

LA MARZOCCO - Opinions about today and the future

We spoke about this with Guido Bernardinelli, Managing Director of a very peculiar manufacturer that does not aim for quantity and defines itself as an artisan manufacturer: La Marzocco of Florence, who, in virtue of who it is, often individuates or anticipates fashion and trends

For the past several months, the vast majority of professional coffee machine manufacturers have been preparing for HOST-SIC scheduled to take place in Milan at the end of October. Several producers have new ideas on their plate, some more so than others. Beginning today and in the weeks to come you will be reading about them.

At the same time, there are some who have opted not to have a booth directly at the show, but are planning for an independent event: the missing participants will surprise you.

We spoke about this with **Guido Bernardinelli, Managing Director** of a very peculiar manufacturer that does not aim for quantity and defines itself as an artisan manufacturer: **La Marzocco of Florence**, who, in virtue of who it is, often individuates or anticipates fashion and trends.

Here is a brief summary of what he recently had to say to Comunicaffè.

In the near future, Mr. Bernardinelli will give two other brief interviews to highlight his thoughts:

Downward trend Like other sectors, the professional coffee machine sector is also being forced to face the economic downturn, and La Marzocco is facing this situation like everyone else. Overall, however, **coffee consumption** itself has not declined since very few people around the world give up having an espresso. It's a rather limited expense which, in a sophisticated world like the one we live in today, is not included among the parameters we use to measure the crisis. We may not be purchasing new cars, or new homes and perhaps we go out less often, but nobody gives up espresso coffee to save on expenses. Moreover, coffee is considered a necessary fuel and represents a standard custom of every day life.

New sites The professional coffee machine sector is, however, affected by a general tendency caused by the crisis: fewer new sites are opening, whether in Italy or abroad. This affects young baristas in particular, who are usually La Marzocco clients. Indeed, according to marketing research, there is a vast tribe of young people interested in pursuing a career as a barista, with specific plans and not simply because their grandfather or uncle were baristas. La Marzocco is a trendy brand that affects these young people. But at this time, and practically throughout the world, baristas who decide to become professionals, independently of financing available from roasters, are facing difficulty in obtaining financing from elsewhere.

Export La Marzocco has always had a strong market in the **United States**, where the radical barista is not a novelty. Others have taken notice, such as at the recent show in Atlanta where a very small niche of young, fanatic baristas were solidly represented. There is a prevalence of **young baristas** throughout the world, except in Italy where the market is a traditional and consolidated one that works according to an established set of rules to meet the demands of standard custom, even if the coffee itself is not necessarily good. La Marzocco does not play a role in this market, where coffee consumption and machine sales are active in light of the decrease in the average price of the equipment. New, institutionalized shops, typical of this market category, are not opening however in consideration of the large number already on the block. The new market, on the other hand, is represented by young baristas who study coffee, launch single origins, travel to plantations, examine every square inch of their counter top to optimize the setting, and ultimately chose the best equipment. La Marzocco is a leader in this market, and includes those coffee shop chains who adhere to this specific philosophy. However, the chains that had planned on opening 100 stores are now forced to open far fewer.

Stimulating the economy Some suggest that new laws liberalizing the opening of new shops and/or reducing the sales tax may stimulate the economy. In lack of any signs of improvement, nothing is certain. **Bank lending**, instead, is necessary to open new shops, to help those professionals who have recognized the value of the barista as an actual career, rather than fall back on the role strictly "to get by". The fact of the matter is, however, that banks do not finance small companies, not even those with secure return rates or, at least, more secure return rates than others. Stimulation, consequently, should be through financing within the entire sector as well as a demand for quality. An unappealing shop or lack of quality will be of no value to the industry. And regrettably, the new tendencies that have driven the demand for quality to the stars elsewhere, has not been established in Italy, with a few exceptions. The extraordinary wave that revolves around the professional barista has not brought a tangible improvement in quality in those traditional espresso coffee markets, **Italy, France, Spain, Portugal**, who also happen to be the largest consumers of espresso coffee around the world. To shake up the situation, both financing and the capacity to refresh the sector is required. Tax relief programs, such as those established in France, will be of no long term use. Reducing the price from 1 euro to 80 cents will not make the difference. Generally, people are not even aware of such price changes. Consumers are searching for something else. **Today they demand the best, everywhere.**

