

# CHOOSING CRESCENDO

## Why CRESCENDO

Entrepreneurial spirit, ambition, drive ... These are just a few motivations that entice you into owning a business. Finding the right concept is the challenge.

- **Unparalleled products** – At the centre of the CRESCENDO brand lives our dedication to providing “Only the best. Always”. Following this philosophy a team of experts creates an exclusive assortment of amazing fruit and balsamic vinegars, exquisite olive and nut oils, selected spices and herbs and a newly developed range of natural skincare products. Yearly international awards (iTQi, DLG), cooperation with Michelin Star Chefs and renowned natural cosmetic companies proves that this focus on quality pays off.
- **Unique experience** – Unlike other specialty shops, we not only allow, but encourage, visitors to savour all of the unique offerings found within. Customers not only appreciate the quality, also the story behind the product and the producer, the cooking suggestions and product uses are inspiring.
- **Dedicated team** – CRESCENDO is composed of dedicated people. Dedicated to their passion, your passion: offer the greatest services and advises, in other words be knowledgeable, professional and recognised as such. We crave to share our passion for the World's tastes and its exploration.
- **Passionate customers** – CRESCENDO inspires health enthusiasts as well as epicures. Who discovers the quality of our products will not take pleasure with less anymore. Through bottle reuse, changing product varieties, and special events like cooking workshops, customers return again and again.

## CRESCENDO's partner corporation, wins "Franchisor Award 2010"

This prestigious award is presented annually by the German business magazine “Impulse” and the German Franchise Association for excellence.

The prominent panel of franchise experts and the Federal Ministry chose this company unanimously as Franchisor of the Year 2010. “We are convinced that VOM FASS, in all areas, is a successful business model for entrepreneurs and franchisees and holds a high capacity for innovation”, says jury member Dr. Dieter Fröhlich. “The innovative product development and sustainable production process, the exceptional franchisee training and unmatched customer service makes this company to a promising and secure business concept for entrepreneurs”.

## A franchisee speaking

We continually provide our customers a smile behind the ears when tasting our hazelnut oils with the Apple vinegar, or the pumpkinseed oil with the date vinegar. And if we also tell how excited several Michelin Star Chefs use our products or we tell that vitamin E and antioxidants in the hazelnut oil or alpha-linolenic acid in linseed oil seems to be very healthy, then the "CRESCENDO experience" we bring our clients becomes even greater. This creates customers for life. I can't imagine any other concept where the daily contact with customers would give me such pleasure. The very extensive know-how, the personal support, the continuous training by meetings and study journeys, in other words, the professionalism of the head office is also very important to me. This, together with interesting contacts with colleague franchisees in local and international meetings, gives me a feeling of 'together strong'. For me the CRESCENDO concept is top.

Elvira Brunner, Daniel Weber – CRESCENDO Revelstoke - Canada

## Do you want to sail with us and explore the world too?

The joy of sharing our enthusiasm for exquisite food, the pride in nurturing and building a successful enterprise, and ultimately, the satisfaction of holding the keys to financial success in your own hands - these are just a few of the reasons individuals have chosen to begin their journey with CRESCENDO. Did we awake your interest? For more details and information, please contact us.

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# THAT'S US

## **The CRESCENDO Philosophy**

"CRESCENDO is a Mediterranean way of sampling, savouring a healthy lifestyle with premium artisanal products directly from the cask. In other words: taste-savor-live."

The CRESCENDO Mission "Share the savours of life with the World."

The CRESCENDO Profession "World's taste Explorers"

The CRESCENDO Vision "By 2020, having shared and given, throughout all continents, our passion for the savours of life, helped public improving their knowledge of the World's taste and introduced them to a new philosophy of caring for their overall well-being"

## **This is our story**

The CRESCENDO concept was developed in 2006. While travelling the World to explore, individuals (forming the actual team) were captivated by its variety and the richness of its tastes. Came naturally a desire to offer an opportunity to share it with the World and to introduce new product lines and position the offerings into an upscale market. Built upon the inventive idea of "taste, savour, live", each CRESCENDO partner offers customers the luxury of tasting each product and purchase them to its convenient need. Unlike other oil, vinegar, spice or herb products, all CRESCENDO's are filled fresh each day in each store. Our unique system preserves the well-known CRESCENDO freshness of its products.

