

New Product Marketing Strategy: The Case of Binggrae's 'a Café la'

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All firms require new stimulus to spurt growth. Therefore it is necessary to successfully develop new products and to employ appropriate marketing practices for the new products to enter and settle in the market. Binggrae, a Korean company that specializes in dairy and processed dairy products, introduced a ready-to-drink (RTD) coffee product, 'a Café la' to expand its business into the coffee market in 2008. Binggrae was a latecomer in the RTD coffee market but a Café la has shown an impressive average sales growth rate of 115% as of 2011 since the launch. Moreover, it is a steady bestselling coffee brand among the Polyethylene terephthalate (PET) bottle category.

Binggrae found potential and opportunity in the growing coffee market and made efforts to develop a new product that can be differentiated from the existing products. The result was PET bottle coffee, which was more portable and convenient to drink than coffee products offered in cups or cans. PET bottle coffee is produced through the patented Aseptic Filling System, thus the original coffee flavor stays fresh when combined with milk and has a longer shelf life than coffee products in cups. Moreover, as the taste of coffee consumers has become more sophisticated, Binggrae developed a premium product by differentiating the product processing method and by using higher-quality Arabica beans. After launching the new product, the company also employed a well-designed communication strategy. First, Binggrae was able to confirm the level of market demand and market potential for the product by employing BTL (Below the Line) marketing strategies through the consumers' word-of-mouth. Afterwards, the company invested its resources for a full-scale ATL (Above the Line) marketing campaign. Later a Café la's TV commercial effectively portrayed the product's characteristics, and succeeded in raising consumer awareness of the product. As a result, a Café la has become the bestselling brand in the PET bottle coffee market. The successful new product marketing strategy of Binggrae's a Café la offers many valuable implications for companies planning to launch new products in the future.

Key words: New Product Marketing, RTD Coffee, Binggrae a Café la

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I. Introduction

Successful developments of new products and market success have long been emphasized as preconditions for companies to survive, grow, and maintain a competitive advantage (White 1976). They have also been investigated as means for companies to achieve diversification, which is often regarded to contribute to a company's long-term growth. However, many new products fail and disappear from the market owing to the company's substandard technology and lack of marketing skills that can accurately identify the consumer's needs (Ahn, Ha, and Park 2010). Moreover, new products require significant costs for development, production, and marketing therefore a successful development of a new product and making an effective market entry for the product has become an essential yet dangerous business challenge.

Binggrae's 'a Café la', which is successfully pioneering the ready-to-drink (RTD) coffee¹⁾ market since its launch in 2008, offers an exemplary case of successful new product marketing practices. This paper will analyze the marketing case of Binggrae's a Café la and determine specifically what strategic factors contributed the success of the company's new product marketing practices. In other words, the paper examines how a Café la, a latecomer

brand in the RTD coffee market managed to achieve distinction in the market through product development and marketing communications.

To make such analyses, the authors will first provide a brief introduction of Binggrae and the reasons behind the company's entry into the coffee market, how Binggrae developed the product a Café la, and how the company established new product marketing strategies. Finally, a Café la's success factors will be examined to identify further implications and challenges for the future.

II. Introduction of Binggrae

Binggrae (CEO Keon Young Lee) was first established under the name Daeil Co. Ltd. in 1967 and changed the company name to Binggrae in 1982, positioning itself as South Korea's major food company. The company's products include 'Together' South Korea's first mass produced classic and traditional ice cream, 'Yoplait' the pioneer of yogurt products, and 'Banana Flavored Milk' a product with a national brand recognition, all of which are widely known as leading products in each product category and possess significant brand power in the domestic market. The company's products have also been maintaining the leading market share in processed

1) RTD coffee refers to coffee beverages that can be consumed instantly upon purchase, packaged in containers including cans, cups, bottles, and aluminum (MK Business News, August 30th 2012).

milk products and yogurts market for a long time.

