

The Illy case 2.0 - The IMC plan



“Rosso Italia”

Illy and the **Beijing '08** opportunity





Illycaffè - The Origin of a Successful Brand



From left: Francesco, Anna, Ernesto, Riccardo, Andrea and Anna Illy

Illy is strongly linked to Francesco Illy, the founder and his family, and to the city of Trieste.

1933 - he started a business in the cocoa and coffee sector and later, he decided to focus exclusively on coffee.

1935- Francesco Illy - brilliant inventor, the first automatic coffee machine – the Illetta



“Rosso Italia”

Beijing '08 opportunity

Illycaffè - The Origin of a Successful Brand



Illy coffee **concept**: three main dimensions:

- > the **innovation** attitude
- > the passion for **quality**
- > **culture**, coffee ritual, **art** and **design**

The Illy coffee – a world of **experiences**

An **aesthetic**, sensory experience

that centres on the **Italian** Espresso **tradition**.



“Rosso Italia”

Beijing '08 opportunity

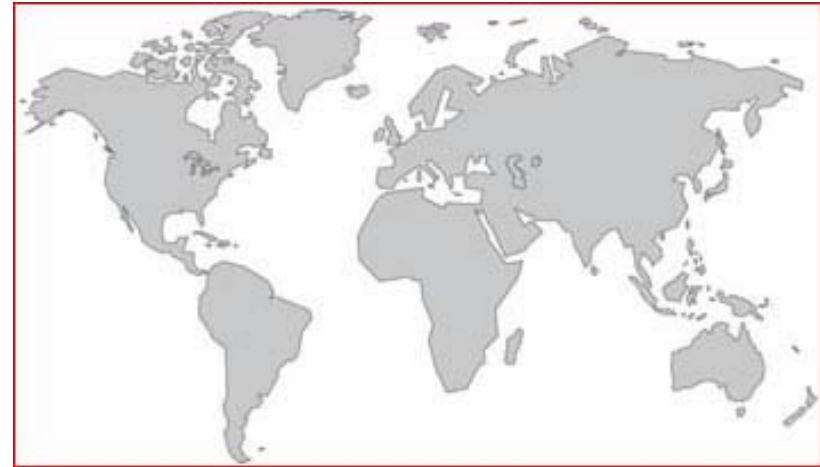
Illycaffè - To grow worldwide

Entrepreneurial and proactive spirit:

54% of sales is in **external markets**

*« We will continue in our way
of internationalization of the culture
and consumption of Italian coffee
in the world as well as making
the Illy brand more and more global »*

Andrea Illy - Illycaffè CEO
Trieste, 11th of May 2006





Illycaffè - The Chinese Challenge



- > Chinese people **not very used** to drink Italian style coffee (strong taste and the rooted tea tradition).
- > **Instant coffee** is widespread mainly among students.
- > The consumption of coffee is strongly linked to the **education** as well as **income** levels.
- > Coffee consumption in large cities
Beijing, Shanghai, Hong Kong – Western lifestyle.



Illycaffè - The Chinese Opportunity

A challenge as well as an opportunity



Chinese

> basic coffee **knowledge**;

Young

> fascinated by the **Western life style**;

Coffee consumption

> sigh of **sophistication**,
distinctiveness, and **luxury**;

> linked to **education** and **income**

> located in large **cities**



“Rosso Italia”

Beijing '08 opportunity

Illycaffè - The Chinese Target Audience



- > **Young/middle-aged**
open-minded **white-collars**
Having contacts with western countries
and **life style** influence;
- > **“Returnees to China”**
e.g students
- > **Foreign** businessmen
Regular coffee consumption in their stays in China



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – Competitors in the Chinese Market



Nestlé

- > the advantage of first mover; product portfolio: a variety of **instant coffee** flavours



Starbucks

- > speciality store
1995 - entered the Chinese market;
High level of **awareness** and **knowledge**

Sarah Lee and Millstone

and the multinational companies - Kraft and P&G



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – Main Objectives

IMC Objectives	Measurable Tasks – Marketing Objectives
Exploiting Olympics visibility	500'000 visitors
Illy Experience	220'000 returned coupons
Awareness	220'000 contacts / +20% awareness
Knowledge	+14% (of % awareness)
Consolidating presence	600 >1500 “consumer served”



