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UP FOR the CUP

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Coffee and its consumption is a social activity that's driving a fundamental shift in the relationship between contract caterers and their clients, not least through the integration of premium grade high street coffee shop experiences into the workplace. Martin Read writes this beverage report

Perhaps the most remarkable thing about the rise in café culture in the UK, and with it the stunning success of the high street coffee shop, is how it has happened just as that former home to the impromptu working lunch, the Great British public house, has gone into seemingly terminal decline.

It's an unmistakable cultural shift. While pubs continue to close across the country, coffee shops open up in ever more unlikely high street locations. And where in the decade just past we saw chains such as Starbucks and Costa locking horns in a battle of the global coffee giants, we're now seeing independent cafés cropping up and developing high-quality and highly localised coffee shop brands. Until recently it was a predominantly London-only phenomenon, but now high streets across Britain are seeing shops of all former uses, from chemists to stationers, butchers to bookshops, transformed into buzzing local cafés and bistros. And the remaining pubs are beginning to up their own coffee offering.

It's quite a turnaround.

Not long after the turn of the millennium, with high street coffee chains struggling to turn a profit, pundits were bemoaning a 'grossly overestimated' market for coffee in the UK. But then, as a generation weaned on cultural references such as Central Perk (from *Friends*) and Café

FAVOURITE COFFEE

Allegra consumer panel survey result



Nervosa (*Frasier*) settled into their careers, the coffee shop, together with its multi-faceted use as a community hub, took hold. After more than a decade of growth, the UK-branded coffee shop market continues to defy expectations. Coffee shops are still achieving a growth rate several times that of the wider British economy.

Demand from consumers both in and outside of the workplace for the height of coffee sophistication is huge.

An evolving market

All of which has fundamentally altered the game for contract caterers. Differentiation in product offer has always been important, but until now that's meant emphasising a USP between you and competing service providers. Today, competition is as much about what's happening on the client's local high street. Workers want the same experience in the workplace that they get when they're on the high street.

Research consultancy Allegra Strategies (from which the statistics boxes in this feature have been sourced) runs the World Coffee Portal, an information platform focused on the coffee and related retail and food service sectors. Last year Allegra's research painted a picture of a coffee shop market in rude health despite the otherwise fragile nature of the economy, with £2.6 billion turnover and sales growth of 9.3 per cent. An estimated 1.7 billion cups of coffee are drunk each year in coffee shops.

Allegra talks of the increasing importance of the coffee shop as a community hub, and of the large multinational coffee chains seeking to refresh their own image while retaining their core brand values. It's a febrile world in which constant innovation in product is expected, the impact of which has now percolated through

DRINKING LOCATIONS

Avg. number of coffees drunk per person per week



(sorry) to contract caterers.

Allegra's director of research and insights, Anya Marco, says that "we can see how contract caterers have become very aware of the impact the rise of the branded coffee shop market has on the consumer, and as a result consumer expectations, leading to significant investment into coffee and hot beverage strategies."

Contract caterers universally accept that café culture has changed their worlds.

"The reality is that it's vital we keep in line with what's happening out there on the high street," says Anthony Bennett, owner director of caterer Bennett Hay. "A lot comes down to the high street and coffee chains; the bottom line is that they are the

GRINDING OUT A RESULT



Barry Moore, performance director at Gather & Gather, explains which coffee beans and roasts serve which market

"Over the past five years the UK & Ireland have been through an

advanced revolution in the development of coffee culture. There are three major markets for coffee consumption – home, chain and speciality.

"The home market, generally speaking, has a high percentage of instant coffee drinkers. There has been a push towards capsule and pod machines that have blends of both Arabica and Robusta beans giving a deeper, earthy, bold flavour.

"The chain market generally consists of second-wave roasters including Costa, Starbucks and Cafe Nero. Costa has a blend of Arabica and Robusta – dark roasted, oily coffee; very bold, with heavy tones of dark chocolate and caramel. For a black coffee drinker, this is very harsh on the palate and why many Costa coffee drinkers will consume it as an Americano (watered down) or as a milk-based coffee, softening and sweetening the flavour. Starbucks use 100 per cent Arabica coffee, though they roast very dark and develop dark chocolate flavours, serving in large sizes to soften and sweeten the coffee.

"The speciality market focuses primarily on high-quality Arabica beans only. These are generally roasted at lower temperatures for longer, keeping the flavours of the beans inside until they are ground for brewing. Lighter roasted coffee beans develop balanced flavours and depending on where in the coffee belt the beans are sourced they will develop a balance of sweetness and acidity."

TURN OVER
Est, coffee industry turnover, 2014

**£7.2
BILLION**

competition now."

John Hamill, managing director catering at Servest, concurs. "Your goal these days has to be being better than the high street offering".

Gather & Gather's Barry Moore says that "making coffee has transformed our business over the last two or three years and become central the main volume driver of what we do".

Tim Sturk, head of coffee training and development at BaxterStorey, says his clients are increasingly asking more questions about their coffee.

"Many have noticed that what is on offer in the high street (retail brands) is not the same as what is being offered by the independents. In fact, our customers are comparing what we are serving to them not with the high street offer, but rather with the independents. This means we have to remain at the top of our game to compete with the best."

Coffee, of course, is just part of an ever keener focus on food quality, provenance and variety – and the greater demand placed on caterers to meet varying needs of the end-customer base. Gather & Gather cites work done in support of its client Sky, where it now runs 13 restaurant and café outlets for the broadcaster. Regular input into the menu from nutritionists, and the placement of outlets designed to offer that

other trend of our age – street food – both show the constant call for variety that the catering operator is bound to offer. It's an upward spiral as customers respond to this variety not with "sure, that'll do, thanks", but with ever more calls for something out of what all too quickly becomes the ordinary.

