

Marketing mix: tactical components to promote sales



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Carlsberg is also one of the largest brewers in Europe. Moreover, Carlsberg is headquartered in Valby in Copenhagen, Denmark. Carlsberg beer portfolio includes more than 500 brands and they are varies significantly in term of volume, price, target audience and geographic penetration. The company's main brand is Carlsberg Beer but it also brews Tuborg as well too. In January 2001, Carlsberg breweries decided to merge with the Norwegian brewery group Orkla ASA and later Carlsberg has become the fifth largest brewery group in the world.

Currently, Povl Krogsgaar-Larsen is the Chairman of the Executive Board of Carlsberg Foundation while Jess Soderberg is the Deputy Chairman of the Executive Board of Carlsberg Foundation. Meanwhile, Flemming Besenbacher is one of the members of the Executive Board of Carlsberg Foundation from 2005 until today.

1. 1 History & Background

Carlsberg was constituted in 1847 by J. C. Jacobsen on a hill at Valby. In order to expand the brand name of Carlsberg, it decided to start its exportation in the year 1868. In 1870, Carlsberg had started to become a very successful brewery and the founder, J. C. Jacobsen wanted to share his business with his country.

In 1875, the Carlsberg Research Centre was established to research on scientific problem related to brewing and pioneered the very latest brewing technology and techniques. There are more than 1000 scientists devoted to the art of quality beer manufacturing currently. J. C. Jacobson established the Carlsberg Foundation in 1876.

In the year 1906, the Old Carlsberg and New Carlsberg have merged and changed the name to Carlsberg breweries due to the division of production was not viable in the long term. As for today, Carlsberg is the beer for modern young people who speak one language in the world with no boundaries. As for information, the Carlsberg brand also provides support to various contests in the world, such as golf tournaments in Asia and English Liverpool Football Club.

Carlsberg has its own organization target, mission and vision. The mission of Carlsberg Company is to be a dynamic provider of quality beers and its also bring its exciting brand, innovative culture and committed teams which will brings people together and add more enjoyment in life. Furthermore, their company's vision is " probably the leading the beer company among the world" in order to become the first choice of the consumers, customers and employees and also by fully understanding their needs and proactively driving market development.

2.0 What is Marketing Mix?

Marketing mix is a combination of tactical components to promote the sales of a product or service (MarketingTeacher, 2010). The firm can control the marketing mix in order to achieve specific goals within a dynamic marketing environment. Basically, the major marketing decision can be divided into four categories which are known as product, price, promotion and place (also known as 4P's).

Product

Product is a complex combination of tangible and intangible attributes that provide satisfaction and benefits to the society such as the good, service and idea (Prentice Hall, 2008). When marketing a product, entrepreneurs need to consider and decide the factors which are quality, design, features, variety, utility, branding, packaging and labeling of a particular product.

Carlsberg decided to carry out line extensions to extend its brand names to new forms, colors, sizes, ingredients or flavor of its existing product categories (Prentice Hall, 2008). Carlsberg has produced various types of beers in the market throughout the globe and they also try to launch different flavors of beers as they know that individual has different taste and preference for the beer products. By doing this, Carlsberg can be able to satisfy the consumers' needs and wants.

These are the popular types of beers of Carlsberg:

Carlsberg Elephant Carlsberg Lager Tabor Gold

Special Brew Tabor Green Danish Royal Stout Ginseng

Carlsberg is made from pale lager malt, bittering hops, aroma hops and Carlsberg bottom fermenting yeast. However, Carlsberg has launched different types of beer which can match with various types of dishes, such as seafood, vegetarian, cheese and others (CarlsbergGroup, 2010).

Carlsberg's beer products are considered as the convenience goods in consumer product due to the beer products is considered as an inexpensive

item which consumers buy frequently and do not do much comparison with other substitute beer products. So, Carlsberg company will differentiate their beer products, produce quality beers, create nice style and design, wrap with unique packaging and labels in order to distinguish itself with its competitors in the global market, such as Heineken and Tiger.

Besides, the raw materials that used to produce the beers are the malted barley, hops, yeast, gluten and water. The quality level is different with its competitors in the market because the type of the raw materials that Carlsberg used is not the same. For example, the ways they planted the hops which is one of the raw ingredients are different, so it will end up with different kind of taste. There are also some safety policies in Carlsberg, each of every branch that brews Carlsberg under license, they need to send every type of beers of its sample for once a month for the tasting panel to test in order to ensure the quality of the products (CarlsbergGroup, 2010). So, Carlsberg can consistently deliver the quality that customers pay for.

