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REINVENTING THE COFFEE EXPERIENCE  
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# FCSI WHITEPAPERS



**BEYOND THE  
COFFEE SHOP:  
REINVENTING  
THE COFFEE  
EXPERIENCE**

An estimated two billion cups of coffee are drunk every day around the world, with a billion people enjoying the beverage. In 2019 Euromonitor showed retail sales of coffee amounted to \$180bn and predicted that figure would grow by \$12.5bn by 2023. This whitepaper considers how and where this growth has and can occur, either through premiumization in countries with an existing coffee culture or expansion into non-traditional markets, such as China, where hitherto tea has been the national beverage of choice

Specialty coffee is a coffee, or coffee experience, recognized for its distinctive attributes, and because of these attributes, has significant extra value in the marketplace.

This is the definition of specialty coffee given by the Specialty Coffee Association (SCA) in a 2021 whitepaper. One of the contributors to the whitepaper, Yannis Apostolopoulos, CEO/executive director at the SCA, reckons the growth in consumption of coffee has been due to younger demographic. “We’ve seen the percentage of specialty coffee consumed going from 43% to 62%, which is a significant growth, and this is driven mostly by the younger generations,” he says. “I would say 50% are from the 25-39 demographic bracket. This shows how coffee is actually moving from a functional beverage to becoming an indulgence.”

The curiosity of this sector of the population is also opening up opportunities for a close barista/customer interaction. “The customers like to acquire knowledge, and they like to share their knowledge when they buy their coffee,” Apostolopoulos explains. “I think the consumer is in the process that [the consumer in] the wine industry was some years ago; we need to help to accelerate that. And that’s what we’re trying to do. People love that part; they care about what they consume. And they want to learn more.”

“There’s basically an explosion of coffee, I think everyone is becoming a connoisseur. Everybody knows a good cup of coffee,” says Nigel Moore Singapore-based vice president of Global for food, beverage and entertainment for Sofitel, M Gallery and Emblems hotels. “Starbucks was the original entry point for a lot of people in Asia. But now it’s a huge business. Everywhere you go, there’s a Starbucks, or an equivalent of, but there’s certainly much more of a trend for Asians to be leaning towards a really good cup of coffee. Be it inside of a sort of a cool, funky hipster sort of style coffee place, be it within our hotels, be it within train stations. Everyone seems to have their go-to place for a cup of coffee. I think the Melbourne and Sydney coffee culture isn’t the coffee culture of San Francisco or New York, but I think that culture is now firmly fixed within the Asian base – probably not so much in India. I think India has more of a tea culture.



**“There’s basically an explosion of coffee, I think everyone is becoming a connoisseur. Everybody knows a good cup of coffee”**

**Nigel Moore**



## FINDING NEW MARKETS

China is seen as a huge growth market for coffee chains. Starbucks opened its first store in China in Beijing in 1999. By 2022 it operated over 6,000 stores. Much of this phenomenal growth has been attributed to social media, with young customers posting pictures of their visits on various sites and platforms. But has the market now matured beyond this?

“Due to the economic slowdown in China, all the catering industry, including the coffee industry, has also slowed down, and the coffee culture is no longer growing as fast as before. However, I believe that the coffee culture will continue to develop in a way that is expensive and inexpensive,” says Acker So FCSI, principal/director at China-based design consultancy A+C. “I see a lot of anchors on social media to introduce different types of coffee and brewing methods, of course, these are for people who have a real love for coffee...or they want to sell the related coffee product through the media.”

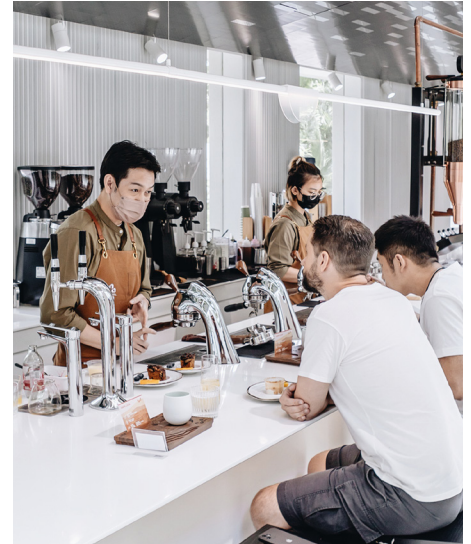
So emphasizes that the quality of the coffee is as important as design to coffee customers in the Chinese market. “Taste is one of key factors for coffee. Chinese customers will be attracted by the store design, social media etc, but ultimately they will be motivated by the product itself, which means the taste.”

