

Sweden: Maxwell House Brewed Coffee

Product: Our product, Maxwell House Brewed Coffee, was marketed to enhance convenience for on-the-go coffee drinkers. They failed to realize their packaging was foil-lined which cannot be microwaved, the imagery on the cup showed a steaming hot cup of coffee, and that their competitors already saturated the coffee consumer market (Glass, 2012). More research about their consumer market, product, and competitors could have eliminated these failures.

Population: Sweden's population is estimated to be 0.13% of the total world population with 10,145,615 people as of late March in 2021 ("Worldometer", 2021). Sweden's population growth rate is relatively low at 0.63 percent bringing in 63,000 people a year but because of the positive net migration rate, it has helped grow the population recently. Most of the population is located in urban areas precisely around 86 percent ("World Population Review", 2021). In the 10,000,000 plus populated country, the largest groups of inhabitants in Sweden are between the ages of 25 to 34 years old, reaching almost 1.5 million (Department & 22, 2021). According to Anna Brones, a writer and the author of Fika: The Art of the Swedish Coffee Break, Sweden is one of the world's biggest coffee consumers. In Sweden, they are known for the "coffee break" mainly addressed as Fika which is a verb and a noun to indicate the time of day that you sit down to take a break, enjoy a cup of coffee, and preferably have a baked good to go along with it (Brones, 2019). With that being said, our target market will focus on those who are 22 to 35 years old.

Economy: According to data.oecd.org, as of 2020, Sweden ranks the 23rd highest country in the world for GDP with the 12th highest GDP per capita. In 2020 it was estimated that Sweden's nominal GDP was \$529 billion with GDP per capita is \$50,399. This should place them just ahead of Australia while following closely behind Germany. 65.5% of GDP comes from services, following behind with industry with 33% with only 1% being agriculture. Overall Sweden looks to have a promising and growing economy. The distribution of wealth within Sweden follows closely with how the U.S. distribution of wealth is. In 2018, the Swiss bank claimed that the top 10% hold between 60-70% of the total wealth within Sweden. This is right behind the U.S. with the top 10% holding 70% of the national wealth. The middle class then is said to hold around 20% of the national wealth of Sweden while the rest of the 10% falls to those in the lower class. The average household income for a family in Sweden is \$35,180 a year in 2019. This puts them right behind Canada as the country with the 15th highest household income. Coffee is a big deal in Sweden, with it being the 6th biggest consuming country in the world. According to Statista.com, The coffee industry in Sweden brings in an average of \$7.12 million and is expected to grow 5.83% between the years 2021-2025. On average, a person in Sweden will spend around \$700 on coffee within a given year and will consume 7.7kg of coffee. This puts Sweden at having 18lbs per capita when it comes to coffee.

Channels of Distribution: For the channels of distribution we're pursuing with the reintroduction of Maxwell House Brewed Coffee into Swedish markets, we chose the Inköpscentralernas Aktiebolag (ICA) as well as Pressbyrån, or the Swedish version of 7-eleven markets. ICAs are the most well-known supermarket chain in the country with about 1350 locations scattered about and the stores commonly offer products such as groceries and pharmaceuticals with larger ICAs offering even wider varieties of products like the MAXI ICA Stormarknad, which sells electrical appliances and tools as well. Second, the Pressbyran is reminiscent of 7-eleven gas station markets that we are familiar with, with more limited stocks but plenty of grab-and-go items like food, drinks, and light toiletries. We chose these markets

because, in Sweden, coffee is a very common and popular beverage, with its residents drinking an average of 3.2 cups a day. Thus we believed that reintroducing Maxwell House Brewed Coffee into the market as a convenience product would be to the product's benefit as it would take some time to make consumers comfortable with the brand after its market failure in the past, but the desire for coffee in Sweden is present and doesn't show signs of going away any time soon. So, making sure our product is within arm's reach of any potential consumer right when they want it, without having to expend much mental effort towards going to get it, like in the cold beverage section of a supermarket or a gas station shop would be a good start towards refamiliarizing the public with our coffee.

Availability of Media: The most popular form of media in Sweden is the traditional medium, such as Television and print media. According to Stoll, about 83 percent of Sweden's population watch TV daily with about 120 minutes of average viewing time. Furthermore, 82 percent of Sweden's population are active social media users, which is one of the highest among Nordic countries. Even though traditional media remains the most popular form of media in Sweden, we will focus our marketing efforts on social media, since our target audience spends more quality time on digital platforms than watching TV. According to Guttman, the cost associated with media advertisement in Sweden accumulated \$1.47 billion in 2020, which was a nearly 18 percent decrease from earlier years due to the impact of Covid-19. Due to the decrease in media advertisement spendings, we expect advertisement costs to be lower compared to earlier years, which would make our promotional activities more efficient.

Perceived Acceptance or Resistance of Our Product: When the product was first launched, many people were left confused by the packaging, the foil liner inside the product, and at the time Keurig's were all the rage so no one wanted to buy brewed coffee from the store to make at home. Our goal is to change the packaging completely to create a clear image of what we are portraying as a company to the consumer, giving them an easy product to use. We will also be able to capitalize on the fact that society has changed and cold-brew coffee is so popular among many people, but specifically our target audience of 22-35-year-old males and females.

Pricing: Unable to find the pricing for the previous Maxwell House Brewed Coffee, our team has come up with reasonable pricing for our relaunch of the product. We have decided to make this coffee a cold brew coffee - making it clear to consumers what type of coffee this is which was lacking in the original packaging and promotion of the product the first time. The price for the coffee will be \$4.99 for a regular 48 oz. container. If we partner with local coffee shops in Sweden to sell our cold brew in cans those cans will be \$2.49 for a 9.6 fl oz can. We think this price fits with competitor pricing and our target market will react very well to it as well.

Competitors: As for competitors, at the time, Keurig was a huge competitor because so many people enjoyed the ease of basically having a Starbucks in your kitchen. However, there has been an increasing demand for cold brew coffee over the last few years so the competitors for this brand have changed. Stok Cold Brew Coffee is quite popular in the states, being distributed in major companies such as Walmart and Target. Stok's coffee comes in for \$4.49 for one 48 oz. container. Another competitor is California Farms Cold Brew which is a more expensive alternative with a price of \$5.29 per 48 oz. container, but is sold at the same major distributors. In conclusion, we believe that with the right marketing efforts and tactics, that this rebrand of Maxwell House Brewed Coffee can make a comeback. Our goal is to provide a clear and precise idea of how to accomplish that task in this project.

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