Coffee has been a staple in the lives of millions for decades. But, the dynamic of the American consumer has changed. People are moving faster and staying in the corporate game longer. Consumers are rapidly evolving with changes, which makes them in constant demand for the best of the best. They want it their way, and they want it as fast as they can. To aid them in this lifestyle, the American consumer is turning to coffee in a big way. Beyond the at-home coffee pot that the typical family would share, they are turning to coffee chains to stay on the go and get their perfect taste. That’s where Keurig steps in.

Keurig, capable of brewing a single cup of coffee in less than a minute, has made big waves in the coffee industry. Owned by Green Mountain Brewery, Keurig made its start in many office buildings as a way to keep employees within the building while attaining their caffeine fix. But the buzz of Keurig’s simplicity has it expanding to households everywhere. With over 200 different flavors among various brands, Keurig is slowly
fulfilling the American consumers’ need for high-end flavor by cutting out the middleman and becoming their own baristas. Due to Keurig’s single serve capabilities, everyone gets the exact flavor that they want without wasting an entire pot of coffee—all within a matter of minutes.

With this in mind, we plan to use our media to push these ideas hard to display that Keurig is an asset in helping these fast-paced lifestyles run smoothly. We plan on starting our campaign in mid to late fall to prime our consumers for the holiday seasons. From there, we plan on hitting graduation as well as back to school times because we feel, apart from Christmas time, these will be our biggest consumer times. Our major media that we will be using are broadcast television, magazine and e-mail blasts within major companies like Macy’s as well as Bed Bath and Beyond.

Overall, we believe that Keurig is a great way to keep our consumer’s day running smoothly. With this media campaign, we believe that the consumer will have a greater understanding of our capabilities and realize how beneficial Keurig can be in their forever-changing lifestyles.

Competitive Analysis: Nescafe

Strengths
- Nestlé’s name is well known brand name, which gives the company strength
- Product is carried at very large stores, giving them a big visibility as well as availability

Weaknesses
- Nescafe’s supply chain is extremely complex
- Only 15 flavors versus Keurig’s 200 flavors
- Does not have the single-serve technology that Keurig has

Opportunities
- Patent release of Keurig K-Cup gives Nescafe the chance to start using the same technology that is making Keurig thrive
- Chance to be more green and earth-friendly

Threats
- Consumer’s overall movement towards healthier lifestyles
- Price of coffee inflating could cause their product to become more expensive
- Other companies making these machines could damage any footing that they already have

With a parent company of Nestle, Nescafe has ridden the brand loyalty from its prior coffee brand. With their tagline, “One Nescafe, many coffees,” Nescafe has positioned themselves as being the “smarter choice” versus Starbucks, causing consumers to believe that Nescafe is the more logical choice. Currently, their account is being handled by Publicis Worldwide, and in 2010, Nescafe spent $71 million in advertising. Their target market is upper to middle class families and individuals in the working force.
Competitive Analysis: Flavia

**Strengths**
- Division of Mars, Inc., which has interests and brands beyond coffee
- 21% more efficient at brewing coffee than Keurig; its heating makes fewer grounds go to waste
- Has had a U.S. presence since 1996

**Weaknesses**
- Like Keurig, it costs roughly around $45 a pound for coffee (Walmart.com)
- Offers less flavors than Keurig has
- Not as well-known for their coffee makers

**Opportunities**
- The expiration of the patent that Keurig has could allow them to expand on their technology
- Could offer unique flavors from their line of candies, such as M&Ms chocolate

**Threats**
- The growing industry of the single serve coffee unit could drive Flavia under
- Not being well known in coffee could drive consumers away.

Flavia's main media presence can be found on their websites.

Keurig Analysis

**Strengths**
- Green Mountain has had a patent on the single serving technology
- Has a vast assortment of partnerships, including Dunkin' Donuts, Starbucks, Caribou Coffee, Coffee People, Newman's Own, Celestial Seasonings and Gloria Jean's, which gives them over 200 flavor options
- The size of the K-Cups is small, which offers more flavor availability while taking up minimal shelf-space, versus the large bags of generic coffee

**Weaknesses**
- Cost of K-Cups coffee can average about $50 per pound, which is double the price of regular ground coffee; consumers are starting to realize the expense
- K-Cup's technology is not recyclable, due to the K-Cup's make-up being a combination of foil and plastic
- The patent on the single serve K-Cup technology will be expiring later this year.
Opportunities
- With the patent’s end, Keurig can move towards making something more eco-friendly with their cups
- Keurig has the ability to keep expanding into consumer homes versus just being an office staple

