

TASSIMO
THE ART OF THE PERFECT CUP



BRAUN



ECR

ECR

ECR

The 3 Mega Trends that drive consumers choices



These trends *drive consumer behaviour*



These trends have an effect on the “In-home” coffee category. Key needs are not being met.

“ Looking for *more convenience at dosing and preparing coffee* vs. “bulk” drip coffee and messy espresso preparation

Looking for a coffee-shop like experience at home
More *quality, variety and pleasure*

Looking for *more personalization and customization of the coffee cup* and hot beverages following the evolution of family structure and lifestyle

All these needs should be addressed by a hot beverage system





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BRAUN

Un café nommé désir.

Designed to make a difference.

Have combined their know-how



BRAUN



Partnership between Braun and Kraft

- * **2 specialists and leaders on their own market**

Food and non food

- * **Two similar visions**

How to help people to enhance life through consumer value creation





* The **unique** * in-home multi hot beverage system *



A

n intelligent system

“ *The ultimate convenience for the consumer* ”

Smart machine

Ability to **switch** from one drink to another thanks to the automatic **cleaning system**

Reads the bar code to :

- * Control water and flow
- * Adjust drink size
- * Adjust brewing time and temperature



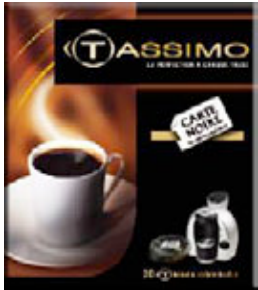
TASSIMO

KRAFT

CARTE NOIRE

BRAUN

A premium range of



Coffee



Coffee



Coffee



Coffee



Cappuccino



Tea



Tea



Hot Chocolate

Quality beverages
for ultimate pleasure
and choice



A

qualitative service offer

Quick *Automatic mode*

- Perfect cup in ~ 30s
- * One cup after another
- *



Adaptable *Manual mode*

- Able to customise
- * your drink
- Weaker or stronger
- *
- Adjust on one press
- *



Clean *Very little care*

- Always ready
- * Easy cleaning,
- * dishwasher safe

- No dripping after use
- *



AN INTERNATIONAL LAUNCH



France : first to launch Tassimo

French Coffee Market

- * One of the biggest grocery markets
- * A market moving significantly in the "on demand" segment

Small Domestic Appliances Market

- * One of the biggest SDA markets and most dynamic
- * A market moving significantly on the "on demand" segment
- * Still huge opportunity of recruitment on value-added systems



A mature French consumer phasing on consumption trends

French Results : An outstanding success

200 000* Tassimo machines sold in the first four months

Tdiscs have already reached 15.8 % SOM**
on "on demand" after 6 Months

Due to :

- Unprecedented **360° media plan : 550 millions contacts in 4 months**
- * An **excellent synchronization of Tdiscs and Tassimo machines in shops**
- * An **impressive demonstration Campaign** (400 000 tastings in shops)
- * **Superior execution on the shop floor**
- *

* GfK YTD Dec 04 - ** P4-05 Nielsen SOM value





* An outstanding success *
including the performance *
of * Auchan in France *



Launch Tassimo within Auchan

Auchan Strategy : “develop solutions for a better living”

- * **Tassimo is a strategic launch:**
 - > Significant development of new market trends
 - > Opportunity to reinforce innovative launch

- * **Phasing with Auchan shoppers :**
 - > Socio-demographic profile

- * **Creating value on the coffee and SDA categories**



A collaborative working process implemented





* * * * *

AN EFFICIENT COLLABORATIVE PROCESS

* * * * *



A Collaborative Process

1.

ANTICIPATION : 1 YEAR BEFORE THE LAUNCH

- > Common (Kraft/Braun) meetings with Auchan
- > Global Launch plan presentation



2.

