



# NESPRESSO

*media plan book*

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# *executive summary*

## **MARKETING PROBLEM**

Nespresso has low brand awareness and ranks third in market share. Their unique stance as sustainable coffee is largely unknown, and they are overlooked by consumers in favor of more popular coffee brands.

## **MARKETING OBJECTIVES**

Our primary marketing objective is to increase Nespresso's market share by 3.5% and become the second leading market sharer. To do this, the unit sales must increase by 10%.

## **MEDIA STRATEGY/TACTICS**

Because coffee is a year-round product used more frequently in the winter, we will use a pulsing schedule that increases the number of advertisements from October through February. The campaign will be concentrated in the south where Nespresso is lacking, and we will mainly use outdoor, radio, and magazine to increase Nespresso's share of voice.

## **MEDIA OBJECTIVES**

By increasing brand awareness, building brand preference, and maintaining brand loyalty, consumers will know about Nespresso's environmental stance and are more likely to choose it over other coffee brands. It will also make current consumers less likely to switch.

## **CREATIVE STRATEGY**

In order to distinguish Nespresso and raise brand awareness, the campaign will focus on sustainability and protecting the environment by drinking Nespresso. It will motivate our target audience which is largely environmentally conscious to make the switch or increase their loyalty to Nespresso.



# SITUATIONAL ANALYSIS

MARKETING PROBLEM

INDUSTRY OVERVIEW

BRAND OVERVIEW

COMPETITORS' ANALYSIS

ADVERTISING EXPENDITURE ANALYSIS

PRODUCT LIFE CYCLE (PLC)





# SITUATIONAL ANALYSIS

*marketing problem*

## MARKETING PROBLEM

Nespresso has taken the stance as a sustainable coffee brand that strongly encourages recycling of their aluminum coffee pods. Within the single serve coffee industry, Nespresso is often overlooked. With that, their environmental stance is as well. Most of their target market is not informed of their environmentally-friendly coffee pods. This is the marketing problem. In order to increase Nespresso's market share within the coffee industry, Nespresso needs to increase brand awareness and gain more loyal customers.



# SITUATIONAL ANALYSIS

## *industry overview*

The coffee industry is a \$30-32 billion dollar a year industry. Specialty coffee alone makes up almost 10% of the market. Within the United States, the average daily consumption of coffee is 3.1 cups per day. Fifty percent of the population drinks espresso, cappuccino, latte or iced/cold coffee. The average beverage price for an espresso drink is \$2.45 while the average price for brewed coffee is \$1.38. Coffee consumers drink coffee at different times throughout the day. The most popular time of day to drink coffee is in the morning during breakfast; 65% of coffee consumers drink coffee at this time. Single serve coffee, including k-cups and Nespresso capsules, is anticipated to comprise 30.9% of total revenue in 2019. According to the NCA's National Coffee Drinking Trends survey, about 41.0% of households in 2017 have a single-cup brewer. Because of the convenience of single serve coffee, demand has risen over the last five years. According to IBIS World, the current period of coffee consumption has been defined by numerous coffee trends. The number of people consuming gourmet coffee is at an all-time high. The introduction of cold brew and nitrogen-infused coffee has been a major boom for coffee producers. Specialized products, such as sustainable coffee in environmentally friendly, single-serving formats is also popular. With all of these trends, IBIS World anticipates industry revenue to grow 1.5% per capita. Coffee consumption continues to rise.



# SITUATIONAL ANALYSIS

*brand overview*

## HISTORY

The Nestlé Nespresso company was created in 1986 with a total of five employees and has since revolutionized the way people enjoy their coffee. In the beginning years, Nespresso introduced its first line of coffee espresso machines. After some trial and error, Nespresso introduced new, innovative machines each year.

Nespresso began to expand geographically, causing the company's growth rate to expand as well. With reinvented designs and new features, the machines continued to improve while enhancing how consumers experience coffee.

Nespresso began to commit itself to sustainability within the coffee industry. The company sets its ambition to become the highest quality and most sustainable coffee brand through its Positive Cup Initiative today. Nespresso's AAA Sustainable Quality Program allows the company to work with 100,000 farmers in 13 countries around the world along with 400 agronomists to ensure their farmers use the best agricultural practices to produce high-quality coffee.



# SITUATIONAL ANALYSIS

*brand overview*

## PRODUCTS

Nespresso has over 30 different kinds of machines. These machines are capable of making anything from a simple cup of coffee to a professionally made latte. Nespresso also has over 50 different kinds of k-cups. These include exclusives, special cups crafted for milk, espresso cups, coffee from different countries and flavored coffee.



