

1.0 COMPANY OVERVIEW

1.1 *Company Background*

Heineken International is a Dutch Brewing Company founded by Gerard Adriaan Heineken in 1864. Under the great leadership of the founder and his successors, the present Heineken International grew leap and bounds and achieved wide international presence through a global network of distributors and breweries.

Besides owning the Principal brand Heineken and Amstel Beer, the company also owns and manages one of the world's leading portfolios of other beer brands and is one of the world's leading brewers in terms of sales volume and profitability. These international premium, regional, local and specialty beers and ciders,

include Primus®, Birra Moretti®, Sagres® , Cruzcampo®, Foster's®, Strongbow®, Bulmer®, Newcastle Brown Ale®, Zywiec®, Ochota®, Kingfisher®, Tiger®, Star®, Dos Equis®, Tecate® and Sol® etc. Till date, Heineken has been able to remain one of the world's leading consumer and corporate brands for over 145 years.



1.2 Historical Background



The history of Heineken began in 1864. Despite a serious decline in the Dutch brewing industry, the founder - Gerard Adriaan Heineken was able to recognize and convinced his mother on the many advantages of consuming better quality Beer compared

to Gin by the Dutch, the primary problem with alcoholism in Holland. His mother bought him a 300 years old brewery establishment named “De Hooiberg” (The Haystack) in Amsterdam and from then, his career flight took off.

In the year 1873, Gerard incorporated his company as *Heineken’s Bierbrouwerij Maatschappij N.V.* Heineken gained the ability to brew a consistent quality level beer all year round using a new cooling technique developed by Carl von Linde, and became was one of the first breweries in the world to eliminate the brewer’s traditional dependence on seasonal natural ice.



In 1879, Heineken engaged Dr Elion and through research development, they systematically bred and selected a specific yeast cell named “Heineken A-yeast” being a raw material to uniform the taste of Heineken over the next thirteen years, regardless of the different climates in which they were produced or consumed. The Heineken A-yeast would continue in use into the 21st century and would eventually be shipped from Holland to all breweries owned.



Second generation Heineken – Dr. Henry Pierre Heineken, assumed control of the company in 1914, began exporting to the United States. Heineken turned out to be the first beer imported into the United States. Heineken also began to export with regular shipments to France after World War 1. Heineken expanded the beer’s market beyond the New York area through a distributor’s established nationwide distribution system after World War 2. In 1980s, Heineken beers

were available in 70 percent of the nation's retail outlets handling alcoholic beverages. Heineken beer also became the leading import in Japan, Canada and Australia.

Marketing techniques capitalizing on American's habits were introduced by Heineken's third generation. During late 1960s, Heineken was involved in intensive product diversification. Heineken began acquiring breweries in Surinam, the Netherlands, Antilles, Jordan, Lebanon, and Greece. They also went to new products such as low calories beer, stout and Gin by buying over distilleries associated with these products. The era of Heineken expands further after diversity.



1.3 Company Strategy

The Company recognizes the need to balance their financial sustainability with playing a role in society. They believe in their new 'Brewing a Better Future' approach - strikes the right balance and makes positive long-term commitments to investments in the environment, communities, people and partnerships.



Our Journey: 'Brewing a Better Future'

Our Ambition: "To be the Greenest International Brewer in the world".

Three Strategic Imperatives:

- **IMPROVE** the environmental impact of our brands and business
- **EMPOWER** our people and the communities in which we operate
- Positively **IMPACT** the role of beer in society

Six Strategic Initiatives – Heineken have created 22 programs and have grouped them into six core initiatives, our so called Sustainable Six as a long term for the next 10 years:

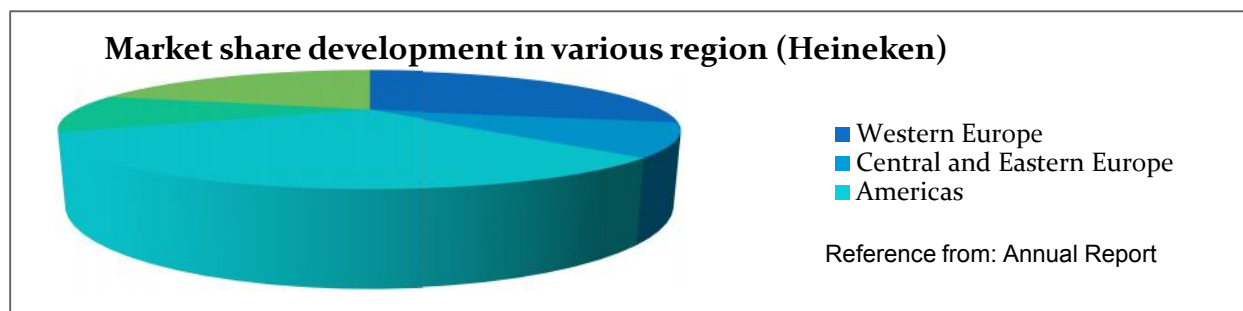
1. Green Brewer
2. Green Commerce
3. Engaging Employees
4. Heineken Cares
5. Responsible Consumption
6. Partnerships for Progress

