



MILLENNIALS & COFFEE

STRATEGIC ANALYSIS

CREATIVE ALLIANCE®

AGENDA

COFFEE OCCASSIONS MILLENIALS & COFFEE

- Millennials & Foodservice
- The Emotional Connection
- Brand Accentuation

A COURSE OF ACTION

- Digital & Print Testing
- Recommendation



C R E A T I V E A L L I A N C E .



ONE CUP OF COFFEE
IS ALL IT TAKES TO
CONQUER THE
WORLD.

JAROD KINTZ

A young woman with long brown hair is shown in profile, wearing a light blue sweater and holding a white coffee cup. The background is a soft, out-of-focus outdoor setting with warm, golden light. Large, bold, black text is overlaid on the left side of the image.

87% OF MILLENNIALS SURVEYED STARTED DRINKING COFFEE BY AGE 21

87% of Millennials (age 18-34) surveyed started drinking coffee—of any kind—by age 21

**THE AVERAGE AGE OF
COFFEE INITIATION IS**

15

AMONG YOUNG MILLENNIALS

Among Young Millennials (age 18-24),
the average age of coffee initiation is 15



COFFEE OCCASIONS

Coffee beverages
have become
candy or dessert
alternatives



COFFEE OCCASIONS

Younger coffee drinkers are more open to including coffee in their beverage consideration set across a far broader swath of occasions.



COFFEE OCCASIONS

Total coffee consumption skews older, while the consumption of gourmet coffee beverages trends younger

- 78% of Millennials say they consumed COFFEE within the last year
- 74% of Millennials say they consumed GOURMET COFFEE within last year

MILLENIALS & FOODSERVICE



SOME BACKGROUND KNOWLEDGE:

1. They are the largest market.

As in, millennials purchase more food and drinks out-of-home, than any other generation. EVER.

2. They require emotional connections.

Likely due to overexposure to advertisement, but research shows millennials seek and require emotional connections with foodservice brands. They require reasons why your product is the best, not just a claim. And in exchange they offer not only their business, but brand loyalty.

3. This is great news for anyone selling coffee.

Research shows millennial coffee buyers have a greater appreciation for consistency over variation. So, if you get them early, and attract them with quality, you can keep them for life.

THE EMOTIONAL CONNECTION

WHILE IT SOUNDS ELUSIVE, THERE ARE ONLY 3 CHARACTERISTICS

Millenials give their highest marks to brands who demonstrate:

1. Social RESPONSIBILITY

Responsible trade and manufacturing

2. Higher food QUALITY

Local, organic, grass-fed, and hormone-free offerings.

3. Support of their LOCAL community

Community Involvement



THE GOAL IS TO ACCENTUATE NOT ACQUIRE



BRAND RECOGNITION IS BETTER THAN VARIETY

Variety vs. Ritual

- In the past, variety has led to a boost in sales for coffee manufacturers.
- However, new products have yet to interrupt consumers' everyday coffee rituals, namely, a cup of roasted ground coffee.

Acquiring vs. Accentuating

- Therefore for millennials, while acquiring variety may equate to a short term boost in sales, accentuating quality equates to long term habitual drinkers.



SO, HOW DO MILLENNIALS KNOW QUALITY?

LARGELY, THEY TURN TO THE INTERNET:

Millennials who drink specialty coffee regularly, in two key Einstein DMA's, over Index on internet usage when it comes to researching their food.

Used the Internet for:	Denver Index	Portland Index
Restaurant Reviews	177	164
Daily Deals	169	207
Food Blogs	174	159
Consumer Reviews (Services)	155	170
Local Community Events	127	147

Here is a look at what they find...



HOW STARBUCKS ACCENTUATES



HOW STARBUCKS ACCENTUATES



This fall, Starbucks launched a campaign focused on the quality of its coffee beans and how they're sourced.

