

Kenco's Brand Revitalisation: Coffee vs. Gangs

How JWT and Kenco Are Using Coffee to Transform the lives of young people

Summary

This paper is about a brand that revitalised its future by making its ethical credentials genuinely meaningful and motivating to consumers.

Kenco had been differentiated through its ethics for many years, and this had fuelled significant, profitable growth. However, sales started to falter and competitors were beginning to also make sustainability claims. Our point of difference was eroding.

This was not just a communications brief for the agency, but a brief to find an ethical idea that would genuinely revitalise the brand. An idea with severe restrictions, namely that the source of production, the production process, packaging and distribution could not change.

In order to do this we knew we had to do what other sustainability or CSR campaigns had failed to do. We had to really engage consumers and get them thinking differently about the product by **telling a compelling human story AND make it directly relevant to the product.**

To find a cause that is really motivating nowadays, it needs to be both a human, social issue and one that directly effects the production of the product.

We soon realised we could find a tale in the source of production. Kenco's Coffee vs. Gangs was conceived to do exactly that – a scheme to give young Hondurans a way out of gang life and into coffee farming.

A win-win sustainable idea

20 young recruits were enrolled into the scheme, and all – bar one participant - are still there. Maria & Roberto, and Pablo & Juan are planning to create coffee farms together. Others are hoping to start farms with their parents or siblings. Only two plan a life outside coffee farming, to become fishermen. They have all escaped the almost inevitable life of becoming a gang member.

Kenco's sales have seen similar good fortune: 52% more jars of Kenco's core range were sold than in 2013, increasing market share by 3.0% and growing value sales by 37%.

Background – A progressive, challenger brand

Kenco's story began in 1922 when a co-operative of Kenyan coffee growers opened a coffee shop in Sloane Square. The Kenyan Coffee Company shortened its name to Kenco in 1962 and by 1988 it had launched instant coffee to compete with Nescafe. Cherie Lunghi as "Christina" the radical new female boss, set the tone for the Kenco as a progressive, challenger brand.

Figure 1 – Cherie Lunghi as 'Christina' in 'Boardroom' (1991)



Over the past 10 years it has pioneered the mainstream ethical production and sustainable distribution of coffee. This ethical stance became part of the DNA of the Kenco brand guiding everything from

its sourcing to its production processes right through to its packaging design and communications strategy. During this period Kenco were rewarded for their good behaviour - it differentiated them from their key competitors, Nescafé and own label.

Figure 2: In 2008 Kenco's ethical stance differentiated them from their competitors

We pride ourselves on being perceived as the most ethical coffee brand...



Brought to life through communications this commitment to ethics had a direct impact on sales. Campaigns promoting Kenco's ethical commitment to sustainability via its association with the Rainforest Alliance (an organisation committed to conserving biodiversity and promoting sustainability) and its innovative eco-refill packaging, brought 1.2 million new users into the brand, increased frequency of purchase as well as value and volume sales. This enabled them to

maintain their position as number 2 in the market and grow sales and profitability.

Figure 3 – During the late 2000's, campaigns promoting Kenco's ethics brought 1.2 million new users into the brand.



VO: At Kenco we don't just grow great coffee...



VO: We also help coffee workers grow their local communities, with the help of the Rainforest Alliance.



VO: Now Kenco chooses beans from Rainforest Alliance certified farms. Kenco, growing great coffee and more.

Creative Work (Eco Refill)



VO: Just like you, at Kenco we want to use less packaging. So we tried 100% less packaging, but in the end we settled for 97% less. The new Eco Refill pack with 97% less packaging.

Figure 4 - The Rainforest Alliance and Eco-Refill Campaigns had a significant impact on penetration, sales and loyalty.

