



DIGITAL MARKETING STRATEGY PROPOSAL

To Expand Heineken's Market Share in China

Abstract

In the context of weak industry growth, and cutting overcapacity, Heineken aligns with Huarun Beer to expand its market share by upgrading portfolios, enhancing marketing campaigns, and streamlining distribution channels. In this essay, we conducted comprehensive research on the China beer market. By comparing the marketing campaigns of competitors, we evaluate the marketing performance of Heineken and offered tailored digital marketing strategies. Lastly, we provide the marketing budget for Heineken to gain more customers' awareness.

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Part I Company, Competitor, Consumer

Overall beer consumption in China

China is one of the leading countries in beer consumption and production. (Figure 1.1)

In global comparison, most revenue is generated in the United States (US\$118,416m in 2020), and China has a total revenue of US\$75,031m, which ranked 2nd. According to official reports, the market is expected to grow annually by 2.3% (CAGR 2020-2023).

Nowadays, Tsingtao, Anheuser-Busch InBev, Heineken, China Resources (become a joint venture with Heineken in the Chinese market after 2018), Beijing Yanjing, Carlsberg, and Guangzhou Zhujiang constitute the most important companies in this sector by volume. China Resources alone today commands a volume market share of more than 20% nationwide. Together, the five biggest brewers command a share of around 60% of Chinese consumption highlighting the advanced degree of consolidation and concentration in the brewery industry.

Heineken's position in China

Heineken cooperated with China Resources in 2018 and appeared in the Chinese market as a joint venture. China Resources previously has Snow beer, which is the No.1 beer brand by volume in China. After their cooperation, Heineken has a solid backing in this region. (Figure 1.2)

Heineken and China Resources are both traditional beer brands, largely dependent on their offline sales (80%). In order to follow the trend, Heineken hopes to become a more fashionable beer brand and has done its digital job well so far in many countries. (Figure 1.3) Heineken is in the progress to expand its digital strategies to China mainland and has already started online promotion via Weibo at the end of 2019. Heineken (Solely Heineken, other China Resources beer brands are not included) hopes to gradually transform into a beer brand adapted to the development of both online and offline marketing, eventually exceed Budweiser's marketing share in China.

Heineken's competitors in China

Based on the backgrounds and development in China, Budweiser and Carlsberg are the closest competitors of Heineken. In the imported beer market and foreign brand beer market, Budweiser has both made the most sales and revenue which is also the first beer brand to make an investment in paid search and social media rolled-out ads. Carlsberg has utilized similar marketing strategies worldwide as Heineken to some extent. In the 2000s to 2010s, Carlsberg is known by Chinese people in sponsoring well-known sports clubs, such as Liverpool. While Heineken is the biggest sponsor of the UEFA Champions League and ATP Shanghai Masters.

Heineken is indifferent in China due to business philosophy and product taste. The overall share is very low, less than 2%, but there is a certain amount in the high-end market. Carlsberg has the same problem, with a higher market share, around 5%. However, AB InBev (Parent company of Budweiser) is one of the four largest beer giants in the Chinese market, with a share of about 16%. Although Budweiser mainly focused on the premium market and doesn't occupy the whole market share of AB InBev, it is the largest foreign/joint beer venture in China. (Figure 1.4)

Heineken's target consumers

Middle-aged males-high wort concentration beer

According to the Chinese Alcoholic Consumption Report, middle-aged men are the main consumers of the beer market, their purchases account for 55% of total sales. Middle-aged males prefer beer with a high wort concentration and a mellow taste. They prefer to drink beer when eating at home or Mom and Pop restaurant, so beer with high alcohol concentration and a lower price is their preference. Heineken's classic product in China mainland is a 330

ml bottled beer with high alcohol content, with mellow taste, which matches middle-aged Chinese males' taste, but its higher price may keep them away.

Young males-no clear preference

Although young males have no clear preferences for alcohol drinks, beer would usually be their first choice due to the low prices. Young men occupy 13% of the beer consumption, but they are the future core customers. In addition, young males now prefer beer with a fancy package or popular among social media, which aligns with their pursuit of fashion. Young males would try new things and generally develop their loyalty for alcoholic beverages after 30.

Young females-light or non-alcohol beer

Nowadays, more and more young women become fans of alcoholic beverages, not only in cocktail or wine but beers. They also have 5% of the total beer consumption. Although young females would try black beers or other high alcohol products, light beers are often their preference. In addition, they are fond of the newly introduced product, non-alcoholic beer, with the taste of beer but no alcohol content. Same as young males, females would be attracted by packaging or publicity, so good-look beer might be Chinese young ladies' apple of their eyes.

Part II Identify weakness in consumer journey

Marketing funnel in beer Industry

Beer companies in China spent a lot to encourage purchase

Increasing consumer transfer rate from interest to purchase is what beer companies in China are fighting hard on. For example, Tsingtao spent 3 times more on promotion than on advertising (Figure 2.1). However, with less budget on marketing each year (will be discussed in Part V), it seems they spent too much on promotion.

Attracting and retaining existing customers are becoming the main focus of marketing

The beer production of China peaked and then gradually fell after 2013. The growth rate of beer production remains negative until 2018. Considering the overall consumption and the population structure of China, the beer market has stepped in the mature status, and the future increment is expected to be limited. Consequently, the marketing goals of beer companies should mainly focus on the comparing and retaining process of customers, instead of triggering and learning process. (Figure 2.2)

Competitors' consumer journey analysis

Budweiser's Strategy Encourage the Purchase while Maintaining High Loyalty

Budweiser has a very mature strategy of digital marketing that considers the lower funnel, they have taken much effort on combining the preference of Chinese young people with their brand image to improve the interest of young people and also stimulate their purchase. Moreover, they have the best loyal community in China which can transform those purchasers to the loyal customers.

In terms of the campaign they come up with, they closely incorporated with Chinese technology giant Tencent multi-dimensionally. They customize their advertising and products based on different popular themes. For instance, during the 2018 FIFA World Cup, they released a collection of limited-edition team theme bottles and display to the public through Tencent's World Cup activity (Figure 2.3). Such designs stimulated football fans' motivation to purchase.

Moreover, to maintain the loyalty of customers, Budweiser created a 'BUD SPACE' loyal community (Figure 2.4) on Wechat. The community figures out the preference of each customer by their account information and historical

purchase through Tencent's algorithm. It can customize the campaign based on an individual's interests. Moreover, coupons and reward points are provided as stimuli to encourage the consumers to keep their loyalty with the brand.

