



Lavazza bets big on HoReCa to drive India's coffee culture

A pioneer in quality coffee and vending machines for the away for home (AFH) segment, Lavazza India is a part of a 121 years old business legacy. Despite being a primarily tea drinking country, the coffee culture in India has significantly evolved in recent times and the company sees major opportunities for growth here. Lavazza provides both imported and made in India range of coffee to its HoReCa partners in India. "We constantly innovate and provide the best solutions to ensure that our partners serve the best of coffee to their customers," said Silvio Zaccareo, MD, Fresh and Honest (Lavazza). Lavazza in India through its 100 per cent owned subsidiary, Fresh & Honest Café Ltd, imports coffee vending machines from Europe. The company also plans to invest on the education of coffee, both with consumers and the influencers (Baristas). "The Lavazza Training Center is the largest coffee study centre

internationally and we will be launching our world class training centre within India too in the coming months," revealed Zaccareo.

The company, which in line with its global strategy had moved out of café business is focusing on its core coffee business. Acknowledging that as consumers have opportunity to experience the best of coffees in the country they are becoming more discerning, Zaccareo remarked that single origin coffees is something which is catching up in India and several hotels have now started offering these as part of their menus. "The HoReCa segment is fueling growth of the category and also helping in changing habits towards coffee consumption. We see an increasing demand of coffee from the entire country, even from the traditional tea consuming markets, typically the northern side of India," he said, adding that they also have a wide range of single serve capsule systems which helps serve consistent coffee cup after cup be it a hotel, café or office.

The corporate segment is another focus area with more organisations looking for quality coffee solutions for their employees. "We also have presence in the high end modern trade where we are seeing more and more consumers demanding the best quality of coffee," stated Zaccareo.

<http://www.financialexpress.com/article/fhw/market-fhw/lavazza-bets-big-on-horeca-to-drive-indias-coffee-culture/236867/>

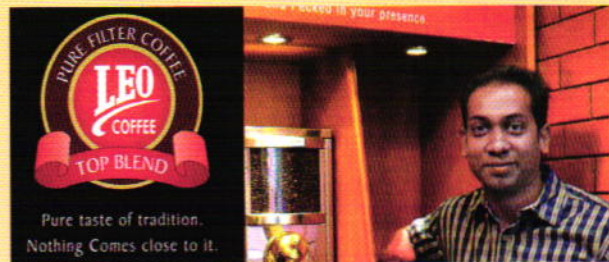
Leo Coffee brewing pan-India plans

Chennai, May 8: The aroma of coffee envelops one as they cross the street to enter the century-old office of Leo Coffee in Mylapore, at the heart of Chennai. The coffee major, known for its filter coffee powder, is expanding its product lines to tea and imported coffee business.

Venu Srinivasan, Managing Director, told BusinessLine that though filter coffee business is their bread and butter, the company wants to become a pan-India brand. Leo Coffee's presence in the North will be strengthened with the launch of tea and premium coffee variants, he said.

Leo Coffee forayed into the tea segment a year ago, with the introduction of seven varieties of dip tea and two varieties of Assam tea. Tasting success, the company experimented with premium green long leaf and organic green tea six months ago. The company is planning to launch three more variants of tea dust - Ginger, Green and Masala, by the end of April. Three flavoured beverages- badam, chocolate and lemon iced tea and special summer coffee blend, were launched a month ago.

In premium variant, Leo Single Origin Coffee beans, made using beans cultivated in the company's estate is sold online. Imported variants like Colombian and Kenyan coffee will also be introduced in the next few months. "In North, thanks to international cafes, people perceive coffee as a premium drink," Srinivasan said.



"We are aggressive on e-commerce platforms, as it gives us an opportunity to reach a wider audience," Srinivasan says. Leo Coffee invests about Rs.2 lakh per month for digital marketing, especially on social media. Matthew George, Head (Digital Marketing), concurs. "For example if we invest Rs.20,000, we are able to get a business close to Rs.2 lakh," he added. Currently, business from online platform accounts for about 1 per cent. With the new launches the coffee major expects it to reach 5-10 per cent in the coming years.

Leo has 39 company-owned shops in Chennai and one in Bengaluru, and 250 shop-in-shop counters in supermarkets and departmental stores across the city. "We are planning to open 5-10 shops in major cities like Tiruchi and Madurai at an investment of Rs.15 lakh per shop," Srinivasan said.

