How Heineken got promiscuous drinkers to settle down

A desirable brand understands where the opportunity is in the near future, but looks at the long-term opportunities for growth. This means having vision. Being continually desirable means always looking beyond the present and being clear on your role in crafting a better future. The most desirable brands can make us love them.

Creating desirable brands (Admap, Warc 2012)

Heineken is the number one lager in Ireland. It is a mature brand that has built up a strong loyalty base over the years, particularly with the over 30’s age group. However, for our younger cohort, that latent respect for the brand didn’t translate into the same deep emotional connection with Heineken®. 24-34 year olds were the most brand loyal Heineken drinkers. Heineken had an over-reliance on this group for its volume.

This story shows how the brand evolved its strategic and creative platform to become a more desirable brand and win the hearts and minds of 18-24 year olds. At the same time the challenge was to keep its existing 24-34 year old consumers happy. Ultimately, Heineken needed to secure its future by radically refocusing the brand pillars towards conversion among these younger consumers.

Sobering Declines
The Marketplace

Since 2008 beer consumption has declined by 7.3 per cent (Drinks Industry Ireland report 2011). This statistic not only provides difficulties for the beer brands but also has knock on effects for the overall alcohol industry in Ireland.

A Mintel Report (Dec 2010) highlighted that between 2009 and 2010 the value of the all-Ireland on-trade market fell by 14 per cent from €4 billion to €3.48 billion. In a 2010 report by the Drinks Industry Group of Ireland (DIGI) based on a survey of publicans across the country, it was found that approximately 1,500 pubs, clubs, hotels and restaurants have shut their doors in the past five years. Their evidence also suggested that the decline has accelerated in the past 18 months.

Author of; ‘The Economic Contribution of the Drinks Industry’, DCU Business School Economist Tony Foley explains, “Everything has collapsed in the last couple of years with the international recession ......declining bar sales and declining employment in sympathy with the overall economy”.

Awards

Alcoholic beverages

Silver

PML Group
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Introduction & Background

One of the very high-profile casualties of the current economic crisis has been the pub trade with a number of large pub groups going into examinership, receivership and liquidation. However, these were not the only casualties, with many other small pubs closing down discretely around the country (Drinks Industry Ireland report 2010).

Pubs have been closing at a rate of one a day. 15,000 jobs were lost in 2009 and 2010. The Irish Times, (2010) credits the decrease of the sad state of Ireland’s economy with disposable income disappearing and consumer confidence way down.

The Flittering Consumer
New Economic Reality

18-24 year olds were seeing a new economic reality. Life was becoming tougher with fewer opportunities for young people, a lack of jobs and tighter budget were repressing their freedom to do what they wanted.

“We don’t have it on a plate like people used to a couple of years ago. It can be stifling.” (MCCP buddy groups 2010).

The unemployment rate for consumers under 25 is 27% and 33% amongst young males (Irish Times November 2009). An Irish Times poll indicated that 40% of 18 - 24 year olds felt they were likely to emigrate within the next five years (Irish Times 2009). The number of Irish people emigrating increased by 37% in 2009. Two-thirds of those that emigrated were males. (Source: CSO 2009).

Too much choice

Once upon a time, Irish men chose a beer brand and stayed loyal to it. Now there are more beer choices than ever before. No longer do people want to do just as their friends do. Consumers are now in a position to showcase their individuality and carve their own personalities through their choices.

Continuous research into this target group highlighted the younger cohorts emotional distance from Heineken translated into their drinking habits. The proliferation of choice leads to a situation where they can choose from a wide range of drinks across the alcohol category, allowing for little brand loyalty or commitment (MCCP, 2011).

Managing brands is just like managing relationships. That job becomes much harder when you find out your target audience is engaged in lots of different relationships.

Company Profile

Our business philosophy is best captured in our company mantra: ‘Ideas that grow business’. It is this philosophy that has seen Rothco grow over the past 17 years to what we believe is now the best collective of advertising talent in this marketplace. We are a thoughtful, curious, commercially astute and creative organisation. We bring a high level of passion to everything we do. We are 75 people who come to work every day to help deliver on this mantra for our clients. Every day is a chance to affect our clients’ businesses. Every brief is unique and each client challenge is very real. Finding a true, compelling idea powerful enough to inspire great creative and simple enough to get noticed is how we deliver on our mantra.
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The Business Objective:
To stabilise Heineken’s future in a diminishing on-trade environment

The Marketing Objective:
To make a big global brand more desirable to 18-24 year olds by creating a connection with this target group Heineken needed to show that it was not just big, but relevant to the target group.

The Communications Objective:
Deepen the connection between our target audience (male 18-24 year olds) and Heineken.

18-24 year olds are promiscuous in their drinking behaviour and we needed them to settle down with Heineken.

