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# Heineken's Background

- Founded in July 12, 1864 as a Dutch brewing company by Gerard Adriaan Heineken in Amsterdam
- Family traditions run deep throughout the company; Heineken was previously ran by 3 different Heineken ancestors
- Has the largest presence of all international brewers
- Mr. van Boxmeer was appointed CEO in 2005 and became Heineken's first non-dutch CEO



# Global Industry - Heineken

- Over 165 breweries in more than 70 countries
- Ranked 2nd in global capacity (right after Budweiser)
- Invested over \$6 billion to secure APAC breweries, resulting in 30 APAC Heineken breweries
- Significant market presence: U.S., Netherlands, France, Italy, Spain, Poland, China, Singapore, India, Indonesia, Kazakhstan, Egypt, Israel, Nigeria, South Africa, Chile
- Reached Hispanic Americans by acquiring Dos Equis, Sol, and Tecate in 2012 -- this target market is one of the fastest growing segments of beer drinkers



# Leading Brewers

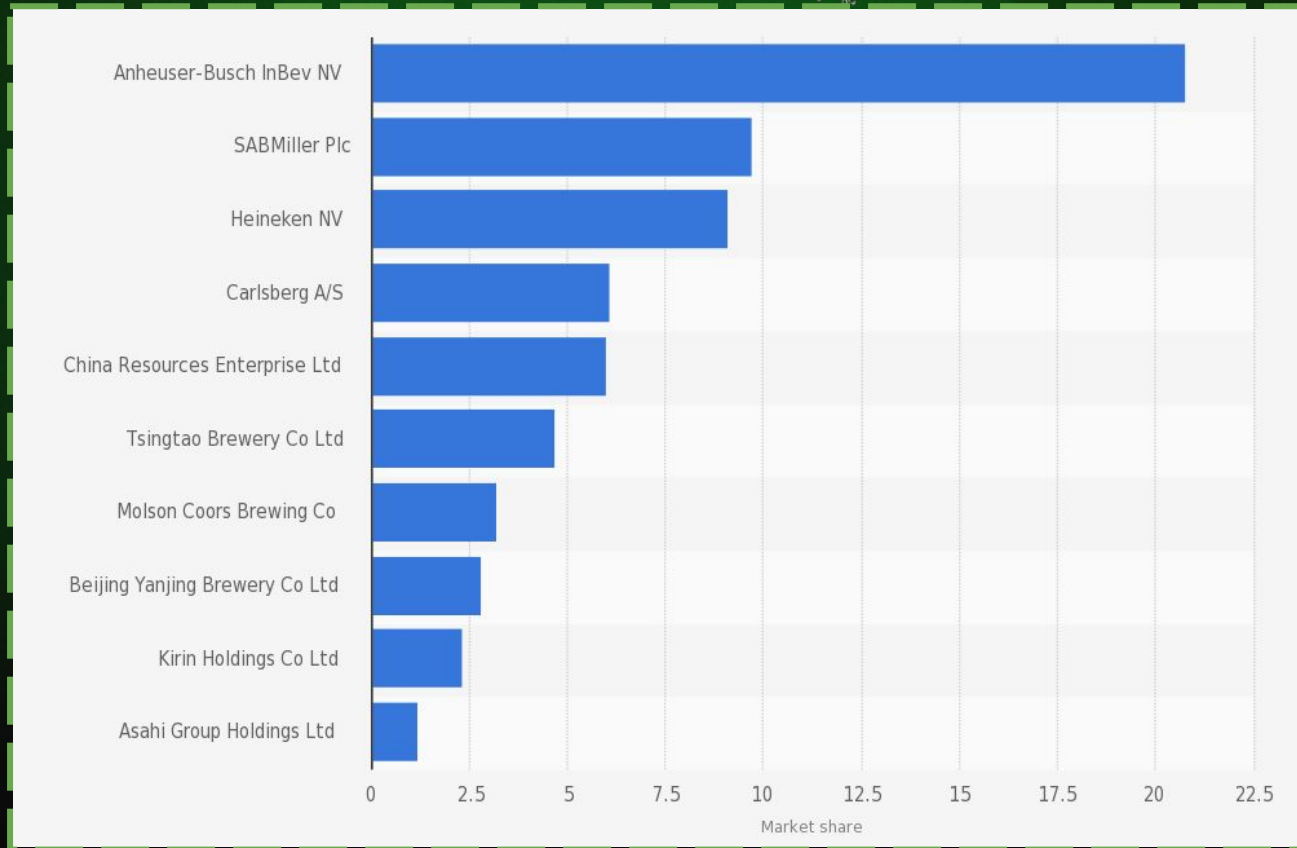
Brewer	2012 Market Share*
1. Anheuser-Busch InBev, Leuven, Belgium	20%
2. SAB Miller, London, UK	12%
3. Heineken, Amsterdam, Netherlands	10%
4. Carlsberg, Copenhagen, Denmark	6%
5. Molson Coors Brewing, Denver, USA	4%

