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Folgers: The New Era of Coffee

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Folgers: The New Era of Coffee

The University of Akron Honors Business Forum

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ABSTRACT

The primary purpose of this paper is to discuss the repositioning of the Folgers brand through a new and improved Brand Pyramid and two strategic recommendations. In order to come to these conclusions, the group utilized secondary research to gain a background on the coffee industry as a whole, the acquisition of the Folgers brand by Smucker's, the competition relative to Folgers in the coffee market, a social media analysis focusing on the competitors, and finally research regarding the Millennial generation. The conclusions from this secondary research led to the methodology used in order to come up with the new pyramid and recommendations. This methodology included two surveys, the first being sent out to friends and relatives through the use of social media, and the second which utilized the tool Survey Monkey Audience, which was sent to a paid panel of 18-34 year-old coffee drinkers. A stipend of \$500 was utilized by the group in order to use the survey resources and to provide monetary rewards to participants in said surveys.

The pyramid includes recommendations to appeal to the Millennial generation. The points comprise of a much greater focus on diversity and inclusion, environmental sustainability and corporate responsibility, and awareness of technological advances and a trend towards mobility. Along with these changes to the pyramid, the two recommendations are an environmental impact initiative and a social advertising campaign.

The remainder of this paper will provide the findings through the secondary research, how said findings helped formulate the methodology, and thus led to the improvements of the brand pyramid and recommendations which were presented to the Smucker's executive team on Friday, April 17th in the Taylor Institute at The University of Akron.

INTRODUCTION

Students enrolled in The Honors College of Business Administration at The University of Akron must complete an in depth research project, known as the Honors Project, to satisfy undergraduate degree requirements. Students are to first enroll in The Honors Business Forum course to learn about teamwork, management, and innovation from leaders in prominent businesses in the greater Akron area. Most sessions are headed by alumni of The University and thus give students a glimpse of the careers that can be obtained after earning their degree. The group meets weekly to hear from a speaker and to discuss how the topic can be implemented into a research project. The sessions continue for one semester prior to the students' graduation. At the end of the semester, students receive a case study from one of the participating companies. Students are asked to meet certain objectives and present findings to the company at the end of the following semester.

As a part of the requirements through the Honors College, students must also complete a detailed research assessment relating to their case. Research should include both primary and secondary findings, project methodology based on these findings, an analysis of methodology results, and finally a conclusion based on the research. This paper is suggested to be no less than forty-five pages and must include contributions from all group members.

For the 2014-2015 Honors Business Forum, three companies were chosen to participate in the distribution of case studies. These companies included The Goodyear Tire and Rubber Company (Goodyear), The J.M. Smucker Company (Smucker), and A. Schulman. Groups of four to five students were assigned to each team, with Smucker and A. Schulman having two teams each. The Goodyear team was limited to students that were graduating in the winter term,

and thus the students prepared their presentation and paper throughout the same time period as the weekly sessions. The Smucker and A. Schulman teams were to prepare during the following semester.

Students were supplied with the textbook *Ten Types of Innovation: The Discipline of Building Breakthroughs*. In conjunction with the Honors Business Forum course, students were encouraged to read and incorporate the teachings from the book into their research project.

The focus of this paper will be on the findings from group members participating in The J.M. Smucker case study. The team consisted of the following students: Anthony Jakubowski, Danielle Hickman, Adrianna Hartman, Annie Pang, and Alex Naragon. The team was tasked with researching and providing recommendations for the following three deliverables:

1. Improving upon the Folgers brand pyramid
2. Bringing the brand pyramid to life
3. Implementing the three “categories of innovation”

This paper outlines the research, methodology, and conclusions the team came up with in order to reposition the Folgers brand to Millennials. Background information on the Folgers brand itself will first be provided, then secondary research on Millennials, coffee production in the United States (U.S.), and generational trends in coffee consumption. The paper will then conclude by outlining the group’s methodology, the primary research that was conducted, results of this research, specific recommendations that our team developed, and finally discuss any obstacles that were encountered throughout.

SECONDARY RESEARCH

The Coffee Industry

The consumer coffee category, an \$8.6 billion dollar industry, can be divided into 5 main groups: one-cup coffee (K-cup), mainstream, premium, and single-serve. The K-cup maintains the highest market share, owning 32%. Mainstream is not far behind, coming in at 29% of the market share. This segment contains the most well-known, “large tin” coffees such as those produced by Folgers and Maxwell House. The premium segment is dominated by industry powerhouses such as Dunkin’ Donuts and Starbucks; 22% of the market share is in this segment. Finally, Single Serve and Ready-to-Drink coffees occupy the remaining 9% and 8% of the market share, respectively (Folgers Case Study, 2014).

The coffee market can further be divided into the major players within the industry and by what percentage they control with their unique coffee brands (Figure 1). The J.M. Smucker Company takes the lead with a 28% market share, primarily due to its Folgers, Folgers Gourmet, Dunkin’ Donuts, Rowland, and Millstone coffee brands. Kraft and Starbucks occupy 15% and 12% of the market respectively, with their equally powerful Maxwell House and Starbucks coffee brands. The remaining 45% of the market is split between small coffee companies, private label, and other U.S. coffee producers (Folgers Case Study, 2014).

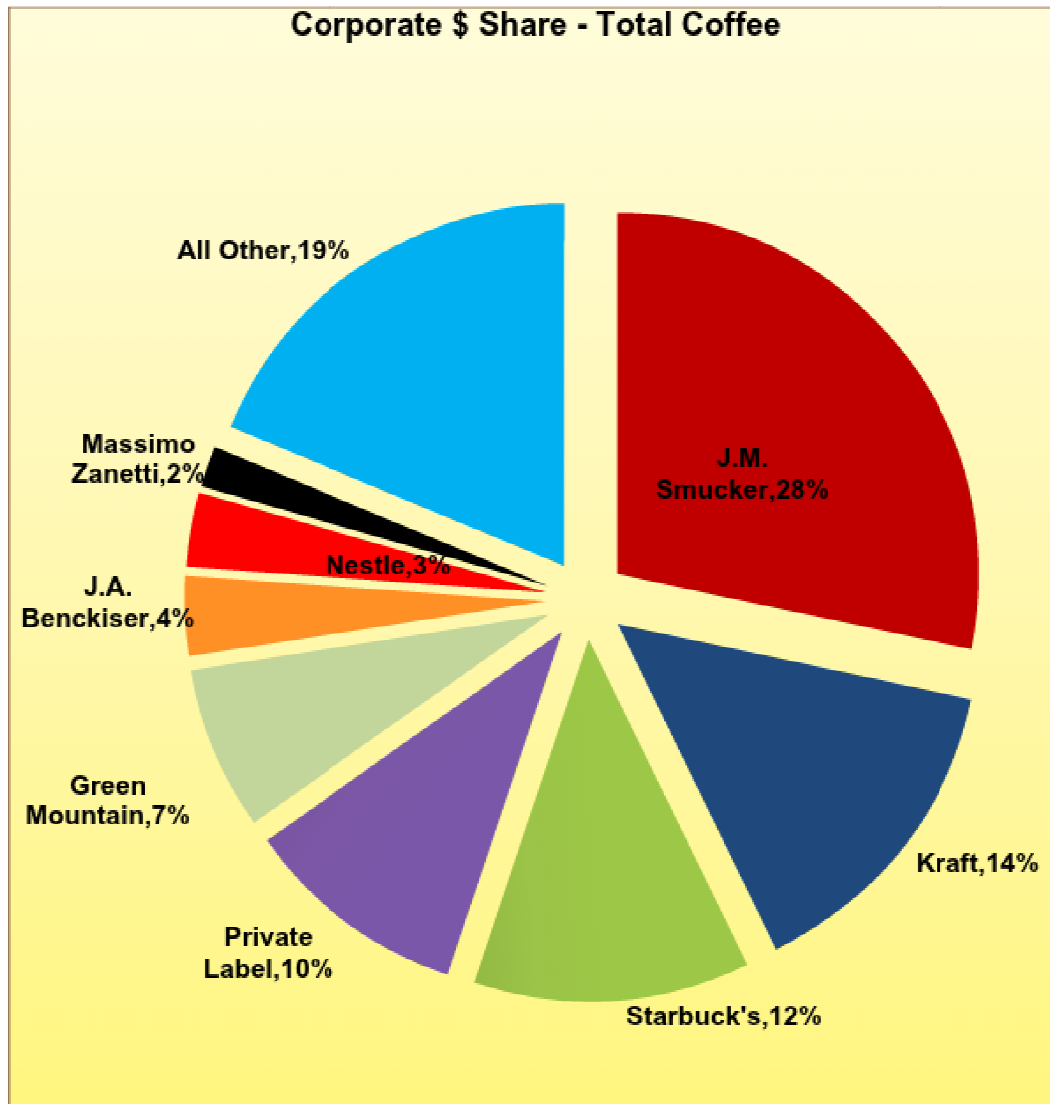


Figure 1

The J.M. Smucker Company has done an excellent job at keeping their Folgers brand in each of the five coffee categories. However, for the purposes of this paper, the focus will be on the Mainstream coffee segment and Folgers “classic red can.”

As of 2014, 37.5% of the market belongs to specialized ground roasted coffee. Traditional ground roasted coffee (i.e. classic drip, at-home brewers) is not far behind at 36.1%. Whole bean roasted coffee covers only 13.4% of the market and is thus still not a major player at this time. Although the market is expected to grow at an annual rate of 1.5% through 2019, there

are still external factors which can be a cause for concern. Some of these factors include the price of coffee beans, the decrease in the amount of coffee consumed per capita, as well as the world price of crude oil (Turk, 2014).

Although the per capita growth rate in coffee consumption is expected to decrease at an annual rate of .3% through 2019, there is an increase in the consumption of gourmet coffee in the market. These products, sold in much smaller packages, sell for a much higher, premium price. Therefore, this may be a concern for The J.M. Smucker Company, as it maintains a majority of its market share through the traditional ground roasted coffee. In order to keep Folgers as the number one selling coffee brand in America, there may need to be a switch from the popular Classic Roast, to one of the more gourmet products. That is why it is vital for Smucker's to increase the appeal of their classic, traditional coffee to the Millennial generation (Turk, 2014).

Climatic factors are problematic to the coffee industry. A majority of the globe's coffee supply comes from Brazil, Columbia, Central America, Mexico, Indonesia, and Vietnam. When external factors cause a decrease in the amount of coffee beans produced, prices sky-rocket. In order to avoid this, larger coffee companies use their resources to buy in bulk when the yield is high. However, this causes issues when companies not involved in the coffee industry attempt to buy out the bean supply in anticipation of a poor yield. Coffee focused companies are thus at the mercy of their retailers, who can charge a premium. To combat this increase in coffee price, companies may then have to increase the price of their products, leading to push-back from consumers (Turk, 2014).

In November 2014, Smucker's increased the price of Folgers coffee by 9% due to a recent drought in Brazil. Other companies in the industry followed suit, such as Kraft Foods Group Inc., which increased the price of their popular Maxwell House brand by almost 10%.

Consumers responded by switching to private label brands, causing a decrease in the mainstream coffee segment. As a result, sales of Smucker's coffee brands fell 13% during the 12-week period following the price hike. Although increasing prices would seem to offset the premium price of coffee beans, companies must be aware of how consumers will respond. If the majority of the consumer base converts to a private label, the lost profit in the long run may be more substantial than the temporary increase in bean price (Nicholson, 2014).

Aside from rising coffee prices, another threat to the coffee industry are foreign exchange rates. The United States is the second largest importer of coffee, and thus the value of the U.S. dollar greatly affects industry prices. In 2015, the trade-weighted index is expected to substantially decrease, causing concern for U.S. coffee industry leaders (Turk, 2014).

Although there is expected to be an increase in the amount of coffee purchased at a coffeehouse or other restaurant locations, there is also expected to be an increase in the growth of coffee sales in the Grocery Wholesaling industry for 2015. However, in the future there may be cause for concern if these industry wholesalers do not demand as much supply. It is believed that grocery stores will still create demand for wholesalers due to increases in gourmet coffee products. Thus, it is safe to say that there will be an adequate demand in the wholesale and grocery industries for coffee products (Turk, 2014).

Overall, the coffee industry is in decline. When looking at the product life cycle the industry has reached its maturity stage. This is due in part to the decrease in per capita coffee consumption. The market has become saturated with similar product offerings, and as prices continue to rise consumers may look to find their caffeine source elsewhere. However, innovation can give the industry room to grow. Products such as the K-cup have helped the

industry maintain its position. Without more innovations such as this, the industry could find itself in potential danger (Turk, 2014).

In order for The J.M. Smucker Company to maintain its competitive advantage in the coffee industry, it must be able to adapt to changing Millennial preferences, be able to adequately adjust prices to combat increases in product cost without losing consumer loyalty, and finally, focus on product differentiation. Although it will be difficult to find a niche market, such as that occupied by Green Mountain Coffee Roasters, it may be beneficial for Smucker's to capitalize on its ethical processes and environmental awareness. This would not only help attract Millennial consumers, but it would also give consumers a reason to purchase the products for a premium price.

The coffee industry has evolved from the days in which consumers primarily used drip coffee makers. In today's current market, consumers are using single serve, made to order espresso, bottled coffee, and other means to get their caffeine kick. The channels consumers are using to purchase these coffee products have also evolved, moving away from the classic home brew to purchasing coffee in a variety of forms (hot, iced, instant) at locations such as restaurants, specialty stores, internet retailers, general merchandisers, and vending machines. As these types of coffee and distribution channels increase in popularity, it is projected that the retail market coffee industry will generate \$27.6 billion in revenue by 2015. From this number it is anticipated that there will be 199,376 active coffee businesses during the year, with an anticipated, total profit of \$1.7 billion. Additionally, projected annual growth for the industry over the next five years (2015-2020) is expected to increase by 1.9% more than the five year period between 2010 and 2015 (Turk, 2015).

Consumers are expected to increase their coffee consumption habits over the next five years at a rate of 1.1% per capita. This trend will be fueled by the 61% of U.S. adults that drink coffee on a daily basis, who for the most part prefer specialized coffee (espresso, single-serve) over low-margin, plain ground coffee used in home brewers (Turk, 2015). According to the *IBIS World Report*, the 2015 breakdown of coffee purchases and consumption in the retail market will be as follows: 37% from fresh brewed coffee, 30% from coffee beans and grounds, 15% from ready-to-drink coffee, 13% from single-cup brewer coffee, and 5% from instant coffee (Turk, 2015).

