

Heineken us marketing audit assignment

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Men account for more than 80% of beer consumption in the US; a large number of beer drinkers are white and favor domestic light beer, followed by domestic draft beer. 67% of men say they drink alcohol, while the average amount of drinks consumed per week is 6.2 drinks. The heaviest beer drinkers are men between the ages of 18-49. 55% of men say they most often drink beer, followed by liquor and wine at 21% and 20%, respectively. Women 64% of women say they drink alcohol, while the average number of drinks consumed per week is 2. Female drinkers have a strong preference for wine, with 52% saying they most often drink wine and just over 20% favoring either liquor or beer. Light beer has the strongest following among women consumers. Women are more attracted to specialty microbrewery beers than they are to the big brands, possibly because of their greater variety. Generations Baby Boomers: born between 1945-1964 and include 78 million people. This generation is exiting the prime drinking age.

Generation X: born between 1965-1984 and include 69 million people. This generation makes up the prime drinking age but will be exiting this stage in the future. Generation Y: born between 1985-2004 and include 79.5 million people. This generation will make up the prime beer drinking age soon and beer companies will be targeting this age bracket. Geographic The Midwest holds the number one spot, with a 47% share in alcohol consumption. The East primarily enjoys wine, with a 44% share of alcohol consumption.

The states that drank the most beer in 2012, were: 1) New Hampshire 2) North Dakota 3) Montana 4) South Dakota 5) Nevada Whininess response: Heineken heavily targets men in their advertisements, particularly with the <https://assignbuster.com/heineken-us-marketing-audit-assignment/>

recent creation of the “ man of the world” character that is seen in Heinelein Aqua’s newest ads. These ads are strategically modern and feature a progressive, cultured guy, who is inventive in any situation. ” Heinelein also has a long-standing 1 5-year relationship with the James Bond franchise.

Heinelein has been involved in the past 6 James Bond films, and in the recent Safely movie Bond forgoes a martini and is seen holding a green Heinelein bottle on the beach. This relationship not only hits on the demographic of targeting men, but also spans all generations, including Baby Boomers, Generation X and Generation Y. Heinelein does not specifically target certain geographic regions; however, it is important to them to present themselves as a beer that is drank by those that travel and explore. You will typically see advertisements taking place in the largest cities in the world.

The March 2013 launch of the “ DJΓ iv” ad follows the story of a man traveling the world, visiting bars and clubs of Ho Chi Mini City in Vietnam, then Lagos, Nigeria, before finally arriving in New York City, where he finally gets his hand on the Heinelein Star Bottle. B. Economic The United States requires the wine and sprits industry to recognize and overcome many economic barriers. In return, the beer industry is one of the largest and refutable industries in the country. The tax and fee rate for the US Federal Excise Tax is \$18 dollars of tax for a standard 31-gallon barrel of beer.

Each year, US brewers, importers, and distributors pay over \$3. 5 billion dollars in Federal Excise Taxes and almost \$1. 7 billion in State Excise Taxes. Ultimately these expenses are passed on to consumers. The industry pays over \$44 billion in personal and consumption taxes (including \$5. 3 billion in

excise taxes and \$5.8 billion in sales, gross receipts, and other taxes).

Directly and indirectly, the US brewing industry employs 1.8 million Americans, earning \$71 billion in wages and benefits. The relative cost of beer has declined dramatically in the past 50 years.

The average price of beer has fallen by more than 25 percent relative to the Consumer Price Index. Whininess response: Whininess's US sales dipped nearly 11% in 2009, a reflection of a difficult economic climate for pricey imports and according to AdAge, an "erratic and ineffective marketing" plan. In response, Heineken has been putting forth a new strategy emphasizing the company as a key player in the upscale beer segment, which is a part of the beer market that is performing well and grew 1% in 2011.

This upscale segment isn't as price conscious and will purchase a Heineken because they want to enjoy its flavor and be a part of the brand experience.

C. Environmental The US beer industry has played an active role in protecting the environment and participating in the green movement that aspires to create sustainability. Throughout the beer industry, recycled glass accounts for more than 30 percent of the materials used to produce new bottles. The Heineken-Busch Recycling Corporation recycled more than 800 million pounds in 2006. That is the equivalent of 27 billion cans.

