

Heineken report

Why are sponsorships important?

In the world of marketing, sponsorships can be an incredible tool to reach out to the specific target markets and audiences at the same time on an extremely large scale. According to the values and needs of businesses, they can sponsor music festivals, sports teams, or even charity events. This aids companies in selecting the best target market for the most amount of exposure. This tool also serves the community of consumers who are in fact already part of a brand and helps in engagement, and not only just for newcomers. Contributing towards certain causes also creates a good image as everyone sees that you are supporting for instance, women's rights or sustainability initiatives. When associating to credible events, brands, or individuals, this also greatly affects how a sponsor's credibility looks in front of their target market. If a revered personality is sponsored, the company will also benefit from a positive perception and in turn a better trust or even loyalty. It is also somewhat a form of experiential marketing, offering a platform instead of merely just promoting products or services. Nowadays, businesses can create immersive brand experiences that leave a lasting impression on their consumers. Sponsorships allow brands to connect with audiences on a deeper level and essentially investing in such opportunities, businesses can effectively reach and resonate with their target audience, driving brand awareness, loyalty, and ultimately, a marketing success.

Heineken History

In 1873, Gerard Heineken started this small family brewery in the city centre of Amsterdam. He found a gap and recognized the growing demand for high-quality beer, which is when Heineken set out to produce a premium lager. The brand gained a reputation for quality, mostly due to the introduction of this new type of yeast strain, which to this day still remains a closely guarded family secret. Presently, this innovation has helped the brewery to produce very exceptional beer, which is the reason why the company still differentiates itself from competitors even after centuries. Gradually, as the company expanded, it opened new breweries in Rotterdam, further increasing its production capacity. Heineken's international expansion began in the early 20th century, and by the 1930s, the brand had entered the United States market, where it made the first imported beer available. Post-World War II, Heineken continued its global growth, establishing a presence in numerous countries and becoming one of the most recognized beer brands worldwide. The company has also invested heavily in marketing, with memorable campaigns and sponsorships which will be discussed later on, such as its long-standing association with the UEFA Champions League. Today, Heineken International does in fact operate more than 165 breweries in above 70 countries, producing a very large variety of beers and ciders, but its best known flagship product is the Heineken lager, which is enjoyed by millions and millions around the globe.

The Heineken Sponsorship Strategy

Since sponsorships are a contribution to activities by commercial organisations, such as Heineken in this case, the aim is to look into some of their strategies employed for the execution of their public relation plans. At first glance is the slogan for their sponsorship section, already off to a good start in my opinion, “Ice-cold Heineken® and friends”. Indeed a very catchy statement, the message for potential brands who would like to connect with Heineken, can understand they bring the refreshments and the entertainment to go with it. Right off of the bat, it is clear the biggest sponsorships are with Formula 1 and UEFA, racing and football respectively, which are huge sports that perfectly target the biggest mass market they could reach. Beers are traditionally paired with some form of entertainment, whether it's watching television at home, or spending time with family and friends. The fans who show up to these well-known races and leagues are exactly the type of audience that would be drinking Heineken beers. Moreover, according to the psychological aspect, due to the adrenaline of watching the games, or even sitting through hot temperatures, would contribute towards one's thirst. Using phrases that include the word 'cheer' for instance, is almost an iconic play with words because you would not only cheer for the teams you support, but also cheer with the beers during these games.

There are three different subdivisions of Formula 1 Sponsorships, which include the original Formula 1, W series, and Formula- Electric. The unique feature of sponsoring races as such makes you very internationally fortified. Firstly, the idea is that it almost feels incomplete, like a race is incomplete without the Heineken beer, then you take the strategy and with the races make it international. Among 380 million fans, cultivating this sort of large-scale culture proves to be that it is a commendable sponsoring strategy. They continue to add on more and more value to themselves and benefit from this. Not only that, treading the waters with Formula E also now makes them build an image within the sustainability bracket, in fact another small observation is that on their website they do not go onto explaining any of their sponsees in this much detail compared to the rest of the sections.

Sponsoring the world's most favourite sport, if this does not do justice to the engagement and reach for your brand then truly nothing else could. They have a 30 year sponsorship with UEFA league, this sort of partnership greatly affects the culture of football as well. In the long-run, fans who follow such leagues will continue to even after 30 years, and if Heineken is not sponsored then too, many loyal consumers would be genuinely discouraged. Not many years ago, did Heineken also start sponsoring specifically the women's team of UEFA, this just in turn helps in bumping their reputation perfectly so they do not seem to be discriminating between genders in any way either. This is the world's biggest event that they sponsor and pairing it with their rich history is a combination to exist now and forever.

They do not just stop there, because with the Heineken 0.0, a zero alcohol beer that was launched in Thailand, came with the mastermind creation of 20,000 local sponsorships. The buzz was made because people thought who would buy a beer without its alcohol, when in fact there were various occasions as crazy as they sounded to be able to drink them there. Examples included everyday occasions, such as, fire drills, carwashes, waiting at the traffic light, or even morning run routines. This was a marketing idea that was supported by mini sponsorships to raise this type of awareness for this specific type of drink which was addressed successfully. Another interesting scenario was when Marvel Cinematic Universe sponsors Heineken beers, so now movie lovers, especially marvel fans, were a perfect target, and bear it in mind this works both ways. As in, beer lovers are also somewhat interested in finding out more about Marvel movies, maybe because certain viral elements on social media can push them to grabbing their beer and getting hooked to the Marvel Universe. Eventually, it all just comes down to how well sponsors continue linking other forms of PR, ads, and socials to complement the overall big campaign.

You cannot expect to just load cash and reap benefits. There is a strategy involved during this process that backups such large investments such as sponsorships. What is recurring to see in Heinekens strategy is the complementary entertainment activities that go both traditionally and non-traditionally (0 alcohol) with the beers. Alcohol cannot exactly work for all countries worldwide, because different barriers to entry are applicable. Sponsoring F1 also causes negative perceptions to pour in such as associating drinking and driving together, which makes it ethically wrong. This ends up in criticism against whether Heineken should even be allowed to sponsor racing events or not. Who knows how the future holds up for such sponsorships. Nevertheless, it continues playing its role in amplifying its presence and engagement with consumers on a global scale. By associating with high-profile events, the strategy definitely reinforces its image as a purveyor of excitement, entertainment, and social connection.

In conclusion, while Heineken's sponsorship strategy does offer significant benefits in terms of brand exposure, it also presents some difficulties related to ethics and regulations. By carefully navigating these complexities and adapting its approach accordingly, Heineken can continue to leverage sponsorships as a key component of its marketing strategy all while trying to uphold its commitment to its responsible brand promotion.