

Marketing and heineken assignment

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What are Heineken's strengths and weaknesses? The major strengths and weaknesses of Heineken are as follows: Strengths: The taste of Heineken beer is unique. The yeast that is used to make Heineken beer till today was developed in 1886. So the taste and uniqueness of it has been there for a hundred years. Heineken is the world's second largest beer manufacturer. They produce 5.6 billion ltrs of beer each year. Second only to Anheuser-Busch who produce 10 billion ltrs.

They have substantial market share in Europe and America with 38% whereas they are growing very fast (rate of growth 23% over 1992 sales) in Asia and Australia. In some markets like USA and Hong Kong the Heineken brand is perceived as a premium brand and has successfully established a brand image. They have wholly owned subsidiaries in Netherlands, France and Ireland whereas they held majority stake in 15 other breweries all over the world. This gave them a global presence. Across all markets the brand was acknowledged as a lighter beer or superior quality presented in attractive packaging.

Weaknesses: The local Heineken brand managers had the resources to develop own commercials which were not always aligned to the Heineken brand image that the managers at headquarters wanted to project. In some countries the brand image of Heineken was too narrow such that the brand was seen appropriate for special occasions only. While in other countries like Latin America the brand was viewed as just another imported European beer. In Netherlands it was viewed as a mainstream brand. This difference in brand image across global markets was hurting Heineken.

Heineken was losing market share in Europe (drop in sales 1.6% compared to 1992 ratings). In Africa also the brand was losing market share @ 1.5%. Is Heineken a global brand? Heineken is a global brand in the sense that it has considerable market share in 3 of the 4 continents. In Europe and America it has 38% market share in 1993. In Asia and Australia it has 19% market share. In Africa it still needed to capture the market and had only 6% market (pg 576). From a growth point of view Heineken was growing at 5.3% in America and 23% in Asia and Australia.

In Europe it lost market by 1.6% and in Africa by 1.5%. Heineken had 3 wholly owned subsidiaries in Netherlands, France and Ireland. In addition to these in Europe it had majority stakes in 5 companies. In America it had 4 majority stake and 10 minority stakes in brewing company. In Asia and Australia the figures were 2 and 8 and in Africa 4 and 10 respectively. It had 2 licensees each in all of these continents mentioned above. Also the Heineken brand was known in all the countries where beer was consumed. So we can conclude that Heineken is a global brand.

Project Comet The advertising goal of the research project is to enhance Heineken's brand image as "the world's leading premium beer", by means of focusing on the "Good taste" of the Heineken's product. The project team concludes that the brand's good taste image would be built on 5 core brand values: Taste, Premiumness, Tradition, Winning spirit, and Friendship. Taste and Premiumness are the minimum requirement. The members think that communicating the other 3 values with customers is key to make Heineken establish the unique and differentiated brand in beer market.

They, therefore, try to mix up the 5 values in every advertising. They also think that Heineken should be the brand of people who prefer premium beer which has true value to mass-gathering beer. The casting and tone of voice in their commercials should carefully chosen Because the effective communication of Winning spirit and Friendship depend on the persons in the commercials who are self-confident, warm, winners and also on a small group of these people who really enjoy their relationship.

The Project Comet report concluded??? “ All our Advertising should be consistent with these guidelines. We also need impactful advertising”. (Pg. 581) Project Mosa The project team collects the information to find answers the following two questions: a) which expressions of taste Heineken should use in their advertising, and b) which expressions of friendship Heineken should us. The team researches and gathers data from 8 focus groups in each country which Heineken is interested in as their target market.

Four of the groups consist of 21-27-year- old people and the others consist of 28-35-year-old people (it seems to be relatively small range, though). a) Which expressions of Taste should Heineken use in their advertising? In Exhibit 4, here is an example of expressions of Taste, in which Heineken tries to show their brand vision, pride for the brand’s quality, and brewing skills Exhibit 6 demonstrates that almost all of the focus groups regard taste experience, balanced taste, and foam as important.

