# International marketing heinken assignment

Art & Culture

International marketing means that the multinationals need to come up with marketing means independently as if hey are local companies with minimal coordination or supervision from the parent company. This is in order to meet local consumer needs but at the same time not diluting a brand's international standards (Yip G. , 2002). This paper looks at Heinlein and the international marketing and entry strategies it has used in the global alcoholic industry.

Market Entry Strategies Firms go international for a number of reasons but the ultimate goal is growth and expansion of the business. Foreign market entry strategies differ depending on the degree of risk they present, the control and commitment of resources they require ND the return on investment they promise. A company can decide to use one of the following entry strategies; Export and import of goods, materials and services into or out of foreign markets. This is the first and most common entry strategy.

A firm may give a license to a foreign manufacturer to manufacture the company's brands, market them and pay fees and royalties accruing from the sales volumes of the product. A third entry strategy is for a firm to franchise by partnering with local business owners to pay fees and royalties to the parent company for the right to be identified with its trademark, to sell its products or services and use its business format and system in return. A firm can also form Joint ventures where it will have equity position and management voice in the local or foreign firm.

In this strategy a partnership is formed between the host firm and the foreign firm resulting in a third firm (Byrne & Poof, 2008). The other two strategies are; formation of strategic alliances where a cooperation is created between such firms through research, formal minority equity acquisition (Campbell & Rarer, 2001), and direct investment here a firm puts production and manufacturing facilities in a foreign market by direct acquisition or developing its own facilities from the ground up.

Heinlein as a brand formed more than 140 years ago has gone global and indeed one of the biggest beer brands in the world. This paper looks at how Heinlein International, a Dutch brewing company formed in 1864 has been able to enter into the global beer market and perhaps be the all-time leading beer maker. Heinlein identifies the following as the key methods it uses for international expansion: export, licensing, acquisition and Greenfield investments as the case of its expansion into Africa where it is setting up factories to manufacture and market its brands.

Background of Heinlein International Founded in 1864, Heinlein operates in more than 70 countries with more than 170 beer brands and over 125 breweries and is the third largest beer producer by volumes after Enhances-Busch Ellen and Assessable. It brews and sells international premium, regional, local and specialty beers. The firm has designed its brewing plants several regions in the world. These are Africa and Middle East where it has 16 rewires, Asia Pacific region with 15 breweries, Europe with more than 20 breweries, and The Americas.

Heinlein and Master remains the best and most popular beer brands in the world with huge sales volumes in original European markets and recently in more homogeneity global market (Heinlein Report, 2012). Part 1:

International Marketing Mix Strategies; Standardization and Adaptation across International markets Standardization and adaptation are the main approaches that many firms use to market their products in the globalizes market. When a firm hoses to go international, perhaps the biggest question top managers and equity holders need to ask is which strategy best suits the brand they want to sell.

In standardization, a firm uses same approach to market her brand so as to minimize costs, enjoy economies of scale and promote and protect the brand or corporate image. On the other hand, when a firm chooses to adapt or customize its products, it means that the firm uses unique marketing dimensions that are adaptable to fit the customer needs of each of her local markets (Mathew & Gander, 2007). This paper kooks at how Heinlein has used or can use the marketing mix strategies to market her brands in the international market.

It is important to note that the two market mix strategies can be used together by a multinational for one strategy may not be sufficient due to the uniqueness of the markets. It is of no use for a firm to use standardization for the whole global market when they exist cultural differences, consumer preferences, laws and rules, marketing infrastructure and competition levels in different countries. Complete adaptation of marketing is not useful to a firms s they may not use advantages accruing from scale economy, marketing knowledge and information that have been acquired from other markets.

Therefore it is clear that firms need this mix so that they can use both strategies to maximize their operations, create wealth and maintain the brand and at the same time meet cultural, consumer preferences and presence in those unique markets. Standardization by Heinlein International Globalization has resulted in homogeneity customer needs and wants (Levity, 2003). This means that that firms need to build global brands and export them to mass arrest abroad and consumers reacting in similar ways.

