



In 2008, after attaining broad national spread, Aroma Israel decided to continue to reinforce the brand perception in order to retain existing customers and attract new customers. In order to accomplish this, the chain implemented a strategy that retains its initiative and innovative spirit

In 1994, the first Aroma Espresso Bar opened in Jerusalem. Ever since, the chain has rapidly expanded across the country. Sixteen years after its establishment, Aroma has over 100 branches in franchise, serving 100,000 customers daily and operates overseas under the name aroma in the United States, Canada and the Ukraine, and under the brand marrone rosso (red-brown, the color of coffee beans) in Romania, Cyprus and Khazakstan.

The chain produces most of the products it sells in its branches by itself, and retains exclusive ownership of a bakery, coffee roasting factory and canned fruit and sauces plant.

The Marketing Challenges

2008 was a challenging year for Aroma. After 14 years of growth, the brand had reached nearly every corner in Israel. The chain identified the need to retain its spirit of

initiative and innovation, even when having nearly 100 branches, and guarantee customer satisfaction as well as uniform service and products.

The Creative Solutions

Company headquarters formulated a map of brand values. What it found was that there were four areas since the chain's establishment that stood at the heart of its operations and strategy: innovation, health, social responsibility and quality of coffee.

The decision was made that these areas would be the cornerstone of future strategy as well. At the same time, a comprehensive process of formulating a design language based on graphic illustrations from the brand culture as well as emphasis on visual elements that are identified with the brand, such as the Aroma's Take Away cup took place.

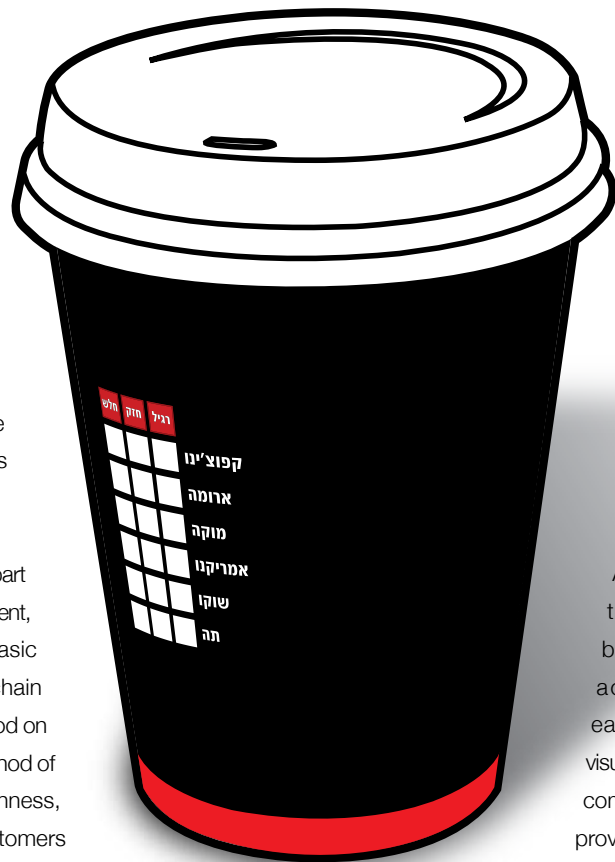
Innovation:

Since its inception, innovation has been a value for the chain. Aroma was the first chain of cafes to introduce digital registers into its branches and the first to display plasma screens that display various visual contents along with specially selected music, comprising a core part of the branches' ambience.

Aroma is also identified with Ice Aroma – ice coffee beverage, with fast Take Away service for coffee and food, especially with large cubes of branded chocolate each time a customer orders a cup of coffee.

Over the past two years, once Aroma had already positioned WiFi transmitters to provide customers with free internet browsing in its branches, it positioned laptops in every branch to allow customers who do not have laptops to browse the net. In addition, the Aroma musical label, which produces albums for Israeli artists set up





to encourage and advance Israeli artists and music, was strengthened.

Health:

Health has been an integral part of Aroma since its establishment, as reflected in the very basic concept in the way the chain operates. Preparation of food on site and per order. This method of operation guarantees freshness, which is important to customers and contributes to health. In addition, the transparency that characterizes the

chain's operations on the information and kitchen design level, which is semi-open in the branches, also reinforces this value.

In order to strengthen the health value, Aroma Israel decided to establish a sliced fruit and sauces factory that would provide it with better control of the quality and freshness of the raw materials. In addition, Aroma issues a proper diet booklet that highlights a select number of products with their complete dietary values. In a mutual sales promotion with Weight Watchers, it also lists the points of each product for Weight Watcher dieters. The website includes the dietary values of most products and dishes. Aroma has also added gluten-free products to its pastry menu and plans on expanding the selection of products in this sector in the future.