Unlike China, Lebanon has a long, proud tradition of coffee drinking. Coffee is of significant cultural importance in Lebanon, where it is considered an integral part of social gatherings and hospitality. “Historically, coffee in Lebanon was consumed in a traditional setting, often prepared at home or in specialized coffeehouses. Coffee houses were traditional meeting places for friends and played a vital role in Lebanese social life,” explains George Haddad FCSI, owner and founder of Luminescenza, a foodservice consultancy based in Beirut Lebanon. “However, it is worth noting that coffee consumption trends and habits have changed over time due to various factors such globalization, urbanization, and evolving lifestyles.

“There have been shifts in recent years regarding the way and where the coffee is consumed in Lebanon,” he adds. “Different categories of coffee are currently gaining market shares because people’s lifestyles are changing; less time is being spent at home, homes are becoming smaller, and the preferences of coffee consumers are moving towards on-the-go, easy and quick to prepare [coffee]. In the age of social media, coffee shop design that is visually appealing social media can have a significant impact on a coffee shop’s popularity. Customers often enjoy sharing their coffee experiences on social media platforms, and aesthetically pleasing design elements can help generate online buzz and attract new customers.”

“We have seen, over the last few years, a huge growth around the world for opportunities for entrepreneurs looking for second placement opportunities for coffee. Either being in high end, luxury retail or art related,” says Apostolopoulos. This change in the way coffee is consumed has led to the rise of coffee outlets appearing in new types of venue.

Haddad has noticed this trend in Lebanon. “I’ve seen coffee serving outlets being developed in several non-traditional venues recently – such as art galleries, luxury



**“Coffee consumption trends and habits have changed over time due to various factors such globalization, urbanization, and evolving lifestyles”**

**George Haddad FCSI**

Modbar’s undercounter system allows the server to face the customer

fashion brands outlets, beauty salons – where the coffee shop is considered part of the overall visitor experience, he says. “The presence of such an outlet can provide a space for visitors to relax, wait their turn, socialize and discuss the items/services provided by the shops. In addition, having a coffee shop can create a symbiotic relationship, as it encourages longer visits. We have already completed the design [for a coffee pop-up] for an art gallery and for a luxury brands outlet. The challenge was to incorporate the new coffee counter within the existing interior design.”

Haddad believes that some coffee machines manufacturers have seen this trend coming and have developed attractive machine finishing with several designs and colors that can match any design need and also take into consideration reducing noise emission from the machines.

### **DESIGNING THE EXPERIENCE**

Whatever the location, is the aesthetic design of the coffee machine becoming increasingly important? Nigel Moore reckons Modbar’s undercounter system is a solution to many of his problems with hotel coffee shops. “You either have the guest facing the back of the machine, because you want the waiter to face guests when they make the coffee, or if you’ve got a sexy looking machine and want the guests to see it, then the waiter has his back to them,” he says. So, it’s kind of like, you’re stuck in the middle, which is why I was impressed when I first saw that [undercounter] Modbar system a couple of years ago. It increases the availability for our team to talk to the guests, and gives us a lot more surface area to work on.”

This communication between the customer and the person making the coffee will always be important, whatever the location and whatever the method of delivery. “I think we’re seeing coffee moving away from just being the function now beverage, to becoming more of an indulgence. People are looking for nice places, nice locations. Operator are seeking second placement opportunities to promote their brands and the experience they want to offer to their consumers,” says Apostolopoulos of SCA. “I think the technology and the innovations that we have seen are moving to the direction of delivering a better and more consistent cup of coffee. So, we’ve seen huge progress in the Super automatic machines, and the consistency in the quality of the cup of coffee that we get from those machines. And I believe that soon we’re going to see super automatic machines. I don’t believe that the role of the barista is becoming obsolete. On the contrary, I think baristas will have more time to be able to communicate with consumers and, all the machines are going to provide the experience that an artisan or an expert provides in front of a machine and give us great cups of coffee.