As described in a National Coffee Drinking Trends study by the National Coffee Association (NCA), there was 3% increase in the number of U.S. coffee drinkers who both purchased and consumed premium, gourmet coffee from 2013 to 2014, up from 31% to 34%. This trend is expected to increase over the next five-year period. With this in mind, it is anticipated that profit for high-margin, specialized coffee shall also increase from 5.8% in 2010 to 6.0% in 2015 (Turk, 2015).

In addition to noticing the changes in consumer purchasing and consumption behavior, the NCA study also found that 29% of consumers own a single-cup brewer, and that many consumers who do brew their own coffee at home use small amounts of premium coffee. Single-cup brewers are now the second most common preparation option for coffee drinkers. It is interesting to note that these brewers tend to be more popular amongst the female population, individuals or families with a higher household income, and households with no children. Accordingly, 25% of consumers say that they are looking to invest in a single-cup brewer in the near future, and this population is expected to grow. Breakfast remains the most popular time in which individuals use their single-cup brewers, and its use throughout the day is more common

than traditional and espresso coffee makers. Of the number of consumers with single-cup brewers, 66% prefer the brewer because it is easier to use, while up to 71% prefer it due to its ability to make a wider variety of beverages. This can be tied back to the fact that Millennials are more apt to explore more options when it comes to their coffee consumption. Interestingly enough, younger consumers are less aware of single-cup brewers than older consumers. With this in mind, the single-cup brewer will most likely increase in popularity as it becomes more well-known amongst the Millennial generation (NCA, 2014).

As the movement towards single serving cups increases, the retail coffee industry will continue to generate revenue from its more expensive “K-cup” servings, as 25% of every dollar generated from at home coffee consumption originates from single-cup brewer coffee. This is due to K-Cups smaller coffee quantities, higher packaging costs, and higher frequency of replacement after use (Turk, 2015). K-cups will continue to increase in popularity, and grocery stores and other retail outlets must work to have their shelves stocked with K-cups and other coffee pods to meet consumer demand.

Finally, moving away from the home and into the market, coffee houses are able to attract consumers that prefer ethically sourced coffee from globally based coffee plantations by offering a product portfolio utilizing organic and free trade coffee. In addition to the variety of flavors and convenience of single serve, premium coffee, coffee houses allow consumers to connect over their drinking experience, becoming a trendy, convenient, and laid-back environment to relax.

The History of Folgers Coffee

Folgers Coffee was founded in 1850 in San Francisco, California, by 27-year-old entrepreneur, William H. Bovee. Although the name is well known by Americans today, Bovee's company was originally called The Pioneer Steam Coffee and Spice Mills. While looking for a carpenter to help him build his first coffee mill, Bovee came across a young man by the name of James A. Folger. James, originally from Nantucket, Massachusetts, had made his way to the West Coast in pursuit of gold, hoping to strike rich in one of the many gold mines popping up in the area. James began working for Bovee and remained at The Pioneer Steam Coffee and Spice Mills (The Mill) for two years. During this time, most Californians purchased green coffee beans, which they would then take home, roast, and grind themselves. However, both Bovee and James saw opportunity in creating a coffee product that was already set for the pot. They began roasting, grinding and then packaging the final product in small metal tins (Folgers, 2015).

After his two years at The Mill, James left to work full time in the gold mines. However, he returned to the mill when he moved back to San Francisco in 1865. He became partner in The Mill, and eventually bought out the company by 1872. It was at this point that he renamed the company J.A. Folger & Co. Unfortunately, 16 years later, James died of a coronary occlusion. His son, James A. Folger, II, stepped into his shoes, and began to grow the company at an impressive rate. He continued to ship their principal product, bulk-roasted coffee, to grocery stores across the West Coast (Folgers, 2015).

The company grew exponentially from the late 1800s to 1963, when it was purchased by The Procter & Gamble Company of Cincinnati, OH. The company distributed the product on a national scale under the name Folgers, and became the number-one coffee brand in America. Eventually, the brand's popularity attracted the attention of The J.M. Smucker Company, which acquired the brand and The Folgers Coffee Company in November 2008. Since then, the

company has continued to grow and adapt the brand in the face of changing consumer preferences (Folgers, 2015).

The primary consumers of the Folgers brand are referred to by The J.M. Smucker Company as the “Classic Loyal.” Typically, these consumers are the heaviest coffee drinkers, and enjoy coffee as a fresh start to their days. They want each and every cup to taste the same, and are not into all of the sugar, sweeteners, and added “frills” that are popular among other coffee consumers. Additionally, one of their most important characteristics is that they are loyal to their favorite brands.

The Folgers brand itself has multiple owned equities, including “The Best Part of Waking Up” jingle, the sensory cues (scoop, drip, pour), and its iconic morning/sun-rise setting. The product itself provides offerings for any consumer, and “sub-products” with the Folgers name allow consumers to adapt their coffee drinking to various needs or situations. An example of such a “sub-product” includes the Folgers Flavors drink additives/enhancers.

When it comes to some of the brand associations, Folgers is widely known as “traditional” and is often referred to as a brand that consumers “grew up” with, due to its popularity with older generations and its easily identifiable red, plastic container. However, it is not widely known that the Folgers brand is committed to social causes and fair trade coffee. The brand also is not necessarily viewed as “fun” or “youthful” compared with other popular coffee brands such as Starbucks Coffee. However, it is important to note that Millennial consumers are more likely to acknowledge the brand’s social commitment than the Classic Loyal, and associate it with being a caring, friendly, and up-to-date brand (Folgers Case Study, 2015).

As advertised, the product emphasizes many of its most well-known elements, including the famous jingle, the down to up transformation from bed to kitchen, memorable family

moments, and many others. The brand utilizes six different promotional vehicles to attract consumers, which are as follows: television, print, digital, shopper/in-store, public relations, and social media. To reach consumers, the product is primarily sold through grocery channels, where almost half (46%) of the brand's profits come from. Aside from grocery channels, the brand makes its way to consumer pantries through Walmart and other Club/Mass chains (25% and 18% source of profits, respectively), with the remainder of the profits coming from Dollar, Drug, and Military channels (Folgers Case Study, 2015).

The J.M. Smucker Company has produced a brand pyramid which highlights its current relationship with its Classic Loyal consumers, as well as what the brand stands for. At the top of the pyramid is the brand promise, in which "Folgers awakens my best self." The product has a "genuine, American optimist" character, full of warmth and energy. The brand allows the consumer to embrace the day ahead, with a fresh, eye-opening aroma, mountain grown beans, and a consistent, satisfying taste being the primary reasons to buy. At the bottom are the iconic brand assets, most of which have already been discussed. These include the red color, white logo font, the tagline and jingle, and the other famous sensory cues (Folgers Case Study, 2015). This pyramid will be reevaluated and discussed by the Smucker's group later in this paper.

Industry Competition

Major players in the U.S. Coffee Industry include Green Mountain Coffee Roasters, Inc. (27.3% market share), The J.M. Smucker Company (22.3% market share), Nestle S.A. (19.1% market share), Starbucks Corporation (15.4% market share), and Kraft Foods Group Inc. (10.6% market share).

Green Mountain Coffee Roasters is focused on specialty coffee and coffee makers. Their main products include the Keurig K-cups and Vue packs (single-serve). They mainly use Arabica bean coffees and sell their coffee in a variety of formats, including bags, packages, and cans. The company has been thriving due to the recent consumer preference in gourmet and single-serve coffees. One of their most recent innovations has been their partnership with Krispy Kreme in the development of Krispy Kreme donut flavored K-cups. A majority of the company's profits are derived through wholesale, with revenues of over \$3 billion in 2014 (Turk, 2014).

In terms of product life cycle, The J.M. Smucker Company is still a "new" entrant to the Coffee Production industry. Their main products include Folgers, Dunkin' Donuts, Millstone, and Café Bustelo. The acquisition of Folgers in 2008 from Procter & Gamble increased revenues by 98.8% in the 2010 fiscal year. The company continued to increase its industry market share by offering Folgers Gourmet Selections, K-cups, and seasonally flavored Dunkin' Donuts products. The company looks to increase its K-cup offering in order to continue growing industry revenue, predicted to increase at an annual rate of 4.2% to reach \$2.5 billion in 2015 (Turk, 2014).

Another competitor, Nestle S.A., operates in more than 70 countries across the globe. This gives it a much more globalized reach than most other companies in the segment. Its subsidiary, Nestle USA, generates its industry-relevant revenue. The company offers a variety of coffee platforms, including both instant and single-use packets. It is anticipated to have a 2.3% increase in revenue growth due to consumers increased familiarity with its products and popularity. Its main advantage is the use of "limited edition" products (Turk, 2014).

Starbucks Corporation is an international coffeehouse chain which operates in more than 61 countries. It not only sells its coffee beans through its store, but it also sells them to other

retailers as well. Its products include whole bean and ground coffee, K-cups, and VIA Ready Brew soluble coffee. However, relevant revenue to the U.S. coffee production industry relates specifically to its packaged and single-serve business segments. This revenue is approximately 11.6% of the company's total revenue. Starbucks utilizes the company's size in order to buy supplies in large volumes, thus helping to maintain an efficient supply chain by creating lasting relationships with suppliers (Turk, 2014).

Finally, Kraft Foods Inc. is one of the most relevant competitors in this case study due to its direct competition with Folgers through their Maxwell House coffee brand. The company had a contractual relationship with Starbucks Corporation to sell Starbucks products in grocery chains. However, Starbucks violated this contract and had to pay Kraft \$2.76 billion. In 2012, the company split into two separate entities, Kraft Food Groups and Mondelez International, incurring a substantial amount of debt along the way (Turk, 2014).

Industry Influence of Social Media

Social media is growing rapidly in today's society, and is not solely used by the Millennial generation. Specifically, social networking sites (SNS) are a subgroup of social media that act as an online group where members make their own personalized profiles, can like, share or post images and news articles, while also holding multiple channels of communication such as video or instant messaging (Sago, 2010). The use of SNS can either make or break companies who are competing for consumers' attention.

In this section of our paper, social media will be analyzed between Generation X, born between 1960 and 1980, and the Millennial generation, born between 1982 and 1995. Millennials mainly use their SNS for fun and knowledge; however, an increasing number of Millennials have

been using a company's mobile utility applications to research price differences between products. Although this is occurring, Millennials continue to prefer to buy in store as opposed to online or on a mobile device, contrary to popular belief (Moore, 2012).

In a study surveying 1,093 Millennials, researcher Alisa Agozzino found that 87% are online and over half participate in a SNS and create content online (Agozzino, 2012). Facebook and digital mail (email) were shown to be utilized far more than any other SNS, and Twitter is continually on the rise. Due to this reason, Twitter and Facebook are essential to any organization that is trying to reach the Millennial consumer. In the article, *How Can Social Media Work for Me?*, the author articulated how these two digital mediums are of high significance because both focus on creating and maintaining friendships. Companies are able to add value by reaching new customers as well as continuing to build upon relationships with the current class (Williams, 2009). In considering different generational cohorts, the article *Generations Online in 2009* found that over a quarter of the overall adult population has some sort of SNS presence (Jones & Fox, 2009).

In a study done by Vocus, a public relations software company based in Chicago, Illinois, it was found that social media allows companies to measure customer satisfaction, improve brand recognition, create sales, and develop a barrier free zone between the company and the customer base and further emphasize advertised messages (Vocus, 2009).

Word of mouth communication (WOM), formerly expressed in spoken discussion, written in newspapers, and broadcasted over the radio, has evolved to encompass the online community, including all SNS, blogs, and videos. As a result, information is created, displayed, and posted online almost immediately. This online WOM has a significant impact on purchasing decisions and is five times more effective than paper advertisements and four times more

beneficial than sales pitches. Positive WOM may lead to new consumers and increase brand value. Negative WOM can lead to false information and harm a company's reputation, brand value, and revenue (Sago, 2010).

Blogging and videos are also two important considerations to keep in mind when attempting to market to the Millennial generation. According to the article, *Generations Online in 2009*, 40% of Generation X consumers and roughly 50% of Millennial consumers read online blogs. Currently, 72% of Millennials watch online videos, greater than the 52% of Generation X that does so (Jones & Fox, 2009). The blogging community today often gives reviews on products and can either promote or kill a company's reputation.

When customers follow a company's multiple SNS accounts, it can be easy for them to be overwhelmed by the number of posts and messages. To truly capture their attention without bombarding them, a company can focus on only one type of SNS, such as Facebook or Twitter, to build a beneficial relationship with the Millennial customer. In addition to using only one type of SNS, organizations must also be highly authentic, honest and genuine (Agozzino, 2012). Companies may build brand loyalty with the Millennial generation by using advertising content that resonates with consumers' friends or followers, by being authentic, and being a cheerleader for local charities and change (Tucker, 2013). According to David Tucker, author of *Youth: It's not your audience ... it's theirs*, "[a]uthentic interactions with their (a company's) audience are the key to social economy enabling and showcasing the desire for justice."

Our group was able to utilize free social media analysis tools provided through Simply Measured, a Seattle, Washington, based company specializing in social analytic solutions. Their tools were used to observe the Facebook and Twitter accounts of Dunkin Donuts, Starbucks,

Folgers, and Maxwell House brands over a two week period, spanning from February 18 – March 3, 2015.

The Facebook competitive analysis looked to compare mentions of the brand, page followers, and follower engagement. The analysis revealed that the Folgers brand lagged behind its competitors with the amount of mentions, with only 2,504. Engagement on brand posts for Starbucks was 46,899 compared to Folgers with only 191. Starbucks' average response per brand post was 45,534 compared to Folgers 544. Starbucks lead the industry in terms of engagement and page fans with 234,000 and 38.1 million, respectively. Folgers on the other hand had only 3,400 instances of consumer engagement with 1.4 million fans during our analysis period. Dunkin Donuts page fans were at 13.1 million and Maxwell House had 462,122. Dunkin Donuts lead the way in consumer mentions with 389,000. Starbucks only recorded 156,600, Maxwell House 10,700, and Folgers with 2,504. According to the Facebook analysis, Starbucks and Dunkin posted more frequently than their competitors, with the majority being photo content. Additionally, these companies received an average response from followers of 5,278 per daily post (Simply Measured, 2015).