However, one of the Carlsberg's competitors, Heineken, the company produced " Buckler" which is one of their beer products that is non-alcoholic. So, Heineken can target those young adults and all the religions in the world to buy its non-alcoholic products. Carlsberg did not produce any non-alcohol drink and it might lose its sales because Heineken targets all the consumers irregardless their religion in order to boost up their sale and competed with Carlsberg. Therefore, Carlsberg should also produce non-alcohol drink in order to compete with its tough competitors, Heineken.

3. 1 Packaging

In the packaging aspect, Carlsberg company uses aluminium cans and glass bottle which can be recycled. The purpose of the packaging is to protect the product from damage and assist retailers in attracting attention to the product (Prentice Hall, 2008).

The diagram below shows the difference between the packaging designs of the Carlsberg Lager.

BEFORE AFTER

Changes of the packaging design of Carlsberg Lager.

By doing this, Carlsberg can create instant consumer recognition of the company or brand. Moreover, by making the packaging design unique, Carlsberg can competes with its competitors and its products' packaging can also catch the attention of the consumers even if its products are on the same retail store shelves with other substitute beers. For example, Carlsberg started to use environmentally responsible packaging materials and packaging the Carlsberg lager into a unique style glass bottle and less used of papers on it.

However, some elderly customers might not be able to see the words that are curved on the Carlsberg Lager's bottle and end up buying other substitute beers that the words can be see clearly. So, Carlsberg should also pay attention on the minority consumers and improve its packaging to look more outstanding than the other beer brands in the market.

3. 2 Labeling

Labels can be ranged from simple tags attached to products to complex graphics that are part of the package (Prentice Hall, 2008). Moreover, Carlsberg labels its products might also help to promote its products and also support its positioning. As for information, majority of the consumers will look at the percentage of the alcohol of the beer products and they prefer to buy those beer products contain with high percentage of alcohol.

Carlsberg labels their beer products in detail:

Carlsberg Special Brew

It contains 12kcal of calories, 1. 1g of carbohydrates, and 2. 6g of alcohol.

Carlsberg Lager

It contains 12kcl of calories, 1. 1g of carbohydrates, and 1. 1g of alcohol.

Tabor

It contains 12kcl of calories, 1. 1g of carbohydrates, and 1. 4g of alcohol.

Carlsberg Elephant

It contains 13. 75kcl of calories, 1. 3g of carbohydrates, and 2. 9 g of alcohol.

Danish Royal Stout Ginseng

It contains 15kcl of calories, 1. 1g of carbohydrates, and 0. 1g of alcohol.

Tabor Gold

It contains 12kc of calories, 1. 1g of carbohydrates, and 2. 3g alcohol.

Besides that, Carlsberg ensures that their labels contain all the required information and also stated on its products that young adults who are below the age of 18 could not consume its beer products.

3.3 Branding

Branding is important to the company because branding can add value to a product. Consumers prefer to buy goods by viewing the brand of the particular goods in the market. Since 1904, Carlsberg has a strong and well-known brand name in the beer industry.

The slogan of Carlsberg is “ Probably the best lager in the world”.

Previously, Carlsberg’s original logos include the swastika and an elephant. However, the world famous Carlsberg logo was introduced by Thorvald Bindesbell in the year 1904, for the launch of Carlsberg pilsner (Logo Design, 2010). The crown on the logo stands for the company’s association with the Royal Danish Court.

Pricing

Price is the amount of money charged for a product or service (Prentice Hall, 2008). It is important to set a price for a product to create and capture customer values in the market.

In Malaysia, the government has an authority to set the price for Carlsberg’s products which is banned from Muslim. Several country like Vietnam, Sri Lanka and Malaysia have implemented piecemeal legislation such as banning the advertising on TV for any alcoholic beverages but the alcohol companies still have the right and freedom to promote their products. In

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addition to duties and excise tax, the government levies a sales tax of 20 per cent on the Carlsberg's beer product.