Brand Popularity - Heineken continues to focus on its premium brands and the Heineken brand in particular, as a competitive advantage. Heineken continue to improve their ability to generate actionable consumer insights, developing skills in brand building and sales, as well as developing their people to be consumer centered and brand-led. In 2010, the Heineken brand demonstrated the strength and value of its leadership position within the international premium segment (IPS) and showed IPS market share development from 20.2 per cent to 20.7 per cent despite facing a challenging economic environment. The brand continues to outperform the rest of the Heineken portfolio in both volume and profit growth.



Western Europe*	7.4	28.5%
Central and Eastern Europe	2.3	9.0%
Americas	8.2	31.5%
Africa and the Middle East	2.7	10.3%
Asia Pacific	5.4	20.7%
Total	26.0	100%

* In premium segment.



1.4 Key milestone

The Heineken brand continued to demonstrate its strength and achieve a broader brand portfolio in the overall beer market and the growth of the international premium segment. Part of their strategy is to continue investing behind the brand and to further strengthen its position as the world's reference premium beer.

Some key initiatives that underpin the unique position of the Heineken brand include:

- 1) Heineken's new iconic glass bottle in 5 different sizes completed the redesign of its global brand packaging range.
- 2) The new innovative aluminum packaging features a surprising 'glow in the dark' effect only seen in ultraviolet light.
- 3) UEFA Champions League partnership in 2010, featuring a strong campaign and activating a magical Final in Madrid
- 4) Significant improvement in digital communication. A global Heineken website was developed, including rolling out an international music promotional activity and an innovative 'Design your own Heineken' module. The Heineken brand Facebook Social Media page was launched, with 1,000,000 fans already signed up.



2.0 COMPETITORS' ANALYSIS

2.1 *Competitor: Anheuser-Busch Inbev*

Headquartered in Leuven, Belgium, Anheuser-Busch InBev leverages the collective strength of approximately 116,000 people based in operations in

23 countries across the world. The company works through six operational Zones; North America, Latin America North, Latin America South, Western Europe, Central & Eastern Europe, and Asia Pacific, allowing our consumers around the world to enjoy our beers.



List of Products:

Budweiser, Stella Artois, and Beck's Leffe and Hoegarden, Michelob, Skol, and Brahma



Strength:

Among four of the top ten selling beers in the world, Anheuser-Busch InBev holds the No. 1 or No. 2 position in 19 key markets. It has a key presence in both developed and developing markets.

Weakness:

Anheuser-Busch Cos. Inc. has struggled for years to boost lagging Budweiser and Bud Light sales in the United States, where customers have grown more interested in craft beers, wine and cocktails.

2.2 Competitor: Carlsberg

The Carlsberg Group is one of the leading brewery groups in the world, with a large portfolio of beer and other beverage brands. The flagship brand – Carlsberg – is one of the best-known beer brands in the world and the Baltika, Carlsberg, and Tuborg brands are among the six biggest brands in Europe. More than 43,000 people work for the Carlsberg Group, and its products are sold in more than 150 markets. In 2009 the Carlsberg Group sold more than 135 million hectolitres of beer, which is about 114 million bottles of beer a day.



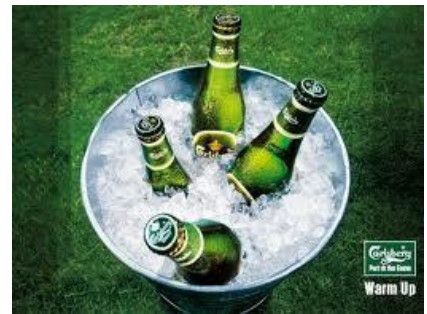
List of Products: Carlsberg, Tuborg

Strength:

Carlsberg's strength is in its brand image, quality, strong financial position and distribution network.

Weakness:

It has been exposure to the changes in foreign exchange and regulatory changes.



2.3 Competitor: SabMiller

SABMiller is a global operation covering 75 countries on six continents and employing over 70,000 people. Their portfolio of businesses is divided into six regions such as Latin America, Europe, North America, Africa, Asia and South Africa.



List of Products: Castle Lager, Grolsch, Miller and Peroni

Strength:

Being the world's second largest brewing company, SabMiller is looking to the relatively untapped African market to help drive future growth. They are the largest brewer on the African continent, with operation in 14 countries.