Coffee Academies Some feel there are too many, that they do not teach anything in regards to quality, and that they make up part of the **confusion** already present in the sector. The question is, why would coffee machine producers, rather than limit themselves to providing training for the installation, maintenance and repair of the machines, which in of itself is an important feat linked to the purchase of a machine, enter into the entire sector of educating baristas who will then proceed to buy coffee from a specific roaster? The first investment to be made by any roaster should be providing coffee education, especially in light of the competition. It's similar to buying software for computers. The retailer does not provide the education. And espresso coffee machine producers should not be responsible for coffee education, otherwise we risk that the barista not be trained adequately, in addition to the fact that roasters maintain the relationship over time with the final client.

Confusion No wonder we find ourselves immersed in a state of confusion. The World Barista Championship seems to be a trend throughout the sector, and there are a series of initiatives running after the trend. The goal should not lead to confusion, but towards quality. Independently of the worthiness of a variety of initiatives, if quality in the cup is not the goal and poor quality, such as in Italy, is actually acceptable to the majority of the consumers, then there is a long road ahead of us. Italy is the only country in the world that considers the acidity of an espresso a defect. That's why every roaster should be educating his/her clients, promoting his/her vision. Establishing a marketing target would noticeably increase the sales of espresso coffee. So, rather than financing the barista, educate them. There are only a handful of roasters who do not provide financing, but who provide an excellent product, education and marketing support so that shop owners can persevere in the best possible manner within their specific setting, talk about coffee, prepare cocktails, etc. Espresso coffee machine manufacturers or other independent institutes can add to the mix, but should not aim to substitute the roaster.

**Interview with Guido Bernardinelli,
Managing Director of La Marzocco
“We build machines differently than others
and by choice opt to remain small and artisanal”**

In Italy, as well as in other countries characteristically recognized as traditional markets, we have a long way to go.

GUIDO BERNARDINELLI: “In observing newer markets, such as Japan, the United States or countries in northern Europe who, after surpassing the phase of opening coffee academies because these markets recognized there was room to improve quality in order to sell more cups, enthusiasm for training has waned across the board. Many baristas trained for some key, quality inclined roasters, and through this experience went beyond the principal target behind training and quality. These baristas, in fact, went on to hire champions for specialized courses and at the same time interact with companies who make coffee machines. Illy, through its Coffee University, has taken this approach and in our opinion, the participants improved remarkably”.

Is it possible to accelerate a renewal of the Italian market?

“Coffee would change dramatically if everyone would participate in such courses. I took one for personal reasons and now I am a convinced supporter. The demand is now being addressed to the coffee machine manufacturers themselves. What I really hope for is the demand require that La Marzocco and the roasters organize training aimed at shared clients. Rather than providing machines by more or less giving them away, let's provide the training to our shared clients, similar to La Marzocco's recent experience in India. Our principal quality control technician, Enrico Wurm, moved around India for 3 weeks among the ITC Hotels, who were purchasing La Marzocco machines, and trained in collaboration with the roaster. In this case, La Marzocco provided training on using the machine, while the roaster, in this case illycaffè, trained the food and beverage managers of the ITC on the preparation and extraction of coffee. I was in India 3 weeks ago and carried out some inspections. I was favourably impressed by the quality of the espressos and cappuccinos I had. I realize that we are dealing with 5 star hotels that can have their own bars and restaurants, but to maintain a standard of training that ensures quality coffee by all of that personnel is not an easy feat. I'd like to add that the managers who participated in training continue to work with local personnel and that they are contributing to the quality of coffee in the cup on a continuative basis. There are tangible results when training is provided in the field by the roaster who, through direct consumer contact, transmits a profile of taste in line with the espresso coffee machine manufacturer”.