Carlsberg are Skillful in Maintaining the Loyalty of the Specific Segment

Carlsberg is a relatively minority brand in Chinese market since their soccer-specific culture targets them to a specific group. But what they perform well is that they know how to maintain their customers by reemphasizing their soccer theme and culture.

By maintaining those customers, Carlsberg put much effort on the social media promotion. They built up the fan community through Weibo (Figure 2.5). They create a soccer fan community that routinely posts match news, and allows fans to discuss or chat. Their community also works as a fans social platform that allows the members to interact, meet, and play games together, online or offline, while enjoying the discount of Carlsberg's product. Their idea as shaping an energetic lifestyle is the key reason to maintaining their loyalty.

Tsingtao Brewery Understand the Optimal Way to Boom Purchase Frequently

Tsingtao invests a lot to maintain their dominant position in Chinese market by attracting more audiences to purchase. They are skillful in combining their content with hot spots of Chinese society and figuring out the shopping behavior of Chinese people.

One of the most successful campaigns they create is they display their advertisement (Figure 2.6) before the beginning of each episode of TV Series on IQIYI (Chinese version Netflix). Their contents often about how their product is related to the TV Series which can motivate audience who enjoy the drama to purchase

Moreover, Tsingtao can always adhere to their promotion campaign to the latest hotspot through social media platforms in China. For example, they seize the chance of 'double 11', Chinese annual online shopping festival when billions of Chinese will go online. In 2019, Tsingtao invited some popular celebrities to go live on Sina Weibo, TikTok, and Tmall (Like Amazon) community, telling stories about how the Tsingtao beer plays the roles in their daily lives (Figure 2.7). Tsingtao then became the focus of attention and discussion. Those campaigns can stimulate the emotional resonance of the public and finally drive the purchase. The campaign finally increased conversion rate to purchase by 182% (Report 1) compared to the year before.

What about Heineken?

Heineken's Current Campaign could Increase customer's Interest and Purchase

Heineken's most significant campaign in Chinese market is the augmented reality (AR) bottle during the 2018 FIFA World Cup. This campaign is supported by an up-to-date technology that allows the customers to view the real-time in another corner of the earth after they scan the label of the bottle. This innovation attracts the public by providing them the opportunity to visit any part of the world without leaving the bedroom. By catching people's curiosity about the new technology, they achieve to arouse public's interest and encourage their purchase.

Heineken did Poorly in Localization to Retain the Purchase

The effect of AR campaign eclipses quickly. That is because the AR campaign did not convert those customers who were attracted by this entertaining technology to return purchasers. Although the interest of the brand has been successfully increased, and most people buy the product due to their desire to try the new technology, it is difficult to push the customers to the lower funnel. Their campaign did zero with localization. It is hard to find the Chinese culture elements on their brand. For instance, they have little integration with Chinese culture, their content of campaign does not adhere to hot spots of the Chinese community or Chinese special festival. Therefore, it is hard for Heineken to let customers keep continuous attention to the brand since they fail to generate the emotional resonance towards those customers.

Heineken Lacks a Loyalty Community to Acquire Long-term Customers

Heineken did not invest in social media campaigns at all. Neither has they built up any loyalty community like Budweiser or the event marketing campaign related to the latest hot spot like Tsingtao. Looking through their tweets on Chinese social media Weibo, they acquired very few comments and likes from the public. Their official account has very few followers compared to its competitors (See Social Media Analysis in appendix for details).

To sum up, Heineken's did poorly in terms of acquiring purchasers frequently and keep their loyalty compared to its major competitors. They can attract the public's interest and their instant purchase motivation while lacking charm let them to keep a long-term bond with it.

Part III Implementable Strategies

Localize Display Advertisement

Heineken didn't have an equal brand awareness as its competitors did in China. Its display advertisements. Heineken promotes its brand in a similar tone around the world and considers little on the taste of local customers. On the other hand, its competitors such as Tsingtao and Budweiser released advertisements during the Chinese spring festival, delivering a brand image of 'good for sharing' to Chinese customers. (Figure 3.1)

Considering the fact that Heineken has established a joint company with Huarun Snow Beer, which has the number 1 beer volume sold in China, it is a good time for Heineken to rebuild connection with Chinese customers and present a closer look into Chinese customers' interest and taste.

Interact with women and new generation customers on social media

Traditionally, a typical beer buyer in China is a man aged around 35 who likes sports. Recent reports from Tmall (2018) revealed a trend in China that women and younger generations are the potential future customers. Retargeting to women and younger generation through their preferred communication channel (i.e. social media) is a good way to acquire more customers.

As mentioned in Part I, new generations prefer a fashion style and women prefer a beautiful package. Heineken is encouraged to seize them and nurture their brand loyalty by delivering strong attitude messages through social media. For example, the recent advertisement of Heineken delivers a message that women also love beers, aiming to present a brand image of no stereotype on gender. The advertisement raised a heated discussion on social media and women are excited that Heineken could speak for them. Thousands of positive comments suggest this ad is a successful campaign. (Figure 3.2)

Educate customers about Non-Alcohol Product on multiple channels

Figures from Statista (2019) showed that in China almost 60% of customers never or rarely tried non-alcoholic beer and Heineken 0.0 ranked the second largest brand in this niche market. This is a good opportunity for Heineken to catch up with its competitors in China.

Educating consumers becomes the top priority in this field. From Heineken's annual report, non-alcohol beer has stimulated consumer's buying desire and brought a strong growth in revenue. Thus, multiple channels including paid search, display ads, video ads should be invested to extend the growing trend. (Figure 3.3)

Online and Offline integrated marketing

The last piece of the puzzle is the integration of online and offline marketing activities. Statistics (Figure 3.4) showed that in 2017 more than 80% of beers are sold offline, indicating the importance to align the goal of online and offline marketing and generate synergy.

Budweiser is doing a perfect job in this field and Heineken should learn from it. Take the Budweiser 1876 party as an example. Budweiser started the campaign by posting inspiring user generated content on its posters, which encouraged a high consumer participation. Then it shared an interactive H5 page in Wechat moment and sent the invitation ticket to customers. This step naturally led the traffic from online to offline. The final offline campaigns presented a retro style and conveyed the message that Budweiser was a brewing company with a long history and stuck to a high-quality standard through the history. This campaign was a huge success and showed the importance of online and offline integration.