INVOLVEMENT : ALL ACTORS OF THE LAUNCH

- > Kraft / Braun : Supply chain / Marketing team / Sales reps
- > Auchan : Marketing and Purchase department / point of sales



Mapping Kraft/Braun organizations

K R A F T

B R A U N

Marketing /
Management

International level

Marketing /
Management

Marketing /
Mangement
& Supply

National level

Marketing /
Mangement
& Supply

Coord.

Coord.

Key
Account
Manager

Key
Account
Manager

Sales
Force
Director

Sales
Force
Director

Sales Force

Sales Force

Managing Complexity together

K R A F T

B R A U N

Marketing /
Management

Marketing /
Management

Marketing /
Mangement
& Supply



Top
Management

Marketing /
Mangement
& Supply

Sales
Force
Director

Key
Account
Manager

Purchase/
Marketing
Food

Purchase/
Marketing
SDA

Key
Account
Manager

Sales
Force
Director

Sales Force

Area
Manager
FOOD

Area
Manager
SDA

Sales Force

Managing Complexity together

K R A F T

B R A U N

Marketing /
Management

Marketing /
Management

Marketing /
Mangement
& Supply

Marketing /
Mangement
& Supply



Top
Management

Commitment
for internal alignment

Key
Account
Manager

Purchase/
Marketing
Food

Purchase/
Marketing
SDA

Key
Account
Manager

Sales
Force
Director

Sales
Force
Director

Store Director
commitment

Sales Force

Sales Force

Area
Manager
FOOD

Area
Manager
SDA

A Collaborative Process

3.

COLLABORATIVE MARKETING PLAN

4.

SYNCHRONIZATION :
AVAILABILITY T DISC + MACHINE

- > Delivered at the same time despite different warehouses
- > Quick Tdisc implementation on shelves
- > Demonstrations on time





