

# [Canadian brewing industry: trends, threats and opportunities](https://assignbuster.com/canadian-brewing-industry-trends-threats-and-opportunities/)

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Hence, all the major Canadian breweries have been merged with or acquired y the international giants. The competition is rising not only between beer brands, but also within beverage types. Wine consumption in Canada has been increasing substantially. Consumers are always looking for something new and exciting, but at the same time, something they can relate to. " A key point for success is to bring differentiation while still retaining a recognizable and familiar aspect"(t). Another obstacle the brewing industry is facing is the wrong perception consumers have about beer and its effect on weight and overallhealth. Beer belly', for example is just a myth. It is vital for companies to educate consumers about the true nutritional value of beer to avoid wrong perceptions and lose consumers to other beverages that seem more calories cautious. Research Objective This report outlines current trends as well as opportunities and threats to the Canadian Brewing Industry. The results were interpreted based on the research conducted on the three major brewing companies: Heinlein N. V. , Salesman Brewery Ltd. , and Nelson Coors Brewing Co.

We identified and compared these breweries in terms of the background, consumer's opinions and strategic issues the companies re currently facing. Finally, the recommendations provided outline the possibilities for improvement and growth of the industry if the appropriate changes are undertaken. Research Method This research was conducted based on North American population through trend Canadian Brewing Industry: Trends, Threats and Opportunities By anchor 2008 and above. The main areas of research were: history of the company, social mediaimpact, strategic issues and opportunities.

The focus was on the most recent news and events that affected the company as well as the entire industry. Company Information Heinlein N. V. Was founded in 1873 in Netherlands and has become the world's most international brewer (Heinlein, 2013). It operates in Western Europe, Central and Eastern Europe, Africa and the Middle East, The Americas, and Asia Pacific. The company is keen on contributing to a sustainable future. Their strategy is based on the four focus areas: conserving water, decreasing CO emissions, responsible agriculture, and responsible consumption. Heinlein also believes that innovation is key to future success.

The Heinlein Ignite beer bottle is their new invention. It is replete with Leeds and motion sensors, " which let it light up with various effects when drinkers knock bottles to say cheers with someone or take a sip". The Leeds could also be synchronized withmusicand activated by light sources. (d) Founded in Gullah, Ontario in 1834, Salesman Breweries Ltd. Became a leading brewer and distributor of premium beer in Canada. (b) Their success came from " turn-of-the-century' beer recipes and the passion that continues to drive the company to this day. Salesman's trademark is their unique clear bottle. In the recent lawsuit against Dead Frog

Brewery that uses a similar clear bottle design, John Salesman, CEO, said: " Salesman will always vigorously defend its trademarks, especially where myfamily's heritage is concerned. " (c) Salesman Breweries Ltd. Was bought out by Seaport in 2006, however the Japanese firm kept the Salesman name and business intact because of the intrinsic value that it holds. (e) Nelson Inc. Is the oldest brewery in North America, established in 1786(a). In 1978, the company bought into sports and entertainment industry, purchasing " a share in the Montreal Canadians and the Montreal Forum, as well as hosting Nelson Hockey Night in Canada"(a).

Their advertising campaign has always been based on the " beer-sports" connection, trying to establish that beer and hockey are two defining elements of the Canadian identity. (f) After merging with Coors, Nelson Coors Brewing Co. Became 5th largest brewer in the world. Below is a comparison table of the three above-mentioned companies, in terms of 2012 sales, place of origin, current position in the market, types of beer offered in Canada, sports associations, and company slogans.

I Heinlein N. V. I Salesman Brewery Ltd. (acquired by Seaport) I Nelson Coors Brewing. I sales 2012 on millions) | 18, 383 | \*492. 4 | us $5, 615. | Origin I Netherlands I Canada I Canada I Position in the market I Heinlein N. V. Is the worlds 3rd largest brewer 1 3rd largest brewing company in Canada, got taken over by Seaport in 2006 | Best seller in Canada, worlds 5th largest brewer after merging with Coors (a)l Types of beer I Heinlein Lager I Original Draught, Light, Clear 2. , Honey Brown Lager, Cream Ale, Silver Creek Lager, India Pale Ale, Dark/Rouses, Fine Porter I Nelson Canadian Lager, Nelson Canadian Wheat, Nelson Canadian 67 | Calorie cautious I N/A (Heinlein Light is not available in Canada) I Salesman Light (95 calories) I Nelson Canadian 67 67 calories) I Sport sponsorships I Football/SoccerI Tennis I Hockey I How Heinlein! ", " Heinlein refreshes the parts other beers cannot reach" I " Notoriously good" I " It starts hear", " I am Canadian" Social Media Heinlein is the most known international beer brand, " when in doubt, order a Heinlein".