- With a TV spot during the Emmys, Starbucks released the ad to the right.
- The focus was simply the quality of their beans. A voiceover says: "The bean matters, because you cannot roast in quality, you cannot roast in complexity."
- The voiceover is accompanied by documentary-style black-and-white imagery of the coffee plantations as well as the roasting and tasting processes. The spot ends with a graphic that says: "Higher arabica standards."



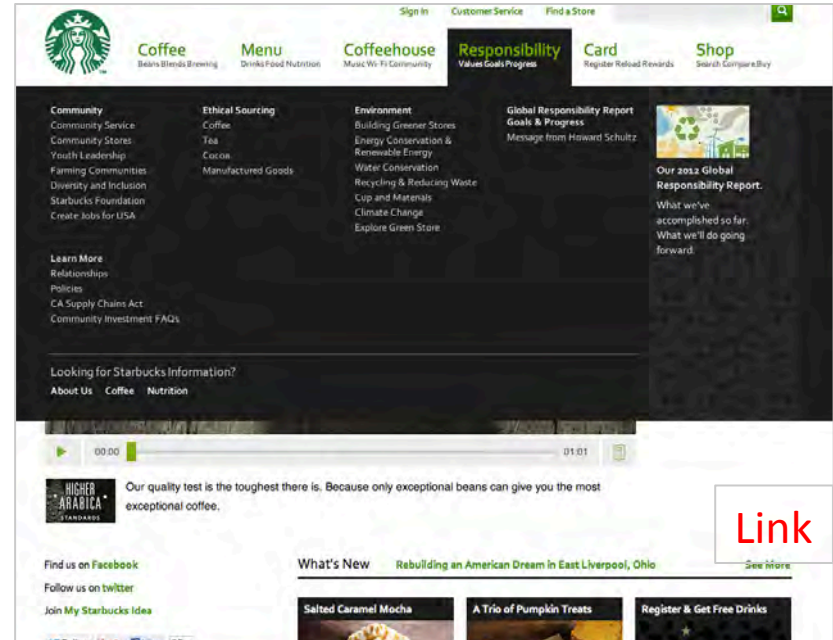
HOW STARBUCKS ACCENTUATES



Starbucks appeals to all three major values for millennials

VALUE

- **SOCIAL RESPONSIBILITY**
- Quality
- Support of Local Community.



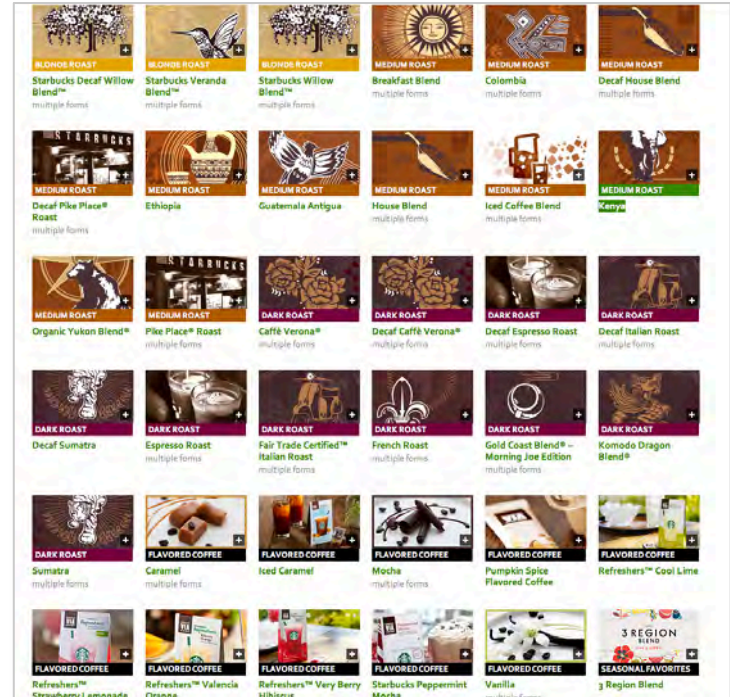
HOW STARBUCKS ACCENTUATES



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- **QUALITY**
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HOW STARBUCKS ACCENTUATES