Social Responsibility:

From its first day open, Aroma has been committed to social responsibility, and particularly in the advancement and promotion of people with special needs in Israeli society. As early as in 1996, the first branch employed people with special needs. Today, chain franchisers employ over 160 people with special needs, or 5% of all chain employees. In addition, Aroma packs all dispensable utensils in a packaging plant that employs 40 people with special needs. The factory was set up in particular for this purpose in conjunction with Alvin Israel association.

In addition, Aroma Israel is active in business forum that promotes accessibility, Access Israel Association, and is in the midst of making its branches both physically accessible and more easily accessible to the visually impaired people who come into the branches by providing Braille menus and large print menus for the visually impaired.

In recent years, the chain has also been actively involved in environmental responsibility, using recycled paper bags, packages and placemats.

Furthermore, the chain has begun reducing and recycling the waste its branch produces as well as streamlining energy in the branches.

Coffee Quality:

Aroma research revealed that what affects perceived flavor of coffee among Israeli consumers is its appreciation of the professionalism of the people preparing the coffee (the barista). As a result, the chain increased its investment in barista training and professional training while providing incentives to baristas who hold on to their positions over time. The chain also invested numerous funds to build a training center, which hosted last May an internal competition that included 52 competitors, 16 of whom reached the national final. At the same time, the chain continues to improve the flavor of the coffee by locating quality sources for the coffee beans and by improving the coffee blends.



www.aroma.co.il

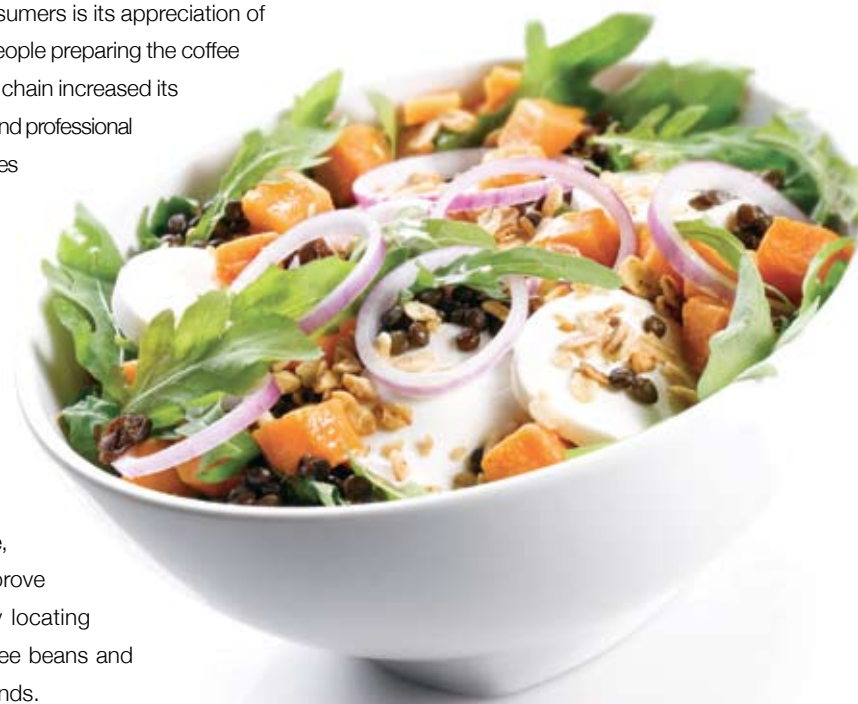
Things You Didn't Know About Aroma

- One of the most veteran employees in the chain is a person with special needs, who has worked in the Jerusalem branch since establishment of the chain.
- The weather forecast is displayed on plasma screens in the chain are branded and designed exactly like the chain's take away cups.

Results

The measures adopted by Aroma Israel over the past two years have reinforced its positive status among consumers and its leadership position in the future.

Formulation of measures in the chain will help the chain duplicate its success and establish branches outside of Israel, which will prove to be a growth engine in the future.



1994
The first Aroma branch opens in Israel.

2001
Menofim Herzliya branch – the first branch outside Jerusalem opens.

2001
The chain establishes a bakery for bread and pastries.

2006
The first Aroma Israel branch opens outside Israel in New York.

2009
The 100th Aroma branch opens in Israel on the Bat-Yam promenade.