



Beverages Gold Winner Kraft Canada Maxwell House "Brew Some Good"

Business Situation:

Maxwell House is the coffee leader in Canada but it was losing relevance and market share

Maxwell House (MH), Canada's #1 coffee player has been Canadian's favourite coffee brand for more than 100 years. Over the recent years, Private Label, Folgers and Melitta as well as the introduction of away from home brands – Starbucks and Tim Horton's - into the retail (grocery) environment have encroached on MH leadership position. Prior to the repositioning, MH had suffered market \$ share loss from 22.3% in 1994 to a low of 18.1% in 2007.

The increased competition in the mainstream coffee market has also contributed to MH loss of brand identity and equity as mainstream consumers perceive that all coffee brands are the same. Among MH's current franchise, brand loyalty has also been eroded and switching behaviour has been accentuated defined by which brand of coffee is on deal.

Summary of Marketing Objectives, Programs and Budget:

Maxwell House needed to act like a leader

The overall marketing objective was to increase loyalty to Maxwell House among current users who switch between Maxwell House and other mainstream coffee brands like Folgers. The brand needed to not only increase market share in the coffee category, Maxwell House also needed to cement its leadership position. There are a few additional strategic objectives:

- Elevate consumers' expectations as to how mainstream coffee should taste, as more consumers are coming into the grocery coffee market through 'away from home' coffee such as Starbucks and Tim Hortons.
- Invest in the driver of purchase - taste – historical benchmarking between Maxwell House and Folgers indicated parity preference. The team wanted to improve the taste profile of Maxwell House and be preferred over other mainstream brands.
- Leverage "Every morning is a new morning to Brew Some Good" as the brand mission to improve emotional resonance with consumers.

Our campaign objective was a complete re-launch of Maxwell House in Canada and to have the campaign live on a multi year platform.

Research Story

Strong consumer insight with entrepreneurial spirit

1. Understanding the Consumer and Market

Maxwell House team conducted an exploratory research to understand the Maxwell House consumer (loyals and switchers) to determine if this quality improvement initiative would be important for consumers. A total of 12 focus groups were conducted across Canada.

Several key consumer insights emerged:

- Maxwell House users are generally happy and positive about the brand ... but not really excited
 - Imagery is all around reliability, tradition, and practicality - it is not fancy, designer or sophisticated
- Maxwell House users have little familiarity with Arabica beans - although some generally positive associations do exist
- Our growth consumer, Maxwell House Switchers, does not believe Maxwell House is any better tasting than other mainstream coffee brands.

After the brand and consumer assessment, the team felt more differentiation was needed in communication as Maxwell House invested in 100% Arabica beans. The focus was to create a stronger emotional connection with the brand to meet our marketing objective. Before we began the development of the communication, we wanted to understand the core consumer so we can ensure that we connect with them emotionally.

2. Defining the Maxwell House Consumers

Based on the focus groups conducted with Maxwell House consumers moderated by Catherine Dine & Associates, we learned that Maxwell House consumers are Contented Optimists.

- Working-class consumers who value family, simplicity, hard work, faith and loyalty. They have intense pride in their family and the job they do to make life better every day.
- "I believe the secret to happiness in life is not about getting what you want; it's about wanting what you have."
- There is something special about my daily ritual of brewing my morning pot of coffee and drinking my first delicious cup in the comfort of my home. The aroma, warmth and taste wakes me up to start my day -- like an alarm clock – and clears a path to appreciate whatever my day may bring.
- They often feel popular culture is out of sync with what is important, meaningful and what should be valued. They are disappointed by the popular media's glorification of cynicism and superficiality.
- Canadians will generally do something nice for strangers but the majority still think we are not kind enough.

Based on the consumer understanding, Maxwell House consumers are looking for something better everyday. Based on the competitive brand space analysis, we also knew there is a white space in the mainstream coffee category on product quality and taste differentiation. We wanted to quantify the opportunity in moving to 100% Arabica Coffee beans.

3. Optimizing the Communication Strategy

Develop the right communication strategy to communicate the change to 100% Arabica beans.

We conducted a conjoint analysis with A.C. Nielsen BASES to measure consumer preference and theoretical volume potential across a multitude of potential scenarios for the new product's positioning, including various:

- Insight options; headline options; benefit claim options; support claim options

Ultimately, the team wanted to determine the bundled proposition which will result in the strongest theoretical volume potential among the different options. This learning provided the team with the optimized communication concept for the next stage of research.

4. Determining the Product Quality Improvement Strategy

The team conducted BASES Restager to assess the volume potential of the quality improvement and optimized communication. The change resulted a 6% lift in \$ volume without an increase in advertising and communication spending compared to prior year for Maxwell House as the team moved forward with 100% Arabica beans improvement and "A Better Maxwell House, A Better Morning" communication concept.

Campaign Description

The overall objective of the communication program was to show that Maxwell House had changed. The team wanted to contemporize the Maxwell House brand and make sure it stands out from the norm of coffee communication centered 'aroma' and functional benefits.