**NESPRESSO®**





# SITUATIONAL ANALYSIS

brand overview

NESPRESSO.

## CAPSULES RECYCLING



34  
COUNTRIES  
WITH CAPSULE  
RECYCLING SYSTEM

+14'000  
DEDICATED  
COLLECTION  
POINTS



NESPRESSO.

## ENVIRONMENTAL PERFORMANCE

-20.7%  
CARBON  
FOOTPRINT  
SINCE 2009

AGROFORESTRY  
130'000 TREES PLANTED  
IN 2 YEARS

100%  
GREEN COFFEE DELIVERED  
BY TRAIN TO OUR  
PRODUCTION CENTRES

MACHINES  
CONSUMING  
-40%  
ENERGY THAN  
A-RATED MACHINES

230'000m<sup>3</sup>  
NATURAL GAS SAVED PER YEAR IN  
AVENTHES PRODUCTION CENTRE



100%  
CARDBOARD IN CAPSULES  
SLEEVES IS RESPONSIBLY SOURCED



# SITUATIONAL ANALYSIS

*brand overview*

NESPRESSO

SUSTAINABLE QUALITY COFFEE SOURCING



PRICE PREMIUM  
30-40% ABOVE  
MARKET PRICE



## MISSION

“To be preferred and respected as the leading quality coffee company for portioned coffee and become the icon of perfect coffee worldwide.” Nespresso

Nespresso aims to create sustainable, quality coffee within aluminum capsules. These capsules can be recycled with Nespresso's capsule recycling system which is in 34 countries as of now. Nespresso also maintains good relations with their 63,000 farmers.



# SITUATIONAL ANALYSIS

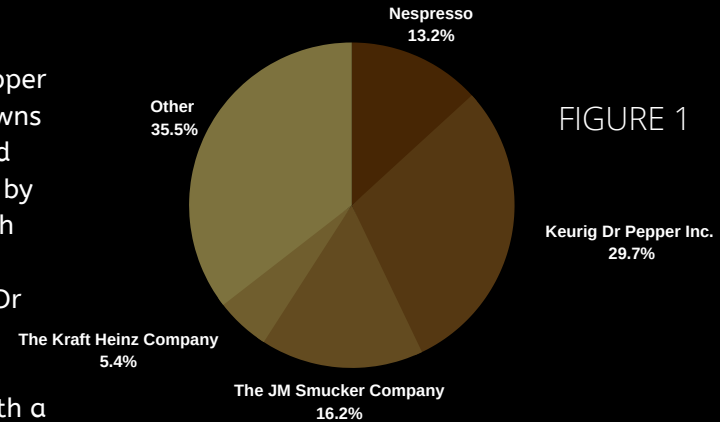
## PRIMARY

Nespresso's primary competitors are Keurig Dr Pepper Inc. and The JM Smucker Company. JM Smucker owns other coffee companies such as Dunkin Donuts and Folgers. Industry-relevant revenue was bolstered by the company's premium coffee product lines, which include Folgers Gourmet Selections and Dunkin' Donuts, which come in single-serve k-cup packs. Dr Pepper Inc. has a market share of 29.7%. The JM Smucker Company has a market share of 16.2%. Nespresso (Nestle SA) is right behind these two with a market share of 13.2%.

## SECONDARY

Nespresso's secondary competitors are independent coffee shops and bottled coffee drinks. Both of these are competing with Nespresso's k-cups which can be made at home. Our target audience might find it easier to stop by a coffee shop or grab a bottled coffee while on the way to work or school.

## *competitors' analysis*



# SITUATIONAL ANALYSIS

## *ad expenditure analysis*

### RAW DATA ANALYSIS

The total advertising expenditure for the coffee market in 2018 was \$19,256,600. Nespresso was the third highest spender at \$3,668,500 behind Folgers and Maxwell. The highest spender in one medium was Maxwell in network tv at \$4,231,400 but was closely followed by Nespresso in magazine at \$3,668,500. The media that were the most popular and had the highest spending were network (\$8,410,800) and cable tv (\$6,527,500). Magazine was used only by Nespresso, and no one used radio or outdoor.