When specifically analyzing the Folgers Facebook page we found that photos were the most engaging way to reach people, specifically on Fridays between 7:00-8:00 A.M., when 86.5% of their comments occurred. Likes were the most common brand post engagement with an average of 544 likes per post, followed by comments with an average of 171 comments per post, and lastly shares with an average of 68 per post. During our two week study, Folgers only had 2.2% user engagement on posts. Folgers most engaging post with 1,468 responders was, "If you could have coffee with a long distance loved one right now, who would it be (Simply Measured, 2015)?"

The Twitter competitive analysis looked to focus on the number of followers, tweets per day, and common key words associated with our studied brands. At the time of our analysis, Folgers had 6,766 Twitter followers, with each of these followers having an average of 2,306 followers themselves. Folgers had only sent out 849 tweets, while an average Twitter user had sent out about 11 times that amount. The keywords associated with Folgers that users posted on Twitter were “mom,” “life,” “wife,” “family,” and “lover.” Over half of Folgers’ Twitter followers tweeted daily and almost a quarter of the followers tweeted at least once a week. Lastly, 48% of Folgers’ followers had a Klout score above the worldwide average (Simply Measured, 2015). The Klout score is a metric used to describe how much influence a person has, and by engaging these users Folgers would be able to increase its Twitter presence.

Our analysis using Simply Measured emphasized how far behind Folgers is with its social media engagement compared to its competitors. By better utilizing social media tools such as Twitter and Facebook, the brand should be able to attract a greater number of Millennial consumers.

The Millennial Generation

With changes in the population and consumer preferences, The J.M. Smucker Company is pursuing the Millennial generation as a new target market for its Folgers coffee brand. To research this age group, the Smucker group heavily utilized a Pew Research Center study conducted from January 14th to 27th, 2010, where 2,020 adults were surveyed over landlines and cell phones. The study, in order to obtain accurate results, included an oversample of respondents ages 18-29, for a total of 830 respondents in the Millennial generation, with the remainder being members of the Generation X, Baby Boomer, and Silent Generations. It is important to note that

the term “Millennials” refers to those born between 1980 - 1995, or the first generation to come of age in the new millennium. In addition to this study, the group used other relevant studies and journals in researching Millennial characteristics.

Overall, our studies found that the Millennial generation is confident, self-expressive, liberal, upbeat, and open to change. They are more ethnically and racially diverse than older adults, while also being less religious than their parents and older generations. Currently, 61% are non-Hispanic whites, while 11% are U.S. born children of at least one immigrant parent (Pew Research Center, 2010). As more and more of this generation pursues secondary education, they are becoming the most educated generation in American history. Currently, 39% are still in college, high school, or trade school, 54% have at least some college education, and more Millennial women are attending or graduating from college than Millennial men (Pew Research Center, 2010).

Millennials were shaped by their times. They have a high focus on children and family and live very scheduled, structured lives. They thrive on the idea of multiculturalism and tend to be fairly patriotic; this is mainly due to the relevance of terrorism in their lives (i.e. 9/11). Millennials are the first generation to have a strong bond with their parents. Most admit to consulting their parents before making any major decisions as well as keeping them actively involved in their lives. The global awareness of the generation makes them more accepting of other cultures as well as mindful of not leaving anyone out. They are confident, hopeful, as well as goal and achievement oriented (Raines, 2002).

When it comes to their family goals and values, Millennials are less likely to be married or have children than earlier generations at the same age. Currently, 75% are unmarried, 21%-23% are currently married, 34% have children, and 12% are both married and have children. At

this stage in their lives, they are more likely to be single parents living with their children than boomers were at the same age. Even greater is their likelihood to live with other members of the family, such as parents, grandparents, aunts, and uncles, or a partner/roommate, as the Pew Research Center study found that 47% of the Millennials surveyed still live with one of these connections. Additionally, 14% live in rural areas, while 32% live in central cities or urban areas (Raphelson, 2014).

As stated earlier, Millennials are more open to change than other generations, and this can be seen in their tolerance of nontraditional behaviors around parenting and marriage. Millennials are currently the only generation in favor of the legalization of gay marriage, with 70% in favor (Pew Research Center, 2014). 85% say that increased interracial marriage is a good thing, a trend that could improve society down the road. Additionally, 58% of Millennials say that immigrants strengthen the state of the country (Tanenhaus, 2014).

In the coming years it is said that Millennials will replace the Baby Boomers as the current generation with the most members in the workforce. This is extremely interesting, as the average Millennial moves through the following stages when they are ages 18-29, finish their education, find a first job, begin a career, and start a family. Nearly two thirds have either full or part-time jobs, with the remaining third currently unemployed. However, even with these numbers, 36% of Millennials say they depend on their families for financial support, including 14% of Millennials that are working full-time. Millennials are also more likely to switch careers or change employers in their working lives than any of the other generations (Pew Research, 2010).

When asked to describe their most important life goal, members of all generations (Millennials, Generation X, Baby Boomers, Silent Generation) put being a good parent above all

else. In addition, 30% of Millennials say that one of their most important life goals is to have a successful marriage, while 15% say having a successful career is an important life goal. Additionally, Millennials are more upbeat than their elders about their economic futures and the state of the union, as 90% say they either 1) currently have enough money, or 2) will eventually meet their long-term financial goals (U.S. Chamber of Commerce, 2014).

There are a few Millennial lifestyle characteristics that are similar to characteristics of older generations: going green, exercise, and leisure. As one might assume, Millennials are focused on improving the environment and like to be as environmentally friendly as possible. As such, most Millennials recycle/buy green products. However, the same can be said for individuals of all ages across all generations. In fact, Millennials lag behind their older counterparts in terms of recycling. They are just as likely to try/buy green products as other generations. With exercise, more than half say they get some kind of vigorous exercise daily, which comes from jogging, biking, or working out at the gym. In addition, they are less likely to watch television than older generations. In a 24 hour time frame, 57% of Millennials will watch television, compared to 67% of Generation X and 80% of Baby Boomers (Pew Research, 2010; Mohr, Webb, and Harris, 2001; Sen & Bhattacharya, 2001).

Overall, Millennials believe that there is one thing that makes their generation unique: technology. According to the Pew Research Center study, “Millennials outpace older Americans in virtually all types of internet and cell use (Pew Research, 2010).” Between 91% and 95% have some sort of online presence, while 75% have created some sort of social media profile, compared to 50% of Generation X, 30% of Baby Boomers, and 6% of the Silent Generation. Of the Millennials surveyed, 62% wirelessly connect to the internet when away from home, and are

more likely than their elders to view their cells phones as a “necessary and important appendage (Pew Research, 2010).”

The Millennial generation is anticipated to be the wealthiest generation yet. Annual disposable income per capita is expected to increase at a rate of 2.5% through 2019 (Emmons & Boshara, 2014). Because of this, consumers are willing to pay a higher premium for better quality products. As mentioned in prior research, Millennials are also more apt to try different flavors and offerings due to this greater monetary freedom. Therefore, supermarkets and other coffee retailers will look to supply a higher quality and larger offering of products for consumers to select from. Companies that also look to diversify their portfolios will flourish as well. Smucker’s, for example, utilized growing industry and consumer preferences by acquiring the Café Bustelo and Café Pilon brands. This coffee not only appealed to the Hispanic population in the U.S., but it also appealed to younger Millennial consumers looking to diversify their coffee habits. However, it is also pertinent to be aware that the increase in consumer preferences and need to diversify could make way for new companies to enter into the marketplace. This poses a threat for the current industry leaders. However, although new entrants are a possibility, the barriers of entry into the industry are fairly high. Competition among industry leaders is very fierce and with the coffee segment being in the mature stage of the product lifecycle, it would be very difficult for new companies to enter (Turk, 2014).

There is a very large difference between the way the Smucker’s Classic Loyal and the Millennial generation view their coffee. This could be due to a number of reasons. Most prominently, the Millennial generation on average was introduced to coffee at a much younger age than those in Generation X. Millennials are usually introduced to coffee when they are fifteen-years old. Meanwhile, Generation X was not introduced until the age of nineteen.

Because of this difference in age, there tends to be a different preference in the types of coffees that are consumed. Younger individuals look for coffee that is more dessert-like. This then leads to Millennials, specifically young Millennials (18-22) preferring specialty coffee drinks. This is not to say that consumers do not change their preferences. In fact, it has been shown that coffee habits tend to mature over time. Currently, 47% of Millennials indicate drinking more regular hot brewed coffee today than they did when they first started drinking coffee. This maturity in coffee preferences has also changed in the amount of time between generations. The change in coffee preferences for Generation X took an average of eight years. Today, the average change in coffee preferences for Millennials is only three years. The top reasons for this change in preference include the need for stronger coffee, a preference for drinking at home, as well as a change in taste (S&D Coffee & Tea, 2014).

In addition to their “aging tastes,” 78% of Millennials said they have consumed coffee within the last year, compared with 85% of those in Generation X, 86% of baby boomers, and 90% of more mature consumers. The spread was more pronounced for daily consumption at 47%, 68%, 72% and 80%, respectively. However, for gourmet coffee beverages, the trend is reversed: 74% of Millennials said they have consumed a gourmet coffee beverage within the last year, compared with 72% of Generation Xers, 59% of baby boomers, and 53% of more mature consumers (NCA, 2013).

Regarding coffee brewing methods, 62% of mature consumers said they use a drip coffee maker, compared with 53% of Millennials. As for single-serve brewing systems, 88% of Baby Boomers and 90% of the more mature group said they are aware of these machines, compared with 76% of Millennials. However, approximately one-quarter of Millennials and Generation X

said they would be likely to buy a single-serve brewer, whereas 12% of Baby Boomers and 8% of the more mature group said the same (NCA, 2013).

METHODOLOGY

Primary Research

The primary focus of the project was to provide recommendations for the Folgers brand after conclusive research on what we could do to reposition the brand to be more attractive to Millennials. The methods used for data collection were through primary and secondary resources. Primary resources included two different surveys conducted with two separate groups of audiences. Secondary resources included articles and studies with a center point on Millennials and different generational cohorts, secondary research concerning Millennial characteristics and behavior, secondary research in relation to the current coffee market and coffee industry, and secondary research about social media and current coffee brands.

The team began collecting data about consumer coffee behavior with survey #1. We created the survey with the following result in mind: data, targeting individuals 18 and older, which would provide a general idea of coffee buying and coffee drinking habits, criteria for current coffee palate, and reasoning for their preferred brand. We created the survey with the use of Survey Monkey, an online based questionnaire and survey software. The survey consisted of 22 questions that the team created and organized and was available for a period of one week, January 19 to January 26. Our audience included people in our social circles (friends, family, peers, acquaintances, coworkers, and classmates) and any individuals we could reach through personal social media accounts. By the end of January 26, we collected data from 148 respondents with no restrictions on age, gender, race, economic standing, or education level. The

results allowed us to gain a better understanding of general consumer behavior and support for secondary data for coffee drinking habits. With these results, the team was able to proceed with our project to the second stage of research so that we can learn more about Millennials and their coffee habits.

After the first survey and secondary research about our project topic, the team decided it would be best to collect additional primary research through a second survey where we would focus on a targeted audience of Millennial consumers ages 18-34 that had purchased coffee within the last 30 days. With the ease and effectiveness of using the online questionnaire software for our first survey, the team agreed that Survey Monkey Audience would be the best option for our second survey as opposed to other questionnaire software like Qualtrics.

Building upon the results from survey #1, we worked with Survey Monkey representatives and The University of Akron Department of Marketing faculty to design questions that would help the team gain a better understanding of Millennial's preferences when it comes to coffee, the different types, the brands, additives to coffee, and reasoning for these behaviors. The team carefully selected 14 questions for the survey that would be sent out to our target audience. In addition to narrowing down the type of consumer, we were able to diversify the geographical location of our target audience so that the data would not contain a majority of East North Central respondents, which was an element in survey #1 when we selected to send the survey to personal social circles. The survey was available for a period of two weeks, beginning April 1 and ending on April 13.

Unlike survey #1, results from survey #2 not only gave the team a more detailed understanding of Millennial's attitude towards coffee, but also additional informational on what type of improvements they would like to see in regards to Folgers and coffee overall. Survey #2

results reinforced the additional secondary research the team had collected and many of the charts and graphs generated from both surveys supported statistics gathered from outside resources. The questions and results from our second survey can be seen in the Appendix of this paper, starting on page 48.

Our secondary research, which included Millennial social behavior in association to coffee, and results from the two surveys allowed the team to analyze Folgers' current brand position and plan for repositioning. Therefore, we were able to create a new brand pyramid for Folgers and formulate recommendations for Smucker's on ways to improve their brand based on our current ideas and collected data.

Creation of New Brand Pyramid

The Smucker's team tasked us with creating a new Brand Pyramid for their company. Their current pyramid (Figure 2) is focused mainly on their current consumer, the Classic Loyal. Our new pyramid aims to incorporate the ideals of the Millennial generation without alienating the company's core consumer base.