The beer industry also recognizes the importance of recycling and conserving the paper products used in packaging. Packaging cartons contain up to 42% recycled cardboard. Many breweries have implemented systems to recapture and treat wastewater generated in the brewing process and

have embraced alternative sources of energy to produce electricity and heat with less carbon dioxide and air emissions. Whininess response: The global Heineken ambition is to become the “ greenest international brewer in the world. ” They have six strategic initiatives, including ‘ Green

Brewer’ and ‘ Green Commerce’ that focus on improving Whininess environmental impact. Their five major offices are Energy Star buildings and display sustainability. And the company has made significant changes within their supply chain to reduce any hazardous environmental impact.

Furthermore, they’ve invested in their employees through education and programs related to ‘ Brewing a Better Future. ‘ D. Technological There are numerous brewers in the US, as well as international companies that import their beer for people to enjoy.

The brewing process is quite extensive and entities to evolve in order to bring fresh tasty drinks to beer enthusiasts every year. There are 8 steps to the brewing process: Malting, Milling, Mashing, Brewing, Cooling, Fermentation, Maturation, Finishing The leading importers of beer in terms of sales is 1) Corona Extra (418. 80 million), 2) Heineken (273. 3 million), and 3) Corona Light (129. 10 million). Top 3 Selling beers in the US are Bud-Light, Budweiser, and Coors Light. Whininess Response: Whininess’s brewing process is 100% natural and began in 1873.

The basic recipe is still closely guarded, and the principles of its success have remained the same and include, quality ingredients and a perfectly controlled brewing process. Whininess’s marketing strategy includes educating the public about the great Heineken quality that has existed for 1

50 years. They also want to highlight their family-owned history and focus on the beer culture of Amsterdam. E. Political Due to the restrictions on alcohol and its responsible consumption, the US beer industry has many political barriers it faces and must honor. 4 states enforce “ Blue Laws” laws that restrict the sale of liquor on Sundays. Consequently, people often drive across state lines to purchase beer. In the US, the advertising of spirits is self-regulated, which does successfully create standards for ethical advertising of alcohol. Standards include: Alcohol advertisements can only be placed in media where 70% of the audience is over the legal drinking age. Ad messages should not be designed to appeal to people under the age of 21 . (ex. Cartoon characters) Advertising cannot promote brands based on alcohol content or its effects.

Ads must not encourage irresponsible drinking Whininess response: Heinlein created a 2011 campaign catered towards responsible drinking with the title “ Sunrise belongs to moderate drinkers. The protagonists are seen drinking Heinlein, but also water bottles throughout the night. F. Cultural Due to the overwhelming amount of beer consumption in the US, beer and the environment in which you consume alcohol has become a part of the American culture. The beer culture continues to evolve and grab hold of new trends year to The craft brew market is booming and had double-digit sales growth since 2011.

Since 2004, craft brews have doubled their market share to nearly 6% and 250 breweries opened last year. The buy-local movement, along with a political push against big corporations, has consumers focused on local brewers. Chefs are highlighting wine and beer pairings with food and have <https://assignbuster.com/heineken-us-marketing-audit-assignment/>

been recently cooking more with beer. Young women are drinking beer as part of the celebrity chef, fun-dining phenomenon that focuses on social experience. Analysts say that a new generation of beer drinkers in their 20s and 30s were raised as children of choice.

The US beer volume sales are expected to decrease by 1% by 2016. Heineken has seen its market share decrease from 2.7% in 2007 to 2.2% in 2011. The imported beer market; however, increased 1% in 2011 as consumers are trending towards trying other beer types and brands. Despite the decrease in market share, Heineken has managed to keep profits stable. Heineken is the second most popular imported beer (most popular European beer) in the US with 15% of total volume sales. Market Segments: The US Beer market contains three main segments: 1. Domestic 2. Imports 3.

Specialty Within each of the three beer segments are sub-segments:

Premium Standard Light Cider/Malt Craft Heineken beer is a Premium Import.

B. Customer Beer consumers simply satisfy their want for an alcoholic beverage. Customers of Heineken include: Bars/Pubs/Taverns/Nightclubs, Grocery retailers, supermarkets, food/drink/tobacco specialists, and convenience stores. The buying process of beer customers is all based on forecasted demand. The buying processes of beer nonusers vary across several attributes: Habitual - brand loyal - will only buy their brand of beer.

High-value deal seekers - looking for the best bang for your buck. Do not care about quality. Variety loving shoppers - will buy different beers to taste out of curiosity. Will not buy in abundance, but rather different individual beers to get the most variety. Quality shoppers - will look to purchase the

best quality, most environmentally aware, or most reputable beer available. Price or calories are of no issue. Health conscious shoppers - will only buy beers that contain the least amount of calories.