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COMPARATIVE ANALYSIS OF NESPRESSO AND NESCAFÉ.

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Communication Sciences
Strategic Communication

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Introduction:

The global coffee industry, channeling billions of euros annually, has its epicenter in Nestlé with two main brands – Nespresso and NESCAFÉ. Despite having the same corporate blood, both companies have different approaches to the market in which they operate, with one focusing on experience and the other on convenience.

Throughout this article, it will be compared both brands with a descriptive and analytical methodology. As such, this report will compare both Nespresso and Nescafé in the light of the coffee industry, thus, following a three-part structure: (1) Data Collection; (2) Context analysis; (3) Conclusion. The first topic will be addressed a holistic view of the coffee industry and subsequently present the competitors and some of their actions and problems that may impact the Nestlé companies (in the light of the crisis contagion theory, by Daniel Laufer and Yijing Wang). Moreover, it will be briefly presented both companies' identity and their (in)dependence on Nestlé, followed by a SWOT analysis of the topics both companies have in common. The second topic of the structure tackles their current situation only on the Nestlés' "sub-brands" in light of their sustainable practices. Furthermore, an analysis of their communication (descriptive analysis of channels, events, and actions) will be conducted followed by a general picture of the impact variables that may affect both companies. As for the third, will be made a critical overview of the brand's communication considering its current position in the industry and its connection to Nestlé.

As the aim of this report is to compare both brands, throughout the article, there will be constant comparisons of all the topics presented, unless it is not possible to make a direct relation. Additionally, for the making of this report, it was used websites, scientific articles, reports, and other sources of information, all of which are referenced during the text via footnotes and at the end of the paper in the *References* section.

Now that the *grounds* are set, let's begin.

Historic background:

Coffee is and has been one of the most appreciated beverages in the world. Believed to have started in the year 800 BC, coffee production has matured well over the XXI century. As there is a clear separation between the consumption of coffee and tea worldwide, with a clear division between West and East, it can be said that coffee is the second most consumed substance in the world (where water takes the trophy)¹. With this mass consumption of coffee, the industry rapidly began to innovate.

By giving more importance to the convenience and effects that coffee provides over its taste, instant coffee was born. Firstly, with an unpleasant taste and after the mass use of this processed product in World War I, with growing flavor. Understanding this increasing market of coffee Nestlé® came into the picture with the idea of creating a cube-shaped coffee tablet, but the taste still wasn't there. After seven years of developing the product, Nestlé launched their instant coffee brand called *Nescafé*® and immediately made an appearance².

With the financial potential of the coffee industry, the capitalist system created a position that served the purpose of elevating coffee drinking to more than just an activity, a lifestyle – creating *baristas* at the beginning of the XX century³. This profession became an important role in the making of *premium* coffee and where there is *premium* coffee there are also *premium* prices, something that did not brew that well. To solve this problem Nestlé came up with a solution, in 1975, the company solved the pricing problem and maintained its quality. By creating a pod-like container and understanding the logistics behind the making of coffee by baristas, they made a pod and a machine that were convenient, cost-effective, and most importantly maintained the *premium* aspect⁴. With that, came Nespresso®, Nestlé's *espresso*-tion of luxury, elevating coffee to its deluxe form.

¹Retrieved November 21, <https://www.pewresearch.org/short-reads/2013/12/20/chart-of-the-week-coffee-and-tea-around-the-world/>

²Retrieved November 21, <https://www.nescafe.com/in/coffee-culture/knowledge/nescafe-history>

³Retrieved November 21, https://thecoffeeclubshop.com/blogs/barista-blog/history-of-coffee-art-baristas?srltid=AfmBOooliLaze5Ut6-8ppMSheDemkdbutC6RFu_NwVpszgSbiX4BaSVJ

⁴Retrieved November 21, <https://invigocoffee.com/blogs/news/a-brief-history-of-coffee-pods>

The Coffee Industry:

The global coffee industry is a multi-billion-dollar business that, as it is part of the food sector, ends up with a similar value chain – cultivation, harvesting, trading, retailing, and finally consumption. Between farming and retail, it is estimated that this industry will make more than 460 billion dollars in 2024 in a market that consists of one simple raw material – coffee beans⁵. After being roasted and processed in various ways, this Ethiopian-originated product is making over 160 million coffee bags (60 kg) per year and the tendency is to keep on developing.