<http://www.thehindubusinessline.com/companies/leo-coffee-brewing-panindia-plans/article8573085.ece>



How Café Coffee Day is reinventing itself to take on rivals

With initiatives such as home delivery, multiple retail formats and a digital presence, Café Coffee Day is fighting off competition while reinventing itself to stay ahead of the pack

Café Coffee Day – or CCD as it is more popularly known – has come a long way since its inception 19 years ago. To make the most of each footfall, CCD is going beyond the obvious choice of expanding its food menu to increase its average transaction value.

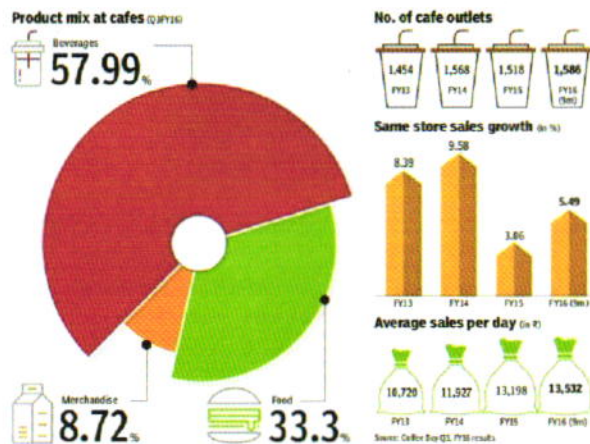
Café Coffee Day (CCD) is perhaps the market leader in terms of retail footprint with 1,586 cafés at 220 cities, as of December 2015, including multiple formats and 600 kiosks called Value Express. But just being present at convenient locations is not enough in the hypercompetitive segment. “Home delivery is very counterintuitive to our model as people come to cafés for experience. But our research shows consumers are looking for quick meal options and beverages to be consumed at office spaces and home get-togethers,” says Bidisha Nagaraj, group president, marketing, Coffee Day.

While the insight was right, CCD discovered it needed to have a differentiated food experience for home delivery – a menu that complemented the service. So it introduced home delivery in Bengaluru with a menu different from its traditional café one – freshly assembled food including filter coffee and brewed tea flasks, hot dogs, Afghani chicken biryani, tawa pizza etc. “Initially, the home delivery menu was different from that of the cafés. But when it became a success, we thought it makes business sense if we also roll it out at our cafés,” says Nagaraj.

Currently, CCD has tied up with third party vendor Swiggy for the last mile in Bengaluru. It later plans to integrate B2B delivery players like Grab and Roadrunnr with its app for a bigger spread. It plans to leverage its vast network of cafés to expand this service to major cities.

CCD has introduced more food options in the area of light as well as heavy snacks and can be consumed at meal times as well. “By focussing on tailoring the food menu, CCD intends to drive consumption at different time points, including non-peak hours like early morning and lunch time, introducing smart combo options,” says Nagaraj. It recently launched its re-engineered Supermenu. It comprises sandwiches, crispy burgers and fresh soups.

Beyond food, the focus is on getting the experience right. CCD launched its app in February this year to track consumer behaviour, personalise offers and promotions, enable cashless transactions through built in wallets and build loyalty. It also recently tied up with Freecharge to enable cashless transactions at the outlets. Customers can use their mobile numbers to pay and complete the transaction with an on-the-go pin reportedly in less than 10



seconds. Its deeper footprint on digital platforms such as Twitter, Facebook and Instagram further adds to customer engagement. It recently created its first digital content property with a character, Beano, to engage consumers.

To further boost experience, CCD flagged Café Concerts in February this year with a focus on live gigs in Mumbai, Delhi, Pune and Bengaluru. Café Concerts are also a platform for young and upcoming talent to showcase their skills in front of a live audience.

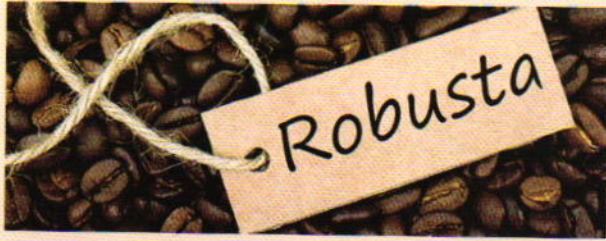
At CCD, the strategy now is to get into bigger spaces with wider frontage space and if possible, relocate existing cafés to bigger and wider spaces. “When we entered the café retail industry, we primarily looked at anchoring our presence in the city and spreading the café culture. Today, we are moving to larger spaces to provide better and more luxurious experiences to consumers,” says Nagaraj. In terms of new locations, CCD is bullish on highways, in addition to expanding presence in high streets, shopping malls, metro stations, educational institutions and transportation hubs. All CCD cafés are company-owned and company-managed to build consistency in the brand. “We drive the brand and we drive the experience. This is very difficult if you franchise it out,” remarks Nagaraj.