This increase in sales came from strong share growth in household penetration, from 19.9% to 24.6%:

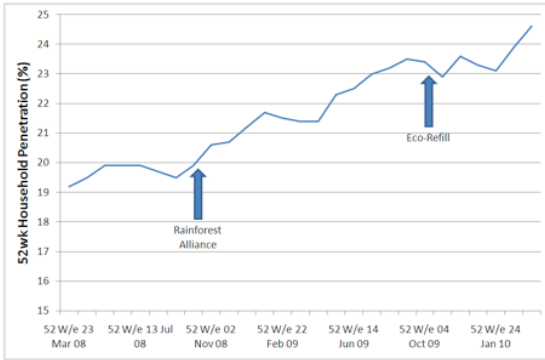


Figure 26 - Penetration³⁵

The penetration gain did not come at the expense of purchase frequency, which was slightly improved from 3.5 to 3.7:

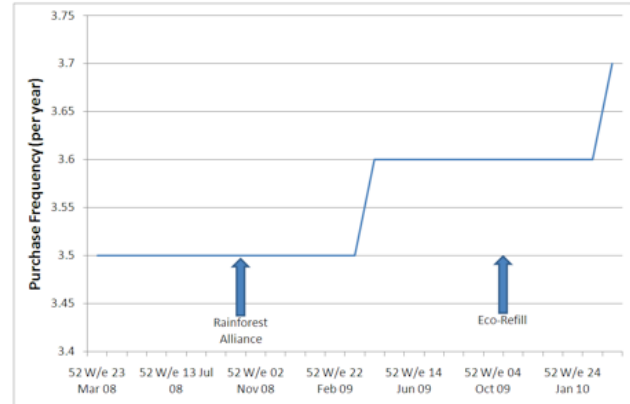


Figure 27 - Purchase frequency³⁶

This equates to a 2.8% gain in value share of the category, worth £20.5m per year³⁷:

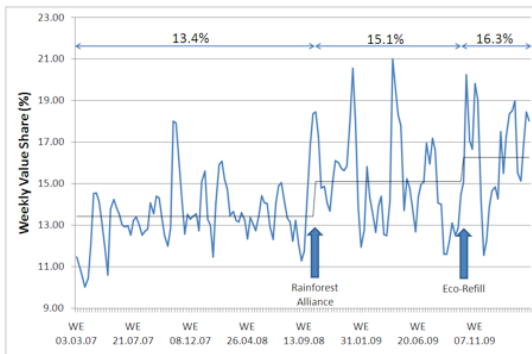


Figure 25 - Value share of total coffee³⁴

Since the repositioning, Kenco has seen a 44.6% increase in weekly value sales from £1.31m to £1.89m:

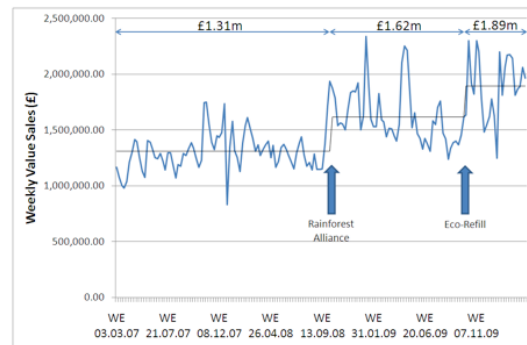


Figure 24 - Value sales³³

The Problem – The Rest of The Category Catches Up

By late 2013 however, Kenco's core range was experiencing stagnant sales and to make matters worse, a growing reliance on discounting which had caused profits to fall.

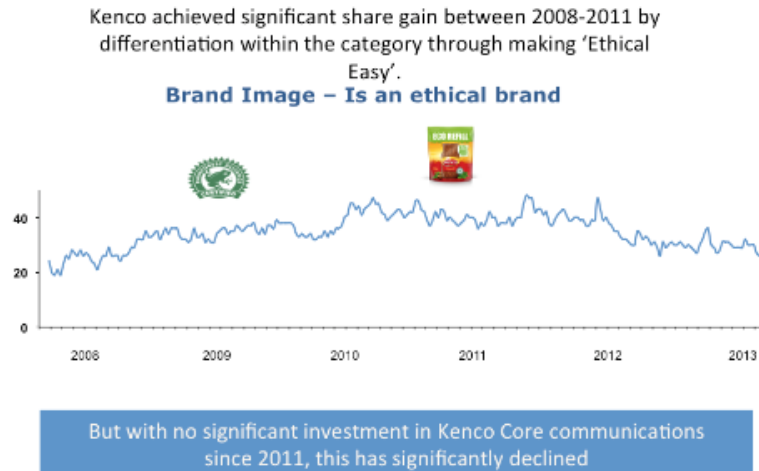
In the 4 and a half years since the launch of the Eco-refill campaign the rest of the instant coffee category had caught up with Kenco. Sustainable sourcing had become the norm in the instant coffee

