

How to use | Tools | Financing  
 Diagnosis | Strategies | Evaluation  
 Framework | Design | Background

## 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

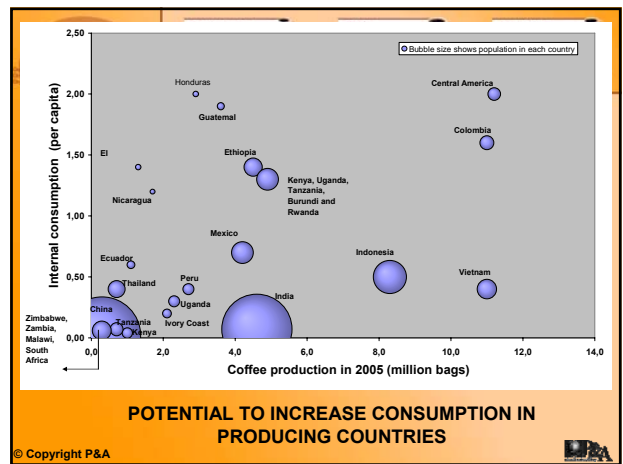
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## APPLICATIONS OF ICO GUIDE

- Full workshops
  - India
  - Indonesia
  - Colombia
  - Mexico
  - El Salvador
  - Costa Rica
- Mini workshops
  - EAFA
  - Nicaragua
- Promotion programs
  - India
  - Colombia
  - Mexico
  - El Salvador
- Consumer Surveys
  - India
  - Colombia
  - Nicaragua
  - Indonesia
  - El Salvador
  - Mexico

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## 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

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## HOW TO START?

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

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**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

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**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

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**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

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**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
  - retail
  - others
  - soluble makers
  - coffee shops

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**WORKSHOP**

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

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**PROGRAM DESIGN**

LEFT SIDE OF BRAIN	RIGHT SIDE OF BRAIN
PROGRAM CONTENT	PROGRAM STRUCTURE
CREATIVITY	MANAGEMENT
COURAGE TO DARE	FINANCING
WHAT IF?	EVALUATION
CONTENT DESIGN	STRUCTURE DESIGN

CONCRETE IDEAS → SMARTER IMPLEMENTATION → RESULTS

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### SWOT ANALYSIS

INTERNAL	EXTERNAL
<b>STRENGTHS (opportunities)</b> C.1. Coffee and the economy C.2. Coffee business C.3. Coffee industry C.7. Coffee pack - out-of-frame C.8. Coffee brewing equipment <b>WEAKNESSES (threats)</b> L.4. Wholesale / retail chain C.4. Coffee positioning: retail	<b>OPPORTUNITIES</b> A.1. Country data A.2. International coffee data B.1. Demographics B.2. Consumer and culture B.3. Consumption features C.5. Beverage market B.4. Young consumers B.5. Recall and trends <b>THREATS</b>

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### BRAINSTORMING

INTERNAL	EXTERNAL
<b>STRENGTHS (opportunities)</b> <b>WEAKNESSES (threats)</b>	<b>OPPORTUNITIES</b> <b>THREATS</b>

IDEAS  
 BRAINSTORMING  
 WHAT IF?  
 CREATIVITY  
 COURAGE TO DARE  
 STRATEGIES TARGETS

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### 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

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### INSTITUTIONAL FRAMEWORK: ORGANIZATIONAL ISSUES

- IDENTIFY STAKEHOLDERS AND THEIR ASSOCIATIONS
- FINANCIAL (\$) AND CONTENT (?) MANAGEMENT
- CONTENT (?) MANAGED BY BOARD OF STAKEHOLDERS
  - INVOLVE ROASTERS AND SOLUBLE MAKERS AND LISTEN TO THEM
  - BRING CONSUMER REPRESENTATIVES ON BOARD (RETAIL + COFFEE SHOPS)
  - AVOID CONFLICT BETWEEN ROAST AND SOLUBLE COFFEE
- SEEK GOVERNMENT SUPPORT (FUNDS, LEGISLATION AND MORE)
- A GROUP OF MOTIVATED ROASTERS AND/OR SOLUBLE MAKERS MAY START A PROGRAM
- CRITICAL MASS VS. UNANIMITY
- AVOID FREE RIDERS

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### POST-WORKSHOP

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

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### 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

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## FROM OPPORTUNITIES TO ACTIONS IN INDIA

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



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### MANAGEMENT BOARD OF PROGRAM

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

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### ATTRIBUTIONS

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

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### 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

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## COLOMBIA

- Contributions by FNC and industry
- Funds managed by private company
- Decisions by multi-stakeholder committee
- Widespread support from all stakeholders



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## 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**

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## THANK YOU!

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