



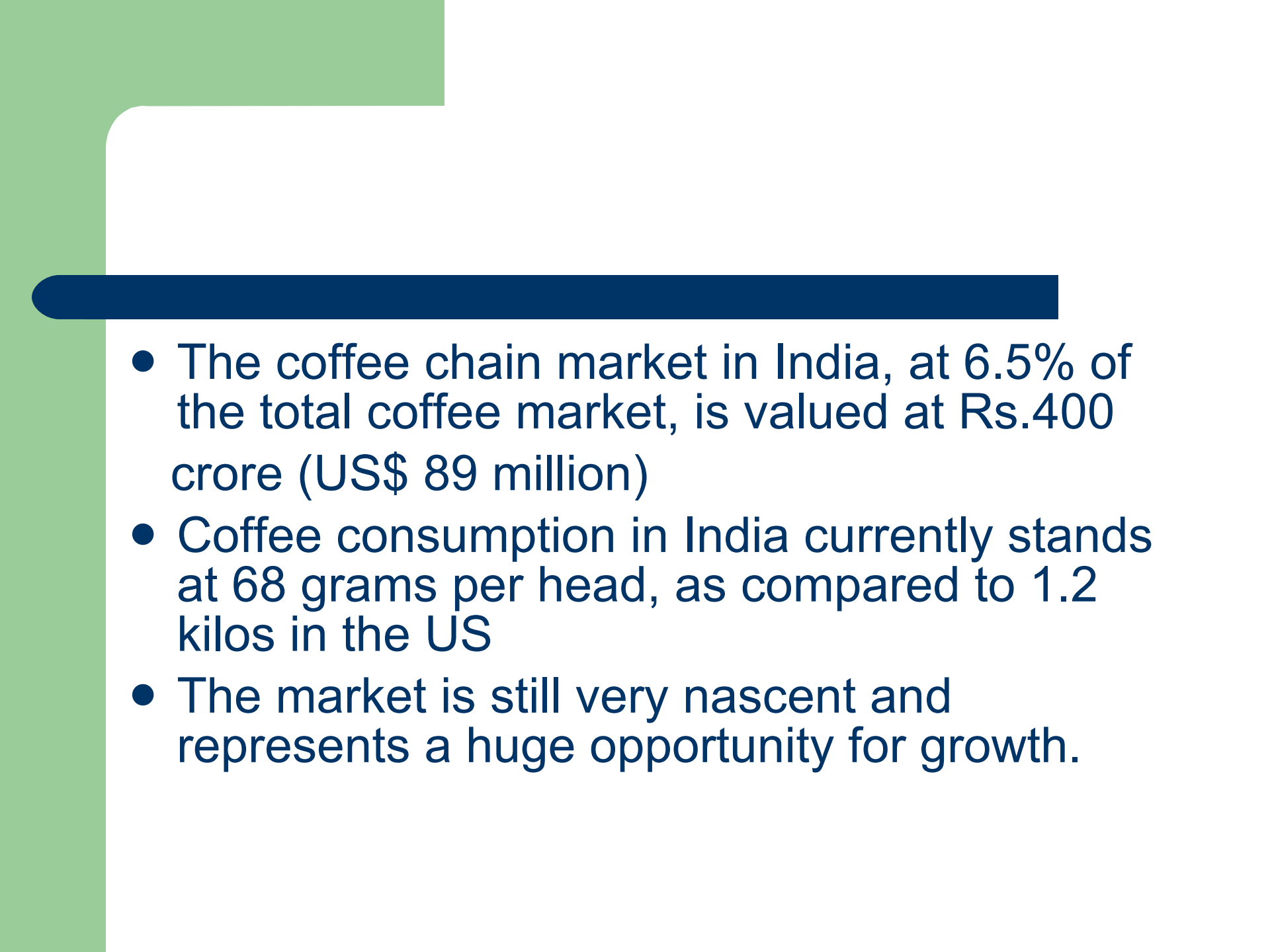
Barista Retail Coffee House

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Market in India

- Coffee has been around in India since the 17th century. Despite this long association, its consumption has been restricted to the South Indian states of Tamil Nadu, Karnataka and Andhra Pradesh, and as a limited urban phenomenon in the rest of the country.