category. Nescafé had their NESCAFÉ Plan, planting coffee trees for Columbian farmers; Douwe Egberts had been working together with UTZ Certified, an independent hallmark for sustainable coffee; and most of the retail brands had low priced, fair trade options. All the different sustainability claims were becoming confusing for consumers and as the hype around the Fair Trade movement wore off they had less and less emotional relevance to British consumers. Rather than marking Kenco out as a fair, modern and brave brand, as it had done in the past, Kenco's commitment to sustainability was turning the brand into just one more sheet of ethical wallpaper in the eyes of the consumer.



Between 2010 and 2013, in an attempt to rise above the category fray, Kenco focused its marketing budget around the launch of Kenco Millicano - the first of a new kind of premium instant coffee that also contained a proportion of fresh ground coffee. Kenco Millicano followed the same ethical codes as the rest of the Kenco range but due to the inclusion of fresh coffee was sold at a higher price. In order to appeal to new types of consumers and to grow this new premium end of the instant coffee market, Kenco Millicano's communications purposely moved away from an overtly ethical message in favour of a quality-focused approach. Whilst Kenco Millicano has experienced great success, this success came at the expense of Kenco's ethical brand associations, which after several years without brand communication had weakened significantly.

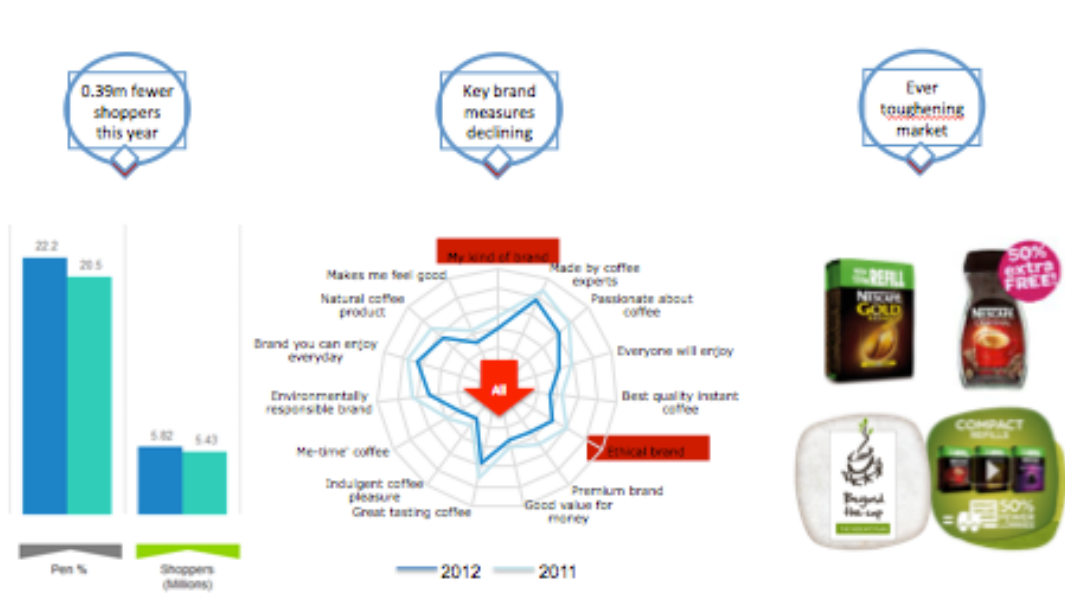
Figure 5 – By 2013 the perception of Kenco as an ethical brand was declining sharply



So not only was the power of the sustainability message waning as the hype around fairtrade died down and more and more coffee brands asserted their commitment to it but because Kenco's associations with ethics had weakened, they were not able to capitalise even on sustainability's remaining equity.

These 2 factors coupled together caused a decline in consumer loyalty. Whilst many buyers still preferred Kenco, they saw little differentiation in the instant coffee category and so switched between their 2 – 3 favourite brands – usually buying whichever was on deal.