Starbucks appeals to all three major values for millennials

VALUE

- Social Responsibility
- Quality
- **SUPPORT OF LOCAL COMMUNITY**

A screenshot of the Starbucks website's 'Community' page. The page features a navigation bar with links for Coffee, Menu, Coffeehouse, Responsibility, Card, and Shop. The main content area is titled 'Community' and includes a video player showing a man in a suit. Below the video, there is a section titled 'Find a Local Service Project' with a sub-section for 'U.S. and Canada' and 'Starbucks Global Responsibility Goals & Progress'. The page also features a section titled 'From the neighborhoods where our stores are located to those where our coffee is grown, we are committed to making our communities stronger.' and a section titled 'Community Service' and 'Community Stores'.

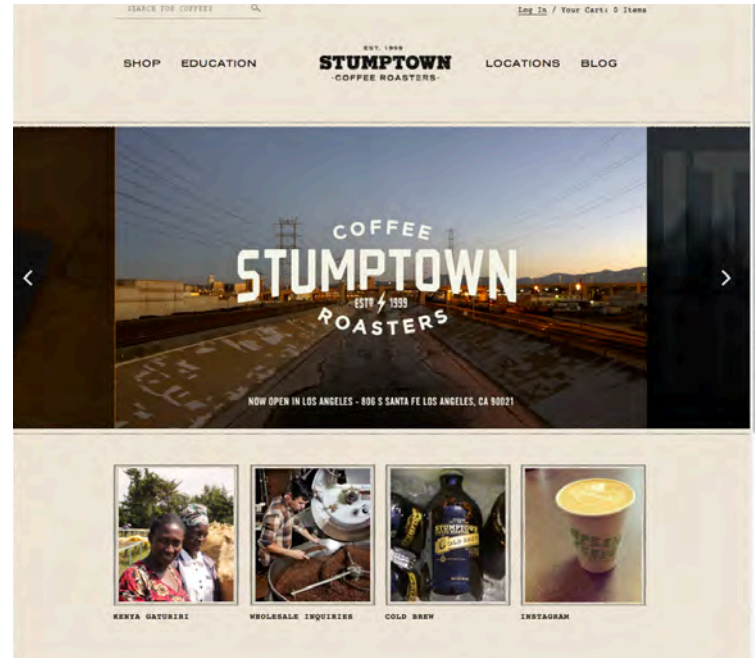
**BUT STARBUCKS
ISN'T ALONE...**



BUT STARBUCKS ISN'T ALONE...

Local, independently owned coffee shops have found great success in a similar fashion

- Stumptown Coffee Roasters were established in 1999, and in since time have opened successful shops in the most competitive DMA's, including 5 shops in Portland, and 2 shops in each, Seattle, New York, and L.A.
- Their marketing strategy is solely limited to a focus on:
 1. Social Responsibility
 2. Quality
 3. Support of Local Community