Threats
- With the ending patent, many other companies will be able to make their own versions of the single serve machine using the K-Cup’s technology, which could drive away consumers
- Past co-branding coffee companies could potentially break away to make their own machines or work with different companies that have their own single serve machines, which could also pull business away from Keurig

Keurig has taken the market by storm with its entire brand. Keurig coffee makers are sold in over 9,000 retail stores and can be found in over 200,000 office break rooms. Because coffee is consumed daily at a consistent level, there is no specific purchase cycle when it comes to the K-Cups. Machine sales are the same, but they do tend to have a rise in sale around holidays as gifts, specifically at Christmas time. The target of Keurig is similar to Nescafe and Flavia, typically 20-34 year olds who are either in college or are living alone, with a small outlier in the area of 55+. Within the consumer’s mind, Keurig has a variety of teas, espressos, lattes, and coffees that surpasses any other competitor. The single cup technology keeps them on the go without sacrificing the flavors that they love, as well as not wasting an entire coffee pot that they didn’t have time for. Despite the ending patent, Keurig already has a lot of users that already faithfully use its product.

Creative Brief

Key Consumer Insight
- Our consumers are on-the-go and are in need of their caffeine quickly, as well as custom to their own likings.

Communication Objective
- We are trying to show our consumers that our product will make getting their coffee to their liking on their own time within the convenience of their own homes.

Creative Strategy
- Get consumers to see Keurig as an asset to their daily rituals to not only get their days going in the right directions, but also to keep them going all day long at the touch of a button.

Tone of Voice
- A friendly, helpful companion that gives you the boost you need to get you through your day with ease.

Tagline
Media Objectives

Target Audience

Primary: Our primary target consists of 20-34 year-olds who are either in college or are working in their first jobs, presumably living on their own and not needing (or having the time to consume) an entire pot of coffee on their own. Towards the end of this age group, many will be starting families with small children, where time is of the essence.

Secondary: Our secondary target is 55-75 age-bracket that have children already off in college or elderly couples who once again do not need an entire pot to themselves. This is not our main focus, but we believe it’s not an audience that should be completely ignored.

Untargeted: The gap in our target are consumers ages 35-54. We believe that this group of individuals will benefit more from having a regular coffee pot in their homes because they will have more people living in their households than before. This is not always the case, but we feel that are focus is better suited in the previous areas and including these in our target makes it far too broad.

Media Budget

-Our media budget is based off Keurig’s 2009 media budget of $17 million. We increased this budget by 7% yearly in order to calculate for inflation within the year difference. This brings us to a total of $20,825,731 for the 2012 year. Compared to Nestle, which holds the Nescafe brand, this is extremely small. In 2009, their media budget was $1.1 billion. Regardless, the Nescafe has not been as successful due to its lack of choices that Keurig trumps them in.

Campaign Dates

-We plan on starting our campaign in mid-September through December at a strong pace, with an emphasis near Black Friday. The holiday season is our biggest purchasing time and we want to present them with a new campaign, but have them be used to it once present-buying season comes into effect. We then plan on backing off between January and March. Besides as a gift Valentine’s Day, there are not any big reasons to purchase a Keurig. However, we will be running some magazine ads during this time so the Keurig name will still be present. Then, we plan on picking up the campaign strong again during April and May. During this time, many students are graduating from either high school or college, and will be venturing off on their own. We want to position Keurig as a great going away present for these students to help them on their way. Once June comes, we will once again back away on our advertising, concentrating again on a couple of magazine advertisements that focus on the iced beverage options. Then, mid July and August will increase again because many students will be heading back to school. We will position Keurig as being the perfect aid for parents in helping to get kids back to school.

National Campaign

-We will be launching this campaign at a national level because there are not random segments that drink coffee. Coffee drinkers are all over the nation and segmenting into regional or local campaigns would not get us as far as a national campaign would. On top of that, displaying the same message throughout the country will give us seamless brand recognition all across the United States.
**Geographic Weight**

- We plan on hitting major cities the hardest with our broadcast television advertising, expanding some on our direct mailing, and then our magazine will be nation-wide where ever the magazines are in circulation. Our main cities are as follows:
  - New York
  - Los Angeles
  - Chicago
  - Philadelphia
  - San Francisco, Oakland/San Jose
  - Boston
  - Dallas
  - Washington, D.C.
  - Atlanta
  - Detroit
  - Seattle
  - Portland
  - Denver

We believe that these cities will be the most beneficial to air our campaign in because we are looking for corporate individuals living in 1-2 person apartments and, secondarily, people living in the suburbs of these major cities.