Binggrae's representative product in the dairy category is Banana Flavored Milk. This product boasts yearly sales revenue of over 10 billion KRW, a rare record for a single brand. The product is considered the most successful processed milk product that consumers continuously love for its unique taste and packaging. Despite the heightened competition in the dairy industry with launches of similar products in 2006, Banana Flavored Milk is maintaining its top market status regardless of other product launches. Moreover, 'Yoplait' which is South Korea's first packaged cup yogurt launched in 1983, possesses strongest brand power and the name 'Yoplait' serves almost as a regular noun indicating yogurt products. Despite intensified competition owing to launches of 'Bulgaris' and 'Activia' from the competitors, Yoplait still maintains the top position in the market share (The Korea Economic Daily, June 21st2012).

Binggrae's ice cream sector also ranks number one in consumer satisfaction. 'Together', which is the first ice cream made from 100% raw milk to launch in the South Korean market, is known for its freshness and rich flavor. The ice cream has established itself as a Binggrae's representative brand for approximately forty years and is consistently loved by the consumers. Even in competitive situations where new products are endlessly introduced into the market, 'Together' has maintained the leading position as the product with strong market durability (Korea JoongAng

Daily, April 4th 2012). Binggrae's 'Melona' which launched in 1992 has set the highest sales record for a single product and is sold in over thirty countries around the world including the United States, Canada, New Zealand, Hong Kong, Taiwan, China, Singapore, Thailand, Philippines, Indonesia, Vietnam, Mongolia, Brazil, and Argentina (The Korea Economic Daily, June 21st2012). In 2005, Binggrae launched the premium ice cream 'Cledor.' With a sales strategy offering 2-30% reduced pricing at retail businesses including discount stores, convenience stores, and bakeries, Cledor started receiving consumer attention. Binggrae also partnered with CJ Foodville's bakery shops Tous Les Jours and sold the products in over 600 stores in the nation, increasing ease of access by making Cledor relatively easy to purchase for the customers (Asia Business Daily, June 22nd 2011).

Although Binggrae's position in the market seemed prominent in the processed milk and fermented milk sector, the company was concerned about the possibility of stagnant growth and was in need of identifying a new growth engine. The answer to this problem was a Café la, Binggrae's new product to enter the coffee market.

III. Binggrae's New Product 'a Café la'

a Café la (meaning 'together with coffee' in

Italian) is South Korea's first RTD coffee utilizing PET bottles (see <Figure 1>). The product's naming, a Café la is reminiscent of the music genre a cappella, adding an emotional and cultural element to the coffee product. Coffee was a new category entry for Binggrae whose major products consist of ice cream and dairy.

Starting with a Café la Café Latte in May 2008, Binggrae launched the product in various flavors until 2011, with flavors including Caramel Macchiato, Americano, Vanilla Latte, and Mocha Latte (see <Table 1>). a Café la first launched in 2008, and the product's sales rate had been rapidly growing at an average of 115% up to

2011 (see <Figure 2>).

<Figure 1> a Café la's Package Design

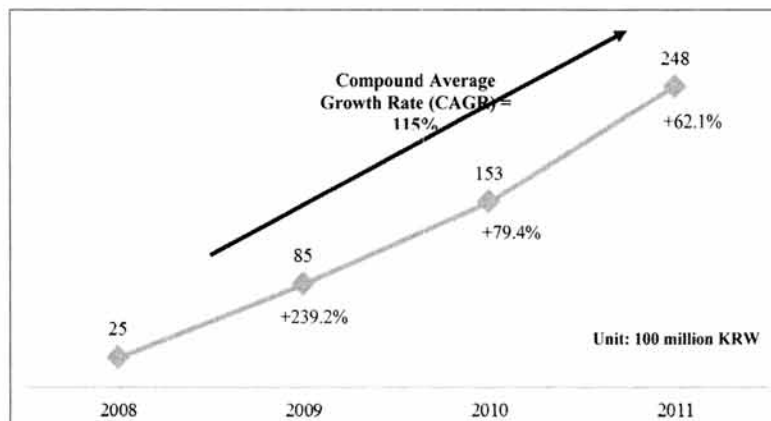


<Table 1> Flavors of a Café la

Launch Date	Flavor	Characteristics
May 2008	Café Latte	Brewed coffee softened with milk
March 2009	Caramel Macchiato	Sweet appeal of Italian flavor
	Americano	Light and enjoyable traditional American coffee
March 2010	Vanilla Latte	Sweet latte filled with soft vanilla
June 2011	Mocha Latte	Soft latte with dark chocolate flavors

