

Marketing analysis for meantime brewery assignment

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MARKI 161 : Marketing Practice Report Sherif Saad Introduction Beer is an alcoholic beverage that is considered the most widely used alcoholic beverage worldwide. Production and distribution of beer is not an easy task. As for the I-JK industry, it has four large organizations that enjoy an oligopoly with 85% of the market volume. The Meantime Brewery has to identify the most suitable and profitable ways to hit the market. The report analyses the market's situation using the Four PS, SWOT Analysis, Segmentation, Targeting and Positioning of the Meantime Brewery, then finally analyse the industry through Porter's Five Forces. Dinkhoff, 010) Beer Sales 13. 7% 29. 6% 15. 4% 19. 4% Hienkien Molson Coors 21 inBev Carlsberg Others

Financial stability of any nation can be reflected by inflation and taxes; the beer industry in the UK has many challenges, as the external environment is very competitive and Meantime need to consider other competitors in the market well to be able to break the boundaries and reach the peak. Meantime Brewery has to maintain unprecedented ways of reaching consumers, aiming to educate them to acknowledge the true authentic quality beer.

Therefore, this report will discuss the suitable ways to achieve such objectives. 2 THE FOUR ps Product An immense collapse for a company is to decide what to offer first, without understanding what the customers need and hope for a market to enter afterwards. On the other hand, successful companies should always recognize what customers want then afterwards develop their products. Meantime recognizes the massive importance of beer on the British culture/history, they are recognized for their homemade modern craft beer.

According to Richard Myers, Marketing Director at Meantime “ London is a very important part of the Meantime story, we are Greenwich born and bred, as well as a central part of the story of beer itself. At Meantime, we want to be an influential part of London regaining its place as the home of the finest brewing in the world, we want to use the finest raw materials and leading technology to recreate historical styles with a new twist, we want to create something to showcase quality beers from around the globe, bringing them into one place for people to enjoy, in a relaxed environment”. (Curry, 2012)

Product-range, quality and design are considered in Meantime’s products, techniques such as state of art production and quality raw materials are used to guarantee the best quality for buyers, also their bottle design that distinguishes their brand from others. Furthermore, Meantime uses keg beer for restoration process, which makes it less likely to get damaged; it is also an easier way for the Meantime restaurant to use and a much better method to deliver to consumers.

The menu offers ten kinds of Lager, Stout and Ale beers that are only served in packaged bottles from 330ml to 750ml. (Miller, 2013) Customers can enjoy the experience of having a beer directly from the brewery itself, as the beer is delivered from Meantime Brewery to the retail place, with the beer being unpasteurised. As a result, customers are assured to enjoy a fresh pint of beer without any bacteria that can cause headache or can affect the taste, which means that the beer is fresh until the second it touches the glass. (Orwell, 2013) Therefore, walking customers who enjoy historical places such as Cutty Sark boat the Greenwich time can also enjoy the history of Meantime brewery, as a high quality of beer and food is

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guaranteed for people. Price Customers are smart enough to realize that the more you charge them, the more quality and value they expect from this increase. Meantime's prices aids them to preserve their premium position, their pricing strategy positions them in the premium zone, as the quality and authenticity of their products makes up for the slightly high charging of customers, which is a value of benefit provided back for the customers.

Place The places where Meantime sells its products are convenient and appropriate, customers can find their products in: vo Retail chains such as Sainsburys, Waitrose, Marks and Spencer. vo On trade establishments (82B) vo Website vo Self owned pubs The location of Meantime next to Cutty sark and Greenwich University is an immense advantage, it's in the right place for customers to recognize, their products are available at the right time with quality for tourists, students, locals and workers to experience an incredible experience during their break.

However, some retail shops do not stock their products. As a result, it is unavailable for many consumers, which can be an unnecessary loss/lost profit. Promotion Promotion is a method/tactic from the company to show the customers what it can offer customers through a consistent message; this message has to be appealing in order to offer the customer a worthy reason to buy their product.