The Task

Heineken is a global brand with scale and presence across the world. It is the leading lager in Ireland. Heineken has 41% of the on-trade share, versus just 20% for its nearest competitor, Budweiser. Sounds like a healthy lead, but when we looked behind the numbers, it unearthed a reality that seriously threatened the brands future.

The task was to reverse the emerging trend where Heineken® was actively losing its younger target audience, threatening the brands volume potential and ultimately its future.

Regular and occasional consumers of Heineken represented 32% of the brand’s volume, of which only 11% were 18-24 year olds. If this downward trend were to continue, Heineken would lose significant volume to key competitors, negatively impacting Heineken’s brand footprint, brand stability and potential for growth.

Table 1: Definitions of loyal, regular and occasional consumers

| Loyal Consumer | It’s my favourite and the one I’d always look for first |
| Regular Consumer | One of the main few I’d drink regularly |
| Occasional Consumer | I’d consider occasionally, amongst others for a change |
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The Task

Heineken needed to re-invigorate its position in the lager category in Ireland. It was in danger of being staid, ageing (‘my dad drinks lager’) and potentially unexciting for emerging generations. It did not evolve like the spirit brands, who are more innovative in their approach to communicating with their audience.

Heineken needed to find a differentiated position in a cluttered market.

In order to move the focus from consolidating our loyalists to driving conversion with occasional and regular drinkers; it was imperative that we move away from our long term strategy that had seen the brand become the biggest lager brand in the market.

Heineken bravely embraced a conversion strategy that they hoped would deliver, market share growth despite a declining market in the midst of an economic recession. Any increase in market share in a category where Heineken® were market leaders was going to be an enormous task. As the market was down -4.4%, the best Heineken® could hope for was not to decline at the same rate as the market and thereby grow share.

The Strategy

Identifying the key issues

- Brand campaigns not converting occasional and regular drinkers.
  
  Over the years, Heineken has been renowned for its impactful advertising; however, these campaigns did not translate the latent respect for the brand into love, engagement and a preference for Heineken® from the younger cohort.
  
  Brand campaigns were driving equity with loyalists but not converting with occasional and regular drinkers.
  
  Figure 1 Source: Heineken Ireland, 2010 (Table supplied to Judges)

- Sponsorship activity focused on our loyal consumers
  
  Heineken have key sponsorships in rugby, football and music and these sponsorships were doing a great job maintaining loyalists and driving affinity amongst the over 25’s.
  
  Rugby Sponsorship Objectives-Consolidating loyalists and building premiumness
  
  Music Sponsorship Objectives-Driving affinity and building youthful & uniqueness scores.
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The Strategy

Dissecting & Re-directing the brand pillars

Heineken needed to reassess its current brand pillars to focus its campaigns on achieving its new objectives. It was decided that Heineken’s thematic (brand) campaigns was the richest area in which to convert the 18-24 year olds and continue to drive a deeper emotional connection with both the younger cohort and the 24-34 year olds.

Maintaining Premiumness

- Changing the price tag would damage brand equity

Changing the brand’s premium credentials was not an option as that would have damaged the brands equity and Heineken® were not prepared to compromise on the brands quality. Growing volume for the company at the expense of brand equity offered only a short-term opportunity and we wanted to stay true to Heineken’s brand proposition and secure long-term growth.

All of the brand’s activities centered around driving affinity with loyalists, but no focus was on the younger cohort. The agency needed to drill deeper into consumer insights to ensure Heineken’s new brand campaign was more focused on conversion and moving drinkers up the consideration ladder, while driving a deeper emotional connection.

The Idea and Communications Activity

A 4-pronged approach was adopted in creating the new campaign.

1. Insight
2. Beer Truisms
3. Tone
4. Engaging Touch points

Insight

We found that consumers value stories that are more relatable to them personally. We know that the brands with the most meaningful story behind them, stories consumers can connect with and relate to, are the brands that will stand out. (MCCP: Consumer Trends 2011). Stories are a delivery vehicle for worldly experiences. For young men stories are collectibles. They are a quantifiable measure of social progress. Further detail was supplied to judges.
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The Idea and Communications Activity

Beer truisms
There were three executions in the new campaign series and each one had its own unique beer truism.

<table>
<thead>
<tr>
<th>Execution</th>
<th>Beer Truism</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Brief Encounter’</td>
<td>The drip mat placed over the bottle to signal your drink is not finished.</td>
</tr>
<tr>
<td>‘Gorgeous’</td>
<td>The confusion of your bottle being mixed up with other bottles on a busy bar counter.</td>
</tr>
<tr>
<td>‘Long Story’</td>
<td>The last coveted sip of beer, taken prematurely by an overzealous waiter</td>
</tr>
</tbody>
</table>

Tone
The campaign evolved the brand tone from intelligent wit to witty to draw more of a smile from the younger audience.

