

The Latest Trends

The first quarter of the year is traditionally trade show season—an opportunity to check out the latest offerings in Canada's food and beverage industry. This year was no exception with plenty of new products on display and trends to watch. In this issue, you'll read about many trends that are likely to have a strong impact on specialty coffee retail operations this year. They include:

- Food and beverage trend outlook for the next 15 years.
- Predictions of the top-selling tea and coffee flavours for 2006.
- The Brazilian açai berry, now recognized as the number one superfood by nutrition experts.
- The snowballing momentum that is building behind fair trade and "good cause" coffees.
- The many new products being developed around tea, which has been picked as one of the hottest trends and best business ideas for 2006.
- And a whole lot more

Our cover story on chocolate cafés picks up on the mocha house trend which we alluded to in the Winter 2005 issue. "Chocolate is the most popular flavour in the world," says Michael Szyliowicz, chocolatier with Mont Blanc Gourmet based in Denver, Colorado. "The target market for chocolate-based beverages is extremely diverse." For specialty beverage retailers, this trend presents an opportunity to inject new excitement in the menu offering, attract new customers, and increase revenues.

With the summer season quickly closing in, this issue would not be complete without a look at some cold beverage alternatives. We've got plenty of expert tips showing you how to bump up your profits this summer.

As publishers, we are constantly on the lookout for industry news, developments and trends. Let us know what you like or do not like. We're always looking for ways to improve. Enjoy the issue! ■

Brian Stammer, Editor



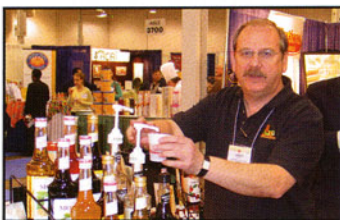
Product launches: Thousands of suppliers were on hand at trade shows across the country this Spring.



Beverage trends: Jim Zalusky (left) of Kerry Food Group updates our editor Brian Stammer on the latest flavour trends.



Troubleshooting: Edward Graham of Zuccarini Importing demonstrates a few simple maintenance techniques.



Sampling works: James Zannet of Gerhards Importers shows how to introduce new beverages to customers.



The Looker: Thomas Matheos of Alfa Cappuccino shows off the latest in smooth and flashy espresso machines.



Sales tips: Lawrence Cooper (right) of Sweet Street Desserts explains how to boost sales with quality desserts.



EIGHT REASONS CHOCOLATE IS SO SPECIAL

1. Taste and texture. Chocolate has a sweet taste and a fatty texture that gives a melting sensation in the mouth, and makes it one of the most palatable foods known, according to the Institute of Food Research based in Norwich, United Kingdom. Ice cream shares these characteristics with chocolate, and they both appear on the top of lists of most frequently craved foods.

2. Luxurious treat. Traditionally, chocolate was viewed as a luxury food. It has been used, for example, as a treat or bribe to win favours.

3. Possible stimulant. Although there is no direct evidence to support this theory, the Institute says it is possible that certain compounds in chocolate (such as caffeine and theobromine) influence our liking for it.

4. Mood altering. The pleasurable experience of eating chocolate can alter mood by directly producing a feeling of well-being and by distracting from negative mood states such as anxiety and depression, according to the Institute.

5. Oh so naughty. Chocolate carries a dualistic moral: it is "naughty but nice." The "naughty" part tells you not to eat chocolate when you believe chocolate is bad for you. The "nice" part tells you that you really like it and that you want more of it.

6. Small portions. Tasting chocolate sometimes leads to a desire to eat more. This perception may be related to a belief that chocolate should be

eaten with restraint, thereby increasing its desirability, according to the Institute.

7. Healthy hearts. For over 200 years, eating or drinking cocoa was believed to lower blood pressure. In February 2006, a Dutch study presented scientific evidence to back up these beliefs. Published in the *Archives of Internal Medicine*, researchers found that over a 15-year period, men who consumed the highest amount of cocoa were half as likely to die from cardiovascular disease, compared to men who ate little or no cocoa. In addition, men who ate the most cocoa were less likely to die from any causes.

Unfortunately, there is a downside to excessive cocoa consumption as calories could offset the benefit of antioxidants. In addition, the benefits come only from bittersweet dark chocolate and concentrated cocoa beverages.

8. Energy food. A new study, published in the February 2006 edition of the *International Journal of Sport Nutrition and Exercise Metabolism*, found that chocolate milk is a strong alternative to sports drinks in helping athletes recover from strenuous, energy-depleting exercise. Chocolate milk contains an optimal carbohydrate to protein ratio, which is critical for helping refuel tired muscles after strenuous exercise and can enable athletes to exercise at a high intensity during subsequent workouts, according to co-author Joel Stager, PhD, professor of kinesiology at Indiana University. ■

— Veronique Simon



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primary focus of their coffee house. "People have long wanted to indulge in a little chocolate treat, and chocolate cafés are an extension of that," says Susan Smith, senior vice president of public affairs for the Chocolate Manufacturers Association.