But the recent feedback from the consumers shows that Heinlein is over- rated. It's characteristic skunks taste is the result of the green bottles it's served in. The UP rays break down the hop compounds, which is why the beer tastes different when served from the bottle compared to tap. Heinlein however is not ready to let o of their notorious green bottles since that would make it harder to identify the beer, which in turn will hurt the company's bottom line. Salesman is known for its flavors body and clean taste (no kinkiness).

Some find it too sweet, others enjoy it. The benefit that Salesman has over its competitors is that is offers different types of craft beer that other breweries don't. From fruity India Pale Ale to chocolaty Fine Porter, Salesman wants to create a long lasting relationship with those, who have an appreciation for beer. However, Salesman is not as active in the Social Media world as Heinlein and Nelson are with their catchy commercials and Backbone pages. Nelson Canadian was voted #2 in Gasmen, men's online magazine.

Be it a hockey game, a backyard BBC or a camping trip, Nelson Canadian is what the young generation automatically reaches for, due to Melon's heavy advertising that incorporates those themes. " Camping essentials. Lots of firewood and Nelson Canadian"- was posted on Twitter along with a picture of a truck loaded with firewood and cases of Nelson Canadian. Key trends, opportunities and threats Although beer continues to dominate the market of alcoholic beverages, (c)" beer consumption is declining in the U. S. And Europe, the source of two-thirds of Whininess's profits, because of tougher drunk-driving laws and a growing appreciation for wine".

The fact is that beer is not seen as a " fancy drink" that you indulge in, it is time to change that. Companies must start educating consumers about the differences between various types of beer, beer andfoodpairings, in order to create a better appreciation for the beverage. Another obstacle the brewing industry has to overcome is the " beer belly' myth. Consumers are becoming more health cautious and many believe that beer is detrimental to weight loss and health in general. The fact is, beer is fat-free, cholesterol-free and low in carbohydrates.

Beer is made from hops, barley and wheat, so the beverage contains many nutrients such are: vitamins A, C 86, foliate, thiamin, riboflavin, niacin, zinc, iron, and calcium. Beer also contains antioxidants and is high in fiber. Those who choose lighter beers in hopes of reducing their caloric intake, are also missing out on all the nutrients the beer holds. Drinking beer in moderation also reduces the risk of heart disease and stroke, diabetes, rheumatoid arthritis, bone fractures and osteoporosis, kidney stones, suggestive ailments, gallstones, and physical ailments affecting the elderly.

Beer can be part of a balanced diet and a healthy, active lifestyle. The key is moderation. (brewers association One of the big trends for summer 2013 is light and flavored beer with the hope to appeal more to women, and Nelson Canadian is on top of it. Their new line of beer, Nelson Wheat, is made with all-natural ingredients; just-ripened bananas". Nelson is also going to introduce Nelson Canadian Cider made from 100% Canadian apples and champagne yeast. On the other spectrum, craft beer is also the category that will experience growth, thus Salesman should undergo a positive turnaround in the near future.

The current debate over wider retail distribution of alcoholic beverages is becoming more evident, and more changes and pilot programs are being tested to potentially expand product availability beyond liquor stores. " In 2013, the province of Ontario - the largest alcoholic drinks market in Canada will become LOCO or Liquor Control Board of Ontario Express stores- within-stores at 10 grocery supermarkets. The Manitoba Liquor Control Commission has also been testing the Liquor Mart Express store within a Canada Safely supermarket in Winnipeg as of 2012" (Remuneration International, 2013).

Wider retail distribution will definitely create more opportunities for product marketing and retailer distribution, potentially giving more opportunities for smaller local wineries, breweries and distilleries to bring their products to the market (Remuneration International, 2013) Study Implications and Recommendations There are four main concepts derived from this research: \* Perception of beer \* Health implications \* Competition \* Innovation In order to stay competitive, the above 4 concepts must be exercised interchangeably. The brewing industry has a lot of room for improvement and growth.

The improvement must begin from changing the consumers' perspective about beer in order to create a lasting relationship. An ongoingeducationabout beer and beer consumption is also something that can change consumers' perceptions and preferences. In order to stay competitive, one must " bring differentiation while still retaining a recognizable and familiar aspect"(t). Social Media is a powerful tool that must be utilized in order to reach consumers as well as to learn about consumer behavior and generate feedback. Study Limitations and Directions for Future Research I found the most credible sources were the company's websites, Business and

Company Resource Centre and Global Market Information Database (GAMIN). The least credible was Wisped (was not included in this research paper) since some of the information was not accurate and up do date. Canadian Business and Current Affairs, I found to be the least up to date and least helpful. There is much more research that could be conducted in regards to this topic- alcohol regulation, exporting tariffs, cross marketing strategies, etc. The above research should be used as a foundation for the in depth analysis of the brewing industry of Canada. References Salesman. 2013. Retrieved from http://www. Leman. Com/ Heinlein. 2013.