We wanted to make every bit of this campaign engaging and interactive; always an opportunity to be uplifting and to take some kind of positive action. Our target consumers are no-nonsense, down-to-earth blue-collar women. MH consumers are optimistic and look to do "good" for society through little acts of good everyday.

We wanted to demonstrate and prove to consumers that Maxwell House is an optimistic brand that reflects their core values of doing something good everyday, not just tell them like most marketing communications.

The campaign kicked off with "On the House Day" that generated massive media coverage. Maxwell House gave away subway tokens to startled commuters and enlisted superstar Canadian singer Chantal Kreviazuk to busk outside a subway station benefiting Habitat for Humanity in Toronto, while Quebec phenomenon Pascale Picard sang in the Montreal subway.

- Commuters enjoyed oceans of free coffee through a striking sampling program---the ultimate demonstration of the impact of 100% Arabica beans.
- There was a highly novel approach for TV- "We're giving away the TV budget". We wanted our consumers to know Maxwell House is walking the walk by encouraging consumers to participate in the positive acts. We did something better with the money - there was \$200,000 left in the marketing budget after a bare-bones production and the consumer could tell us where to spend it by nominating worthy causes on brewsomegood.ca.
- People could start every day with good news by using a widget with an RSS feed of uplifting stories, available through the robust website that supports the campaign by enabling consumers to "do good" and delivering good news. Every piece of communication is in graphic harmony with the radically redesigned

can created in collaboration with the agency.

In 2009 the campaign was designed to show our consumers the continuation of the new meaning of the brand. We set out to deliver another 360 campaign spanning a breadth of communication vehicles including TV, integration with "Breakfast Television" (Canada's leading morning show) sponsorship, Newspapers, Outdoor, PR, In-store, Online, refreshed packaging and a partnership with Habitat for Humanity.

- TV featured our 7th recipient "Hope Air" that received \$10,000 from MH Nomination campaign. We wanted to help viewers appreciate that MH was doing and continue to show the types of causes we were rewarding.
- Brew Some Good week (BSG) was promoted one week before the event and was centered around observing people doing good deeds for others and rewarding them for random acts of kindness. This was combined with coffee sampling to demonstrate the impact of 100% Arabica.

Business Results

Maxwell House has seen outstanding results since we launched the campaign back in April of 2008. Despite low GRP levels for TV (420 GRPs English over one month / 750 GRPs French over two months), the nomination response was amazing: 1848 entries within only 3 months vs. 2000 entries within 12 months goal and reaching a total of over 4500 entries. In 2009 the TV support was of the same level but out performed the 2008 executions!

1. Market Assessment

Post-tracking shows notable impact in terms of breakthrough, brand exposure, and effects in the areas of brand dynamics and brand equity. More importantly, we continued to see positive movement on key metrics supporting the strategic direction of a multi year campaign.

**GfK Research Dynamics-2008 Coffee Tracking- Brew Some Good-July 2008*

Maxwell House Brand Tracking Results April-May 2008			
	April (%)	May (%)	Index
Has a taste I love	36	50	138
Is for someone like me	35	46	131
Is a great morning cup of coffee	44	55	122
Is a brand I trust	47	62	132
Is a high quality brand	43	49	114
Is a brand that has kept up with the times	40	48	120
Is growing more popular	30	38	127
Is a socially conscious brand	23	29	126

*Among Those Very/Somewhat familiar with Maxwell House
 †I agree/strongly agree that the statement describes Maxwell House*

The PR program repositioned MH and increased consumer and media awareness. It surpassed all goals and industry standards with over 1,000,000 audience impressions and 203 stories -- including 66 television news segments. The average media relations ratings score is 92% (industry average: 75%) and average cost per impression was \$0.001! (industry standard: \$0.05)

Brew Some Good week in 2009 generated 118 minutes of branded broadcast coverage. The media relations rating score was surpassed again with a score of 91% and an average cost per impression of \$0.004.

The ad industry has given big points too: Creativity called it one of the top 5 campaigns in the world; Adcritic--- spot of the day; Creativity Top 5 of the week April 14. #1 Spot. April 16; Archive – "Invitation", Cannes finalist – "Regent

Park"; Canadian Marketing Association, Silver, Best Brand Advertising Award. In 2009, MH received consumer based awards including the Most Trusted Brand awards by Reader's Digest and Favourite Food Brand by Canadian Family.

2. Sales Performance

Sales Dollars	
Total Maxwell House	% change
May	13%
June (no advertising)	-3%
July (no advertising)	-3%
August	19%
September	14%
October	7%
May to October	8%
September and October	11%
2009 vs 2008 (Jan – Nov)	22.9%

The Maxwell House business grew 8% between May and October 2008 since the launch of the Brew Some Good campaign in April 2008. The business grew as much as 19% in August compared to prior year. During the second advertising flight in August/September, the business grew 11% between September and October compared to prior year. The "Brew Some Good" campaign more than accomplished the initial brand differentiation objective. It has also exceeded its sales growth objectives and continues to out pace category growth.

3. Increased Loyalty and Penetration

The Brew Some Good campaign also met Maxwell House' marketing objective, the share of requirement of Maxwell House has increased from 35.64% in 2007, 37.58% in 2008 and 39.4% in 2009. The campaign has also contributed to an increase in penetration from 21.81% in 2007, 23.1% in 2008 and 23.9% in 2009.