As it is a very profitable sector Nestlé is not alone. *Lavazza*®, *Jacob Douwe Egberts*® (JDE), and *Starbucks*® are some of the many multinational companies that are international competitors of both Nestlé's brands. On the one hand, *Lavazza* and *JDE* were both created before the XIX century in Europe which makes them pioneers in the coffee industry, mutually tackling not only the retailers but also specific clients such as hotel chains and offices. Furthermore, both have a strong CSR strategy where *Lavazza* has the *Lavazza* Foundation and *JDE* has a program entitled “Common Grounds” mutuality directed towards sustainable sourcing. On the other hand, Starbucks (as of 2018 a partner of Nestlé), is considered one of Nespresso and Nescafé's competitors since it is one of the largest coffee brands worldwide and for long achieved a safe customer loyalty base. Accordingly, they don't sell coffee anymore, in a way they now sell a social *status* and a sense of belonging⁶. The *frappuccino* pioneer keeps on the crown due to its constant innovation whether in seasonal recipes or innovative ways to get to the shelf, although in recent years it has been a talking point not for good reasons due to its sustainable practices.

Although the coffee industry is a giant in the food sector and one of the most consumed beverages worldwide there are multiple factors that are exposing the area to heavy criticism. Due to the growing notion of the consumption of coffee *on the go*, takeaway recipients have become one of the most deciding factors in the unsustainable consumption of coffee, having a surprising 2.25 billion disposable cups of coffee used per day⁷. Another crucial aspect is the agricultural side as it contributes to deforestation, habitat loss, and water and air pollution, a factor that has not softened throughout the years. Putting theory into practice, for one pound of coffee it is produced ten times the

⁵ Retrieved November 22, <https://www.statista.com/outlook/cmo/hot-drinks/coffee/worldwide>

⁶ Retrieved November 22, <https://hbr.org/2000/03/the-starbucks-effect>

⁷ Retrieved November 22, <https://www.driveresearch.com/market-research-company-blog/coffee-survey/>

carbon emissions, but the quality of the air is not all⁸. Regarding deforestation, research shows that 37% of coffee production is directly and undoubtedly linked to deforested areas and is accountable for more than 2.5 million hectares of forest deleted from existence⁹. Another aspect is linked to water consumption where it is required 140 liters of water to grow, process, and transport the coffee present in one single cup¹⁰. With all these factors in hand Nespresso and Nescafé, although having sustainable practices, can be affected by merely operating in the same sector, according to the crisis contagion theory¹¹.

The risk of crisis contagion within the coffee sector:

According to this paper, a crisis involving one company can spread to others where the perception of the public is the key factor. This notion has two spectrums, where one is focused on the degree of recallability that a brand has and the second emphasizes the interpretation of how much a crisis seems to uncover a larger problem – entitled accessibility and diagnosticity, respectively. Thus, the greater a brand's public visibility, the higher its accessibility, which increases the likelihood of it being associated with a crisis. Furthermore, if the crisis information is easily generalizable, there is greater diagnosticity¹².

Lastly, stirring Laufer and Wang's theory into the coffee actuality, in the begging of 2024 Starbucks was sued over allegations of labor and human rights abuses in the production of its commodities¹³. In this case, Starbucks' high accessibility (being one of the biggest coffee brands worldwide) and diagnosticity (due to constant allegations of the sort in the food sector) could "infect" both Nestlé's companies regarding sustainable practices but this could happen internally as well. If Nespressos were to be a greenwashing company, not complying with their sustainable goals or even forging corporate reports, this would most definitely impact Nescafé's reputation due to accessibility, diagnosticity, and another factor, the sharing of the parent company – Nestlé.