Being creative, and listening to the World's voices, CRESCENDO created a unique range of skin care products. Once again some words were the focus lead of the development team: well-being, health nature, freshness, prepared to demand on site etc.

As quality products can only come with high personalised customer care, advises and services, every partner and its employees are especially trained toward all aspects of the products and the business.

The CRESCENDO system is already represented by seven shop-in-shops and three stand alone stores around the world, but the products and main parts of the system have been developed and successfully applied for over 15 years through 250 VOM FASS stores—to great critical acclaim and international competitive awards for product excellence. Strong developments are arising from 2011. More and more people on the planet are joining our World exploration of tastes. Be part of them!

## **Symphony of Taste**

Welcome to the world of CRESCENDO where the time honoured European traditions in crafting unparalleled oils, vinegars and spices is revered. A primary factor in the success of CRESCENDO is our showcasing of exquisite hand-made products from selected artisans who love their craft and preserve their traditional challenging standards. Only the absolute best producers who meet our requirements for high-quality, natural products are chosen to supply CRESCENDO.

Excellent land, optimal care of fruits and plants, application of organic practices, gentle harvesting and processing, and storage suited to the specific product are just a few of the important criteria used when selecting a CRESCENDO producer. These standards ensure our customers experience only the best and freshest products in the world when visiting CRESCENDO. CRESCENDO is more than just the unique idea of selling our top-quality vinegars, oils and spices. It is also the first stop for health & quality-conscious gourmets, epicures, and food lovers who value our line of exquisite cask-born products, sold in customer selected volumes and hand-crafted bottles. Beyond the extraordinary selection of products, our customers recognize our pride in being an expert partner in food and health recommendations – cooking, nutritional interest of products etc. - and in gift giving – helping to choose an imaginative gift solution for friends, business clients, or valued employees, as well as their personal consultant on the use and health benefits of these unusual and remarkable products.

## **Products**

Over the course of the years, the product variety has expanded and an increasing number of products of excellent quality were added to the range - some were produced in house; others were developed and created in cooperation with other artisanal producers in Germany and the Mediterranean. In this

way, the product range has expanded to over 200 varieties of premium quality vinegars, oils, spices and herbs. Unique products direct from the manufacturer, bottled in barrels, created with extensive experience and individually refined by experts, always in accordance with the strictest quality standards: premium quality from premium basic substances, nurtured with experience and expertise.

### **An international experience**

**Oils:** According to the International Olive Oil Council, the market for olive oil increased in the World by 100% over the past 20 years. Factors such as healthy fat content, influence of the Mediterranean diet, olive oil's premium image, flavour innovations and a variety of other applications have established olive oil as a natural choice in consumer's minds and diets. Major marketers generate consumer interest in olive oil through programs and events, olive oil tasting bars and also by introducing new products with innovative flavours. Demand for olive oil has soared as media reports continue to tout the potential health benefits of olive oil such as lowering cholesterol and blood pressure. Major sales of olive oil belong to brands made from olives grown in Spain, Italy, Greece, and elsewhere in the Mediterranean.

**Vinegars:** One of the hottest current food trends is fruity condiments. Professional and home chefs alike are using more vinegars, enhanced with fruit or honey, as building blocks for great cooking. As a result, an onslaught of fruit vinegars (such as pear, passion fruit fig, raspberry and pomegranate) and balsamic vinegars are lining the shelves of both grocery and specialty stores as consumers realize how amazing these products are for finishing sauces, tossing with greens or basting grilled meats.

Vinegar contains many important vitamins, minerals, and essential amino acids: calcium, potassium, beta-carotene, magnesium, and iron, to name a few. Due to recent research results, doctors and scientists are now calling it a "functional" food - a food that not only is nutritious but also can help prevent and protect against disease.

White distilled vinegar is still the mainstay of the category, although white and cider vinegars are giving way to increases in red wine and balsamic. Raspberry is an emerging flavour. As with olive oil, research is showing increasing health benefits of vinegar consumption. A 2005 study showed that vinegar supplements lower glucose and insulin responses and increases satiety after a meal.

