



Cooperative Education Report
Building Brand Equity: Beer Industry

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Abstract

This Corporate report entitled "Building Brand Equity: Beer Industry" has the goal to explore the current market and identify new ways to place premium brand in mature market, where there are a lot of competitor brands and opportunity in the market to tap in consumers. The objectives of the study includes: (1) to understand the market & corporate working environment, (2) to increase the volume beer sales (3) to reach out in markets and diversify the consumer experience, (4) to find the loop holes of competitors and tap there as well, (5) to build brand equity through increasing brand awareness, brand associations, enhancing perceived value of consumers & building bond with consumers through various activities. I was assigned to work as Brand Development Intern for the brand Tuborg. The responsibilities were divided into two parts Brand Administration and Brand development along with execution to support manager in efficient operation for Tuborg.

Upon the completion of the internship, it was found that the problem was resolved by means of market visit, seeing how brand is perceived by consumers by self-observing on on-trade & off-trade markets. And another way is through proper communication at the point of sale which is effectively supported by Point of Sale Merchandise (POSM), Advertising material used to communicate product information to the consumers. In this matter, student is able to learn more about how to get accustomed to the working environment of Nepalese Market, which is very important for the future career development & profession

Keyword: Beer Industry, Brand Equity, Mature Market, Activations

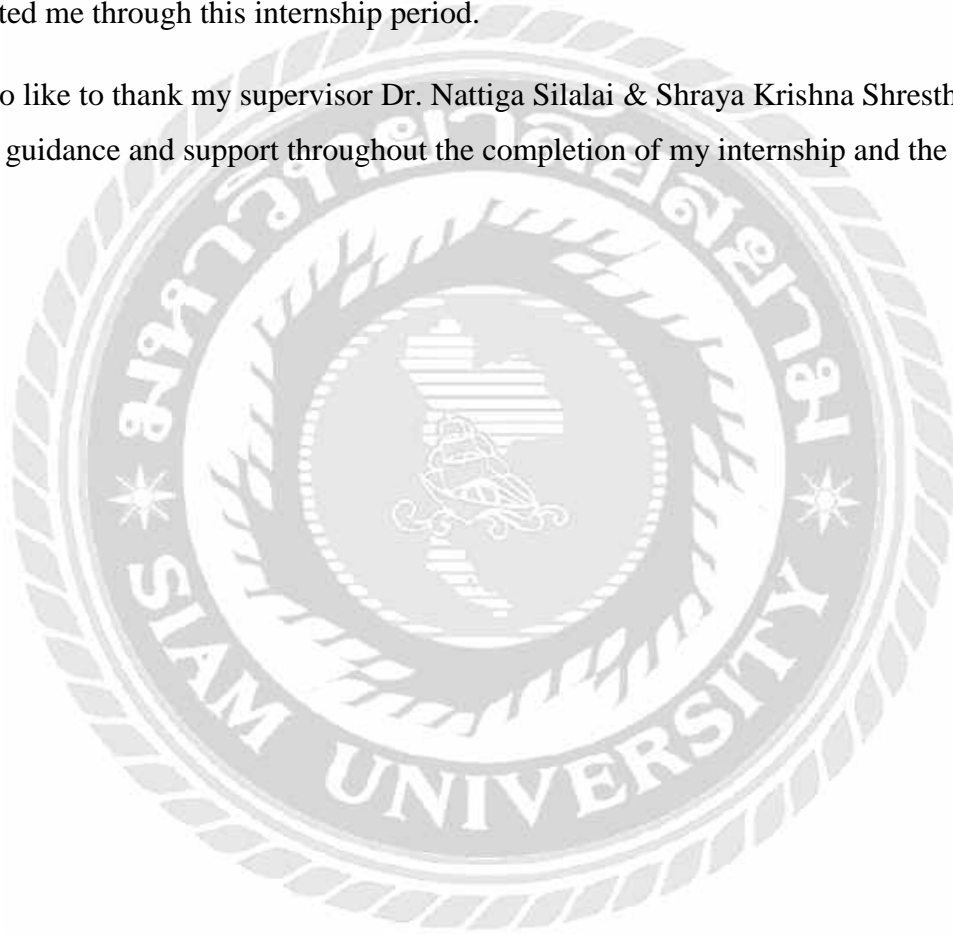
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Chapter One

