we'd like to discuss the process by which fragrances are selected for Kringle Candles. "Developing a good fragrance," smiles Lab Manager Mike "Jek" Jekanowski, "is the most 'scientific' part of the equation, but there's certainly a critical and major human element."

Phase One is ultra-human: brainstorming. Virtually every fragrance in the current Kringle Candle range began with an idea. Typically, our President Mike "Mick" Kittredge III and/or his father, Mike Kittredge II might offer a concept. A wholesale customer or Facebook page poll may reveal that the market is curious about a new fragrance direction. One of our fragrance partners may send samples that initiate a blue-sky session. However the idea reaches the table, once the fragrance is identified and targeted, the real work starts.

Phase Two is consultation with our perfumers. Mick describes the process this way: "We'll identify the fragrance and discuss our goals. Naturally, we set the bar very high for realism, appeal, burning performance and the cold throw and hot throw." We also describe what we don't want. For example, many low-grade Vanilla fragrances have a 'plastic' note in their accord. We never, ever want that sort of off-putting component in any Kringle fragrances. The perfumers will then submit a series of samples they believe will hit the mark.

For the next phase, our core group of "noses" (those with a distinct ability to discern the various notes within a complex fragrance accord) will give the samples a thorough assessment for "cold throw." The term refers to how well a fragrance can be perceived in solid wax form, with no flame. "This is key," adds Mick. "It simulates the brief but critical decision-making moment where a shopper picks up a candle and puts it to the personal sniff-test." In some cases, no submissions meet the key criteria, but far more often, we'll have more than one highly-rated finalist sample right off the bat. Now the competition really begins.

During Phase Four, we study the "hot throw" by burning our candidate fragrances. "Jek" outlines the steps: "We'll make up series of evaluation candles, mixing the finalist fragrance oils with our proprietary wax formulas in the full spectrum of actual Kringle containers. The test candles are placed into specially-designed evaluation chambers." At about 150 square feet and possessing no porous surfaces, these spaces are ideal for representing a typical household room. High-powered air handling systems ensure that the air can be completely exchanged in mere minutes and the non-porous surfaces guarantee that absolutely no fragrance from any previous tests lingers to affect new evaluations.

Lab techs light the wicks and punch the start buttons on digital timers; precisely 60 minutes later, our "noses" enter each room. Their criteria includes Strength (how much scent do I perceive?), Realism (does it smell like the name suggests it should?) and Appeal (do I like it?). After making independent written remarks, they compare notes, and the winners move on, as in any tournament.



Mike "Jek" Jekanowski

Phase Five is one of the most laborious: wick optimization. For each fragrance and particular candle style (jar, pillar, votive, etc.) there’s an ideal wick. With so many materials, weaves, sizes and shapes, finding the best possible fit is a daunting task, but Lab Technician Josh Davey revels in the chase. “It’s a little like being a forensic analyst,” chuckles Josh. “I may have to do a lot of record-keeping, but I always feel a thrill as we narrow the focus more and more until the best wick is determined.”

Some fragrances can begin to develop slight ivory, brown or yellow casts over time. To eliminate this problem, Josh also manages the simultaneous color stability testing, adding “We have to make sure each fragrance stays white, as it might be months between the manufacture and sell dates.” The lab staff micro-adjusts the wax/fragrance blend to ensure all candles maintain a pure white color virtually throughout their lives. The Kringle lab’s UV light box exposes samples to all ranges of real and artificial light, including halogen, LED, incandescent, natural sunlight and fluorescent. The light boxes run 24/7, so a month of testing is like a year of actual retail-environment exposure.

The funnel is narrowing faster now; Phase Six is to turn production-grade sample candles over to our in-home evaluation team. Predominantly female with a broad age range, this group will burn and monitor the finalist fragrances to help us determine if any fragrances have an edge in real-world settings. The evaluation team completes detailed reports and only those candidate fragrances earning extremely high marks will move to the final phase: in-store/in-season test.