Illycaffè – Sub-Objectives

- > Enhancing the degree of **awareness** and **knowledge** of the Illy **brand** and the **Italian culture of coffee**;
- > Making the **Illy** brand be perceived as an emblematic part of the **Italian culture** and **symbols**;
- > Illy coffee consumption be perceived as a complete **experience**;
- > Emotional involvement of the customer - **convivial experience**;
- > Brand distinction among competitors, leveraging the **excellence** of the **original** made in Italy;
- > Illy be perceived as a **superior** brand;



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – Communication Keywords

- > Made in Italy
- > Premium quality
- > Rosso



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – The Event



> Organized by



Camera di Commercio Italiana in Cina

中国意大利商会

China-Italy Chamber of Commerce

> Location and Period

Olympic Village – Beijing'08

07/11/2008 (Friday) - 09/07/2008 (Sunday)



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – The Event - Partners





“Rosso Italia”

Beijing '08 opportunity

Illycaffè – The Event - Objectives



- > promotion of the **excellence**
Made in Italy and the **Italian lifestyle**
- > educational and emotional thread
Italian culture > red path
(physically and metaphorically)
- > convivial experience **around coffee**



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – The Event - Illy's initiatives



- > **Tasting** of Illy's quality coffee
- > Coupon for a **free coffee** to be spend in the **new IBC**
- > Press conferences and seminars with **guest** and members of institutions
- > Presentation of the new **Illy collection** designed by contemporary Chinese artists
- > Members of the Italian delegation from “**Casa Italia**” will participate as guests



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – The Event - Partners initiatives



- > Ferrari's road car presentation
RossoFerrari's Image
- > Prada's **Lunarossa** collection
clothing & sponsorship
- > Valentino Fashion Group's
haute couture - **RossoValentino**
- > Federico Fellini “**red scarf**” Tribute
by Cultural Office of the Italian Embassy in Beijing
- > Lucio Fontana's “**cuts**” presented
by the Fondazione Lucio Fontana



“Rosso Italia”
Beijing '08 opportunity



The Event - Mock-up





“Rosso Italia”
Beijing '08 opportunity



The Event - Mock-up





“Rosso Italia”

Beijing '08 opportunity



The Event - Mock-up





“Rosso Italia”

Beijing '08 opportunity



The Event - Mock-up





“Rosso Italia”
Beijing '08 opportunity



The Event - Mock-up





“Rosso Italia”

Beijing '08 opportunity



The Event - Mock-up





“Rosso Italia”
Beijing '08 opportunity

Illycaffè – IBC Opening



Organized by Illy

Dashanzi Arts District – Beijing

vernissage and presentation to the public,
one week after the 2008 Olympic Games opening



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – IBC Opening - Objectives



IBC (Illy Bar Concept) **formula**

A **cool** permanent point of sale > Illy social **experience**

Emotional involvement > customer **active player**

Customer research for **relations** (convivial experience)



Illycaffè – Budget

> The Objective and Task Method

IMC Objectives	Promotional Mix - Tactics								Measurable Tasks
	Event	PR	Adv	IM	SP	PoS	DM	PS	
Exploiting Olympics visibility	X	X	X	X					500'000 visitors
Illy Experience	X				X	X			220'000 returned coupons
Awareness	X		X	X			X		220'000 contacts +20% awareness
Knowledge	X					X			+14% (of % awareness)
Consolidating presence	X	X					X	X	600 >1500 “consumer served”



“Rosso Italia”

Beijing '08 opportunity

Illycaffè – Budget

Promotional Mix - Tactics		Euro (range min / max)
Event	Event (Exhibition + IBC Opening)	2,800,000 / 3,000,000
PR	PR activities	40,000 / 90,000
Adv	Advertising/Communication	1,000,000 / 1,500,000
IM	Interactive marketing	6,000/13,000
SP	Selling promotion	80,000 / 120,000
DM	Direct marketing	5,000 / 15,000
PS	Personal selling	4,200 / 4,800
PoS	Points of sales	-
Total Expenses Estimated		3,935,200 / 4,742,800



Illycaffè – Evaluations

Emerging phase of the Chinese market > Evaluation of the **feedback**

Market **surveys** and research > Measure **awareness** and **knowledge** reached

> In relation of the **target audience**





The Illy case 2.0 - The IMC plan

“Rosso Italia”

Illy and the Beijing '08 opportunity

Thanks for your attention.