Standardization of universal products and message is an integrating force and part of a brand. Using different messages across countries is tantamount to confusing consumers and diluting the brand's image. A firm needs to look at how standardization can help it grow volumes, enjoy scale economies, promote its brand image and import practices and skills from parent company and other markets that it has a presence in to maintain its growth and market share from competitors. Standardized production and product design

Heinlein has maintained its Dutch originality in many markets across the world. Many consumers identify it a Dutch brand with Dutch traditions due to the consistent bottle shape, beer taste and enjoy it with a rich, enjoyable attitude in markets like Americas and Asia. Heinlein has largely standardized its products leading to a perception challenge in many parts of the world. Many in markets like US view it as a special occasion brand that targets a certain class (Heinlein N. V, 2012). Standardized entry strategy Heinlein started by exporting its products and later on to licensing.

It has presently been pursuing Joint ventures in a number of markets and lately in Africa it has directly put up facilities as direct investment. Through this, it is evident that Heinlein has pursued standardization as a strategy in its international marketing approach (Heinlein Annual Report, 2012). Standardized taste One of the reasons why Heinlein exports is non interference with the taste of its brands. It means that the firm has standardized its manufacturing and production facilities. Rich and mature Heinlein brands are meant to maintain the Dutch and the menders' tradition (Heinlein N.

V, 2012). Standardized promotions and advertisement In its promotion of the brand, advertisement are mainly designed to meet European and more specifically the Dutch market. Heinlein still maintains a strong Dutch undertone in most of its promotional and sponsorship events. The Beef Champions League sponsorship is more of Europe affairs and may fail to resonate in many markets in the US and perhaps Asia and Africa where football viewers is not as strong as in Europe (Heinlein N. V, 2012). Summary of the market mix Strategies;

Standardization In essence, companies have the freedom to choose from many possibilities on the spectrum, from total standardization to customization or adaptation. Multinationals like Heinlein can gain through increased standardization of products and marketing to help them lower costs and build brand power. However, in conditions where national market differences exist, it is good for Heinlein to adapt and standardize decisions targeting these differences so that in the long term, customers can get what they want in terms of product design, price, distribution and promotion Contractor, 2007).

Heinlein needs to combine the two strategies in a global market where national customer differences are influential, doing more of standardization with a tweet of adaptation so that the local consumers can identify with the brand (Heinlein N. V, 2012). Part 2: Internationalization process Theory It is an orderly chronological procedure firms or a firm makes to grow gradual in their international association in the global market, more of entering markets by using known entry strategies that include franchising, licensing, forming alliances or wrought Foreign Direct Investment (Mathew & Gander, 2007).

Various theories have been forwarded to explain the process using many companies case study. We examine two theories here; Born global and Pascal Internationalization model in relation to Heinlein global brand presence. Born global is a theory that proposes that highly entrepreneurial small firms can internationalist themselves without the time or need to develop firm-specific advantages in home countries (Contractor, 2007; Jones and Coverall, 2005). The firms go against the conventional theories of gradual Roth by using a range of market entry modes in multiple markets Cones and Cowbell, 2005).

The advantages of this theory is that firms rely on learning derived from parent company, their ability to coordinate and arbitrage across borders and from formation of alliances (Contractor, 2007). These enterprises view the world as their arena of operations and avail opportunities irrespective of psychic or geographical barriers (Loaned & Bell, 2006). Their owners and managers have a global mind set, are proactive, high risk takers and innovative (Mort & Warranted, 2006).

The Pascal internationalization process states that this process unfolds as a sequence of steps, as firms gain experience step by step, building management competence and reducing uncertainty so that they can increase investments in target markets (Clunker, 2006). Under the model, organizational and managerial learning dominate the path taken as emphasis is put on the characteristics within the firm to dictate the structure and course of internationalization (Clunker, 2006). Whininess's Internationalization process It is apparent that Heinlein has used the Pascal in its internationalization recess.

Heinlein has built itself concentrating more building management competence and reducing uncertainties so that they can increase investments in target markets (Clunker, 2006). Heinlein started as a small brewery when a young Adrian Heinlein bought a small brewery in Amsterdam in 1864 and has grown incrementally to a global brand that it is today. It has indeed grown stepwise to fit in the Pascal Internationalization process (Heinlein Annual Report, 2012) Conclusion Heinlein has been able to enjoy cost economies, transport costs and networks, earning and experience, technological and operational capacity due to globalization.