FIGURE 2

TIME PERIOD	PRODUCT	NETWORK TV DOLS (000	CABLE TV DOLS (000	SYNDICATION DOLS (000	SPOT TV DOLS (000	MAGAZINES DOLS (000	INT DISPLAY DOLS (000	TOTAL DOLS (000
YEAR 2018	Dunkin Donuts : Ground Coffee	1581	1342.6	6.2	36.6			2966.4
YEAR 2018	Folgers 1850 : Coffee	4231.4	2246.9		32		545.4	7055.7
YEAR 2018	Maxwell House : Coffee	1303.5	2717.8		0.5		11.7	4033.5
YEAR 2018	Nespresso : Coffee					3668.5		3668.5
YEAR 2018	Starbucks : Coffee	1294.9	220.2				17.3	1532.5
GRAND TOTAL		8410.8	6527.5	6.2	69.1	3668.5	574.4	19256.6





# SITUATIONAL ANALYSIS

*ad expenditure analysis*

## SHARE OF VOICE ANALYSIS

Nespresso's share of voice is third at 19.05% behind Folgers and Maxwell which have 36.64% and 20.95% respectively. Nespresso has 100% share of voice in magazine, but 0% share of voice in all other media. Dunkin has the highest share of voice in syndication (100%) and spot tv (52.97%). Folgers has the highest share of voice in network tv (50.30%) and int display (94.95%). Maxwell has the highest share of voice in cable tv (41.64%). Starbucks does not have the highest share of voice in any medium.

FIGURE 3

TIME PERIOD	PRODUCT	NETWORK TV	CABLE TV	SYNDICATION	SPOT TV	MAGAZINES	INT DISPLAY	TOTAL
YEAR 2018	Dunkin Donuts : Ground Coffee	18.79%	20.60%	100%	52.97	0%	0%	15.40%
YEAR 2018	Folgers 1850 : Coffee	50.30%	34.42%	0%	46.31	0%	94.95%	36.64%
YEAR 2018	Maxwell House : Coffee	15.50%	41.64%	0%	0.72%	0%	2.03%	20.95%
YEAR 2018	Nespresso : Coffee	0%	0%	0%	0%	100%	0%	19.05%
YEAR 2018	Starbucks : Coffee	15.4	3.37%	0%	0%	0%	3.01%	7.96%
GRAND TOTAL		100%	100%	100%	100%	100%	100%	100%

## MEDIA MIX

Nespresso spent the entirety of its advertising budget in magazine. Dunkin, Folgers, Maxwell, and Starbucks all spent the majority of their budget in network and cable tv.

FIGURE 4

TIME PERIOD	PRODUCT	NETWORK TV	CABLE TV	SYNDICATION	SPOT TV	MAGAZINES	INT DISPLAY	TOTAL
YEAR 2018	Dunkin Donuts : Ground Coffee	53.30%	45.26%	0.21%	1.23%	0%	0%	100%
YEAR 2018	Folgers 1850 : Coffee	59.97%	31.85%	0%	0.45%	0%	7.73%	100%
YEAR 2018	Maxwell House : Coffee	32.32%	67.38%	0%	0.01%	0%	0.29%	100%
YEAR 2018	Nespresso : Coffee	0%	0%	0%	0%	100%	0%	100%
YEAR 2018	Starbucks : Coffee	84.50%	14.37%	0%	0%	0%	1.13%	100%

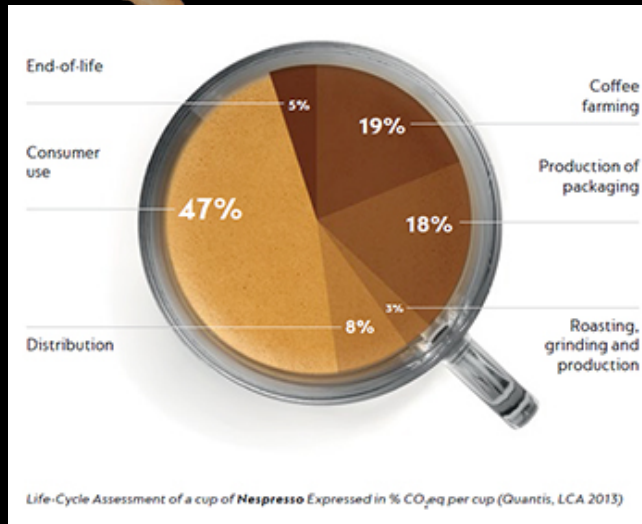


# SITUATIONAL ANALYSIS

*product life cycle*

## PRODUCT LIFE CYCLE

Coffee is in the maturity stage of the product life cycle. Sales are not decreasing for coffee, and they are not heavily increasing. While staying at a constant rate of growth, coffee is only expected to grow 2.0% by 2024. By the same year, the industry's GDP is expected to grow by 2.2%. However, competition within the coffee market is relatively high due to the different types of coffee brands available. There is an established market for coffee. Now, companies within this market are apart of the high market share, making it difficult for new competitors to develop. Coffee stays at a maturity stage because of their generation of sales with the increase of sustainable single serve coffee. Nespresso is aiming to increase their market share by advertising their environmental stance to those who are interested in environmental conservation.