The principal factors affecting competition in the coffee retail sector include pricing, product/service quality, brand perception, taste and product variety. To differentiate itself from competition, CCD has built its retail strategy on 3As: ‘Affordability’ to cater to the value conscious youth segment; ‘Accessibility’ to ensure cafés are at an arm’s reach for high-footfalls, and ‘Acceptability’ to portray it as a non-intrusive, non-judgmental place where consumers can hang out for long hours – a third place after home and office.

Read the full article at <http://www.financialexpress.com/article/industry/companies/whats-brewing-at-ccd/251755/>



Coffee exports from India stand to benefit from global shortage of robusta beans



KOCHI: Indian coffee export stands to benefit from the global shortage of robusta beans as the major producers of the variety are facing crop loss due to scorching heat. Vietnam is the largest producer of robusta followed by Brazil and Indonesia. The heat wave from El Nino effect has caused considerable damage to coffee plantations of Asian producers while drought seems to have affected robusta growing regions of Brazil.

In contrast, India has just harvested robusta crop has been good and significantly better than arabica which was hit by unseasonal rains last year. Around 70% of India's total coffee crop of 3.27 lakh tonnes is robusta.

"Our robusta production is better and prices are

reasonably good. Exports are expected to be more than last year as we may have price advantage in robusta," said MP Devaiah, general manager of Allanasons, a coffee exporter.

Robusta prices in the international market have gone up by over 15% in the last few months. "With arabica prices ruling low, growers have sold a majority of their robusta stock. What they usually sell in six months, they have sold in three months," said a senior executive of a coffee exporting firm.

According to International Coffee Organisation, total global coffee exports in the first half of coffee year 2015-16, which starts from October, are estimated to be up by 1.6% to 55.5 million bags (each bag of 60 kg) indicating that coffee markets continue to be well supplied though there are concerns about robusta availability.

Reports say timely rains in Vietnam in June may reduce the expected deficit. But it remains to be seen the how the political crisis in Brazil will affect its currency. An appreciation of currency may lead to lesser exports from the world's largest coffee producer. Initial estimate from Brazilian agribusiness institution Conab puts the next coffee crop to be between 49.1 and 51.9 million bags.

<http://economictimes.indiatimes.com/markets/commodities/coffee-exports-from-india-stand-to-benefit-from-global-shortage-of-robusta-beans/articleshow/52285042.cms>



World's most Instagrammed coffee? Coffee in a cone craze sweeping South Africa

That's the claim made by Dayne Levinrad, the barista behind the Coffee In a Cone craze sweeping South Africa. Since launching in January, nearly 1 million images with the #coffeeinacone hashtag have been liked on the picture-sharing social media site. But while the idea is simple -- serve coffee in an ice cream cone lined with chocolate -- Levinrad says the science behind his creation is not.

People love ice cream, coffee and chocolate, says the former digital marketing executive, so he decided to serve all three at once. Simply pouring coffee into a chocolate-lined wafer cone, however, didn't work -- "the wafer was too thin." Experimenting with various combinations, Levinrad and used four different types of chocolate compounds to coat the cone, each hardened by varying percentages of cacao content. Coffee drinkers have 10 minutes to drink the coffee before the four layers melt.

Coffee In a Cone owes its success to Levinrad understanding of social media. First, he created the #coffeeinacone hashtag. "We used the cone as a way to become an Instagrammable product. When people come in they take



Caribou Coffee® Brews Up New Ready-to-Drink Premium Iced Coffee

Caribou Coffee is expanding its caffeinated possibilities to its fans and soon-to-be fans nationwide. The cherished Minneapolis-based coffeehouse company is introducing new ready-to-drink Caribou Premium Iced Coffee into their extensive line of quality, handcrafted beverages. The treat is available in three delicious flavors -- Chocolate Mocha, Vanilla and Sea Salt Caramel.

a selfie and tag #coffeeinacone," he says. Levinrad also employed someone to man a WhatsApp line dedicated to taking orders for take outs and deliveries of the product.

His marketing strategy caught the eye of Aviv Weil, of Creative Shop Facebook, Africa -- who had spotted the creation on social media. Weil guided Levinrad in how to build a creative marketing and advertising ecosystem using the Facebook, Instagram, WhatsApp and Messenger platforms, leveraging each in a unique way. "We then used a heatmap trending application to monitor where the tag has traveled to," Levinrad says. "It's gone all over the world."