

# Coffee Sales Analysis



Nescafe vs Starbucks

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# Objective of the case

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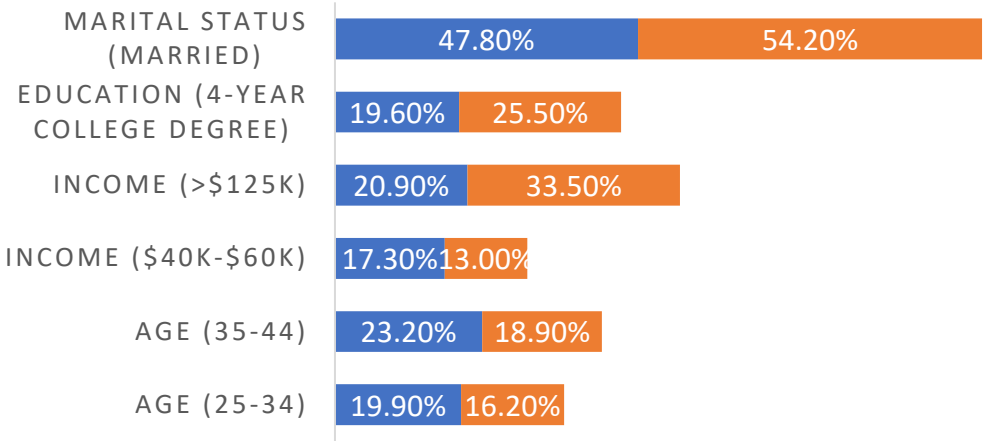
- **Nescafe's Goal:** To gain a deeper understanding of their shoppers by analyzing consumer characteristics and preferences, and to compare them with Starbucks shoppers in order to enhance Nescafe's product and marketing strategies.

## Key Focus Areas:

- **Who are Nescafe's Buyers?** Analyze demographics, psychographics, and lifestyle characteristics.
- **Who are Starbucks' Buyers?** Compare with Nescafe to identify key differences.
- **Preferences:** Examine shopping, product, and advertising preferences for both brands.

# DEMOGRAPHIC COMPARISON TABLE

■ Nescafe Shoppers    ■ Starbucks Shoppers

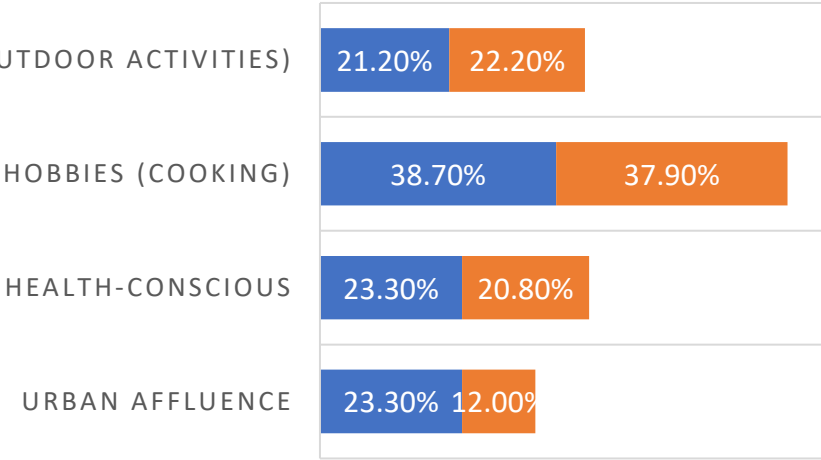


- 1. **Age and Employment:** Both Nescafe and Starbucks shoppers are concentrated in the **25-44 age range** and predominantly **full-time employed**, with Starbucks having slightly older customers overall.
- 2. **Income:** Nescafe shoppers are more **middle-income** (under \$80k), while Starbucks attracts a higher percentage of **affluent consumers** (33.5% earn over \$125k).
- 3. **Education:** Starbucks shoppers are generally **more educated**, with a higher percentage holding **college and graduate degrees** compared to Nescafe shoppers.
- 4. **Marital Status and Household Size:** Both groups have a high percentage of **married individuals** and **2-4 member households**, though Starbucks has slightly more **2-person households**.