# SWOT

*Nespresso*

## STRENGTHS

Nespresso's greatest strength is its environmental activism which is very valued by many consumers. It also creates a unique and specialized product in the form of k-cups. Both the product and the brand's sustainability are consistent with current trends, especially among young people. Lastly, the quality of the coffee is high.

## WEAKNESSES

Though Nespresso's brand is consistent with current trends, it has low sales and below average brand recognition and recall. This is in part due to a small share of voice and high prices compared to competitors.

## OPPORTUNITIES

The coffee industry is a mature market, and a large percentage of the United States population are regular coffee drinkers. Additionally, many young coffee drinkers are enthusiastic about social justice issues, such as fair trade, and the environment. The coffee industry has the flexibility to adhere to consumer trends like fair trade and sustainability.

## THREATS

Many of the exterior threats facing the coffee industry are related to the environment and international politics. Because coffee beans are largely grown along and south of the equator, the United States is dependent on imports and good foreign relations for coffee. Political unrest or high tariffs make coffee difficult to buy and sell. Global warming, bad farming conditions, and bug infestations can also put coffee beans at risk.



# MARKETING OBJECTIVES

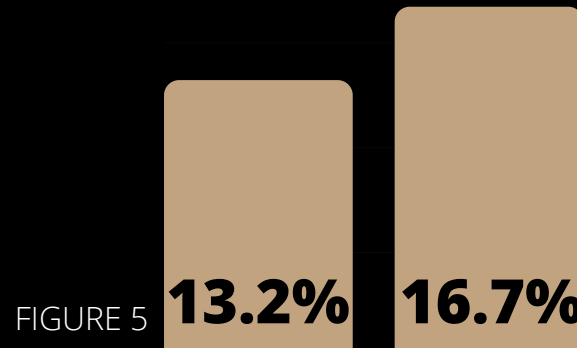
MARKETING OBJECTIVE  
PRIMARY TARGET AUDIENCE  
SECONDARY TARGET AUDIENCE



# MARKETING OBJECTIVES

## MARKETING OBJECTIVE

The marketing objective is to increase Nespresso's market share from 13.2% to 16.7% (+3.5%) to surpass The JM Smucker Company as the second leading market sharer. To achieve this, we plan on increasing our unit sales by 10%.



# MARKETING OBJECTIVES

*primary target audience*

## PRIMARY TARGET AUDIENCE

Nespresso's primary target audience consists of females ages 25-34. More specifically, white females ages 25-34 are the heaviest coffee drinkers. Those who are employed drink coffee more as well. Women responded positively by agreeing with the following three statements: eco-friendly products are higher quality products, companies should help consumers become more environmentally responsible, and I am more likely to purchase a product or service from a company that is environmentally friendly.

Race: 70.6% white

Education: 37% has gone to grad school or more

Annual Income: 31% has an annual income of \$100,000 or more

Marital Status: 45% married

Children: 69% have children in Household

Home Owners: 38% are home owners



# MARKETING OBJECTIVES *secondary target audience*

## SECONDARY TARGET AUDIENCE

Nespresso's secondary target audience consists of males ages 25-34. Men responded positively by agreeing with the following statement: eco-friendly products are higher quality products.

Race: 63.6% white

Education: 38% has gone to grad school or more

Annual Income: 35% has an annual income of \$100,000 or more

Marital Status: 42% married

Children: 41% have children in Household

Home Owners: 49% are home owners



# MEDIA OBJECTIVES

ADVERTISING OBJECTIVES  
OVERALL TARGET COVERAGE  
OVERALL MEDIA BUDGET  
SEASONALITY WEIGHTING  
REGIONALITY WEIGHTING





# MEDIA OBJECTIVES

*advertising objectives*

## INCREASE BRAND AWARENESS

One of Nespresso's greatest strengths and something that is very unique to its brand is its environmental stance. Unfortunately, few people know the ways Nespresso is working to protect the environment. Increasing awareness of this aspect of Nespresso's brand will cater to popular societal trends and increase brand favorability.