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CONSUMER

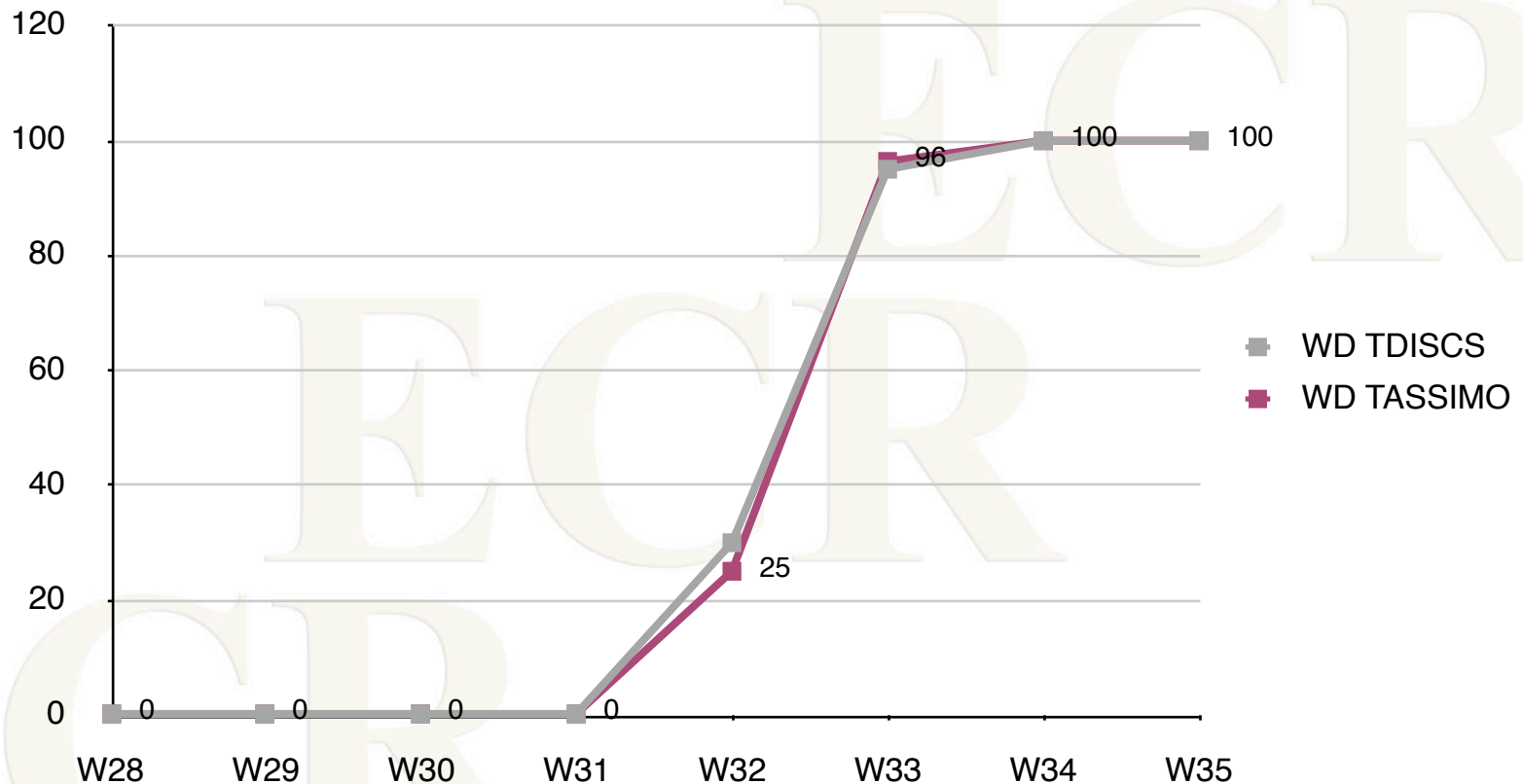
* AVAILABILITY BUILDING

*

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In-store : rapid listing of Tdiscs and Machines on shelves



Excellent synchronization of machines and Tdiscs
Availability of the full range listed from the start





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A STRONG PROMOTIONAL PLAN

* * * * *



Creating traffic and demand on the shop floor : *leaflets*

STRONG PROMOTIONAL PLAN

LEAFLETS

- * Both on grocery and electrical domestic appliances pages during key periods
- * On each leaflet, presence of Tdiscs and machines
- * Synchronized with TV advertising



Creating traffic and demand on the shop floor : *leaflets*

- * With national offer declined through Auchan tools
 - > Specific offers on Tdiscs : generating traffic
 - > Tassimo demonstration multi-media fair
- * Tassimo launch also supported by Auchan TV magazine 3 times : at the launch date, and during Christmas period





* * * * *

SUPERIOR EXECUTION IN SHOPS

* * * * *



Creating traffic and demand on the shop floor : EOA

A superior execution in the shop : *traffic building*

- * **Qualitative and massive end of aisles**
 - > 100 % shops displayed Tassimo
- * **Big display implemented on key areas with both brewers and Tdiscs**
 - > Grocery area
 - > Non food area



Creating traffic and demand on the shop floor : EOA

- * **Demonstrations**
 - > Testing Tdiscs by consumers in the shop
 - > Explicative leaflets
- * **Floor Stickers**
 - > The way to Tassimo
- * **Posters above machines**
 - at the end of aisles





