

Heineken N.V.: Strategic global brand management as a source of competitive advantage

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Heineken N.V.: **Strategic Global Brand Management as a Source of Competitive Advantage**

Kyla Ganton
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ABSTRACT

Within the international beer market today, Heineken International (or in Dutch: N.V.) is one of the true leaders, dominating the industry through strategic global branding. The implications of creating a global brand transcend to more than just products, and can be seen in the purchasing behaviour of consumers. In a market where there are many close substitutes and numerous associated risks, Heineken has built a strong platform with which it uses Corporate Social Responsibility (CSR) as a mitigation tool and as brand insurance. Similar to other strong global brands, the Dutch brewing company utilizes a multi-brand portfolio with over 250 beer and cider brands. This has been the result of over a century of firm expansion and acquisition strategies. With a large investment in festival sponsorship, charitable events, and sporting competitions, the Heineken brand name has developed many and memorable secondary brand associations. Through the company's global presence in almost every continent, the brand has achieved first mover advantages and therefore competitive advantages. Creating and maintaining a global brand is no easy feat, comprising of many managerial implications such as costs of a global vs. local orientation. However, Heineken N.V. has successfully established its global brand to cover uncountable markets, using CSR as a risk mitigation tool, making it a master of the international beer industry.

INTRODUCTION

One of the most valuable intangible assets a company can possess is a strong brand. The power of a strong brand is more robust than its ability to create enhanced brand awareness. It also allows consumers to recognize an identity and its related image or personality, fostering favourable purchase behaviour. Therefore, there are strong implications for managers to develop and maintain a strategic brand, which sometimes results in creating a diversified portfolio of brands to reach new markets and fill gaps. Heineken International, which in the European market is labelled 'Heineken N.V.' (Naamloze Vennootschap: Nameless Partnership), has built an empire of over 250 brands that range from local to global orientations. The flagship brand of the same name has successfully created a global branding strategy that extends further than its originating market in the Netherlands to reach almost all of the continents today. The beer industry in the Netherlands has always fostered "national brews," signifying the varieties in the positioning of Heineken across markets. To foster its global branding strategy, Heineken N.V. has successfully developed a House of Brands approach with its portfolio, using the necessary tactics to ensure personalized innovations while avoiding product or brand duplication. The difficulties in maintaining a global brand provide numerous implications for managers that can be seen in all stages of brand strategy development, therefore creating a need for risk management, of which Heineken is currently an avid participant of. The use of Corporate Social Responsibility (CSR) activities has allowed Heineken to preserve its brand and mitigate risks, all the while showing stakeholders that the brand is more than just beer. Utilizing a local vs. global orientation has allowed Heineken

International to create a diversified portfolio of strategic brands that are strengthened by its use of CSR activities.

BRAND MANAGEMENT AND STRATEGIC BRANDING

By definition, a brand is any name, logo, symbol, and design that identify a seller's product or service as distinct from those of other sellers (American Marketing Association, year?). Brands are created to craft a valuable intangible asset for a seller, called *brand equity*, which is simply the value, added to a product or service that would not be added had it no brand (Keller, Aperia and Georgson, 2008). There are numerous elements of a brand that facilitate increased perception and recognition, such as logos, characters and jingles. Therefore, the implications of creating a strong brand are threefold (Kapferer, 2008): brands are considered to be a part of a company's capital, thus the concept of brand equity. Secondly, creating and maintaining brand strength results in the development of brand knowledge, a concept comprising of brand image and brand recognition. Brand image is the way in which the consumer perceives a brand and holds personal opinions about it, which supports brand recognition, whereby the consumer can recall the brand when shown a relevant cue (Keller et al., year). Finally, developing a strong brand can often result in repeat purchasing and brand loyalty. Managers do not always stop at maintaining the strength of their brand. Eventually, brand strength can develop into using the brand strategically or generating a *strategic brand*.