A trend that is taking hold this summer is coffee drinks sold in the can. In Japan it represents 75% of the total and now Illy and Coca-Cola have formed a company.

Is this a trend that could affect consumer behaviour at the coffee shop?

“It is really quite difficult to respond immediately, and this is a tendency that should be followed. As far as La Marzocco goes, however, it is an entirely different sector. I feel that the distribution of coffee in cans will have greater impact on the soft drink sector rather than on the specialty espresso coffee sector. If these drinks are appreciated, they'll take away business from Red Bull or Coca-Cola itself, in my modest opinion. I think this is part of the reason behind Coca-Cola's choice to put coffee drinks on the market. Having coffee at a coffee shop is an entirely different experience, a social gesture, linked to interaction in the work place, socialization, and relaxation, which surpasses the dimension of what we drink. No canned drink could take its place”.

Meagre times: there is a brand of machines under administrative control, Grimac of Bologna, and Saeco, a world leader in domestic machines, can't get back off the ground since the banks are holding out in light of its debt.

“Yes, the crisis is making an impact. I'm not certain how many companies are willing to admit it. This is a sector that did not grow very much during the internet bubble. It has instead grown very gradually over recent years, but not in the presence of a bubble. These companies are used to working in this fashion. I do feel, though, that there is some difficulty facing the sector since more professional machines are being produced than the demand. If you are involved in a niche market, have a flexible structure or can afford some cuts, it's one thing. Otherwise, the crisis may prove to be a real problem. In fact, this is what's happening. I am not familiar with Saeco, so prefer not to address their current situation, except to point out that this is the company that grew the most over time. Today, its network, headquarters and branches likely prove to be very costly at a time when sales are down”.

A market that represents tradition and manages to overcome the waves?

“I'm convinced that the roasters and espresso coffee machine manufacturers, who are historically members of the traditional market (including principally Italy, France, Spain and Portugal), have relatively sufficient and consistent returns. My impression is that average price, quality and the rest has not increased and that this specific market sustains low quality in any case. La Marzocco has been working on a super machine whose sale by a larger manufacturer, in terms of numbers, would not make much of a difference. But we have opted to make tactical and strategic choices concerning open space on the market, whose modest result could instead represent

a discriminating target for the success of a company such as La Marzocco, a small artisanal reality. We build machines differently than others and by choice opt to remain small and artisanal. To do this and to remain on the upper edge, we have to take into consideration and proceed with choices that others are not able to do or would consider inconvenient. If we had a structure permitting us to produce 20,000 machines a year at only 1400 euro, then we'd very happily look for a roaster or distributor who invests much less in quality, since they only need to meet the demands of those consumers who appreciate lesser quality".

Is La Marzocco planning something new for the Fall?

"We're aiming to take the entire La Marzocco experience out of the box, including our culture and everything inside the machine. The culture I refer to is difficult to fully appreciate if you do not travel. Of course, whoever reads Comunicaffè knows what I am talking about. The experience comprises the asset of a new factory as well as an artisanal image that is even more accentuated in respect to the past. It is characterized by products that we consider to be the utmost in terms of evolution in technology. Indeed, very soon there will be a new La Marzocco product geared for only a few in the industry and intended for creating value over a standard product. There will be an important event taking place in October in Milan during HOST, but independently. The La Marzocco experience and culture will be expressed in a nutshell over the course of 2 days and will be entirely dedicated to our clients and theirs, an experience that would be impossible to transmit from a commercial booth at a show".

What is the novelty?