Advanced technology may also help Heineken integrate online and offline channels. For example, analytics conversion tracking tools such as Google Analytics could analyze the conversion path and help Heineken customize advertisement to customers. Geofencing is another technology that enables Heineken to send banners and display ads to customers when they enter into a specific area such as restaurants, supermarkets, and pubs. Notifying consumers when they step in the area where Heineken is sold in bulk may increase the likelihood they choose Heineken.

Part IV Metrics

Online: CPM and CTR, Offline: CPV and CPIV

Our first marketing strategy aims to deliver more localized display advertisement content, in order to increase brand awareness of Heineken in China. For the online campaign, conventional metrics such as CPM, CTR as well as CPC can be used to evaluate the performance of the advertisement. On the other hand, offline campaigns usually have specialized metrics to measure their performance but generally CPV (cost per visit) and CPIV (cost per incremental visit) are effective ones.

Female: CTR and CPC, Millennials: Multiple Metrics

Our second marketing strategy focuses on more interaction with female and new generation customers (Millennials) on social media, aiming to increase our marketing share in the female alcohol market and to build brand loyalty among our Millennials customers as more of them are entering legalized drinking age. The metrics appropriate for this section includes the brand exposure rate to female customers, female customers' CTR and CPC, Millennials customers' customer satisfaction rate and repeat purchase rate.

New customer: CTR, percentage, UGC activeness

Our third marketing strategy aims to educate customers about our new non-alcohol product through display advertisements on social media such as twitter and Tiktok. Since the non-alcohol beverages are more of a novelty product, the traditional metrics used in online advertisement such as CTR are not applicable, instead we developed three specialized metrics: new customer percentage, quantified brand awareness and social media activeness. New customer percentage refers to the proportion of customers who do not consume any alcoholic beverages and are unaware of our brand, then we developed a more quantified brand awareness for those customers through aided recall and unaided recall polls in focus groups. Lastly, the number of retweets, likes and proportion of UGC (user generated content) on social media are accurate indicators of social media activeness.

Integration: a combination of online and offline metrics

Our fourth marketing strategy focuses on more integration of online and offline marketing campaigns, with the essential goal of conversion rate improvement. Heineken's "Opening New World" campaign during the 2018 world cup season is a perfect illustration of the integrated marketing campaign that closely incorporates offline elements

to the online content: Heineken consumers can scan the QR code printed on Heineken bottles with their phones and virtually travel to any of the 128 countries with augmented reality technology. The effective metrics are developed separately for the offline and online marketing: total media exposure rate, total number of AR engagements and average engagement length can effectively reflect the performance of the online campaign. As for the offline campaign, metrics such as conversion rate among customers who participated in the online campaign, and the increase in sell quantity are applicable.

Part V Digital Marketing Mix & Budget Allocation

Situation: Decline in the sales budget

Fierce competition during the industry recession exacerbates the reshuffle of the beer market. The bankruptcies and acquisitions of small companies lead to market share further concentrate on the head companies. (Figure 5.1) The competitions among head companies transform from market share to profitability. Under such circumstances, it is unlikely for major manufactures to restart the price war; instead, they are more likely to increase the average selling price (ASP) and decrease the advertising costs, sales promotion costs, and operating costs to increase the profit margin. (Figure 5.2 shows the gross profit on sales is strongly reverse related to the expenses to sales)

Budget allocation by category: Assign more to advertising instead of promotion

The decline of the ratio of sales expenses will remain in the future because of the expectation of increasing the profit margin. The average ratios of expenses to sales of the whole beer industry is 18.59% in 2016 and 17.93% in 2017. The ratios of expenses to sales of main manufactures are shown in Figure 5.3.

In the category of sales expenses, the advertising and promotion expenses account for no more than 45% of the total sales expenses. Explicitly, the advertising and promotion expenses account for 35% and 41% of the total sales expenses of Tsingtao Beer and Chongqing beer respectively, and only accounted for 24% of the total sales expenses of Yanjing Beer (Figure 5.4). Considering the Tsingtao Beer is the main competitor of Huarun Beer, we can set the advertising and promotion expenses ratio at 35%.

As the third-largest beer manufacture, Heineken's performances are not satisfied because its market share only accounts for 0.5% of the total market, which results in the fact that the edges of Heineken in the European market have to make up for the loss of China's market. Its ineffective distribution capacity causes the lower market share of Heineken. After Huarun Beer acquires Heineken (China) Ltd., the operating income is expected to rise by 2% the next year.

According to the financial report of Huarun Beer, the sales expenses in the first half-year of 2019 increased by 0.8% compared with the same period of last year to 15.4%, while the management expense ratio decreased by 1.3% to 10.3%. The slight increase in sales expenses is mainly due to the rise in marketing after the acquisition of Heineken. As the two brands pass through the promotion period and the running-in period, the sales expenses in the future will have a big room for decline.

Based on previous analysis, we can make the following estimation:

sales expense: 15% of the total operating income

Advertising costs and sales promotion costs: 35% of the sales expense; 65% for adverting and 35% for sales promotion

| Advertising Costs and Sales Promotion Costs = 15%*35%=5.25% of the total operating income | |
|--|-----------------|
| Advertising | Sales Promotion |
| 65% | 35% |

Budget allocation by channel

Assign the marketing budget based on these new purchasing scenarios

As the change of customers living and work lifestyle, the scenarios of drinking beer are becoming diversified. For example, drinking beer is not confined in restaurants or entertainment; Heineken launched an alcohol-free beer 0.0, which makes drinking beer when in workout and work possible. Thus, we need to assign the marketing budget based on these new scenarios.

Assign more budget on online channels, especially e-commerce platforms

Buying beer through online platforms is becoming a mainstream pattern of consumption in China because of the development of express delivery services. However, Huarun Beer only accounts for 8.53% of total beer sales in Alibaba platforms, which is inconsistent with its dominant market share (26.8%). This phenomenon is because the entering of Huarun Beer lagged behind other brands. Consequently, we should assign more budget on online channels, especially e-commerce platforms. (Figure 5.6)

Assign more budget on sponsoring talent shows/TV shows

Online talent shows, whose audiences are mainly the young generation, are very popular in China. Huarun Beer proactively promotes its products, SuperX, by sponsoring two talent shows of iQIYI to attract the eyeballs of young customers. The SuperX series of products align with the preferences of younger customers in terms of packaging and advertising(both content and channels).