Londoners Campaign Meantime launched their First Above the Line campaign on the 6th of June 2012 as called Londoners in evening and time out standard, different creative white and black portrayed shots were applied to several pictures with one word "Londoner", the reason for calling it so it reflects

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those who travelled to the city and chose London as their home, as it illustrates/conveys/displays Meantime's passion for its geographic and historical roots, demonstrates their desire to grow craft beer styles by taking old recipes and improving them. Curry, 2012) HOPS IN A BOX Their next campaign was on the 18th March 2013, it was announced on their website news, that meantime were giving away over 12. 00 " HOPS IN A BOX", it was a campaign aimed to raise awareness and provide Londoners with a significant message on the ingredients that goes into making the beer. Miller, 2013) The ' Hops in a Box' kits were circulated/distributed all over 70 bars and pubs, in order to create/ engage inla conversation with customers around how beer is made and underline some of the important ingredients that add flavour to beer, their goal was to encourage consumers to experience growing their own beer, which would allow buyers to recognize the truthfulness of beer production and appreciate better beer quality.

Moreover, Meantime worked on the social media medium to engage with costumers who often 5 use the Internet, which was very well accepted and suitable to maintain their communication with their customers. For example, users can use twitter to tweet their hop doctor for advice by clicking Hash tag hops-in-a-box, or keep meantime updated with images of their progress by typing ' hoploading on their Facebook application.

On-Trade Establishments On trade establishments connections is a huge step for the brand, as it enables more customers to distinguish their brand, which is a chance to extent their reputation nd to be recognized. For example, the 2013 Great British & Belgian Christmas Beer Tour is a seven

night tour for customers to experience breweries around England and Belgium, customers manage to take an in-depth look into the manufacturing of products, which is a huge advantage for the company to market their products.

Brochure It is a very important timing for Meantime to enhance their reputation, creative brochures are designed to ensure so, they are being distributed until Christmas, where customers can come and Join Meantime to indulge in a divine selection of food alongside our freshly brewed craft beers. (Meantime Brochure) 6 Internal Factors Strengths The Meantime brewery specialises in craft beer, which is increasing in demand. (Brown, 2010) The brewery has its own state machinery and several production facilities that give it a competitive advantage, using raw materials of high quality that helps in promotion as well.

In addition, there are several pubs around the capital where they can test a new product development and getting customers' feedback. The owner of Meantime is a master brewer who is well qualified for brewing and is also well known in the industry; the brewery uses unique bottle designs, which gives the brand a distinct identity, as well as to the several types of beer such as Ale, Lager, and Stout that indeed, meet the various consumers' tastes and preferences.

Weaknesses One of the weaknesses of the Meantime Brewery is that the price of products is marginally higher; this could affect the demand, as consumers may look for substitutes of beer with similar taste. Moreover, Meantime tend to lack the marketing power, leaving room for bigger brands

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to possess and affect their awareness and ability of grabbing the attention of consumers.

Despite of the marketing power, the brewery also lack financial power other larger breweries tend to enjoy, according to their position and capacity in the market. Another major weakness is that the brand is unavailable in certain retail shops, which inevitably affects the sales volumes and gives a higher chance to competitors' brands to take place in the market; this is due to the limited capacity that obstructs their ability to maintain a sustainable uninterrupted supply. External Factors Opportunities Meantime Brewery has several opportunities that could increase their profits; for nstance, the Meantime Brewery in Greenwich Campus can increase the awareness of craft beer to students, faculty, and workers providing them with a variety of offers or discounts to encourage them to have a try; as well as to long-term offers that are also of great importance, especially for adorners.

Moreover, there are tax breaks on lower volume breweries that give the chance to breweries, such as Meantime to better manage their finances. (Lee, 2013) Also, Meantime can modify the menu by focusing on low and non-alcoholic beer to serve healthy consumers and thereby, enjoy tax breaks. Therefore, the brewery can exploit the demand for premium and limited edition beers. Threats Larger brand names have bigger advertising spending that weakens the awareness OT Meantime Brewery.

Brand name ana prlce are tne Tlrst to De conslaerea respectively when purchasing, assisting the consumers to take their preference decision, so this can be a real threat to Meantime, as their name is not very popular. (NPR

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Stuff, 2013) Economically speaking, if bigger brands reduce prices to lower margins, the profitability and demand for quality beers like Meantime Brewery, will be affected. Also, due to the rising rate of elderly population, some consumers switch from beer to healthier drinks, which would negatively affect Meantime Brewery by decreasing profit margins. Borland, 2013) 8 SWAT ANALYSIS MEANTIME BREWERY STRENGTHS Craft beer specialization Machinery and production facility High quality raw materials NPD testing through own plants Owned by a master brewer Unique bottles Several beer types to offer WEAKNESSES OPPORTUNITIES Increasing demand for craft beer Awareness perception of craft beer and offers Tax breaks offered to smaller breweries Let consumers know about craft