- With the advent of the young, upwardly mobile brigade, the demand for innovative, sophisticated products and specialty cuisines and beverages has become more apparent. There is a greater willingness, today, to find modern expression through conspicuous consumption.

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- The coffee chain market in India, at 6.5% of the total coffee market, is valued at Rs.400 crore (US\$ 89 million)
 - Coffee consumption in India currently stands at 68 grams per head, as compared to 1.2 kilos in the US
 - The market is still very nascent and represents a huge opportunity for growth.

- **Research has revealed that connoisseurs who visit cafés want more than a cup of coffee. They want an entire experience, in an ambience that is friendly, comfortable and warm. Barista Coffee Company embarked on its mission to spread traditional Italian coffee culture with the opening of its first espresso bar in New Delhi in February 2000. Today, Barista has 130 outlets in 25 cities and employs more than 700 people. The company caters to over one and a half million guests every month; to many of them Barista is an integral part of their daily lives. The result is more than just a coffee business – what emerges is a powerful brand.**



History

- Barista traces its roots back to the old coffee houses in Italy.
- Drawing inspiration from them, Barista has single-handedly taken on the challenge of transporting the magic of Italian coffee houses to countries across the globe.
- The cafes were designed to reflect the warmth, culture and romance of Italy.

History

- Barista is a wholly owned subsidiary of the Sterling InfoTech Group based in Chennai.
- The group, built over two decades, is a pioneer in technology – with diverse interests in areas such as broadband internet DSL services, agro products, food and beverage, health and fitness, among others.

- Today, the group stands on the threshold of the US\$ 1 billion (Rs. 4500 crore) mark. Its commitment to its customers is stronger than ever; while its belief that business should address the needs of the consumer remains unshakeable.

- Barista coffee was established in 1999 with the aim of identifying growth opportunities in the coffee business. Increasing disposable incomes and global trends in coffee indicate immense growth potential in one particular segment.

THINGS YOU DIDN'T KNOW ABOUT

- Barista follows the Venetian tradition of making coffee – cold blending single varietal coffees and lightly roasting them in small batches.
- All coffee-based beverages at Barista use the espresso shot as the base.
- Barista is one of the few chains in the country to use environment-friendly packaging.
- The origin of the dollop is from the guitar, signifying leisure and coffee

Products



Coffees & Teas



Coffee with Milk

- Cappuccino
- Caffè Mocha
- Caffè Latte

Black Coffee

- Espresso Italiano
- EspressoTM
- Americano

Dessert Coffees

- Latte Bianco
- Caffè Borgia

Cold Coffees

- Brrrista™
- Brrrista Frappe™
- Brrrista Blast™
- Iced Caffè Mocha

Coffee Add-ons

- Various Flavours
- Chocolate Fudge
- Whipped Cream
- Espresso Shot
- Ice Cream Scoop

Teas

- Assam
- English Breakfast
- Darjeeling
- Earl Grey

Refreshing Alternatives



Smoothies

- Guava
- Mango
- Grape

Granitas

- Blue Curacao
- Lime Ice
- Mixed Fruit Tango
- Guava Crush

Milk Based

- Strawberry Freeze
- Mocha Freeze
- Icepresso

Iced Tea

- Lemon
- Peach

Other Drinks

- Ginger Fizz
- Kinley Water

Eatables



Sandwiches

- Paneer Tikka
- Cheese & Tomato
- Chicken Tikka
- Smoked Chicken

Rolls

- Kadhai Paneer Roll
- Chicken Masala Roll

Pastas

- Tangy Tomato Pasta
- Creamy Chicken Pastas

Other Food

- BBQChicken Croissant

Desserts

- Walnut Brownie
- Mocha Excess
- Chocolate Excess
- Dark Temptation
- Chocolate Mousse
- Chocolate Chip Muffin
- Almond Raisin Muffin
- Apple Cake

Product Sources:



Product Sources


- Barista sources its coffee beans from around the world, but a major supplier is TATA Coffee, part of the TATA Group that owns a large stake- holding in Barista.
- These coffee beans are then sent to Venice, Italy where they are roasted into a blend exclusively for Barista.
- The food and desserts at Barista is exclusively catered to by the Taj, who ensures a high standard of quality with all its products.
- Barista also sells merchandise through its store, all of which is imported.
- The merchandise accounts for nearly 1/6th of Barista's overall sales.