Assign less budget on paid search

Paid search is not a main purchase channel in China, which can be seen from the fact that Heineken doesn't purchase relatable keywords in Baidu. Instead, by tilting more budget to social media and digital content, Heineken can increase customer engagement and encourage them to share their comments. During this process, Heineken can not only better understand what consumers are thinking about, but also attract customers with natural content.

| Offline | | | | | Online | | | | |
|-----------|----------|---------|-----|-------|---------------------|--------------|--------------|-------------|---------|
| Newspaper | Magazine | Outdoor | TV | Radio | E-commerce Platform | Social Media | Sponsor Show | Paid Search | Display |
| 2% | 1% | 10% | 20% | 10% | 17% | 10% | 20% | 5% | 5% |

Appendix 1 Figures

Leading 10 countries in worldwide beer production in 2018 (in million hectoliters)

Global leading countries in beer production 2018

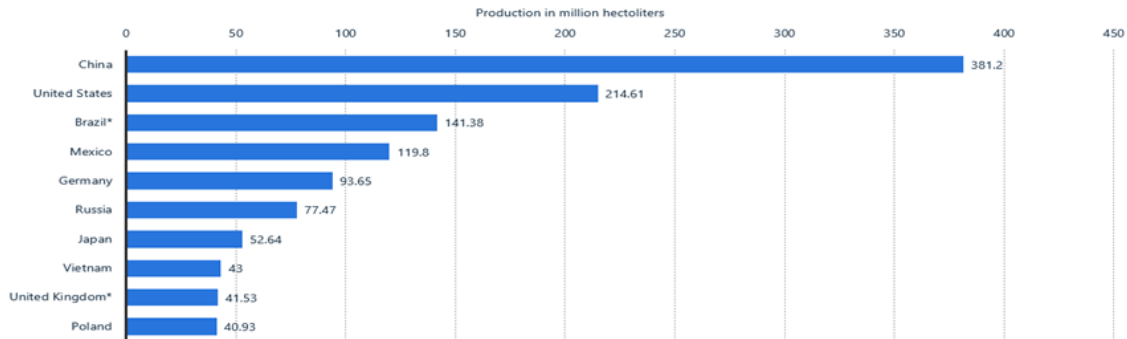


Figure 1.1 Worldwide beer production



Figure 1.2 Structure of Heineken and China Resources

| | Mexico | Nigeria | Russia | Poland | UK | USA | Vietnam | France | Brazil | Spain |
|---|------------------------------------|-------------------------|-------------------------------------|--------------------------------------|---|---|----------------------------------|---|-------------------------------------|---|
| International & Domestic Premium | Heineken® Strongbow Bohemia Amstel | Heineken® Tiger Gulder | Heineken® Miller Amstel Krusovice | Heineken® Desperados Namyslow Zywiec | Heineken® Birra Moretti Desperados Strongbow Cider Bulmers Cider Old Mout Cider | Heineken® Amstel Light Strongbow Lagunitas Dos Equis Red Stripe Newcastle | Heineken® Tiger Strongbow Amstel | Heineken® Desperados Affligem Edelweiss | Heineken® Eisenbahn Sol Baden Baden | Heineken® Desperados Amstel Oro Cruzcampo Especial Aguila |
| Upper Mainstream & Mainstream | Coors Dos Equis Sol Indio Tecate | '33' Export Star Amstel | Okhota Amstel | Warka Krolewskie Spezial Lezajsk | Kronenbourg 1664 Amstel | Tecate | Larue Special | Pelforth | Amstel Devassa | Cruzcampo Amstel |
| Lower Mainstream & Value | Superior Carta Blanca Kloster | Life Goldberg | Tri Medvedya Zhigulevskoe Bochkarev | Tatra | Foster's John Smith's | | Larue Bivina | '33' Export Panach | Schin Kaiser Glacial Bavaria | Cruz del Sur |

Figure 1.3 Heineken's digital campaigns in various countries

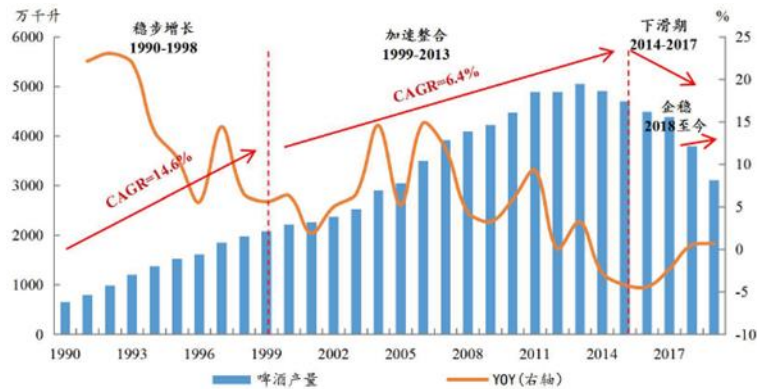


Figure 1.4 Leading beer brands in China



Blue: ad expense; Grey: sales expense

Figure 2.1 Advertising Costs and Sales Promotion Costs Ratios of Tsingdao



Blue: beer production; Orange: YOY

Figure 2.2 Beer Production of China



Figure 2.3 Budweiser 2018 FIFA World Cup Advertising



Figure 2.4 BUD Space of Budweiser Community on Wechat



Figure 2.5 Carlsberg's soccer fan online community



Figure 2.6 Tsingtao's pre-video advertisement on IQIYI



Figure 2.7 Celebrities Live on Social Media



Figure 2.8 Heineken has very few followers for their Weibo Account



Figure 2.9 augmented reality advertising (AR)