## BUILD BRAND PREFERENCE

Building brand preference will set Nespresso apart from other leading coffee brands and increase sales. Brand preference will be built through an increase in brand awareness. In turn, it will maintain brand loyalty. The goal is to set Nespresso apart from the other brands by emphasizing its environmental stance and unique benefits. This will build brand preference as it is a common practice among the target audience to only use brands that are sustainable.

## MAINTAIN BRAND LOYALTY

Ultimately, most revenue comes from customers who are loyal to the product. Maintaining brand loyalty is of utmost importance to the long-term success of Nespresso because it is profitable to maintain current customers. The campaign will also capitalize on making loyal customers out of people who try the product once or twice by brand differentiation and highlighting the benefits of Nespresso.



# MEDIA OBJECTIVES

*overall target coverage goal*

## OVERALL TARGET COVERAGE

During the colder months of the year, we plan to reach 75% of our target audience an average of 5 times. Within this time, our advertising frequency will be heavier due to the pulsing method we plan to use. During our months of lighter advertising, we plan to reach 65% of our target audience with an average frequency of 4 times throughout March to September. Our budget will be split in half: half being used for the heavier 5 months and half being used for the lighter 7 months. This will allow a larger amount of money to be spent within those heavier months.



# MEDIA OBJECTIVES

*overall media budget*

## OVERALL MEDIA BUDGET

Last year, Nespresso had a budget of \$3,668,500 which gave us a market share of 13.2%. In order to increase our market share by 3.5% and our overall sales by 10%, we will increase our budget by 10%. With this increase, our new budget will be \$4,035,350. This will help us maintain our current audience while attempting to draw in users who would be interested in Nespresso's environmentally conscious products. This escalated budget places our advertising spending above Maxwell House, Starbucks and Dunkin Donuts.

Previous budget: \$3,668,500

New budget: \$4,035,350

Amount added: \$366,850



# MEDIA OBJECTIVES

*seasonality weighting*

Nespresso's campaign should have more weight during the colder months. These months include November, December, January and February. To begin increasing awareness of Nespresso, we will also advertise more heavily in October. During these months, our target audience drinks more coffee in relation to the colder weather. Due to this increase in coffee sales, we will allocate the budget to fit this trend. November, December and January will have a higher allocated budget because these months are usually the coldest in temperature which promotes the highest sales of coffee. Fifty-percent of our budget will be used within these five colder months. The other half of our advertising budget will be allocated for the months where we are still advertising, but not as heavily (March-September). During these months, we want to maintain brand loyalty within our target audience by advertising frequently about Nespresso's different types of k-cups.



# MEDIA OBJECTIVES

*regionality weighting*

Nespresso will need to reallocate more money to certain regions of the United States. Due to Nespresso's offensive strategy, an increase in funds is required in the South region. This is due to a low BDI and high CDI in that region. In all of the other regions, Nespresso has a high BDI, so they are doing well. Since Nespresso's goal is to increase brand awareness among our target audience, we will increase advertising in the Southern region which is composed of the following states: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The South region of the United States will receive 40% of Nespresso's budget, and we will use an offensive advertising strategy in this region to increase brand awareness and build brand preference toward Nespresso. The remaining three regions will split the rest of the budget, with each region receiving 20% of the overall budget.

FIGURE 6

	TOTAL			MIDWEST			NORTHEAST			SOUTH			WEST		
	Sample	Weighted(000)	Index	Sample	Weighted(000)	Index	Sample	Weighted(000)	Index	Sample	Weighted(000)	Index	Sample	Weighted(000)	Index
Nescafe Drinkers	25160	241693	100	4805	50972.52	100	4481	43299.73	100	10320	91423.83	100	5554	55996.88	100
	200	2009.07	100	47	414.23	98	46	442.53	123	77	612.76	81	30	539.55	116
Coffee Drinkers	6292	63608.78	100	1115	11824.91	88	1088	10635.84	93	2523	25093.6	104	1566	16054.43	109





# MEDIA STRATEGY & TACTICS

SEASONAL FREQUENCY & REACH  
REGIONAL FREQUENCY & REACH  
SCHEDULING  
MEDIA SELECTION  
BUDGET RECAP & ALLOCATION

# MEDIA STRATEGY & TACTICS

## *seasonal reach & frequency*

People constantly consume coffee throughout the entire year. The reasons why people consume coffee vary - whether they need the energy boost, want to socialize, or they just enjoy the flavor. An increase is seen in the amount of coffee consumed in the winter months. With this in mind, Nespresso should advertise more heavily in October through February. For these months, the total Gross Rating Point (GRP) will be 375. In the seven months when Nespresso's advertising is lighter (March-September), the GRP will be 260. The allocated budget matches this trend. Within the heavier advertising period, 50% of our new budget will be used. During the lighter advertising months, the other 50% of our new budget will be used which gives each month 7.14% of the total budget.

