

# Bru case study

Education



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BRU World Cafe Note: All information in the case has been garnered from sources in the public domain. This case has been developed for purely academic purposes, and is not in any way the intended or actual plan of Bru World Cafe Comstrat 2011 Visit us at [www. draftfcbulkacomstrat. com](http://www.draftfcbulkacomstrat.com)  
Page 0 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 cafe market in India is estimated to be growing at a compound annual rate of

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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 Cafe Mocha and Gloria Jeans in the premium category. ? The growth [of cafes] 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 cafes by 2015. Comstrat 2011 Visit us at [www.draftfcbulkacomstrat.com](http://www.draftfcbulkacomstrat.com) Page 1 ? 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 cafe segment, BRU became the natural choice for leveraging this opportunity. ?

With entry into cafes, 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. . 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 <https://assignbuster.com/bru-case-study/>

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 Cafe Theme Great coffee is an experience. We bring it alive.

When you step into BRU World Cafe, you step into the world of coffee - an experience that is visual, aural, olfactory and gustatory. Name Tagline : BRU World Cafe : Discover the World a cup at a time Cafes today are not about coffee. This theme lets us bring the coffee back to the cafe. It helps us to establish the coffee credentials and in future we can easily translate the out of Comstrat 2011 Visit us at [www.draftfcbulkacomstrat.com](http://www.draftfcbulkacomstrat.com) Page 2 home experience in home. The consumer takeout after a visit to World Cafe: BRU knows coffee like no other

Identity for the Cafe Target Audience Description Demographics: ? ? SEC A/B1 18 years + An audience on the move, who is looking for a unique experience while enjoying their favorite cup of coffee. And cafes also double up as their hangout joints or meeting places. Along with being an ardent coffee lover they are used to the good things in life, are welltraveled or well-read and exposed to the cultures and offerings of the world at large. Experience and Ambience BRU World Cafe 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 Cafe, 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 Comstrat 2011 Visit us at [www. draftfcbulkacomstrat. com](http://www.draftfcbulkacomstrat.com) Page 3 nippets ofmusicone 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. The Business Challenge 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 cafe 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).

Cafe 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 <https://assignbuster.com/bru-case-study/>

bills per day (very critical to ensure long term sustainable business) is 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 Cafe which involves not more than Rs. 0 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 BRU WORLD CAFE extends into other cities with increasing returns of spends? 3. Given the proposition of BRU World Cafe, which is the one key marketing initiative, in-line with the BRU World Cafe identity which will be clearly differentiated from others and which will help further strengthen the BRU World Cafe differentiation. Comstrat 2011

Visit us at [www.draftfcbulkacomstrat.com](http://www.draftfcbulkacomstrat.com) Page 4 The success of the pilot in Mumbai will determine future expansion of the BRU World Cafe mix so getting the above objective right is critical. Assume that all other levers of the business case construct are in place. TheCommunicationChallenge Young people today have a far higher disposable income than about a decade ago. Quite naturally then every category these days is vying for their attention. And hence as a target audience youth are the most spoken to today by brands across a plethora of categories from chocolates to denims to mobile phones to fast food chains.

Therefore the challenge of communication is to stand out of the clutter of youth brands and be heard by them. The Communication Task From a brand point of view it is important for BRU World Cafe to appropriate a strong positioning & differentiation to counter competition from the category and beyond. The task also includes resonating with him/her to make BRU World Cafe his/her cafe of preference. This is critical to increase footfalls and repeat visits which are ultimately crucial factors while considering future scaling up and expansion.

The Communication Strategy Your task is to provide a comprehensive communication strategy that details what BRU World Cafe should do to build its brand & gear up for growth in an increasingly crowded cafe space. The strategy document must provide solutions in the following key areas: 1. Identify key challenges for the brand and its communication. 2. Sharply define who the target consumers should be and their key characteristics. 3. Identify the key consumer insights in the target group and how BRU World Cafe should work its offerings in line with the consumer needs. 4.

Identify the right positioning and messaging platform for the brand. 5. What should be the brand voice across its offerings? 6. Identify the right communication message for the brand. Comstrat 2011 Visit us at [www.draftfcbulkacomstrat.com](http://www.draftfcbulkacomstrat.com) Page 5 7. Identify the appropriate media vehicles to reach the target audience. ? Complete with channel mix, spends and detailed description on mechanics wherever necessary. 8. Outline the complete strategy for the use of new age media likesocial media, CRM, mobile phones, mobile applications etc. to be leveraged to resonate with this audience Methodology ? Cafe visits and study of the current consumer <https://assignbuster.com/bru-case-study/>

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.

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 Comstrat 2011 Visit us at [www. draftfcbulkacomstrat. com](http://www.draftfcbulkacomstrat.com) Page 6 Rules & Regulations: Participation Rules: 1. Participating teams should comprise of only three members. 2. Only one entry per institute will be considered.

Two stages of this event: Stage I: Submission of the written case solution. Stage II: Power point presentation of the shortlisted cases. Stage I: Process and rules for submission of the written case: 1. DraftFCB+Ulka Comstrat is a contest for Communication Strategy; hence students are requested to focus on the same. 2. Creative renditions are not necessary and will not be judged. 3. A detailed Media plan is also not required and will not be judged. 4. A synopsis of the case solution should be submitted as a word document in a minimum font size of 11 points and single line spacing.



The document should not exceed 15 pages. 5. A written case solution on the case should be submitted either through email to [email protected]com or by post to DraftFCB+Ulka Advertising, 4th floor, Nirmal, Nariman Point, Mumbai 400021. 6. The last date for receipt of the submission is 6 pm on 23rd November 2011. 7. A shortlist of six teams shall be arrived at by evaluating the case solutions received. 8. The shortlist shall be declared on 28th November 2011 and posted on the website [www. draftfcbulkacomstrat. com](http://www.draftfcbulkacomstrat.com) and communicated to K. J. Somaiya Institute of Management Studies and Research. . The six shortlisted teams will be invited to make a power point presentation to a panel of judges on 10th December 2011 in Mumbai. Please remember: 1. 2. 3. 4. 5. Synopsis to be submitted as word document only. Font size should be minimum 11 The document should not exceed 15 pages The document should have a single line spacing Synopsis should be submitted on or before 6 pm on 23rd November 2011 Stage II: Final power point presentation of the case: 1. Shortlisted teams are requested to reach the venue on 10th December 2011 at 12 noon sharp for the set-up and dry run. 2.

Please get your power point presentations on a CD/Pen drive, rest of the equipment shall be provided at the venue. 3. The time limit for each presentation is 20 minutes and the students are requested to strictly adhere to the time-limit. A warning bell will ring after 15 minutes. 4. At the end of 20 minutes the team will be asked to stop the presentation. Comstrat 2011 Page 7 Visit us at [www. draftfcbulkacomstrat. com](http://www.draftfcbulkacomstrat.com) 5. Students are requested not to indicate their institute's name on the slides or anytime during the

presentation. 6. Stay and travel arrangements have to be made by the participants themselves. 7.

The Comstrat is a contest for Communication Strategy; hence students are requested to focus on the same. 8. In the case presentation, creative renditions are not necessary and will not be judged. 9. Media plan for the same is also not required and will not be judged. 10. The solution must have only one approach and not multiple options. Key Dates to remember: Last date for written submission ? Shortlist of 6 teams for power point presentation ? Final Presentation ? 6 pm on 23rd November 2011 6 pm on 28th November 2011 12 noon on 10th December 2011 Comstrat 2011 Visit us at [www. draftfcbulkacomstrat. com](http://www.draftfcbulkacomstrat.com) Page 8