- 5. **Urban Affluence and Lifestyle:** Nescafe shoppers include a significant **urban middle class**, while Starbucks targets the **urban and suburban affluent**.
- 6. **Health and Wellness Activity Levels:** Nescafe shoppers are **23.3% very active** and in managing their health, while Starbucks shoppers show slightly higher health activity, with **20.8% very active**.
- 7. **Hobbies:** Both groups enjoy **cooking, baking, and DIY projects**, but Starbucks shoppers are more inclined toward **outdoor activities** such as running, skiing, and yoga/pilates.

## PSYCHOGRAPHIC AND LIFESTYLE COMPARISON TABLE

■ Nescafe Shoppers    ■ Starbucks Shoppers

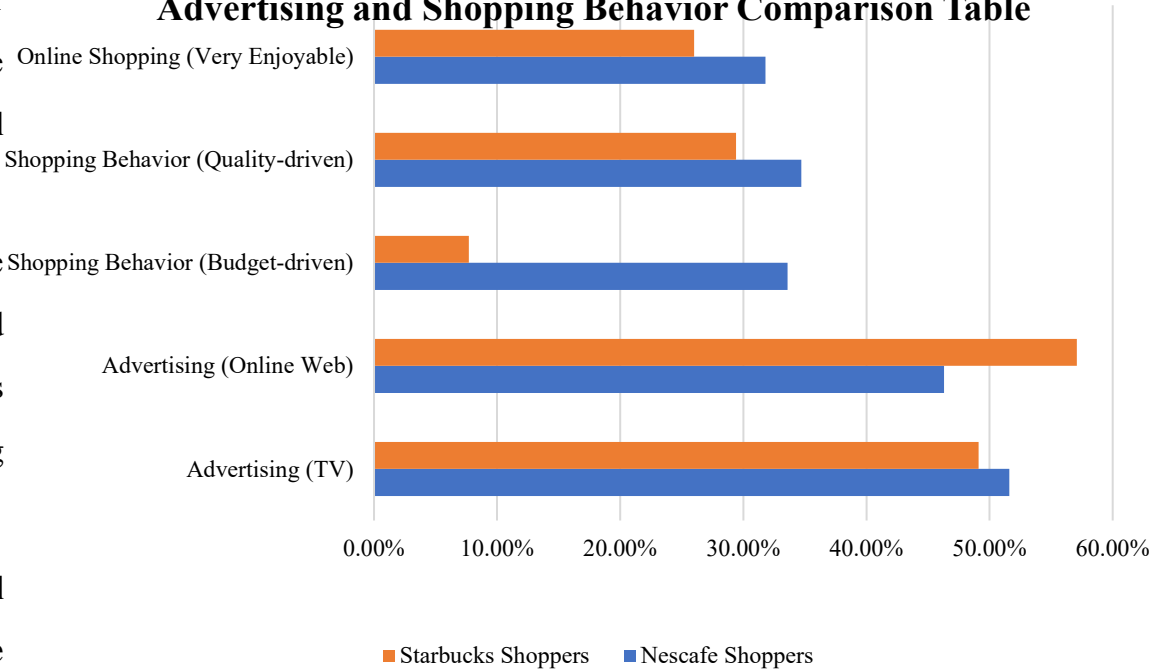


**Advertising Preferences:** Nescafe shoppers prefer **traditional media** (TV, in-store promotions), while Starbucks shoppers are influenced by **digital channels** (online web, mobile, social media).

