

Marketing strategy heineken

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Heineken was founded in 1864 when 22-year-old businessman Gerard Adriaan Heineken purchased the "The Haystack" brewery located in the heart of Amsterdam, the largest in the region. In 1869 Gerard Heineken decided to switch from traditional top fermentation to the Bavarian method of bottom fermentation, a totally different technique that produces a clearer, purer beer, which keeps longer. The new beer is known for its quality and is called 'Gentleman's Beer' as opposed to 'Workman's Ale'. A decade of fierce competition begins, with several new breweries competing for the high-quality beer market.

A few years later in 1873, Heineken's Bierbrouwerij Maatschappij N. V. (Heineken Breweries or HBM) is incorporated. Gerard Heineken is appointed President and the name 'Haystack' is replaced by Heineken. The brewery stops producing 'workman's beer' and focused on improving the quality and taste of its 'Gentleman's Beer.' A breakthrough happened in 1886 when Doctor Elion, a student of Louis Pasteur, developed the A-yeast strain, still used today to give Heineken its characteristic flavor and special taste. Heineken's innovations begin to pay off: the brewery is awarded the gold medal of honor at the World Exhibition in Paris in 1889, where Heineken beer is supplied to the Eiffel tower restaurant. This award crowns the quality-focused policies of Gerard Heineken and director Wilhelm Feltmann.

Over the past 140 years, three generations of the Heineken family have built and expanded the brand and the company in Europe and around the world. Heineken has become the second largest brewer in the world with the world's most international brand. The core values upon which it was built - consistent top quality, engaging people through their own culture, and also

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its social awareness - have allowed the company to renew itself over and over again. It through the leadership of Gerard, Henry and Alfred Heineken that Heineken N. V. is one of the world's leading brewing groups. Today, Heineken has a strong international presence, selling in over 170 countries and the Heineken brand is acknowledged as a lighter beer of superior quality presented in attractive packaging. However, despite this brand image, which cuts across all markets, Heineken is being marketed differently per country, depending on how it is perceived in a particular country or region.

Managers became concerned that Heineken's brand image was not being consistently projected in the brand's communication around the world. They commissioned two projects to address this concern. Project Comet was established in 1991 by Heineken's international marketing manager to find out how to enhance Heineken's competitive advantage by more consistently projecting the brand as " the world's leading premium beer."

On the other hand, Project Mosa was started in 1993 when Heineken's international advertising manager commissioned focus groups in eight countries to understand: a.) what male beer drinkers meant by taste and friendship in relation to premium beer drinking and b.) which expression of taste and friendship could be used by the Heineken brand in advertising.

A. Identify the Target Audience

Heineken must start with a clear target audience in mind: potential buyers, current users, deciders, or influencers; individuals, groups, particular publics, or the general public. The target audience is a critical influence on the communicator's decisions on what to say, how to say it, when to say it,

where to say it, and whom to say it. B. Determine the Communication Objectives Heineken should seek a cognitive, affective, or behavioral response. That is, they should put something into the consumer's mind, change an attitude, or get the consumer to act. C. Design the Message After Heineken defines the desired response, they will move to developing an effective message. Ideally, the message should gain attention, hold interest, arouse desire, and elicit action (AIDA model).

Formulating the message will require resolving four problems: what to say (message content), how to say it logically (message structure), how to say it symbolically (message format), and who should say it (message source). D. Select the Communication Channels Heineken must select efficient channels to carry the message and should consider the following methods: Personal Communication Channels Personal communication channels involve two or more persons communicating directly with each other face-to-face, person-to-audience, over the telephone, or through e-mail. Personal communication channels derive their effectiveness through individualized presentation and feedback.

Nonpersonal Communication Channels Nonpersonal communication channels include media, atmospheres, and events. Media consist of print media (newspapers, magazines, direct mail), broadcast media (radio, television), network media (telephone, cable, satellite, wireless), electronic media (audiotape, videotape, videodisc, CD-ROM, Web page), and display media (billboards, signs, posters). Most nonpersonal messages come through paid media. Establish the Total Marketing Communications Budget One of the

most difficult marketing decisions that Heineken should consider is determining how much it should spend on promotion. Several methods can be considered:

Affordable Method Heineken can choose to set their promotion budget at what they can afford. This method completely ignores the role of promotion as an investment and the immediate impact of promotion on sales volume. It leads to an uncertain annual budget, which makes long-range planning difficult. **Percentage-of-Sales Method** Heineken could also choose to set promotion expenditures at a specified percentage of sales (either current or anticipated) or of the sales price.

This method has some advantages. First, promotion expenditures will vary with what the company can "afford." This satisfies financial managers, who believe that expenses should be closely related to the movement of corporate sales over the business cycle. Second, it encourages management to think of the relationship among production cost, selling price, and profit per unit. Third, it encourages stability when competing firms spend approximately the same percentage of their sales on promotion.

Competitive-Parity Method Heineken could also set their promotion budget to achieve share-of-voice parity with competitors. Two arguments are made in support of the competitive-parity method. One is that competitors' expenditures represent the collective wisdom of the industry. The other is that maintaining competitive parity prevents promotion wars. **Objective-and-Task Method** Doing this, Heineken will develop promotion budgets by defining specific objectives, determining the tasks that must be performed to

achieve these objectives, and estimating the costs of performing these tasks. The sum of these costs is the proposed promotion budget.