⁸ Retrieved November 22, <https://www.carbonclick.com/news-views/the-environmental-impact-of-coffee-growing-and-transportation>

⁹ Retrieved November 22, <https://tracextech.com/coffee-deforestation/>

¹⁰ Retrieved November 22, <https://www.weforum.org/stories/2019/03/hidden-water-in-your-cup-of-coffee/>

¹¹ Laufer, D., & Wang, Y. (2017). Guilty by association: The risk of crisis contagion. *Business Horizons*, 61(2), 173–179. <https://doi.org/10.1016/j.bushor.2017.09.005>

¹² Laufer, D., & Wang, Y. (2017). Guilty by association: The risk of crisis contagion. *Business Horizons*, 61(2), 173–179. <https://doi.org/10.1016/j.bushor.2017.09.005>

¹³ Retrieved November 23, <https://www.theguardian.com/business/2024/jan/11/starbucks-labor-lawsuit-human-rights-violations-coffee-farm>

This can even occur the other way around where Nestlé itself impacts its companies due to corporate malpractices as it happened two months ago within French territory¹⁴.

Nespresso and Nescafé, a profitable rivalry:

Nespresso and Nescafé, both coffee sprouts of the food giant Nestlé, although independent in conducting businesses, must compel to some wider directives that their *nest* demands. Having said that, and understanding that they have to follow *The Nestlé Corporate Business Principles* and *The Nestlé Management and Leadership Principles* are these brands as independent as one thinks? Yes and no.

The purpose of these documents is to highlight topics such as sustainability, infant health nutrition, and even international guidelines from the World Health Organization (WHO) and the UN Global Compact to conduct their actions. Nestlé's "sub-brands" actions are also guided by a notion created by Micheal Porter (Creating Shared Value, CSV), where the main aspect is to balance profit-making and social impact aligning their business strategy with societal needs¹⁵. Although having to follow directives sent from the *nest*, both brands are independent in the way they operate since they pursue different goals and methods to achieve the customer, meaning that here is where they separate.

Starting on both brands' position on the market, Nespresso presents itself as a *premium* alternative with carefully selected and user-friendly capsules that go hand in hand with their specific and top-of-the-market machines¹⁶. Furthermore, this *deluxe* coffee brand prospers due to its constant high-quality coffee pods, but above all its brand awareness worldwide and what it represents. Like Starbucks, Nespresso although selling coffee, nowadays, sells more the idea and sense of belonging in a higher class. Through the experience of buying coffee at an exclusive store or even making your own order online and having it arrive at your house, Nespresso makes the buying of their coffee not just one more purchase – it creates an experience. Arriving at their exclusive store (or as it is called "Nespresso Boutique"), with an elegant and minimalistic design and tasting area the customer feels emboldened. The client then is individually answered by trained staff that offers *you* a cup of coffee while they prepare your order. Moreover, the brand

¹⁴ Retrieved November 23, https://www.lemonde.fr/en/police-and-justice/article/2024/09/10/nestle-to-pay-2-million-euros-to-close-france-water-probes_6725538_105.html

¹⁵ Retrieved November 23, https://www.nestle.it/sites/g/files/pydnoa476/files/asset-library/documents/pdf_nostri_report/12_theworldofnestle.pdf

¹⁶ Retrieved November 23, <https://medium.com/@mhv757/nespresso-the-market-position-in-the-market-for-coffee-nespresso-is-well-known-especially-in-the-539294bd2b60>

also developed and created a campaign entitled *Nespresso Club* (now labeled *Nespresso & More*), which enhances this culture even more¹⁷. With this feature, customers can become more than just *clients*. With this, they can be *Connoisseurs* (for new clients), *Experts* (for clients over 5 years), and even *Ambassadors* (for clients over 10 years). These differentiate with different perks where a *Connoisseur* has small advantages (for example free deliveries) and an *Ambassador* bigger ones (with a free machine annually)¹⁸.

