PROGRAMS TO PROMOTE COFFEE CONSUMPTION: AN UPDATE
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WHO IS THE GUIDE FOR?
- Coffee Associations
- Governments
- Coffee companies
  - roasters
  - soluble makers
- Retailers
  - supermarkets
  - coffee shops
  - other
- Advertising agencies
- PR agencies
- Marketing agencies
- Development agencies
- Donors
- All interested to promote coffee consumption

APPLICATIONS OF ICO GUIDE
- Full workshops
  - India
  - Indonesia
  - Colombia
- Mini workshops
  - EAFCA
- Promotion programs
  - India
  - Colombia
- Consumer Surveys
  - India
  - Colombia
- Mexico
  - El Salvador

POTENTIAL TO INCREASE CONSUMPTION IN PRODUCING COUNTRIES

INDIA - MEXICO - INDONESIA
- population: 1.5 billion
- current consumption: 5 million bags/year
- goal in 5 to 7 years: 7 to 9 million bags/year
- net increase: 2 to 4 million bags/year

HOW TO START?
- Approach key R+G and instant actors / stakeholders separately
- Hold sectorial meetings to discuss program
  - instant makers
  - coffee shops
  - large roasters
  - exporters
  - small roasters
  - growers
  - retail (yes or no?)
- Companies active in different fields to send different representatives
- Hold general meetings of interested parties to define:
  - feasibility of program
  - project financing
  - program management
  - next steps
JOINT ACTIONS: FIRST STEPS

- Public relations within the coffee business
  - convince companies to participate  
  - promote program
- Start informal and turn professional at the right time
  - launch program  
  - keep participants together
- Cover the full spectrum of relations
  - coffee business  
  - other businesses  
  - government  
  - consumers  
  - coffee image management

PR IS HEART AND SOUL OF PROGRAM

CONSUMER SURVEY: WHY?

- Suppositions about consumer habits to be:
  • confirmed / validated  
  • modified  
  • discarded
- Consumption survey will:
  • check assumptions raised  
  • bring up new findings  
  • gather information for SWOT analysis

CONSUMER SURVEY: HOW?

- Use ICO Guide
  • diagnosis  
  • sample surveys
- Hire local survey company
  • experience food and beverage  
  • experience consumer perceptions  
  • survey questionnaire to be improved for evaluation

PRE-WORKSHOP

- Participants
  • leaders of all coffee sectors  
  • government  
  • other interested parties (industries must participate)
- Analyze / discuss information available
  • surveys  
  • others
- Present / describe ICO Guide
  • distribute copies to participants
  • ask them to navigate and study
- Preliminary SWOT analysis
- Visit coffee businesses
  • roasters  
  • soluble makers  
  • retail  
  • others  
  • coffee shops

WORKSHOP

- Meeting of interested parties and sectorial leaders
- Sectorial meetings to discuss program
  • instant makers  
  • large roasters  
  • small roasters  
  • retail (yes or no?)
- General meetings of interested parties to define:
  • program strategy  
  • program management  
  • project financing  
  • next steps
**SWOT ANALYSIS**

- Strengths
  - International coffee
  - National coffee
  - Local coffee
  - Market opportunities
  - International markets
  - National markets
  - Local markets
  - Government support
  - Private sector support
  - Consumer awareness
  - Education

- Weaknesses
  - High competition
  - Low consumer awareness
  - Lack of infrastructure
  - Financial constraints
  - Regulatory challenges
  - Political instability

- Opportunities
  - Emerging markets
  - Technological advancements
  - Government incentives
  - Partnership opportunities
  - Export diversification
  - Diversification strategies
  - Market growth

- Threats
  - Economic downturns
  - Trade restrictions
  - Environmental challenges
  - Health regulations
  - Consumer preferences

**BRAINSTORMING**

- Strengths
  - High quality coffee
  - Established brand
  - Strong market presence
  - Long-term relationships

- Weaknesses
  - High production costs
  - Competition from other regions
  - Limited distribution network
  - Quality control issues

- Opportunities
  - Expansion into new markets
  - Diversification of product line
  - Sustainability initiatives
  - Collaborations with local communities

- Threats
  - Climate change impacts
  - Fluctuations in coffee prices
  - Regulatory changes
  - Legal disputes

**PROGRAM STRUCTURE**

- How will project be managed?
  - multisectorial board
  - executive director
  - combination of above
  - other

- How will project be financed?
  - aid funds / grant
  - contributions from participants
  - government
  - combination of above
  - others

**INSTITUTIONAL FRAMEWORK: ORGANIZATIONAL ISSUES**

- Identify stakeholders and their associations
- Financial $ and content management
- Content management by board of stakeholders
  - involve roasters and soluble makers and listen to them
  - bring consumer representatives on board (final + coffee shops)
  - avoid conflict between roast and soluble coffee
- seek government support (funds, legislation and more)
- a group of interested roasters and/or soluble makers may start a program
  - critical mass vs. linearity
  - avoid free riders

**POST-WORKSHOP**

- Install program structure
- Raise funds
- Hire suppliers
  - public relations agency
  - other
- Define activities
- Start implementations
- Evaluate: measure consumption

**ON-GOING PROGRAMS AND ACTIVITIES**

- Mexico
  - 3 years of program
  - US$ 11 million in 2 years
  - government funds

- India
  - 2 years of program
  - US$ 15 million in 5 years
  - government funds

- El Salvador
  - survey
  - coffee and health

- Colombia
  - installing program structure
- Indonesia/Nicaragua
  - consumer survey
FROM OPPORTUNITIES TO ACTIONS IN INDIA

- Competitiveness: Interventions along coffee chain
- Preparation: Education / equipment
- Coffee and Health: Education / awareness
- Café Culture: Share of mind

MANAGEMENT BOARD OF PROGRAM

- Coffee Product System / AMECAFE
- Small growers
- Large growers
- Exporters
- Roasters
- Instant makers
- Wholesale / retail ???

ATTRIBUTIONS

- Board decides
  - major issues
  - promotion policies
- Coffee Product System / AMECAFE
  - makes operating decisions
  - carries out program
  - through a professional executive secretary

EXECUTIVE SECRETARY

- Professional with background and experience in marketing, promotion or similar
- Without business relations with stakeholders
- Remunerated by program
- Reporting to coffee product system
COLOMBIA
- Contributions by FNC and industry
- Funds managed by private company
- Decisions by multi-stakeholder committee
- Widespread support from all stakeholders

ICO GUIDE WAS GOOD INVESTMENT
- Large multiplier effect
  • ICO investment: US$ 300 thousand
  • investments in promotion: US$ 25 million
  • multiplier: ~ 80 times!
- There is more to come
- Impacts on actual consumption figures
  • already felt
  • will become stronger
- Need to measure consumption

THANK YOU!
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