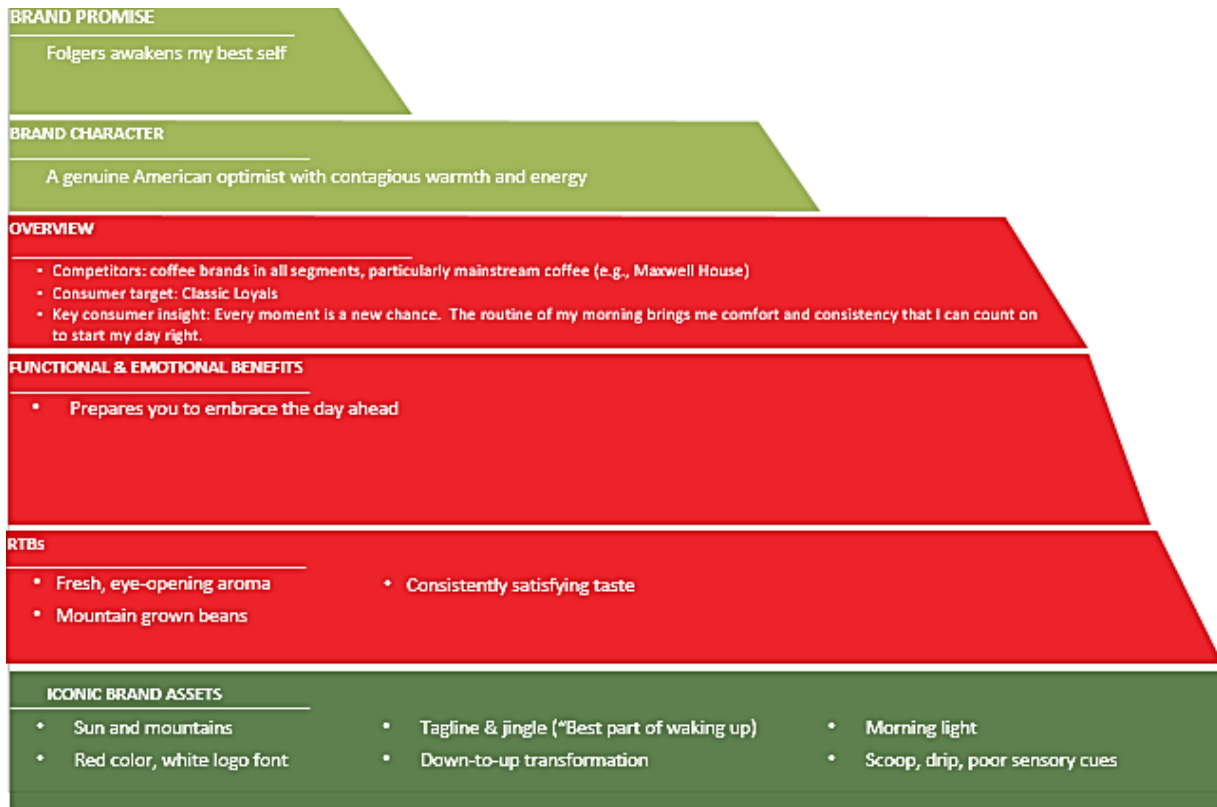


Figure 2

The first level of the pyramid is the Brand Promise. The company originally had this explained as “Folgers awakens my best self.” We believe that this is still extremely relevant with the Millennial generation. No matter if you are 24 or 64, you want your coffee to bring out the best in you. Referencing our first survey, 52% of the 129 individuals claimed that the primary reason they drank coffee was to have energy (Figure 3). Coffee drinkers are looking for that extra kick to get them through the day, to keep them alert and on top of their performance. Therefore, we believe that the Brand Promise is still applicable to all consumers.

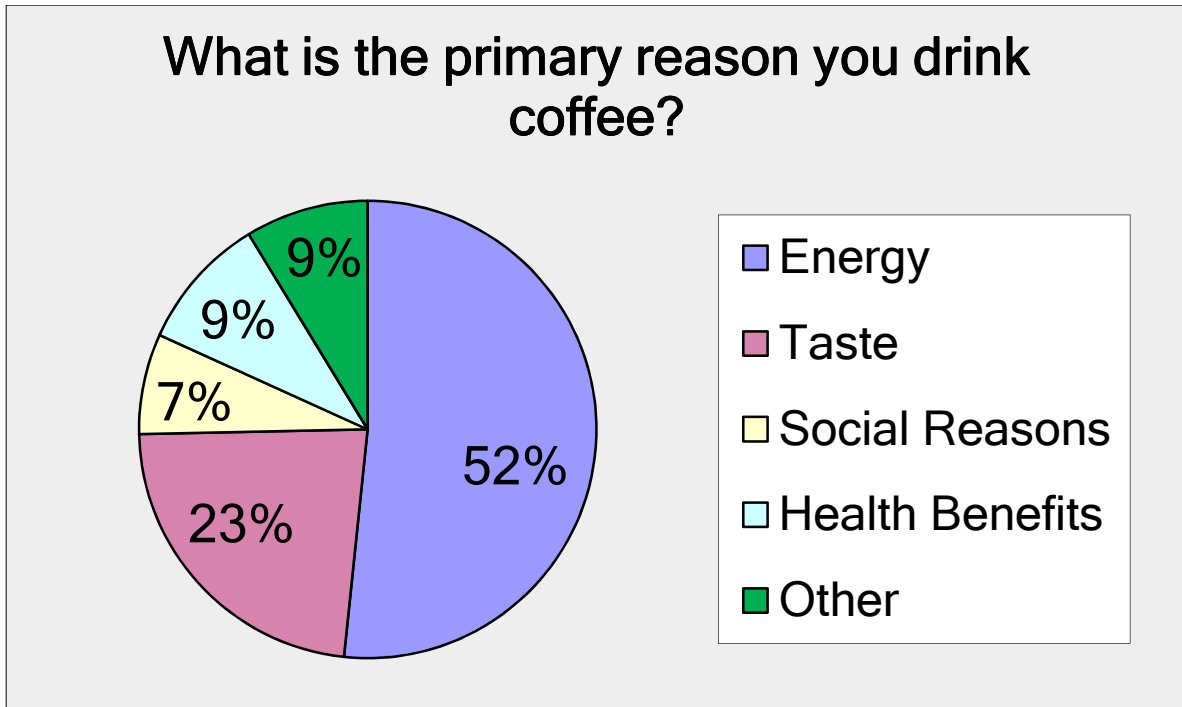


Figure 3

The Brand Character for Folgers originally said, “[a] genuine American optimist with contagious warmth and energy.” According to a study done by Pew Research Center, 70% of Millennials are in favor of legalizing gay marriage compared to 49% of Generation X and 38% of the Baby Boomers. Additionally, 58% believe that immigrants strengthen the state of the country and 85% look at interracial marriage in a positive manner as compared to only 55% in 50-64 year olds (Pew Research Center, 2010 & 2014).

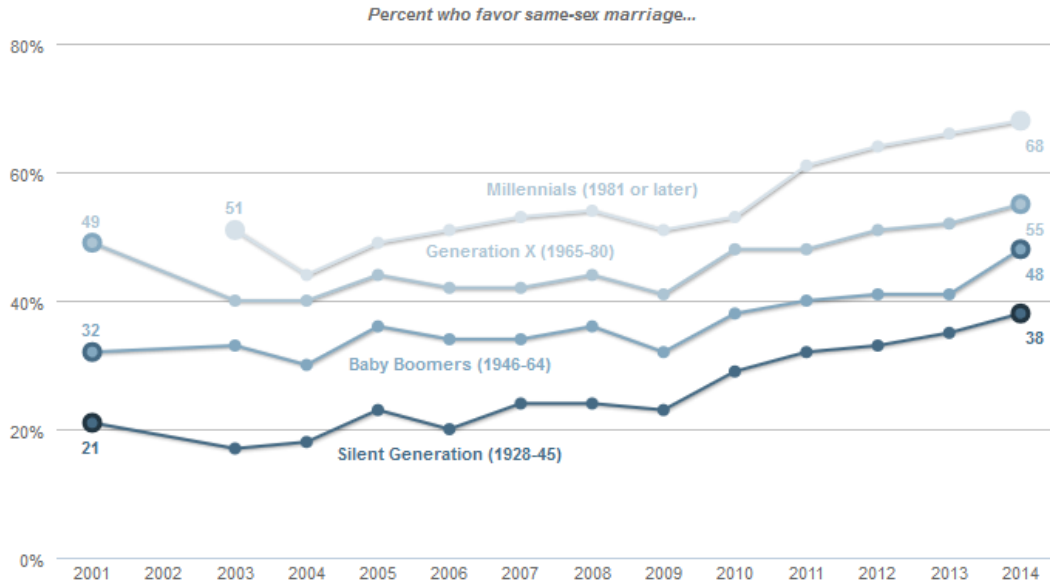


Figure 4

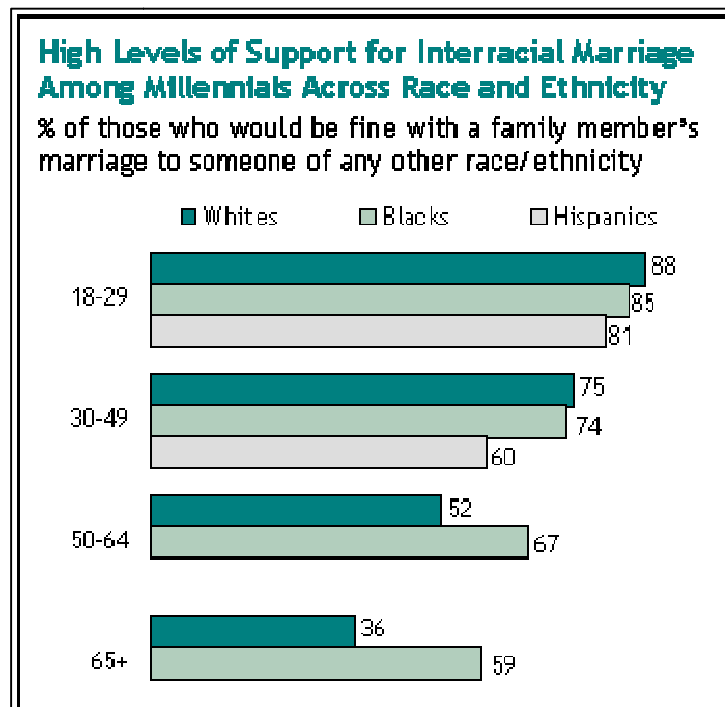


Figure 5

The Overview section of the Folgers brand pyramid lists the competitors, consumer target, and key consumer insights. The competitors include coffee brands in all segments,

particularly in mainstream coffee (e.g., Maxwell House). The consumer target is the Classic Loyal and our group has now added in the Millennial market as well. The key consumer insight states, “Every moment is a new chance. The routine of my morning brings me comfort and consistency that I can count on to start my day right.” To add to this, our group included “Coffee is a way to connect with my peers and turn every moment into something to remember.” The reasoning behind this adjustment came from our first survey. We asked our respondents what their favorite coffee memory was, and an overwhelming majority of the responses indicated experiences which tied back to having coffee with another individual. This is also very relevant with Millennials considering that 47% currently live with a roommate of some sort and thus have a lot of social interaction on a daily basis (Pew Research Center, 2010).

The Functional and Emotional benefits for Folgers previously stated “Prepares you to embrace the day ahead.” We thought it would be beneficial to include that it “[a]llows me to take pride in my purchases and connect with others anytime and anywhere.” The J.M. Smucker Company is a very socially responsible company. However, the members of our team were not completely aware of this fact until after we began this project. We believe it would be extremely beneficial in attracting Millennials for the company to make consumers more aware of what Smucker’s does to make an impact on the industry and society as a whole. According to a study done by Cone Inc., 66% of 1,800 Millennials surveyed will recommend products or services if a company is socially responsible (Cone Inc., 2006). Millennials take pride in their purchases and the lack of Corporate Responsibility Awareness can have a devastating effect on recruitment of new customers in the Millennial generation. According to results found in the *Journal for Education in Business*, there is a correlation between incorporating and publicizing social responsibility in an organization’s strategic plan and positive changes in the attitudes of

Millennials towards that company (McGlone, Spain, & McGlone, 2011). Also, with the prevalence of social media, Millennials spread both good and bad press about products within seconds of their experiences. As stated earlier, over 90% of Millennials have some type of online presence and 75% have at least one social media account (Pew Research Center, 2010). Consumers are not afraid to express their opinion, and with the revolution in technology, this can come back to haunt companies.

The Reasons to Buy (RTB) are vital to a brand like Folgers. In the current pyramid, Smucker's highlights the fresh, eye-opening aroma, consistently satisfying taste, and mountain grown beans as the RTB. After analyzing the study conducted by Cone Inc., 80% of the 13-25 year-olds surveyed wanted to work for a company that cares about how it impacts and contributes to society (Cone Inc., 2006). The study also showed that Millennials exhibit pro-social behavior, meaning that they engage in activities intended to help or benefit others. Clair Raines backs this up in her article *Managing Millennials*. Millennials are civic minded. They are taught to think in terms of the greater good and have a high rate of voluntarism. It is due to this reasoning that they expect companies to do the same (Raines, 2002). After hearing that a company is socially and/or environmentally responsible, they are 79% more likely to purchase that company's products. Similarly, Deloitte recently did a study of 5,000 Millennials in 18 different countries, and these respondents ranked the primary purpose of a business to be "to improve society." Therefore, we wanted to add corporate responsibility and "having confidence in supporting a company that shares my values," as additional RTB (Ashoka, 2014; Meister, 2012; Pew Research Center, 2006; Kitzmueller & Shimshack, 2012).