In comparison, Nescafé's positioning is the opposite, standing with more affordable and convenient options. If Nespresso stood out by the creation of coffee pods, Nescafé opened up shop with the making of instant coffee, being one of its best-sellers worldwide. Understanding the expansion of the market, Nescafé launched a new range of coffee products that maintained its affordability and convenience factors entitled *Dolce Gusto*®. *Dolce Gusto* is a new coffee machine system that grants the user an easy making of different styles of caffeinated drinks. These machines operate similarly to Nespresso ones, with the added bonus of being able to create complex drinks, such as cappuccinos and latte macchiatos with a simple coffee pod and one press of a button¹⁹. Although not having the *premium* feature that could raise their prices, they have something better, affordability and quickness. Not everybody can buy coffee at *premium* prices, but everyone can buy Nescafé. It is because of this notion that this coffee giant has operations in over 180 countries, since not only is reliable but because there is no need to go to a specific store to buy it. As it is a simple product it is sold in simple places that everyone goes in their daily routine, being possible to find in supermarkets, convenience stores, online, and even in specific machines built-in/placed in offices. Moreover, the fact that it is portrayed as a "people's brand", Nescafé takes advantage of that by having and advertising simple and seasonal step-by-step recipes using their products²⁰.

Analyzing both companies, it is understood that one of their strengths is their brand recognition, being two icons of quality coffee worldwide. Additionally, another

¹⁷ Khamis, S. (2012). Nespresso: Branding the "Ultimate coffee experience." *M/C Journal*, 15(2). <https://doi.org/10.5204/mcj.476>

¹⁸ Retrieved November 23, <https://www.nespresso.com/pt/pt/beneficios#!maquina-nova>

¹⁹ Retrieved November 23, <https://www.nescafe.com/pt/cafes/gama/nescafe-dolce-gusto>

²⁰ Bisht, A. S., & Bisht, A. S. (2024, March 15). Brewing Success: A Case Study on Nescafé's "It all starts with a Nescafé" Marketing Campaign | Digital Marketing Consultant & Expert Akshat Singh Bisht. *Digital Marketing Consultant & Expert Akshat Singh Bisht | Digital Marketing Expert , Consultant & Advisor*. https://akshatsinghbisht.com/brewing-success-a-case-study-on-nescafes-it-all-starts-with-a-nescafe-marketing-campaign/?srsltid=AfmBOooSZhTDWZrJkTtLfnp7HxubALcLRbbuRBdeql6O4uqRP1_JxraD

strength they both share is their innovation strain where not only were two distinct pioneers of coffee but kept on developing. As for weaknesses, both have a pricing factor, where in comparison Nespresso can't reach cost-sensitive costumers who can't/won't pay *premium* prices and Nescafé does not attract higher buyers that look for *premium* quality coffee (despite having the *Dolce Gusto* branding). On external aspects, a possible opportunity for both brands could be the development of new ways of coffee consumption/production that appeal to the Eastern population that prefers tea over coffee. In threats, there are two factors highlighted, one of them being the ruthless competition within the sector and the other the sustainability factor which takes a big weight on the notion not only of the brands but the industry itself. Also, one can argue that the Nestlé umbrella that both have can rapidly become a threat. By already being an established brand, Nestlé's crisis can negatively impact their brand as it was shown with the *crisis contagion theory*.

Sustainable practices in the coffee industry:

As explained in the *2024 Global Communication Report*, consumers value sustainable practices, putting the spotlight on large businesses. In this, it is highlighted the non-belief of multinational companies concerning societal needs and the importance that different stakeholders give to sustainable practices and believing that small businesses are the ones currently focused on those topics²¹. In the coffee business, there is some truth to this statement although it is not that black and white.

When analyzing some smaller coffee brands worldwide, there is an understanding that they are positively contributing to the environment and community. Take *Cafédirect*, a United Kingdom (UK) company that has contributed 30 million pounds to its farmers throughout its existence. Moreover, with their care for the planet and people in the sector, they have earned quality certifications such as the Fair Trade and Gold Standart but that is not all. They also invested half of their profits into a UK nonprofit organization that focuses on sustainability and livelihoods knowledge of farmers, but this is not the only company that does it²². *Higher Ground*, located in the United States of America (Alabama), is also devoted to being a more eco-friendly farming system, by producing

²¹Retrieved November 24, <https://annenbergh.usc.edu/research/center-public-relations/global-communication-report>

²² Retrieved November 24, <https://www.cafedirect.co.uk/impact/about-us/>

100% organic coffee. Through shade-growing (endorsing regenerative agriculture practices) they promote biodiversity and an agroforest environment that helps the region thrive. Additionally, they also partner with non-profit organizations that invest in not only sustainable practices but align with social equity as well – being awarded with Fair Trade accreditation and certified organic beans²³. This list could go on as there are other companies that contribute positively to the environment whilst profiting, nevertheless, when Nespresso and Nescafé are analyzed they don't fall that much behind.