"First of all, the new factory has been built with the most advanced criteria in relation to security, the environment, lighting, and layout, with space dedicated to training and research & development. Moreover, it has been designed in line with typical Tuscan architecture and is immersed in the hills of the Mugello region. The new factory's firstborn will be the machine I mentioned above, which does not have a name yet: as of now, the code name within the company is "barista machine". We recently created a "street team", a group of approximately 20 people among baristas and experts in the espresso coffee machine sector from around the world who have been collaborating via a closed web forum, intranet, to discuss a variety of technical solutions. They are playing an active role in individuating the best machine in all its aspects. As an example, our technicians have decided on the appropriate distance between groupheads. The same is true in regards to the materials that will be employed, its finishing touches, the ergonomics. It will allow easy and rapid access to a series of parts and for technical assistance. The 20 consultants have been accurately selected and are residents of Europe, Australia, the U.S., Japan, Northern Europe, Canada and Central and South America. For the first time, we will be introducing **variable profiling pumps**. Practically, an expert barista can control the pressure as well as the temperature on every single group. Therefore, for every extraction, in addition to controlling the grind, tamp and milk frothing, the barista will now be able to decide the temperature for each group, and in particular he/she can modify pressure during extraction, thereby tempting the "standard of 9 bar". This will allow the barista to simultaneously serve different single origin coffees. The most important news, I repeat, is that the barista can modify the pressure, which is no longer fixed at 9 atm, but can follow a variable profile. The new pump will be activated by an electromechanical paddle, therefore by a lever that moves from the right towards the left and at the first movement can pre-infuse the coffee, which can be varied from one group to the next according to the coffee that is being used. The further left the lever moves, the greater the water pressure. Extraction profiles can be saved onto a separate box with a USB port so that every barista can program the machine in a matter of seconds according to his/her tastes. It goes without saying, this technique will play a direct role in the increased professionalism of the barista".

In listening to this description it seems like La Marzocco wants to provide the great baristas with colour palettes where he/she can mix and choose to obtain just the right colour, the one and only espresso.

"The machine is aimed at approximately 200 baristas per year who will be subject to passing specific training courses to use this sophisticated machine. It will be like driving a Ferrari: a special course is required".

Which car would you compare this new La Marzocco machine to?

"It is external to the logic behind a market, which tends to be flat. It could be compared to a Ferrari Enzo or the Mercedes Maybach".

We will be drinking a different kind of coffee with this machine, so that every espresso becomes a curiosity?

"Yes, because we can prepare different coffees. It will be possible to prepare single origins that were unthinkable until now. It would be fantastic if we could educate the consumer to differentiate between a Guatemalan and an Ethiopian coffee, exactly like we do with wine, for example, with roasters who search for and toast finer and evermore select single origins, which, for example, may be available for only certain periods of the year in timing with single harvests. The result of single origins in the cup would be incredible. There are shops that only use Indian Arabica, for example, which is quite delicate and burns on 9 out of 10 machines. If they are not burned on the first extraction, they will be burned on the third. With the system that we have in mind in regards to control over pressure, we could extract at 4 bar, and can arrive at 12 bar for more difficult coffees. This possibility will give the utmost in terms of

the blend as well as the single origin since we are providing the option of varying the ideal combination of pressure and temperature for every single origin or blend. The results from our first tests are extraordinary”.

Coffee machines have always been pretty basic. Now it seems like La Marzocco has rewritten some chapters. Do you have any pending patents?

“We have pending patents on everything, there’s a vast array of intellectual property on this machine”.

What is the substance of the novelty?

“We have introduced a new gear pump. It is no longer simply a volumetric pump and not even a vibrating one, which we have heard so much about. Each group is equipped with its own pump activated by an electrical command. It is not currently used on any traditional espresso coffee machine, and as of now has only been used on some medical equipment”.

It will likely be difficult to explain the contents of a machine that is so advanced.

