

Quadrant Homes: Adapting a Lean Operating Model to New Market Realities

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PROBLEMS/ISSUES
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- Coffee pods are expensive
- Coffee pods offers limited flavors
- Coffee pods are not widely available in the market
- Revoked patent in 2006
- Other branded manufacturers and leading discounters copied Douwe Egbert's coffee pods
- Pod machines were copied

FACTS
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- Coffee has become a popular drink around the world
- Coffee experience has a great impact to the consumers
- Single-serve coffee pod system has proved successful in Western Europe
- CONVENIENCE and high quality coffee
- SENSEO - Alliance of Philips and Douwe Egberts
- Patented coffee machine

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A very brief history of coffee

Coffee was first consumed in the ninth century, when it was discovered in the highlands of Ethiopia. From there it spread to Egypt and Yemen, and by the fifteenth century had reached Arabia, Persia, Turkey and northern Africa. From the Muslim world, coffee spread to Italy, then to the rest of Europe, to Indonesia, and to the Americas.

Coffee has played an important role in many societies throughout modern history. In Africa and Yemen, it was used in religious ceremonies. As a result, the Ethiopian Church banned its secular consumption. It was banned in Ottoman Turkey in the seventeenth century for political reasons, and was associated with rebellious political activities in Europe.

RECOMMENDATIONS
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- Focus on reducing cost, innovation, sustainability, customers and products
- Offer new varieties to encourage consumers to experiment with new tastes
- Develop products align with a healthier lifestyle (health and wellness features)
- Introduce new product development

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The history and categorisation of the coffee maker

Before the coffee maker was invented, coffee was prepared in boiling water. The beans were roasted on an open fire and then added to boiling water for consumption. This process did not bring the desired taste and aroma, and hence coffee lovers started to devise ways to come up with a machine or a coffee maker that would prepare tasty coffee.

In 1912 Frau Benz invented the Melitta coffee filter, which is an efficient disposal method for coffee. Earlier, for the filtering purpose of coffee, linen or cloth was used.

Roughly, the coffee maker market can be categorised into three types:

- traditional filter machines
- espresso machines
- pod coffee machines (this is a sector that was actually pioneered by Nespresso, but the market leader now is Senseo; their growth is driven by their ease of use and affordable pricing – later described more in-depth).



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The background features a blurred image of a microscope on the right and a petri dish on the left. A light blue grid is overlaid on the entire scene. A white horizontal bar is positioned in the center, containing the text.

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