When a brand is strategic, it is more than just a name or logo to differentiate against competition; it is truly the driver for a company. Kapferer (2008) argues that, in order to support a strategic brand, a diversified portfolio should be formed that uses entirely different brands with different brand managers, thus creating a House of Brands approach (Aaker & Joachimsthaler, 2000), which will be discussed in detail later. The use of many brands in a given portfolio is often used by the most global brands, as seen in the cases of Unilever and Proctor and Gamble. Key guidelines to sustaining a multi-brand portfolio include strong coordination, personalized innovations according to positioning, and duplication avoidance (Kapferer, 2008). Utilizing a brand coordinator or a brand committee is useful to provide coordinated marketing strategies, particularly for flagship brands that guide an entire set of brands. Next, in regard to positioning, it is important that innovations are made on a case-by-case basis and do not blur the boundaries between brands. Finally, duplication in brands is common in any collection of items, which is why global brand managers need to be careful to clearly distinguish each brand in a portfolio in order to fill every "gap" in the market, targeting every and all niches. However, before any strategic branding decisions can be made, thorough market research must be conducted to assess the possibilities of expanding globally.

THE BEER INDUSTRY IN THE NETHERLANDS

The market for beer in the Netherlands is one of deep appreciation and national pride, based on inferences of personal experience. Consumers are more willing to purchase national or local beers than imported beers, which are reflected in the grocery stores and liquor depots. In contrast to other European countries, namely Germany, beer in the Netherlands is predominantly pale lagers or "witbier" (white beer). The manner in which Dutch beer is poured from the tap differs significantly from other nations of the world, adding a deeper cultural context of beer consumption. Beer from the tap must have a two-inch head, by carefully and slowly pouring, which is topped off to stop the formation of bubbles as to keep the foam longer. Furthermore, beer is usually served in 0.2 L portions, with variations in size and shape of beer glasses complementing the "beer experience." Particularly in smaller Dutch cities, one of the three most famous Dutch brewery's beers feature at the student bars and student organization locations, but is not openly advertised. In the region of Limburg, a southern Dutch state, lagers are more easily available in both restaurants and grocery stores than wine.

The market for beer will not likely see much expansion, as the Dutch people place value on tradition and culture, with Dutch beer being at the forefront of such culture (Marijke van Haag, Dutch Masters Student, Maastricht University, personal communication, November, 2011). Furthermore, beer consumption is extremely high, due to the Dutch cultural aspect of outdoor eating. On any given night, whether weekday or weekend, the outdoor seating at cafés is almost always full, with people merely enjoying a beer together. The art of cuisine and alcohol consumption is largely social and dinners can last up to three hours, due to the cultural social aspect. It is with this social aspect of enjoying beer that has fostered a successful growth of one of the most prized Dutch beers: Heineken.

HISTORY OF HEINEKEN: EXPANSION AND ACQUISITION

Heineken is perhaps one of the most recognized beers worldwide, competing successfully on both a regional, national, and global scale. Founded in 1863 in Amsterdam, Heineken began as an economic start-up by Gerard Adrian Heineken, growing rapidly in size due to the current decline in the Dutch beer industry. With a focus on quality, the innovative company created cooling systems to preserve the beer throughout the brewing process, technologies that were requested by other breweries across the globe. During the period of 1914 to 1940, Heineken N.V. experienced numerous expansions, particularly due to the change in leadership – Gerard’s son Henry Pierre took over after his father’s death. In 1929, the brewery began bottling their beer themselves, creating a higher quality product. Demand continued to grow, and by 1933, Heineken had entered the United States’ beer market, after the Prohibition period of the 1920s. It was this shift from national dominance to a pursuit of worldwide success that launched the beer to be known as an “international premium brand beer.” In 1948, the Heineken brand began to grow, after realizing the importance of successful brand management and its implications for a global strategy. Over the next ten years, the brand experienced many changes in labelling and advertising, to appeal to a broader market (Heineken International online: About Heineken).