**Reach vs. Frequency**

When determining whether our advertising reach or our advertising frequency were more important, we concluded on frequency. This stems from the fact we have already attracted a wide consumer base for our current product lineup. The National Automatic Merchandiser Association reported that at the end of 2009 Keurig had an install base of 378,420 machines in nationwide U.S. offices\(^29\). Also, Keurig stated consumer sales of Sales of K-Cups more than doubled in 2011 over 2010\(^30\). Trends begin in cities and trickle down into suburbs and from there, more solitary communities. Therefore we want to focus on frequency, introducing new Keurig coffee makers and new K-Cup flavors in major trendsetting cities from where word will spread relatively quickly. We will hit these major cities hard with direct-to-home and television advertising.

**Media Focus**

Our three focuses of media will be broadcast television, direct mailing and full-page print advertisements. Our two most important sources of advertising will be the broadcast television as well as direct mailing. Our magazine ads will overlap with these a little, but will also cover our bases in the off months of our broadcast campaign. Keurig is in a unique position currently among the broader coffee market. Currently consumers are used to either walking into their favorite coffee shops for a fresh pick-me-up (Starbucks, Dunkin’ Donuts) or being able to purchase grounds from their favorite brands they can make in their home pots (Folgers, Maxwell House). The concept of one cup at a time, while not new, it has never been more popular. We live in a world where a meal is skipped to gain an extra half hour during the day without a second thought. The concept of eating breakfast around the dining room table with family is now nearly nonexistent. Therefore, the convenience of single-serve coffee has seen a dramatic increase in sales. But when there is no physical coffee store brand to associate with Keurig nor is it a long-time household name like its loose grounds counterparts, there needs to be a more direct approach to familiarizing consumers with the Keurig name. Keurig’s numerous partnerships with nearly every popular coffee brand is a gateway to enticing consumers to try their favorite coffee again for the first time: but rather than from a pot or store, a personal cup fresh and fast at home or work. Which is why we are targeting consumers at home. Through television and direct-to-home mail we will introduce the concept of one cup at a time and entice habitual coffee drinkers to give Keurig a try.
Media Seasonality

Television
The television campaign will begin in September and go hard through December. The winter months are our biggest selling points and we would like to advertise hard here. The schedule falls off completely January through March, as we will not place any ads. We will pick up again in April and May for graduation. We have purchased more GRPs here than in July to August but that is because April through May provided us with a longer time span. We will hit July through August for back to school shopping. We advertised a lot in the morning because that is prime time for coffee and a lot in the evening because our target likes to stay up-to-date with current events and will be arriving home from his or her busy lifestyle.

Direct Mail
The direct mailing portion will ride along with other catalogs from big department stores such as Macy’s and Bed Bath and Beyond in the months of September, October, twice in November, December, and finally May. The direct mail will correspond with our broadcast plan. While viewing our advertisements on television, seeing that our product is in stores that our consumers will most likely be heading to do their shopping will add connivance into their lives.

Magazine
Our magazine advertisements will help us stay on the map during our broadcast off times. We will be using Better Home in November, January, March and June, Bride’s Magazine in March-April, Home in December, House and Garden in April, June and August, Parenting in May, August, and February, Midwest Living in January-

February and July-August, Southern Living in February and June, and Business Week the first week of every month. This way, our product is still present within our consumer’s lives, but not as heavily as in our busier months.

Budget Allocation
As previously stated, our total yearly budget is $20,825,731. We have split it up between the 3 media types, as well as adding in a 6.8% contingency budget. They are broken down as follows:

- **Television**: $9,769,377.60 – 47%
- **Magazine**: $5,861,494.2 – 28.1%
- **Direct Mail**: $3,764,579.40 - 18.1%
- **Contingency**: $1,430,279.80 – 6.8%

Although less money was spent within the direct mailing portion compared to the magazine portion, we feel that it will be a greater benefit when tied with the direct television. The next few pages contain the flight charts for television, direct mail, magazine, and then a combination of the three, respectively.
Television Weekly

This is our breakdown for our television spot schedule.

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<th>Evening-5</th>
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