FIGURE 7

Budget Al	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	
Reach	75	75	65	65	65	65	65	65	65	65	75	75	75	
Freq	5	5	4	4	4	4	4	4	4	4	5	5	5	
GRP	375	375	260	260	260	260	260	260	260	260	375	375	375	3695
Budget Al	10	10	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	10	10	10	
Budget \$	403535	403535	288124	288124	288124	288124	288124	288124	288124	288124	403535	403535	403535	4035350

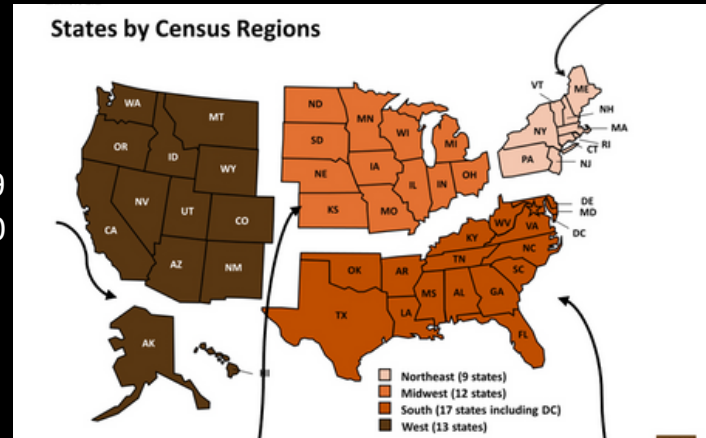


# MEDIA STRATEGY & TACTICS

## *regional reach & frequency*

Nespresso will include their regional weighting on the four Census regions but will emphasize their regional weighting on the Southern region. This should result in an increased brand awareness among coffee drinkers within this region.

FIGURE 8



### **WEST:**

GRPs: 739

20% of budget: \$807,070

### **MIDWEST:**

GRPs: 739

20% of budget: \$807,070

### **NORTHEAST:**

GRPs: 739

20% of budget: \$807,070

### **SOUTH:**

GRPs: 1478

40% of budget: \$1,614,140



# MEDIA STRATEGY & TACTICS

*scheduling*

Coffee is consumed year round in the United States. Because of this constant consumption, Nespresso should advertise throughout the entire year with a pulsing schedule. We will use this schedule to keep our advertisements going throughout the year, but there will be a higher frequency of advertisements in the colder months. We want to advertise more heavily from October to February. These months are typically colder in temperature which increases the consumption of hot coffee. With this pulsing method, we want our consumers' brand awareness of Nespresso to increase.

FIGURE 9



# MEDIA STRATEGY & TACTICS

*media selection*

Nespresso spent all of their advertising expenses on magazine ads in the previous year. This medium was within our quintile analysis as a second quintile. With that in mind, we wanted to reach our target audience in ways they would be reached in higher frequencies than just magazines. Our quintile analysis revealed that outdoor has its highest index (107) in quintile I. This shows that our outdoor approach has good marketing potential. We will allocate 43% of our advertising budget toward outdoor advertisements. These outdoor advertisements will include billboards along freeways that consumers will pass on their way to work. The billboards will be concentrated in highly populated cities in the south including Atlanta, Orlando, New Orleans, Nashville and Dallas. Radio Drive Time (RDT) is where we will use 17% of our advertising budget (\$686,009.50). RDT has the highest index in quantile 2 (113), so radio also has strong marketing potential. Our target audience listens to radio throughout the day. Therefore, we will have radio pulsing advertisements that will play in the morning as people are driving to and from work as well as a few ads throughout the day. There will be a greater frequency of these radio advertisements on different stations during drive times, and throughout the work day, our ads will not be as frequent. We will continue to advertise in magazines because the medium has an average index (100) in the second highest quantile. Magazines will make up 17% of the budget with a total of \$686,009.50. Social media will make up the remaining 22% of the budget because it is very popular among our target audience. Seventy-eight percent of women use social media as well as 65% of men. The highest social media usage comes from young adults aged 18-29. These statistics indicate that social media, particularly Facebook, Instagram, and Twitter, will be highly trafficked and visible platforms for the campaign.