As Carlsberg consumption is considered as price-sensitive, major changes in taxes may have an impact on demand. In Russia, an extreme 200% increase in excise duties on beer was implemented in January 2010, and in July 2009 the Ukraine implemented a significant increase of 94% in beer excise duty (Bloomberg, 2010). Carlsberg has carried out thorough scenario planning for 2010 and subsequent years based on already known and anticipated increases in beer excise duty levels. The scenarios include evaluation of prices, packaging and product mix, regional and national market positions and microeconomic factors such as changes in supply and demand for various input costs.

Price list of Carlsberg Products

The tables above show the price list of the product of both company according to the types of beers and the size volume of the beers. We have converted the price of each product from the United State Dollar (\$) to Ringgit Malaysia (RM).

4. 1 Internal and external considerations

Every country has different pricing for Carlsberg's beer products. For example, Malaysia is an Islamic country. So, Malays are not allowed to consume alcoholic drinks. The price of Carlsberg in Malaysia supposedly to be charged in a lower price compared to non-Islamic country. There are some areas in Malaysia which have duty-free for Carlsberg such as Pulau Langkawi.

4. 2 Pricing Strategies

Price-Adjustment Strategies

Segmented pricing:

Segmented pricing is to adjust the price to allow for differences in customers, products or locations (Prentice hall, 2008).

Carlsberg company uses location pricing, so the price of Carlsberg can be adjusted and flexible but it depends on different country and even in restaurants. Carlsberg focus their sales in pub, restaurants or clubbing place. For instance, comparing the price of Carlsberg between pub and mini market, it seems obviously that the price of Carlsberg in pub would be relatively higher than mini market because people who go to pub are found to be able to afford it and the area of the pub is considered as high class.

Carlsberg implements Everyday low pricing (EDLP) which involves charging a constant everyday low price with few or no temporary price discounts. It usually will have some discounts during the festival seasons like Chinese New Year and Christmas. Besides that, Carlsberg use pricing at or near which is one of the pricing strategies. There are few substitute beer products in the market, so the price of the Carlsberg's products will be the same or slightly different with the other substitute beer products. Thus, it can prevent the happening of the price war between Carlsberg and other beer brands.

As for information, the price of Carlsberg's products are cheaper compared to the price of Heineken's product but it is slightly lower than the price of Heineken's product. However, the price of Carlsberg and Tiger are the same regardless the size of the beer or packaging. This will be tough for Carlsberg
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to boost up its sales due to the price for Carlsberg and Tiger are the same in the market. Carlsberg can increase its sales by improving the quality of the beers and give out free gift whenever consumers purchase a carton of Carlsberg's beer products. By giving out free gift or limited edition stuff, it will attract the consumers to buy Carlsberg's beer products rather than buying other substitute beer brands in the market.

5.0 Promotion:

Carlsberg is well-known in 105 countries such as Japan, Australia, Africa, China, India, and Malaysia, etc and sold in more than 150 markets. Besides that, Carlsberg has adopted some aggressive promotions around the world to pursuit people consume and aware it. In order to compete with its competitors, promotion must be done in order to increase the reputation, generate sales and profits. There are few strong beer brand eager to compete with Carlsberg since Carlsberg is an international business which have branches all around the world, such as Asia, Europe, and other countries. Promotion tactics for Carlsberg are advertising, public relations, sale promotion and personal selling.

Moreover, Carlsberg is creating brand awareness in the public. Its public relations is Carlsberg Hue Zing Education Fund (CEF) which give out Studies Loan to all Malaysian citizens who are enrolled in local or foreign institutions of higher learning hold certificate in UEC, SPM or STPM, or any higher certificate. In the Year 2009, the Carlsberg Hue Zing Education Fund had allocated about RM450, 000 which had aided 31 students in need of financial assistance. By doing this, Malaysia citizens will have a good impression on

Carlsberg and tend to consume its beer products due to other beer brands never adopt this strategy to create awareness for their products.

Carlsberg was crowned the Grand Prize winner of the 11 annual Chinese New Year greeting advertisement award organized by China Press and Nan yang Siang Pau. It cleverly illustrates the transformation of the Chinese character from “ Ox” to “ Life” by adding the iconic Carlsberg swoosh. Furthermore, Carlsberg also have produced their own bottle opener which had their brand name on stated on it. The Glass Beer which label with the logo and ‘ Carlsberg Pilsner” is also one of the promotion for Carlsberg in Malaysia.