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MERCHANDISING STRATEGY

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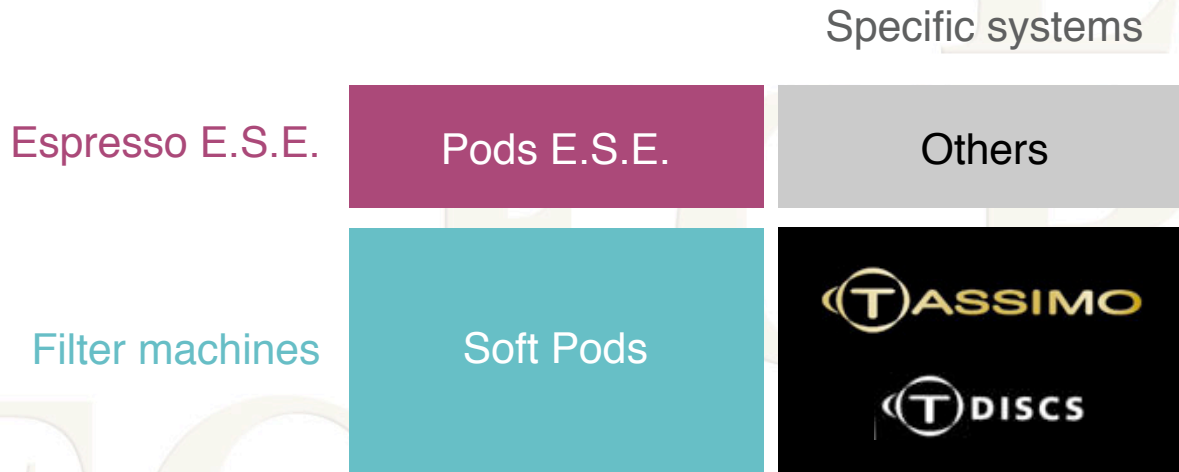
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Creating traffic and demand on the shop floor : *Merchandising strategy*

Reinforcement of the “on demand” segment on shelves



Due to Tassimo launching

> On demand segment repositioning at coffee shelves' entrance

Creating traffic and demand on the shop floor : *Merchandising strategy*

* **Dramatization on shelves**
> Better understanding of shoppers

* **Cross-advertising lay-out**
> From Tdisc shelves to Tassimo machines
> From Tassimo machine shelves to Tdiscs



The graphic is a vertical advertisement for the Tassimo coffee system. At the top, the Tassimo logo is displayed with the tagline 'THE ART OF THE PERFECT CUP'. Below the logo, the text 'Un système révolutionnaire pour la maison' is written. The central image shows a black and silver Tassimo coffee machine with a white cup on the spout. To the left of the machine, there are several icons with text: 'un clic seul clic', '30s prêt en 30 secondes', 'adapté tasses, bols, mugs', 'selon votre goût long ou serré', 'nettoyage automatique entre chaque boisson', and 'pièces compatibles au lave-vaisselle'. To the right of the machine, there is a vertical list of coffee drinks with corresponding images: 'espresso CARTE NOIRE', 'café CARTE NOIRE', 'cappuccino CARTE NOIRE', 'voluptueux CARTE NOIRE', 'chocolat MACHARD', and 'thé FINESSA'. At the bottom of the graphic, the text 'système à T-DISCS' is written.



