



LIME 3 SEASON

CASE STUDY

WILD CARD • BRU WORLD CAFÉ



BRU WORLD CAFÉ CASE STUDY

About the Category / Brand and Market Trend

- BRU is India's largest coffee brand in terms of volume, with a portfolio of instant and roasted & ground (filter) coffee, Ice and Hot Cappuccino and out of home vending. BRU was the first coffee brand to go national with a variety of offerings suited for the varied and distinct taste palette of the Indian consumer. BRU Green Label Roast & Ground is the largest brand in the conventional coffee segment. BRU's Hot Cappuccino and Ice Cappuccino are innovative products specially designed for the cafe going youth - to enjoy a great cup of cappuccino even at home.
- The brand enjoys very strong equity in the south and its awareness and associations in the non-south part of the country emanate from its roots as the authentic south Indian coffee brand. BRU strives to stimulate conversations over coffee livening up every shared moment
- A key trend, which has fuelled coffee consumption in India is "rise in conversations over coffee", which means a direct correlation with increase in out of home consumption for coffee as there is an increasing trend to socialize in cafes (especially in 10 lakh plus towns).
- With more than 1500 coffee cafes in the country, up from 175 in 2002 (of these around 1000 have opened in the last 5 years), coffee has emerged as the most happening beverage category, estimated to be around 1000Cr (in End Consume Price (ECP) terms) in 2011.
- Valued at around US\$185 million, the organized café market in India is estimated to be growing at a compound annual rate of 25%. Players from Barista Coffee Co. to Cafe Coffee Day are opening outlets practically every weekend. In the past couple of years we have also seen the entry of new players like Café Mocha and Gloria Jeans in the premium category.
- The growth [of cafés] has been triggered by rising youth spending, paucity of alternative hang-outs and an increasing number of new office complexes and colleges. The market has the potential to touch US\$800 million to US\$900 million with a total of 5,000 cafés by 2015.
- This provides a unique opportunity to leverage the strength of well established brands in HUL's beverage portfolio to create a service model that would allow building preference for these brands while also adding a sizeable turnover to HUL's Foods business. Given the size and opportunity of the coffee café segment, BRU became the natural choice for leveraging this opportunity.
- With entry into cafés, BRU plays across the coffee category definition becoming a complete in-home and out-of-home coffee brand and also proactively drives "coffee experience" with direct consumer engagement. This is also an approach for the brand to contemporarise and premiumize by driving imagery through a futuristic segment.
- "Coffee Experience" model is an opportunity which can be utilized to deliver the dual objectives of :
 1. Building expertise and coffee credentials for BRU in the coffee category and get an imagery rub-off on the in-home consumption portfolio
 2. Another important value driver identified for the category is, "bringing out of home experiences in-home". Cafes will provide a unique space and an exclusive retail channel to drive this opportunity.
- This segment holds immense potential given that the coffee consumption in India is still very low as compared to the rest of the world and the Indian market is just starting to heat up with international players like Starbucks and Dunkin Donuts announcing their entry here.

BRU World Café Theme

Great coffee is an experience. We bring it alive. When you step into Bru World Café, you step into the world of coffee - an experience that is visual, aural, olfactive and gustatory.

Name : BRU World Café

Tagline : Discover the World a cup at a time

Cafes today are not about coffee. This theme lets us bring the coffee back to the café. It helps us to establish the coffee credentials and in future we can easily translate the out of home experience in home. The consumer takeout after a visit to World Café: BRU knows coffee like no other

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Identity for the Cafe



BRU world cafe

Target Audience Description

Demographics:

- SEC A and A+ people (men and women)
- Age 25-35 years

A progressive audience on the move, who is looking for a unique experience while enjoying their favourite cup of coffee. Along with being an ardent coffee lover they are used to the good things in life, are well-traveled or well-read and exposed to the cultures and offerings of the world at large.

Experience and Ambience

BRU World Café is a traveler's and coffee connoisseur's haven. The coffee is served in many traditional styles evoking the palettes of coffee lovers. BRU scours the world to bring the finest coffees from a few prized plantations and stays true to their authenticity by brewing and serving them right. Additionally it provides a relaxed atmosphere with great coffee and vast menu offerings.

On entering BRU World Café, you leave the hustle-bustle of the city behind. The interior is contemporary and bright, almost Mediterranean in its look and feel. The sounds are snippets of music one would hear while traveling the globe whether it is the music of the Balkans, country music from the European greens of Italy and Spain or the Tibetan chants. Browse through the eclectic collection of books that give you insights & quaint facts about exotic destinations across the world or just switch off and chill out over your favorite pick from the comic series of Aestrix and Tintin. Coffee facts, stories, legends and myths and the interesting collage of visuals make up the way coffee arrives to you, becoming an integral part of the experience. It is a place for telling, sharing and creating your own personal story.

Project Objective

There are 7 BRU World Cafes which have opened as part of a pilot run in Mumbai across the western suburbs (Andheri (W), Malad, Bandra, Juhu and Versova) and another 3 are expected to go live within this year. The first café went live in February 2011 and the consumer response over the last 5-6 months across outlets has been very encouraging and very positive in terms of the overall experience, ambience service and differentiation on providing an international coffee experience (best suited to Indian taste palette).

Café revenue per day is calculated as number of bills in a day multiplied by the value per bill. So far the overall average bill value is 50% more than the assumptions made as per business case construct, however, the number of bills per day (very critical to ensure long term sustainable business) only about 30% of the assumption (average of 30 to 40 bills per day per store – taken at an average across stores)

1. How do we increase footfalls (and therefore bill productivity) across the current set of Bru World Cafes without incurring extensive marketing spends? Suggest a marketing model for BRU World Café which involves not more than Rs.20 lakh of annual spend including above the line and local store marketing and production/ fabrication cost of these activities
2. Prioritize the channel mix with spends break-down and a calculation of return on marketing spend? How can this be made into a sustainable and repeatable model once BWC extends into other cities with increasing returns of spends.

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3. Given the proposition of BWC, which is the one key marketing initiative, in-line with the BWC identity which will be clearly differentiated from other and which is help further strengthen the BWC differentiation.

The success of the pilot in Mumbai will determine future expansion of the BWC mix so getting the above objective right is critical. Assume that all other levers of the business case construct are in place.

Methodology

- Café visits and study of the current consumer marketing and consumer engagement initiatives by existing players and evaluate them for effectiveness and efficiency
- Establish key learning from best practices of competitors on spends and returns, driving awareness and footfalls in India (CCD, Barista, Costa Coffee, Gloria Jeans etc) and internationally e.g. - Starbucks
- Study of non-conventional media channels and relevance and use to drive the above objective
- Study of trend and media methods to drive consumer awareness and engagement in the service and retail world which can be applied in this case.

Expected Output

- A clear marketing strategy and approach to achieve the stated objective (scalable and sustainable in the long term given the cost constraints)
- Marketing model complete with channel mix and spends and detailed description on mechanics wherever necessary

Success Criteria

- Depth of understanding of successful marketing techniques in this space
- Innovativeness of the “idea” and/ or “marketing approach” and the ability to create “buzz/ talkability”
- Practical application and relevance (ease of execution) to reality
- Impact and achievability within the given constraints