

Heinlein a-yeast case study

Business



We will Indulge Into the marketing challenges that this 146 year old brewer company encountered due to the face of changing beverage consumption, advertising restrictions, and a blurring of its positioning among self-owned and competing beverage labels , discuss how they took it upon themselves to redefine their brand, and against all odds, how they managed to excel in its pioneering advertising and innovative marketing by utilizing its strong brand equity to expand into adjacent markets and provide consumers with new ways to interact with the rand, which go way beyond beer.

This was accomplished by associating the Heinlein brand with socializing and having fun.

This success was achieved by a combination of workshops, demonstrations, relationship-building activities, and guidance on how technology could help Heinlein achieve this vision. We will discuss how creating a new “ brand experience store” In Amsterdam called “ Heinlein the City’, was utilized as an overall marketing/branding strategy that combined traditional and new media to create connection points between Heinlein and its customers.

We will demonstrate how the result of these actions allowed the company o sharpen its “ fun-loving lifestyle” image while increasing customers brand preference and loyalty. 1. Company Profile company wantonly Heinlein International is a Dutch brewing company, founded in 1864 by 22-year- old, Gerard Adrian Heinlein, who purchased a brewery in Amsterdam. In 1869 Heinlein switched to the use of bottom-fermenting yeast.

In 1873 the brewery's name changed to Whininess's Bourgeoisie Matchmaking (HUB), and opened a second brewery in Rotterdam in 1874. In 1886 Dry. H.

Lion, a pupil of the French chemist Louis Pasteur, developed the "Heinlein A-yeast" (which is still the key ingredient of Heinlein beer) in the Heinlein laboratory. The founder's son, Henry Pierre Heinlein, managed the company from 1917 to 1940, and continued involvement with the company until 1951. During his tenure, Heinlein developed techniques to maintain consistent beer quality during large-scale production.

After World War I, the company focused more and more on export. Three days after Prohibition ended in the United States, the first Heinlein shipment landed in New York.

Henry Pierce's son, Alfred Henry "Freddy" Heinlein, started working at the company in 1940, and in 1971 was appointed Chairman of the Executive Board. He was a powerful force behind Whininess's continued global expansion, and while he retired from the Executive Board in 1989, he maintained involvement with the company until his death in 2002. During this period, Heinlein tried to increase its stock price by purchasing competing breweries and closing them down. After World War II, many small breweries were bought or closed.

In 1968 Heinlein merged with its biggest competitor, Master, and in 1975 opened a new brewery in Southernwood.

The Master brewery was closed in 1980, and its production moved to Southernwood and Den Busch. 1. 2. Primary Activity Whininess's primary business model has always been about creating new breweries around the globe and buying out existing competition.

Heinlein International owns a worldwide portfolio of over 170 beer brands, mainly pale lager, though some other beer styles are produced. The two largest brands are Heinlein and Master 1. 3. Prior Success Heinlein owns over 190 breweries in more than 70 countries and employs approximately 85, 000 people. It brews and sells more than 170 international premium, regional, local and specialty beers.

Heinlein has an annual beer production of 139.

2 million hostilities. Marketing slogans such as "Heinlein makes beers that refresh the parts others can't reach", has assisted the company in conquering such a large chunk of the global market. 2. Industry Profile Beer is ten world's most widely consumed alcoholic Diverge, Ana is ten Tanta-most popular drink overall, after water and tea. Today, the brewing industry is a global business, consisting of several dominant multinational companies and many thousands of smaller producers ranging from brewpubs to regional breweries.

More than 133 billion liters are sold per year? producing total global revenues of \$294.

5 lion, with an increasing rise from year to year. At the end of 201 5 the market it is expected to exceed \$523. 5 billion (183 billion liters). Global

Industry Analysts predicts the world beer market will see growth lead by emerging nations like Latin America, Middle East and Asia-Pacific. Market expansion will be fuelled by rising disposable income, the spread of Western influence on lifestyles worldwide and economic growth.

Beer remains a versatile product, with the launch of a wide range of new flavors boosting the drinks popularity.

Consumption is also being fuelled by a trend toward drinking beer with meals. Widespread health concerns among consumers is also encouraging a trend toward beer, which usually has less than 5% alcohol content, rather than other higher alcohol content beverages. 2. 1 .

Competition With Other Companies in Beer Industry The market is characterized by fragmentation. The three leading companies hold a combined market share in excess of 40% in terms of volume. Assessable became the largest brewing company in the world when it acquired Royal Grossly, brewer of Dutch premium beer bronchiolar. N. B.

was the second-largest beer-producing company in the world and Enhances-Busch held the third spot, but after the acquisition of Enhances-Busch by Ellen, the new Enhances-Busch Ellen company is currently the largest brewer in the world. Heinlein ranks as the third largest brewer in the world after Enhances-Busch Ellen and Assessable, based on volume. That being said, Heinlein is the number one beer brand in Europe. Scrabbles is the fourth to largest completing the “ Big Four” list. 3.