“We have a session dedicated to this during our event on the 23rd and 24th of October, during HOST, at artmouse in via Volterra in Milan. We’ll be organizing a meeting with all of our distributors and technicians. We will be sponsoring the Maltoni Collection both at the show and at our independent, external space: we’ll have 4 antique machines at Maltoni’s exhibit at HOST. Whereas at our event, La Marzocco Out of the Box, one of our own artisans will be welding new boilers, another will be installing plumbing circuits, etc. We will be building machines live, we will be presenting new initiatives and other yet to be revealed news. We will be showing brands and machines that no longer exist and had they been developed would have greatly impacted today’s market.

There will be artists present to graffiti our machines, there will be a Barista Jamming session to give everyone the opportunity to try out the machine, there will be key note speakers, including George Howell, who is from the U.S. He has invented so much for coffee: from the Cup of Excellence to Frappuccino, to the sale of the first stores that became Starbucks on the East Coast, the Coffee Connection.

He has now created new software for extraction: Extract Mojo, which contains the parameters of error by the barista. Following correction the barista will be free to work creatively. To participate at the sessions open to the public: <http://lamarzocco.com/outofthebox/>”.

And the crisis ?

GUIDO BERNARDINELLI: “In relation to our sector, there has been a sort of general drunkenness. Everyone thought that everything could be financed, everything was based on growth. We’ve been running around with growth on our minds and lost sight of reality, making investments without giving too much thought since the return on investments has, for a long time, almost always been certain in this sector. With the crisis on hand, it became apparent that the time was ripe to bring in someone with good sense to administrate, just like a good father. Beginning with our own company, a complete revision has taken place on all fronts. We examined our company piece by piece, cent by cent, to discern where we were earning and where we were losing, where we should invest, and where we could save without affecting the quality of our product, an opportune reaction that has made it possible to move forward without any real burden. When there is time on hand, like now with the slow down, it’s time to open up the drawers, look inside and clean them out”.

La Marzocco has reduced its presence at shows, indeed it has renounced its participation at HOST 2009 in Milan.

“Like I have said over and over, I don’t believe in shows any longer and I don’t go too often, except for the annual show linked to the WBC because it is strictly related to the sector and its reputation carries certain value. It is at that event that interesting aspects related to our artisanal nature can be found. I have not seen much movement among the traditional brands. SCAA-WBC in Atlanta proved to be a good show. We revealed our Barista Machine prototype inside the body of a standard machine. We saw Slayer, our competitor in the world of the radical barista. We saw Synesso, who did not have its own stand, but showed through some roasters. They are a direct competitor of La Marzocco in that they contribute to the top line of machines in the sector. Atlanta also caught the interest of single origin coffee and several American roasters, who we refer to as microroasters, but perhaps are not really micro in light of their sales, which exceed nearly 20 million dollars per year. They brought their latest innovations to Atlanta, those who individuate coffees with trips directly to origin without following traditional channels of coffee distribution. We had an opportunity to experience coffee that is now defined: Gran Cru or Terroir, for example, which contain all of the organoleptic characteristics of a blend within one origin. Taste is now more distinct and more easily identifiable by the consumer. New prospects that are moving beyond the tired habit of simply consuming coffee, which I have mentioned previously, is an important step, just like the world of wine. Our machine, as well as the other two that I mentioned, are geared for single origin coffee, albeit in the presence of different technology. Enthusiasm on the part of the public present at the event was overwhelming. To better delineate what I am talking about, there was only one Italian roaster in Atlanta. The others were all American, all managed by a buyer who travels the world to individuate and purchase the utmost quality. The object is to individuate “super” single origins that are available until supply is exhausted, not on a regular basis: they last only as long as they last. For example, a Guatemalan and Panamanian special in theory could appear in a café in Tokyo or Oslo or Stockholm for 3 weeks at 8/10 euro per cup. There are aficionados out there who can’t wait until the next, special type is available. This is a new, emerging phenomenon that Italy is not talking about, an Italy that has survived coffee shop chains such as Starbucks, but for the most part is not aware of anything new in the air. Somebody got it, however. Illy, for example, has launched a single origin with low caffeine content. Other roasters are beginning to look into single origins as well. Richard in France, for example, has launched single origins for the home as well as single origin pods that are now available at key hotels. Single origin coffee is the single most important new tendency this year”.

