

Caferoma case study

Education



Caferoma is a well known brand of coffee, promoted as an exclusive product with a strong and slightly bitter taste. The main problem is Caferoma's market share has declined by almost 30%. Let me Summarise the reasons for this change

- Consumers have become less loyal to the brand
- supermarkets are producing the similar products under their own label are selling at much lower prices
- Competing products have lower prices (30 to 40 %)
- Caferoma becoming less fashionable

Brand image: not up to date as we can see from the chart 2 years ago

Caferoma's sales in Hotels was 30% but last year it was 25% in restaurants 2 years ago Caferoma's sales was 10% but last year it was 15% In supermarkets 2 years ago their sales was 45% but last year it was 30% In specialist shops 2 years ago Caferoma's sales was 10% but last year it was 25% Conducting the market survey we have the following results: Majority [m?? d?? r? t?] people suppose Caferoma is old-fashioned 70% of people think Caferoma has a good quality 60% of people consider that Caferoma is expensive little bit more than half of the respondents believe Caferoma is exclusive a less than half of people said Caferoma is value for money and almost a third of respondents think Caferoma is exciting. I can propose the following solution: Create a new coffee with a new taste and a new name for example „Cafferissima“. To introduce the new coffee it will be good to have a limited edition (maybe coffee with taste of chilli). It is necessary to create a new package with an exclusive design for example in gold. Furthermore we give special introduction prices for both coffees.

Most people want to try out new brands just to know how it tastes - this is our advantage. In order to bring the old brand back to life, will be a good idea to give small additional samples on the new coffee package of „Cafferissima“. Moreover we need a new design of the logo, as the old one is boring. There is no relation between this logo and the exclusive taste of the coffee. Maybe it could be similar to the package of Caferoma (golden, italic type). The next step will be a change of advertising. It is necessary to find the typical Italian style for old and young people.

I think it would be great to have two different ads. One ad with an old woman, dressed very exclusively and the other one with a group of young people who are having fun, laughing and so on. But both ads will be made at the same place for example a typically Italian square.

E-Mail To: From: Subject: RE: Caferoma decaffeinated; Premium Blend Date: 9th September

Dear Mario, the first thing I have to mention is, that the „decaffeinated product“ is available in all supermarkets, but placed on bottom shelves! Customers won't find the product as easy as other products.

Most supermarkets sell their own brands because they make more money with it. I think that we can raise our profit by offering the managers cash for displaying our product in a better position. Here some measures to improve the premium blend sales: As far as I can see, the price for the premium blend is too high and the packaging looks old-fashioned. Therefore we should reduce the price and launch a new packaging design. We should also start a new advertising campaign with focus on the brand's qualities. For instance some tasting sessions in big stores. Best regards.