Quality Sources:

- Barista has a check on the quality of its products every 14 days.
- Barista also incorporates TQM at its headquarters in Delhi.
- Since Delhi is the base for all its distribution, quality control measures are adopted there to avoid any poor quality products being distributed.

Serving Size:

- The serving size of a product is a measure, not only of quantity, but also of value for
- money. The average serving size for Barista's main product categories is detailed in Table given ahead:



• Product	Serving Size
• Hot Coffee (2 kinds)	240 ml/ 300 ml
• Cold Coffee	340 ml
• Smoothies	300 ml
• Granitas	340 ml

Merchandising:

- Tiramisu Flavors
- Coffee Mugs
- Blue Curacao
- Barista French Press
- Barista Coffee Beans

Pricing:

- 'Skim Pricing Policy'
- began with a higher price, and skimmed the cream for the market.
- Gradually lower their prices, and appeal to different segments of their target market.
- Gradual price reduction

Process:

- The order and delivery process at Barista is based on self- service, where a customer goes up to the counter to place his order, and goes back to the counter to pick his delivery once it is prepared.

Consumer Profile:

- According to research, over 65% of Barista's customers are in the 15- 30 age- group. The majority of these are students and young urban professionals.
- 50% of all guests visit a Barista outlet more than twice a month, while 18% come every single daily

Brand Image:

- Barista positions itself as a brand for anyone who loves coffee. Their products, services and outlets are more like the traditional European cafés, where people would meet for the love of coffee, and for an intellectual appealing time. They position their outlets as a place “where the world meets”, and they look to appeal to anyone in the 14- 60 age group that loves good coffee and looks for a nice quiet time.

Physical Evidence:

Logo, Colors, Images:



- Barista, since the beginning has looked to use colors in its café interiors, logos and images; to project a “warm, earth glow, synonymous with coffee”. Barista uses shades of Orange & Brown to good
- effect to promote its atmosphere.



- The logo is a combination of Brown, Orange and Light Yellow; with the word “Barista” written in an upward curve, and the word “Coffee” underneath. A simple logo that perfectly expresses Barista’s brand image: A traditional café for coffee lovers.

Décor and Architecture:







- Barista's internal décor and architecture expresses the simplicity you would normally associate with traditional cafés. The furniture is made of light shades of wood, and there are comfortable sofas in bigger cafés. The walls are shades of orange, with various photographs of the love for coffee spread around each outlet.

Place:

- Barista looks to cater to their target market with strategically located outlets. Their outlets are generally located at High Street/ Family Entertainment Centers Considering their generic appeal, there are Barista outlets in and around Malls, Cinemas, Colleges, and Offices etc. this endorses their brand image of a café that appeals to coffee lovers of all ages.

Distribution:

Distribution of outlets



- Every Barista outlet is owned by the company, and not franchised out to anyone. Barista can thus control and make quick changes to its entire retail chain. Barista currently operates in over 120 outlets all over the country, and at their current rate, they are opening a new outlet approximately every 10 days. They have a market presence in over 20 cities. Mumbai alone has over 30 outlets, and the number of outlets in the city is increasing at a phenomenal pace. Barista has a thumb rule for selecting cities and locations for the distribution of outlets.

Location:

- This is a prime factor in determining the success of a retail chain. However, Barista Coffee has adopted a top down approach, wherein they first identify the cities and then decide on precise locations within its limits.

Selecting a city:

- Sizeable population of executives, students and families in SEC A & Barista category;
- High disposable income with people looking for new vistas in leisure and lifestyle oriented concepts;
- I High level or organized retail activity;
- H Rapid socio- economic development;
- R Level of commercial importance (Industrial cities, state capitals etc.)
- c Number of educational establishments and opportunities available for
- employment.

Distribution of Stock

- The distribution of stock at Barista begins from the coffee beans being sent abroad for roasting.
- The roasting takes place in Venice, and the beans are then supplied to the main warehouse in Delhi.
- Stock is then distributed to the various Regional Warehouses, and then to the local Warehouses.
- The outlets get their stock from the Local Warehouses.
- Barista uses a *Re-Order Level* system for the distribution of their stock.
- Barista out sources its transportation needs from external organizations, and currently uses trucks as the preferred means of distribution.