“We all know there are huge problems with the labor market around the world and how this affects businesses and retail operators,” he adds. “So, I think there is always a nice balance between an artisanal approach to offering an experience and consistency and on the other side. I don’t see that one cancels out the other. I find these complementary.”

In the hotel space Moore is designing his outlets for more than the guests staying in the rooms. “Before we build a hotel we work to understand what’s missing in the community – what is it they like, what is there, where is our location – then we



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**Yannis Apostolopoulos, SCA**

Modbar machines complement any design of coffee outlet

build something that the community needs,” he says. “We will never build a hotel or restaurant or bar for the use of the hotel guests. It’s always for the locals, because if the locals come and support it, you’re going to have a busy day, every day. If you have a hotel with high occupancy at weekends and low in the week, then you’re not going to be busy in the weekdays. That’s why everything is designed around the experience of what the locals would like to have.”

“What we’re trying to do is create an ambience that we are the centre of the local community,” Moore continues. “We do that by providing a great cup of coffee. But come five, six o’clock is not really a great thing to offer, because obviously it keeps you awake. So that’s always in the back of my mind how to flip things, for example from a little coffee bar to a local wine bar, beer bar, cocktail bar.” In this scenario having a well-designed coffee machine that does not dominate but blends into the space is important.

Coffee shop design plays a significant role in attracting and retaining customers all around the world. The design of a coffee shop creates the ambience and atmosphere that can greatly impact the customer experience. Customers are drawn to coffee shops that have visually appealing and well-designed interiors. Comfortable seating, pleasant lighting, and attractive decor can create a welcoming and cozy environment that encourages customers to spend time and enjoy their coffee.

“International brands often bring a contemporary and inviting ambience to their coffee shops, creating spaces where people can socialize, work, relax. This has influenced local coffee shops to adapt and enhance their own atmospheres to meet changing consumer expectations,” says Haddad. “Coffee shop design can contribute to establishing a unique brand identity and setting a coffee shop apart from its competitors. Through elements such as architectural style, interior design themes, color schemes, and branding elements, coffee shops can create a distinct personality and attract customers who resonate with that style.”

## **A GREAT CUP OF COFFEE**

As the consensus seems to be that the growth in coffee consumption is led by younger consumers, is there a need to address the sustainability of the product? “We all know that coffee and cocoa products are the definition of colonialism. We buy those products at lower prices, and we extract the majority of or generate the majority of the value in in the traditional north,” says Apostolopoulos. “We need to understand where value is generated along the value chain, and how we capture that value and how we distribute that value. We’re trying to lead these kinds of conversations, especially as a specialty coffee station. And I think that consumers all over the world are looking for more sustainable products. They’re looking for products that distribute value more equitably for everyone on the entire value chain. I think that is another reason that we see the growth of specialty coffee.”

This is something that Moore also mentioned: “One thing that I have put in place is to ensure that there is no major coffee contract. I’m not a fan of stipulating that you have to use a certain brand of coffee globally, purely because I can’t tell someone in Brazil, South America that they’ve got to use an Indonesian coffee when they’ve got great coffee plantations there. The idea is to work as local as you can to your domain.”



**“Chinese customers will be attracted by the store design, social media etc, but ultimately they will be motivated by the product itself, which means the taste”**

## **Acker So FCSI**

The modular bar concept allows operators to build the coffee set-up they need



As the coffee market moves to providing a more luxurious experience Apostolopoulos considers the role of Modbar and other coffee machine manufacturers. “Indulgence is different for every person; you can have super luxurious to minimal to whatever kind of approach you can find. And this is where I think Modbar feeds in, in all these environments with their unique design,” he says. “And at the end of the day, they have to produce a tasty cup of coffee. Always. I think that is a given for companies, that they have the technology and the equipment to consistently produce a great cup of coffee. Whatever the sector, it’s important. ■

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