Heinlein, The Brand 3. 1 . Brand Components The Heinlein brand is very strong worldwide . Len the world of brew, consumer loyalty is shaped by brand culture.

However, as culture becomes increasingly defined by global trends, going global is the key to growth. This is why Heinlein established a portfolio to cater to both local and global markets.

As opposed to some competing beer companies, which leverage each beer brand on a local or international level, Heinlein leverages the company name and claims to be the “ most international brewery group in the world. ” The company has a very strong global brand. Heinlein is the name of both the company and its mainstream beer label, along with Master and Murphy’s, allowing for a very integrated marketing strategy directly related to the company name. An Collations Needless to say, almost everyone is able to associate Heinlein with beer, but in edition to beer, Heinlein tryst to associate itself with extracurricular activities. Heinlein also sponsors several sporting events. Heinlein has been the sponsor of the Heinlein Cup, an annual rugby union knock-out competition since the cup’s inaugural tournament in 1996, and the Heinlein Open (tennis) is a tennis tournament on the TAP International Series played in Auckland, New Zealand.

In March 2007 Heinlein announced a new advertising campaign for the Heinlein brand in partnership with the BEEF Champions League, with a theme of “ Enjoyed together around the world. ” Heinlein also sponsors the music events: he Heinlein Opener Festival, a contemporary music festival held in Poland; and, since 2004, the Oxygen music festival in Ireland.

Heinlein sponsors the Ballyhooing Summerset in County Kerry, Ireland. 3. 3.

The Product The beers brewed by Heinlein are positioned in the premium, mainstream or in the specialties segment of the marketplace.

The mainstream segment represents the largest and mid-priced section of the market.

In addition to producing beer, Heinlein also offers a limited selection of soft-drinks and other beverages. 4. Whininess’s Marketing Challenges 4. 1 .

Heinlein “ Life Style” Heinlein is well known for its beer brand.

The Dutch company has been in business nearly 150 years so it was doing something right but it wanted to go to the next level and they realized that the brand had become less clearly differentiated in recent decades. In recent years the company did some brainstorming and decided that it wanted to grow the company beyond the image of beer being associated with social partying.

This was due to the fact that other social trends were developing and the company wanted to advance and prove to their customers that they know how to adapt to change, while at the same time, they needed some added value to preferential them from their competitors. These issues led the company to seriously rethink the brand association and conclude that some serious changes need to be implemented. The company believed that new media, platforms, and markets were needed to revivalist the brand and make Heinlein a “ lifestyle” as well as an instantly recognizable beer.

Whininess's realization of the changing trends was reinforced by ten Toweling plants 4. 2. Changes in Beer Consumption The first problem that Heinlein needed to deal with was the global changes in beer consumption. For various reasons, consumers were buying less and less beer. This as a result of a combination of the following factors: Declining global economy – Although beer is considered a common man's drink, people around the globe were spending less and less on non-basic items.

High Taxation on alcoholic beverages- Many governments decided to increase taxes on alcohol, and beer in particular in order to increase their annual revenue.

Anti-Smoking Campaigns- Heinlein has been imported to the United States but it is most widely known in the Netherlands where it originated. At the time of its marketing struggle, Europe was facing a beer crisis. Many areas were under scrutiny for excessive drinking. As health awareness started capturing more attention worldwide, and people started cutting back on smoking, the consumption of beer was also reduced.

This is because beer was considered a 'completion' item to smoking.

When one goes out for a cigarette, what can better than popping open a can of beer to go with it. Increase of Boutique Breweries- Even among those who stuck to their beer consuming, a new trend was established. Many consumers averted to buying their beer from small local breweries, which were able to create special relationships with their customers and supply them with the beer of their choice. Many people started making their own beer as well. By doing so, they were able to cut costs.

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These combining factors had an obvious effect on the major beer producers such as Heinlein.

4. 3. Social Responsibilities Beer brands are increasingly expected to promote “ responsible” consumption to their users and society. As a premium brand which promoted quality over quantity, Heinlein has always tried to establish itself as a company which gains the consumer’s trust by proving themselves to being socially responsible. This manifests itself in creating widespread commercials to show the importance of responsible drinking habits and shunned the abuse of alcohol.

This obviously created mixed results.

On the one hand many consumers related to the Heinlein brand in a positive light, but on the other hand, it caused people to buy less beer than they might have if not for the advertisements. Overall this was also a contributing factor to a decrease in sales. 44 strengthening customer Relations In recent years, the digital age “ New Media”, has changed the way that companies interact with their customers. If a few years back, it was sufficient for a company to periodically advertise on the radio/television or in newspapers; this method is slowly coming obsolete for the companies that want to keep up with the younger ‘ hip’ world.

