

2016 COFFEE TRENDS



Naji Morkos,
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services highlights the
latest coffee trends
worth brewing over

What's new in your cup?

If you want to stay ahead of the curve, ask for a 'bulletproof' coffee, and you'll get an instant energy boost; you'll be more focused and it will keep you full until the next meal thanks to its mix of coffee, butter and oil. Pay more attention to what you drink, enjoy the experience and find out about your coffee's origin: for the aficionados the 'pour-over' coffee is one of the freshest brews around, and its popularity is rapidly growing despite its higher cost and longer brew time. More adventurous drinkers can also combine brewed tea, coffee and milk that can be served either hot or cold. This mix is popular in Asia, particularly Malaysia and Hong Kong, as well as Ethiopia. Although the amount of coffee is relatively low, it leaves a bittersweet flavor on the palate. In hot weather, coffee lovers can try its cold version, brewed overnight and served in branded glass bottles, paired with toppings such as ice cream or regular cream (ask for the Vanilla Iced Nirvana at the Dunn Brothers Coffee if you happen to be in the United States). There is also a bubbly option, which is carbonated and composed of espresso and tonic. Don't miss it at Saint Franck in San Francisco. And, whoever thinks coffee is a party pooper, think twice: many barmen now introduce the beverage in their cocktail mixes, creating drinks with a twist where the boosting properties of caffeine offset the depressant effects of alcohol. A popular pick is the 'Empire State of Grind' composed of Bourbon, coffee-infused vermouth and chocolate. The sides should not be forgotten, especially milk, which can make or break a good cup of coffee. Soy milk has long been the alternative to dairy in hot drinks, but now, various nut milk and coconut milk are becoming a hit. The demand for non-dairy alternatives is booming, and companies such as Starbucks worldwide or Porto's Bakery & Cafe, in Downey, California, are jumping on the bandwagon. New trends are outside the cup as well, with 'smart' vending machines appearing on the market. The newest versions can be connected online to the supplier that dispenses coffee automatically after inserting coins or credit into the machine. Quick and effective, it fulfills the need of today's customers who run out of time.

In the region, the bean is going green

Although the Middle East quickly follows suit when it comes to the latest fad, the region also develops its own trends, starting with the latest appetite for a large and strong java with the espresso 'lungo'. Thanks to its long extraction time, it has much more caffeine than the regular espresso. The global organic fever has also arrived and affects your cup, with the rising popularity of organic coffee produced without any artificial chemical substances, such as certain additives, pesticides and herbicides. The brand 'The Coffee Bean and Tea Leaf' has been going big with this trend. Quality can be improved through the growing and processing steps of the coffee bean, which is then roasted, packaged and brewed to attain high quality standards and freshness. Starbucks in Dubai Mall for instance offers 'reserve' beans, and a brand like 'Jamaica Blue' creates its own coffee made of Jamaican organic beans. Others select the best climates and explain the whole supply chain to their customers, the art of making coffee and how to drink it (Café Younes in Riyadh explains the process of each blend). Some love coffee so much, they even want to make tea out of it! New tea pods use coffee machines to shorten the brewing time of a perfect cup of tea from four to two minutes.

Lebanon puts the flavor on top

Lebanon plays a distinctive role in the region, and sets its own trends influenced by its familiarity with the Western taste. 'Specialty' coffee displays the sometimes unique blends and tastes that are a result of ideal climate and rich soils. There is more variety and more choice, since one can now buy coffee by the place where the bean originated, by roast or by the blend designed for the time of day, price or flavor. Toppings such as caramel or hazelnut flavors can be added and offer a twist to the daily coffee routine. The chain Barista has started producing their plastic espresso capsules cheaper than the aluminum ones. Others develop package deals offering baked goods, pastries, cookies and bread with a cup of coffee at special prices. Another new trend is the concept of 'drive-thru' coffee shops, which usually consists of a well located small booth where drivers can easily stop by and get their morning fix. Dunkin Donuts, Starbucks, Mountain Mud and all sorts of small shops have developed this concept. And finally, don't think of coffee as just that black beverage; more and more brands sell retail items such as branded coffee blends and coffee-related material such as mugs, kettles and coffee machines that improve brand image. So, when you're about to enjoy your morning java, think of all the different options that lie in front of you and make coffee the most popular beverage across the globe.

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HOME-GROWN FOOD & BEVERAGE CONCEPTS



The Middle East Food & Beverage (F&B) sector has been a franchising extravaganza for the last 10 years, bringing American and European popular – and sometimes not so popular – brands to every major city in the region. **Toufic Akl**, partner handling operations at Hodema consulting services highlights the talking points of the ‘home-grown’ vs. ‘international’ debate

Numbers speak for themselves; restaurant franchises today represent more than half of the region’s offer (six percent in Doha, 55 percent in Riyadh and 62 percent in Dubai). Lebanon is the only exception to the rule, with only 13 percent of its F&B industry coming from abroad.

