
CAFFÉ PRIMO: 1998



WHEN HE started out he only wanted just one caffè but reluctant entrepreneur, Dino Vettese now has a fast growing franchise with over 20 restaurants in South Australia. It is a major achievement for the third generation caffè owner. Dino and his wife, Lisa have now worked together in the food and hospitality industry for over 25 years.

Sheer demand in the suburbs led the couple to open Caffé Primo in Tea Tree Plaza in May 1998, with the stylish trendy caffè seating 350 people.

Unfortunately, it was not a very good start, its owners Dino and Lisa Vettese freely admit.

In fact, it was a poor start. They were lucky to be doing 10 to 15 lunches a day, and the nights not much better – the company thought it had the menu and price structure right, but clearly, the business was still a work in progress.

Meanwhile, the adjacent food court seated 750 people and was full each lunch time, yet Caffé Primo was attracting only a handful of people – clearly, there was something very, very wrong.

Dino and Lisa, business people from Wynn Vale/ Golden Grove, looked at the sums – they had a massive debt, four children and the largest caffè in Adelaide, which was losing money on a daily basis. After looking at their menu over and over, which was online with other big cafes they thought to themselves “do we need to charge this much?” This led them to fire the first shot in a price war that would see the restaurant become one of the best-value venues in town. With pasta/pizza for only \$4.90 at lunchtimes,



The Vettese family



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followed by two-for-one vouchers, lunch and dinner became busier, giving the Vettese family a break and a chance to compete with the food court. It would have then been hard to miss their bargain of an entire menu for \$9.90.

The great deal was backed up by television commercials, which are now a very important part of the business. The Tea Tree Plaza caffè started to boom and the customers came pouring in along with many requests for franchises.

These requests were rejected for many years, as the model was still being refined.

In a decade, the family has grown along with the franchise. Their eldest son Mark is head of operations, second son Andrew now manages the Tea Tree Plaza caffè, the biggest in the chain, seating 350 people, daughter Amy works in the company's accounts and administration section, which is overseen by wife Lisa, while their youngest son, Michael, is part-time on the floor, learning the ropes of the food service industry.

The company started to expand with the first of what are now 21 cafes opening in Semaphore, every shop set up by Dino's son Mark and their head chef of 10 years, Grant Marschall.

The shops spread from across Adelaide into the South Australian Riverland and as far south as Victor Harbor, with new stores to open in the near future.

This expansion came as a big surprise to the Vettese family, but they were confident in what they were doing. The growth from two to 21 stores happened in such a short space of time that friends still say: "Oh, what do

you have now, nine stores?" Mr Vettese said the key to success was a hands-on approach by owners so they controlled their bottom line. "Finding franchisees is easy", he said, "but finding suitable franchisees is critical for the expansion of the business.

The rapid growth has a lot to do with the fact we do not charge a percentage of gross turnover for the advertising and franchising fee, but a fixed cost per Caffé Primo store.

Just nine years after its inception, the Italian caffè was named the country's biggest growing franchise by BRW, with a growth spurt of nearly 140 per cent and an annual turnover of more than \$40 million in 2006.

This growth led to a move into a bigger office in 2007, a far cry from the original office at Tea Tree Plaza, which they had been using to run the franchise.

Dino Vettese makes no bones about taking on bigger markets outside Adelaide, with the eastern states in the company's sights.

Sydney and Perth have already been scoped for future restaurants, and Melbourne is also on the list for owner-operators to run the franchises. This would be an exciting move for the franchise and one that they are seriously researching, just as they did when the business was struggling.

Caffé Primo and its owners are committed to provide an outstanding caffè experience, with friendly staff and excellent food.

All this because they know if you give value for money, meals and good service, customers will always return along with, they hope, future generations. ◀

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Company name | Caffé Primo

Date founded | 1998

Sector | Food

First located | Tea Tree Plaza, Modbury

Now located | 24 locations in South Australia

Number employees | 540 full and part time at all restaurants

Claim to fame | BRW magazine naming it Australia's fastest growing franchise in 2006.

Company details | 976 North East Road, Modbury SA 5092

Phone | 08 8395 9999

Company details | www.caffeprimo.com.au