**Spices:** CRESCENDO spices are the second addition to the line of products. The number of spices is currently just under 100 varieties, and more are being added regularly. CRESCENDO has also developed a unique new dispenser, the first of its kind that will dispense a wide variety of product without the necessity of any modification. This has been a technical challenge and works perfectly. CRESCENDO spice customers have their choice of either an attractive paper bag, tin container or a grinder.

**Facial care:** From the experience made in Asian countries, we came to realize the importance of oils on skin. What is good from the inside can only be good from the outside. After months of intensive research, the first natural 100% pure oil essence was presented to a customer. Not only a cosmetic product for traditional shelves, CRESCENDO Facial Cream is custom made for each customer depending on its skin, cleverly mixing the most natural cream with one of the selected CRESCENDO eatable oils. Following our continuous focus on quality, we left the development and the production of the cream to a renowned and specialised German natural cosmetic company. This cream is based on renewable raw materials, free from colorants and preservatives, free of paraffin oil and only uses a tiny amount of synthetic fragrances. It goes without saying that its skin compatibility is dermatological confirmed.

Following the same focus and determination, CRESCENDO is born to bring the company a step further into the exploration of a healthier World.

### **Your Strategic Advantages**

- Award-winning, unparalleled quality product selection
- Products are perfectly positioned to appeal to the customer movement towards natural and healthy food.
- A consistent offering of the freshest and best products from Europe, with new products added regularly.

- Access to the unique CRESCENDO system of product selection and distribution.
- Products are, unlike others, bottled fresh each day from sealed containers, which protect the product from oxygen, deterioration and light.
- Increasing trend towards home cooking using basic ingredients, especially oils.
- A high level of customer's personalization of products to precisely suit their needs
- Not only tasting the products, customers are encouraged to sample all the products, which increases the likelihood of customer purchase and engenders good will towards the business.
- Customers delight in experiencing the CRESCENDO experience of the World's Taste matching the increasing trends of Home Cooking Explorations.
- An intensive, *solutions based* retail sales staff that focuses on the tastes and needs of each customer.
- Extraordinarily high sales per square meter (up to 50,000 €)
- A program of extensive and continuous training of retail staff and franchise owners.
- Uncompromising placement of stores in key markets and in locations with maximum exposure.

# THE MARKET

## **The World Marketplace & Trends: Specialty Shops**

One of the few bright spots on the World's retail horizon are high-end specialty shops that command premium prices, continue to enjoy favour with consumers. These specialty shops carry products not available at 'big box' retailers. However, they do require metropolitan markets that cater to high-end demographics. Even big box retailers around the World are opening smaller, more intimate locations with narrowly focused offerings to penetrate niche markets. Specialty retailers, once considered only 'satellites' meant to fill up mall space between department store anchors, are now a major force in retailing, whether in the context of shopping centres or as free-standing entities.

These centres generally are mixed-use facilities incorporating some combination of residential and recreational/entertainment usage with retail stores.

## **The World Marketplace & Trends: Luxury Goods**

A major retail trend is the continuous and intensified drive for most upscale products of all types. It is predicted that there will continue to be increasing pressure on the part of *well-to-do consumers* to distinguish themselves from the masses. These consumers will go for the high end on products, goods and services, as they search for the most unique. Handcrafted and customized or rare luxury items will be in greater demand by high-end consumers. As well, consumers at *all income levels* are splurging on 'luxury' goods in all price ranges. According to Bain&Co, after a decreased of only 8% in 2009, World luxury market went up 10 % in 2010 and will come back to a normal 4% yearly increase. The definition of 'luxury' seems to be changing as well. Luxury used to be defined by "status-bearing names" like Tiffany and Dom Perignon. The "new luxury" are the *experiences* brought about by the product, rather than the product itself. In other words, the product gives enjoyment to the consumer and what constitutes 'luxury' is defined by the personal experience of that individual—not the society at large. It is not what they own, but how much they enjoy what they have. This is how we can consider Apple as a luxury brand.

## **The World Marketplace & Trends: Personalised Customer Management**

A CRESCENDO Personalised Customer Management program aid in attracting and keeping clients. According to statistics, only 12 to 15 percent of customers are loyal to a single retailer, but these clients generate between 55 and 70 percent of store sales - sometimes as high as 95 percent.

