

# In the Zone with MWEB Entrepreneur: Vida e Caffè

South African brand vida e caffè is synonymous with good coffee, a great atmosphere and smiling baristas, who are as energised as the coffee machines they operate.

They opened their first store in Kloof Street, Cape Town in 2001 and currently have 72 stores in South Africa, four in Mauritius, one in Angola and two in London, with plans to expand vida e caffè into Ghana and Botswana, as well as into Australia and the US. Where does their story start, and what is the secret behind the success of this popular South African coffee brand?



## Background

Vida e caffè founders Rui Esteves and Brad Armitage spent some time in London in the late 1990s where they gained insight into the fresh juice and coffee shop culture, which was gaining popularity in London at the time.

They returned to Durban, where they were inspired to open a smoothie and sandwich shop, which they called Fressh. Although this first venture wasn't successful and they ended up selling Fressh, they wanted to refine and simplify the concept.



In 2001 they moved to Cape Town and opened a European-style espresso bar called vida e caffè in Kloof Street. Their main focus was to make a great espresso and to introduce something new to the South African coffee market which would combine consistently good quality coffee with a great vibe; a goal they soon achieved. By 2006 they had opened eight stores across South Africa.



Grant Dutton, managing director of vida e caffè, started out as a 40 percent joint venture partner when the third vida e caffè opened, which was at Cavendish Square in Cape Town. The Cavendish branch opened to great success and Dutton realised that the brand had huge capacity to grow and prosper.

After his involvement in the opening of stores three to seven, Dutton, and his investment partners bought the company from Armitage and Estevez. He had ambitious plans for the brand and knew that he needed to build a strong support team, which would include a financial director, an operations director and a projects person with marketing skills.

When people own a part of the business, they form a strong team as they are personally invested in ensuring that the brand is a success. He approached four people who were willing to invest as well as play key roles in the business, as he had learnt the importance of empowering people through ownership from other businesses he had run.

## Service with a smile

A successful brand also needs strong and innovative leadership, and a good attitude towards its staff, and in this case, its baristas. The company spends a lot of time in finding and training staff, and sees the training and development of staff as key to maintaining its position in the market. "Staff training takes a lot of time," says Dutton. "We look for personalities, for the big smile. We like our staff to enjoy their work because that shines through."



The staff are one of the many stand-out features of the Vida brand, and as Dutton says, "they have been a vital key to getting things right. A lot of our regulars and even the media have picked up on and love the fact that when you put a tip in their tip glass, they all do some kind of chant. That's not taught, it comes from them."

Vida has a unique approach to staff training, and new recruits are known as 'shoes' because they still have to be 'worn in'. They are seconded to existing stores when they have learnt about every section of the store, which provides them with a comprehensive understanding of all aspects of how the brand works. Dutton also has a unique and committed approach towards staff upliftment.

When he realised that his Kloof Street staff were battling to get in to work from outlying areas, he bought a house in the Bo-Kaap, which provided them with a comfortable home close to work. More houses followed because, as Dutton explains, "A baker living in the township has to get up at four in the morning to be at the shop at five to bake. He gets home at seven in the evening. No matter what anyone tells you, that doesn't make for a happy employee." This adage has proved true, as in addition to happy employees, you also get loyal employees. "They live the brand because the brand takes care of them," Dutton says.



## Coffee buzz

Vida has a boutique roastery located below its head office in Woodstock, Cape Town. When they started the business, they imported their coffee from a roaster in Portugal, but as the business grew, they realised that with economies of scale they could increase their quality by roasting the beans in South Africa.

Dutton says it was the issue of quality that ultimately drove them to start roasting their beans and packaging their own coffee, as well as roasting for other companies. "We built the roastery to counteract the manufacturing downside. Imported coffee would sit on the water for ages, and that impacted on quality," he explains. Their premium and decaffeinated Estrela Blend coffee is made from 100% Arabica coffee beans.

Vida's strong branding is another key part of their success, as they aim to be more than just a coffee shop chain. They have a loyalty programme that gives customers back 5 percent of what they spend, and they publish an in-house magazine called 'Obrigado' which is Portuguese for 'thank you'. They have also made clever use of subtle marketing opportunities, and have chosen to brand their coffee cup sleeves to showcase different brand partners. A functional item like a cup sleeve can be sold as a media platform to their brand partners.



With a big focus on expansion in Africa, the first Angolan vida e caffè store was opened in 2011 and according to Dutton, the uptake they received there was very impressive. While there are plans to further expand their presence in Angola, Dutton says that the market can be challenging, mainly because it is expensive.

"It is a tough place to do business. There are issues with regard to customs and bringing in produce, so it does hinder operational capabilities. We have partnered with a master franchisee, this negates risk to a degree."

## Franchising

The Vida franchise model is a bit different because they run the stores for their franchisees.

This can be quite attractive because it provides a lower entry into the franchising market compared to other brands fees, and as they offer a turnkey operation, they build the store and run it as well.

While Vida has been successful in shopping centres and retail areas, the brand has done well in corporate environments too, and they recently opened a vida e caffè at Standard Bank's head office in central Johannesburg.

The strategy of having an outlet in a corporate environment seems to be paying off, as people are often willing to go outside of the building they work in to purchase a quality brand of coffee that's nearby. An established coffee shop in a corporate building can also become a popular meeting point for those looking for a more relaxed environment to discuss business.

## Going digital

Innovation is always key to the Vida brand, and they are developing their iPhone and Android app to include their loyalty programme as well a potential "beat the queue system" where customers can log on, order, pay and then collect their coffee in store.



**Fast facts:**

- The concept of vida e caffè is that of a European espresso bar, aiming to serve high quality espresso and pastries.
- vida e caffè means "life and coffee" in Portuguese.
- The first Angolan vida e caffè store was established in 2011.
- The brand started in November 2001 with its first store on Kloof Street, Cape Town. vida e caffè aims to open its first chain in Ghana this year.

vida e caffè

Bold branding, and excellent coffee made by chirpy, smiling baristas combined with consistency in brand quality, are proof that a great product served in a vibey atmosphere is a winning combination.

Take a look at this brand video for vida e caffè from 2010, which showcases their coffee, coffee bean roasting and great staff. But above all, what vida e caffè is really about, is good coffee.

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