	Penetration			Units Per Buyer			Units Share of Requirements		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
TI Maxwell House R&G	21.81	23.1	23.9	3.97	4.36	4.7	35.64	37.58	39.4

Appendix — Notes

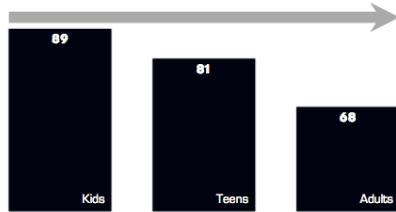
1. CMPB Consumption Tracking, NovaQuant
2. Agency Teen Focus Groups
3. Agency Blogsploration
4. A list of some of these scientific studies can be found on gotmilk.com or whymilk.com
5. Agency Blogsploration
6. YouTube and MySpace Analytics
7. MySpace and Facebook Reporting
8. Google Analytics, whitegodliswhitegold.com and milkquarrious.com
9. CMPB Brand Tracking, NovaQuant
10. CMPB Perception Tracking, NovaQuant
11. CMPB Perception Tracking, NovaQuant

Appendix — Additional Charts

Appx. 1 – Consumption tracking strategy-setting

IDENTIFYING A NEW TARGET

The Reality:
Average Consumption (Past 24 hrs)
CMPB Tracking 1993–2005



Our Objective:

Short term: **Stem the decline in teen consumption**
Long term: **Pave the way for continued consumption into adulthood**

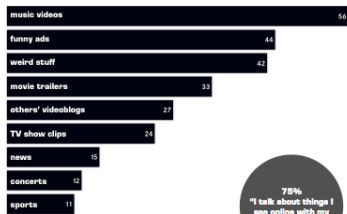
Appx.2 – Drinking exercise in Teen Blogsporation



Appx. 3 – Teen Media Study insights

FISHING WHERE THE FISH ARE—MEDIA INSIGHTS

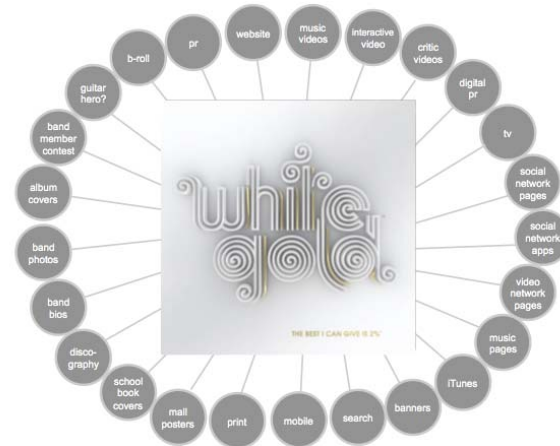
Types of videos watched online:



78%
"I talk about things I see online with my friends."

And which video sites do you use most often?	Percentage
YouTube	74
MySpace Video	39
Google Video	20
Joost	3
Other	2

Appx. 4 – White Gold campaign ecosystem



Appx. 5 – Campaign measurement summary

MEASURING SUCCESS

Has the campaign connected with teens and affected their **perceptions and consumption**?

Have we **held steady with parents/adults** despite the focus on teens and the reduced use of TV?

Quantitative and Qualitative Tools

Two ongoing brand tracking studies
(Consumption & Perception studies with six waves of White Gold data)

WGisWG.com Exit Survey

Facebook Fan Survey

Behavioral Website Analytics

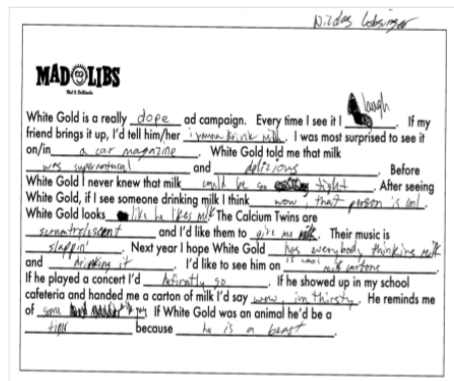
High School Program

Focus Groups

Facebook & MySpace Posts

Appx. 6 – White Gold MadLibs qualitative exercise

CHANGING TEEN PERCEPTIONS



Appx 7 – Perception tracking results summary

Appx. 8 – Teen benefit messaging shifts

	TOTAL CHANGE	TEEN CHANGE	PARENT CHANGE
Milk constantly improves to keep up with the times	+5	+11	-1
I'm open to drinking it more	+4	+9	+8
What strong and healthy people drink	+8	+8	+10
Milk is unique	+3	+9	+15
I wouldn't drink it when I am with my friends	-1	-5	-

**23%
Change**

COMMUNICATING SPECIFIC BENEFITS

Teens:

	No Ad Exposure	Saw TV Only	Saw TV and Online
Helps strengthen nails	39	+15	+24
Rebuilds muscles	42	+12	+22
Makes hair healthier	28	+4	+23
Reduces PMS symptoms	15	+8	+21
Helps you sleep better	28	+2	+20
Prevents cavities	32	+10	+15