*Source: Binggrae

<Figure 2> Yearly Sales of a Café la



*Source: Binggrae

3.1 Binggrae's Entry of the Coffee Market

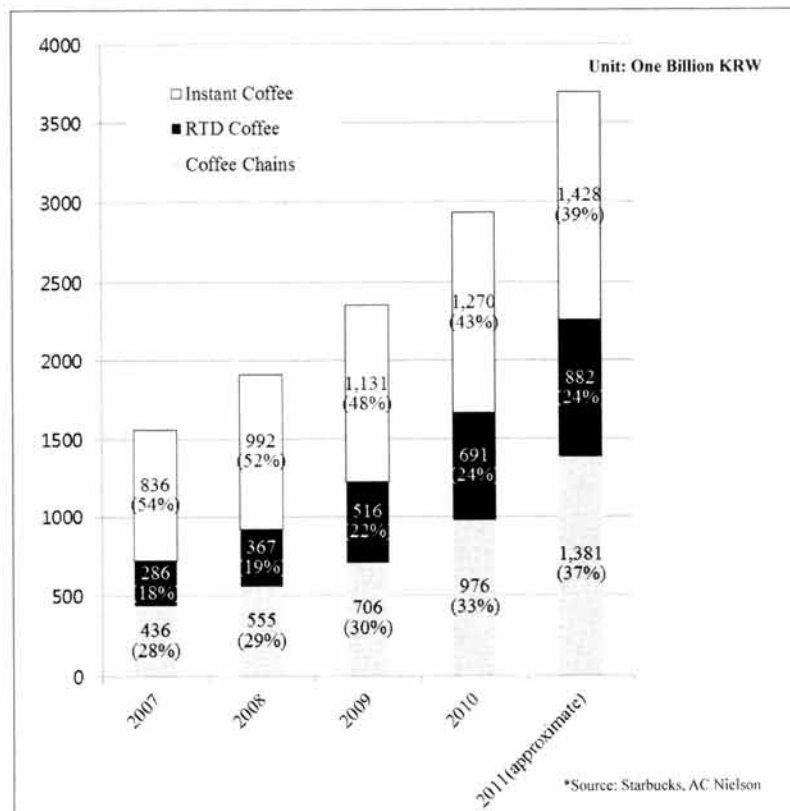
3.1.1 Competition Conditions

The domestic coffee market had been continuously growing since 2007, and the coffee beverage market was considered the new blue ocean. Products that have been showing rapid growth for years such as tea beverages showed a growth rate of -10 to -20%, and juices and carbonated drinks also had a growth of -1% and 3% respectively, yet the coffee beverage

products had a growth rate around 20% (MK Business News, January 29th 2009).

The coffee market can be mainly divided into three categories: coffee chains such as Starbucks and Angel-in-us Coffee, complete products such as can coffee or RTD coffee, and instant coffees including stick coffees, often called 'coffee mix,' and general powdered coffee. Until 2007, the instant coffee market took up 54% of the entire coffee market, with the composition of coffee chains and RTD coffee increasing in the market (see <Figure 3>). RTD coffee was rapidly expanding in market size as it offered good flavors

<Figure 3> Domestic Coffee Market



and relatively cheap prices, while also in line with the social trend that prefers convenient products.

The growth of the coffee market led the popularization of coffee and the expansion of the take-out coffee culture. With such expansion of the coffee market, other dairy companies including Maeil and Namyang entered the RTD coffee market with the goal of business expansion. The companies were in need of a new growth engine as the existing dairy and infant formula business faced limitations in demand. Thus, they all looked into the unprocessed dairy sector showing impressive growth to find a breakthrough opportunity for sales growth. The RTD coffee product was one of their top priorities.

