

Session Three: Major Supply & Demand Trends

Growth in the Global Coffee Industry

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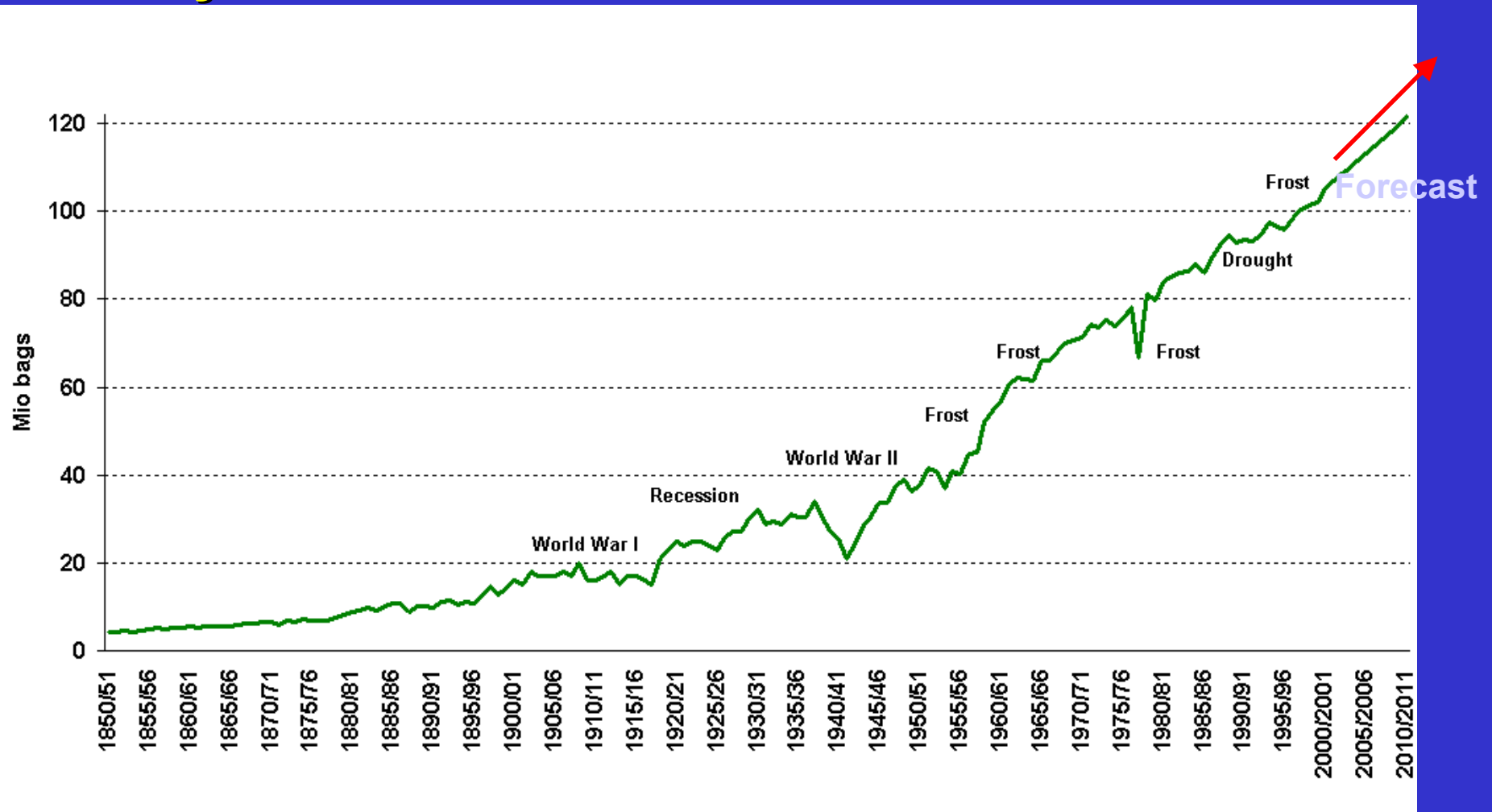
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Growing the global coffee industry requires ...

- **commitment and contribution from all participants**
- **investment and leadership from brands**
- **a willingness to embrace change**



Global Coffee consumption has increased steadily over time.



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Three companies account for over 45% of global volume ...

- Kraft
- Nestlé
- Sara Lee

... with market share growing steadily over time.



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The growth recipe is simple in theory ...

➔ build powerful brands



... but increasingly complex as the consumer is faced with a spectrum of options.



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A successful brand is a combination of ...

- a high quality product



- in a variety of forms/formats to meet consumer needs



- with a personality built up over years through marketing investment



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When the equation is optimised the successful Coffee brand can ...