Additionally, the data collected from PCM assist in analyzing shopping habits, refine marketing programs, and fine-tune the product mix. This will allow the identification of promotions that most appeal to our customers, reduce shelf space devoted to slow-moving items, and help keep popular items in stock.

## **The World Marketplace & Trends: Health**

Health and wholesome food is now of interest to increasing parts of consumers. Importantly, how people shop for healthy food has changed. Consumers are more and more looking toward specialty stores. Internationally, the typical specialty foods shopper tends to be female, younger, affluent, and ethnically diverse. More so than the average consumer, these shoppers are interested in food, recipes, and entertaining. They buy a number of specialty products, ranging from coffee, tea, and chocolate to relishes, pickles, and vinegar. They are also more likely to buy natural and/or organic products than are average consumers. It is also noteworthy that these consumers, compared to the average, tend to spend more per week on food. Not to forget to mention the increasing number of men shopping as well as single men and women enjoying sharing health experiences through food.

## **The World Marketplace & Trends: Slow Food**

The central philosophy of this concept is one of elevating the quality of our food and drink and taking the time to enjoy it. This is viewed as a simple way to infuse our lives with joy and engage in the art of hospitality— by sharing the gift of fine foods and drinks.

The types and quality of the CRESCENDO product lines place it squarely within this movement and potentially offers some great marketing opportunities.

## **The World Marketplace & Trends: Gifts**

Another strategic advantage of CRESCENDO is the global trend in gift shopping, which is one of the emerging cultural occasions with a marked ability to drive impulse purchasing, product experimentation and other spontaneous shopping behaviour. Simply put, when consumers are

engaged in shopping for others, both their price sensitivity and inhibitions tend to fall by the wayside, leading to "spur of the moment" shopping - for others as well as for themselves. Although, consumers once constrained gift giving to major holidays and cultural occasions, nowadays they (especially women) are increasingly using gift giving in spontaneous ways throughout their everyday lives.

## OUR STORES

### **CRESCENDO around the World — Bahrain**

#### **Manama, Seef Mall**

With less than 40 square meters (400 sq. ft.), the second stand alone store opened early 2011, promising to amazing success. This first touch with the Middle East is sensation to further develop the brand in this part of the world.

### **CRESCENDO around the World — Canada**

#### **British Columbia, Revelstoke**

With less than 50 square meters (500 sq. ft.), the first ever stand alone store opened in 2009, proved the years of fine tuning to be right. Settled in a small city, population uses CRESCENDO as one of their specialised grocery stores.

### **CRESCENDO around the World — Hong Kong**

#### **Great food hall/Pacific Place Shopping Centre**

The first CRESCENDO corner was established in 2006 within the Great Food Hall of the Pacific Place shopping Centre in Hong Kong.

### **CRESCENDO around the World — Japan**

#### **Tokyo, Matsuya Department Store**

Japan is the second corner location for CRESCENDO. It is located in the food hall of the Matsuya Department Store, in the famed Ginza shopping zone in Tokyo. The CRESCENDO fixtures have been developed over two years of trials in high-traffic areas of some of the highest volume department stores in the world. The oak casks and stoneware amphora are evocative of Mediterranean shops and designed for ease of customer and staff use.

### **CRESCENDO around the World — Switzerland**

#### **Zurich, Globus,**

Observing the success in of the CRESCENDO brand, the Globus Department Store chain in Switzerland requested a shop-in-shop for their flagship store in Zurich.

With just a 4 meter wall located in the food hall, the Globus CRESCENDO is experiencing the highest sales per square metre. As a special event at the beginning, Globus is thrilling to keep this concept.

#### **Zurich Airport, Bàcaro fine food**

A 6.5 square meters (70 sq. ft.) CRESCENDO in the large Bàcaro airport shop/lounge, which also carry wines & accessories, spirits, cigars, and a delicatessen. This is the first CRESCENDO to be sited at an airport and shows as much sales from World travellers than inhabitants of Zurich commuting especially to the store to purchase their products.

### **CRESCENDO around the World — Taiwan**

#### **Taipei, Food hall/Takashimaya Department Store,**

A shop-in-shop smaller than 25 square meters (250 sq.ft) that confirms the adaptability of our business model and concept to any parts of the World.