Maeil introduced a new premium coffee market through its cup coffee product 'Caffe Latte' in 1997. Caffe Latte was South Korea's first cup coffee product and featured lower sugar content (from 6% to 5%) and longer roasting method for the coffee beans to satisfy the consumers' needs and follow the coffee market's trend of high quality orientation. (MK Business News, April 10th 2008). Consequently Maeil was showing a strong performance in the cup coffee product sector, and the new product 'Baristar' also contributed to Maeil's achievement of no. 1 status in the cup coffee market. Namyang, the market share leader in the infant formula business also

launched 'French café' and achieved success alongside Maeil.

At the time, numerous products varied in container types, price, and flavor, including can coffee products (Let's be, Maxwell House), cup coffee products (Caffe Latte, French café), NB-Can²⁾ coffee products (Cantata), and glass-bottle coffee products (Starbucks), were in competition in the RTD coffee market.

3.2 Binggrae's Development of a Café la

Binggrae, a company specializing in dairy and processed dairy products, also decided to enter the RTD coffee market. However Binggrae was a late entrant that generally has weaker brand representativeness, lower consumer awareness, and less favorable brand image compared to those who entered the market earlier (Carpenter and Nakamoto 1989). Therefore, it is difficult for the latecomer to compete with the incumbents that have created an entry barrier in the market and achieve a leading position in the market in a short period of time, thus a clear differentiation of the product is needed. Therefore Binggrae needed to differentiate its product from the existing products in the market.

Binggrae aimed to differentiate its product

2) NB-Can refers to New Bottle Can (Aluminum Can), which is 1/10, the weight of a typical glass bottle container, reducing distribution and energy costs. Moreover, the container offers successful preservation for a long-term and safe distribution through high-temperature sterilization, boasts effective thermal conductivity maximizes thermal insulation, and preserves the product's functional active ingredients that are good for health by blocking the permeation of oxygen and light (Newsis, June 3rd 2008).

from the existing products in the RTD market both inside and out. To achieve this goal, the company focused on the 'convenience' offered by the product's container and the 'sophistication' of the products flavor and aroma. Binggrae was able to strengthen the 'convenience' factor, which is one of the major reasons consumers choose the RTD coffee product, while also addressing the consumers' concerns over the inferior flavor and aroma of existing RTD coffee products compared to products offered by popular coffee chains. Therefore, Binggrae upgraded the packaging in the RTD coffee market by introducing the PET bottle and also upgraded the quality of the flavor and aroma of the products by specializing the coffee processing method.

3.2.1 Development of the PET Bottle

PET bottles' advantage over other RTD coffee containers is that it is easy to carry and drink. Representative products in the RTD coffee market such as can coffees and cup coffees are hard to carry around once the product is opened for consumption. However, the PET bottle has a lid, which makes a Café la very portable and especially fitting for drinking outdoors while carrying it around in transit. Binggrae wanted to create a premium take-out coffee image for a Café la, so the company decided to make a brand new attempt and use the PET bottle to maximize the convenience for the consumers.

Manufacturing PET bottle coffee products

requires more expertise than making other products. The premium coffee products that emphasize the smooth flavor created by combining milk with coffee, are low-acid products with a high possibility of developing active microorganisms so it was impossible to produce premium coffee products with the typical PET containers existing in the market. To produce a Café la in PET bottle, Binggrae focused its attention on the Aseptic Filing System offered by its partner manufacturing company Hyosung. Hyosung introduced the Aseptic Filing System for the first time in Korea in 2007. The Aseptic Filing System is a part of an OEM (original equipment manufacturing) business, and the system offers a safe filing of low-acid products that are prone to damage in the distribution process such as mixed tea, mixed grain drinks, milk coffee, and other drinks containing milk. The Aseptic Filing System is a state-of-the-art technology that is entirely operated under a sterile facility so that the flavor and aroma of the beverage is preserved and safely filled into the PET container (www.hyosung.co.kr). This method offers several advantages as it shortens the time required for heat treatment of the product so that the original aroma of the coffee is well preserved and the product can be stored for a long time. The brand, 'Asepsys' logo is attached to all products produced from Hyosung's Aseptic Filing System line (see<Figure 4>).