\*Market share based on annual sales, in US dollars.

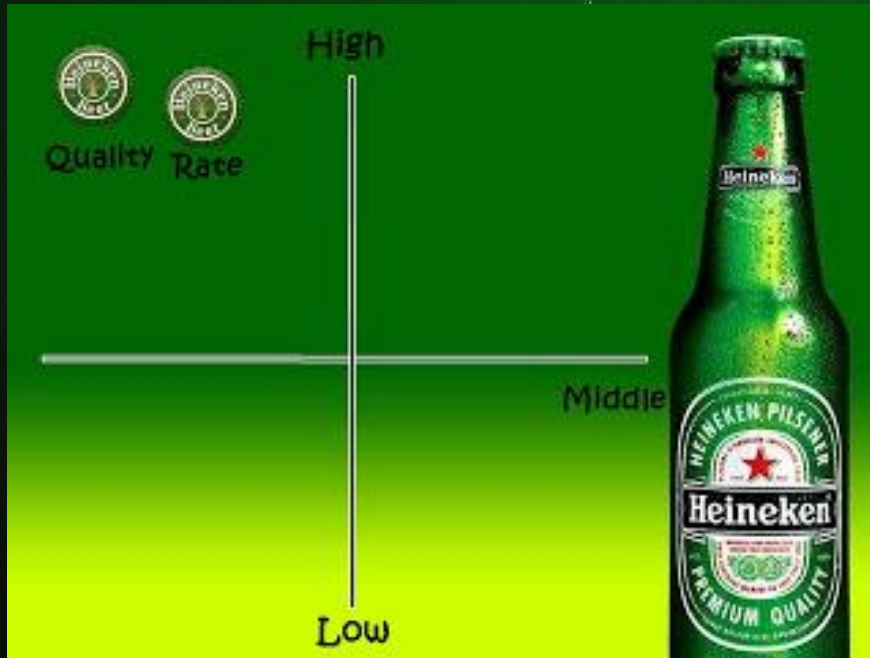
Source: Beverage World.



# Beer Global Market Share (as of 2014)



# Premium Position



- Seen as a premium product
- Internationally well known
- One of the world's leading brewers
- Valuable brand portfolio
- Guaranteed a pure, premium taste



# Business Plan -- Sustainable Growth



# Problem

1. Threats from the Globalizing Beer Industry
  - a. Furious wave of consolidation “The era of global brands is coming”
2. Falling behind more aggressive rivals because of Heineken’s old and conservative culture
  - a. Young drinkers perceived the Heineken as an obsolete brand
  - b. The challenge of modifying the firm's long-standing and well established family tradition
  - c. Net sales are declining





# Recommendations

1. Acquire brewers in emerging markets
2. Modify Heineken's internal culture in order to accelerate the firm's decision-making process. The new management would break loose from the conservative style that has resulted from the family's tight control.
3. Use Heineken's portfolio to build upon its existing statue across global markets
  - a. Push other brands that would reduce its reliance on its core Heineken brand
4. Increase Heineken's' brand awareness to young professionals



# Implementation

- Creating breweries or partnerships where global competitors haven't taken part yet. Potentially creating partnerships within the local community of emerging markets
- Decreasing size of board members to keep ideas closer to the brand
- Expanding Heineken's portfolio awareness to focus on Dos Equis, Amstel, Strongbow, and Tecate globally
- Positioning Heineken to be a young professional beer for those who have fine taste



# Bibliography

Heineken. (n.d.). Retrieved November 2015.

Statistia. (n.d.). Retrieved November 2015.



THE END

