

Marketing strategy of carlsberg



**ASSIGN
BUSTER**

Carlsberg is the fourth largest brewery group in the world, which has a brand portfolio that includes brands such as Carlsberg, Tuborg, Baltika and Kronenbourg 1664, which are well known international premium brands, but also includes strong local brands, such as, Ringnes, in Norway, Lav in Serbia and Wusu in Western China. (www. carlsberggroup. com) This section is about Carlsberg Group's marketing strategy, with a focus on Carlsberg, its main brand, and on Tuborg.

Carlsberg Group's strong regional presence built on strong brand portfolio offers them a distinctive competitive advantage in the market place. (www. datamonitor. com) Also, the fact that Baltika, Carlsberg and Tuborg are among the six biggest brands in Europe emphasizes the strength of the Group's brand portfolio. (www. carlsberggroup. com) The share of Carlsberg is positioned in the premium lager segment, where it has to face top beer competitors, such as Heineken, reason why they have created a strong marketing strategy.

In recent years Carlsberg Group's attention has been more and more directed to commercial initiatives in order to create value for consumers. Carlsberg advertise itself as being “ probably the best beer in the world”. On its official web page, it is stated that what sets Carlsberg Group apart from other competitors is its attitude towards differences and the respect they have towards culture, people and brands. (www. carlsberggroup. com)

In the internationalisation process, companies have to face differences when it comes to language, climate, race, occupations and education, topography, taste, laws, cultures, and societies, which may generate conflicts at some

point. (Van Mesdag, 1987) In order to overcome these differences and avoid possible cultural, social or legal conflicts, companies must approach a marketing plan focused on adapting to local tastes and needs. (Ghemawat, 2007) Carlsberg Group has targeted different regions and has adapted the marketing strategy from region to region. Carlsberg operates in Northern and Western Europe, Eastern Europe and Asia.

On these markets, being at different stages of development, the need of price adaption is demanded in order to be successfully managed. When Carlsberg set prices, it took into consideration the income per capital and the standards of living of each market. By instance, Carlsberg Pilsner and Tuborg in Romania are much cheaper than in Denmark, the reason being that the purchase power in each country differs. Another factor that seems to be adapted is the way Carlsberg and Tuborg's marketing communication is created in each country, more exactly, the advertising.

It is only rational they have adapted the promotional merchandise, commercials, street posters, advertising adds and billboards, like the ones promoting Carlsberg sport events or Tuborg music festivals, to each country's language. Furthermore, some of the commercials have been created and filmed in different countries which reflect local customs, culture or sense of humour. For example, the Tuborg commercial made in Romania, which reflects in one way, Romanian sense of humour, being about a guy named Filip, who is in love with the letter F, but also with Tuborg beer.

The director of the commercial changed the name of Tuborg in Fuborg. This could be risky for a new brand, but for Tuborg reflects its marketing slogan “

You and Tuborg” and emphasises the strong relationship between the individual and the beer. When it comes to television advertising, a very important fact is that commercials broadcasted on Romanian television might not be understood in Denmark, and vice versa, because of the cultural differences, which means not all Carlsberg and Tuborg commercials are broadcasted worldwide.

But sometimes there is no need of adapting the commercial to local culture, for instance the commercial where a man in a bar is singing a love song to his real love, a bottle of Carlsberg. It has been argued that the best strategy is the one that finds a balance between standardization and adaptation. (Prahalad and Doz, 1986) Carlsberg and Tuborg communicate with the consumers at an international level, also by a standardized marketing strategy.

The standardized part in these brands’ marketing communication is being represented by the official websites of the brands, which offer the possibility of choosing in which language the pages will be displayed, as well by the brand name and image. Tuborg and Carlsberg sell around the world a variety of beers. The most popular for Tuborg are Tuborg Green, Tuborg Lemon and Tuborg Christmas beer and for Carlsberg, Carlsberg Beer, also called Carlsberg Lager and Carlsberg Pilsner, Carlsberg Elephant and Carlsberg Lite.

