



Heineken: Positioning in Changing Times



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I . Executive Summary



Background

Adrien Tremblay a Sales and Marketing Manager in Heineken is trying to predict growth in Spain Market where potential of its products are at test pertaining the different taste profile, choices of the local consumer, and competitors already in the market with their stronghold already setup. Adrien Tremblay seeks support of Local marketing team to understand trends and consumer choices to verify its prediction of sales figure to gain market share

Problem Statement

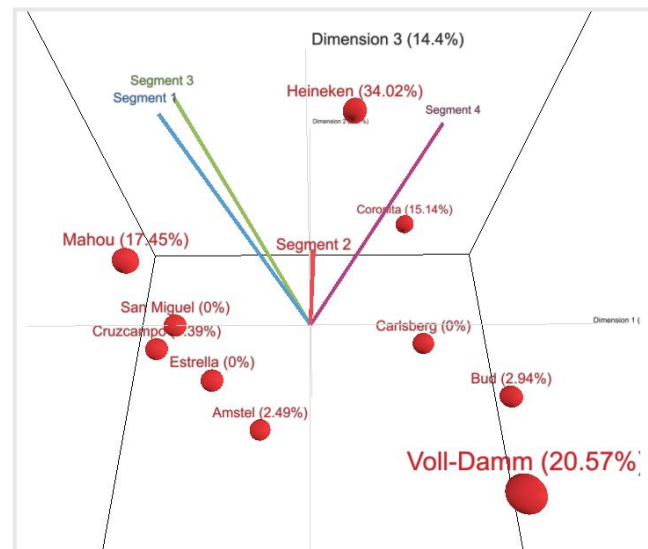
- ❑ Heineken has been already in business in Spain region and it is failing to maintain traction amongst the customers.
- ❑ Being a relatively new product segment how to increase the demand of its product.
- ❑ Should Heineken follow Global Trends or should it introduce a new product specifically catering to that region
- ❑ Should Heineken devise a new strategy to gain market share and what should be the factors into consideration

II . Analyze the situation

Perception Map - 3 dimensions

- First, Use perception data from customer (22 attributes)
- Check 3 dimensional map which represent the brand location base on the related attributes
- The current positioning can be drawn as below table

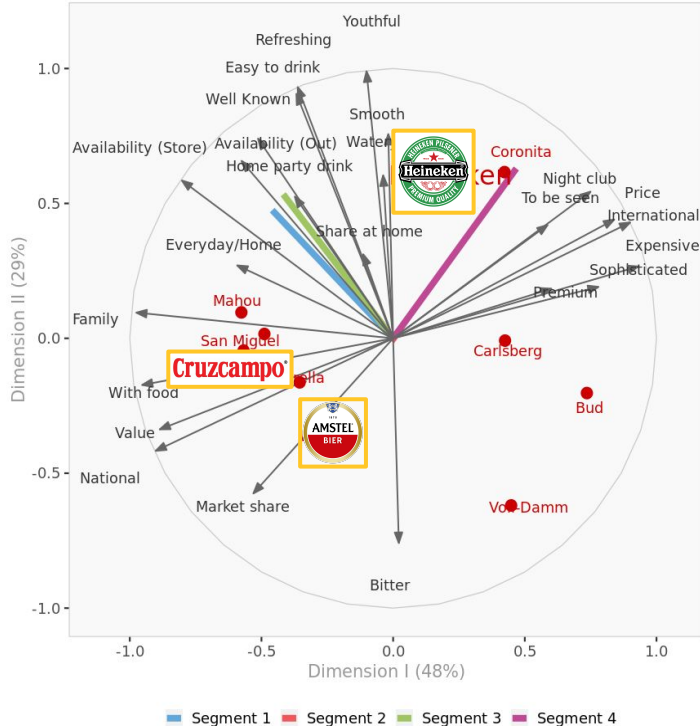
Dimension		(1) Luxury	(2) Refreshing	(3) Home party
Attribute		Expensive International Sophisticated Night club	Youthful Refreshing Easy to drink Smooth Well Known	Share at home Premium Home party drink Everyday/Home
Brand	+	Bud Voll-Damm Coronita Carlsberg Heineken	Coronita Heineken Mahou	Voll-Damm Heineken Mahou
	-	Amstel Estrella San miguel Cruzcampo Mahou	San miguel Carlsberg Cruzcampo Estrella Bud Amstel Voll-Damm	San miguel Cruzcampo Estrella Carlsberg Bud Coronita Amstel