The English Allied Breweries group, consisting of many Dutch breweries including Heineken, took over the market-dominant Amstel brewery in 1968. As a current leader in the Dutch beer industry, Amstel posed a large threat for Heineken and the merger of the two breweries led to uneasiness over the national and global implications caused. Eventually the two brands formed a corporate culture and retained their traditional values. During the 1970s, Heineken focused their expansion strategy on the European market, whereby the company held a mere 2.8% market share. During this time, the success of their beer in the Netherlands rose, leading to the creation of a larger brewery in Zoeterwoede. In the 1980s, Heineken’s international brand recognition grew; the green bottle was available in 145 countries, with numerous other green “gadgets” contributing to the creation and expansion of brand knowledge. However, within the Netherlands at this time, the brand retained its traditional red and white labels, featuring different advertising campaigns than the ones shown globally. After the fall of the Berlin Wall in 1989, Heineken began expanding into East Germany. As the rapid international success of the brand grew, the beer took on the green logo in the Netherlands, adding a red start to the label to keep its heritage.

Currently, the innovative company is focusing on extending its market reach to more than just beverages, including event sponsorship and even the creation of a nightclub to go “...beyond the design of beer packaging and [focus] on the consumer experience in a bar” (Heineken N.V., 2011). Little do people know that Heineken N.V. is actually the brewer of over 250 beer and cider brands, including Strongbow, Amstel, and Cruzcampo, indicating the brewery has the most global footprint of any other in the world (Heineken N.V., 2011). Heineken has stated its intention “...to be a leading brewer in each of the markets in which we operate and to have the world’s most valuable brand portfolio” (Heineken

International Online: Company & Strategy, year). It is in this valuable brand portfolio that Heineken has created a dominating global position, focused on entering and governing as many markets as possible.

HEINEKEN'S GLOBAL POSITIONING

As the world's most international brewer, Heineken prides itself as an independent brand, with an ever-expanding global strategy, producing their flagship beer alongside many other beers and ciders, and memorabilia featuring the internationally recognized green and white theme. The brand claims that "marketing excellence and innovation" are the keys to the internationalization of their growth (Heineken International online: Company & Strategy, year). During 2010, Heineken's brand value rose by 8%, and more than 60% since 2005, providing proof of the brewery's successful growth strategy (Heineken N.V., 2011).

Within the Netherlands, Heineken is positioned as a traditional pale lager, built upon the fact that the Dutch value local products, taking pride in the fact that the beer they are consuming comes from their own country. In contrast to other brands, Heineken appears as a "local company that you want to support, even though it is such a global brand" (van Haag, 2011). The product itself differs between Europe and North America, featuring a smaller, stouter bottle in the European market. In North America the beer is packaged in long, slender bottles, similar to competing pale lagers. Furthermore, in the North American market, the beer is viewed as a premium lager, varying starkly from its Dutch identity. In Canada, Heineken is primarily purchased by people who really appreciate global beers, or who can afford a more expensive beer, similar to the case of Stella Artois. Within the national market, Heineken is viewed as a "comfortable beer that [people] enjoy drinking because [they] know it is always of upmost quality" (van Haag, 2011). The availability of Heineken truly echoes its national importance, with shelves upon shelves in every grocery store stocking the brand. It is often difficult to find imported beer, due to the popularity of the flagship brand. The various international identities of Heineken give proof to its global uniqueness and importance.