Figure 6 – Kenco's marketing challenges in 2013



The Challenge – Tough But Clear

We were given a very clear and ambitious brief to reverse the fortunes of the Kenco brand:

We were asked to: -

1. Help Kenco make a real ethical difference.
2. Create truly powerful creative work.
3. Sell 11% more jars of Kenco Coffee.

A clear, challenging and exciting brief but without a new fact or story to build on achieving this would be tough.

Having seen the slow creep of competitors into Kenco's previous way of proving and communicating their ethics i.e. via a sustainability message, our task was clear. We needed to reimagine and challenge what "ethical" meant to people and to brands. Our new ethical credentials needed to be bolder and more meaningful whilst retaining their credibility.

Most importantly, in today's climate, we needed to ensure that our ethical credentials could stand up to thorough scrutiny by consumers. Transparency is not just a marketing buzzword: it is crucial to the future health of any brand and to forming and maintaining a strong relationship with consumers. Even more so for a brand making ethical claims.

The solution – the creative leap

To answer this challenge, JWT looked to the source of production – Honduras. Honduras is one of the world's largest coffee producing countries, and a key supplier of Kenco's beans. It also has the world's highest murder rate and one of the worst gang problems. Life for gang members is always dangerous and often ends in violent death or a lengthy prison sentence. Young Hondurans growing up in extreme poverty, with little education and few prospects, often face no choice than to join a gang, in order to survive.

To help combat this injustice, JWT conceived Coffee vs. Gangs, a pioneering scheme, that would give young Hondurans a route out of the spiral into gang life by giving them the opportunity, training and financial support to become coffee farmers (one of the few honest and lucrative professions left in Honduras), providing them - for the first time - with a choice in life.

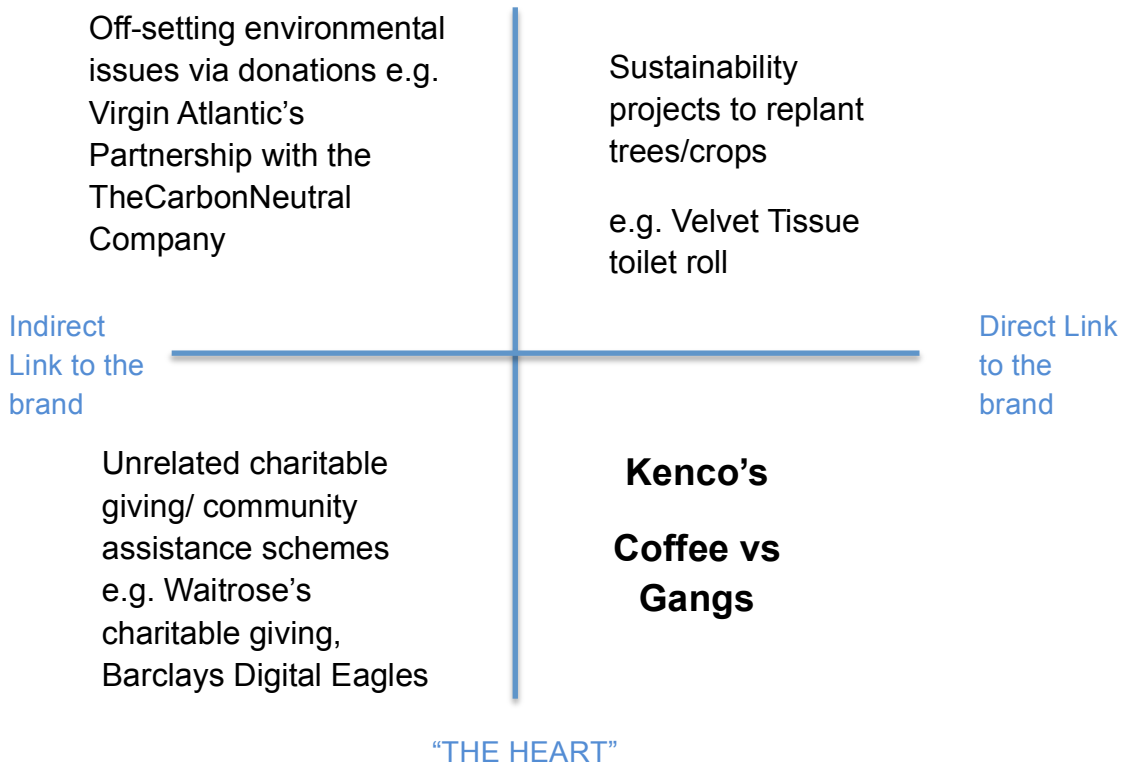
The beauty of this idea was that it combined 2 critical factors ethical campaigns struggle to do:

1. It dealt with human issues rather than the more usual environmental side of sustainability. It moved Kenco's focus beyond sustainability to actually creating solutions which help make the world fairer. In doing so, it made the way Kenco expressed its ethical credentials highly relatable, tangible and relevant, particularly to mothers who make up a large proportion of Kenco's audience.
2. It allowed consumers to make a clear and direct link between their purchase of a Kenco product and the future of the farming community.

By bringing these 2 factors together the Coffee Vs. Gangs scheme stands out against other ethical programs:

“THE HEAD”

Environmental Issues



Social and community Issues

Making the scheme work – the hard part

We had a brave client who both loved the idea and was willing to roll-up their sleeves and put in some hard work. Together we had to set up the project, make local contacts with NGO's and interview and recruit volunteers. And all of this needed to be done in an extremely dangerous country. Needless to say, our priority was to ensure that no one got hurt or persecuted by getting involved in our scheme.

Mondelez, Kenco's parent company, have a scheme “**Coffee Made Happy**” with an ambitious plan to create one million coffee

entrepreneurs by 2020 in order to secure the future of sourcing of coffee. Working with experts involved in CMH helped Kenco and JWT to get in touch with all the necessary organizations to establish the scheme.

We developed a relationship with Fundes, a local NGO who have experience in working with youth rehabilitation in Honduras, and have the capability to project manage housing, training and recruitment. This partnership enabled us to establish the “Coffee vs Gangs” project which was entirely funded by Mondelez, Kenco’s parent company.

Fundes helped us overcome a whole host of challenges we encountered as the scheme was set up, these included; getting buy-in from the local rural community who were understandably nervous about attracting the attention of urban gangs; guaranteeing the security of our participants and their families (as part of this their names have been changed in our content); and establishing positive relationships with the Honduran government, who whilst supportive of the scheme were concerned about how the country would be portrayed to a UK audience.

As a result, 20 young Hondurans at risk of falling into gangs have been recruited to take part. Over the course of 12 months they are being mentored in coffee agronomy and business skills as well as being provided with a dedicated support network. This will set them up for future careers in the coffee business, giving them the confidence and skills they need to choose a life outside of gangs.

Telling the Coffee Vs. Gangs Story – a content rich tale

The Coffee vs. Gangs project has become the focus of an emotionally moving, content-led campaign. TV and cinema advertising, launched in August 2014 dramatises how Kenco are creating a make-or-break choice for young Hondurans, depicting the story through animated gang tattoos, the iconic sign of gang membership.

The lives of the young recruits, as they start their journey towards life away from gangs, will be documented through an ongoing programme of online content over the course of the year.

The Results – Did we meet our challenge?

1. We have helped Kenco make a real difference

4 months into the scheme 19 of the 20 kids are all still enrolled. Despite several ups and downs along the way, they are all beginning to see a future that is safer, happier and away from the tyranny of gangs. Friendships have been struck up, so much so that Maria & Roberto and Pablo & Juan plan to partner together as coffee farmers. Many others, plan to farm with parents and siblings once they leave the scheme and 2 participants will apply the business skills they've learnt to a future outside coffee production as Tilapia fish farmers.

2. We have created truly powerful creative work

Whilst Coffee vs. Gangs is yet to be entered into any creative awards it has been made "Ad of the week" by *Campaign*, "Ad of the month" by *Marketing Magazine*, received positive coverage from *Contagious*, *The Guardian*, *The Mirror* and *Sky News* (which alone gave us exposure to 108 million households in 18 countries)

Figure 6 - Some of the press coverage we've received



Kenco: 'Coffee Vs Gangs' (starts at 03:22) - UK

This intriguing piece of work could be described as "Fair Trade Plus". It goes a few steps further than persuading us that farmers are receiving a decent return for their labour as - not only are we being asked to support fair remuneration for those who provide us with coffee - we're being offered the opportunity to support a company aiming to change the futures of youngsters growing up in the troubled regions where coffee is produced.