# MEDIA STRATEGY & TACTICS

*media selection*

## OUTDOOR

The best locations for our outdoor advertising to reach Nespresso's target audience are on subway trains and platforms with an index number of 225, inside taxis with an index number of 217, around waiting areas for transportation with an index of 207, inside public transportation with an index number of 202, airports with an index number of 197, on buses with an index of 190, and at health clubs or gyms with an index of 179.

## MAGAZINE

The best magazines to place our advertisements are *OK! USA* with an index of 414, *Parents* with an index of 349, *Family Fun* with an index of 333, *Allure* with an index of 317, *US Weekly* with an index of 285, *Cosmopolitan* with an index of 280, and *Stylewatch* with an index of 276.

## RADIO

The best radio stations to advertise are teen pop (WWPW-FM) with an index of 319, Latin rap (KBDR-FM) with an index of 312, pop hip-hop (WHTA-FM) with an index of 290, pop r&b (WVEE-FM) with an index of 261, garage rock (WFMU-FM) with an index of 253, hip-hop/rap (KBXX-FM) with an index of 240, and children's (KDIS-FM) with an index of 224.

## SOCIAL MEDIA

Our target audience uses social media heavily. From our research we found that 78% of women used social media while 65% of men used social media. We also saw that 90% of 18-29 year olds use social media. With this in mind, we decided to advertise on Facebook, Instagram and Twitter. These social media sites will give us the ability to reach a large percentage of our target audience.





# MEDIA STRATEGY & TACTICS

*media not selected*

## TELEVISION

We did not choose other media such as television because of the results found in our quintile analysis. When we looked at the different index levels for each category, we decided to choose the top four with an index of 100 or higher. Television and other media platforms that were not chosen had an index less than 100.

## NEWSPAPER

We did not choose to advertise in newspapers due to our lower index number from our quintile analysis. Newspaper had an index number of 46 which is below average.



# MEDIA STRATEGY & TACTICS

## *budget recap & allocation*

Media Class	Budget Percentage (%)	Budget Allocated	Total GRPs
Outdoor	43%	\$1,735,200	1,450
Social Media	22%	\$887,777	725
Magazine	17%	\$686,009.50	580
Radio	17%	\$686,009.50	580
<b>Total</b> (excludes IMC efforts)	100%	\$3,994,996	3,335

FIGURE 10

We allocated a percentage of the new budget to correlate with the usage of each medium. With outdoor advertising being our highest within quintile I, we decided that 43% of our budget (\$1,735,200) will be used for outdoor advertisements. Outdoor will have total GRP of 1,480. Twenty-two percent of our budget (\$887,777) will be used for social media with a GRP of 725. Both magazine and radio will use 17% of the budget (\$686,009.50) with 580 GRPs. Our total GRP is 3,335 without the IMC efforts and 3,695 with IMC efforts.



# CONSTRAINTS

## *budget & creative constraints*

### BUDGET CONSTRAINTS

Outdoor advertisements have relatively high costs, so we will need to allocate our budget accordingly. We want to get the most out of every dollar used, so these ads will need to be placed in the best locations possible in order to effectively reach our target audience.

Advertising on social media is the most personalized form of our advertising. A large percentage of the budget will be used to reach our target audience with interactive and frequent advertisements on social media sites.

Magazine ads will use a large percentage of the budget allocated for this medium. Magazines can be more expensive due to the high circulation and coverage. The ad space size will also factor into the cost. This cost will be worth it due to magazines' long life.

Radio is cost efficient because it has a high frequency at a low cost. Because of its cost efficiency, we will allocated a smaller percentage of the advertising budget to this medium.

### CREATIVE CONSTRAINTS

With our selected media types, we aim for continuity and consistency. We will be using simple, yet meaningful advertisements on all platforms. The billboards and magazine advertisements will be cohesive and recognizable for the target audience. These advertisements will be similar to those placed throughout our selected social media vehicles as well. The radio spot is simple while still stating the purpose of our campaign. With Nespresso, we want the focus of our creative to be on the simplicity of coffee as well as the importance of sustainability.