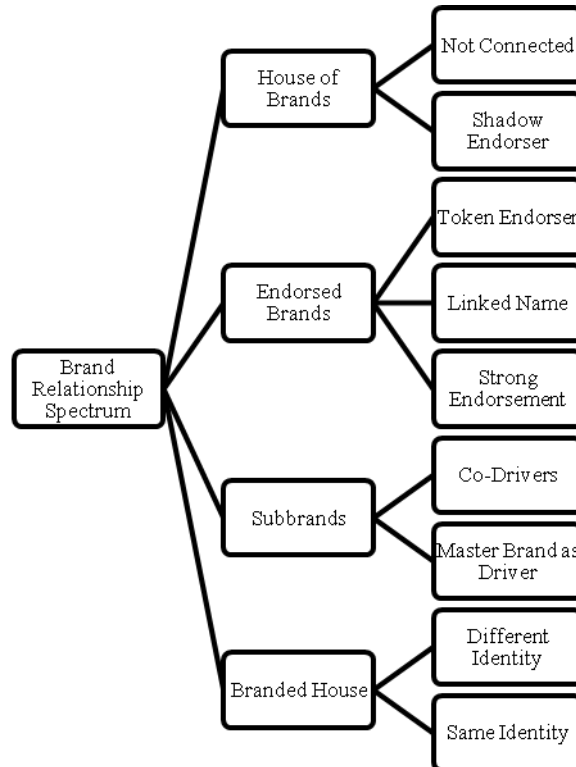
To build brand credibility, Heineken sponsors many events, such as the Rugby World Cup 2011 and the UEFA Champions League, which are watched by a global audience. Sponsorship is a powerful communication medium due to the large audience reached, creation of a specialized message, and prevailing secondary associations (Keller et al., 2008). By supporting events and festivals that are advertised on an international scale, the Heineken name is strengthened and communicated farther than localized advertisements on television. Eventually, the brand name itself will be incorporated into the event, so that the two are inseparable, as seen in the case of Heineken Green Energy Festival. Apparently, attendees do not refer to the event as the green festival, but rather include the brand name, providing valuable brand associations (van Haag, 2011). Of course, implications of these actions can be seen even stronger when more than one brand is in a portfolio. The way multi-brand portfolios can be viewed is as a spectrum, by which different strategies are used.

HEINEKEN AS A HOUSE OF BRANDS: THE BRAND RELATIONSHIP SPECTRUM

The rising challenge in brand management is attributed to changing environments and customer demands, which lead to the relatively new discipline of "brand architecture" that specify the role of the brand and relationships between brands (Aaker & Joachimsthaler, 2000, p. 8). Furthering this notion of brand architecture is a model that can support brand managers with the important task of positioning, particularly in a global strategy – the Brand Relationship Spectrum. As seen in Figure 1, this spectrum thrives on where the "driver role" of the brand is derived, and how it encourages purchase and usage situations (Aaker & Joachimsthaler, 2000). A Branded House strategy has multiple offerings within its brand, with the master brand at the heart of the driver role. Next, Endorsed Brands, brands endorsed by

stronger ones, whereby the endorser plays a limited driver role. In the case of Sub-brands, whereby brands are connected to a master brand, the master brand shares a driver role with its sub-brand, creating a dually enforcing relationship. Finally, and what this article will be focusing on, a House of Brands strategy involves numerous stand-alone brands with individual market penetration and driver roles (Aaker & Joachimsthaler, 2000). As seen in Figure 1, the House of Brands strategy uses a large set of independent stand-alone brands, which allows firms to clearly position brands based on functional benefits and filling current market gaps. Furthermore, the House of Brands strategy can be broken down to utilize one or both of two strategies.

Figure 1. The Brand Relationship Spectrum (Aaker & Joachimsthaler, 2000, p. 9)



Strategy: Not Connected

Utilizing a Not Connected strategy, a firm can avoid a brand association that would be incompatible with a particular offering. For example, one of the Heineken brand’s beers is Buckler, a low alcoholic beer that has been at the centre of a few controversial events. The beer was openly mocked by a Dutch comedian and was the beer of choice at a controversial arrest at the Beer Summit at the White House Rose Gardens (Heineken N.V.: Annual Report, 2006). Due to the subtle, if not zero, ties to the mother brand of Heineken, Buckler’s unfortunate shortcomings were not at all associated to it. In addition, not having direct connection to the flagship brand allows breakthrough advantages for new brand offerings (Aaker & Joachimsthaler, 2000). Finally, avoiding or minimizing channel conflict is a key benefit to the Not Connected path. The clear distinction from Heineken in the case of the brand Amstel, which focuses primarily in malts, is advantageous in the sense that the two brands clearly dominate their respective markets and do not directly compete against one another. The advantages of using these Not Connected tactics are two-fold. Firstly, any controversies or negative public opinions allow for little harm to the

mother brand, and secondly, it allows for penetration into new markets that may not have been previously possible.