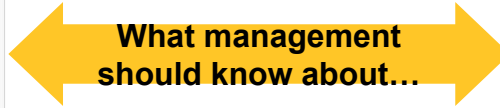
	Dimension I	Dimension II	Dimension III
1 Most positive	Expensive	Youthful	Share at home
2	International	Refreshing	Premium
3	Price	Easy to drink	Home party drink
4	Sophisticated	Smooth	Everyday/Home
5	Night club	Well Known	
6 ...			
7	Availability (Store)		
8	Value		
9	National		
10	With food		
11 Most negative	Family	Bitter	Watery

II . Analyze the situation

Different perception(current positioning) between market and management



Market(customer) perception



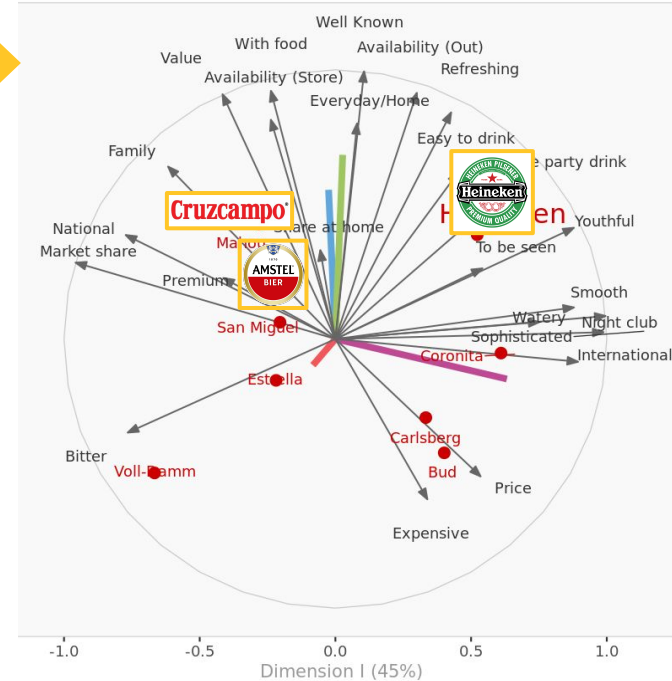
What management should know about...

“Coronita is a big competitor for Heineken”

“Coronita is 20% more expensive than Heineken but has the same market share”

“Voll-Damm is competitive in quality and good image”

“People don’t think Amstel & Cruzcampo as premium quality beer”



Management perception

II . Analyze the situation

Characteristics of 4 Segments

- ❑ Segment 1: Beer-lovers
- ❑ Segment 2: Nationwide
- ❑ Segment 3: Family focused
- ❑ Segment 4: Trend seeker

	Average preference	Segment 1	Segment 2	Segment 3	Segment 4
Heineken	6.51	7.68	4.64	5.92	8.03
Mahou	5.91	7.46	3.61	6.41	4.74
San Miguel	5.26	7.47	3.53	4.65	4.74
Coronita	5.05	6.50	3.83	3.70	7.02
Cruzcampo	4.76	6.65	2.16	5.06	3.79
Voll-Damm	4.46	6.13	5.94	2.38	4.34
Carlsberg	4.43	6.50	2.24	3.42	5.70
Estrella	4.35	6.58	5.37	2.55	3.17
Amstel	3.83	6.72	1.86	3.29	2.17
Bud	3.81	5.48	2.11	1.88	7.34

	Dimension I	Dimension II	Dimension III
Segment 1	-0.459	0.475	0.492
Segment 2	0.011	-0.008	0.461
Segment 3	-0.417	0.534	0.502
Segment 4	0.468	0.629	0.320