Defining a mocha house

Chocolate lounges are a European creation, which date back several hundred years. They were designed for the elite and offered a comfortable environment to socialize while drinking hot chocolate. Today, restaurateurs are far more creative and target a mainstream market. To carve out their niche, mocha houses exhibit some unique characteristics.

Interior design. The design of the café is certainly one of the distinguishing features of a mocha house. The 100% Chocolate Café, based in Tokyo, Japan, for example, has a rich and innovative dark chocolate block ceiling to match its chocolate-coloured interior.

The Chocolate Salon, which opened in 2004 in Fort Myers, Florida, features a five-foot-long window through which customers can watch the chocolatiers in motion.

"There's always a clear focus on chocolate," Zannet says. "Some mocha houses display a variety of baskets containing chocolate chips from different origins. Other specialized operators have different varieties of chocolate on a continuous melt. This front-and-centre display puts the customer in control and allows them to select the exact blend of chocolate they want for their beverage."

The menu. "A mocha café is definitely the anchor beverage," says Zannet. "You will find specialty chocolates and chocolate desserts, but it's premium, high-quality chocolate products, and the rich, pure cocoa content, that differentiate the new mocha houses that we're seeing."

Quality First: (above) Located next to the College Football Hall of Fame in South Bend, Indiana, the Chocolate Café mixes premium chocolate and gourmet coffee to create an unforgettable experience.

Drinking chocolate: (right) Mont Blanc Gourmet's Haute Chocolat was voted best new product for 2005/2006 by the Specialty Coffee Association of America.

Drinking chocolate is also becoming very trendy, says Szyliowicz. "We recently introduced Haute Chocolat, a rich, decadent chocolate beverage made in the tradition of fine European drinking chocolates. It's a liquid-based product designed as a standalone indulgence or to be combined with other ingredients to create new hot and cold specialty drinks for non-coffee drinkers."

In some cases, however, going a little too heavy on the chocolate has been a problem. In December last year, Starbucks decided to pull its Chantico drinking chocolate from its menu (it will continue to offer other chocolate-based drinks). The Chantico drink was apparently so rich that some people felt they were drinking a melted chocolate bar. "I thought it was fine, but you drink a couple sips of it and it's really about all you need," said Dan Geiman, an analyst with Seattle-based McAdams Wright Ragen. "It was so rich and so thick, they maybe overdid it in that respect."

Szyliowicz says many businesses are also using variations on regular favorites by creating, for example, chocolate chai and spicy chocolate drinks. "This helps to drive interest and sales in the chocolate beverages," he says.

Sales approach. Mocha houses are also very strong on presentation and customer service. "We've all seen waiters spice up a meal with a pepper mill or provide a dash of parmesan cheese," says Zannet. "Some mocha houses use a chocolate slicer to flake the chocolate and make a nice presentation for customers. Others may have three or four different chocolates melting at the same time for customers to



choose from. These techniques are all part of making the beverage experience something special for the client."

Having a separate chocolate menu can also help to distinguish beverages. "I believe it's important for a mocha house to create a separate menu highlighting the specialty chocolate drinks," says Szyliowicz, "from the basic hot chocolate right through to the premium drinking chocolate."

Offering small sample tasters may also help to win over customers. "Allowing people to taste the product firsthand is one of the best sales techniques," says Szyliowicz. "It may not be new, but sampling works."

Conclusion

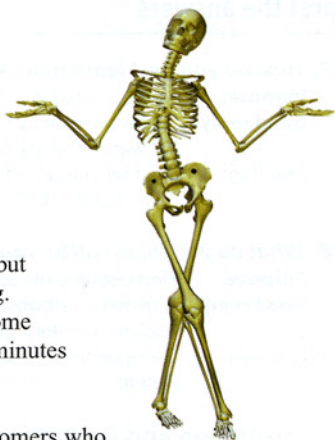
More than 60% of consumers surveyed by Mintel said they'd prefer to indulge in a small amount of high quality chocolate rather than a large amount of so-so chocolate. Mocha house or not, premium chocolate drinks clearly offer a new revenue stream for specialty beverage retailers. ■

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Knock Knock

15 ways to get them lining up outside your door this summer

by Robert Gosslett



1 Don't let them wait

Time may fly when you're having fun, but the opposite is true when you're waiting. Two minutes waiting for someone to come to your table can seem like five or ten minutes to the customer, say experts.

There's a "magic minute" in which customers who have been seated should be greeted. Once you pass that minute, the customer's enjoyment and the mood at the table go downhill very quickly.

There's also a "two-minute rule" in which customers who have been served should be asked if everything is great, says waiter training expert Susie Ross, founder of Colorado-based Waiter Training. "One of the things that is most irritating to guests is needing their server and not being able to locate him. Of course, an equally annoying situation is having the server hover over you, asking every five to ten minutes, 'Is everything ok?'"

2 Offer samples

Offering small beverage samples will set you apart from the competition and create a memorable experience for your customers. It's also a great way to test new drinks and blends.

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