Strategy: Shadow Endorser

The second strategy that can be implemented is acting as a Shadow Endorser, whereby the brand is not visibly connected to the flagship brand, but consumers are still aware of the connection. This can be seen in the case of the Brand brewery, which is known by the public to be affiliated with Heineken, therefore reinforcing its image, but not providing a direct linkage. The advantages of this strategy are that a known organization is backing the brand at the same time as minimalizing “association contamination” (Aaker & Joachimsthaler, 2000, p. 12). In order to deal with this risk, Heineken utilizes constant reputation management, due to the fact that both the Group and the most valuable brand share the same name (Heineken International online: Risk management and control system, year). Each brand that is shadow endorsed by a more popular brand has the ability to make a dramatic statement about itself, even after the link is discovered by the public. This also allows for expansion into new markets, where citizens may vaguely be aware of the flagship brand, but not be able to affordably consume it. A good example of this phenomenon can be seen in the case of the North American market, whereby Heineken is marketed as an international premium beer and Amstel is marketed as a unique and rare European Malt. Finally, within any strategy used, there are numerous risks, that are intensified when the brand is global.

RISKS OF GLOBAL BRANDING

As with any other venture, there are many risks involved in developing a brand, which are further accentuated when the brand is globalized. Due to the fact that global brands create advertising efforts and positioning in numerous countries and markets, communication tactics need to be considered. Differences in ethics and norms need to be considered, as well as the use of translation in advertising – not all phrases translate the same, as seen in historical advertising blunders. The differences in markets create a need for simultaneous branding strategies, which is both time consuming and costly. Few firms are able to sustain multiple brand identities while maintaining their flagship brand at the same time. Heineken has created many brand identities that can be seen even in the Western Europe market. Within the German market, the brand is perceived as prestigious and expensive, compared to local brands (van Haag, 2011), which for a manager can be seen as a need for a different branding campaign. Operating in a new market increases the possibility of consumer’s perceived risk of the product (Heineken N.V.: Annual Report, 2009). Without knowledge of the brand, such as many of the brands within Heineken’s portfolio that are not directly linked to the flagship name, consumers may observe an enhanced risk of purchasing, such as the possibility of the product not meeting expectations. This can be viewed as a consumers’ effort for risk aversion, due to cultural differences and new market offerings (Steenkamp, Batra & Alden, 2003).

Furthermore, as with any multinational company, currency risk prevails. Operating in more than one currency can result in losses in exchange rates and difficulties within the supply chain. Additionally, risks can be seen in any international activity that involves secondary associations created or reinforced by Heineken. For example, if a spokesperson were to be used by the brand, any negative actions by the individual in the future would be unconsciously transferred to the Heineken brand by the consumer. This is why careful consideration needs to be put into the choice of advertising tactics. Finally, the international identity of a global brand is the core of its competitive advantage and corporate strategy, thus providing a need to protect and preserve it at all costs. Any negative press towards the brand or any subsidiary brand of Heineken must be carefully dealt with to ensure that brand loyalty is not hindered. As commonly known, it is more costly to attract new consumers than keep existing

consumers, which is why an effective and efficient consumer retention strategy should be utilized. One of the best ways an international brand can help mitigate these risks is to use corporate social responsibility as a strategic tool.

