

Heineken n.v.



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Heineken N. V. : Global Branding and Advertising Company Introduction and Summary Heineken N. V is the world's most leading brewing company that consists of over different 80 brands such as Heineken, Amstel, Buckler and Murphy's Stout through international premium, regional, local and specialty beers and operates in more than 170 countries. Since arising from Netherland, Heineken has started to grow internationally by not only granting licenses with original formula, but also reaching out to influence its foreign existing partners to ensure tight control over production and marketing.

Although it has a towering global presence, Heineken has long been perceived differently from one market to another and more importantly, there is a clear inconsistency between its global brand image and local marketing campaign. With all the results and discoveries found about the common perceived values of Heineken brand across all specific markets through Project Comet and Project Mosa, the company pursues to build a standardized global brand image by all means.

Heineken aims to build central marketing strategies that integrate a global brand advertising campaign and diverse local marketing adaption, and also identifies and thus provides branding analysis, marketing mix for the local markets to deliver the consistent messages of brand, in an effort to promote successfully a global brand and to support local marketing through effective communication methods. Heineken's SWOT Analysis Heineken N. V. has all essential strengths to be a global brand.

Each beer has a long tradition, superior quality and reputable taste presented in attractive packaging and makes itself popularly known to Europe and worldwide through heavy TV advertisement as a premium beer. Its company has not only dominated Netherland and been viewed as a mainstream brand but also made a lot of successful acquisitions that strengthen its core beer business. Furthermore, Heineken N. V. has many opportunities to increase its sales such as the undeveloped markets like Africa and Asia, and the potential growth in favored beer and drought beer market.

However, Heineken has no production bases on other countries and the lack of worldwide and unifying advertising campaign also result in declining its sales volume. More seriously, its brand perception is different across the world. It is respectively viewed as a mainstream beer, an occasional beer and a barely imported beer in Netherland, US and Latin America. Heineken also faces enormous challenges such as price competition from European market, variation in markets on the basis of consumption habits and preferences, and different cultures in the global market.

Heineken's two Projects Two projects Comet and Mosa strive to clarify and establish Heineken's true global brand identity and communication in order to utilize all its strengths and opportunities but at the same time minimize weaknesses and threats against the company. In Project Comet, it points out that the brand's desired image of good taste is built on 5 core brand values: taste, premiumness, tradition, winning spirit and friendship.

All of these five values are required to be thoroughly reflected in one way or another through the locations, situations, relationships, casting, lighting, style, and tone used in each commercial in order to differentiate Heineken from its competitors. Project Mosa finds that premium beer closely relates friendship and taste should be built based on enjoyable, personal and luxury social conditions such as meeting people, fancy meals, elegant parties and nightclubs, and important indications of beer taste such as taste experience, balanced taste, foam, packaging, and advertising.

Besides, the project indicates the friendship value would be presented in several social conditions through “ true friends” and “ consumers can count on Heineken as a friend” expressions, and taste value on both guaranteed, high quality and exquisite and profound tradition, not the prevalent brand vision. Overall, both two projects aim to be mutually consistent and cooperatively work toward standardization of Heineken’s brand image and advertising worldwide. Heineken’s Issues As Heineken N. V. determines a universal brand image that primarily features taste, friendship, premiumness and tradition, a strategy that delivers the standardized brand and image consistently in different international markets is necessary. The most obvious challenge facing Heineken operates globally is culture. Culture plays an inevitably significant role in this diverse and complex global market. Consumer tastes for beer vary across the world in markets and have strong brand preferences. A typical Netherland-made beer that is popular in Europe can be very disappointing in Asia or Africa where local brands dominate.

A successful firm internationally takes a global approach but markets locally as required. It not only acknowledges the importance of global branding but

understands the local markets affected by different cultures. Heineken must develop a consistent branding strategy that takes accounts of its various brand values and meanings and the unified experiences of consumers in their respective societies but simultaneously remains personally relevant, attached to every specific target group's personal cultures and habits.

In other words, Heineken has to internationally legitimize and convince its own idea of global brand while correspondingly adapting marketing strategy to local needs and preferences. Heineken's local Marketing Mix:

Standardization Vs Adaption Heineken can develop an integrated global brand through a variance of standardized marketing mix and adapted marketing mix that cope with the markets locally and internationally. Since the beer market development in each country is different, the marketing mix and delivery of product and brand message should be also different.