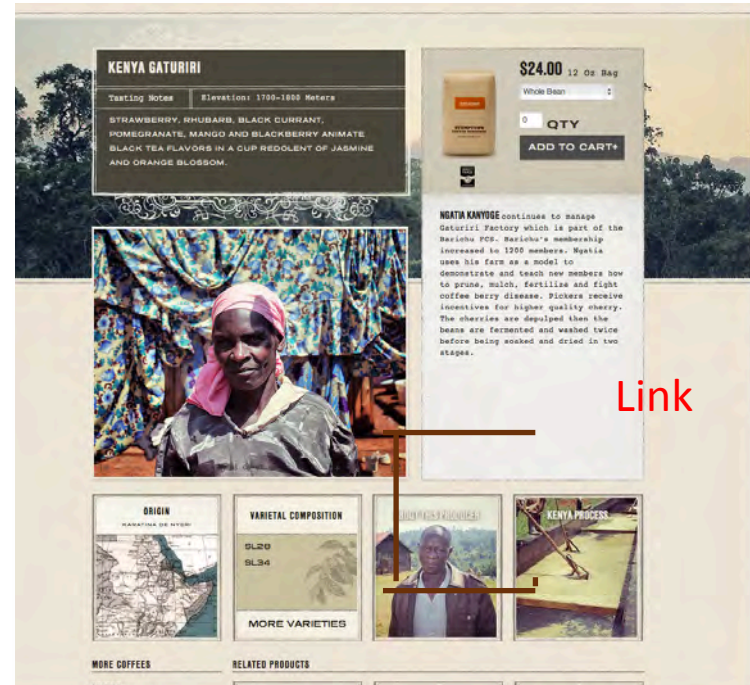


HOW STUMPTOWN ACCENTUATES

Stumptown appeals to all three major values for millennials

VALUE

- **SOCIAL RESPONSIBILITY**
- Quality
- Support of Local Community

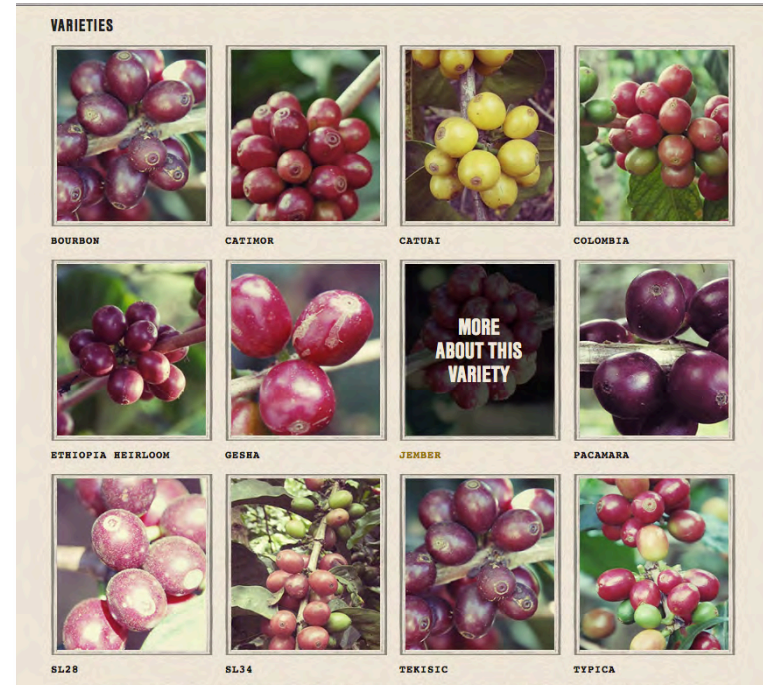


HOW STUMPTOWN ACCENTUATES

Stumptown appeals to all three major values for millenials

VALUE

- Social Responsibility
- **QUALITY**
- Support of Local Community



HOW STUMPTOWN ACCENTUATES

Stumptown appeals to all three major values for millennials

VALUE

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- **SUPPORT OF LOCAL COMMUNITY**



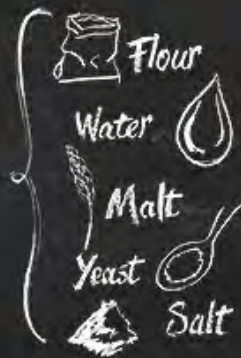
A screenshot of the Stumptown Coffee Roasters website. The top navigation bar includes links for "SHOP", "EDUCATION", "STUMPTOWN COFFEE ROASTERS", "LOCATIONS", and "BLOG". A red "Link" label is positioned to the right of the "BLOG" link. Below the navigation is a large hero image showing a barista in a striped polo shirt working at a coffee station. The main content area is divided into several sections: "PORTLAND CAFÉS" with details about the Division Street location; "HOURS OF BUSINESS" listing hours for Monday-Friday and Saturday-Sunday; "INSTAGRAM" with a small image; "DIVISION" with a paragraph about the store's history; and "LATEST NEWS - EVENTS" featuring two articles with images and titles: "PHOTOGRAPHER BRAD ELTERMAN // 1970'S SUNSET STRIP" and "LOS ANGELES GUEST POST // FORTUNE 700".