5.1 Advertising

Case 1

The contest open to all non-Muslim residents of Malaysia ONLY.

Join the Carlsberg ‘ Monaco Promotion’ Contest now and you could win yourself an all expenses paid holiday on private yacht in Monaco. Buy the Carlberg beers that carry a scratch-to-win sticker , scratch it to get the code and submit the code complete with a slogan ‘ I am inspired ‘(in 20 words or less) using SMS or via the website.

For more informations, terms and conditions , please visit the contest’s site.

Prizes :

Grand Prize: 7D/6N all expenses paid holiday on private yacht in Monaco for 4 person

Special Prize: 11 x 3D/2N paid holiday and yacht experience in Langkawi for 2 persons

Weekly Prize: 15 x iPOD Shuffle (1GB)

Contest End : On 25th May 2007

Posted: April 30, 2007 by ContestStation. net in Buy & Win Contests

As the case 1 above, we can see that in order to increase their sales, Carlsberg create a campaign, which provide scratch-to-win sticker to some Carlsberg beer and the participants are required to provide a slogan with the requirement, free traveling is available if they win in the competition. Meanwhile, Carlsberg can also get some inspiration of Slogan from customers and knows more about their consumers. This will create a win-win situation which both the consumers and Carlsberg gain benefit too.

In this case, Carlsberg shows that they take importance on the political environment on Malaysia. Malaysia is an Islamic country and alcoholic drinks is illegal in the past, after few years, the government allowed alcoholic drinks to be imported into Malaysia but with the condition that Islamic people are not allowed to purchased or consumed alcoholic drinks. So, Carlsberg only opened this competition for non-Muslim which they are allowed to purchase alcoholic drinks. This shows that Carlsberg did a research before they conduct this activity in Malaysia. Assuming if Carlsberg ignore the rule and regulations, the government will take action on them, or even banned them from importing the alcoholic drinks to Malaysia.

5. 2 Direct Mail

Direct Mail is a method of advertising to increase the awareness of what promotion does the company had. It is now being claimed that is the fastest and the most saving cost in order to advertise. Carlsberg company spends money on buying the database to record the customers' information, such as income level, race, age, taste and preference. By doing this, mailing to the right consumers to promote Carlsberg's beer products will be much more effective than mailing to those consumers who are not interested in alcoholic drinks. So, Carlsberg can send promotion via email to the customers to inform them about their new beer products and contest.

However, one of the problems being faced by Carlsberg is that their name was being used by illegal organization which used their company address to scam people money. As shown in below, one of the consumers received the email which was send by the scammer and the email stated that she won a lottery which up to 650, 000. 00 Pounds from Carlsberg Beer & Carlsberg Malta Company. When she attempted to called the contact number that was provided in the mail, she was shocked to find out that the people ask her to pay a few thousand pounds for the bank transfer fees before she can get the rewards.

Date: Sun, 29 Jun 2008 03: 27: 09 -0600 (MDT)

From: Carlsberg Company Promotion info@carlsberg. co. uk

Reply-To: carlsbergplc@hotmail. com

Subject: You Won 650. 000. 00 Pounds Sterlings: File For Clam now

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Carlsberg UK Ltd, Jacobsen House

140 Bridge Street,

Northampton, NN1 1PZ

PROMOTION NOTIFICATION

Dear Winner,

This is to inform you of the Award of Six Hundred and Fifty Thousand

Pounds (650, 000. 00 Pounds) from Carlsberg Beer & Carlsberg Malta

Company. This Promotion Award is to raise the profile of Carlsberg Beer &

Carlsberg Malta Products consumer's males / females in rural and urban

Areas.

The online promotions email lists were generated from the World Wide

Web. This promotion takes place annually to challenge and to take market

share from the popular Dutch import beer. The tactics included live

events, local campaigns and general buzz to establish the brand one

neighborhood at a time in major urban / rural Areas. Your Email Ref Number

falls within our European booklet representative's office in United

Kingdom . In view of this, your Award of Six Hundred and Fifty Thousand

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Pounds Sterlings (650, 000. 00 Pounds Sterlings) will be released to you by
will commence the process to facilitate the release of your funds as soon as
you contact

him, find below the contact details

Mr. Edward Phil

Processing Director.