Figure 6

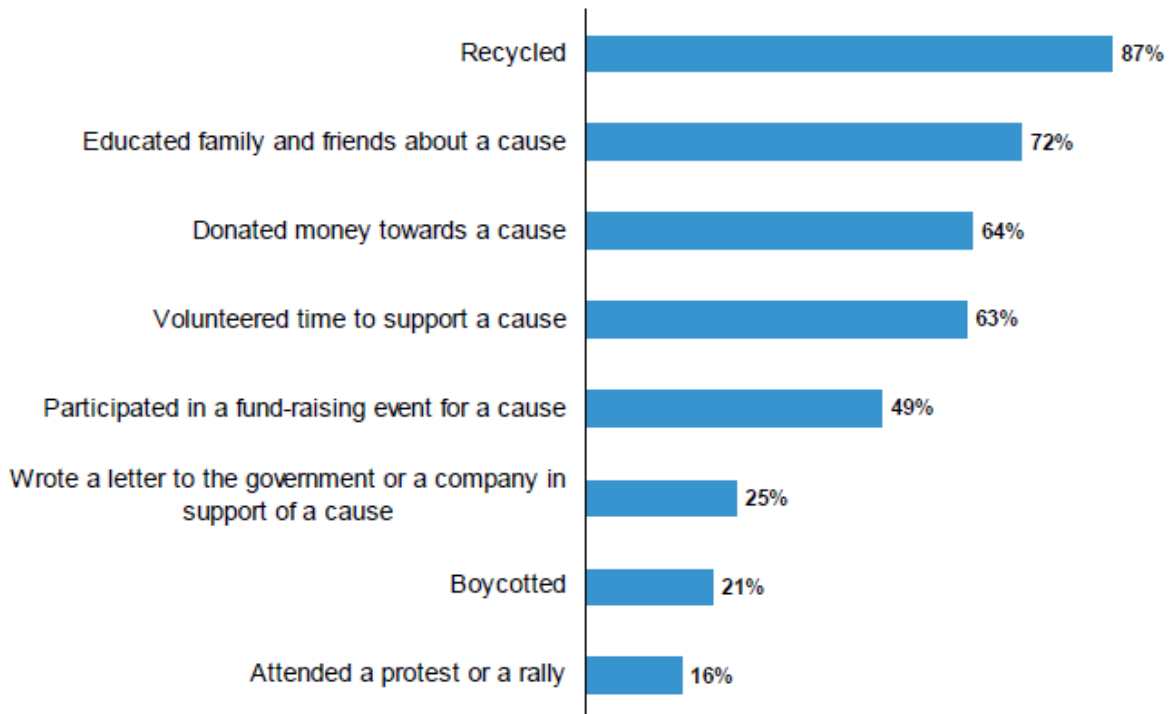


Figure 7

The Folgers brand is also very iconic. Included in the original brand pyramid for the Iconic Brand Assets, Folgers emphasized the sun and mountains, red color white logo font, tagline & jingle (“Best part of waking up”), scoop, drip, poor sensory cues, and the down to up transformation. When surveying our population, we asked individuals to state what came to mind

when they heard “Folgers coffee.” We repeatedly heard about those same brand assets like the red container and jingle, “The best part of waking up.” We think straying from these timeless assets would be a mistake for the company to make. However, due to the evolution of coffee consumption, more consumers are drinking coffee at different parts of the day. The best part is no longer just waking up. From our second survey, we came to conclude that 53% of our respondents drink coffee at more than one time of day. Specifically, only 30% drink it solely in the morning. Because of this, our group recommended that the Folgers team should experiment with moving away from saying the potentially limiting phrase of “The best part of waking up,” while still keeping the iconic pitches of the jingle (see Figures 8 and 9). A company that has had similar success with this concept is the Hershey Chocolate Company and their Kit Kat product. In line with this thought, we modified the down to up transformation to be from anxious to relaxed. An overview of our newly evolved brand pyramid can be seen in Figure 10.

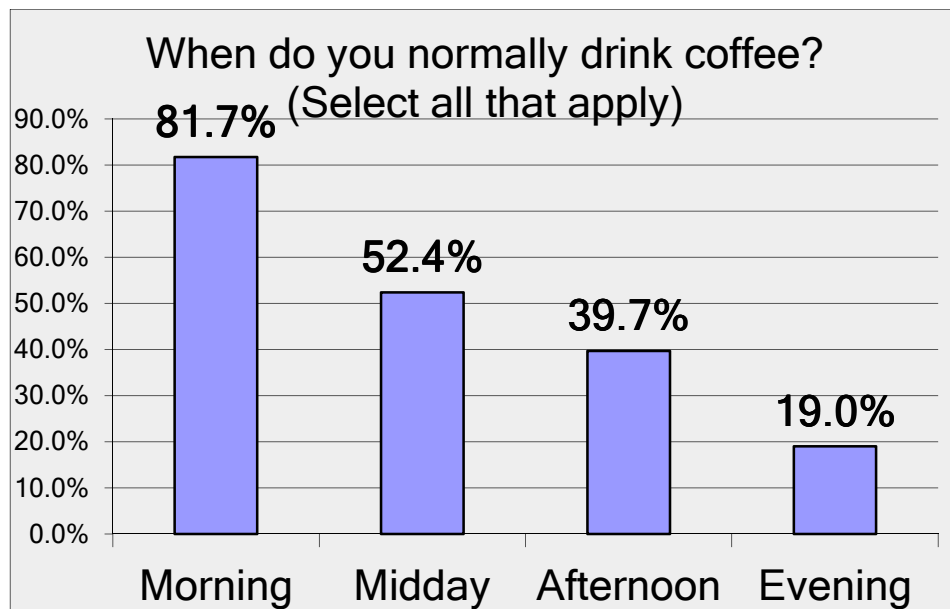


Figure 8

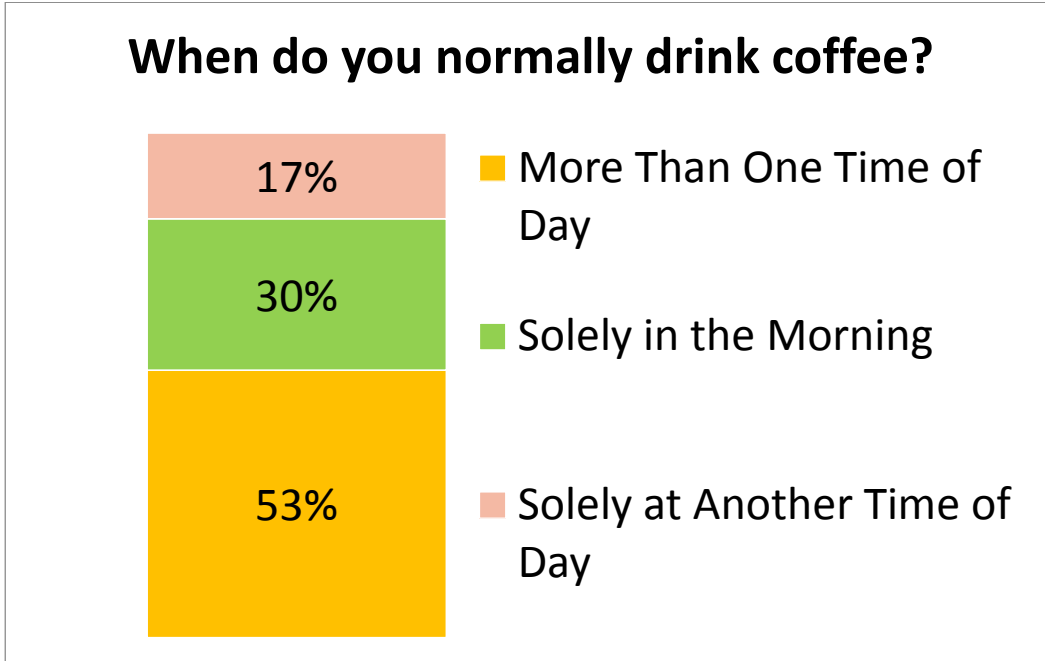


Figure 9

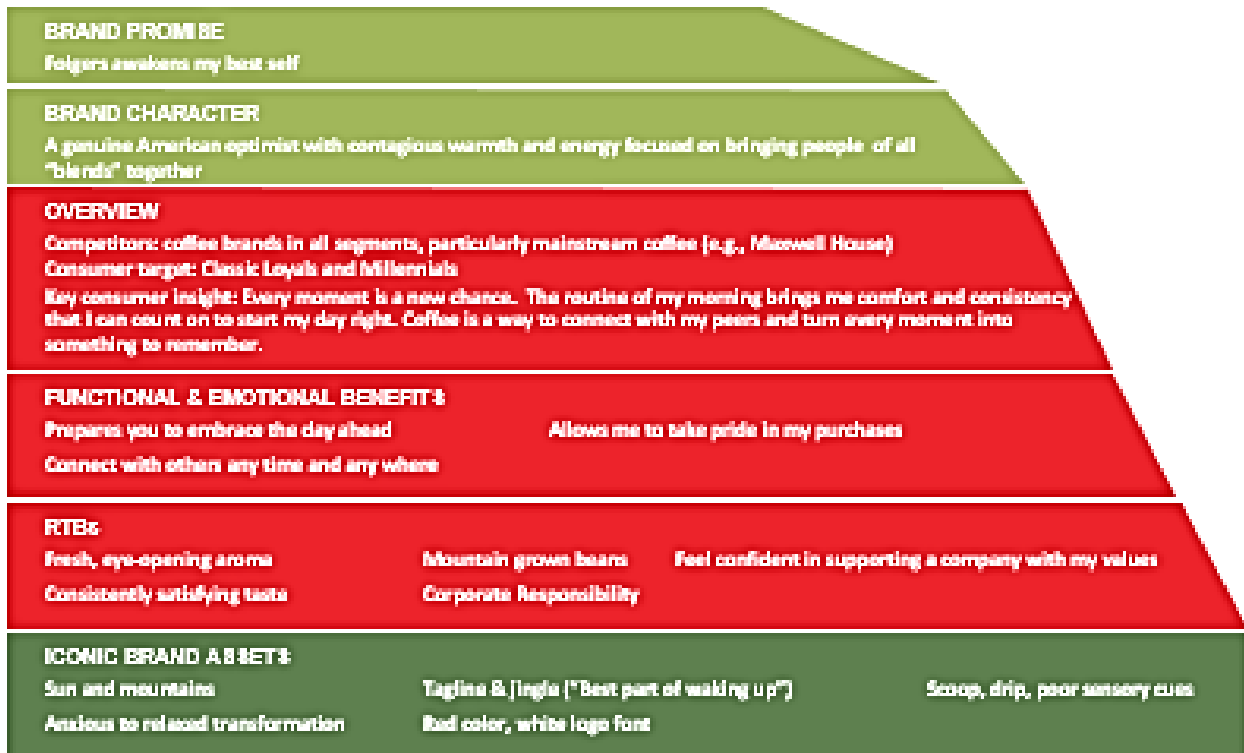


Figure 10

Recommendations

Based on our research and suggestions from the new Brand Pyramid, we came up with two major recommendations: implementing an Environmental Impact Initiative and a Social Advertising Campaign. We consulted Larry Keeley's book, *The 10 Types of Innovation*, to help formulate examples of how to bring these recommendations to life.

Environmental Impact Initiative

We first came up with the idea that consumers desired brands that shared similar values to their own in informal discussions we had with our peers. This was later backed up by our secondary research. Katherine Smith concluded in her article, titled *An Examination of Marketing Techniques That Influence Millennials Perception of Whether a Product is Environmentally Friendly*, Millennials are seeking brands that are regarded as making a positive impact on the environment (Smith, 2010).

However, the common perception is that Millennials talk the talk, but do not walk the walk; pro-environmental Millennials are slow to act. Millennials believe in it, but do not go out of the way for the cause as a whole. With this in mind, our group came up with examples on how to make the Environmental Impact Initiative a reality.

Reduce. Reuse. Grow. is a startup in California that posted its proposition this month on Kick-Starter. Kick-Starter is a crowd funding service for entrepreneurs. The start-up has developed a new type of biodegradable coffee cup. It is the first of its kind – a coffee cup that you can plant. In an attempt to add function to trash, the cup has seeds embedded in the material. The seeds range from native trees to wildflowers, all with the intent to beautify our communities.

As a long-term goal, they hope to lower the level of carbon dioxide that we breathe daily. How it works is very simple: finish your coffee, bury the cup, and let nature take over (Reduce. Reuse. Grow., 2015).

With information gathered from our second survey, we concluded that Millennials drink coffee everywhere. They drink it at home, work, school, and more importantly, everywhere in between. This creates a high demand for to-go coffee cups. Not only would these cups work with traditional drip brewed coffee, but they would also work with single serve K-cups, currently the two most common “styles” of consumption.

In consulting the book *The 10 Types of Innovation*, Engaging Functionality as a product performance innovation really stood out to our group. This type of innovation involves providing an unexpected or newsworthy feature that elevates the customer interaction from the ordinary (Keeley, Walter, Pikkell, & Quinn, 2013). In line with this technique, we propose a first mover partnership or buy out of this startup Reduce. Reuse. Grow., and suggest offering the cups for sale on a grand scale to all Folgers consumers. Millennials are label readers and are concerned with environmental issues (Furlow & Nancy, 2008). The impact of this recommendation would range from publicity and increased sales to a shift in the perception of the brand to being innovative and environmentally progressive.

After looking through the Smucker’s 10-K, it was evident that plastic material was one of the top contributors to their Cost of Goods Sold. By decreasing this amount, the company would be able to experience greater profit margins. Our team wanted to figure out a way that we could use innovation to decrease this cost. After consulting the book, *The 10 Types of Innovation*, we decided to focus on a profit model innovation. The unique design of the Folgers container allows the coffee to maintain its peak freshness for an extended period of time. Because of this, we

believe consumers could be given the opportunity to reuse their plastic coffee containers. Not only would this create a brand image of environmental sustainability, but it would also cut down on the risk in the supply chain, due to the fact that Smucker's purchases all their plastic material from only one supplier. An example of a successful company that has implemented this innovation technique is Gillette, who created the reusable razor handle (Keeley, Walter, Pikkell, & Quinn, 2013; The J.M. Smucker Company Annual Report, 2014).

Another innovation technique that we would partner with the idea of the reusable container is the utilization of Smucker's professional network. By licensing Folgers coffee to supermarket companies such as the Giant Eagle Market District, consumers will be able to take their empty Folgers containers to the store, and get them refilled. There would not only be cost savings that can be attributed to the exclusion of product packaging, but then there can also be a premium charged to the actual coffee, just as Gillette did with the disposable razor heads (Keeley, Walter, Pikkell, & Quinn, 2013; The J.M. Smucker Company Annual Report, 2014).

Social Advertising Campaign

The J.M. Smucker Company recognizes the need to help sustain the viability of small, family owned coffee farms across the globe, seeing as these farms are an important part of their coffee supply chain. Their green coffee strategy revolves around 3 key elements: responsible sourcing, small holder support, and integrated environmental efforts (The J.M. Smucker Company, 2015). Our team believes this needs to be shown to Millennials. To our generation, corporate social responsibility is more than some fancy term to make business sound better. Again, Millennials are 79% more likely to purchase a socially responsible company's products, and 69% of our generation considers a company's environmental impact when deciding where to

shop (Cone Inc., 2006). With this in mind, we believe one potential idea to explore is an interactive section of the Folgers website, showing a view of the globe and all of the parts within The J.M. Smucker coffee supply chain. Each section could have a small description, showing what happens during each section of the chain, and what The J.M. Smucker Company is doing within that step to impact the world in a positive way. Currently, geographical positioning systems (GPS) and geographical information systems (GIS) allow companies to map where their coffee is grown and at what altitudes, the type of soil where their beans are grown, and other, special environmental attributes. By showing this information to consumers, Smucker's can show how their coffee is unique, while also providing assurance as to where their coffee is produced (Francis, 2011). Millennials like to see where their products are coming from and what they can do to impact the world, and we believe this would be a great place to start.