Weaknesses:

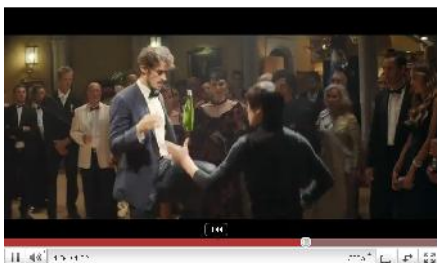
Due to the existing water shortage issue facing by countries in African continent, it causes problem to the production of the beer since water is one of the raw material. Special considerations towards water treatment and conservation have been taken care of in order to produce best beer to serve to their consumers.

3.0 CONSUMER ANALYSIS

BUYER BEHAVIOR	DESCRIPTION
Age	Between 21 ~ 35
Gender	Male
Income Bracket	Monthly US\$3,000 and above
Occupation	Undergraduates (Students) Professional working adults
Consumer Value	<ul style="list-style-type: none"> • <i>Demographic</i> – AC Milan Fans • Hectic and busy lifestyle • Yearning to have time to spend with friends • Believe in friendship bonding • De-stress through fun and exciting lifestyle • Pleasure Pursuit • Sense of belonging • Social acceptance • Perceive “Friendship” as the key value



- Friendship/ excitement
(Walk in Fridge)
(Link: <http://youtu.be/S1ZZreXEqSY>)



- Exciting and fun social event
(Open your world)
(Link: <http://youtu.be/-0KvbSqfd28>)



- Fun / joyful / Male Bonding
(Men with Talent)
(Link: <http://youtu.be/58-9Ae9cvDI>)



- Friendship/ male bond

Heineken's campaigns are never solo but group of people socializing or male friends gather together in various occasions to enjoy their glasses of beers.

4.0 Market Challenges

4.1 *The Global Beer Market*

At the turn of the century, the top 10 brewers accounted for just over one-third of global beer sales volumes. The past decade has seen a rapid consolidation, resulting in the top four brewers – Anheuser-Busch InBev, SABMiller, Heineken and Carlsberg – accounting for almost 50% of beer sales volumes and up to 75% of the global profit pool².

Consolidation has continued in the past 12 months with further transactions in Mexico and China. As the pace of consolidation slows in the future, organic volume growth is expected to come from developing markets along with value creation opportunities in developed markets.

4.2 *Establish Global Branding*

Heineken N.V, along with tradition, superior quality and taste, has been perceived differently from market to market. It should have both centralization and decentralization marketing organizational structure to promote successfully a global brand and to support local marketing managers in setting and implementing ICM strategies tailored to each local market.

4.3 *Situation Analysis*

Heineken N.V is a well-know, renowned brewery with essential strengths to be a global brand. However, at this moment, brand perception is different across the countries.

Though Heineken had consistently been marketed as a premium brand, in the US and Hong Kong market, a distinct image was established for special occasion rather than for daily consumption while in Latin America, Heineken is viewed as a European imported beer among others.

Global positioning target can be achieved through creative marketing communication. Heineken should develop a number of high-profile, quality television campaigns with universal appeal, featuring high profile, contemporary celebrities. However, within the marketing mix, there will always be a requirement for locally driven campaigns and

support. By connecting to 'local situations', consumer will develop a greater emotional tie to the company. To implement that, Heineken can invite a group of local people between 20 and 30 years of age to think with the company about new concepts and commercials.

5.0 Campaign Objectives

- To create an effective campaign to reinforce buying decision for the beer
- To achieve a strong linkage of the brand with a Major event.
- To build up its brand equity and develop brand preference among consumers

6.0 The Campaign Selling Idea/Core Message

Delivering the best beer, experiencing with fun, entertainment and surprises.

7.0 The IMC Tools and Media Mix

In this campaign, numerous Integrated Marketing Communication (IMC) tools were used. Heineken successfully integrated these various approaches and techniques to ensure proper coordination throughout the sophisticated campaign into a seamless program. The IMC tools used are as follow:

7.1 IMC tool - Television





The campaign uses television to telecast the major league match in the auditorium, creating a very strong element of surprise to those AC Milan fans who obviously thought they would miss the important match. The initial dull and boring classical event has changed immediately to a fun and entertainment atmosphere following the telecast of the match. Prior to the actual event, TV commercials reinforce that watching football with their friends is the most sacred moment left for guys and that precious time is decreasing little by little. Such commercial creates an emotional appeal whereby its target audiences; the male gender who are very much into soccer are preparing themselves to watch this Major League Final soccer match together – just brotherhood watching and drinking together. This further emphasizes the sacrifices the unknowing fans made by going for the classical event and thus missing the match. The element of surprise will also be greater once they knew the event is a prank.

7.2 *IMC tool - Advertising in Prints and Web*

Organizers used a poster campaign in Universities and Pubs in Milan to promote the classical event that is taking place. This further authenticates the reality of the classical event and thus fans will not feel it is a prank. The whole concept is fun, entertaining, with an anticipation of a big surprise when the prank is exposed.