陈奕迅所展
01-07 来自 微博 weibo.com

祝大家2020当红不让，
愿你“红”运当头，
收获意义非凡的一年。
#百威要你红#
百威啤酒的微博视频

1870 retweet
3290 comments
40000 likes

1870 3290 4万

TSINGTAO
青島啤酒

喜力啤酒官方 2019-12-25 12:28 来自 专业版微博

#圣诞快乐# Merry Christmas
圣诞有喜力，畅玩更尽兴
这个圣诞不落单，喜力邀你“星”狂欢

0 retweet
2 comments
3 likes

The latest weibo dates
back 2 month ago

收藏 转发 2 3

Figure 3.1 Comparison of Social media campaign



Figure 3.2 Heineken ads-Break stereotypes

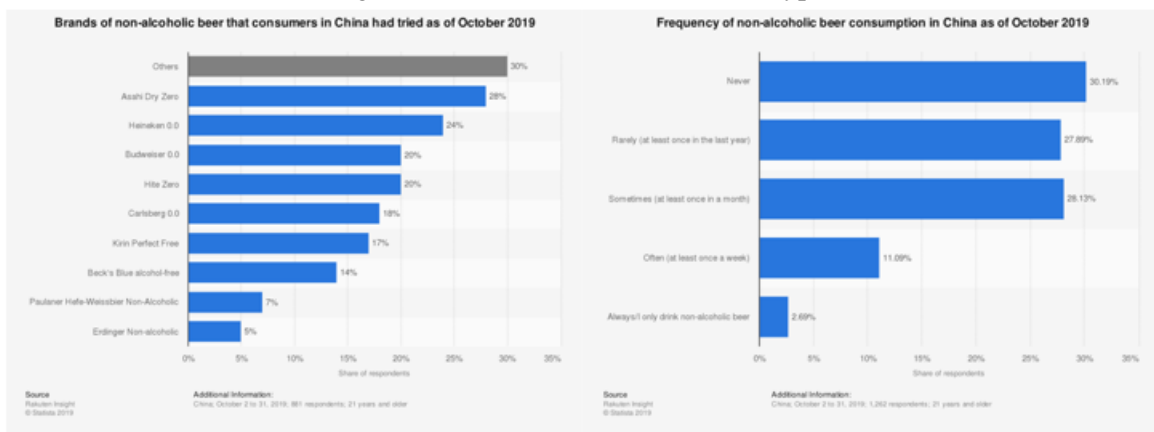


Figure 3.3 Non-alcohol beer consumption in China mainland

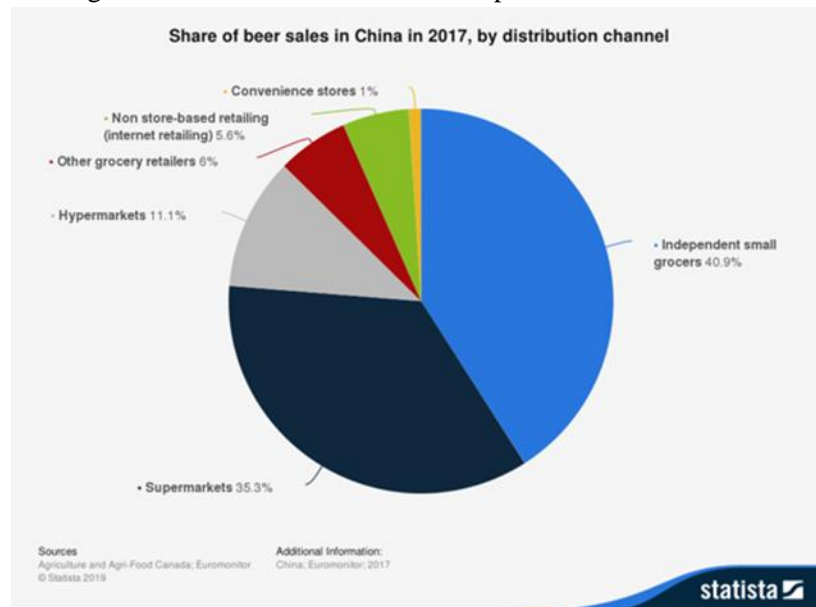
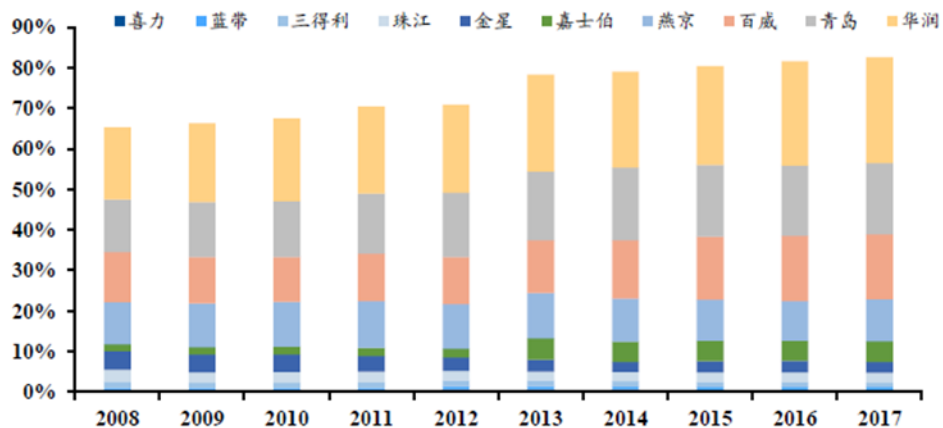
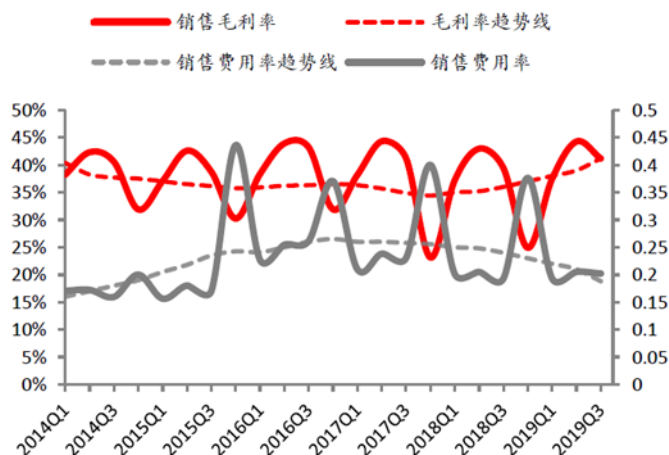


Figure 3.4 Share of beer sales in China mainland-By channel



In sequence: Heineken, Blue Ribbon, Suntory, Zhujiang, Mercury, Carlsberg, Yanjing, Budweiser, Tsingtao, China Resources

