Toma Café: promoting a new dynamic in Colombia’s coffee category

The Colombian coffee market

- Coffee = national pride
- High in-home penetration
- High concentration of brands
- High competition of substitutes
- Low knowledge of preparation techniques
- Emerging specialty segment
- Strong presence of traditional shops (60% coffee mkt)
- Low per capita income with prices historically increasing above min salary
- Increased import levels
- Rooted myths around coffee and health
Brasil, Costa Rica & Colombia, working hours of min. Salary needed to buy a lb of r&g coffee, 2005 to 2011

Our consumer

**Traditions:**
- Increase cup concentration
- Expose to versatility: iced coffees, capuccinos, etc.

**Young:**
- Increase frequency
- Address substitutes and health myths.
The current situation

General decrease in growth for all categories except beverage and toiletries

Dynamic competition and growth
we have recovered 4 volume points and continued with consistent 1% growth for 2 consecutive years. 2013 starts flat.

Growth is stable although prices have been increasing over the food price index
Centralization is evident when looking at regional consumption

Regardless of recent deceleration, soluble coffee continues to gain share
Stimulating demand

Toma Café

Coalition

Allies

SENA
Sociedades científicas
Medios de comunicación
Gremios afines
Cámaras de Comercio

innovation

Barriers

knowledge of market and consumer

Better preparation and selling practices

Education programs for the foodservice industry (+1000 baristas) and traditional retail channel (+2000 “tenderos”).

The Program has become a trend-setter

Repositioning the category as young and current through functional and emotional messages.

Awareness

Consideration

Purchase

Sustainable growth

Promotion & advertising

2. Coffee & Science

3. Promote innovation

4. Foster Productivity

Obj: Prevent health-related desercion. Directed to healthcare professionals and journalists. Delivers scientific research, and fact-based information on health benefits.

Market research and trends made available to members.
We should know more about coffee... shouldn’t we?

Appealing to knowledge as a way to evidence coffee versatility.

Coffee & Science

Colombians mention health as one of the main reasons to abandon or not return to the coffee category.
Becoming a credible source of information

Making sources available for healthcare professionals

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<th>AÑO</th>
<th>CONGRESOS MÉDICOS</th>
<th>ASISTENTES DIRECTOS</th>
<th>CIUDADES</th>
<th>TOTAL MÉDICOS ENFERMERAS</th>
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Fostering Innovation
Market research – trendwatching

Coffee for Young Colombians

Synovate: Contextual Consumer Landscape
18-25 yrs
Educating to promote productivity

- 33 trained instructors from SENA & Fenalco
- 1020 coffee preparation professionals
- 2000 traditional shop-owners trained
There is evidence of positive changes in consumption habits

- 79% - 82% increase of in-home penetration
- 22% al 28% Growth of homes that drink different types of coffee
- 8,1% growth of average cup size for r&g from 148 ml to 160 ml and 9.3% growth for instant.
- Decrease in health as reason to leave the category.
- Slight increase of consumption at lunch time
- Increased out of home consumption.

Share de bebidas (%)
We are starting to witness an interesting dynamic: the premium category grows at a double digit rate.

Our main challenges continue to be:

- Refreshing the category’s image: from dull and adult to young and hip
- Tackling health myths and concerns
- Improving preparation standards both in and out of home.
- Evidencing coffee versatility: + occasions, + preparations
¡HAGAMOS DE COLOMBIA
EL PAÍS QUE MÁS SABE DE CAFÉ!