Agency: [JWT London](#)

Director: [Johnny Hardstaff](#)

theguardian
Winner of the Pulitzer prize

THE D'HUMI[®]

MODERN MARKETING

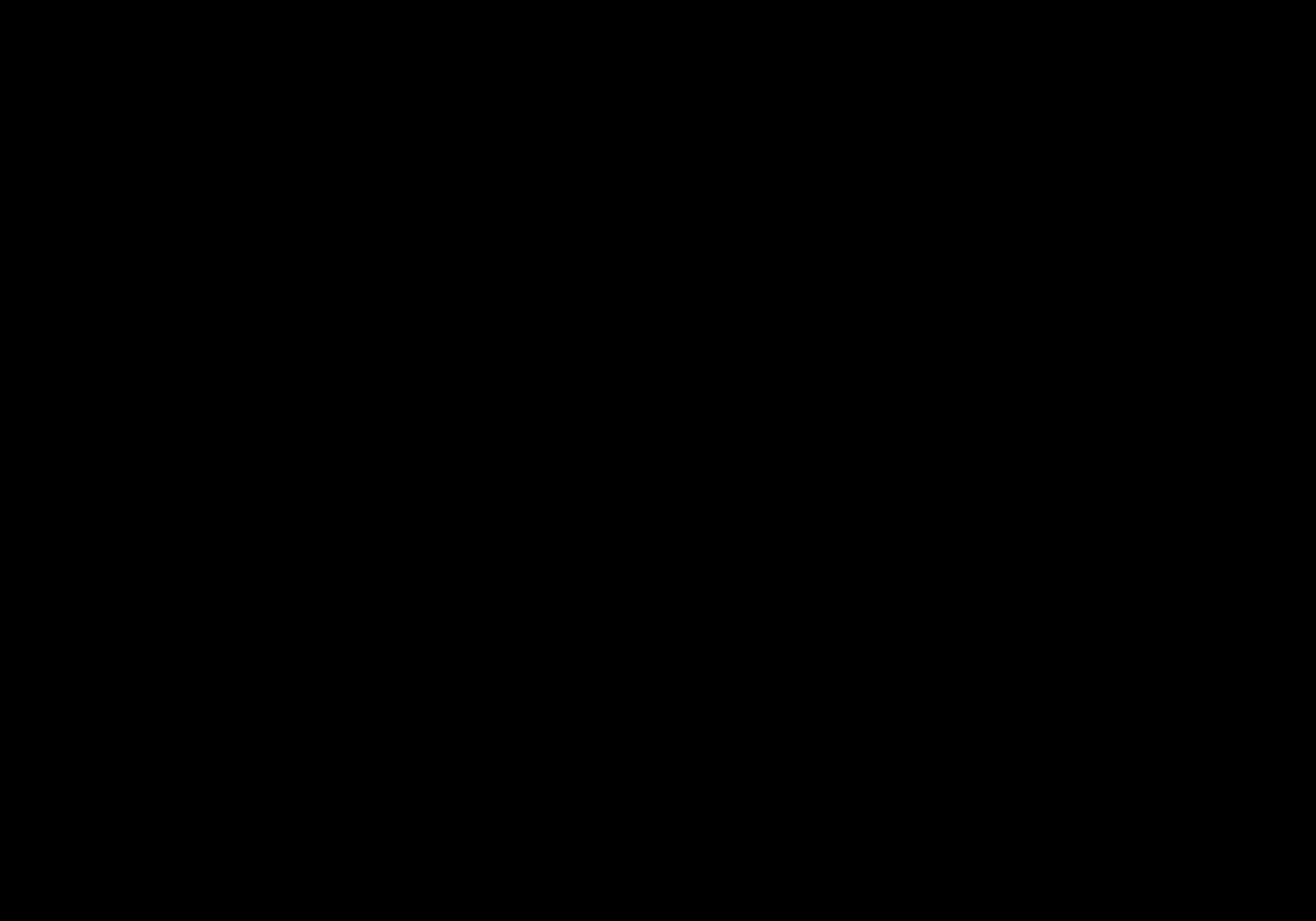
Ad of the Day: Kenco – 'Coffee Vs Gangs'