AND BAGEL
SHOPS TOO...

WE USE THE SAME PROCESS THAT NEW YORK BAGEL BAKERIES
HAVE FOLLOWED SINCE THE EARLY 1900s. AND WE BAKE IN SMALL
BATCHES ALL DAY LONG TO ENSURE FRESHNESS.

Time-honored tradition

WE LIKE
Simple
INGREDIENTS
with SIMPLE
NAMES



Just
5 Basic
Ingredients

WITH NO ROOM
FOR PRESERVATIVES

AND BAGEL SHOPS TOO...



Take a look a Bruegger's and Corner Bakery

	RESPONSIBILITY	QUALITY	COMMUNITY
	<p>Bruegger's Bottomless Mug Club started more than 10 years ago, and has been helping out local children's hospitals since 2010. In 2011, Bruegger's donated nearly \$100,000 TO BENEFIT KIDS AND FAMILIES IN NEED through Children's Miracle Network Hospitals.</p>	<p>More than thirty years later, we're still baking. With over 300 BAKERIES IN 26 STATES, we're a place where authentic bagel tradition is taken seriously and using the same time-honored methods of New York bagel bakeries is a must.</p>	<p>Our philosophy is simple: we are a NEIGHBORHOOD BAKERY, so we get involved with the clubs, causes, events and people that make up our neighborhood. We do it because we know that the community supports us and we want to give something back.</p>
	<p>Partnering with Share Our Strength's "Dine Out for No Kid Hungry," Corner Bakery Café has raised over \$1 MILLION IN AN EFFORT TO END CHILDHOOD HUNGER in the U.S.</p>	<p>Inspired by GREAT FRESH INGREDIENTS, our small neighborhood bakery on a corner in downtown Chicago began creating artisan breads and freshly baked sweets. And upon a little success, neighbors began to ask us for sandwiches made with that fabulous bread, followed by homemade soups and salads, and even made-to-order scramblers.</p>	<p>We've always been part of the neighborhood. That's why it's important to us to give back to the communities around us. From SPONSORING LOCAL EVENTS TO HELPING CHILDREN ACROSS AMERICA get the healthy food they need to grow and thrive, being part of the Corner Bakery Cafe team means more than just enjoying great food.</p>

HOW DOES
EINSTEIN
HOLD UP?



HOW DOES EINSTEIN HOLD UP?



When it comes to appealing to the millennial consumer, Einstein possesses a covetable **QUALITY** product.

“It all starts with the beans (which are actually seeds of a cherry from a coffee tree.) Our coffees taste so delicious because we use only 100% Arabica genuine specialty-grade coffees that are hand-picked from the leading coffee producing regions of the world. Only a fraction of the world crop is considered good enough to be called “specialty”, like Einstein Bros.

HOWEVER...

EINSTEIN BROS. BAGELS

[Menu](#) [Store Locator](#) [Join the Club](#) [Gift Cards](#) [Catering](#) [Nutrition](#)

Darn Good Coffee & Espresso

DID YOU KNOW WE CATER! [Click Here for Catering](#)

What makes our coffee Darn Good Coffee®?

It all starts with the beans (which are actually seeds of a cherry from a coffee tree.) Our coffees taste so delicious because we use only 100% Arabica genuine specialty-grade coffees that are hand-picked from the leading coffee producing regions of the world. Only a fraction of the world crop is considered good enough to be called “specialty”, like Einstein Bros. Darn Good Coffee.

Our coffees are skillfully blended and artisan-roasted. Our traditional batch roasting is done by hand, following a carefully developed time and temperature profile designed to bring out each coffee’s optimal flavor and aroma.

Let our Baristas prepare for you one of our delicious Espresso coffees – like our signature Vanilla Hazelnut Latte, our Caramel Macchiato or the White Chocolate Mocha.