Until recently in the Middle East region, most home-grown concepts were local traditional snacks or restaurants with no particular branding; the restaurant business was considered a personal venture not a financial investment and its success mainly relied on the owner, who was either the restaurant’s chef or its manager.

Home is where the heart – and money – is...

Today things are different; the region is now experiencing a turn of the tide with many entrepreneurs adventuring in the F&B sector, being driven by two main motives: The first is that they realize it is a rewarding investment where profits can reach up to 30 percent of revenues, and the second is that the restaurant business is a cash business, where people pay as soon as they order; thus there is no debt or late payments or payable accounts that might default. In addition, there is a fast growing number of young active entrepreneurs all over the region, who have traveled abroad for tourism, business or studies and have come back with fresh ideas for a restaurant project.

A home-grown concept does not only mean serving local cuisine, but also foreign dishes that have been brought to the region over decades. Lebanon, for instance, has had its local cuisine influenced by the Ottoman and French occupations and, in more recent years, has added an American and Latin twist to its menus. So we see Lebanese entrepreneurs creating French or American restaurant concepts, or we find foreign dishes added to the menu of a restaurant serving local cuisine such as a "Cordon Bleu" or a "Salmon Sashimi". The same principle applies to all countries around the world. For instance, in the Middle East region we notice the influence of Indian flavors in many restaurants developed in the gulf countries, or the home-grown concept itself offering an international cuisine such as burgers or sushi or Italian.

Mouthwatering success stories

Some restaurant home-grown concepts have proved so successful that they have been expanding inside their country, such as Al Baik and Kudu in Saudi Arabia, Roadster and Crepaway in Lebanon, Piatto and Maestro Pizza in Saudi Arabia and Abu Jbara and Blue Fig in Jordan, while others have even become serious contenders for international names by entering the franchising world like Zaatar w Zeit, The Noodle House and Leila to name a few.

Home-grown concepts have a lot to build on, but ...

The franchising concept, which allows an investor to use an established brand's structure and system as well as its operating

manuals, makes it easier and faster to start a business, with menus, recipes, branding and interior design already having been developed. Also, franchised concepts benefit from popularity and a proven track record, in addition to existing trust and brand awareness; two very valuable assets in any business.

Nevertheless, developing a home-grown concept also has many benefits. For one, the entrepreneur who is creating his or her concept has a thorough knowledge of the market they are opening in, from demographics to local culture and eating habits. The home-grown concept also has the advantage of being able to quickly adapt to changes in the market and its trends when required, without the need to report back to an owning company somewhere in another country. This applies to recipe, decor or services. Also, developing one's own concept can reduce intangible costs like franchise fees and royalties.

Additionally, a sense of pride has developed in most Middle East countries following the Arab spring in 2011, and local populations have started favoring locally created businesses over international franchises.

Finally, a home-grown concept has a less palpable benefit but is worth mentioning; contributing to the local community in general by boosting local employment and using local resources for setting and creating this new business.

As promising and easy as it may sound, some challenges remain, and local

entrepreneurs still need to put in extra effort for their home-grown concept to succeed. Finding a location is one of the most common challenges, with many prime hotspots being monopolized by international F&B companies for their franchised concepts, making locations either unavailable or out of financial reach for local startups. Also, the initial cost for creating a new home-grown concept can be precarious compared to acquiring a franchise, and competition in the restaurant industry leaves little room for trial and error.

Ready to create your own restaurant concept?

If you are about to embark on this adventure, here are some tips to remember:

- A successful business is 10 percent a great idea, and 90 percent hard work, also creating a F&B concept is very demanding in the amount of work and commitment to be put in. So be ready to roll up your sleeves!
- A thought-out brand identity is key for independent new concepts to establish their market share and positioning. To grab the attention and curiosity of dining out clientele, you have to offer both fresh and innovative ideas but also making sure they are not too completely groundbreaking.
- Last but not least, we all know by now the three main success factors for a F&B business: Location, location, location...

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Middle Eastern home-grown concepts that are franchising

BRAND NAME	COUNTRY OF ORIGIN	FRANCHISE TERRITORIES
 Manouche Street	UAE	Egypt, Kuwait, Qatar
 The Noodle House	UAE	Oman, Qatar, Saudi Arabia, Kuwait, Cyprus, Pakistan, Bahrain, Russia
 Tche Tche	Jordan	UAE, Oman, Saudi Arabia, Egypt, Palestine, Kuwait, Iraq, Lebanon
 Casper & Gambini's	Lebanon	Kuwait, Saudi Arabia, Egypt, Jordan, Qatar
 Zaatar w Zeit	Lebanon	Jordan, Saudi Arabia, Kuwait, Qatar, UAE
 Al Mayass	Lebanon	UAE, Qatar, Kuwait, Saudi Arabia, USA
 Leila	Lebanon	Jordan, Bahrain, Saudi Arabia, Egypt, UAE