The Tuborg and Carlsberg packaging is standardized in every market. Tuborg Green and the Carlsberg beer are sold in a green bottle, while Tuborg Lemon and Tuborg Christmas have their own distinctive packages. Carlsberg’s tagline “ Probably the best beer in the world” was created in 1973 by Saatchi

and Saatchi for the UK market and it has remained the same until today, being used to promote the brand all over the world.

In some countries the tagline has been adapted to “ Probably the best lager in the world” ([www. worldlingo. om](http://www.worldlingo.com)) and in some situations Carlsberg has changed it for promoting itself in different commercials, such as the one where a man is visiting his dream apartment, in order to rent it, and he meets the perfect unbelievable roommates. The tagline here is: “ Carlsberg don’t do flatmates, but if it did, they would probably be the best flatmates in the world. ” ([www. wn. com](http://www.wn.com)) It also has created different other taglines, such as “ Carlsberg- part of the game” , which have been promoted the brand at sport events, or “ The best beer for the best moments” which is posted on Carlsberg official webpage.

The purpose of keeping the same taglines over the years is that these taglines make Carlsberg well known around the world and become imprinted in the mind of the consumer, decreasing the threat of confusing Carlsberg with other beer competitors. Tuborg’s tag line is “ The fun starts here” , which implies that wherever Tuborg is, the atmosphere is full of fun and enjoyment. It also uses “ You and Tuborg” in some campaigns, very popular, for instance, in Romania, or “ Tuborg makes life a little greener” , popular in Denmark. ([www. uborg. dk](http://www.uborg.dk))

Promoting Carlsberg and Tuborg all over the world is being mainly a standardized process, with only a slightly adaption to the specific of each country. For instance, the UEFA European Football Championship events Carlsberg has sponsored, which took place in different countries over the

years, or the music festivals sponsored by Tuborg, need adaption only when it comes to the safety regulations of each country. The advantages of a standardized strategy are the low costs and the strengthening of the brand image.

Brands occupy an essential part in the consumer markets due to their capacity of providing value for both the consumer and the firm. From the consumer's perspective, a brand is seen as not only presenting the source of the offering (Aaker, 1996) but also indicating quality, reducing search costs and the risk of transactions (Janiszewski & van Osselaer, 2000). A well known brand may be described as one of the most valuable assets of a firm, which may set it apart from other competitors. (Grace and O'Cass, 2005).

Therefore, a competitive advantage may be a consequence of a strong brand, which may lead to a firm's long-term profitability. (Aaker, 1996)

Promotion is defined, according to Kotler (1999), as the activities that communicate the product to the targeted customers and persuade them to buy. Carlsberg has been promoting the brand through different sponsorships. It has been drawn attention to the fact that, although many companies may not have logical links to sports, events, and causes, they may end up sponsoring them (Cornwell et al. 2006).

When consumers perceive a natural match between the sponsoring company and the sponsored event they will probably evaluate the sponsorship more favorably. But when the discrepancy between the event and the sponsoring company is large, the image of the brand may be affected in a negative way (Peracchio and Tybout 1996). The negative effect can be avoided by

articulating the meaning of the sponsorship relationship, which creates a link between the event and the company and assures a relevant meaning to the sponsorship. (Cornwell et al. 2006).

For instance, in order to receive a positive feedback in regards to their image, Carlsberg has changed its advertising tagline, when the company sponsored the ski world championships in Switzerland in 2003, to “ Carlsberg, probably the best after-ski beer in the world. ” As it is said on the Carlsberg Group`s official web site, “ At every level of the game, Carlsberg has become the beer you associate with football. ” Carlsberg became the first official sponsor of the Danish national team and national league in the 1970s and today is one of the biggest football sponsors.

It sponsors famous clubs, such as Liverpool FC, Hamburg SV, Toronto FC, FC Copenhagen, and major national competitors, like the national teams of Denmark, England, Ireland, Switzerland, but also supports non-league competitions. Carlsberg Group is a founding partner of the new Wembley Stadium, home of English football. In 1992 began the association with Liverpool FC building the longest sponsorship in the English Premiership. In July 2010, Carlsberg decided not to renew the sponsorship, but just to remain collaborators for future projects. By associating its brand with Liverpool FC, Carlsberg has gained the attention of all Liverpool FC`s fans, and has achieved an increase in the level of their support for the brand.

