



CREATING GROWTH IN THE INSTANT COFFEE CATEGORY



THE CHALLENGE

Tesco's Coffee category was experiencing 3% overall growth. However, two of the largest areas within the category - Premium Instant Coffee and Regular Instant Coffee - were in decline, driven by a lapse in customers. We worked with Nescafé, one of the largest branded suppliers within this category, to develop an integrated campaign that would engage shoppers from sofa to store and reverse the decline by:

- 1 IDENTIFYING AND WINNING BACK TESCO'S MOST VALUABLE LAPSING CUSTOMERS**
- 2 EXPANDING EXISTING CUSTOMERS' REPERTOIRE OF INSTANT COFFEE**

HOW WE DID IT



INSIGHT-LED PLANNING

WE IDENTIFIED THAT:

- The decline in Premium and Instant Coffee was happening across all formats (with large stores experiencing the biggest declines) and all customer segments
- This was driven by a lapse in customers – even the most loyal coffee customers* were leaving the category
- If Nescafé, the leading manufacturer within Premium and Regular instant coffee, could win back lapsed loyal customers and expand the Instant Coffee repertoire of existing customers, this would help to reverse the decline.

*'Loyal' customers in this case refers to coffee customers who visit Tesco more often and spend more when they visit.



AUDIENCE CREATION

WE FOCUSED ON GROWING SPEND VIA THE MOST VALUABLE CUSTOMER GROUPS:

- Existing customers = Loyal Tesco shoppers who are loyal to coffee and Nescafé: grow their coffee repertoire to increase spend
- Lapsed customers = loyal Tesco shoppers who were loyal to coffee and Nescafé, but who have lapsed: Objective was to win them back in order to grow penetration



EXECUTION

We developed bespoke channel strategies and tailored media for Loyal customers, large stores and GHS (Grocery Home Shopping on Tesco.com)

CHANNEL SELECTIONS

Loyal Customers

- A segment of loyal customers received a **BzzAgent sampling kit** one week before the promotion began and were asked to sample and review the products they received. We asked customers to capture and upload pictures of the moments they most enjoyed a cup of Nescafé on Facebook, Twitter and Instagram. This customer-generated content was later loaded into **Nescafé tabbed buy lists on Tesco.com**, on digital screens at the store entrance and in Tesco Magazine display ad and **DM creative**.



AT HOME

- Loyal VIP Nescafé coffee customers received a **mailing** focused on 'coffee shop occasions' shoppers can enjoy at home, through the coffee range available in Tesco. This included a personalised coupon to redeem a free gift at their local large format store

IN STORE

- VIP customers could collect their free sampling bag at 50 Extra stores, any customer could sample a range of coffee at the stand
- **Sampling stands** were also present at the entrance of large stores which over indexed against lapsed coffee customers to encourage reappraisal
- Visually impactful **point of sale (POS)** in the aisle to highlight the breadth of the Nescafé range.



TESCO.COM (GHS)

- Tabbed buy list segmented based on coffee taxonomy to showcase coffee range
- Search programme to broaden repertoire of existing and win new customers
- Ad served and fixed tenancy placements across GHS dept. areas, favourites, special offers and Tesco Direct



POST PERIOD

- Target customers 12 week post-purchase (typical instant coffee purchase cycle) to encourage repeat purchase using Clubcard Bonus (CCB) coupons at till.

RESULTS



13%

growth in Tesco's Coffee category



9%

increase in total basket spend during the event



24%

increase in Nestlé Instant Coffee



35%

increase in new Nescafé shoppers

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