Or, help yourself to one of our wonderful blends of bottomless coffees – like our Vanilla Hazelnut, Melvyn’s Dark Roast or our special Neighborhood blend.

From the Farmer to Barista, we take special care to deliver the best tasting, Darn Good Coffee to our Guests!

BEANS
Only the world’s best coffee beans are considered Darn Good

BARISTA
Darn Good baristas serve a quality espresso every time

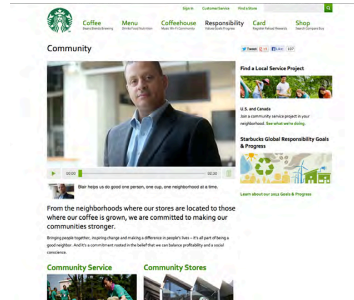
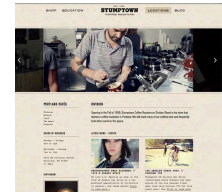
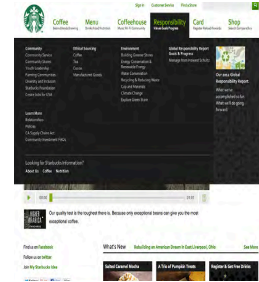
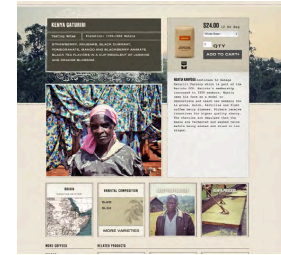
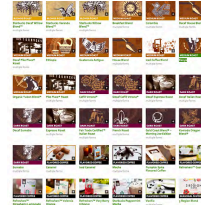
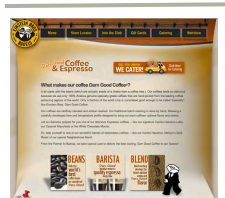
BLEND
Hand roasting develops the bean’s optimal aroma and Darn Good flavor

BUT, THE COMPETITION IS DOING MORE...

While the product is quality, it is not accentuated in comparison to other brands.

THE COMPETITION

EINSTEIN



HOW DO WE COMPETE?

Accentuate the brand in order to make an emotional connection that millenials require.

DEMONSTRATE

1. Social responsibility

Responsible trade and manufacturing

2. Higher Food quality

Local, organic, grass-fed, and hormone-free offerings.

3. Support of their local community

Community Involvement



A COURSE OF ACTION



A COURSE OF ACTION

THE TARGET:

Millenials in Three DMA's with ranging redemption rates:

DENVER

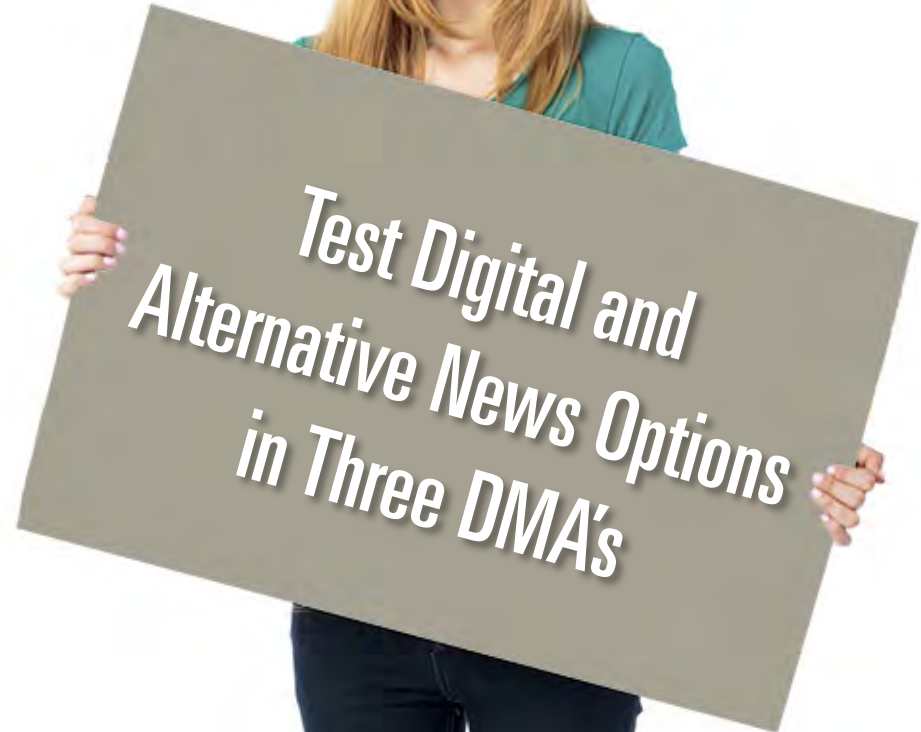
- Millennial Population: 910,967 (23.6%)
- Avg. Print Redemption Rate: 2.69%