Thanks to the use of PET containers, a Café la's shelf life is six months. The length of the

<Figure 4> Hyosung's Asepsys Logo



Hyosung Asepsys Logo



Hyosung Asepsys Logo
On the backside of A Café la

shelf life is right in the middle between cup coffee products, which have a 12-week long shelf life, and can coffee products, which have a shelf life of one year. In the case of can coffees, the products can be stored for a long time but the lengthy high-temperature sterilization process in the production stage reduces the products' freshness; in the case of cup coffees, the freshness is preserved but the shelf life is short. The PET bottle coffee product is an effective new attempt at addressing the disadvantages and strengthening the advantages of the two products.

3.2.2 Development of a Premium Coffee

At the time of a Café la's development, the coffee chain culture was popularized among the young consumers aged 20 to 30 and the consumers' standards for coffee consumption had been rising accordingly. Consumers' coffee tastes

were becoming increasingly sophisticated and the quality of the coffee became an important factor. To reflect such changes in the consumers' needs, Binggrae invested a lot into developing a premium coffee to differentiate a Café la from the existing products in the RTD coffee market. Binggrae successfully achieved this goal through three methods of specializing the coffee processing steps, producing a premium coffee that preserves the original aroma of the coffee bean.

First, a Café la only uses Arabica coffee beans. From testing with coffee beans around the world for over a year, the developers concluded that Arabica's rich aroma and flavors appeal the most to the Korean consumers' tastes. In order for the consumers to enjoy the original coffee flavor, premium coffee beans selected from Colombia, Brazil, and Ethiopia were used.

Second, a lot of care went into the roasting period where heat is applied to roast the coffee beans. Through implementing the French Roasting

method, Binggrae minimized impure flavors and emphasized the deep flavors of the coffee bean. French Roasting is one of the dark roasting techniques that roast the coffee bean for a long time. This method effectively preserves the original coffee flavor.

Finally, a Café la combined various coffee beans to produce the ultimate flavor using the EXTRA-Gold Blend technique. The advantages of EXTRA-Gold Blend technique is that it preserves the unique characteristics of various coffee beans, producing a smooth flavor that can be found in the regions that the beans originally came from. Moreover, grinding the beans makes it hard to preserve the original flavor and aroma of the coffee, but this method blends the beans right before production so that consumers can experience a high quality premium coffee flavor. In addition, espresso extraction and drip extraction methods were used for different spices, creating a high quality and convenient RTD coffee product.

IV. a Café la's New Product Marketing Strategy

The new product marketing strategy of a Café la can be mainly divided into pricing strategy, retail strategy, and communication strategy.

4.1 Pricing Strategy

a Café la's price (for 240ml) was 1,500 KRW at the time of its launch. A high price was set to reflect an image of a high-quality premium coffee. At the time, the price of RTD coffees ranged from 750 KRW for can coffee products, 1200 KRW for cup coffee products, 2000 KRW for glass-bottle coffee products, and 2,200 KRW for NB-Can Coffee products. Cup coffee products, which are representative of RTD coffee products had a strong image of being a 'coffee flavored beverage' rather than being recognized as a traditional coffee product by the consumers, a Café la's price was set at twice the price of can coffee products so that it maintained the image of a traditional take-out coffee while obtaining price competitiveness relative to glass-bottle coffee products or NB-can coffee products.

4.2 Distribution Strategy

In general, coffee distribution is mainly divided into room-temperature distribution and refrigerated distribution. Can coffee is the most representative product that is distributed at room temperature whereas cup coffee is most representative of products requiring refrigerated distribution. Binggrae, which possessed an efficient refrigerated distribution system decided to distribute a Café la to the consumers through fully refrigerated distribution. Binggrae enabled a Café la to keep its maximum freshness, as

freshness is a key factor for the product, which is made from both milk and coffee. As a result, consumers were able to experience a superior freshness of flavor and aroma through a Café la, and were also able to place value and trust on the product. This enabled the consumers to identify a Café la as a traditional premium coffee that preserves its freshness.

