



X-Culture Global Symposium, Macerata, Italy, 2018



Challenge Presented by: Nuova Simonelli S.p.a., <http://www.nuovasilmonelli.it/en>

COMPANY DESCRIPTION

Simonelli Group makes espresso coffee machines for the professional market. They manufacture their products in Italy and ship to customers around the world.

They are one of the fastest growing and best performing companies in the industry. They export to 120 countries around the world. In addition, they have a solid distribution network. They market under two brand names: Nuova Simonelli (focused on the mainstream market) and Victoria Arduino (focused on the high end specialty coffee market). Baristas are their main customer.

About Nuova Simonelli

Nuova Simonelli is an Italian company with experience and tradition going back many years. It has been making espresso machines, which it exports all over the world, since 1936. Today, Nuova Simonelli can boast a vast range of products that are able to meet the requirements of the hospitality trade, right across the board. Company investments into R and D and the development of new solutions have brought important recognition: World Barista Championship, Compasso d'Oro for design innovation, the first ergonomic machine and cutting-edge applications. Our sales network is comprised of serious professionals - genuine consultants who know their market and are able to provide the right kind of assistance, on an ongoing basis. Today our mission is to continue with investments into research, design, training and assistance, so that we can play our part in your success. Nuova Simonelli: expressly for you.

WorldWide

Our company today operates in 109 countries around the world, exporting 82% of all production. In addition to branches in America and sales offices in Canada, China, France and Spain, the network's commercial Nuova Simonelli has over 800 dealers located in every continent, who are able to respond rapidly to any operator worldwide.

Espresso Ideas

Adding value to our partner's business through an idea-spreading magazine. Nuova Simonelli's idea was to create a means that would be a source of new and interesting inspiration. So we created a magazine where we talk about us, but above all, about the ideas of large international companies who together with their inventions, have contributed to increasing and spreading knowledge. We collect ideas and we tell our best partners, the large international coffee bars and coffee shops, the best baristas, specialist journalists and opinion leaders

Nuova Simonelli is an active supporter of the various international organisations and bodies that share in the same values and which promote initiatives to increase skills and professionalism in the field of espresso, to increase the quality of coffee in the cup for the end customer.

COFFEE MACHINES' HISTORY

The first patent for an espresso machine dates back to 1884: it was submitted by a certain Angelo Moribondo from Turin and it was a device to make espresso, presented in the same year, on the occasion of the General Exhibition at the Valentino Park. The credit for industrialising the espresso machine however, goes to Luigi Bezzera from Milan, who in 1901 obtained the first of his patents. In fact, he made this tool very similar to the machines that went on to become very widespread, above all thanks to another pioneer of the period, Desiderio Pavoni, who seeing the great potential of the espresso, developed its sale in public bars and cafés. In the early 1900s, Pier Teresio Arduino from Turin realised that the world of public bars and coffee shops was changing and that the machines used in these premises were no longer able to keep up with the times, both in terms of their technical design and their style.



He decided to build a new type of machine, a machine that would guarantee fast pouring and at the same time, be of limited size so as to offer maximum ease and safety of use. He was firmly convinced that to achieve this goal, he needed to revolutionise the heart of the machine: the boiler. He was given his patent and he called his machine the Victoria [Victory] and he did indeed consider it to be his victory or rather, an “Italian victory”, the result of the effort and attempts that had gone into its making. Arduino continued to improve his machine, to the extent that, in 1910, he was given the patent and certificate of industrial property rights.

In the marketplace, Arduino and Pavoni were certainly in direct competition with their trademarks Victoria Arduino and Pavoni. In the period 1911 to 1914, there were many machine patents deposited, from a variable number ranging from 1 to 5 to the maximum number of industrial property rights certificates issued every year up to 1910, then 15 were issued in 1911, 11 in 1912 and even 22 in 1913, falling back to 12 in 1914, the period prior to the War, and then dropping off suddenly in the years to follow. Arduino continued to work during the years of the Great War, obtaining two patents in 1915 (portafilter) and in 1918 (automatic machine). In 1922, he began to invest in advertising. One of the most successful aspects of these inventions was the famous poster by artist Leonetto Cappiello, in which we see an elegant traveller who, leaning out of a moving train, prepares himself an espresso using a Victoria Arduino - the ultimate espresso machine of the period. At the time, Cappiello was the most admired painter, sketch artist and cartoonist of the period and best known for his advertising posters. With this image, the artist successfully alluded to the speed at which coffee was prepared, the elegance of the customer being compared with the elegance of the machine and both standing for a totally modern lifestyle. In the 1930s, Arduino continued working on his machine, obtaining two more patents. At the end of the Second World War, when the country was rebuilding itself and the economy was beginning to move again, many protagonists entered the world of espresso coffee, starting with Achille Gaggia, who began making lever-operated machines that used water pressure instead of steam,



created ‘coffee cream’. This invention was fundamentally important because the new models operated completely without steam and prepared an infusion with ground coffee and boiling water only, creating a genuine “coffee cream” that had more aroma and more substance, having more body than a normal espresso. The best-known model to use this system was the Classica by Gaggia (1948). In the wake of these innovations in technology and style, there were many less famous – but not for this, less interesting - manufacturers than Victoria Arduino, Bezzera, La Pavoni, La Cimbali, La San Marco, Simonelli (now “Nuova Simonelli”), Rancilio, Universal, Faema and Gaggia. There were dozens and dozens of such manufacturers and they created important models, above all, in terms of style, offering the public ranges in line with taste trends of the time.