CORPORATE SOCIAL RESPONSIBILITY AS A TOOL TO MITIGATE RISK

As brands become more global, risk becomes more imminent, due to the increased exposure of a company and its actions. The likelihood of controversies heightens and therefore risk management tactics are required. This is due to the fact that “the values advocated by the branding process become benchmarks against which the firm’s actions are evaluated by customers, activist groups, and non-governmental organizations (NGOs)” (Werther & Chandler, 2005, p. 317-318). Moreover, as brands become stronger on a global scale, any negative externalities transpose more concretely into the minds of the consumer, meaning that secondary associations will be built up and maintained for longer. One of the strongest consequences that can happen to a brand is damaged brand loyalty, thus hindering purchasing behaviour. The foundation of risk mitigation can be thought of resting upon stakeholder theory, whereby stakeholders establish the social environment that a firm operates in, where the firm’s actions can affect all those who have an interest and vice versa (Jones, 2005). Stakeholder theory subsequently results in a need for a firm to satisfy all those at stake, which in the case of a global brand, can be done through acts of corporate social responsibility (CSR). CSR activities can be broadly defined as a company’s status and activities, with respect to its perceived societal obligations (Torelli, Monga & Kaikati, 2011). Undertaking CSR activities boosts purchasing intentions and frequency, as well as enhances the perceived image of a company or brand. Within this enhanced image, consumers will react more favourably to causes that are supported by the company (Torelli et al., 2011).

The way in which stakeholders react to a company or brand’s CSR activities is especially important for globalized branding strategies. “CSR-related issues can easily erode the firm’s legitimacy and destroy the brand franchise upon which market value is built” (Werther & Chandler, 2005, p. 319), which is why firms whose brand strategy is at the core of their overall corporate strategy must be careful to include acts of CSR regularly, to mitigate such risks. Furthermore, the larger the stakeholder base, such as the case of Heineken with its international status, the more vivid the CSR activities become. Finally, CSR actions can act as “brand insurance,” because even the most prestigious brands will have substitutes, which is a large driving force for differentiation techniques within the beer industry. Werther and Chandler (2005) pose five strategies for firms to incorporate acts of CSR into their global brand management strategy, all of which Heineken N.V. uses, demonstrating its rise to international success.

Heineken and Corporate Social Responsibility

Heineken N.V. places great importance on their CSR activities, even before the global green craze began. Firstly, Werther and Chandler (2005) suggest that creating an internal CSR voice is crucial, which can be done with the appointment of a CSR Officer. Within management at Heineken, a CSR advisory board works to identify sustainable opportunities within the company’s processes, advises the Executive Board on strategy and priorities within the area of corporate responsibility (CR) and sustainability, as well as review the results of their actions (Heineken International online: Vision and governance, year). Next, measures and consequences must be established to engage both internal and external stakeholders. Heineken notes its dedication to CSR in every annual report it produces, as well as a detailed list of such activities on its international website. In this sense, these actions can be broadly measured, due to the fact that they are reported every year, and provide the consumer with transparent progress. As well, Heineken publishes an annual Sustainability Report that describes the efforts of the company to act green. Thirdly, perspectives should be taken from a multi-stakeholder standpoint, meaning that within every action a firm takes, all stakeholders should be considered.

The way in which Heineken N.V. includes all stakeholders can be seen in the company's involvement in various sporting events, causes, charities, and community funds. Moreover, the firm's annual reports do more than just state financial outcomes, they recognise the many stakeholders involved and how the company's actions have taken them into consideration. This aspect builds upon the fourth criteria created by Werther and Chandler (2005), that proactive visibility is crucial to communicating a firm's CSR activities. The many projects that Heineken is involved in are globally visible and communicated through their ad campaigns and on the company's website. For example, in 2009, the company published its Milestones, which included the formation of an International Graduate Program, endorsing the UN Water Mandate, and creating the Heineken Africa Foundation to improve the health of Sub-Saharan African people (Heineken N.V.: Annual Report, 2009). Finally, the deliverables of a company, in relation to its CSR mandates, must exceed the actual promise. It is not good enough to merely meet consumer expectations as a global brand, the outcomes must be above and beyond the anticipated. Heineken continues to exceed consumer expectations with its initiatives to continuously strive for the reduction of its carbon footprint. There are numerous strategies to become greener and Heineken N.V. has utilized perhaps one of the most prominent ones as a global brand.

