

Your international marketing plan task

- Inputs: 24, which is a great number!

It was very valuable to see the following aspects:

- Many of you have submitted very detailed marketing plans with texts, some of you have oriented themselves to models (doing a SWOT, Five forces analysis, complete micro analysis etc.). This shows in a positive sense the diversity of the applied models!
- Many of you have done a lot of research to substantiate your plan.
- Some had different perspectives on how to fill in the plan, some did an analysis of the actual state/ used the existing case and some included more recommendations/invented new ideas; both is possible

Improvement tips:

- **Situation Analysis:** the analysis of the situation must always take into account the macro and micro environment.
- **Objectives:** it is valuable not only to consider awareness, image but also engagement; additionally think about different types of objectives (psychological, economic etc.); Remember: What you have defined in the goals should also be reflected in the further course of the plan.
- **Marketing Mix:**
 - **Product:** Please do not forget that in product you have more than just coffee capsules, different flavors; most importantly USP is not only derived from the product mix.
 - **Price:** it is not really luxury!
 - **People:** It is not about the product, but about the experience
 - **Process:** it is not about telling a story on production, process to reuse the capsules,
 - **Physical Environment:** It is not about the product, but about the experience

General Advice

- Great idea for service: to start a delivery service depending of the number ordered.
- Keep in mind B2C **AND** B2B for Nespresso; both is existing

Exemplary submissions

02 INTRODUCTION

Nespresso was founded as a separate company within the Nestle group in 1986. The business remained lossy until 1993, because the product was initially not marketable due to flawed coffee makers among other issues. However, by turning the brand into a high-quality premium coffee brand the business turned into a success story. Today Nespresso is represented in over 50 countries around the world and sells its products through over 250 Nespresso boutiques.

03 SITUATION ANALYSIS

PESTEL EU Market: **P/E**: politically/economically stable, number of int. trade agreements; **S**: Megatrends like health consciousness and fair trade; **T**: Development in machine production, e-commerce, biodegradable or recyclable pods; **E**: sustainable farming; **L**: food standards.
Porters 5 Forces: Threat of new entrants is high (1700 patents expired since 2012), Threat of substitute products are high (portioned coffee/other hot beverages), Bargaining power of buyers is medium-high (own distribution decisions), Bargaining power of suppliers is low (capsule manufacturer produces only for Nespresso).

03 SITUATION ANALYSIS

Strengths (S): market leader, premium design and image, variety and quality of coffee, strong position in a growing market
Weakness (W): problems with their patent for capsula, high price policy, large ecological footprint caused by aluminium capsule production, high marketing costs
Opportunities (O): selling through retail stores, brand collaborations (eg. Starbucks), new customer segments available (new coffee or teas), ethnical and sustainable lifestyle is in trend, new design ideas
Threats (T): substitute capsules, cheaper + more sustainable competitors, low entry barriers for competitors, low switching costs for consumer

Exemplary submissions

06 MARKETING MIX STRATEGY

06.01 *Product*

Implementing the Nespresso brand started back then with the individual packaging and preparation of coffee portions. Accordingly, it was not necessary to brew a whole pot of filter coffee, for example, but a portion of the coffee of choice could be made using the capsules. The capsules and packaging are currently not sustainable, but the design is very high-quality and appeals to customers aesthetically. In order to take advantage of the current sustainability trend, the capsules should be made of a recyclable plastic-free material in order to adapt to the customer's wishes.

06.03 *Distribution (Place)*

- Online store: with the first boom of the Internet, Nespresso started to sell through its website and to make its own distribution.
- Boutiques: Nespresso is now present in over 76 countries worldwide with more than 700 boutiques.
- Airport vending machines
- Companies in the gastronomic sector selling Nespresso

06.02 *Price*

Nespresso is an established brand in the coffee market and therefore does not need to offer a low price for a new market entry. Since Nespresso offers a high-quality and elegantly designed product, customers are willing to dig deeper into their pockets. The new focus on sustainable production and recyclable packaging thus justifies a higher price for fair goods.

06.04 *Communication (Promotion)*

- Brand image: George Clooney. This actor represents a mature person, with high purchasing power and very elegant.
- Slogan: "What else?", which alludes to the fact that with a Nespresso coffee there is no need to have anything else, thus providing new prestige and a great care of image.
- Channels: existence of both online and offline channels, that allow customers to engage with the brand via:
 - Fan community: first as a club on the Internet and then on social networks.
 - Television commercials: with a marked tendency to transmit glamour, prestige and with a certain spellbinding effect of the quality of the coffee.
 - Website: nespresso.com
 - Call centers
 - Nespresso boutiques
 - Airport vending machines

Exemplary submissions

06.05 *People*

- Celebrity & environmentalist endorsements
- Nespresso "Coffee Masters" that offer courses for customers (Masterclass)
- Well-trained employees in the Nespresso Boutiques (around 13.900 employees with more than 60% in direct customer-contact)

06.06 *Process*

- Design BtC friendly buying process (customer-centered strategy through e. g. Nespresso Club and CRM activities)
- Design BtB friendly buying and service processes

06.07 *Physical Environment*

- Technology: digital and fully automated boutiques that offer personalized shopping experiences. After placing their order on a digital screen, consumers can also watch robots process their orders at incredible speeds.
- Exclusive locations: outlets in the most exclusive locations, close to major fashion brands or on main streets of major cities, providing prestige to the brand.
- Elegant atmosphere: modern but warm, with strategic and minimalist lighting and neutral colors, to contrast with the colorful products.
- Personnel's dresscode: all in black, matching the presentation of the product packaging.