Introduction

Gorkha Brewery was established in 1989 as collaboration between leading Nepali business house and the Danish multinational company Carlsberg A/S. Since then, Gorkha Brewery (GB) was and continues to be one of the largest single foreign investments in Nepal. The major brands of GB are Tuborg, Carlsberg, San Miguel, Redbull, Cronenberg and Somersby. Tuborg was launched in May 1990 which was the first ever international brand introduced in Nepal which was followed by Carlsberg in 1995. In 2004, GB started brewing & marketing San Miguel beer which is a beer brand of Philippines. In the past 15 years, it has grown to become a market leader with more than 80% share of Nepal's beer market. This astonishing success of GB is the result of the excellent brewing to truly international standards, strict quality control, efficient distribution nationwide, cutting edge marketing and sales strategies, wise financial management and talented and dynamic people who work in these arenas for Gorkha Brewery.

The brewery is located on the banks of river Narayani near Narayanghat city with nearly seven hectares area. GB has the most modern and complete wastewater treatment plant in the region. It has become a place of study and interest to many environmentalists, scholars and students because of the many words of praise won by GB for its commitment to protect the environment. The plant of GB has the capacity to reduce biological oxygen demand to below 10 mg/l to the international standards.

Gorkha Brewery has been successful in becoming an integral part of Nepalese lives over the last 26 years. The mantra behind this extraordinary success is the result of excellence in every arena: brewing beers of truly international standard, stringent quality control, efficient and nation-wide distribution, cutting edge marketing, sales strategies and prudent financial management. (Gorkha Brewery, 2018)

1.1 Company profile



Figure 1. Brand Portfolio of Gorkha Brewery

Carlsberg: A refreshing and uniquely characterful international premium lager with a malty backbone and balanced bitterness. AKA: probably the best beer in the world.

Tuborg: Brewed on Pure Lager Malt with balanced character of dry richness, sweetness and hop subtleness makes Tuborg a truly crisp and refreshing beer, since 1880.

Gorkha: A premium quality Nepali beer, brewed with the finest hops, pure water and barley malt. This authentic Himalayan Brew is the most preferred high quality beer brewed in Nepal.

San Miguel: San Miguel is a pale, golden lager with a rich, full-bodied flavor. Its smooth, full-flavored taste complements its pleasant aroma, making it a perfectly balanced beer that has been brewing friendships and celebrating life since 1890.

Somersby: A cider that has been crafted from fermented apple juice and natural flavors. This sweet and marvel forgoes artificial sweeteners, colors and flavors - making it a natural choice for pretty much anyone with taste buds.

Red Bull: Red Bull Energy Drink is a functional beverage providing various benefits. Its effects are recognized throughout the world by top athletes, busy professionals, college students and travelers.



Figure 2. Danish lager brand (Tuborg) SKUs

Danish lager brand Tuborg has refreshed its identity and focus to leverage its heritage and the power of music in a new global campaign looking to connect with young adults, underlined by the 'give pulse to the moment' strapline. (McCarthy, 2017)

Launched in Nepal in 1990, Tuborg is today the largest selling and most preferred brand in Nepal. Tuborg unveiled the innovative Pull-Off Cap for the first time in Nepal in 2014. Tuborg has always had a strong association with music and has been involved with various musical events over the years with the essence of Open for Fun. Currently this brand is available in 2 SKUs 650ml bottle and 500ml can. (Gorkha Brewery, 2018)