Another finding is that Netherlands, Germany, and average 8 countries have similar preferences in Product category. Next finding is German is most interested in Taste when drinking beer. Final one is the USA seems to pay

most attentions to Marketing promotion of all researched countries. According to exhibit 8, all of the countries think of all items in Quality category as important, also all except Italy consider Tradition has positive meaning. On the other hand, although domestic brands dominate national market in Germany, the data means they positively evaluate Heineken, like the US.) Which expressions of Friendship should Heineken use in their commercials? Exhibit 5 gives examples which illustrate how to express “Always count on Heineken” and “ True friend” Project Mosa can find out, in exhibit 7, the difference between Standard beer and Premium beer. Premium beer has the tendency to be drunk in special occasions and for social communication as well as self-esteem, leisure etc. Exhibit 9 means that “Always count on Heineken” and “ True Friend” are best expressions of Friendship. However, they should not use Respect in advertising. . How can the Heineken brand be developed through marketing communications? A suggested Plan of How Heineken brand can be developed In order to succeed in the integrated marketing communication, Heineken has to consider the consistent and coordinated messages in their commercials. The messages should also generate positive effects in their customers. The data collected by Project Mosa has shown more concrete items, therefore the following plan will be based on the Mosa’s data but consistent with 5 values Comet suggests.

There are some messages which people in all the target countries positively evaluate: Quality, Tradition, Taste Experience, Balanced Taste, Premiumness (in special occasions), True Friend and Always counting on Heineken. Therefore, the company has to try to integrate these messages into each of

their advertising. Heineken also need to consider what and how much time they should broadcast their commercials, not only because their main communication channel is TV and the target customers are decided, also because advertising by mass media often is ignored.

On the other hand, Heineken should also create different strategies to meet the different features of each country. For example, Netherlands, Germany, and the other 4 target countries show in Exhibit 6 similar indications of beer taste: they are interested in Manufacturing and Product categories.

Nevertheless, as shown in Exhibit 2, Heineken's position and objective are different among these countries. This means that each country requires different marketing mix from the other, which appears in Marketing category. Especially, since Germany is the biggest beer market (p. 2), Heineken should try to establish the brand image and increase the market share from 7th to upper place. As another example, USA particularly evaluates marketing promotion (Exhibit 6): bottling in USA would make American people recognize Heineken's efforts to improve its quality and cost performance. Therefore, Heineken can confirm their position in USA by fulfilling people's needs. In conclusion, especially in trying to enhance their brand image via mass media, Heineken should integrate customers' world-common interests with the different interests in each country as well as choices of effective broadcasting time.

If Heineken practice the suggested plan, they will effectively enhance their brand image in the world. 4) What should be the role of Heineken's headquarters in shaping the marketing of brand worldwide? The Heineken Headquarters will play a major role in shaping Heineken brand marketing <https://assignbuster.com/marketing-and-heineken-assignment/>

worldwide. Heineken wants to market the brand as a premium beer. Also they want to have a single image of the brand in all markets. The main problems for doing this at the moment are: Different markets view Heineken in different ways as Heineken is marketed by the local managers in a way they see fit.

Licensees do not have a high enough premium pricing to their local brands which is causing confusion. To overcome these problems they need to increase the number of wholly owned subsidiary in the world. At the moment they only have 3 in Europe. They need to increase it to at least one in every major beer market. This theory is also confirmed by the fact that “ Where Beer was Born” is a suitability criteria (Exhibit 8). Owning subsidiaries will also give Heineken a lot of control over how the brand is marketed in each country.

The Heineken Headquarters need to also ensure that the same/similar advertising messages based on findings from Comet and Mosa are shown in all the regions. The Ads themselves may be different but they should conform to the guidelines set by the 2 projects and should convey the same message. The pricing of the brand in different markets should also be looked at. Heineken is a premium beer. Hence its pricing should be higher than standard beer.