The collaboration between Carlsberg and Liverpool FC had positive effects on Carlsberg`s image. International Marketing Director and head of Carlsberg`s sponsorship activities, Keld Strudahl said that “ Football is the perfect match

for the Carlsberg brand. It has mass international appeal and high status, it engages our core male target audience and it suits our brand positioning of the best beer for the best moments. ” (www. carlsberggroup. om) Since 1980, Carlsberg has successfully supported football events such as FIFA World Cup (Italia '90), UEFA Cup 1997-2009, UEFA Super Cup 1998-2008 , UEFA European Football Championships and a few other tournaments. By being the “ Official Beer to UEFA EURO 2008”, Carlsberg had major brand exposure.

In total, 5 million fans visited the Carlsberg sponsored public viewing area and more than 1, 500, 000 litres of beer were sold in fan zones in Austria and Switzerland. (www. euroinvestor. dk) The Championship was broadcast in over 200 countries, assuring exposure to a cumulative TV audience of 7 billion people. www. carlsberggroup. com) The brand visibility is very important, which is why the bar staff from the fan parks had to wear, during all the tournament, Carlsberg t-shirts and caps. Also beer cups and promotional materials offered by Carlsberg had the Carlsberg logo on them.

Even if the participation on the Austria and Switzerland stadia during the UEFA EURO 2008 was lower than the participation during the UEFA EURO 2004, in Portugal, the sales of Carlsberg’s non-alcoholic beer in the stadia went up with 30% compared to Portugal. www. carlsberggroup. com) This may be viewed as a clear evidence that fans value the taste of the product. By promoting sport events, Carlsberg manages to create awareness among consumers. Football brings people together and creates enthusiasm and enjoyment of life for the fans of football, which is why associating the brand with this sport is a good strategy. The excitement and all of these positive

feelings get transferred towards the brand and improves the consumers' perception of the brand.

Another way of promoting brand is through different contests and prizes. For example, Carlsberg has offered the chance to participate in the Carlsberg EURO 2008 Golden Ticket Contest and win an all-expenses paid trip for 2 persons to the EURO 2008 match live in Switzerland and the occasion to present the Carlsberg “ Man of the Match” trophy along with many other small prizes. Another example is that, during different events, Carlsberg gives away in different contests, to consumers, tickets to the games.

Tuborg has been a major sponsor for many international music festivals, just like Roskilde Festival, the largest North European music festival and Greenfests Festival in the Eastern Europe, which bring internationally famous musicians on the European scenes and attract annually more than 75, 000 music fans. (www.roskilde-festival.dk) By supporting all these live music events Tuborg assures that the music fans will enjoy a Tuborg beer while watching their favourite artists.

It has been pointed out that “ targeted marketing is at the heart of developing an effective marketing strategy and is driven by the longstanding recognition that a one-size fits all approach to marketing no longer works among diverse, sophisticated consumers. ” (Grier and Kumanyika, 2008) Tuborg's focus is on the young people. It has built an effective market strategy by trying to become more appealing to the young sector of the population.

This sector is allured by opportunities to see popular musicians playing at live events, but also the use of online or guerrilla advertising draws their attention towards the brand. As case in point, the appearance of bottles of Tuborg in videos of world wide known artists, such as in the Kings of Leon's "Use Somebody" video or in the All American Rejects' " Gives You Hell" video has an influence on their fans, creating positive word-of-mouth about the brand.

Word-of-mouth marketing (WOMM) is defined as being " the intentional influencing of consumer-to-consumer communications by professional marketing techniques" , also known as social media marketing and guerrilla marketing. (Kozinets, Valck, Wojnicki and Wilner, 2010) All the marketing operations of Carlsberg and Tuborg, especially the online and television advertising, may create a word-of-mouth effect.

This means that people talk about the brand on online communities such as, social networks, blogs or forums, as well as on offline communities, which strongly helps sustaining the widely recognized brand among consumers. A positive word-of-mouth effect is achieved by the campaigns Tuborg has managed, for example, the one where malls and multiplexes have been covered with creative Tuborg posters in order to highlight the association of the brand with fun and music and to advertise the new innovative idea of a pull-off cap, which makes it easier for the consumers to open a bottle of Tuborg.