### **CRESCENDO around the World — Thailand**

#### **Bangkok, Central Food / 7<sup>th</sup> floor at Central World Shopping Mall**

#### **Bangkok, Central Food / 1<sup>st</sup> floor at Central Chidlom Department Store**

Thrilled by our philosophy and our concept, Bangkok became the next city to vibe with CRESCENDO products. Not only one but two shop-in-shops opened in a short time lead and was an instant success exceeded the expected

#### **Bangkok, Thonglor Ei8ht Mall**

With 22 square meters (220 sq. ft.), the third shop is following quickly. The first stand alone store in Bangkok.

## FINANCE

*All numbers below are approximate but given from real partners previous investments for an average of 50 square meter stand alone store.*

*If it goes to shop-in-shops, or corners investments are obviously lowers (global around 35,000 to 45,000 Euros)*

### **Turn over**

We experienced that the partner is the key of its success – far ahead of our products, business model and concept. We record turnover from 150,000 Euros up to 350,000 Euros (max recorded as of April 2011). Make it your own!

### **Margins**

All our products are advised to be sold with a minimum 150% mark up for the oils, vinegars, spices and herbs.

For our cosmetics, studies are still being carried out.

### **Entry & monthly fees**

The entry fee is set at 17,000 CHF per stand alone store opened and 13 000 CHF per shop-in-shop/corner opened.

The monthly fee is 750 CHF

### **CRESCENDO Fixtures**

All CRESCENDO fixtures have been developed solely for the exclusive use of our CRESCENDO shops. Because of the modular nature of the pieces, the entire display is adaptable to a wide variety of situations within any store (shop-in-shop and a stand-alone). The stoneware amphoras are hand-made in Italy and some of the mechanical and specialized parts of the system are built in Germany.

The fixtures and furniture investment is between 40,000 to 50,000 Euros for a full stand alone store.

### **CRESCENDO Products**

The initial merchandise for opening (filling up of the store containers and first "safety" stock) is 18,500 Euros. All ranges of products are included this initial stock.

### **CRESCENDO Refurbishing and set-up costs**

These costs depend on the state of your premises and the legal requirements of your country.

# OPERATIONS: ITO system

## INSTALL

**Shop plans:** Plan and visuals are worked between three parties (CRESCENDO Partner, CRESCENDO team, CRESCENDO designer) to fulfil corporate identity, needs of partners and shop/legal requirements.

**Fixtures:** All fixtures are custom made for each individual shop.

## TRAIN

**Training:** CRESCENDO supplies pre and post opening intensive trainings for all partners. Prior to opening, CRESCENDO product and operations specialists assist in setting up the shop and stay on site through the opening and initial operations. Regular meetings are held to develop performances. Annual meetings take place with all partners with purpose to exchange experience, offer more information to the partners and give complementary trainings.

**On-going assistance:** After opening, CRESCENDO team is always available, for consultation regarding any operational issues that may arise.

CRESCENDO team is periodically visiting the partners to answer any questions and ensure that the CRESCENDO business model is being properly carried out. Regular partner information is sent to introduce new products, new product ranges, new marketing campaigns and merchandising techniques.

**Manuals:** Each CRESCENDO shop and partner is supplied a full set of manuals for the proper operation and maintenance of the shop.

## OPERATE

**Marketing:** annual marketing plan and personalised marketing are developed for partners via a dedicated team

**Re-filling:** Customers will be allowed to bring CRESCENDO bottles back into the shop for re-filling. Re-filled product will have a separate pricing schedule that takes into consideration all related costs.

**Sampling:** As with all CRESCENDO shops, customers are urged to sample products, learn about products and production, and to find out about exciting new and unique applications for the products, all this information being dispensed by the partner and its employees.

**Bottling & labelling:** CRESCENDO oil & vinegar products are pre-bottled, on a daily basis. After filling, bottles are corked, sealed, labels and banderols affixed. Labels for the wide range of products are printed on-site and affixed by hand.

**Simple bottles:** Recognizing that there will be a class of customer that has great interest in CRESCENDO product, but not always in high-end bottles, each shop holds a limited range of simple, low-cost bottles.

**Products:** CRESCENDO products are imported and stored with an experienced order and fulfilment. This brand is strongly built on a Mediterranean 'flavour' and concept.