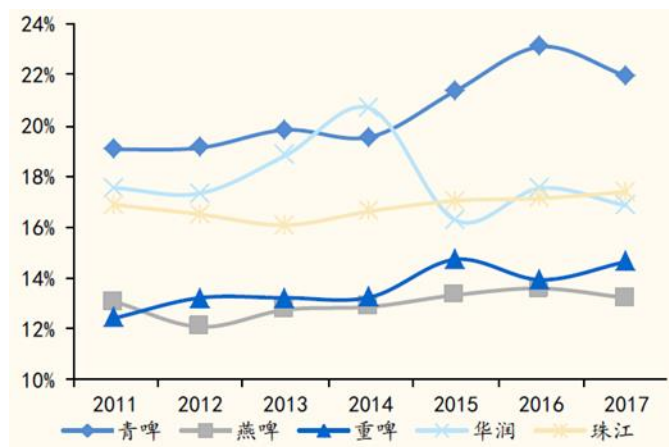
Figure 5.1 Change of CR10 from 2008 to 2017



Red solid: ratio of sales gross profit; Red dot: Gross margin trend line

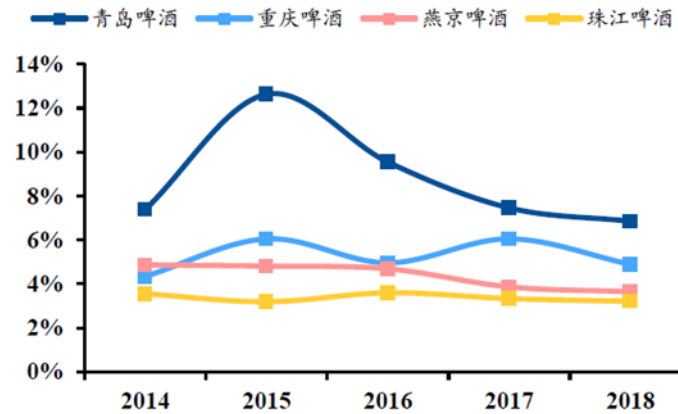
Grey dot: Sales expense trend line; Grey solid: ratio of sales expenses

Figure 5.2 The Gross Profit Rate on Sales VS. the Sales Expenses Rate of All Public Beer Ventures

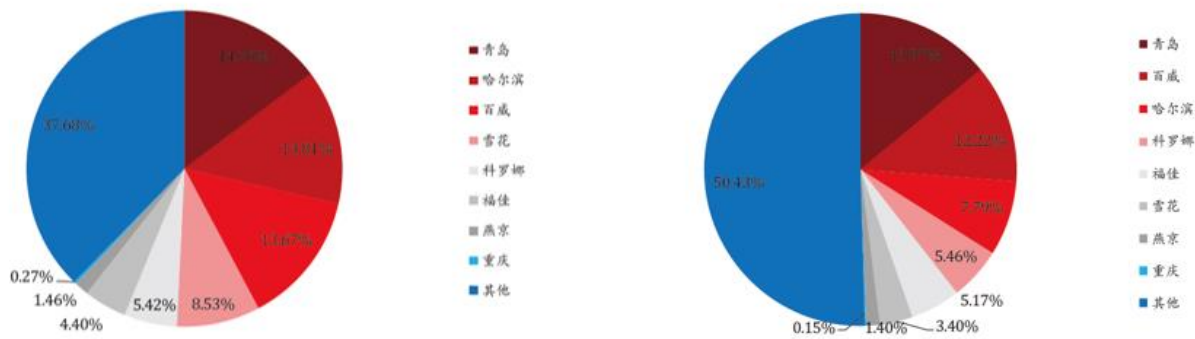


In sequence: Tsingtao, Yanjing, Chongqing, China Resources, Zhujiang

Figure 5.3 Ratios of Expenses to Sales of Main Manufactures



In sequence: Tsingtao, Chongqing, Yanjing, Zhujiang
Figure 5.4 Ratio of Advertising Costs and Sales Promotion Costs of Main Manufactures



In sequence: Tsingtao, Harbin, Budweiser, Snow, Corona, Fujia, Yanjing, Chongqing, Other
Figure 5.5 Online sales of different brands-By Volume vs. By Revenue

Appendix 2 Paid Search Analysis

1. Difference and Similarity

Similarity: My client Heineken and its competitor, such as Budweiser and Carlsberg, all spent a large amount on paid search key words. They all have paid more than 50 keywords and have part of overlapping. They both spent more than half of their paid search on Europe and America.

Difference: Budweiser focused on more countries than Heineken on both organic and paid search words.

Result: Competitors do a better job than Heineken in creating traffic in paid search part, especially Budweiser, not only causes the most traffic but has the lowest CPC.

2. Targeting

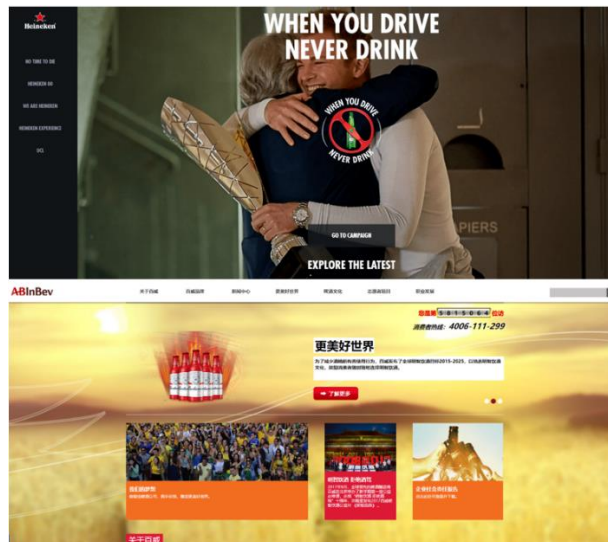
Heineken, Carlsberg and Budweiser all focuses on Europe and North America market, but Budweiser also did a good job in Asia, indicating that Budweiser is better in developing global market. Heineken relies the traffic caused by branded words, while Budweiser not only balanced their investment between branded and unbranded but get a balanced result in traffic. Furthermore, the magnitude of traffic caused by Heineken branded words are much smaller than Budweiser in Chinese market. However, the data insights indicate that Heineken is improving its paid marketing strategy in Chinese market, reflected by their increasing traffic and umber of paid key words.

3. Ad Experience

While Heineken, Carlsberg and Budweiser all did well in creating right content and provide somehow good experience for customers in English search in Google, Budweiser is head of other two brands in Baidu, a Chinese search engine. Heineken merely displays one site when searching “Heineken”, but “Budweiser” provides three with better content and attractive titles, which also related to many activities. “Heineken” even didn’t pay for its brand sponsored sports in Baidu or Chinese searching in Google.

