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Big Ideas And Innovation Tips Percolate At These Coffee Houses

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Coffee shops are hopping; 54% of Americans over 18 drink coffee every day, spending \$18 billion a year.

That brings a lot of business to cafes. The tall order? To attract and wow on-the-go customers. "The coffee space is highly competitive," Elizabeth Rose, Detroit-based board director of Roasting Plant, told IBD.

The upside? Big ideas percolate under pressure.

Caffeinate your sales with these hints from coffee entrepreneurs:

Know your stuff. A solid base makes innovation easier.

Before opening Cafe Intermezzo in Atlanta in 1979, Brian Olson traveled around Europe to check out the different approaches to making and selling decent coffee.

Those insights gave him a good foundation. Then he cooked up something brand new. "I was extracting what the coffeehouse really was and is," he said.

Be memorable. Olson learned more than just how to brew a dynamite cup of joe. He also grasped that how clients react is crucial.

Olson's take: Give customers an inspirational atmosphere, and they'll turn from sippers into champion sluggers. "The product really is the experience," he said.

Question limits. Roasting Plant, with locations in Detroit and New York City, asked: Just how fresh can we make our coffee?

Result: The Javabot, which winds like something from Willy Wonka's factory through the cafe to deliver just-roasted beans for brewing at the sales counter.

Amaze. "Javabot is a piece of theater," Rose said. "Our beans literally fly and whoosh around the store, moving through clear pneumatic tubes. It's a feast for the eyes, ears and nose."

Hold that thought. High turnover can be stressful for coffee sellers. Brilliant baristas usually don't make bean slinging their lifelong career. "They are often at a transitional stage of their lives," said James Jacobs, co-owner, with wife Lina, of Magpie Cafe in Baton Rouge, La.

His advice? If your crew is always changing, leverage the fact. New hires bring in new concepts. Ask what they think. Figure out how to keep best practices, even when workers move on. "You've got to be dynamic and not static," Jacobs said. "Things are going to evolve and change, and that's OK."

Keep it hot. Choosy customers? Don't grumble, Jacobs advises. Eagle-eyed patrons bring in a lot of great ideas.

Example: One regular asked Magpie Cafe to sell pastries fit for the Paleo diet, which prohibits sugar, milk and wheat flour.

Instead of saying no way, Lina Jacobs whipped up an array of new desserts. The trimmed-down treats became top sellers.

Mix it up. Millennial customers crave variety. Diversify your menu to keep them jazzed.

"They are a smart group," said John Barry, U.S. director of franchise development and marketing at Korea-based coffee chain Caffebene , which sells spicy shrimp sandwiches and Asian misugaru drinks alongside its mochas to please its young core. "They aren't so much concerned about what they drive or where they live as they are about what they eat, where they eat."

Switch lenses. Shoppers won't always tell you what they think. Sometimes you have to check the view for yourself.

"It's important to see and experience what your customers are doing," said Elvis Lieban, vice president and co-founder of Berkeley, Calif.-based Artis Coffee. "If you're a retailer, stand in line during a busy time and listen to what customers are talking about. Get a feel for how long a wait is."

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