AUSTIN

- Millennial Population: 504,763 (25.9%)
- Avg. Print Redemption Rate: 1.30%

PORTLAND

- Millennial Population: 629,755 (22.4%)
- Avg. Print Redemption Rate: .77%



THE WAY: MEDIUMS



DIGITAL

Millennials who drink specialty coffee regularly **over index on internet usage** when it comes to researching their food.

Used the Internet for:	Denver	Portland	Austin
Restaurant Reviews	177	164	122
Daily Deals	169	207	150
Food Blogs	174	159	208
Consumer Reviews (Services)	155	170	149
Local Community Events	127	147	131

PRINT

Millennials who drink specialty coffee regularly, **over index on Alternative News Weekly's** and under index with traditional papers.

DMA	ANW Read:	Index
Portland	Portland Mercury	174
	Willamette Weekly	126
Denver	Denver Westword	186
	Boulder Weekly	230
Austin	The Austin Chronicle	169

THE MEANS: ACTION



DIGITAL

- Update Einstein's Website in order to accentuate Darn Good Coffee with Millennial Values.
- Develop Landing Pages in four digital test DMA's with redeemable offer to connect digital response

GOALS

- Appeal to Millennial Values by romancing coffee experience
- Test millennial engagement in redemption rates
- Increase coffee sales in millennial demographic

PRINT

- Create exclusive offers for Alternative News Weekly's
- Provide at least one strong offer to encourage new customer trial of Einstein's Coffee

GOALS

- Appeal to Millennial Values by romancing coffee experience
- Test millennial engagement in redemption rates
- Increase coffee sales in millennial demographic

THE BUDGET



DIGITAL INVESTMENT

Market	Store Count	Duration	Impressions		Impressions (000)	Gross
Portland	7	6 Weeks	840,000	40% PC = 60% Mobile =	336 504	\$1,029.67 \$2,444.12 Sum: \$3,230.64
Denver	31	6 Weeks	3,720,000	40% PC = 60% Mobile =	1,488 2,232	\$4,560.00 \$1,0824.00 Sum: \$15,384
Austin	6	6 Weeks	720,000	40% PC = 60% Mobile =	288 432	\$882.58 \$2,094.96 Sum: \$2,977.54
Totals	44		5,280,000			\$21,592.18 \$490.73 Per Store*

THE BUDGET



PRINT INVESTMENT

DMA	ANW Read:	Circulation	Color Ad	Frequency	Page	Gross
Portland	Portland Mercury	40,000	\$621	4 Weeks	1/4	\$2,670.96
	Willamette Weekly	90,000	\$250	4 Weeks	1/4	\$1,075.26
Denver	Denver Westword	82,000	\$940	4 Weeks	1/4	\$4,043.01
	Boulder Weekly	25,000	\$375	4 Weeks	1/4	\$1,612.90
Austin	The Austin Chronicle	83,000	\$805	4 Weeks	1/4	\$3,462.36
TOTAL:						\$12,864.49 \$292.37 Per Store*