1.2. Organization Structure

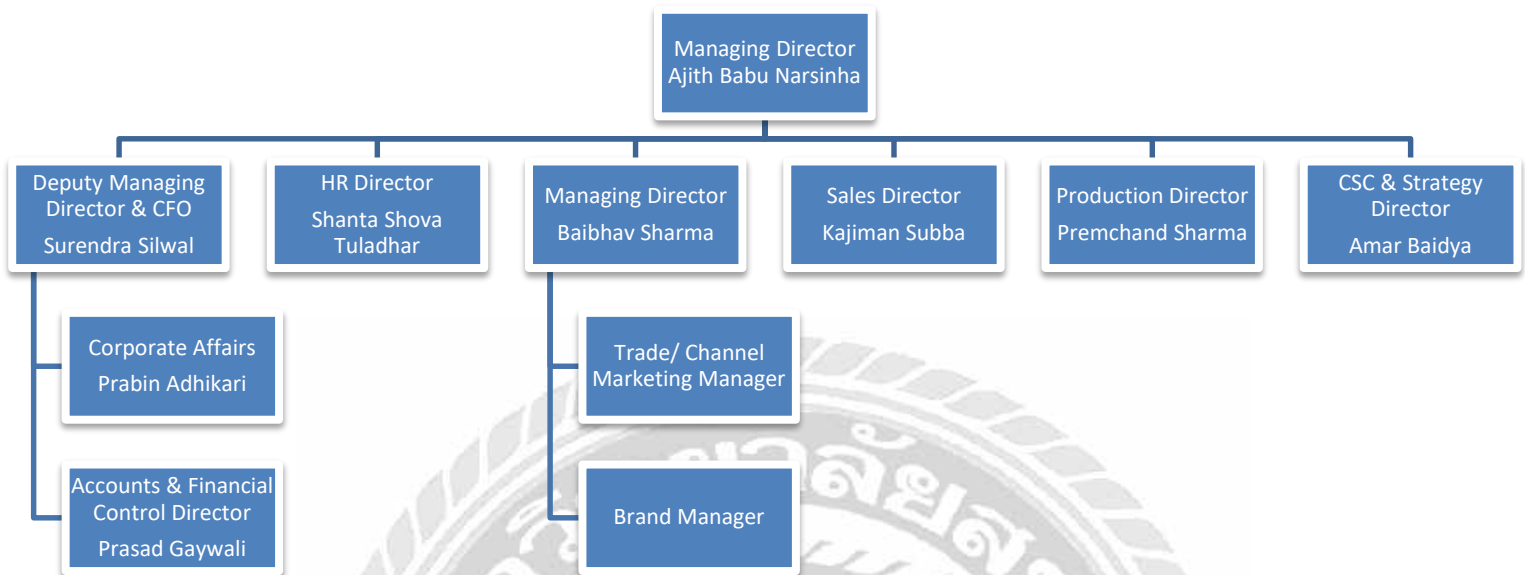


Figure 3. Organization Structure of Company

1.3. Statement of the Report

Product life-cycle management is the succession of strategies by business management as a product goes through its life-cycle. The conditions in which a product is sold changes over time and must be managed as it moves through its succession of stages. (Quick MBA, 2019) The sequence of PLC starts from introduction to growth, maturity, and decline which is associated with changes in the marketing situation, thus impacting the marketing strategy and the marketing mix.

It is vital to do something outstanding by brand to success in the market for long. Every brand works to hold power & own richer distribution in the market which directly affects sales volume. Therefore branding, promoting, influencing is all linked up to brand building.

This report is about winning the market by building brand equity. Where there are a lot of options, Tuborg does it by increasing perceived value & imagery of Tuborg through owing festivities and through global collaboration.

1.3.1 Problem Statement

Tuborg has been a mainstream brand in the market. With a long history in the market this brand currently stands as the market leader in terms of Market share standing at 24% of the total beer industry sales volume. With the recent upgrade of the label to 4th Generation this brand has now come at par with other premium brands in the market, thus now playing among the premium segment. Meanwhile, the price of the brand has also increased from the earlier Rs 295 to 325 today, which is a significant increase as the market is steeply price sensitive.

Given this context, it is highly likely that the market could revoke the increment in the price thus lowering the preference of the brand in the market. Thus, brand activations and development is really necessary to negate the effect of price increment. Also, the consumers of Tuborg perceive the new label to be a totally new product, rather than just change in packaging. Thus, educating the consumers through advertisements and promotions is necessary.