This is because traditional media such as TV, radio, and print have become less effective at reaching target markets and are losing ground to the web and time-shift TV. Information about a brand often is created by customers, and therefore is difficult to control. Younger consumers increasingly are connecting with brands through the web, video, mobile
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devices, and experience/entertainment locations. They are demanding personalized products and services, and they expect a two-way relationship with brands. Terms such as “ push to pull,” “ mass customization,” and “ individualism” have been used to describe these trends.

Heinlein realized that if they wanted to remain a key player in their market, they need to find a more interactive and technological approach to how they conduct their relationship with the general public.

At this point, Heinlein knew that they needed to do some Brand Repositioning in order to stay afloat. 5. The Holistic Approach Holistic marketing is a marketing strategy that is developed by thinking about the business as a whole, its place in the broader economy and society, and in the ivies of its customers. It attempts to develop and maintain multiple perspectives on the company’s commercial activities.

Marketing traditionally focuses only on the product or service being offered and ignores the human aspect of the business and the creators of the product or service. It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors.

Holistic marketing takes this a step farther and, as mentioned above, it looks at the values, passions and deals of the people in the business to create a marketing strategy effectively whole in its focus.

Holistic marketing recognizes that ‘ everything matters’ with marketing and that a broad, integrated perspective is necessary to attain the best solution.

The four components that characterize holistic marketing are relationship marketing, internal marketing, integrated marketing, and socially responsive marketing. Internal marketing is a process that occurs within a company or organization whereby the functional process aligns, motivates, and empowers employees at all management levels to deliver a satisfying customer experience.

Integrated marketing is an approach to brand communications where the different modes work together to create a seamless experience. Tort ten customer Ana are presented with a similar tone and style that reinforces the brand's core message.

Socially responsible marketing is a marketing philosophy that states a company should take into consideration what is in the best interest of society in the present and long term. Relationship marketing emphasizes customer retention and satisfaction rather than a dominant focus on sales transactions.

Heinlein was looking for an innovation partner with knowledge of how technology can provide solutions to marketing problems. CiscoBIBS, through a series of workshops, demonstrations, innovation sessions, and business cases, provided a technology blueprint that Whininess's marketing team can use to develop retail and customer marketing solutions for the near and longer term. To repair its image, sales and brand name, Heinlein asked Cisco BIBS to provide guidance on incorporating new media into the company.

A holistic marketing approach was implemented.

Heinlein took the lead from other successful companies like Apple, Newspapers and Nikkei. Heinlein attacked its marketing with the four main themes of holistic marketing, but with their own twist : Interaction- Creation of new website where customers can interact with the products Exposure- Heinlein “ Saving the Planet” TV campaign, accessed through TV and web channels. Engagement- Building “ Heinlein, the city”, a place where consumers can physically interact with the brand.

Relationship – Opening of sports/entertainment sponsorships such as champions league soccer and The Heinlein music hall in Amsterdam.

Rather than focusing on the beer, they focused on their brand name to market the company as a whole. As a result of this strategy, the following changes were inducted: 5. 1 . Customized Relationships to Customers Via Interactive Website In the face of these changes, Whininess’s challenge was to creatively integrate traditional and new media into a holistic, immersive marketing strategy.

The company used Cisco Ibis’s technical expertise to resolve two key issues: How to develop a closer relationship with TTS market.

How to complement traditional advertising and communication with innovative marketing enabled by new technology. Heinlein improved their website and transformed it into an interactive experience for the customer in which the customer can customize and personalize their own Heinlein-branded products and merchandise. 5. 2. Whininess PR TV and Internet Campaigns Heinlein initiated huge television campaigns, revolving around the growing “ green” trends which were taking over the world.

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These campaigns focused on “Heinlein, saving the planet”.

They advertised the ways they were saving the planet. In essence, the company attempted to redefine its approach to sustainability. This concept would be based on Whininess three core values: passion for quality, the responsible enjoyment of their brands, and respect for people, the environment, and the society we live in. 5.

3. Customer Interaction Via Heinlein the City’ The most visible element of the renewed branding effort on which Heinlein and Cisco BIBS collaborated is a six-building brand experience store, Heinlein the City.

This new dimension to its marketing is a unique, ultramodern concept store. The project aimed at highlighting Whininess’s international network, and the brand’s foreign and domestic sponsorship activities. The objective of the city was not to be a catering establishment but a concept store that stimulates all the senses to the Heinlein brand, and that brings ‘Heinlein – Serving the planet’ to life.