For a *shot* of perspective, let's use Nespresso. This company is quite strong on sustainable practices having to follow environmental directives from Nestlé but also making actions that the brand itself implements. In 2003, they launched the *AAA Sustainable Quality* program that, throughout the years is making meaningful transformations to their way of conducting business. With actions that concerned recycling, sustainability, value chains, and the surrounding communities, Nespresso accumulated multiple awards for CSR²⁴. Moreover, the coffee brand aligned with Nestlé has stated their NetZero goal to be reached in 2050 that, although behind schedule, if carried out could bring significant differences to the sector and the world. Through their sustainability report (entitled *The Positive Cup*) it is understood that their decarbonization actions are behind, nonetheless, they reduced 124 thousand tons of greenhouse gases when compared to their *Business-As-Usual* projection²⁵.

By connecting innovation with social responsibility, Nespresso also implemented a regenerative agriculture approach, a method that on the one hand, enhances the coffee quality and, on the other, brings back wildlife and the forest land view that for other food companies is a never seen scenario. Another positive take about regenerative agriculture actions is that with this, the company helps their farmers diversify their income streams since their earnings stopped coming only from coffee production, they also come from the wildlife and vegetation that is beginning to settle in the region²⁶. As previously mentioned, with eco-friendly farming practices Nespresso supports not only the environment but also surrounding communities helping their economic stability. As a key

²³ Retrieved November 24, <https://www.highergroundroasters.com/pages/better-beans-by-fairer-means>

²⁴ *FAO Knowledge Repository* (2013), <https://openknowledge.fao.org/items/26db24dd-527f-4e10-9fa6-96c84468f6c7>

²⁵ *The Positive Cup – 2023 Progress* (2023), https://nestle-nespresso.com/sites/site.prod.nestle-nespresso.com/files/NESPRESSO_ESG_THE_POSITIVE_CUP_2023_PROGRESS_DOCUMENT.pdf

²⁶ Retrieved November 24, <https://www.sustainability.nespresso.com/decarbonisation/agroforestry-in-action>

factor for the *AAA Sustainable Quality Program*, Nespresso assures that their coffee purchases are made at or even above the *Fairtrade Minimum Price*, protecting coffee growers from price volatility within the sector. This money is then invested in their children's education, although in some regions others don't have that luxury. Gender inequality is a reality worldwide, but in the areas of Ethiopia where 95% of women didn't finish primary school and over 50% have zero education. To change the norm, Nespresso educates these farmers' communities with collaborative training projects where both men and women can learn about a variety of topics such as financial literacy or household nutrition²⁷.

The last field of action of Nespresso regarding sustainability is its circularity that dives into recycling practices. Since 1991, Nespresso has had a collection system that helps them recycle their aluminum capsules (a material that can be infinitely recyclable). Because of this Nespresso has now more than 70 countries with collection systems that will help them reach their 60% global recycling rate by 2030²⁸.

After analyzing Nespresso's initiatives, the focus shifts to how Nescafé is exploring a more eco-friendly approach to the coffee sector. Like Nespresso, Nescafé also endorsed the Net-Zero emissions by 2050, plus has a sustainable program entitled *Nescafé Plan 2030* that is ambitious on many fronts. This program aims to reach three different goals with three different actions. Regarding Nescafé's goals, there is the reduction of carbon emissions (specifically the greenhouse gases – GHG); the increase of farmers' income; and lastly the creation of better social conditions. With these purposes in mind, in 2023, Nescafé focused on three main actions. Firstly, the implementation of regenerative agriculture aims to improve their productivity but most importantly their resilience to climate change - tackling all three goals. Secondly, they turned their focus on helping farmers shift to this new and innovative practice by having incentives for them - helping to boost farmers' income and generating better social conditions. Finally, Nescafé aims to optimize its fertilization products by combining both organic and synthesized products protecting both water and air quality – stamping the reduction of GHG emissions and increasing farmers' income as well²⁹.