1.4. Objective of the study

The beer industry is an important global business which includes brewing, transportation, distribution, and advertisement & consumer consumption of beer. (Workdatlas, 2017) This industry holds major share in the market and has been expanding with new entry of local and foreign brands. Tuborg being a market leader has tough decisions to make with every move.

Main aim of the study is to work for international brand and make decisions considering national scenario meeting international standards made by global itself.

1. To penetrate the market and bring sales by finding right collaboration.
2. To reach out consumers, suppliers in untapped market or in competitors markets.
3. To prove the brand positioning statement.
4. To build the platform to encourage people to be Open to more by pushing boundaries of what they like & know.
5. To enhance the brand experience.

1.5. Roles & Responsibilities of Student

The report is prepared on the brand Tuborg, which is one of the major product of Gorkha Brewery Pvt. Ltd which talks about building brand equity. My role was divided into two parts:

1. Brand Administrative

- Carry administrative duties such as filing the tracks of Share of Voice (SOV).

- Coordinate emails for the events, branding, sponsorships, and billings purpose.
- Keep brand budget track by making Purchase Order (PO), Purchase Requisition Note (PRN), and Goods Received Note (GRN).

2. Brand Development & Execution

During my internship I was able to work for two major events of the brand & lots of other events where my responsibility was to

- Developed over all brand plans for Tuborg.
- Plan a campaign for Festival of Color, Holi & Tuborg Open.
- Build strategies to win a market by proper execution on pre promotion, event day & post promotion.
- Coordinate with designing agencies for designing; likewise follow up vendors for branding placements.
- Draft contract for the events, advertisements, sponsored acts.
- Prepare press release contents.
- Research regarding brand performance.
- Tap into Real Time Marketing (RTM)
- Monitor and keep record of competitor activities and their market standing on about what are they planning and on what basis.

Chapter Two

Internship Activities

As working under brand Tuborg, my internship was basically based on developing new plans for Tuborg where I had a close look on how each departments is operated & primly focused on sales volume, marketing, accounts so as to have a full knowledge about how to market the product, how to set the mark, how to decide sponsorship ratio, how to place POSM, how to make brand plan. I got insight into all these aspects as the days of internship went by.

2.1. Assignments and Responsibilities of the Student

In today's scenario, Tuborg is the highest selling beer brand with almost 97% brand recognition in the market. The brand has been championing & wining the market associating with fueling fun moments like celebrations, events, festivities etc. Being an intern, I had been assigned with administration & brand development work.

Overall internship was revolved around building brand equity of the brand where I initiated following activities.

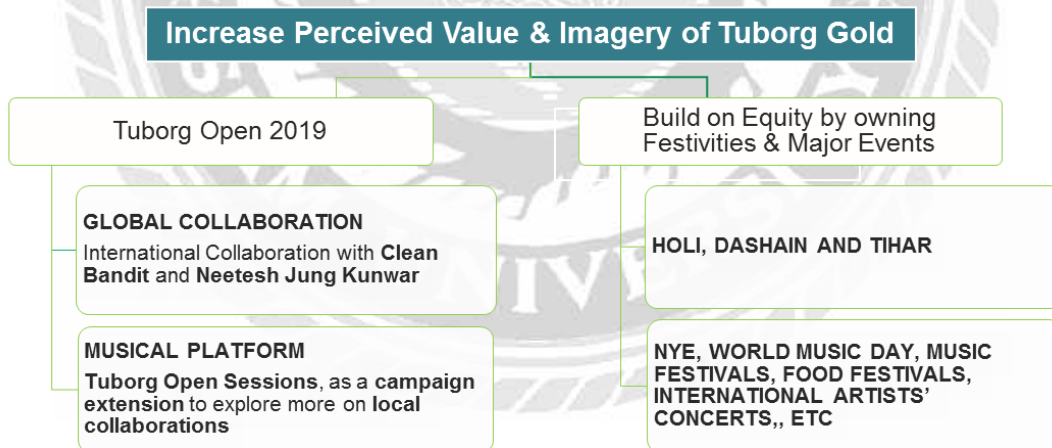


Figure 4. Brand Plan

For the listed activities, I learnt planning of 360 degree approach to media amplification with gaining insight on:

1. Above The Line (ATL): Advertising deployed around a wider target audience. In my case nearly about 231 existing highway board were branded & 100 new hording boards were tapped in creating 10M Impression.
2. Channel Communication: Distribution of poster, tent card, foot mats, buntings & standee for event promotion.
3. Print, Social, Online Media Platform: This is the major spending part where return on investment is visible in terms of feedback, engagement & reports.
4. Below the Line Activation (BTL): Event & Consumer Activations were done to create hype for the head event is the major outlets.
5. Influencer Marketing: More than 100+ local celebrities were endorsed for the collaboration to build on event campaign.
6. Limited Edition: As stated earlier Tuborg is always open to new ideas. Branding on can itself for the event is something new in the Nepalese market that Tuborg undertook for the event Holi.
7. Press Releases: There are 11 National Dailies and 7 Regional newspaper which has over 10M Impressions per day. Each events PR is released by the brand itself to build on equity in the eyes of readers.

Overall, working for the major events enhanced my marketing knowledge & helped me know basic details regarding how the brand works. It helped me understand the importance of three wheels i.e. Operation, Sales and Marketing in practical and allowing me to use some of my learning and insight of theoretical knowledge in real world business place.

Chapter Three

Identification of the Problems Encountered during the Internship

Ideally, getting a good internship should be the end of your problems for the time being. We aren't very enthusiastic to be the one to burst the bubble but it is actually the beginning of a new set of tribulations. Internship challenges do hit hard because it is the first time you are in such an environment and aren't very familiar with work-life issues. It's basically natural to have faced with problem anywhere you head to work.

Actually what problem does is it helps you gain experience and at the end that is what you look in an organization to learn because the other thing you can learn but experience is something you gain with the phasing time and work you do with the problem you encounter.

3.1. Problem Solving

As mentioned earlier, Tuborg has been a mainstream brand in the market which has 24% market share. As I has changes its packaging from 3G to 4G many problems have been encountered. It is a market leader has a major stake in beer industry loosing even 1% is a huge loss for the brand.

With the recent upgrade of the label this brand has now come at par with other premium brands in the market with this the price of the brand has also increased. Adapting to the changes in Nepalese market takes time & requires a lot of effort. Thus, educating the consumers through advertisements and promotions is necessary.

During my tenure as an Intern, my overall responsibilities and task everything directly helped to build the awareness in the market and establish the brand. Task that I preformed were:

1. Ensuring good visibility in the market.
2. Executing activities to strengthen the brand and build the association with it.
3. Conceptualizing and executing major campaigns of the brand.
4. Delivering great beer experience to the consumers.
5. Maintaining presence of the brand in the market by ensuring strong picture of success (PICOS).
6. Designing strong promotions to establish the brand in the fueling fun demand space.

3.2. Examples

Talking about Tuborg as a brand, it's immense in terms of activation and the scale of promotion that drives this brand in the market. As a fresher in Marketing this has been a wonder to me, as I got the first-hand experience in driving this brand further. Amidst a cutthroat competition in the market, the scale of brand activities was even more intense.

My objectives were very vivid; firstly work on developing strong associations with the festivities of Nepal. Another objective was showcasing the association of the brand with music, which in turn facilitated in building the brand equity. Keeping this in my mind, a very concise channel was created to bring this objective into reality.



Figure 5. Holi Campaign Activation

Establishing Tuborg as the official beer of one of the most celebrated festivals of Nepal” HOLI” was the major challenge at hand. With competition all eyeing on grabbing this opportunity, ensuring that we take the first mover’s advantage and get hold on the market was not only important but a necessity.

In 2018, Tuborg associated itself with 20 events around Nepal, but 2019 the brand was involved in 96 events in total, which was an astounding increase. A 360 degree campaign was developed in order to ensure that the brand was capable of such activation with effective results.