Involving Touch Points
In order to reach the younger cohort, new media and new thinking was required to truly connect. Real opportunities needed to be created for consumers to become involved and engaged in the campaign. A multi-channel approach was adapted, with each channel having a specific role in attracting and interacting with the 18-24 year old target group.

<table>
<thead>
<tr>
<th>TV&amp; Cinema</th>
<th>Used to create impact and awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shazam</td>
<td>Generating talkability &amp; interest on radio and TV (it was also a media first in Ireland)</td>
</tr>
<tr>
<td>Press</td>
<td>Delivering involvement &amp; innovation through QR codes</td>
</tr>
<tr>
<td>Online</td>
<td>Increasing viewership &amp; interaction through barriers, pre-rolls and mobile</td>
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The Idea & Communication Activity

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<table>
<thead>
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<tbody>
<tr>
<td>Facebook</td>
<td>Rewarding fans and online premieres and online competitions</td>
</tr>
<tr>
<td>PR</td>
<td>Event Launches to create hype</td>
</tr>
<tr>
<td>Guerilla Marketing</td>
<td>Guerilla pinching to create intrigue and excitement among Heineken drinkers in the on-trade</td>
</tr>
</tbody>
</table>

Selection of Heineken’s new brand campaign

1. (a) Heineken’s bestever performing advertising campaign

   This new campaign was the most successful advertising campaign Heineken have ever created. The table below illustrates the rise in salience, involvement and persuasion scores.
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Results

<table>
<thead>
<tr>
<th>Commercial Name</th>
<th>Heineken Average (indexed)</th>
<th>Salience (stand out from other brands)</th>
<th>Involvement</th>
<th>Persuasion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gorgeous Girl</td>
<td>100</td>
<td>107</td>
<td>122</td>
<td>113</td>
</tr>
<tr>
<td>Brief Encounter</td>
<td>100</td>
<td>105</td>
<td>122</td>
<td>111</td>
</tr>
<tr>
<td>Long story</td>
<td>100</td>
<td>103</td>
<td>125</td>
<td>109</td>
</tr>
</tbody>
</table>

Figure 2: Source: Hall & Partners monthly tracker 2012

Among the younger audience (18-24), (Brief Encounter) is one of the best performing beer ads we have tracked in Ireland (Hall & Partners 2011).

(b) Putting distance between Heineken and its competitors

Heineken continued to build on its involvement scores, whilst its competitors lost ground despite their continuous ATL activity.

(Table supplied to Judges)

2. (a) Converting Regular and Occasional drinkers into Loyalists

Consideration for the brand increased across the brand loyalty ladder, with occasional and regular consumers graduating to loyalists. While the campaign also had a significant impact on lowering rejection levels, converting more consumers to the brand.

(Table supplied to Judges)

(b) Greater loyalty in reaction to advertising

It was important for Heineken to keep its volume consumers (24-34 year olds) happy. Heineken saw ‘Long story’ cut through best with consumers closest to the brand and levels of consideration reached the same peaks amongst recognisers of all three ads.

(Table supplied to Judges)
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The Results

3. (a) Maintaining premium scores in a tight budget economy
   (Table supplied to Judges)
   (b) Equity scores outperform key competitors
   (Table supplied to Judges)

4. Connecting to a desirable brand
   (a) Building a more favourable image for the brand
   (Table supplied to Judges)
   (b) Creating more loyal drinkers

   Looking at long-term scores, Heineken® charmed regular and occasional consumers up the consideration ladder as the brand shows significant growth in loyalists, as well as increases in several imagery perceptions throughout the duration of the campaign.
   (Table supplied to Judges)

Impact on behavioural Attitudes and Payback

Return on Investment
(Information supplied to Judges)

Discounting other Factors
No price promotions, distribution gains or packaging innovations were implemented in the on-trade that could have been attributed to the increase in market share.

The Long Term Effect
Heineken have seen a meteoric shift in consumer behavior among the 18-24 year olds and have adopted the conversion strategy in all aspects of the brands communications.

With all brand scores rising Heineken® is on course to have continued long term growth following their new conversion strategy among its 18-24 year old consumers.

From 2009 to 2011, the following results were increased; (full detail provided to judges)

- Spontaneous Advertising Awareness increased +16 points
- Advertising Evaluation increased +11 points
- Total Spontaneous Brand Awareness + 8 points
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Summary

The never-ending story

Heineken won the hearts and minds of 18-24 year olds securing the brands future by radically refocusing the brands pillars towards conversion. By telling stories that were relevant and engaging to their target audience, they became a desirable brand that made loyalists out of occasional drinkers and stronger loyalists out of the key volume drinkers. Heineken’s ‘seize the moment’ advertising campaign worked in a very unique way connecting people emotively towards the brand while justifying a price premium.

Not such a brief encounter with our target market, much more of a long story!