Results : **success** created on the shop floor

Spectacular results

ECR

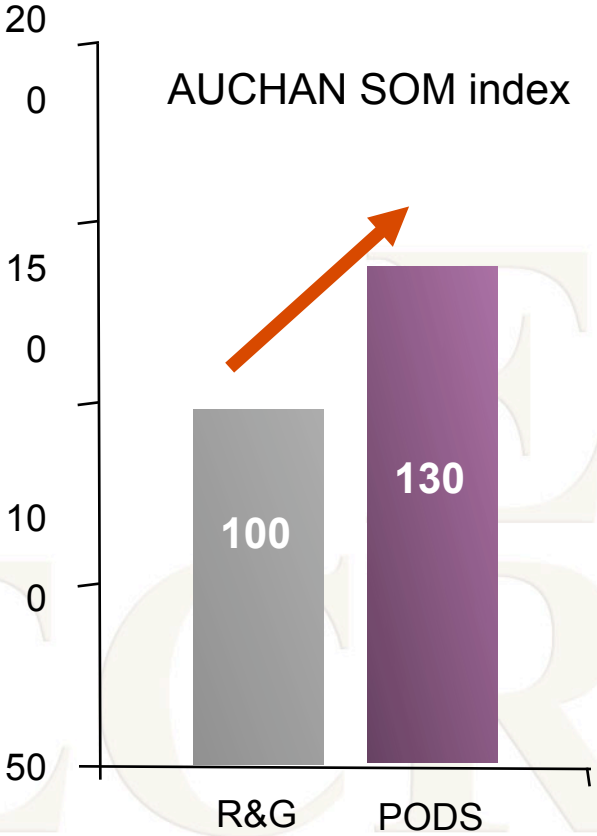
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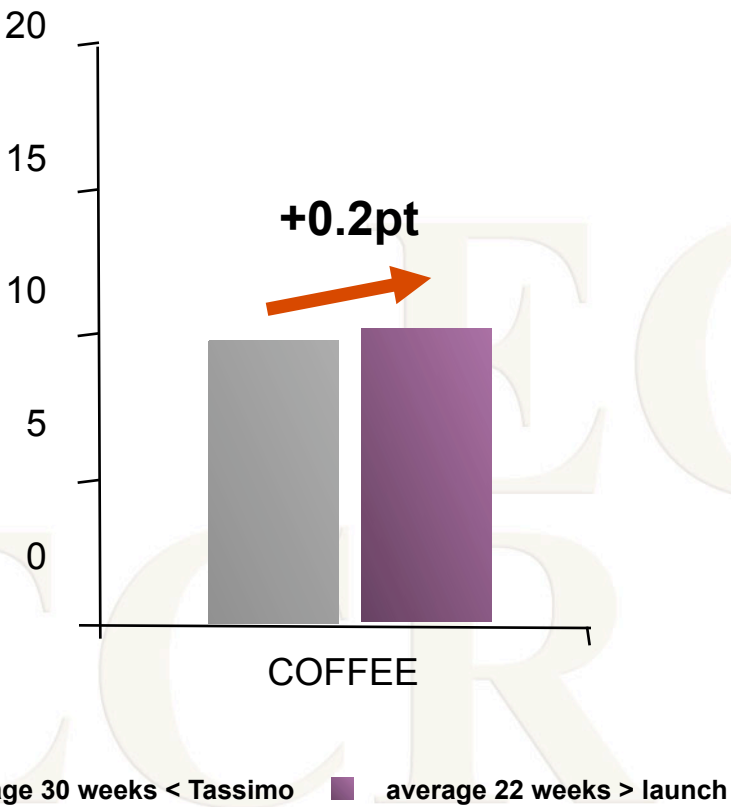
Impact of Tassimo (market share Auchan)



* **Market share gain on total "on demand" segment : + 0,6 pt**



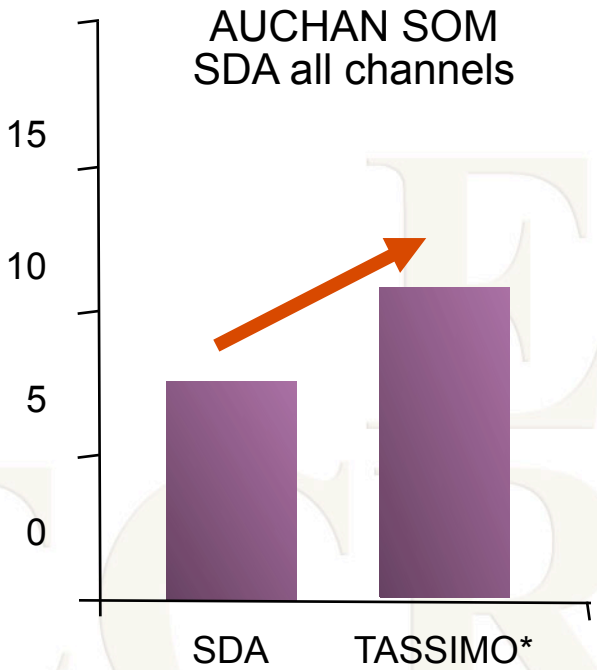
Impact of Tassimo (market share Auchan)



* Market share gain on Coffee segment



Impact of Tassimo (market share Auchan)



* Exceptional results
on Tassimo machines

* December 2004



Tassimo : a clear, efficient response to consumers supported by the shop floor

Keys to success :

“ **Innovation corresponding*
to consumer needs**

* **Good configuration between
all actors of the project**

* **Superior execution
on the shop floor** ”

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