The strong market presence of Banana Flavored Milk, a popular staple among Binggrae's products also helped a Café la's growth in the market. Banana Flavored Milk has been a bestselling product in convenience stores, which are showing exceptional growth among the retail channels, and having a Café la shelved alongside Banana Flavored Milk in convenience stores enabled the new product to rapidly circulate the market.

4.3 Communication Strategy

4.3.1 Phase One (From Launch to 2010)

After its first launch in 2008, a Café la has shown a rapid sales revenue growth without large scale sales promotions or advertising campaigns. In 2008, the first year of launching the product, the sales revenue amounted to five million KRW and jumped up to eighteen million in 2010. For a Café la, Binggrae applied a communication

strategy different from the existing strategies the company usually employed for new product launches.

To avoid danger of overspending on aggressive campaigns for an unpromising product in the launch process, a Café la mainly employed BTL (Below the Line)³⁾ focused marketing strategies in the initial launch stage. In other words, the marketing focused on the target market and employed the gradual expansion to first confirm the market potential of the product. A step-by-step strategy was employed so that resources were focused on ATL (Above the Line) marketing activities only after market demand for the product had been confirmed to an extent. After launching to 2010, the goal of a Café la's communication strategy was to encourage organic sales resulting from the consumers' word-of-mouth promotions. This stage can be seen as the confirmation stage to explore the demand and market potential of a new product.

The first of the BTL marketing strategies employed up to 2010 was focused around the brand song. In 2009, various events were held centered around the a Café la song, a remake of the song 'Ticklish (Gan-jee-rup-geh)' sung by 'Sweet Sorrow,' an a cappella group popular among women. The event offered downloads of the a Café la song as mobile ring tones, caller ring tones, or Cyworld⁴⁾ background music. For

3) BTL refers to below the line marketing methods such as promotion, exhibition, events which covers all marketing and advertising activities excluding the traditional mass media communication (Doo-Hee Lee 2009)

4) Cyworld is a major social networking and micro-blogging site in South Korea

these events, Binggrae also created a Café la brand website. This was a part of online activities to promote the a Café la song. Moreover, there were promotional events for sampling a Café la at university festivals and sponsorships of a Café la at the group Sweet Sorrow's concert.

In 2010, the singer K. Will sang a remake of the a Café la song that propagated in radio commercials, and a Café la was used as a PPL⁵⁾ in 'My Girlfriend is a Gumiho (Nine-tailed Fox)' a popular drama that aired in 2010. Binggrae's BTL communication had an effect of raising awareness gradually by initially focusing on marketing the target group, and the link between the brand name and the song from the a Café la song campaigns were effective in creating a brand identity that appeals to the consumers' emotions.

4.3.2 Phase Two (2011~Present)

From 2011, a Café la started its major ATL Marketing activities. Although a Café la had a relatively low awareness, it had a unique presence in the RTD coffee market as a PET bottle product. However, the situation changed as Seoul Milk partnered with Japan's Doutor and entered the RTD coffee market by launching the PET product 'Seoul Milk Doutorthe Classic' in July 2009. At the time, Seoul Milk expanded its market share through its existing

distribution network with the new product that came in three flavors: Café Mocha, Café Latte, and Americano. From the time of launching, Doutor aggressively used its marketing resources for ATL marketing activities and obtained consumer awareness in a short period of time, which was followed by a rapid growth in sales. In 2010, the sales revenue of Doutor reached a level almost comparable to that of a Café la, establishing market structure dominated by the top two brands (see <Table 2>). Moreover, the entry barrier in the PET bottle coffee market was diminishing as minor brands such as French Café and Baba was introduced to the market. Doutor's growth in the market presented a crisis to a Café la. At the time, a Café la was waning in the market despite its initial leading position because of the product's lack of awareness from the consumers. To address such weaknesses, Binggrae started investing significant marketing resources for a Café la's major ATL marketing activities.