With a global mindset, Heineken should at first look into their global integrated marketing mix which would strategically help the company develop into an international brand. Since Heineken wants to be positioned using taste, premiumness, friendship, tradition and winning spirits, a consistent message that aims to inform, persuade and reminder consumer about the brand and product needed to be established through a worldwide communication campaigns that is developed with an universal appeal featuring the values of taste and friendship. However, within the global marketing mix, there is a requirement for locally driven campaigns.

Specifically, the marketing mix should be different from one market to another. In the embryonic market such as Africa where the beer is just

introduced, Heineken should standardize the product and brand message as a premium beer. Since the consumers in the market are loyal to local brands, the company should increase frequency of advertising, adjust the price of beer considering the purchasing power and sell to regional and local stores to create the awareness, establish the brand image and win the market share. In the take-off markets such as Eastern Europe and South America, there would be message adaption to capture these local markets.

Through heavy advertising, the company needs to communicate to the consumers that Heineken has superior taste and high quality in order to enhance brand awareness. And the products delivered to the consumers should also provide exactly what they promising through communication. In the growing markets like Italy and Spain, the marketing mix requires the product adaption. In this competitive and volume-concerned market, the company needs to not only offer beer at different sizes and flavors but also adjust beer price and increase its distribution coverage to get more market share.

In the matured market such Central Europe and Australia, the message adaption is necessary. In this developed market, the company has to emphasize the quality and premiumness of the brand through constant marketing communication. Additionally, it needs to invest more and increase distribution channel in order to remain the dominance of market. In the declining market such as USA, both product adaption and message adaption can be agreeable. In this saturated market, the company can either revitalize the core values of brand image or adapt the sizes and flavors of beer to the consumers' preference in order to remain influential in market.

Besides, Heineken may have to lower its price and adjust its distribution coverage to maintain its sales and status in the market. Consequentially, as consumer needs and tastes vary across the globe, Heineken must decide to some degree to which adapt the marketing strategy to local needs using a variance of marketing mix, owing to different cultures. Heineken's global Brand Establishment and Reinforcement Although it realizes that each country requires different marketing mix, Heineken needs to establish a unique and standardized brand image. Basically, Heineken N.

V. needs to convey the meaning of the brand to the consumers focusing on the good taste and true mutual friendship by communicating all the five core values: taste, premiumness, friendship, tradition and winning spirit in every marketing communication in beer market. Nevertheless, Heineken should develop a universal tagline for each Heineken advertising campaign to illustrate its brand identity and image. Advertising should play an important role in promoting the brand. With the extensive using of print and TV commercials, the company is able to onstantly deliver the consistent and coordinated messages to generate more positive effects on the consumers in markets such as Japan and Hong Kong where brand image requires enrichment. Advertising should not be limited to traditional media, but include sponsorships of various public events embracing films, sports and music. The company can be closely associated with fashionable events to establish and enforce brand positioning and awareness in crowded places. In addition to various advertisings, Heineken should pursue merger and acquisition.

With a great acquisition record, the company can purchase some foreign brewery factories in some areas such as Brazil and Argentina. These acquisitions not only help the company to solve the problem dealing with production bases but also allow the company to produce beers quickly and effectively so as to benefit the establishment of brand image in these countries. Moreover, in markets like Italy and Netherland, Heineken should try different packaging, novel but substantial promotions and efficient distribution channels to attract more customers to encourage them buy more and remain loyal to the brand in an effort to restore the brand image.

All these marketing communication methods would help Heineken build and improve the brand image among the beer consumers. Role of Heineken's Headquarters Through the global branding and advertising, the Heineken headquarters should play a vital role in developing effective strategies and taking efficient actions revolving around the establishment of international brand. These main offices of the company should have the most influence and control over advertising policy, execution guidelines and coordinated operations in all markets.

During the projects Comet and Mosa, they should work closely with the research teams to clarify and determine the brand identity and implications for marketing. To push the global brand campaign, the headquarters collaborate with marketing teams in all markets to identify all constraints and changes associated with culture and thus determine adapted marketing mix to cope with these challenges. In order to find the balance between global branding and local advertising, the main offices also carefully lay out a



whole list of advertising and promotional objectives and bravely make the media selection decisions.

Furthermore, the headquarters cautiously review the information and watch the procedure over the plans and budgets utilized in each local market in order to ensure the consistency in Heineken's international advertising and local adaption affected by culture. Overall, the Heineken headquarters demonstrate the typically corporate way to handle the global marketing with a launch-off of a new qualifying brand.