²⁷ Retrieved November 24, <https://www.sustainability.nespresso.com/communities/gender-equality>

²⁸ Retrieved November 24, <https://www.sustainability.nespresso.com/circularity/enabling-industry-wide-capsule-recycling>

²⁹ *Nescafé Plan 2030 – Progress Report 2023* (2023), <https://www.nestle.com/sites/default/files/2024-05/nescafe-plan-2030-progress-report-2023.pdf>

Culminating the above-mentioned topics, Nescafé achieved globally a 20% mark on regenerative agriculture practices and reduced chemical inputs in their crops. Moreover, with the implementation of this new model, stories began to flourish as Brazilian farmers started to use organic waste compost from nearby cattle to enhance (with synthesized products) their fertilizers. Furthermore, positive feedback also started coming from southeastern and southern Asia where it is reported up to 25% increases in crops thanks to regenerative agriculture practices³⁰.

Regarding their second and third actions, the instant coffee brand partnered with *Sustainable Food Lab*, creating the *RegenTa* program. This pilot was based in Indonesia and worked with over one thousand farmers, enlightening them about the regenerative practice. Having a “regenerative scorecard” to track the development of farmers who switch to regenerative agriculture, Nescafé even gave cash incentives (where statistics show that 90% of them did achieve them). Of the ones that got them, 80% indicated that they reinvested the money towards their farms which saw a rejuvenation and increase of their crops³¹.

Finally, in order to assess their carbon footprint and receive a more analytical feedback, Nescafé also partners with global organizations such as the Rainforest Alliance that help them associate with sustainability standards. Due to all these actions and more, in Europe, Nescafé achieved 100% responsibly sourced coffee, meaning that all of their caffeinated raw material came through sustainable practices worldwide and it is actively contributing to carbon neutrality³².

How does coffee talk?

To understand how both brands communicate with their audiences, it is essential to first identify their typical consumer profiles. In today’s digital landscape, social media platforms play a vital role in a brand marketing campaign, offering a wider and faster reach and data analysis features that help with the subsequent metrics steps³³. However,

³⁰ Nescafé Plan 2030 – Progress Report 2023 (2023),

<https://www.nestle.com/sites/default/files/2024-05/nescafe-plan-2030-progress-report-2023.pdf>

³¹ *Idem, Ibidem*

³² Retrieved November 24, <https://www.nescafe.com/pt/cultivado-de-forma-sustentavel>

³³ Retrieved November 24,

<https://archive.newportbeachlibrary.org/NBPL/0/edoc/777341/9102015%20-%20City%20Arts%20Commission%20-%2006%20Importance%20of%20Social%20Media%20-%20ATTACHMENT%20A.pdf>

companies must also acknowledge that each platform attracts distinct audiences and demographics, requiring a more strategic approach to the channels that best align with their overall goals and target markets.

Within the industry, statistics show that baby boomers (ages between the 60s and 80s) are the ones who consume more coffee where 85% of this generation drinks it daily³⁴, however, these numbers change when the onus is on Nespresso and Nescafé. Despite being a coffee brand and even though baby boomers are the ones who consume the most coffee, this generation doesn't fit in with their goals as Nespresso is focused on the experience of drinking coffee and the luxurious strain of it their main target shifts. Thus, their product appeals to people in their 30s-60s who want to enjoy their cup of coffee, live mostly in urban areas, and are financially stable³⁵. Contrasting, Nescafé's products, being a more affordable and practical option, attract a younger audience such as students and young professionals that cherish affordability, being in their 20s to 30s. Being a historic brand in the sector, loyal customers are not ruled out. These are the ones that could even be highlighted due to their constant purchases, being a key factor in the consistent numbers of Nescafé's sales.