The Path to Green: Heineken's Sustainable Future

According to Unruh and Ettenson (2010), there are three strategies that lead to becoming a more sustainable company, which require different resources and firm capabilities. The utilization of such "smart paths" can lead to first mover advantages and competitive advantages in the areas of sustainable competition.

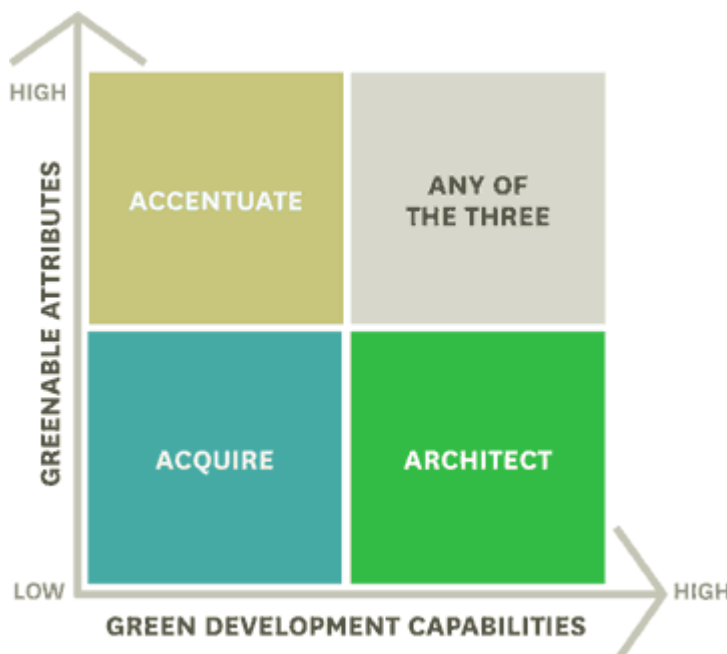


Figure 2. The paths to green: Accentuate, acquire, and architect (Unruh & Ettenson, 2010).

Firstly, as seen in Figure 2, an accentuate strategy can be used by firms who have little resources to become more green, but have a product(s) that already contains greenable attributes. This simply means that a product's green aspects will be highlighted more than it was in the past, to make the product appear to be green, requiring no R&D, just a different advertising scheme (Unruh & Ettenson, 2010). Next, an acquire strategy can be used, whereby firms with little resources and un-green products can buy a company or brand that is already green, in order to make their own brand appear more green. The implications of this path can lead to accusations of buying out competition, if the firm chooses to fade out the acquired brand.

Finally, firms who have high green development capabilities and low greenable attributes, as in the case of Heineken, can use an architect strategy to create a greener brand. Companies who chose to architect their own green attributes, must have a history of innovation and have enough assets to sustain new product development or production methods (Unruh & Ettenson, 2010). In their 2010 Sustainability

report, Heineken N.V. stated that they are exploring ways to build carbon dioxide neutral breweries, which are being used and tested in Austria and Egypt (Heineken N.V.: Sustainability Report, 2010). This innovative idea will completely change the way beer is brewed and viewed globally. By means of an architect strategy, Heineken's production methods could be adopted by the entire beer industry, creating first mover advantages that will ultimately create competitive advantage and favourable consumer evaluations. Eventually in the future, a combination of any of the three can be used, as seen in Figure 2. With the development of greening technologies by Heineken, it may give its products more greenable attributes and create a competitive platform. The rising world-wide importance of environmental concerns creates an attractive void in the beer industry, with which Heineken is on the path to fulfilling. Within these strategies, both with risk management and global expansion, there are many managerial considerations that should be addressed before and during the branding process.