Email: carlsbergplc@hotmail. com

Tel: +44 70457 24289

He will brief you on steps to be taken for due processing and
remittance of your prize money. File in for your Claims by Furnishing
your Fiduciary Agent the information below.

VERIFICATION AND FUNDS RELEASE FORM

1. FULL NAMES: _____

2. ADDRESS: _____ City _____ State _____ Postcode _____ Country _____

3. SEX: _____

4. AGE: _____

5. OCCUPATION: _____

6. TELEPHONE NUMBER: _____

7. NATIONALITY: _____

Mode Of Transfer: (Bank to Bank online Transfer)

From the management of Carlsberg Company UK we would like to say a big congratulation to you

Sincerely,

Mrs. Dianne Thompson

Online Coordinator,

Carlsberg Beer & Malta Breweries

In this case, Carlsberg should be aware of scam organization in the world and it should start to take actions to solve the serious scamming problems which will harm the company brand name in the future. Carlsberg can publishes through newspaper or via Email that they would never organize any contest which will need the customers to bank in a certain amount of money in order to win prizes.

The promotion mix of Carlsberg is not very efficient because it is lacked of public relation. Therefore, if the consumers give any comments or suggestions, Carlsberg can make any adjustment to fulfill the consumer wants and improve their beer products' quality in the future.

6. 0 Place:

Carlsberg company distributes its products throughout the world. Carlsberg has divided their market into four groups which are Africa and Middle East, Americas, Asia and Europe. There are about 45, 000 people are working for Carlsberg Group. Besides that, Carlsberg's products are available in exactly 314 countries all over the world.

Furthermore, Carlsberg also has the same distribution channel with Heineken (its competitor) such as the wholesale distribution and retail distribution to distribute their products to the customers. Carlsberg will deliver their products to a combination of convenience store or hypermarkets like Tesco or Jusco. Carlsberg does not have any distribution center like Heineken or Tiger because Carlsberg focus on the retail distribution to distribute their products. Some of the example of the retail distribution are the pubs, clubs or bars. Carlsberg will establish alliance with some of the retail distribution to increase their sales.

The market of Carlsberg in Africa is categorized according to the geographical. They made the segmentation into West Africa, Central Africa, Southern Africa, Eastern Africa and also North Africa. The Carlsberg Group has been active in western Africa for many years. In central Africa, currently there are only four markets present in Central Africa which is Gabon, Congo, Cameroon and Equatorial Guinea. In Cameroon, Les Brasseries du Cameroun has been producing Tuborg Gold locally since 1979, along with the range of local brands. Cameroon is a very competitive market compared to the rest of the region, with the consumption of 25 liters per person per year.

In December 1969, Carlsberg Brewery Malaysia Berhad began brewing with Carlsberg Green Label beer locally in 1972. The Carlsberg brand had become the part of daily life and it is now the undisputed market leader with more than a 50% share of the Malaysian beer market. Carlsberg Malaysia has aimed to be at the forefront of innovation and quality and always led the market with dynamic product launches and massive consumer campaigns. In 2008, Carlsberg Green Label received Malaysia's Gold Most Trusted Brand Award for the ninth consecutive year in the Reader's Digest consumer survey. In the same year, Carlsberg Malaysia was also announced as the winner of the 2008 Strongest Winning Culture Award amongst all the Carlsberg Group Company across the world.

Furthermore, Carlsberg company plans to enter into the Germany's market. There are about 1300 breweries in Germany which is quite a lot of number compare to other small retails. The Germany beer is known as Carlsberg Deutschland. The Germany beer market has been rather sheltered from the rest of the world because of the German Reinheitsgebot regulation, which dated back to the year of 1516. In 2004, Carlsberg acquires a majority shareholding in Holsten-Brauerei. The market position of Carlsberg in Northern Germany is second, while at the whole Germany is the fifth.

As for the distribution part, we suggest that Carlsberg should follow the steps of Heineken and Tiger (its competitors) to open several distribution center in many countries, so that the consumers can be able to consume Carlsberg's beer products at anytime and anywhere. Besides that, Carlsberg should also built some distribution center at the rural area, although the place was not well developed. By doing this, more and more people will start to know <https://assignbuster.com/marketing-mix-tactical-components-to-promote-sales/>

Carlsberg's brand name throughout the world regardless in the city or rural area.