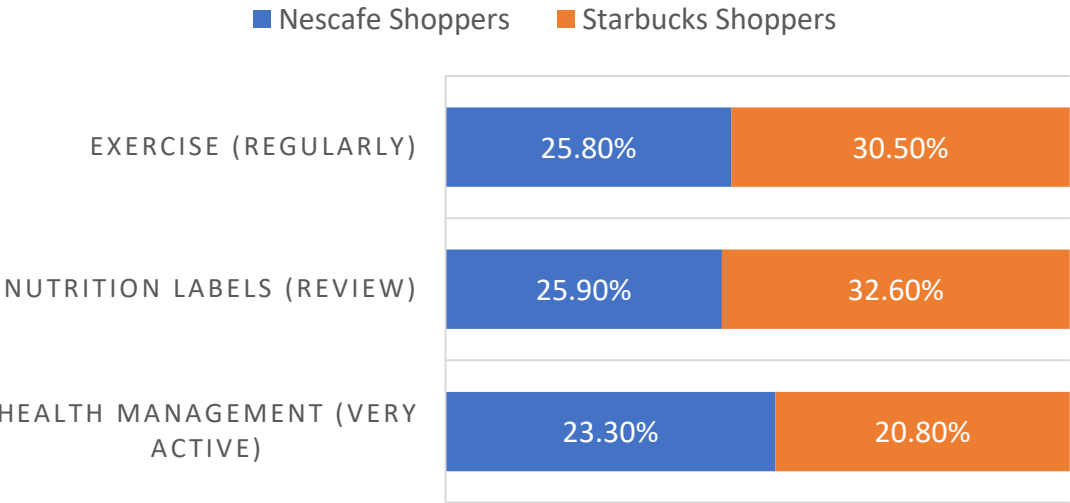
**Shopping Behavior:** Nescafe shoppers are more **budget- and value-driven**, using **coupons** and making shopping lists, whereas Starbucks shoppers are more **quality- and status-driven**, enjoying trying new products.

**Online Shopping:** Nescafe shoppers prefer **physical stores**, while Starbucks shoppers find **online shopping** very convenient and enjoyable.

Advertising and Shopping Behavior Comparison Table



HEALTH AND WELLNESS COMPARISON TABLE



**Health and Wellness:** Nescafe shoppers follow health trends but are less focused on active health management, while Starbucks shoppers are more **health-conscious**, regularly checking nutrition labels and staying active.

# Key Differences Between Nescafe and Starbucks Shoppers

- 1. Demographics:** Nescafe shoppers have a **broader income range** and **diverse educational backgrounds**, while Starbucks shoppers typically have **higher incomes** and **more advanced degrees**.
- 2. Psychographics:** Nescafe shoppers prioritize **convenience and quality** and are often busy, whereas Starbucks shoppers are **health-conscious** and seek **premium experiences**.
- 3. Advertising and Shopping Behavior:** Nescafe shoppers respond more to **traditional advertising channels** (TV, in-store, print), while Starbucks shoppers are influenced by **digital channels** (online, mobile, social media).
- 4. Lifestyle:** Nescafe shoppers exhibit a **varied lifestyle** with a mix of urban and suburban dwellers, whereas Starbucks shoppers tend to be more **urban affluent**.

# Strategies for Nescafe to Attract Starbucks Shoppers

- 1. Emphasize Quality and Premium Experience:** Highlight the quality of Nescafe products and introduce premium options to appeal to the health-conscious Starbucks audience.
- 2. Digital Marketing:** Increase online presence through **social media, mobile, and web advertising** to effectively reach Starbucks shoppers.
- 3. Health and Wellness:** Develop products with sustainable and recyclable packaging to attract health-conscious consumers, emphasizing these features in marketing campaigns.
- 4. In-Store Experience:** Enhance the in-store experience to reflect a more premium feel, including improved layouts, engaging customer service, and diverse coffee offerings.
- 5. Targeted Advertising:** Utilize targeted advertising on platforms like Amazon or Google Ads to effectively reach the specific demographics and psychographics of Starbucks shoppers.