Human Resources



Positions:

Counter Staff:

- Junior Executive (0-2 years experience)
- Executive (1-3 years experience)
- Senior Executive (3-5 years experience)

Field Staff:

- Territory Manager
- Area Manager
- Regional Manager

Support Staff:

- Marketing
- Supply
- Human Resources
- Finance
- Training

Sources of Recruitment

- Walk- ins
- Referrals
- Placement Agencies

Achievements

- Barista has won recognition given independently by BBC,
- The Times of India and Business Standard as the Brand of the Year.
- Barista has also received the TOPS Award for Specialty Coffee Excellence by the Specialty Coffee Association of America (SCAA) which recognize specialty coffee retailers who differentiate themselves through better business practices. Recently.
- Barista gained recognition from the HT Food Guide as the Best Place to Have Coffee

- Barista is the only coffee chain in the world to have earned the distinction of opening an outlet within the very prestigious Saks Fifth Avenue in Dubai and has made a mark in a developed market like the UAE.

Recent Developments

- Besides introducing acceptance of credit cards at the outlet, Barista also launched the ABN AMRO Barista Card, a unique offering that combined the functionality of a credit card with the benefits of a loyalty card. This allowed cardholders to instantly redeem points at Barista outlets for their favourite coffees. An in-house magazine – Brewprint – was a first from Barista in India. Most Baristas now offer wireless internet connections to cater to today's gadget-friendly generation.

- Barista is the first coffee chain to introduce SAP in its stores. Barista has innovative alliances with the British Council, Rock Street Journal etc for book reading sessions, music and film festivals. It has Barista Espresso Corners in stores and leading corporations like Planet M, Shoppers' Stop, Westside, GE and ABN Amro, Dell, Sapient, VITP, ITPC etcetera to provide both, employees and guests with quality coffee breaks. Besides improving and innovating its offering
- Barista has created its own blend of music -Sound of Barista – a unique compilation customized to the profile of its clientele. It has also developed the Barista Experience Series – programme designed to engage and provide value to customers through exclusive events in art, culture and entertainment.

Promotion

- Barista started out with no publicity. In fact, the espresso bars were advertisements in themselves. They did all the talking with posters, tent cards and ambient graphics that reflected everything they wanted to communicate, in a tone of voice that was witty, warm and welcoming. The customers did the rest through word-of mouth, creating a group of loyalists along the way, for whom Barista today is more than a habit.

- Barista runs in-store promotions, both independently and with other companies. Innovative product placement strategies have allowed Barista Espresso Bars to feature in commercials for other products

- Some recent successful promotions included 'Sin & Win', where customers were instantly gratified on their purchase at Barista with exciting prizes like DVD, MP3 players etc via SMS; the Big Bucks Back offer, where consumers were given money back on purchases above a certain value. While cross promotions with Qantas Airways, Ford Ikon, Tourism Australia, Lakme, L'Oreal, CNN, DTC, Virgin Atlantic, Axe, Reality TV and Channel V kept excitement levels to the brim.

Sponsorships:

- Barista sponsors various events and festivals, which provides them valuable promotion directed at strategic markets. The sponsorships are mainly in kind, although major events are sponsored in cash also.

Collaborations:

- Barista has entered into special collaborations and alliances with various partners for co- marketing brands. For example, Barista entered into a deal with *Leo Mattel* toys to provide the popular board game *Scrabble* at every Barista outlet across the country.
- This is an ideal alliance for both the organizations, because it provides *Leo Mattel* with an important avenue for promoting their product, and it provides Barista's customers an added attraction for spending more time at Barista outlets.
- Barista has also entered into partnerships with various movies, for promotions through Barista, and recently, they tied up with Star World for its "*Absolutely Everybody*" campaign.

Diagram

- Barista has been the ground partner for Channel V and Zee Smile for various events and launch activities. To add to the experience, Barista introduced fortune telling through coffee grounds at some of its outlets, promoted the biggest music show in the country – Levi' Great Indian Rock –