



## How Nespresso efficiently protects its brand name in regards to online search engines



*“We have succeeded in protecting the Nespresso brand name in Google by defining a regulations policy which allows us to manage and authorize our retailers to purchase keywords associated with our brand.”*

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Nespresso is the European leader in the ultra-competitive portioned coffee market. In fact, many companies promote their brew systems which utilize the use of pre-measured coffee pods and capsules such as Senseo, Lavazza, Illy, Tchibo, and Tassimo to name a few.

E-commerce holds strategic importance for Nespresso, whose site generates more than 250 million CHF in sales. In the past few years, Nespresso has been attentive to optimizing the strategic search engine ranking of their official sites: Grouped uniformly at the top of the search results page, these sites assure maximum visibility for the brand.

Despite these efforts, Nespresso found themselves constantly inundated by a growing list of sponsored links leaching off its brand name in search results pages. Selecting these sponsored links would divert users away from the intended listing, being Nespresso. These sponsored links often appear in the right column of the search results page. Furthermore, in many countries they even precede the organic rankings. These listings may have emanated from competitors, fake dealers or even authorized retailers to create harmful brand confusion with the goal of redirecting many potential consumers.

How can a company protect itself from this kind of commercial hijacking and keep control over its brand name on the Internet?



## History of Nespresso's interactive marketing

Nespresso has always been innovative, notably by their rapid adoption and presence on the Internet. In 1998, a club was created with an online boutique promoting online orders for coffee machines and capsules.

In 2002, Nespresso became active in the traffic management aspect for its websites and launched a strategic qualitative and quantitative monitoring agenda in order to closely follow demand in key markets.

With the growth of its e-business budget, Nespresso places great importance on the strategic optimization of organic search listing. The brands official sites are ranked at the top of the search result listings, yielding maximum visibility.



## Nespresso's objectives

These actions and goals are targeted towards any usurper(s), of the Nespresso brand name, covering all of search engines. This will:

- Protect the intellectual property rights violated by unauthorized sponsored links
- Optimize Nespresso campaigns so that they generate more clicks
- Remove the usurpers who mislead (redirect) potential consumers



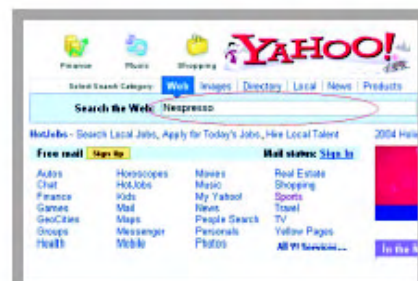
## Description of the brand's protection strategy

### The concept

In general, the principal search engines sell brand keywords without worrying about the legitimacy of the purchasing company or the probability of violation of intellectual property rights. Considered a type of "brand hijacking", this practice of purchasing brand names as keywords has been generally accepted as one of the many inevitable Internet pitfalls.



In Yahoo! Germany, a prospect enters the name 'nespresso' in the search bar. A sponsored link appears. By clicking on this sponsored link, the user should land on a site which offers the Nespresso systems ([www.espresso-kafee-shop.de/nespresso](http://www.espresso-kafee-shop.de/nespresso)) . However, in reality, he is redirected towards a competitor's site ([www.bonespresso.de](http://www.bonespresso.de)) .





In Google Portugal, the sponsored link which appears as a function of the 'nespresso' search, redirects the user towards a site selling competing products.



## The Protection procedure

In September 2005, a procedure was established to forbid the purchase of the keyword “nespresso” by companies other than Nespresso itself, invoking intellectual property clauses and recent jurisprudence. This in turn allowed them to regain online control of their brand name and to put an end to unfair competition.

Intellectual property rules differ from country to country, leading Nespresso to launch many legal proceedings. These focused proceedings included 11 countries where Nespresso brand keyword campaigns started.

Once the illegitimate competition was eliminated, Nespresso’s keyword purchasing campaigns quickly started generating more clicks. Moreover, they were optimized in order for users specific search intentions to land them directly on the most appropriate page on www.nespresso.com .

Finally, visitor tracking from the keyword campaigns allowed Nespresso to measure their performance and return on investment (ROI).

## Roll-out of the plan

1. Identification of the problem (2004)
2. Initiate the procedure in countries with active keyword campaigns (2005).
3. Significant keyword campaigns at a reduced cost (2005).
4. Authorized retailers request access to the “nespresso” keyword in order to launch their own keyword campaigns. Search engines are contacted in order to authorize certain announcers to use the Nespresso brand name in their keyword purchasing.
5. Roll-out of the procedure in other countries (2006), and reporting.



## Campaign budget

The investment involves a fixed fee plus a success fee for each “purged” search engine; the variable position held can represent up to +40% of the global investment.



## Results

The major success of this approach is proven by the noticeable increase in profitability of Nespresso’s Adwords campaigns.

- The cost invested has been reduced (by the suppression of other auction bidders) allowing an average savings of more than 60% on the CPC price.
- The number of visitors generated by keyword campaigns, which led them to the Nespresso site has increased dramatically since Internet users are no longer being redirected towards competing sites.
- The Nespresso brand is now in full control of its Internet territory.

Today, by typing the word “nespresso” on Google, for example, you will notice that there are no longer any sponsored links, apart from Nespresso and its authorized retailers.



## Key Learning

- Nespresso's great success marks a new era in online brand protection. But that does not mean that the battle is over. Intense vigilance is required to control the intellectual property rulings that have been implemented and enforced, particularly in foreign markets.
- In order to ensure conformity, constant monitoring of search engines in key markets is necessary. This implies use of powerful technologies that detect deviation as soon as it appears so that corrective action can be taken as quickly as possible.
- A company's brand name is often its most important asset, which is why Internet traffic hijacking can be so detrimental to a company's business. Brand and territory protection should be carried out systematically prior to launching expensive keyword or other search engine marketing campaigns.

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