In addition to advertising the ways in which Folgers is socially responsible, our team also believes that the brand's traditional commercial advertising needs to be modified. Currently, Folgers' commercial advertisements depict the life of their Classic Loyal, usually married with children and with a home to call their own. However, these lifestyle traits are not part of what defines the Millennial generation. As stated earlier, Millennials are ethnically and racially diverse, and their current lifestyle stages (finish school, find a first job, etc.) are completely different from those of the Classic Loyal. If Folgers wishes to attract Millennials to the brand, we believe the product's advertising should relate to their life stage, as well as be true and authentic about what makes up an American family in today's society. We believe this might also help the brand's social media presence, for as we said earlier it struggles to compete with other, more popular brands.

Finally, looking at some of the brand's product packaging capabilities, we know that Millennials are still drinking traditional, drip coffee, and are just as interested in purchasing drip coffee as any other type based on some of our second survey results. These results can be found in the attached Appendix, pages 49 and 52. We also know that their fascination for cream and sugar in their drinks is still going strong, as can be seen in the chart on page 50 of the attached Appendix. Because of this, we believe that packaging the Folgers Flavors sweeteners with the main, plastic packaged product will complement each other extremely well, and will develop a positive association between the two products.

CONCLUSION

Overall, we as a group feel that we learned much by completing this challenging project. By helping a company with a real-world problem they are currently facing, our team grew as professionals and gained invaluable insight into how problems are tackled and solved in a corporate setting. The Smucker's honors project focused heavily on brand marketing, something that our team was not very familiar with. As accounting, human resources, and international business majors, we did not have the strongest marketing background. At first this seemed like a huge disadvantage, especially when we considered the mix of majors in the different project groups. However, this dilemma forced our team to push outside of our comfort zone, and expanded our marketing knowledge outside of the core principles course offered at The University.

Besides our limited marketing background, our group felt that there were a few other obstacles we needed to overcome to succeed in our project. First, although we signed a nondisclosure agreement with The J.M. Smucker Company, we were not allowed access to some of their valuable coffee reports from the National Coffee Association. Because of this, our group

had to partner with the other Smucker's team to purchase these reports, costing us a large part of our budget. Although we were able to use these reports, they were not nearly as useful as we would have liked. The amount we spent on their purchase could have been used on other means of gathering primary or secondary research.

Along those lines, our group would have liked to have explored other options in gathering primary research. Although we were happy with the number of responses we received from our second survey and its geographic reach, we could tell that some of our paid respondents did not take the survey seriously based on a few inappropriate responses. This was disappointing, as the dollars we spent for these respondents could have gone elsewhere.

At the beginning of the semester our team had discussed the possibility of designing a taste test in the College of Business Administration. Ideally, this taste test would have allowed us to bring in a group of our peers and get feedback on different brands of coffee. However, due to budget and time restraints this was not a possibility. Also, in side conversations with one of our peers (who happened to be a graphic design major), he suggested that the Folgers brand image and symbol could use a bit of updating. If we had requested additional funds through the Leadership Institute, both the taste test and hiring of a university graphic design major for a brand "spruce up" could have been possibilities.

All and all, this honors project is something that will truly set us apart in the eyes of future, potential employers. To assist a large corporation with a problem such as the one we were given is an opportunity that not all undergraduate students have. At first our team knew very little about one another, but after working on this project for the past two semesters we have grown to appreciate each other's strengths, and recognize when someone needs help to overcome their weaknesses. The project was truly a culmination of four years of hard work and dedication,

and we hope that future honors students in the College of Business are presented with similar opportunities to apply what they have learned.

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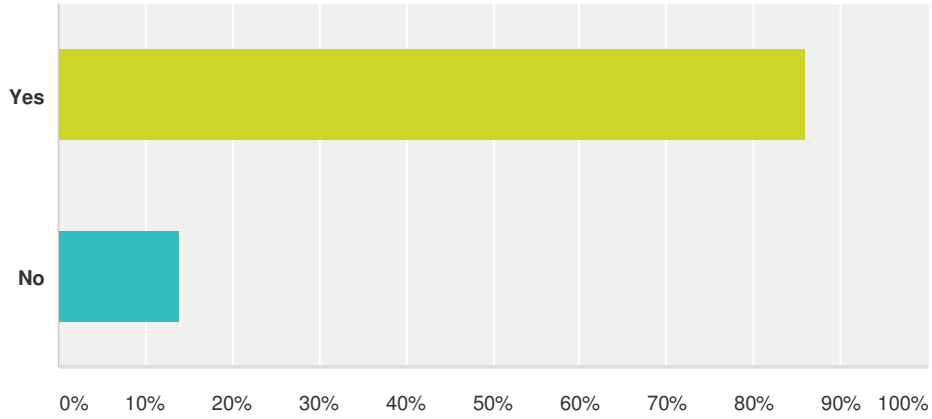
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APPENDIX

Q1 Do you drink coffee?

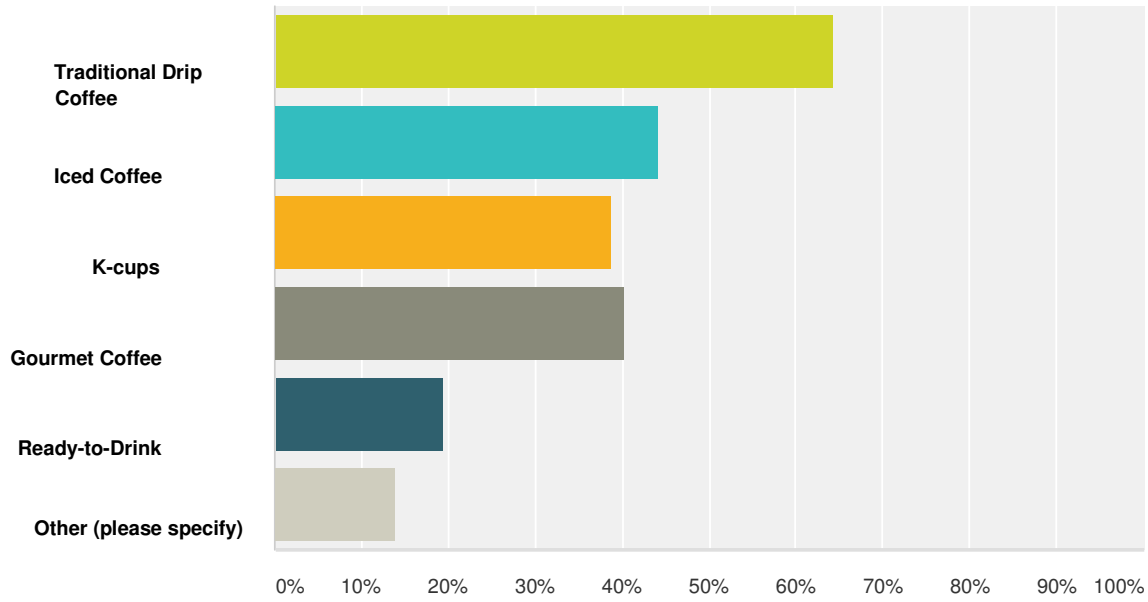
Answered: 129 Skipped: 0



Answer Choices	Responses
Yes	86.05% 111
No	13.95% 18
Total	129

Q2 What types of coffee do you currently drink? (Select all that apply)

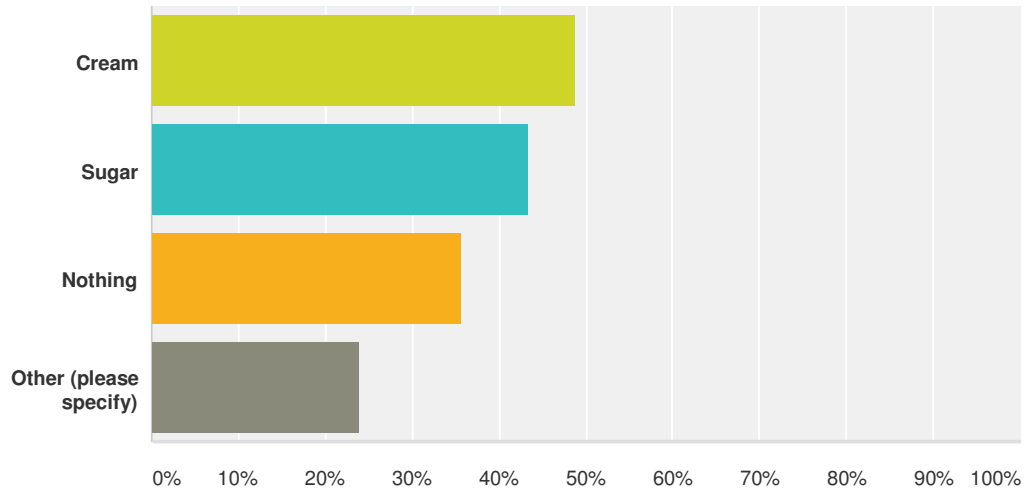
Answered: 129 Skipped: 0



Answer Choices	Responses	Count
Traditional Drip Coffee	64.34%	83
Iced Coffee	44.19%	57
K-cups	38.76%	50
Gourmet Coffee	40.31%	52
Ready-to-Drink	19.38%	25
Other (please specify)	13.95%	18
Total Respondents: 129		

Q3 What do you put in your coffee? (Select all that apply)

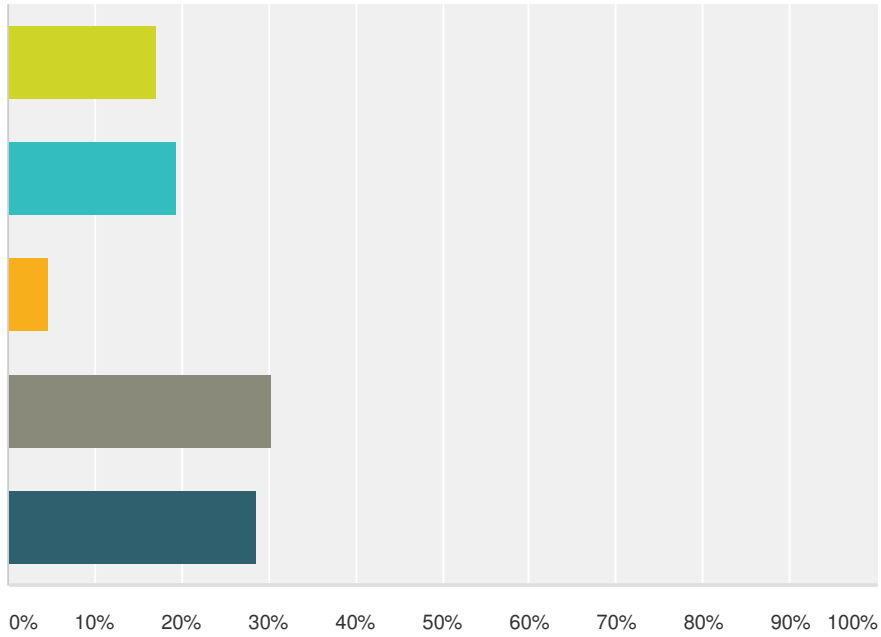
Answered: 129 Skipped: 0



Answer Choices	Responses
Cream	48.84% 63
Sugar	43.41% 56
Nothing	35.66% 46
Other (please specify)	24.03% 31
Total Respondents: 129	

Q4
What
is
your

Answered: 129 Skipped: 0



favorite store bought coffee brand?

Dunkin Donuts

Folgers

Maxwell House

Starbucks

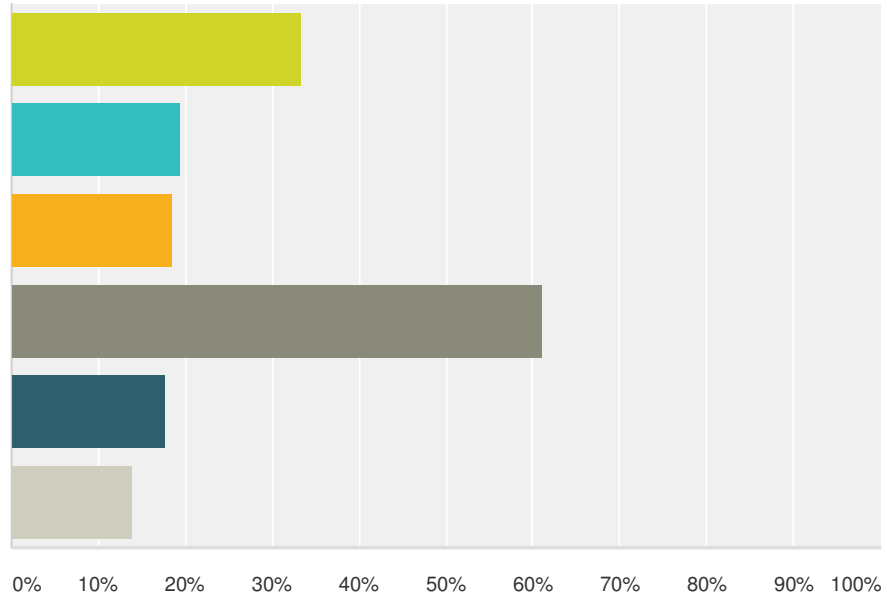
Other (please specify)

Answer Choices	Responses
Dunkin Donuts	17.05% 22

Folgers	19.38%	25
Maxwell House	4.65%	6
Starbucks	30.23%	39
Other (please specify)	28.68%	37
Total		129

Q5 What types of coffee would you be interested in

Answered: 129 Skipped: 0



buying at the store? (Select all that apply)

- K-cups
- Single Serve
- Instant
- Traditional Drip Coffee
- Ready-to-Drink

Answer Choices	Responses
K-cups	33.33% 43

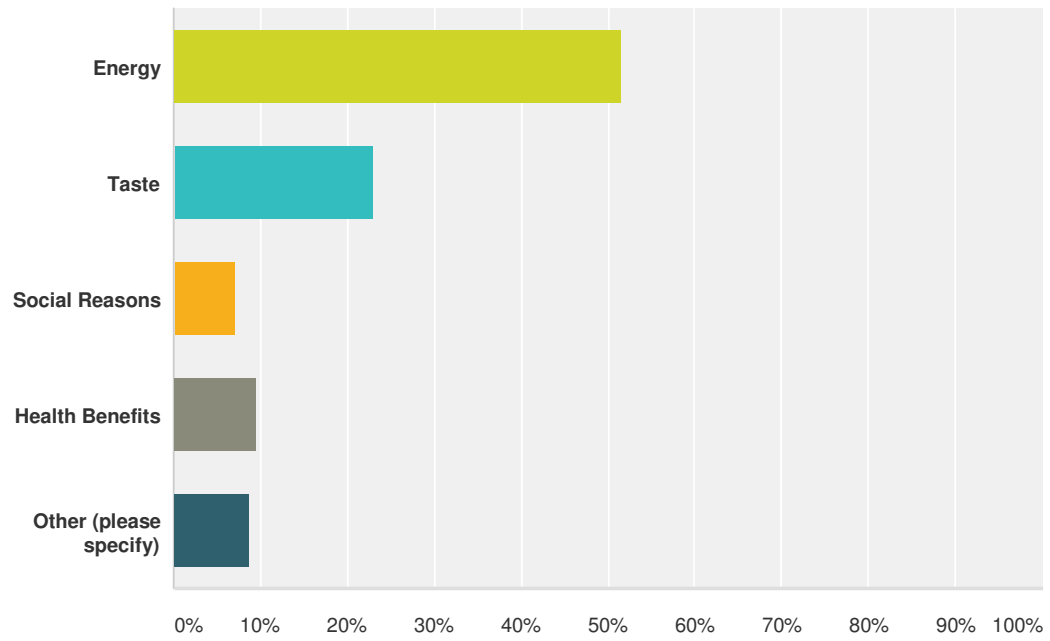
Single Serve	19.38%	25
Instant	18.60%	24
Traditional Drip Coffee	61.24%	79
Ready-to-Drink	17.83%	23
Other (please specify)	13.95%	18
Total Respondents: 129		

Other (please specify)

Q6 What is the primary reason you drink coffee?