- build a loyal bond with consumers
- grow share within a market
- reinvest in technology/marketing to further increase consumer value
- grow markets through new users and increased purchase rate



Investment commitment means that consumers are continually presented with increased value options ...

➔ better quality



➔ more convenience

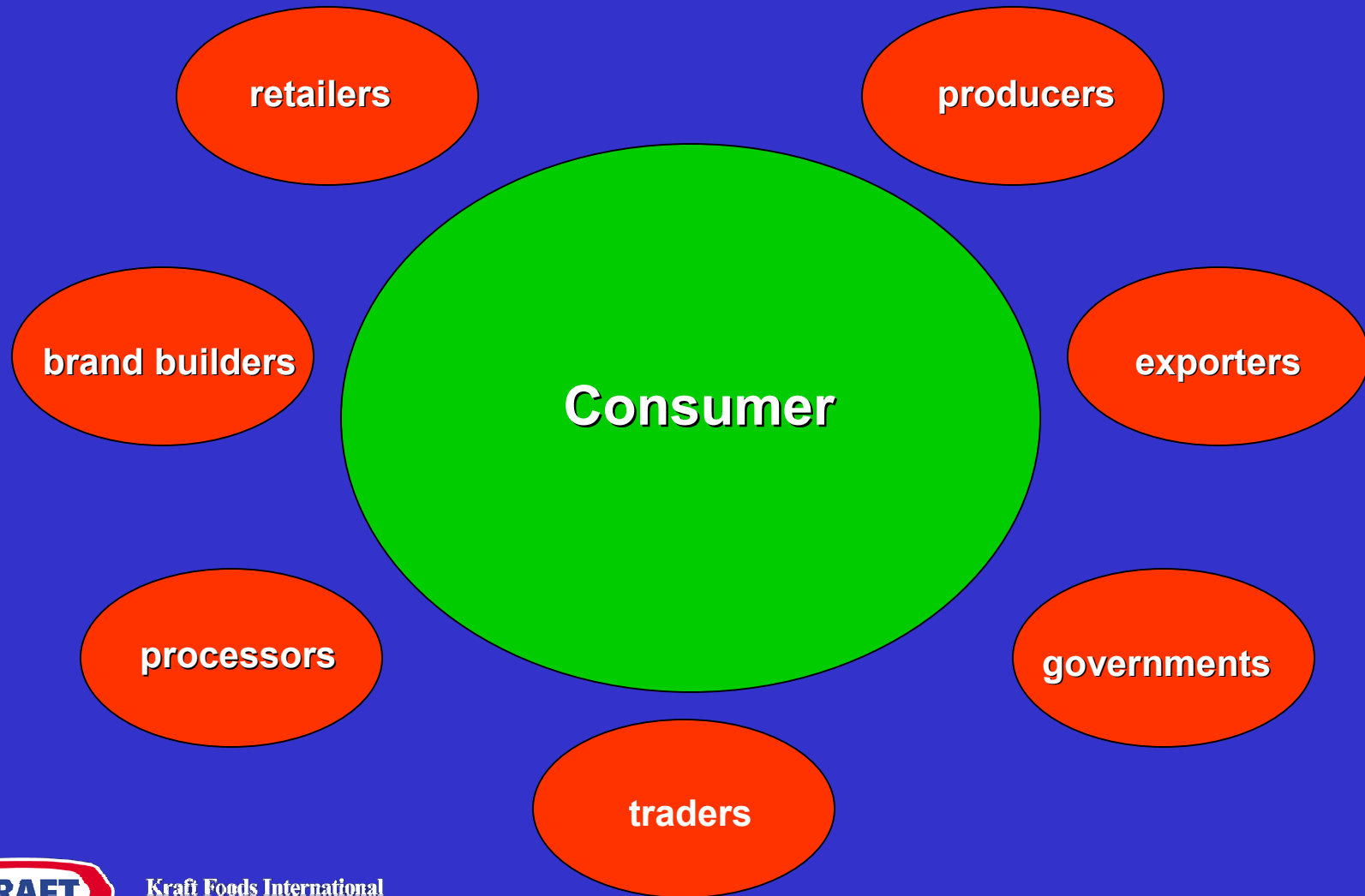


➔ increased availability



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But, the Coffee industry is an integrated unit and all parts must work in concert.



And, it is easy for this common growth mission to get out of alignment.

- **volatility**
- **quality**
- **free movement of goods**
- **local vs global agendas**



In summary,

- ➔ growth requires commitment and contribution from all participants**
- ➔ brands will lead the path to growth**
- ➔ success in a competitive world requires a willingness to embrace change**