Regarding the use of social media by Nespresso, the brand uses these platforms to promote its products and to maintain, foster, and stimulate its premium image. Moreover, as their target audience is people aged 25 to 60 years old, their social media selections acknowledge precisely that – Facebook, Instagram, YouTube, and LinkedIn³⁶. Regarding their Facebook presence, the brand/platform has a particular feature where the user can select the region they are in, and with that, the page itself changes to the according country (where the main page reaches 7.6 million followers). Analyzing the Portuguese page, they focus mainly on video content where the engagement is higher than in the USA or the Swiss one, with hundreds of likes per post. Additionally, the brand makes use of the hashtag feature that enhances its platform visibility and, in every post, has a hyperlink that redirects the user to their website. As for Instagram, not having the “regional feature” Nespresso separates between regional accounts having one for each country. Relevant to

³⁴Retrieved November 24, <https://www.driverresearch.com/market-research-company-blog/coffee-survey/>

³⁵ Retrieved November 24, <https://studycorgi.com/international-marketing-analysis-for-nestl-nespresso/>

³⁶ Retrieved November 24, <https://studycorgi.com/international-marketing-analysis-for-nestl-nespresso/>

say that these are official accounts that are linked to Nespresso's website where the country of activity selected on the website changes the link to the Instagram account. Nonetheless, reviewing their main Instagram account which reaches over one million followers, they also focus on the video format (*Instagram reels*) to advertise their products and campaigns. Moreover, the company also uses the *highlights* feature to organize different campaigns, collections, recipes, and partnerships, which enhances the user experience. Another interesting factor is their *bio* which highlights their sustainability factor where their link redirects you to their main website or a sustainability page regarding their *B Corp* certification. Nespresso's LinkedIn account (with barely over 500k followers) follows their Instagram approach with a focus on their sustainability approach on their farming but with a "corporate twist" diving deeper into their day-to-day practices. Finally, their YouTube presence is the posting of promotional short videos to showcase their new products. Furthermore, their posts follow their global presence posting videos in different languages but following the same minimalistic style.

But because communication is not only social media, Nespresso also develops its sales platform accordingly – its website. Here they have visible their full range of products (pods, machines, accessories, and services), having a detailed caption for everything which creates the *premium* factor and appeal. For the coffee, is presented down to every minute detail: from the roasting process; to the cup size where it should be consumed; the "hints/notes" of flavor present in specific coffees, and a highlighted session for its aromatic profile³⁷.

Finally, Nespresso's communication strategy is ultimately about creating and maintaining the *premium* awareness that customers and non-customers have. In this way, the brand not only maintains a superior market *status* but also extends it to the ones consuming their products.

Shifting the focus to Nescafe, as its target audience tends to be more on the younger side, its usage of social media will go accordingly. Moreover, being an established brand on the market Nescafé's online presence is not the best only having two active platforms – Facebook and TikTok – where others such as X and Instagram have been dormant since 2023. Strategy-wise, the use of Facebook is related to its target

³⁷ Retrieved November 26, <https://www.nespresso.com/pt/pt/order/capsules/original/ristretto-capsula-cafe>

audience, where more than 50% of its users are between 25 and 44 years old³⁸. Moreover, its account has the same feature as Nespresso having a main page that changes according to the region/country selected. With this and being their main social media account, they gather a total of 32 million followers. Furthermore, note that each region/sub-account changes its key message according to its national trends and topics. Taking Portugal as an example, the account focuses on the environmental factor, whereas the USA has one on a more *Do it Yourself* (DIY) approach with different recipes and highlighted information. As for their TikTok, different branches of Nescafé have different accounts where they follow the same rule of indecency throughout their different accounts.

Looking at Nescafé's website, their main focus across it is their sustainability and environmental impact worldwide, having a direct hyperlink that redirects the user to their sustainability page with various information about their sourcing and the communities that the brand is helping whilst profiting. In this platform is possible to purchase the different gammas of products that the brand offers although, in a way, that is not their main goal. Although following the F-Pattern where the most important topic is on the top left corner of the screen³⁹, visually the three submenus (*Our coffees*, *Recipes*, and *Sustainability*) have the same importance, having no highlighting feature whatsoever⁴⁰.

To conclude Nescafé's approach to customers, despite not being as active as Nespresso in social media is effective by the smart use of resources and platforms. Compared to Nespresso, Nescafé offers a diverse selection of coffees, ranging from budget-friendly instant options to premium lines like *Gold* and *Dolce Gusto*. These are appealing to the "average Joe" by balancing ease and comfort with an increasing emphasis on sustainability where a regular citizen can enjoy a quality cup of coffee and still help the environment – all of this and still paying average prices.