Answer Choices	Responses	
Energy	51.59%	65
Taste	23.02%	29
Social Reasons	7.14%	9
Health Benefits	9.52%	12
Other (please specify)	8.73%	11
Total		126

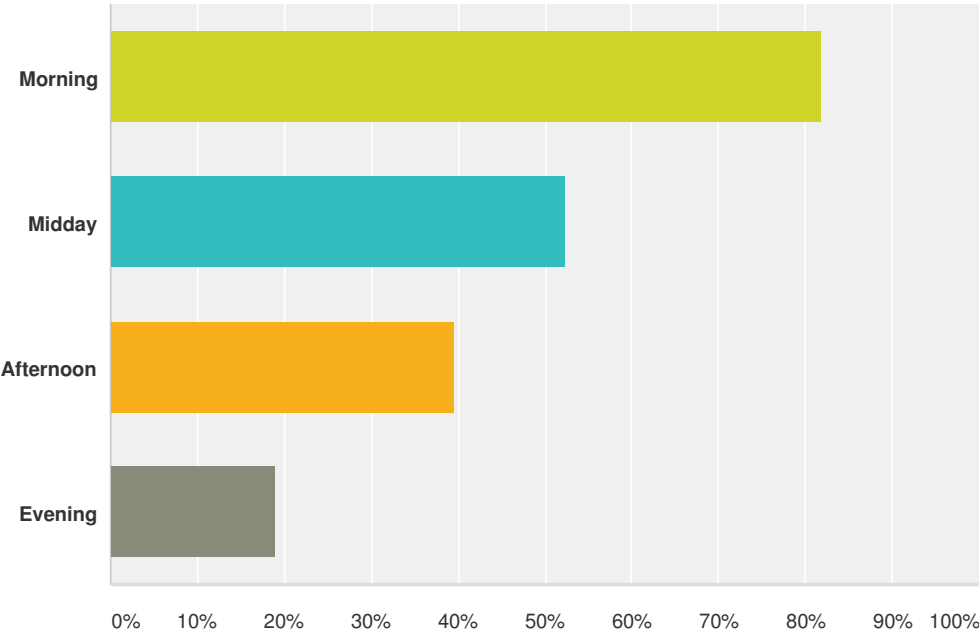
Answered: 126 Skipped: 3



Q7 When do you normally drink it? (Select all that apply)

Answer Choices	Responses	
Morning	81.75%	103
Midday	52.38%	66
Afternoon	39.68%	50
Evening	19.05%	24
Total Respondents: 126		

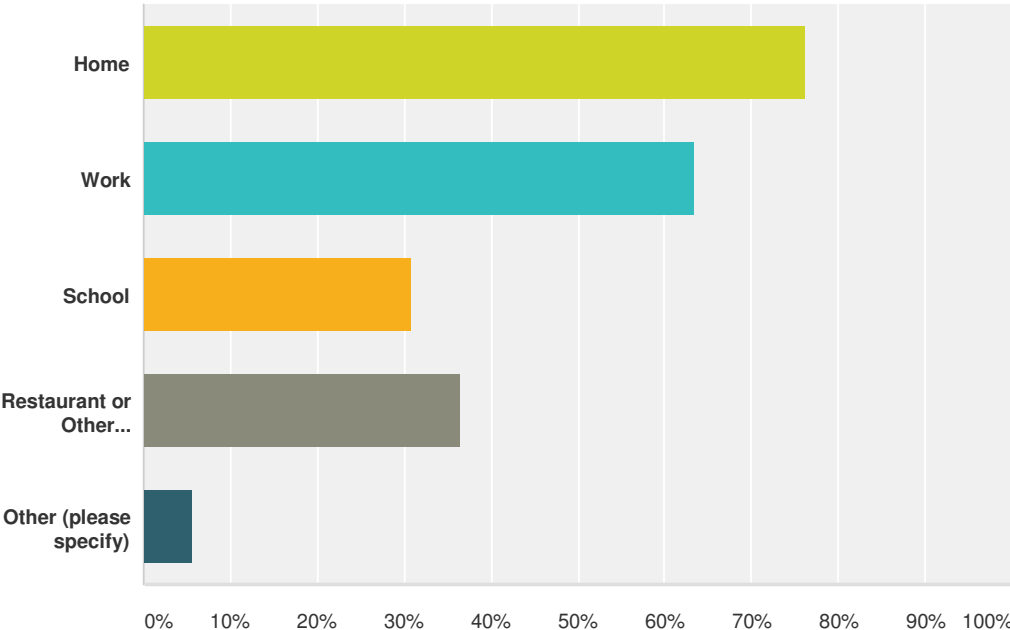
Answered: 126 Skipped: 3



Q8 Where do you drink it? (Select all that apply)

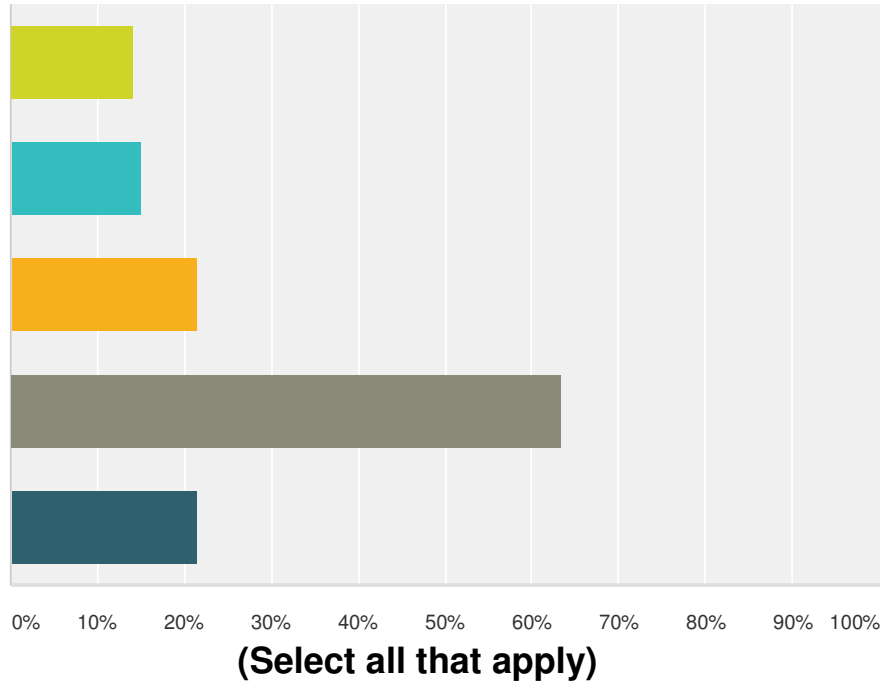
Answer Choices	Responses	
Home	76.19%	96
Work	63.49%	80
School	30.95%	39
Restaurant or Other Establishment	36.51%	46
Other (please specify)	5.56%	7
Total Respondents: 126		

Answered: 126 Skipped: 3



Q9 What are some aspects of coffee that you dislike?

Answered: 126 Skipped: 3



Taste

Not Enough Caffeine

Too Much Caffeine

Price

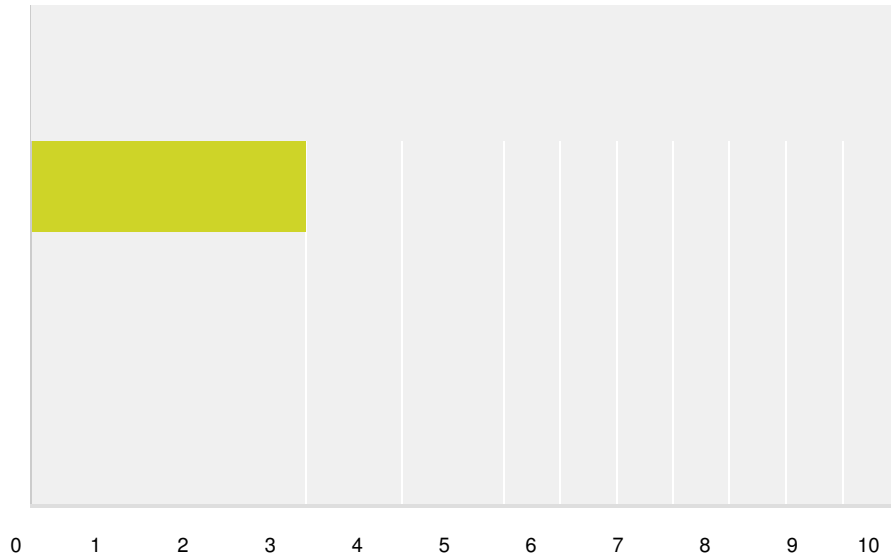
Answer Choices	Responses
Taste	14.29% 18

Not Enough Caffeine	15.08%	19
Too Much Caffeine	21.43%	27
Price	63.49%	80
Other (please specify)	21.43%	27
Total Respondents: 126		
Other (please specify)		

Q10 State your level of agreement with the following statement: "I am brand loyal to a specific coffee brand"

Answered: 126

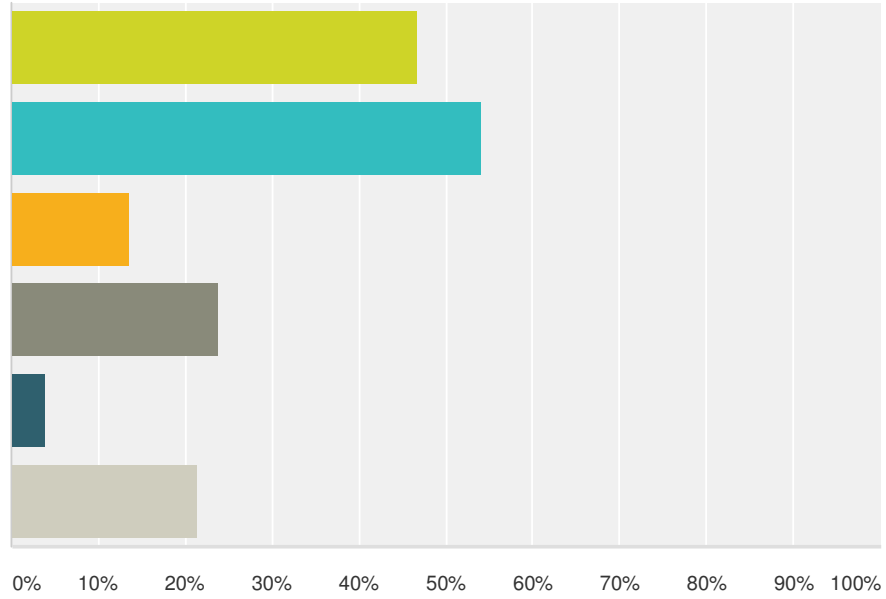
Skipped: 3



	Strongly Disagree	Disagree	Somewhat Disagree	Neutral	Somewhat Agree	Agree	Strongly Agree	Total	Weighted Average
(no label)	15.87% 20	18.25% 23	17.46% 22	22.22% 28	13.49% 17	7.14% 9	5.56% 7	126	3.17

Q11 Based on your previous response to Question 9, select the reason as to why you are or are not

Answered: 126 Skipped: 3



brand loyal. (Select all that apply)

Taste

Price

Caffeine Levels

Brand Familiarity

Hard to Switch to Another...