The TV Commercial produced by Binggrae at the time featured Ji-won Ha, a high caliber female celebrity, and the indie band 10cm playing the guitar and djembe singing the 'a Café la Song' together on a camping site, and the main line in the commercial was 'Sunny day, a Café la' (see <Figure 5>). The commercial attempted to appeal to the consumers' emotions by reflecting feelings of 'freeness' and

5) PPL refers to Product Placement that exposes the product's brand name and logo in movies, music videos, and television (Steertz 1987)

<Table 2> Sales of PET Bottle Coffee Products

Unit: one million KRW, %

Brand	2008	2009		2010		2011	
		Sales	Yearly Increase	Sales	Yearly Increase	Sales	Yearly
Doutor	-	5,814	NA	21,647	272.3%	20,212	5.5%
a Café la	2,124	11,510	441.9%	19,155	66.4%	33,579	75.3%

* Source: AC Nielson RTD Coffee Topline Report (August 2011)

'recess' derived from the concept of coffee as well as depicting 'outdoors' and 'activeness,' which are linked the product a Café la's unique characteristics.

The 'a Café la Song' gained huge popularity online with its addictive melody. Only two days after its introduction on Youtube, the video got over twenty thousand hits, with total views over fifty eight thousand. After launching the TV commercials, the sales of a Café la in convenience stores rose by more than 100%, and the awareness of a Café la rose rapidly as well.

<Figure 5> a Café la TV Commercial



At the same time, Seoul Milk's new product Doutor launched a new cup coffee product for expansion and started ATL marketing campaigns centered on this launch. However, a Café la also employed ATL marketing strategies in 2011 to raise consumer awareness and resultantly achieved yearly sales growth rate of 70% compared to 2010. On the other hand, Dotour's

<Table 3> Sales by RTD Coffee Brand

Unit: one million KRW

Container Type	Brand	Sales
CUP	French Café	88,612
CUP	Caffe Latte	62,224
PET Bottle	a Café la	33,579
CUP	Starbucks	30,779
CUP	Baristar	29,614
PET Bottle +CUP	Doutor	20,212

* Source: AC Nielson RTD Coffee Topline Report (August 2011)

PET coffee product experienced 50% decrease in sales revenue and despite increase in the cup product's sales, the combined sales revenue only amounted up to the previous year's sales revenue amount derived solely from the PET product. Resultantly, a Café la was able to step up far ahead from its competitor and escape a fierce market competition system between two major players (see <Table 2, 3>).

32.5% whereas the average sales growth rate of a Café la is 115%, nearly three times more rapid compared to the average market's growth rate. a Café la has created a new category in the RTD coffee market and is maintaining the no. 1 position in the PET bottle coffee market.

Binggrae needed a new growth engine and their new product a Café la is showing great potential. a Café la is not yet a major revenue generator for Binggrae such as Banana Flavored Milk or Yoplait, but a Café la's proportion of contribution to sales revenue is steadily growing (see <Figure 6>). As a result, there is potential for a Café la to become one of the big three sales revenue generators for Binggrae, along with Banana Flavored Milk and Yoplait.

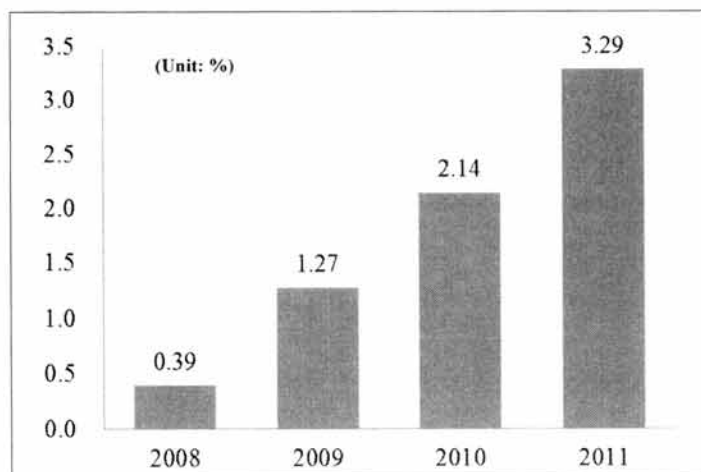
Aside from such quantitative performance results, there is qualitative performance results derived from a Café la's successful new product marketing practices. The product enabled Binggrae