Menu modification for low and non-alcoholic types of beer to elderly customers Higher prices Lack of marketing strength Low financial strength Unavailability in certain retail channels (Distribution allocation) Limited capacity THREATS High advertising by bigger brands Consumers considering brand name and price Bigger players lowering prices and pressure from the trade Inflation and rising taxes Consumers switching healthier beverages 9 SEGMENTATION Marketing segmentation is a tool used by marketers to assist businesses to identify and understand customers needs and wants by classifying the targeted market into geographic, demographic, psychographic, behavioural, targeting and positioning. Meantime's main segmentation strategy is assessed in detail within this section of the report through geographic, demographic, targeting, and positioning. However, there is not much physical or virtual proof to indicate that Meantime Brewery uses

behavioural or psychographic segments. Geographic Meantime uses local geographical targeting as its geographical marketing strategy.

The geographic location of the Meantime Brewery, being situated within Greenwich University and in an area well known by tourists allows there to be a wide target market. Not only are there those associated with the University, students and teaching staff, there are local customers who live in the area, as well as tourists who would love to experience British pubs and beer, to add to their experience of the day. The name Meantime Brewery's link to the geographical location, Greenwich Meantime gives them the advantage to market to tourists who come to see the GMT line. This gives it an advantage over its competitors situated in the area, located near the famous area of Cutty Sark and Greenwich University, attracts many tourists and students on a daily basis.

Demographic Demographic segmentation allows companies to generate a specific marketing campaign that is more targeted. Age, social class and income are aspects considered within Meantime's demographic segmentation. Of course, the main product of attraction, the beer, already sets itself with the target of attracting a specific age range (i. e. above 18), however with it also being a restaurant, it allows families, young professionals and students to enjoy their services. Not all types of customers are able to afford their prices since it's considered more expensive compared to other beer providers. As a result, this attracts a certain class of customers. Targeting Originally, Meantime works as a restaurant serving various meals and snacks along with beer.

However, after acknowledging their main point of sale and strength is their beer, they adopted the undifferentiated marketing mix method and focused their selling power and marketing on beer. Therefore, they focus on people who are socially active and present such as: vo Locals who would love to gather in a place and enjoy a beer vo Families such as mothers who would love to take their children and pets for a walk through Meantime for the amazing view o Tourists who come on a regular basis for the outstanding Cutty Sark boat, as people can relate visiting the historic place with having a lovely experience at their place after. Positioning The relatively high price of beers in Meantime is as per their belief and claim that a higher standard and quality of beer they brew and sell is worth the value and cost to the consumer.

Meantime have allocated their brand in the highest segment in the market. This is also clearly visible when comparing their price range with other 1 1 products. Meantime prices are higher than other beers in the market such as Budweiser, Carlsberg and Foster. Meantime Low price High price Low Quality 12 PORTER'S FIVE FORCES Competitive Rivalry A report conducted that the market has four large companies that enjoy an oligopoly with 85% of the total market share. (Dinkhoff, 2010) Those four players are Heineken, Molson Coors, AB InBev and Carlsberg; they use brand management, through advertisements, events, shows, etc. , for consumers to notice the brand names regularly, leaving no room for smaller producers.

In addition to the large retailers who have a purchasing power that might be exercised on consumers. Hence, the overall intensity of competition is high.

Threat of New Entry The cost for a new brewery to enter the market offering new edition of beers is high. In addition to the economy of scale that is considered high for launching a brewery. There are high barriers to entry that will obstacle the establishment. Also, there are closed distribution channels, as well as to strict government regulations. (Brown, 2010)

Therefore, as mentioned by Michael Porter in 2008, seven elements give a complete emphasis on how the threat of new entry is generated. o

Economies of Scale (Supply Side) Generally, it is better for a supplier to produce large volumes of scale in order to have lower costs per unit, that's why new entrants ought to start on larger scale projects to have an upper hand on the market, but only a few entrants are capable of doing so. vo

Benefits of Scale (Demand Side) Benefits of scale are based on how much consumers are willing to try new products. The higher the demand on beer, the higher price would be; so, this may affect consumers' preferences until noticing the increase in demand. This means that 13 significant consumer base has to be obtained and developed in order for producers