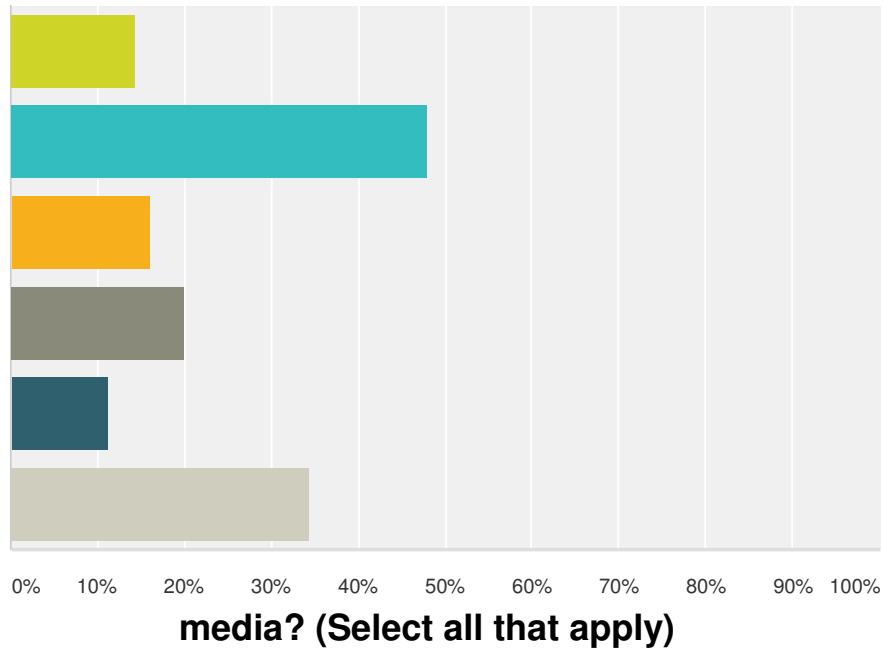
Other (please specify)

Answer Choices	Responses
Taste	46.83% 59

Price	53.97%	68
Caffeine Levels	13.49%	17
Brand Familiarity	23.81%	30
Hard to Switch to Another Brand	3.97%	5
Other (please specify)	21.43%	27
Total Respondents: 126		

13 What would make you follow Folgers on social

Answered: 125 Skipped: 4



New Product Information

Coupons

Scholarship Opportunities

Coffee Facts

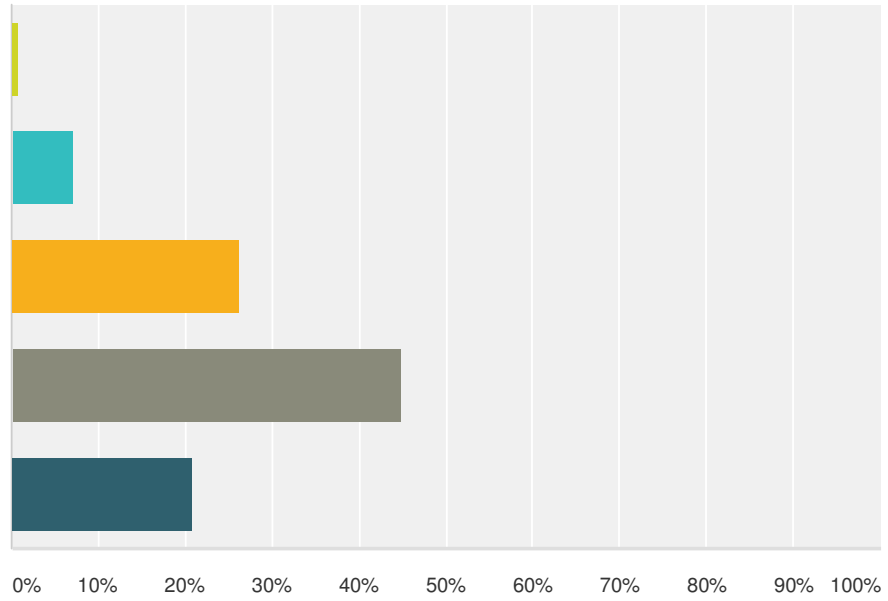
Fun Quizzes

Answer Choices	Responses
New Product Information	14.40% 18
Coupons	48.00% 60

Scholarship Opportunities	16.00%	20
Coffee Facts	20.00%	25
Fun Quizzes	11.20%	14
Other (please specify)	34.40%	43
Total Respondents: 125		
Other (please specify)		

Q14

Answered: 125 Skipped: 4



What is your highest level of education?

Less than High School

High School

Some College

Bachelor's

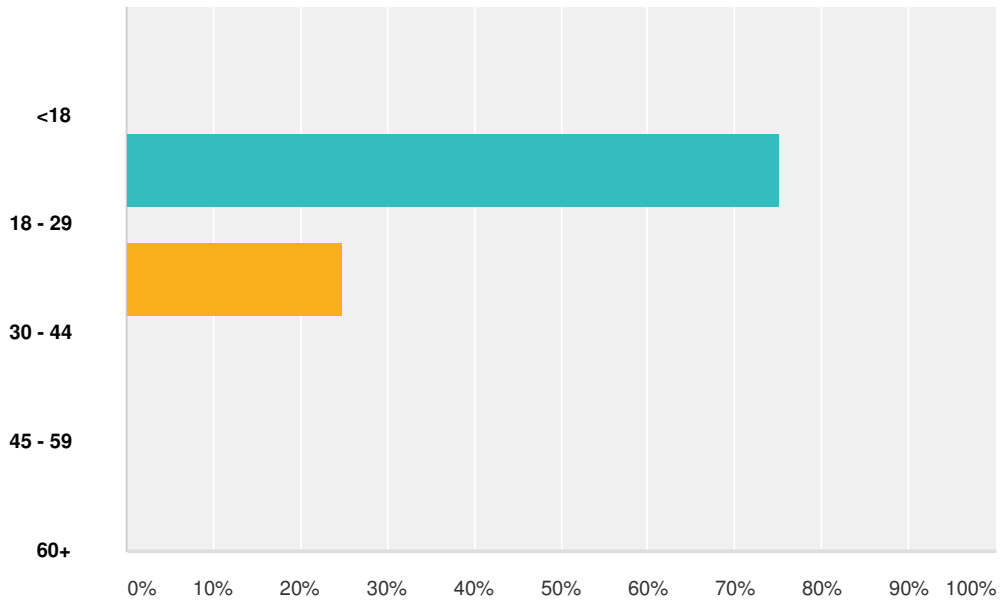
Master's Degree or...

Answer Choices	Responses
Less than High School	0.80% 1
High School	7.20% 9

Some College	26.40%	33
Bachelor's	44.80%	56
Master's Degree or Higher	20.80%	26
Total		125

Q15 Age

Answered: 125 Skipped: 4

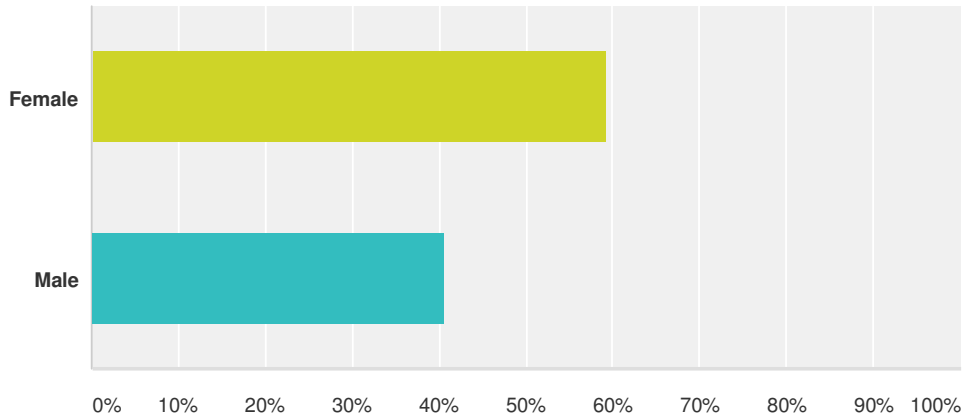


Answer Choices	Responses
<18	0.00% 0
18 - 29	75.20% 94
30 - 44	24.80% 31
45 - 59	0.00% 0
60+	0.00% 0
Total	125

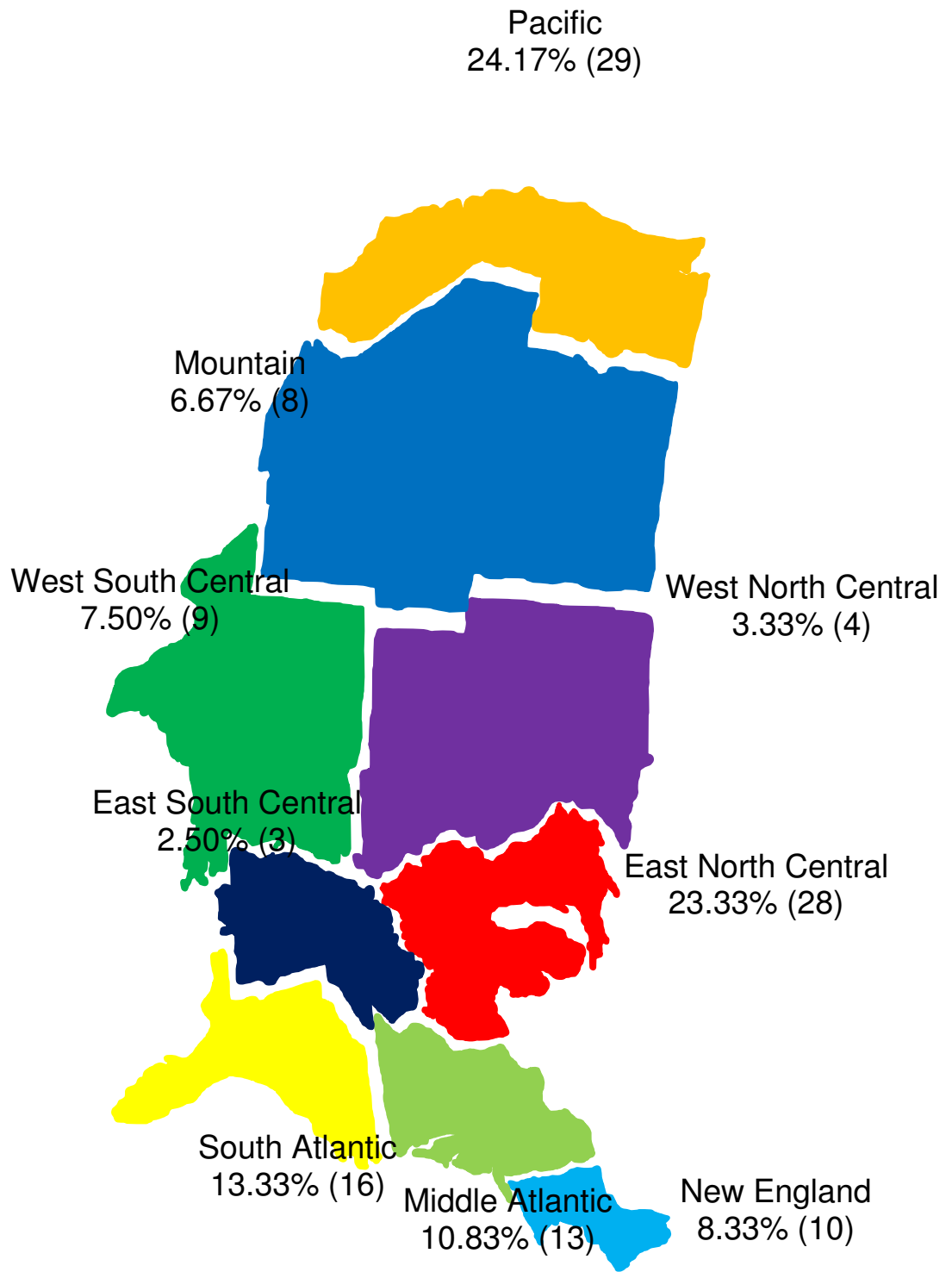
Q16 What is your gender?

Answer Choices	Responses
Female	59.20% 74
Male	40.80% 51
Total	125

Answered: 125 Skipped: 4

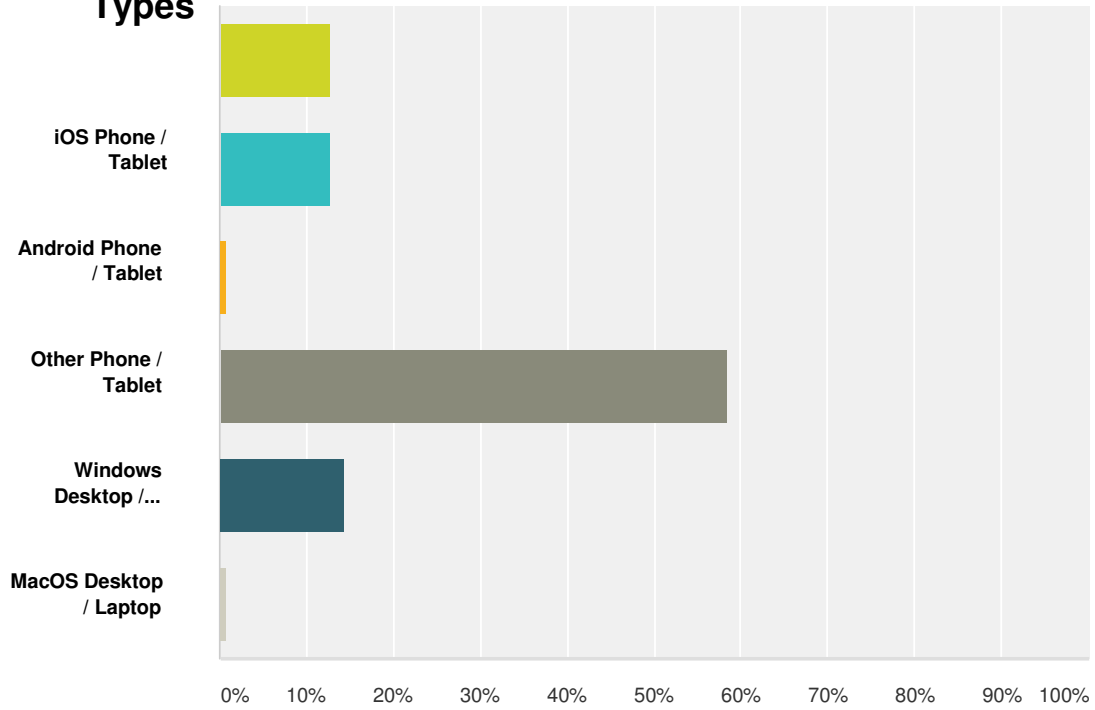


Q18 US Region



Q19 Device Types

Answered: 125 Skipped: 4



Answer Choices	Responses
iOS Phone / Tablet	12.80% 16
Android Phone / Tablet	12.80% 16
Other Phone / Tablet	0.80% 1
Windows Desktop / Laptop	58.40% 73
MacOS Desktop / Laptop	14.40% 18
Other	0.80% 1
Total	125

Other