At about this point in the process, Phase 6A begins: developing the proper look for the labels. Repeated tests have indicated that the label image absolutely effects how a fragrance is perceived by potential buyers, so it’s vital to create artwork that excites the greatest number of psychological triggers. “It’s pretty exciting for me” says Graphic Designer John Hentz. “In some cases the right image almost presents itself, but for some fragrances, we have to

do a good deal of dreaming and conceptualizing to get just the right feel.” In recent months, “fantasy” fragrances like Under the Sea and Watercolors posed some particularly thorny design challenges, but Mick jumps in saying, “John absolutely hit them out of the park!”

With Phase Seven, in-store testing, the end of the testing and research line is near. Small batches of labeled candles go into the Kringle retail store during appropriate seasons. In some cases multiple label designs might be displayed side-by-side. Our staff observes consumer behavior as they sniff, inspect, comment on and (we hope) actually buy these products. Some tests last months, others require only weeks to yield the needed data and feedback. If a fragrance sells well in the real-world setting of the Kringle retail store, surrounded by scores of worthy competitors that have all been through the same rigorous process, it bodes well for the wholesale marketplace.

“I think the key takeaway of all this testing is that we’re not shooting in the dark when we introduce new fragrances,” adds Mick. “Our resellers can feel good about our introductions, because they’ve all been put through a very thorough and grueling test process.” So, to borrow (and twist) a phrase from Frank Sinatra’s classic hit New York, New York, “If they can make it here, they’ll make it anywhere.” ■



INTRODUCING 16 NEW KRINGLE FRAGRANCES FOR 2012!

(continued from page 5)



Petals in Water
Sweetly delicate lilac and rose nuance soar together over a base of fruit and musk. If peace and tranquility had a fragrance, this might well be it.



Coconut Pineapple
If you like Pina Colada... then you’ll love this tropical fusion of fresh, juicy pineapple and sweet creamy coconut.



Provence
A gentle blend sweet honey, citrus and lavender, to re-create the magical fields of Provence.



Gardenia
Not the Gardenia you remember, ours stays botanically true and avoids an overly-sweet interpretation.



Pumpkin Latte
An indulgent blending of spicy pumpkin, warm milk and sweet vanilla create this irresistible treat.



Vanilla Lavender
Two classic scents that play well together. Honest, rich Vanilla meets one of the great understated florals.



Rainy Day
Rainy Day perfectly captures the airy ozone notes of a recent rain shower. Refreshing hints of sweet vegetal green recall dewy grass.



Watercolors
The essence of approaching summer. We combined lavish floral notes and sweet fruit accords with a just-right counterpoint of sandalwood and musk to create this masterwork.

A LETTER FROM THE CO-FOUNDER

Welcome to our second Kringle *Quarterly*.

As I write this, we've recently returned from the Atlanta International Gift & Home Furnishings Market. We spent the better part of five days at the Bill Curlee and Associates showroom on Floor 17 of Building 2. Bill, Nan and their team were gracious hosts and we felt welcomed immediately. And during this time, our team wrote hundreds of orders, with both first-time buyers and those re-ordering.

It's hard to decide which group was more fun, the new or established accounts. I'm a salesperson by nature, and the chance to tell the whole Kringle story and introduce our products to those who'd never seen the line before was very exciting for me. But I think the best moment for me was personally writing my first order in almost 23 years.

Of course, we didn't just sell in Atlanta. Our team of buyers explored floor after floor to observe trends in style and design. We also ordered plenty of treasures for the Kringle Candle retail store in Bernardston Massachusetts. I've always maintained that in order to be a good manufacturer it's best to be able to retail your own product at the same time. Our wholesale customers benefit greatly from this, as we introduce products that have been well-tested and proven in our retailing crucible.

I'm so pleased to be able to observe Kringle maturing so quickly, and I thank each and every one of you for believing in us and our mission. We will never let you down.

Warmly,

Mike
Mike Kittredge II



"I'm a salesperson by nature, and the chance to tell the whole Kringle story and introduce our products to those who'd never seen the line before was very exciting for me. But I think the best moment for me was personally writing my first order in almost 23 years."