Enough with shows, or only a few, and no show in Milan this year. Is this decision related to Internet, or are there other reasons?

“There are two principal reasons. The first is that Internet in fact manages to substitute the actual goal of the shows themselves, at least in part, and at the same time makes it possible to sustain a continuative and interactive relationship over time. The second reason is that sales have not proven successful at most shows in recent years: we don’t bring in any new business, only expenses. I see the same clients that I’d see in any case, and only for a limited amount of time. At a typical show setting, we are not able to transfer the experience that characterizes a La Marzocco client. There was a

time when clients knew everything, they came and bought machines following a handshake. Shows were an occasion to present the company to everybody, a manner through which the company was portrayed to a reseller who could make immediate comparisons to the competition, and good business was carried out then and there, on behalf of both the company and reseller. That does not happen anymore. Moreover, the professional coffee machine sector is not characterized by innovation that is so fast as to motivate both the client to go to shows and La Marzocco to get involved in 12-15 shows per year around the globe. Shows are held and the same products are on exhibit month after month and year after year. You see the same clients that we already have, who we know are already linked to a specific brand. They do not buy anything since we have so little time to dedicate to them individually and their presence lasts only for a few hours. Espresso has diversified. Coffee academies, single origins, coffee shop chains: it's a fact world over, a vast amount of equipment by the same manufacturers have to be carefully illustrated. Marketing is in front line, together with support for distributors and the final client, development of the product in the cup, design, technology, the necessity to carry out trials, etc. There is so much to be dealt with and to share that it is not possible in only a few minutes at a show booth. It is for this reason that I believe shows have lost their value to a certain degree, they have become sort of obsolete in properly representing our sector. Moreover, I believe that espresso is part of its own specific field and to include it along with restaurants and hotels is relatively limiting".

What does the coffee sector need?

"A real coffee show, inspired by the one in Trieste, for example, But Triestespresso takes place, along with about 100 other similar events, in an important location in terms of its port and the fact that it is a centre of the coffee business, but, in comparison to Milan, it is isolated from the rest of the world. Milan is missing a coffee show, especially when considering there are 150 out of 600 Italian roasters located in the area. A real coffee show in Milan would be most definitely a whole other matter and would have a completely different impact".

Staying away from HOST would mean having to follow clients all year long.

"That's true, but this is not the time to not be doing so anyway".

At a recent All Food Show, the 25 roasters who participated were very satisfied since there were so few of them and they managed to attract the attention of all the visitors. Such a different atmosphere in comparison to the Coffee Salon where competition is so great it is difficult to even be noticed. At the same time, there are discrepancies on the numbers of actual participants and complaints at other sites, such as Cibus in Parma.

"There is an economic crisis that leads us to humility, reminds us to be careful of our books, distinguishes between what is real and what is not. So now we all know, there are too many shows. Only the organizers don't or pretend not to. So they do everything possible to convince the market leaders who buy into it and then there's a chain reaction. La Marzocco has individuated the shows that are worthwhile for its specific market, **SCAA** in the U.S., as well as the show held in **Singapore** every 2 years. At the same time we invite our distributors to participate at **specific coffee shows** that have worked in the past. As previously stated, we are organizing our own experimental show: **LA MARZOCCO OUT OF THE BOX** (www.lamarzocco.com/outofthebox/). **La Marzocco will no longer automatically be present everywhere**".

The show in Dubai?

"Our local distributor participates at the show in Dubai. We did not go personally this year. Normally, it has always been a good show because it represents an emerging market in the Middle East as well as in Africa. In light of the economic crisis, however, I've been told it was not so great this year".