Heineken : Trend seeker & Family focused

Positioned as premium, quality beer at nightclubs and luxury home parties



Cruzcampo : Family focused

Maintains low price strategy, easy to drink at casual family gatherings



Amstel : Beer-lovers

Well-known, available but without any specific attributes. Focus on securing the high market share and the existing customers. Expand supply in the restaurants

III. Draw Insights



- ❑ The structure in the global beer industry is consolidation. This has caused the industry to undergo significant changes during the past several years. The strategy that Heineken uses is that of differentiation. This strategy gains market share and competitive advantage by distinguishing their products from their competitors through competitive pricing and quality.
- ❑ Despite the strategy, Coronita having the same market share and being 20% more expensive is still a big competitor for Heineken. Voll Damm having a similar market share and pricing, competes in taste with Heineken and acquires the target customers.
- ❑ Cruzcampo a light, smooth and clean tasting beer with a good balance of malt and Amstel a mildly bitter taste beer have a good market share and a potential to acquire a large market share by few positioning changes.

IV. Evaluate Alternatives

1) Maintain current positioning strategy

- ❑ Advantages:
 - ❑ Able to put Heineken into the mind's of the consumers
- ❑ Disadvantages:
 - ❑ Present in all the dimensions
 - ❑ Different and changing preferences in the Spanish market

2) Reposition the Heineken brand

- ❑ Advantages:
 - ❑ Able to better appeal to the Spanish market
- ❑ Disadvantages:
 - ❑ Takes effort and capital to reposition Heineken
 - ❑ Existing competitors that are doing better in the different dimensions

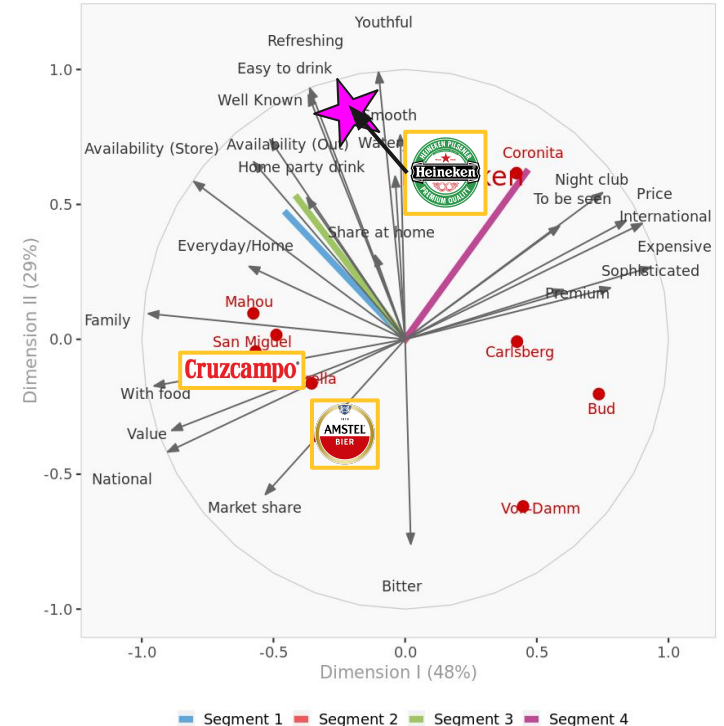
3) Realigning the HNV portfolio including Heineken, Cruzcampo and Amstel

- ❑ Advantages:
 - ❑ Able to have the brand appeal to the Spanish market and
- ❑ Disadvantages:
 - ❑ Takes effort and capital to do so
 - ❑ Might not be able to satisfy consumers in other countries

V. Recommendations



- ❑ It would be beneficial for Heineken to strategically reposition themselves in the market
- ❑ Coronita is a direct competitor to Heineken in the nightclub industry and premium image; this segment isn't ideal for maximizing sales
- ❑ Heineken is perceived in the market as smooth and youthful; they should alter the beverage to be more refreshing and easy to drink
- ❑ That way, Heineken could differentiate themselves from their competitors and satisfy demand in a relatively empty segment





Thank You!