4. Landing page

The design of Heineken’s landing page is great, which not only provides us a message of healthy drinking but also displays its classic and new products in the same place. What’s more, Heineken added short family stories on the landing page, making Heineken a warmer brand. However, the website didn’t automatically translate the language into Chinese when searching through Chinese Engine, and I even couldn’t find a “Chinese” option on its landing page. Budweiser and Carlsberg did well in this part, creating user-friendly pages for Chinese consumers, and that could be one reason why Budweiser has done better paid market search and has larger market share in China.



Landing page comparison: Heineken vs. Budweiser

Appendix 3 Social Media Analysis

Chinese market has a very distinct and unique social media environment than the market in remaining part of the world. Due to the policies and regulations provided by the Chinese government, the major social network such as YouTube, Instagram, Twitter, and Facebook are unusable there. Therefore, the mainstream social media platform that can reach to the most users are Weibo, which is the analog of Twitter, and WeChat, which similar to Facebook a bit but much more private. The following audit will focus on Heineken’s account on these two platforms.

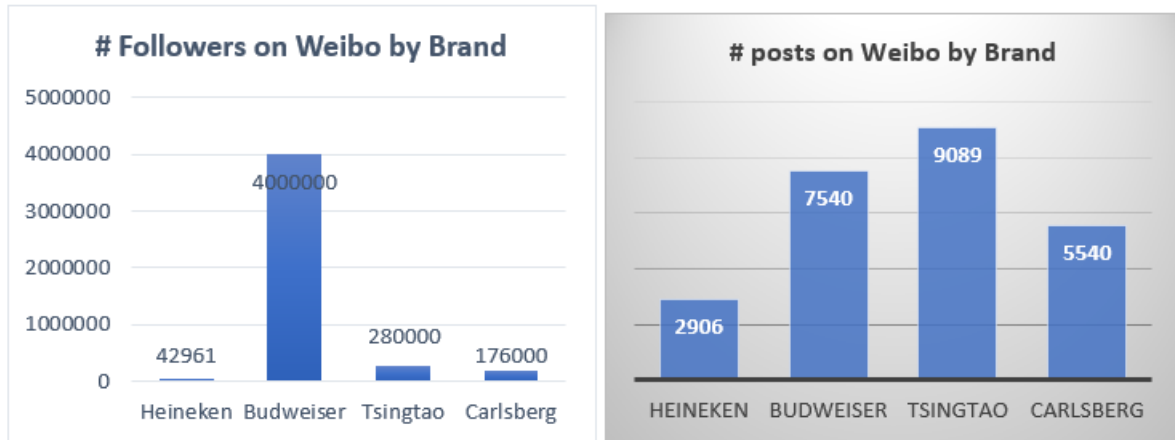
- Social Media Account Strategy

Currently, Heineken active both on Weibo and WeChat. Going through their historical posts on two platforms, we found that they active on Weibo more frequently, this is due to the fact that Weibo can expose to larger amount of people more efficient than WeChat based on Weibo’s openness. Comparing to its major competitors Budweiser, Tsingtao, and Carlsberg, Heineken’s contents on Weibo lack attractiveness, since they did not mention any celebrity or event that could tempt those who notice the advertisement into click the link. But for

those paid social advertising, it generates better effect than their display advertisement, since the link can always directly link to some online shopping platform such as Taobao.com or JD.com rather than the official website home page or event page, but it seems more like the traditional promotional campaign plus a purchase link.

- Social Media Engagement

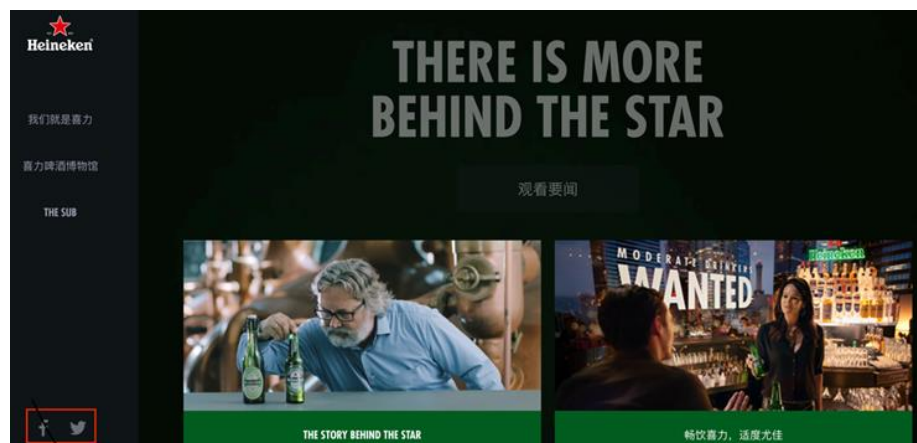
According to our analysis, Heineken has much fewer followers and number of posts comparing to its major competitors. It only has 40k followers and 2096 posts while the second inactive brand Carlsberg has 170k followers and 5540 posts. But even worse, they seem to be even less active recently. For instance, its three major competitors all displayed the campaign related to the coronavirus epidemic which can improve the brand image by generate the emotional resonance of public under such disaster. However, Heineken did nothing on such hot spot, which fall behind its competitors a lot.



Heineken's Weibo Operation

- Social Media Integration

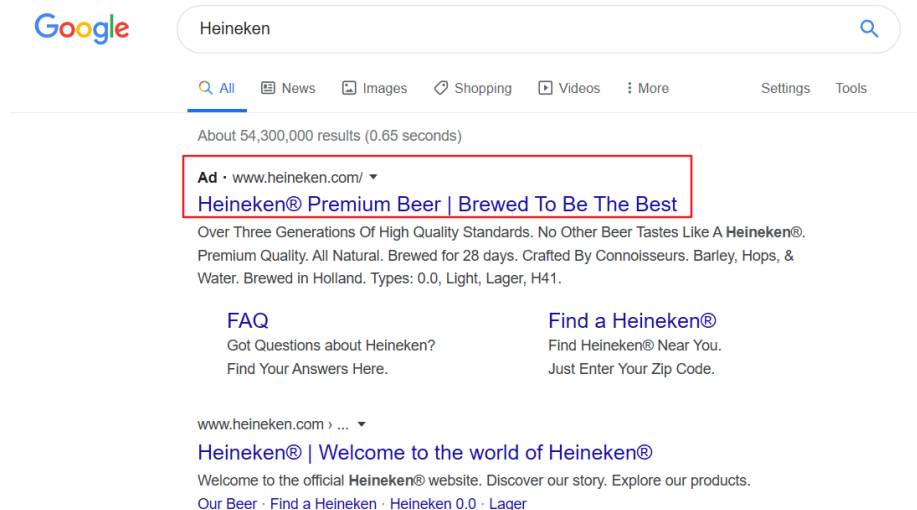
From the Heineken's Chinese website, we are shocked since it only supports the users to share the content to Twitter and Facebook which are forbidden there rather than Weibo and WeChat. Without the support of Weibo and WeChat, it is unable for the potential customers to subscribe the content such as email. If Heineken want to improve their social media integration performance in Chinese market, their website should firstly allow customers to sign up using Chinese social media platform.



