



August 22, 2006

ADVERTISING

Tempting the Traditional Coffee Drinker to Move Up

By JULIE BOSMAN

TRADITIONAL coffee, the kind that is usually scooped out of bulky metal containers with black plastic tablespoons, is not known for pleasing coffee snobs.

But one of those traditional coffee brands is tiptoeing into the upscale shelf space this week, aiming to attract a more mainstream consumer. Folgers is introducing a line of premium coffee with flavors like espresso roast and caramel drizzle, dressed up in shiny bags with swirly typefaces.

Folgers, which is owned by [Procter & Gamble](#), is hoping that the new packaging, elaborate flavors and a \$20 million advertising campaign, starting in September, will convert everyday coffee drinkers who currently consider higher-grade coffee a luxury.

•The gourmet concept is no longer a luxury to coffee makers. Even traditional brands like Maxwell House and Folgers are recognizing the need to offer premium coffees to consumers whose tastes have become more sophisticated in recent years. These brands are “sort of catching up,” said Lucian James, the president of Agenda, a branding agency in San Francisco.

“A gourmet version of coffee is the new standard,” Mr. James said. “I can’t imagine a coffee that doesn’t do a gourmet line being relevant. Everybody’s expectations for coffee have gone up.”

The new Folgers coffee will be introduced with a television, print and online advertising campaign created by the New York office of Saatchi & Saatchi, owned by the [Publicis Groupe](#).

“We know that the gourmet coffee segment continues to grow as consumers continue to appreciate gourmet aromas in coffee,” said Tami Yamashita, the associate marketing director for Folgers. “And we felt it was important to cater to the needs of the consumer.”

But Folgers knows better than to aim at consumers who are diehard [Starbucks](#) fans. Instead, it is going

after customers who drink a cheaper coffee every morning at home, but consider finer coffee to be a special treat. (In one television ad, a woman stands in her kitchen, dreamily sipping coffee, until her banana-throwing toddler interrupts her reverie.)

The brand is hoping there is an opening in the category for a “gourmet-inspired coffee that could be consumed on an everyday basis,” said Gennifer Hobbs, a management supervisor at Saatchi & Saatchi who worked on the Folgers account.

“We know from research that currently she’s saving her coffee for special occasions,” Ms. Hobbs said. “She does go to Starbucks occasionally, but this is more of a mainstream coffee drinker.”

The occasional premium coffee drinker is a ripe target. According to a recent report from the National Coffee Association, in 2003, 54 percent of adults in the United States drank such coffee less than once a week. By early 2006, that number was up to 63 percent.

And sales of both traditional and premium coffees have risen. In 2004, 45 percent of adults in the United States drank traditional coffee every day; in 2006, the number was up to 53 percent. Daily consumption of premium coffee rose to 16 percent in 2006 from 12 percent in 2003.

“The lines between the two begin to blur as consumers become more accustomed to buying premium coffees at retail outlets,” said Joseph F. DeRupo, a spokesman for the National Coffee Association.

But even in grocery stores, which used to be the territory of traditional coffees, Starbucks is a tough competitor. The company is one of the top-ranked in ground-coffee sales, along with Folgers and Maxwell House. Starbucks sells about a dozen varieties of coffee in grocery stores, not to mention the constantly rotating selection of bagged coffee for sale in its coffeehouses.

- Pricing is one major difference: a bag of Folgers Gourmet Selections, weighing 10 to 12 ounces, retails for \$5.99, while an 8.8-ounce bag of Kona coffee at Starbucks (featured prominently on its Web site) sells for \$22.50. Other bags of Starbucks coffee are priced anywhere from \$9.49 to \$15.99.

While all this is going on, Folgers is phasing out products that failed to take off with consumers, like its line of whole bean coffees.

And Folgers is still trying to distinguish itself with products that gourmet coffee brands generally don’t offer. It has been running commercials for Simply Smooth, a so-called stomach-friendly coffee with reduced irritants. (For the truly anti-gourmet, Folgers still offers instant coffee in both “crystals” and

“singles” forms.)

All this might make it difficult for Folgers to establish itself as anything other than traditional. “Folgers still feels like a very domestic American brand, and I think for some people that’s great,” Mr. James of Agenda said. “Other people look to different standards of coffee.”

[Copyright 2006 The New York Times Company](#)

[Privacy Policy](#) | [Search](#) | [Corrections](#) | [XML](#) | [Help](#) | [Contact Us](#) | [Work for Us](#) | [Site Map](#)

--