But it is not just the industry who have responded well to the campaign. With almost no paid support the content films have received almost 1.7 million views from people eager to follow the progress of the scheme's participants online. Meanwhile, a Millward Brown LINK test of the final TV execution found it to be in the top 1% of all campaigns tested with UK consumers in terms of engagement

and brand differentiation and in the top 10% in terms of brand appeal and purchase persuasion.

Figure 7 – Remarkably positive results from Millward Brown

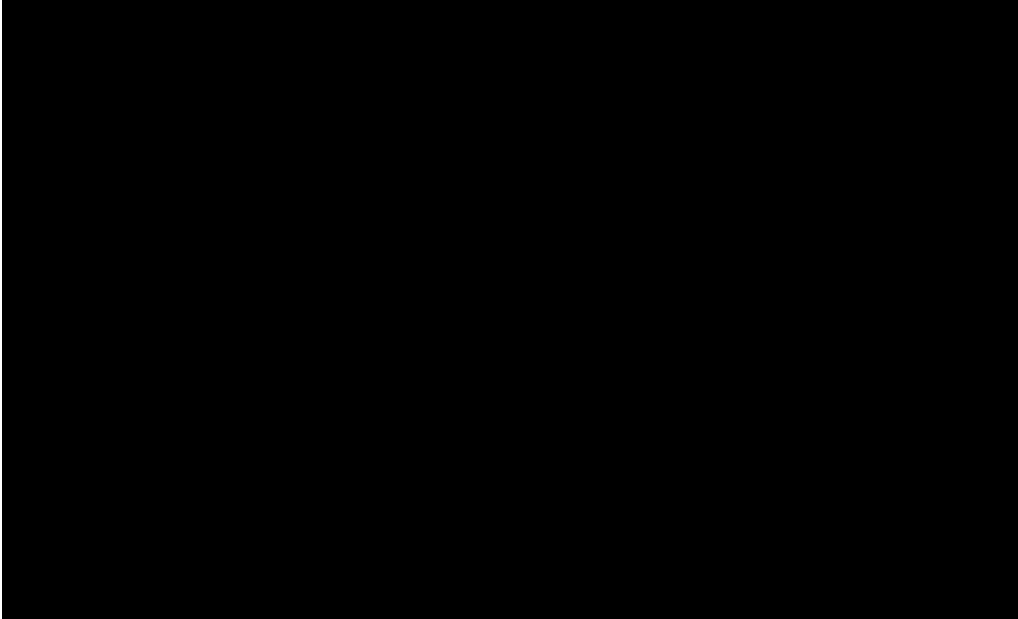
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By relating the scheme directly to the product itself our brand linkage far exceeded our competitors and the category norm.

Figure 8 – Early ad diagnostics show Coffee vs. Gangs achieved strong brand linkage.

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Meanwhile, qualitative research showed that choosing to take on a hard-hitting human issue like gang culture helped us stand out to our audience.

Figure 9 – Creative development research showed the subject was highly relevant to our UK audience.

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3. In doing so we have helped Kenco sell 52% more jars of Coffee (well over and above our 11% target)

In the final quarter of 2014 (one month after our 6 week TV campaign finished) 52% more jars of Kenco's core range were sold than in 2013, increasing market share by 3.0% and growing value sales by 37%. 

– NOT FOR PUBLICATION.

This growth happened in spite of a total decline in the soluble coffee category of 2.5% in terms of volume and value sales. Despite a media investment of £3.3 million, volume sales of Nescafé soluble fell 14%,

The campaign has also had a halo effect across Kenco Millicano, volume sales in same period rose by 9% resulting in a 7% increase in value sales.

Given that Kenco engaged in no other marketing activity in the second half of 2014 and distribution remained stable, we can attribute this growth to the Coffee vs. Gangs programme.

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