Regarding the above-mentioned topics, it is understood the difference between both companies' approach to customers. Whilst Nespresso has a more direct approach Nescafé is more discrete, but between different campaigns and actions, both coffee brands stand out. Highlighting Nespresso's direct approach, it did a campaign that shocked Portuguese people in April 2024. The brand planted three strategically placed boxes throughout Lisbon to announce its limited-edition coffee pod. Aligned with their main

³⁸ Retrieved November 26, <https://www.statista.com/statistics/376128/facebook-global-user-age-distribution/>

³⁹ Retrieved November 26, <https://writefulcopy.com/blog/f-shaped-pattern-explained>

⁴⁰ Retrieved November 26, <https://www.nescafe.com/pt/>

audience the brand used busy places (*Marquês de Pombal*, *El Corte Inglés* and *Gare do Oriente*) that attracted daily attention for one week⁴¹. Nescafé on the other hand focuses on another type of campaign. With *Real Friends*, they asked an ordinary customer with a few more than one thousand followers to reach out to his Facebook friends and ask them to drink a cup of coffee and get to know each other. In the end, it was made into a two-hour documentary that had seven million views and became a social phenomenon in France. Moreover, this campaign was such a huge success that it created a wave of amateur “real friends” with the key message *It all starts with Nescafé*⁴².

How to sweeten the coffee:

In light of the *Communications Trend Radar 2024*, both Nestlé brands need to keep an eye out for AI technologies. With this main topic in hand, the report emphasizes the quality and quantity of information, AI communication tools, and the need for new digital skills in the workforce.

To tackle the information inflation part, both brands could benefit from a behind-the-scenes video where it is shown all of their supply chain and the specific milestones that are being reached during this process. Moreover, and combining both the quality of information and the new digital skills, these coffee icons should jump in on the multiple trends that are coming up in the marketing sphere with employee engagement and showing their workplace on social media. Additionally, as a good communicator is the one who understands the big picture, Nespresso and Nescafé, should start to have a good TikTok presence. This app has been seeing a growing presence from older generations which when linked to its algorithm can be proven beneficial⁴³. From another perspective, both companies could simplify their communication on sustainability, as it is currently in reports with various information that may not appeal to the general public and consumers. Additionally, as it was highlighted previously consumers value sustainability⁴⁴, which

⁴¹ Retrieved November 26, <https://marketeer.sapo.pt/nespresso-coloca-caixas-gigantes-em-lisboa-com-surpresas-encontrou-as/>

⁴² Retrieved November 27, <https://vimeo.com/78245973>

⁴³ Retrieved November 27, <https://www.statista.com/statistics/1299771/tiktok-global-user-age-distribution/>

⁴⁴ Retrieved November 24, <https://annenbergh.usc.edu/research/center-public-relations/global-communication-report>

means that is on the coffee brands to show their results and make them easy to understand for better consumer awareness on this topic.

Regarding AI communication tools, both could benefit from the use of *Fake Out of Home* (FOOH) technologies and perhaps deepfakes to step up their communication, never forgetting their pillars, target audience, and above all ethics code. Also, these Nestlé gladiators should make use of AI analyzing tools to better understand their customers' preferences, likings, and beliefs. With this, the companies could improve their messaging and perhaps create new products that are more aligned with specific audiences. In line with that, Nespresso should invest in a more personalized factor on their *Nespresso & More* feature with perhaps useful recommendations for the next purchases that go along with their consumption pattern.

In conclusion, when a comparison is made between Nespresso and Nescafé throughout their different approaches to the market, it is understood differences and convergence in different topics. For once Nespresso and Nescafé have a strong sustainable program that, although encouraged by Nestlé, it is something additional to their approach. However, when comparing their position on the market Nespresso positions itself as a luxurious lifestyle brand appealing to customers that want an experience than just the caffeine. In contrast, Nescafé pursues a more affordable and accessible product and with that a wider range of customers. All in all, both brands would benefit from a boost and enhancement on their social media platforms by using new marketing tools such as AI ones and a more generic and simple way to be informed about their sustainable program. The history that Nespresso and Nescafé together created shaped the coffee industry and it is an example of how a company like Nestlé created two brands in the same sector that, despite their congruence on the raw material, their communication does not make them clash.

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