1. Digital activation in Facebook, Instagram and YouTube garnering a total of 7.3 mil reach and 43.8 mil impressions with each person viewing it at least 6 times.
2. Print releases totaling 13900cc generating 7 mil impressions

3. Execution of visibility in outlets overall Nepal, via execution of 30,000 poster, 1350 gates and 70,000 T-Shirts.
4. The most exciting of all, introduction of limited edition HOLI cans, which was a great support in establishing the brand as an Official Beer of Holi.

*The outcome of this campaign resulted to a consumption of 3742 cases of Tuborg.

International collaboration with Grammy award Winners Clean bandit, Tuborg Open is the next project in pipeline, and the current project that I am working on. With the launch planned on early May, the project will have multiple sub projects under it, from shooting of the documentary to recording of a new song and releasing it in global market. The project will be executed in ATL and BTL platforms supported by Packaging and POS contents as well as local market performance on late November.

Clean Bandit will visit Nepal to explore and collaborate musically.

Local talent creates a song and Clean Bandit collaborates on it with their music.

Clean Bandit

- English Electronic Music Band
- 7.2 million subscribers on YouTube

Neetesh Jung Kunwar

- Singer, Lyricist & Musician
- 446k subscribers on YouTube which is a large base in Nepal

TUBORG OPEN

NEETESH JUNG KUNWAR
CLEAN BANDIT

Figure 6. International collaboration with Grammy award Winners Clean Bandit

Chapter Four

Contribution and Learning Process

As a freshman you always have an objective to contribute something quantitative for the company which in return has a value in terms of learning and experience. My internship in GBPL has been an experience that has taught me a great deal in terms of marketing, brand development to be precise. Confidence, integrity, sincerity, your character, commitments and intendments towards your work determine your learning and contribution towards the work you make. Theoretical knowledge is one thing but applying it in practical is another so it takes effort of the company and individuals to carve out the best from you so that you are able to make the best possible contribution to the company and learn most things out of it as an intern at the end of the tenure.

4.1. Contribution made during the Internship

In my tenure of internship in GBPL there were quite a few things where I contributed as an intern such as in Development of the brand in the Market through execution of major campaigns. Trying to establish the brand and scale its equity amidst a cutthroat competition was a challenge for the company, and assuring that the brand health stays positive on this regard, was the major contribution as an intern.

Chapter Five

Conclusion

5.1 Details of Learning process and Knowledge Received

This was my third experience working in a corporate sector. Gorkha Brewery Pvt. Ltd, which is one of the leading beverage companies of Nepal, is number one volume player in the beer market. Being a part of company for 16 weeks have gone by too fast and within this period of time I have amassed a lot of knowledge and experience

The first thing that I learned was about the company its brands, history and its working culture. I started working in Brand Department, where I was responsible for keeping updates of news related with brands, its presence in the market (Both nationally and Internationally), make power point presentations of the related initiatives. I also got a unique opportunity to get involved in major brand events Holi & Tuborg Open along with other events. I also got to fill vendor claims, draft contracts, plan for brand plan, and campaign initiative for the brand Tuborg.

Working under the marketing department helped me hone my knowledge and skills in the practical business environment. I gained insights in aspects way of functioning of a marketing department on a day-to-day basis. I comprehended market segmentation and learned how the products are effectively communicated within different segments in the market. As I worked under Brand Development section of the Gorkha Brewery, I got to discover the realm of Digital Marketing, Administrative process, Sponsorship criteria's and how it will help us succeed in today's world. One of the key lessons that I have understood is, "To remain relevant in today for any brands, Digitization is the next key thing in the world of marketing and existence for any brands."

I have got an understanding that to maintain a brand name in the marketplace a lot has to be done than just giving advertisements in newspapers and placing adverts in social media. Creating a marketing plan involves a deep thought process, discussion of creative ideas, and content evaluation before the implantation of the plan. During this period most important lesson that I learned was developing and enhancing collaborative and teamwork skills. I was able to interact with many big Advertising & Digital agencies which helped me understand how a creative thought comes alive in the world of brand marketing. I also got to taste the professional culture of Gorkha Brewery in various agency interactions.

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Annex

Market Visit to sponsored events



Making of KeyVisuals for campaign



Being appraised for the work by Marketing Manager