V. Conclusion

5.1 Market Performance

To the present year 2012, a Café la has maintained a good market performance. From its launch in 2008 to 2012, the market sales growth rate of RTD coffee has averaged at

<Figure 6> a Café la's Sales Contribution in Binggrae



*Source: Binggrae

to depart from existing undifferentiated marketing strategies and increased the probability of success for the company's new product by offering a new approach that effectively utilized the company's resources. Moreover, Binggrae experienced changes in organizational structures, as the company was able to diversify its focus on the existing businesses showing slow growth rates (dairy and ice cream) to the new beverage business. In the past, Binggrae's marketing department was mainly divided into dairy/beverage and ice cream, but now a new division fully dedicated to beverage only has been created.

5.2 Success Factors

Binggrae's a Café la was a late entrant in the RTD coffee market, yet it presents a successful case of differentiation from the existing variety of products. a Café la's success factors can be summarized as follows.

First, the product aptly reflected the coffee market's trend. When the product was first launched, coffee has become a staple product in the market, and there was a rapid expansion of the take-out coffee business. To reflect such trends, Binggrae professionalized the process of blending, roasting, and extracting of the coffee beans and made efforts to improve the quality of their coffee product to become comparable to those of popular take-out coffee shops.

Second, Binggrae combined the cultural code of coffee consumption with the emotional appeals

of 'freedom' and 'joy,' which were concepts that offered something beyond the rational appeal of 'convenience.' Binggrae offered a unique and differentiated packaging for the product by utilizing the PET bottle, which enabled the consumers to freely enjoy the beverage outdoors, and created advertisements emphasizing sunshine and the concept of a take-out coffee enjoyed outdoors to effectively communicate the product's niche concept.

Third, the product reflects the consumers' various needs. The company insisted on good quality, employing a strict Aseptic Filling System and refrigerated distribution for the product. The products have high quality and also take into consideration the varied tastes of the consumers by offering five different flavors including Americano, Café Latte, Caramel Macchiato, Vanilla Latte, and Mocha Latte.

The final factor is the strategic and timely marketing activities. When the introduction of Doutor to the PET coffee market threatened the leading position of a Café la despite being the first coffee product to utilize the PET container, Binggrae obtained further consumer awareness through TV commercials and was able to firmly ground itself as the leading product in the market. In the long term, the use of promotional strategies also counted as effective and appropriate marketing practices for the new product. Binggrae did not employ a strategy focused on the initial stages of the product's launch, but employed ATL and BTL

strategies following appropriate steps according to the product's maturation in the market.

5.3 Future Challenges

a Café la has continuously shown a strong market performance after its launch, and established itself as one of the new 'Megabrands' of the Binggrae Company. However, Binggrae's goal is to incubate the a Café la brand as a representative coffee brand with annual sales of 100 million KRW. The company faces two major challenges to achieve the goal. First, it has to build an even stronger brand image of the product. To establish a firm brand identity and to achieve consumer awareness as a differentiated premium take-out coffee product, Binggrae needs to employ appropriate subsequent marketing strategies.

Second, Binggrae needs to achieve a successful product expansion utilizing the brand of a Café la. In 2012, Binggrae launched the cup products 'a Café la Extra Shot' which featured added espresso shots to the existing a Café la products (see <Figure 7>). This product has received a comprehensive positive response from coffee aficionados with its rich and smooth flavors. However, to enhance market performance from such line extensions, Binggrae would need to find the optimal product design and communication strategies to minimize cannibalization with the original PET product's market shares and maximize market growth for both

product lines.

<Figure 7> a Café la Extra Shot



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