# CREATIVE STRATEGY

In the interest of distinguishing Nespresso and raising awareness for its unique and valuable brand identity, the campaign intends to highlight Nespresso's stance as a sustainable coffee brand. "Enjoy More than Just Coffee" is a campaign that facilitates a conversation around the brand, inspires consumers to take part in something bigger than buying coffee, and will ultimately build brand preference and increase market share. "Enjoy More than Just Coffee" points consumers directly to the environment, saying that the coffee is good, but the environment is better. By enjoying Nespresso coffee, Nespresso users may also protect and enjoy the environment.

Outdoor, magazine, and radio are the primary media used in the campaign. This media will effectively engage the target audience as demonstrated by the quintile analysis. The outdoor will be used to create awareness of Nespresso's sustainability. The radio spot copy will remind drivers that Nespresso is a good alternative to brands that are less environmentally conscious. The magazine visuals will offer the most information. Included is an example of radio copy and visual creative that illustrates the heart of the campaign.



# CREATIVE STRATEGY

*creative*

## RADIO SPOT

ANNCR: Every morning – even some late nights – coffee keeps you going. It gives you a shot of energy and a little clarity. But every disposable filter and cup makes the environment a little less energetic and a little less clear. Until now. Nespresso is protecting the environment by making single-use coffee sustainable. Because we want you to enjoy more than just coffee.

## MAGAZINE



# IMC EFFORTS

For Nespresso, we will use a plethora of different marketing strategies to promote the product. We will demonstrate Nespresso's sustainability to the audience by creating a park out of recycled k-cups. This will be a public relations effort. The park will show our audience how Nespresso cares about the community and how Nespresso is about enjoying more than coffee. It would create an interactive landscape for the audience to have fun while keeping the brand in mind. To reach a wider audience, we could have a radio contest to win a Nespresso machine with k-cups. We will randomly select someone who tweets at our radio station and posts on Facebook their favorite type of Nespresso k-cup. This will encourage the consumers to interact with the brand while also getting them to talk about the product. We could also use magazines to promote the product by having scented magazine ads. This could include having k-cup stickers that have the scent of each flavor. This would be a good way to get the consumers attention and allow them to sample the product.





# CAMPAIGN EVALUATION

In order to test how effective our campaign is, we plan to use copy testing to track the change in brand awareness from the start of the campaign to its current point. We plan to focus primarily on our social media interactions to see how people react to our advertisements.

By using Facebook, Instagram and Twitter we can see peoples' interactions with the advertisements through the different statistics available, such as how many have viewed or clicked on the post. We can also gain a better understanding of peoples' emotional thoughts toward the brand from the different likes, comments and replies. We will run these copy tests in March, June, September and December because we plan to advertise heavily from October to February. By testing in March and September, we will be testing right before and after our heavy season. For June and December, we will be testing during both our light and heavy seasons allowing us to better understand our brand awareness.



# MEDIA FLOWCHART

FIGURE 11

Medium		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Outdoor	Subway trains & platforms, Taxis, Waiting areas, Public Transportation, Airports, Buses, Health Clubs & Gyms													
	GRPs	150	150	100	100	100	100	100	100	100	150	150	150	1450
	\$(100)	179503	179503	119669	119669	119669	119669	119669	119669	119669	179503	179503	179503	1,735,200
Social Media	Twitter, Instagram, Facebook													
	GRPs	75	75	50	50	50	50	50	50	50	75	75	75	725
	\$(100)	91839	91839	61226	61226	61226	61226	61226	61226	61226	91839	91839	91839	887,777
Magazine	Ok! USA, Family Fun, Parents, Allure, US Weekly, Cosmopolitan, Stylewatch													
	GRPs	60	60	40	40	40	40	40	40	40	60	60	60	580
	\$(100)	70966.5	70966.5	47311	47311	47311	47311	47311	47311	47311	70966.5	70966.5	70966.5	686009.5
Radio	WWPW-FM, KBDR-FM, WHAT-FM, WVEE-FM, WFMU-FM, KBXX-FM, KDIS-FM													
	GRPs	60	60	40	40	40	40	40	40	40	60	60	60	580
	\$(100)	70966.5	70966.5	47311	47311	47311	47311	47311	47311	47311	70966.5	70966.5	70966.5	686009.5
IMC	GRPs	30	30	30	30	30	30	30	30	30	30	30	30	360
	\$(100)	3363	3363	3363	3363	3363	3363	3363	3363	3363	3363	3363	3363	40356
TOTAL	GRPs	375	375	260	260	260	260	260	260	260	375	375	375	3695
	\$(100)	416638	416638	223780	223780	223780	223780	223780	223780	223780	416638	416638	416638	4035350



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