7.3 *IMC tool - Buzz Marketing also known as Word-of-Mouth (WOM)*

To entice male fans to attend the Classical music & poetry event as per planned, Heineken has to work with many people via Word of mouth to convince these male fans to give up watching the major league final match and to come for the Classical music & poetry event instead.

	<p>Girlfriend requesting Boyfriend to miss the match to accompany her to the classical music and poetry event.</p>
	<p>A Professor informing the students they must attend the classical music and poetry event on 21 Oct at the theatre.</p>

	<p>Journalist was asked to attend the classical music event by his Superior</p>
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In collaboration with 200 accomplices; 100 girlfriends, 50 professors and journalists to be involved in putting the prank show upfront to invite the target audience to a classical musical and poetry recital event that falls the same day as the largest football match in Italy.

Word-of-mouth marketing is one tool that emphasis on passing information to another. This persuasive method may bring emotional or fear appeal into another; for example: Girlfriend insists her boyfriend to go for the classical music event with her or when Superior gives instruction to the journalist that it is a must for him to go for the classical music event as a “work” purpose.

7.4 IMC tool - Public Relation – Celebrity endorser

Heineken had the event broadcasted live on SkySport to 1.5 million people, with endorsement from interviews with famous sporting celebs to aid in the authenticity of the event, making the event looked very real. The element of fun, entertaining and surprise is expected once the prank is uncovered.

7.5 IMC tool - Media Coverage – News on TV, Radio and Newspaper

One of the biggest media advantages from the perspective of television is the opportunity to view news and sporting events as they happen. News on radio and newspaper is still a powerful media form and probably will always be. The day after the event, news broke out via these media sources about what happened on the night of the event. Over 10 millions of people saw them on the news the day

after, demonstrated successfully the amount of reach achieved by Heineken for the fake event.

7.6 *IMC tool - Internet / Social Media*

During the planning stage, invitations and emails were sent to targeted fans. After the event took place, coverage and information with regard to the fake event was also available via internet/ social media such as Blog, Twitter and You Tube (uploaded videos) etc. The campaign successfully attracted over 5 million unique visitors on the internet within the next 2 weeks. Hordes of fans appreciated globally the fun and entertaining fake event through blogs and social media.

7.7 *IMC tool - Guerilla Marketing*

Guerrilla marketing campaigns are unexpected, unconventional and potentially interactive, targeting consumers in unexpected places. The whole fake event adopted this concept to create a unique, engaging and thought-provoking campaign to generate the **buzzing** effect. The fake event is in fact very unexpected till the very moment the screen shows “lets enjoy the match together”, “Heineken made to entertain” and the live telecast of the match started showing.

7.8 *IMC tool – Event and sponsorship*

The whole event, planned as a fake classical musical and poetry recital event in the beginning, was very much organized and sponsored by Heineken. This includes the live telecast of the major league final match to an auditorium exceeding 1000s of unknowing fans and their partners. It is indeed fun, entertaining with a huge element of surprise.

8.0 Reflective Statement about the campaign success factors

8.1 *Understanding the needs of the fans*

The success of the campaign is contributed by the superb insights of the organizing team in recognizing the importance of the major league match to the Milan fans. Using a very creative and unconventional approach, the idea of devising a fake event that pull these unknowing fans away from the “sacred moments of watching this very important match with friends” and surprising them with a real live telecast at the fake event venue will definitely create a huge appreciation by these fans.



8.2 *Consistency of applying the various IMC tools to key selling idea*

The IMC tools applied are consistent towards the selling idea and the coordination of the various process are very well executed. Any inconsistency that each of the IMC tools project can be detrimental to the success of the campaign. The audience may not understand what Heineken is trying to put across if they are inconsistent. All the tools focus on the idea of fun, entertaining and surprise to deliver best beer experience.

8.3 *Fun, unique and surprise with a twist*

The approach for the campaign is unconventional and unique. The organizing of the fake event required precision coordination between the various parties involved such as the organizers, the persuading parties such as the girlfriends, professors and journalist etc to make the event possible. The degrees of difficulty in organizing the prank event and the success of putting this prank to 1136 unknowing victims have caused a stir. The successful execution plus the



publicity Heineken received for the brilliant campaign has indeed created a deep impression to the public about the brand. Heineken is indeed fun, entertaining and delivering the best beer experience.

The brand has indeed achieved its objective of building Brand equity and brand preference and further reinforces buying decision for beer drinkers with the success.

9.0 REFERENCING

- a) Heineken - www.heineken.com/
- b) The Making of Heineken's Amazing Soccer Swindle -
<http://mashable.com/2010/03/16/heineken-guerrilla-marketing/>
- c) Sabmiller - www.sabmiller.com/
- d) Carlsberg - www.carlsberg.com/
- e) YouTube, Heineken – <http://www.youtube.com/user/heineken>