MANAGERIAL IMPLICATIONS FOR GLOBAL BRANDING

For the most part, the creation of a global brand consists of building a strong consumer brand knowledge base that facilitates global recognition and a form of elitism. The most popular example of this phenomenon can be seen in the case of the Bavarian Motors Works (BMW), whereby the brand holds a prestigious position of quality and innovation that holds true for every market it serves. On the other hand, some brands choose to slightly alter their brand's perception or image in an effort to differentiate their offering, as seen earlier with the Shadow Endorser concept. Even though most global brands are not completely identical from one country to another, as seen with Heineken's brand meaning from country to country, becoming more global can foster many benefits (Aaker & Joachimsthaler, 1999).

Costs and Considerations of Global Branding

There are often many costs associated with creating a global brand, such as costly ad campaigns, difficulty in developing multiple brand strategies, and the lack of applicability to every market (Aaker & Joachimsthaler, 1999). A large part of Heineken's success is their ability to create successful ad campaigns that are easily remembered and applicable in numerous markets. For example, many of the ads feature memorable characters such as cowboys, kung-fu assassins, and attractive females, which according to Keller et al. (2008): memorable brand characters are fundamental to building brand recognition, leading to increased and repeat product purchasing. In order to overcome the costly differences between creating local and global advertisement campaigns – such as language barriers, culture clash, etc. – Heineken uses entertainment, without cultural phrases or references, to sell its beer. This only further contributes to its global recognition and likability. Next, many brands struggle to achieve global market share, due in large part to the fact that it is extremely costly to create multiple brand strategies that will be superior in their respective markets. Heineken has successfully leveraged its brand by including many elements of its corporate identity during expansion (Aaker, 2004). In the Dutch market, Heineken emphasizes its heritage, due to its significance in Dutch culture. Comparatively, in the North American market, its value of perceived quality is important to customers who are searching for a “premium” beer. Furthermore, leveraging local vs. global orientation is especially important for global brands.

Locally, in the Netherlands, Heineken is viewed as an aspect of daily culture, consumed by many people due to its wide availability in most pubs. This is particularly important due to the fact that it allows consumers to take pride in their “local” company, resulting in more frequent and steady purchasing patterns. In comparison, having global visibility adds prestige and recognition. For some consumers, a well trusted global brand will be more favourable to purchase than a local unknown brand. This brings forth the notion of difficulties with global brands being successful in every market. Some brands are

perceived as valuable attributes in one nation, which may be given in a market of another (Aaker & Joachimsthaler, 1999).

CONCLUSION

Creating and maintaining a global brand is much more than just altering the advertising campaigns to suit the respective country. Global brands must transcend cultural boundaries, targeting both a local market and an international one. The ability to create more than one successful branding strategy is rarely accomplished by firms. Heineken N.V. is a company that has effectively leveraged itself to create an internationally recognized beer, sold in over 150 countries world-wide. In order to achieve this feat, the company has gradually expanded across countries and continents, acquiring brands as to form a House of Brands whose reach extends to hundreds of markets and niches. Acting as a shadow endorser and not connected, the brand has both supported and added credibility to its portfolio. Although there are numerous risks to creating a global brand, such as currency risk and cultural differences, Heineken has developed a variety of CSR activities that mitigate such risks. Using five key strategies, the brand has been able to engage stakeholders and sustain brand loyalty by undertaking many initiatives to build a credible company. Furthermore, via an architect strategy, the firm will undoubtedly carve a new path within the beer industry with the use of CO₂ emission neutral factories, further enhancing brand image. Finally, if the costs and considerations of maintaining a global brand are correctly fared by brand managers, both a local and global orientation will be achieved and therefore global market supremacy. Heineken is a true global House of Brands that successfully dominates each market it has entered by employing international strategies and easing risk through the use of strategic corporate social responsibility.

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