So while pressure on caterers from clients to reduce if not eliminate subsidy and provide a nil-cost solution remains the case for many, retaining customers and driving subsidy down increasingly means making a closer connection between its service offer and what end-user customers find on the high street – not least because of the potential for greater margins this may mean.

Bespoking the blend

What we are seeing now is an

increasingly bespoke offer to clients from caterers working with clients to develop unique coffee offerings. They're even selling caterer-branded (or client-branded) coffee packs, so workers can buy and take home the coffee they've experienced on the premises.

Anthony Bennett says: "For most of our clients we now deliver a bespoke product that is the equivalent of a high street brand."

It's a significant move on from caterers partnering with the likes of Starbucks. Those that may have integrated a Starbucks or Costa franchise

into their tenders over the past 10 years will have had to adhere, at least notionally, to that brand's guidelines – something difficult to sustain consistently across a diverse portfolio. If not controlled, the equity of that high street brand can be diminished, and the big high street chains have become stricter in enforcing their guidelines. But with things moving quickly on, the trend is clearly towards clients demanding bespoke in-house operations... If Starbucks is on the high street, why replicate it back at the office when you

"The reality is that it's vital we keep in line with what's happening out there in the high street"





TOTAL OUTLETS

UK coffee-selling outlets, 2014

 18,832

can develop your own café culture and add to the wider appeal of your workplace when competing for staff?

John Hamill says contractors whose proposals to clients incorporate a Starbucks or Costa concession are rarely seen as innovative enough these days.

"Clients are often influenced now by panels of workers who increasingly demand more original and authentic offerings."

Hamill sees the coffee offer as "increasingly one of the big drivers in terms of tenders".

Coffee culture's third space

The coffee is one thing, but the environment in which it is offered quite another. Not only are clients increasingly aware of the café as an internal 'third space', but contractors also

now look for opportunities to pitch to clients when they're considering introducing such spaces, mindful that the way in which the café space is designed and located has a huge bearing on its success. Catering firms face the daunting task of matching not only the quality of drink, but also the standard of the fit-out.

Of course, it's not just coffee. Tea remains the world's second most-consumed drink (after water) with speciality teas, such as infusions, increasingly sought after. Bennett Hay's Anthony Bennett says that today it is now a case of coffee, tea and hot chocolate being seen collectively as a 'high-quality barista offer'.

"As a nation, we are not that mature as speciality coffee drinkers," suggests Gather & Gather's Barry Moore. "There

are no distinct regional coffee styles as have been developed in markets such as Australia, where there is a distinct different style between Sydney and Melbourne. This will change, and what we are seeing is that in the speciality market, the major cities of the UK and Ireland are moving towards lighter, sweeter flavours, consumed in smaller portions appreciating the individual flavours of the beans.

A coffee's provenance is increasingly important.

"At the point of sale we strongly brand our local roasters coffee and their story," says Moore. "We find that customers respond positively to recognising a coffee roast that they may be drinking in their local independent café."

While the workplace coffee shop as third space makes

sense from a productivity perspective, its value as a space for integrating 'downtime' into the working day should not be underestimated. Psychologist Honey Lancaster-James says that "the social aspect of the workplace tea break serves to strengthen bonds between co-workers and increase feelings of wellbeing".

"Research has indicated time and again that striking a balance by taking short breaks during the working day increases people's productivity and creativity."

Staffing is crucial. Properly trained baristas are essential to a caterers' offer; their ability to make a good coffee and engage with customers is a significant point of differentiation between suppliers. Tim Sturk runs BaxterStorey's barista academy. As an authorised trainer for the Speciality Coffee Association of Europe, he is immersed in coffee culture

"It's our belief that you can teach skills but cannot teach a positive, 'can-do' attitude," says Sturk. "While we have many measures in place to encourage mentoring, role-modelling, that initial spark you can feed off comes from an individual's personal attitude."

"In terms of coffee, there is still much more work to do to attract people to our sector but,

through increasing involvement and exposure we have in the wider coffee world, we see many candidates coming to us keen to explore careers."

Sturk believes too many UK baristas lack the basic knowledge to make good coffee. "I always say in our training that it is just as easy to produce a poor-quality, bad-tasting coffee as it is an excellent, great-tasting coffee. The trick is knowing the difference."

Filters in future

Sturk is a good man to ask about current trends.

"What's changed significantly is quality from the source,"



he says. "As technology and best practice is shared openly around the world, everyone benefits."

He points to the growing trends for cold brew coffee, iced

coffees (made with hot brewed coffee), frappés and iced blended-flavoured drinks.

"Tea has always been linked with coffee sales and we are seeing a resurgence in non-

traditional tea," adds Sturk. "Also, manually brewed filter coffee is making a comeback. For years, consumers have often been afraid to ask for a filter coffee as the product has been so poor. But with individually brewed filter (drip) coffees we can reintroduce excellent coffee and explain that this is what's possible if delivered in the right way. And the 'right way' can only be achieved through the training for baristas."

As part of the social 'glue' of organisations, it seems coffee – and the environment in which it is served – will play a key role for years to come. **FM**

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FAST KEY SERVICES LTD
Unit 3 Pilot Close, Fulmar Way, Wickford, Essex SS11 8YW
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