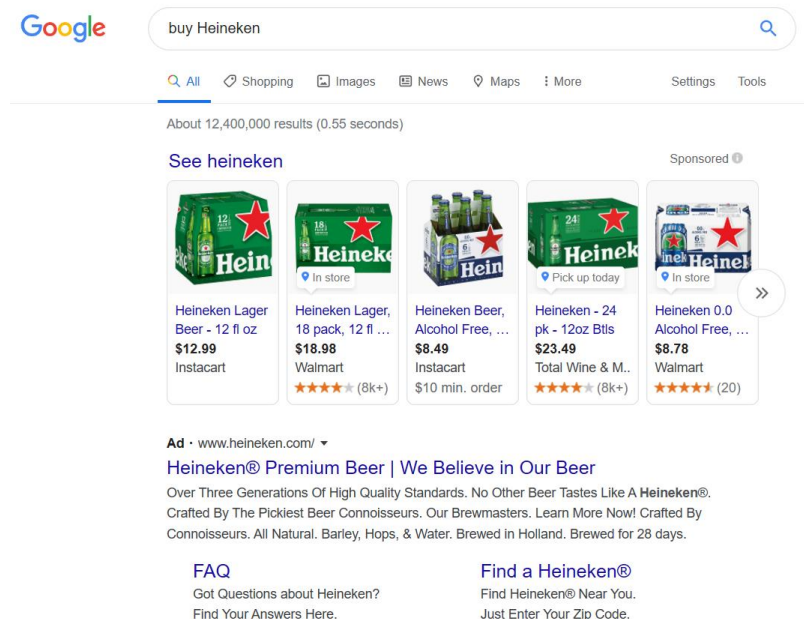
Could not share via Weibo

Appendix 4: Organic Discovery Analysis

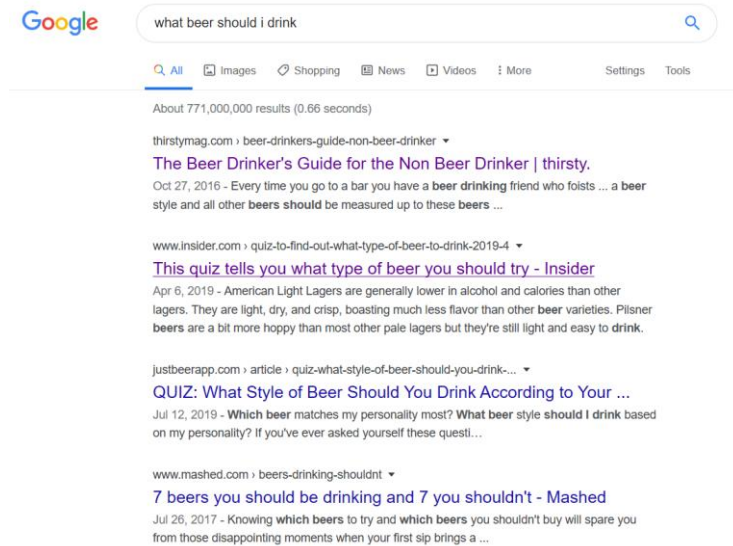
When we use Heineken as the key word to search in Google/Baidu, we can obtain very relatable results. However, it is unnecessary that the brand buys the key word Heineken because the first organic result is the official website.



We can find more ads when using the key word buy Heineken, while the organics results can also direct us the proper purchase websites.



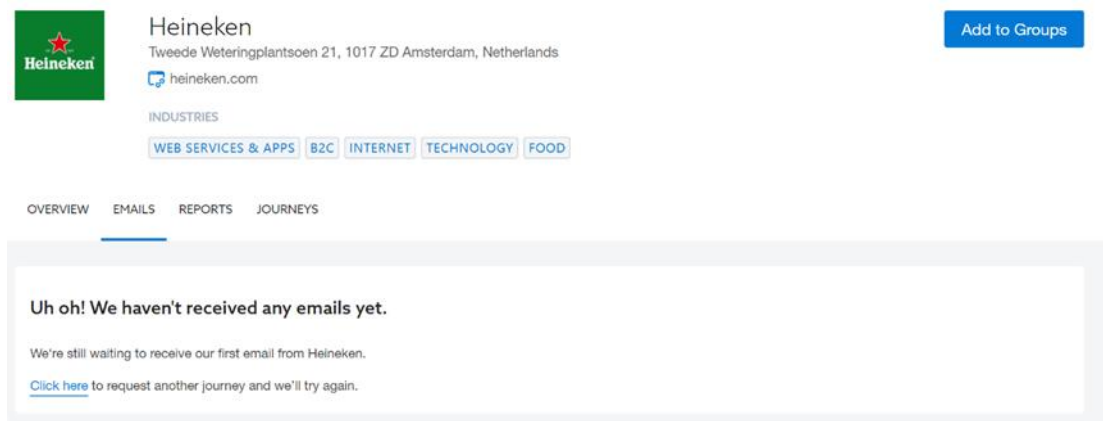
When I type in more general questions such as what beer I should drink, the results are all organic. If Heineken wants to attract customers' attention, it has to write answers or launch contextual ads to sway customers to buy Heineken.



Appendix 5: Email Analysis

On mailcharts.com, Heineken does not have any email campaign of any sort, as indicated in the figure XX in the appendix below.

In addition, top three of the e-commerce platform that sell the Heineken do not require registration with emails and the majority of users register use their phone number to register. The email marketing campaign is usually ineffective in the Chinese market.



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