The design of Heinlein, The City claimed to be “revolutionary’, full of the latest technical devices, including speaking mirrors, AD TV screens, an ice wall and interactive pillars.

The state-of-the-art promotional store is a place where visitors can interact and engage with non-branded products and services within the adjacent markets of travel, entertainment, fashion, and retail. 5. 4. Social Interaction Via Sponsorships Although the company set up its flagship store, customer interactions with Heinlein the city were usually a one-time experience.

Heinlein understood that long lasting legislations with society needed to have a stronger foundation.

The company decided to strengthen their bonds with recreational activities which met their “ life- style” agenda such as sports and entertainment. They developed sponsorship programs with many local businesses, including a variety of athletic venues and entertainment companies such as champion league soccer teams and music halls. By doing so, they hoped to increase even further, their brand equity. 6. Helene, ten c Heinlein acquired a prime location in the center of the Dutch capital of Amsterdam to build a state-of-the-art promotional store.

The City is a historic location that that has been outfitted with modern technology and ultramodern interiors by some of Rupee’s top designers, and is built on a Cisco technology platform. The City was created to physically give customers a place to experience the brand. Since opening the city was probably the most substantial addition to their renewed “ Heinlein way of life” marketing approach, and as Heinlein puts it “ The user experience that has yet to be seen”, we will focus more on some of the details of this super-project.

The city was built on a Cisco implemented technology platform. Features such as fully Cisco-based IP architecture, IP telephony on Heinlein-branded XML phones, Cisco- enabled physical surveillance, wireless LAN and Wi-Fi phones, a Digital Media System (DMS) that allows recorded and live streaming video within the store, contributed to maintaining efficiency within

the store and allowing for the development of new solutions and connection points with Whininess's customers.

As mentioned, the objective of the city was to promote the brand in general and not focus on their primary product, therefore they created a policy in which no beer is sold or consumed within the City. Instead, the focus was on user interaction. The city is geared toward anyone who enjoy sports, music, fashion, entertainment, festivals, trendy parties, and beach clubs, and who like to discover new shops, unique products, gifts, and so on or tourists who like to travel, have new experiences, and meet other people.

The following are examples of some of the activities in the city: In the city, customers can design customized Heinlein beer labels to commemorate birthdays, weddings, or other occasions. In addition, they can personalize collectibles, merchandise, and fashion items by well-known designers. The city supplies a recording studio for new bands and Des. Heinlein can sponsor music lessons, new-talent shows, and DC workshops for the visitors.

Customers can purchase tickets for concerts and for package tours to Heinlein- sponsored events or Champions League travel packages.

Computer screens promote the events throughout the store. Exclusive boardrooms can be hired out for meetings and business events. These activities and events in Heinlein the City therefore provide a multidimensional meal ventricle. Tanat clearly positions ten Heinlein "way AT Tie" Ana offers Drainage reduces and services (other than beer) to its target customer segments. Amsterdam Heinlein the City pilot store is the first of an international rollover.

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The company is planning on opening similar “ cities” in London and Milan. 7. Success Beyond Expectations 7. 1. Heinlein, a Unique Brand Although the City was perhaps the biggest addition out of the holistic changes, all of the combined effort really boosted the Heinlein brand. The city opened in July 2008, and the popularity of it was beyond all expectations, both in the Netherlands and around the globe, with an increasing number of visitors arriving each year, reaching 00, 000 visitors in the first year alone.

The meeting rooms were always booked, the customized items such as the beer labels have been so successful, that Heinlein can hardly keep up with the growing demand. Overall, The City has exceeded Whininess’s marketing aspirations with not only increasing its reputation for known brand products, but also in creating a high demand for nontraditional items such as Heinlein-branded designer clothes, which have never been on their product line before.

Their newly defined marketing methods have boosted up their product line to include many more items in addition to the traditional beer. . 2.

Rise sales Heinlein the City was not intended to be a large revenue-making vehicle, but was instead meant to be a platform for increasing loyalty and brand equity. That being said, in terms of revenue from merchandise and meeting room rentals alone, the store has hit the breakable mark, with a return on investment within 13 months of opening.

Their financial revenue is therefore twofold. They are making a lot of money from the city while at the same time, increasing the value of their brand. 8.

Plans for the Future After the creation of the city and its success, Heinlein

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plans on continuing to develop new technological solutions for customer connection points around the globe with the assistance of Cisco BIPS to support their newfound holistic marketing strategy based on their slogan of “making the world a more fun place”.

They intend on converging entertainment locations and interactive technology with their clientele for the purpose of reinforcing the customer interaction with the brand. One merging idea is to create mobile platforms which will allow users to track their friends' whereabouts in Heinlein bars and cafes. Heinlein will obviously use this infrastructure to push marketing content to these mobile handsets. This will increase