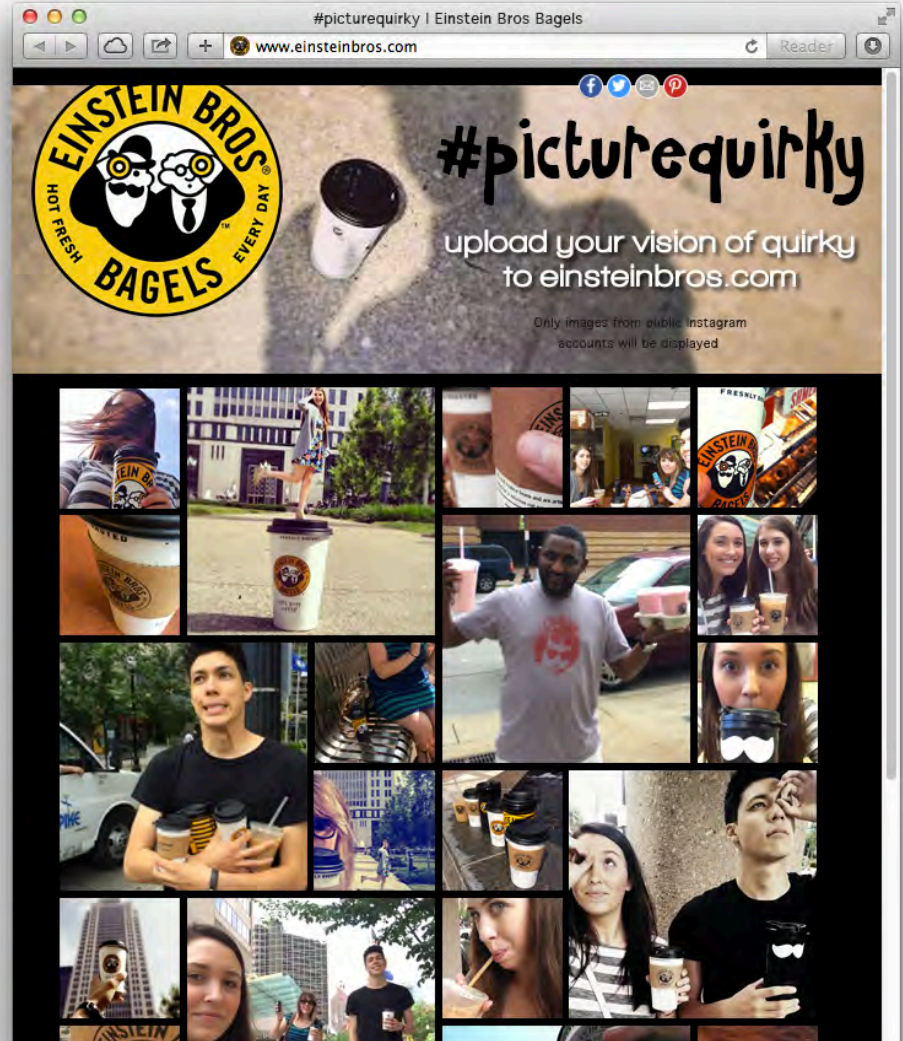
OUR RECOMMENDATION



A COMBINATION OF BOTH...

DMA	Medium	Duration	Split	Circulation / Impressions	Gross	Millennial Population
Portland	Print	4 Weeks	¼ Page	130,000	Sum: \$3,746.22	629,755 (30.7%)
Denver	Print	4 Weeks	¼ Page	108,000	Sum: \$5,655.91	910,967 (44.5%)
Austin	Digital	6 Weeks	40% PC = 60% Mobile =	288 432	\$882.58 \$2,094.96 Sum: \$2,977.54	504,763 (24.7%)
Totals:					\$12,379.67	2,045,485 Millenials
					\$281.36 Per Store	

CREATIVE CONCEPTS



THANK YOU!



C R E A T I V E A L L I A N C E .