In 1951, Victoria Arduino began production of a moveable trolley, a type of kiosk, which was named the ‘Carrel bar’, with a machine boiler operating using a gas canister, especially for mobile baristas. This bar trolley was an immediate success and soon became part of the scenery at important trade fairs, such as the Milan Fair and it was not uncommon to see it in operation at the main railway stations, on the platforms. In 1952, Nuova Simonelli, in Tolentino (Macerata) was the next company to introduce an important new innovation: the machine with hydraulic pump action. In 1961, Faema launched its famous E-61, which took its name from the solar eclipse of the same year. The E-61 was one of the most widespread “pouring” machines. This system changed the whole way of serving coffee in bars, bringing in the standard that is still in use today. 1962 saw the arrival of a classic by the Castiglioni brothers, Achille and Piergiacomo, the Pitagora machine from La Cimbali, which brought the designers the ultimate Italian award for design, the Compasso d’oro. 1975 saw the first machine to use electronics, which were then introduced in the 1980s: the ISX by Nuova Simonelli, a machine that came in electronic and semiautomatic versions, with dosing and volumetric pump and electric or gas heating. In the 21st century, there are yet more innovations to come in the espresso machine industry, above all when it comes to ergonomics and energy efficiency, design, and temperature stability. 1999 marked the birth of the no-profit organisation, World Barista Championship which organises a world championship for baristas in order to spread the culture of espresso coffee and enhance the figure of the professional barista.

EXAMPLES OF PRODUCTS

The company makes traditional machines, superautomatic machines, coffee grinders, washing machines, and coffee shop accessories. Please see <http://www.nuovasimonelli.it/en> (Products tab) for a complete listing.

Here are a few examples of Nuova Simonelli products:

Aurelia Wave

The identity of the new Aurelia. Wave like water, wave as the distinctive line of the side. But this is just the beginning. Because its technology will astonish you, and not only once, but five times. Because there are five themes on which Nuova Simonelli has put its attention, once again rising the bar of coffee machine technology:

- Water.
- Eco-sustainability.
- Quality of the espresso.



- Digital information.
- Ergonomics.

Suitable for high quality coffee shops, high volume locations, demanding professionals, barista competitors, specialty coffee shops.

Oscar II is a new generation of the coffee machine launched in the late nineties, which has conquered coffee lovers around the world. Oscar II is the professional espresso coffee machine which fits in all demands: from the domestic use for tasting good coffee or cappuccino till professional use.



Suitable for: homes, offices, small coffee locations.

Aurelia II is the 2012-2014 World Barista Championship official espresso machine. Aurelia II is dedicated to demanding professional baristas because it guarantees even more advanced performance in terms of accuracy, extraction quality, flexibility and consistency of results.

Suitable for high quality coffee shops, high volume locations, demanding professionals, barista competitors, specialty coffee shops.



Prontobar Touch

We introduce the evolution of a machine that is big inside and compact outside. Today even more advanced and with so many new technologies that make it easier to use, quieter and more productive. It's Prontobar Touch

Suitable for coffee shops, restaurants, demanding professionals, locations with high quality performance.

MDXS is the grinder for medium-selling premises that incorporates the latest technology in terms of silent operation.

Suitable for: Locales with medium sales volumes, Coffee corners, Coffee shops, Hotels and restaurants.



Mythos II - In just four years, Mythos One has conquered the best baristas around the world and has become the ideal companion of any professional espresso machine. However, Nuova Simonelli would not be itself if it were satisfied with the achieved results: Mythos One experience gave birth to Mythos 2, the coffee grinder with Clima Pro 2.0 technology.

Suitable for Champions Baristas, Professionals, Locales with high sales volumes, Coffee corners, Coffee shops, Hotels and restaurants

THE CHALLENGE

The student challenge is to develop a brand strategy for the Victoria Arduino brand.

The company wants the Victoria Arduino brand to appeal to their customers' emotional side and create a "cool" image for their specialty coffee and espresso machines.

They do not want to focus solely on the physical aspects of their machines. They are very confident in the engineering quality and design of their products. However, Simonelli Group feels they lack a well-known international image and a global communication strategy.

The brand must appeal to young adults (18 – 35 years old) in Europe, North America, South America, and Asia however the main target market is the USA. Simonelli Group has a US sales and distribution subsidiary.

Your presentation should address the following issues:

1. The vision for the Victoria Arduino brand
2. Most promising new markets and market segments: country, population segment.
3. Analysis of the characteristics of the consumers in this segment: their tastes, values, and preferences.
4. Best channels to reach this segment to promote the product and tips on using these channels: how to place an ad there, how often, how much it will cost, etc.
5. Sample ad, booklet, flyer, video that can be used for promotion via the suggested distribution channel.
6. Estimated cost of the marketing strategy: total, annual, by distribution channel.
7. The pricing strategy: How much should the product cost in the proposed market? Is the fixed pricing the best and only way to go? Or will other models may work better (subscription, club membership, etc.)?
8. The distribution strategy: the best way to distribute the product to consumers in the proposed market (online, via brick-and-mortar stores, restaurants, etc.)

SUGGESTED SCHEDULE

June 10: Initial brainstorming, exchange of ideas; all ideas are considered.

June 20: Select the best ideas around which the team will be developing their strategy

June 30: Decide on the team member roles (who works on what part)

July 10: Share the initial work and input from each team member

July 20: Have the complete first draft of the report that the presentation will be built upon (you will not need to submit the report, but you want to put everything on paper in a form of a single coherent document)

July 25: Have the complete draft of the slides for the presentation and the one-page handout

July 30: Have a finished set of slides and one-page handout for the presentation

August 1: Initial rehearsal of the presentation, update the slides and one-page handout.

August 2: Final rehearsal of the presentation, final update of the slides and one-page handout

August 3: The Presentation:

Presentation: 15 minutes + 5 min Q&A

Handout: One page