Corporate and Cultural branding: Can these theories be combined to create a beneficial platform to be used by companies operating globally?

The Carlsberg Group as a case.

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EXECUTIVE SUMMARY

This thesis provides an analysis of the Carlsberg Group in regards to how the company strategizes in relation to its brands, in light of the fact that the company strives to operate both globally and locally. The analysis is backed by an investigation into two main theories on branding, namely corporate and cultural branding.

Operating globally in today’s market place in the beer industry, which is culturally embedded, it becomes necessary for a company like the Carlsberg Group to pay attention to the local cultures in which its brands are present. This means that the company has to balance between managing both the corporate Group brand, and the individual product brands, both globally and locally.

There are no branding theories today that specifically deal with managing in such glocal circumstances. However, the theory of corporate branding does have aspects relevant for managing a congruent brand and developing it to incorporate all stakeholders. Meanwhile, cultural branding becomes relevant because of the need for companies to adhere to local cultures, in that its main focus is on building a brand around the cultural context of the markets it is present in. The aim of the thesis therefore revolves around combining the relevant aspects of both branding theories, in order to give suggestions on how companies, like the Carlsberg Group, should manage their brands, given the fact that there is a need to be relevant both at a global and local level.

While the theories prove to have arguments, that combined should attest useful in strategizing the company’s brands, the conclusion also touches upon the necessity to extend cultural branding to be aware of global markets instead of only national ones. Moreover, it also stresses the case of corporate branding, whose argument for one common brand identity may not prove possible in an
industry where consumers’ cultural associations to the product brands are so strong. The aim for companies like the Carlsberg Group should thus be to focus on creating truly local brands, deploying cultural brandings focus on the brands cultural context, while working towards creating global brands that are built around cultural contexts which are not nation specific, but rather are relevant cross-nationally. Finally, a note is put on whether it is possible to create a corporate brand, remarking that, given the very different values put on such a Group brand by the different stakeholder groups, one single brand strategy does not seem possible.
CHAPTER ONE

Introduction, Problem Formulation and Delimitations
INTRODUCTION

When universities send their students abroad, both parties do it in the hope of adding an additional dimension to their image. In the case of the university the goal is maybe that of strengthening a partnership with a foreign institution. For the student, there may be a multitude of reasons: learn a new language, get a double degree, have fun – the list is endless. However, a common denominator for these students exists: after having spent a semester abroad, they gain an extra dimension to their person. The experience may or may not alter their identity, but if their job applications are for instance considered, they probably find themselves adding new adjectives and capabilities to them.

Much of the above also holds true for companies. Just as students, now more than ever, go abroad whilst studying, so are companies taking their businesses global and seeking new capabilities and favorable markets. This tendency is known as globalization, and the result of it is that it is nowadays possible to find some of the same standardized products in most of the world’s countries. People across the globe can indeed buy some of the same products, whether they live in Asia or in Northern America, and to a certain extent they are influenced by the same or similar flow of information and news. The effect of globalization as such is therefore that of pushing towards standardization across nations. Nevertheless, this does not mean that local cultures are vanishing; quite the contrary. Even though the world is becoming global, national cultures still differ widely, and this has to be taken into account when introducing a product in a new country or region. The balance to be found between acting both global and local is referred to as glocalization – a phenomenon that presents both opportunities and challenges when companies launch products abroad. This dualism becomes relevant especially when considering the branding strategies of such companies: it is not just a matter of exporting a product or enlarging the
portfolio. It is a matter of authentically expanding the corporate brand beyond the home market, so as to maintain the brand values while still appealing to all consumers in a genuine way.

The story of Carlsberg is the story of one such company facing this dilemma of ambidexterity: it started as a national player, then expanded into international markets and now, under the name of Carlsberg Group, it has become a global player and the 4th largest in its industry. Aside from taking its own beer brands global, the Carlsberg Group has also acquired foreign breweries and therefore has- and is experiencing new cultural influences from many angles. Because of its development from being a national company to becoming a multinational one, it is thus interesting to see whether the dualism has had any influence on its branding strategy.

When a corporation goes global, it will inevitably meet more competitors, some of which might have remarkably similar products to offer, and in this context branding strategies have been used for many years as an important differentiator of companies and products. However, even though Corporate Branding was created in order to ascertain companies an additional factor of differentiation, it has been questioned whether the theory is too rigid in its focus on brand DNA. Therefore it is also worth exploring an alternative branding theory, namely Cultural Branding, which puts much significance on the ability of brands to change and be dynamic.

With these approaches on branding as an outset, the example of the Carlsberg Group will be analyzed. It will serve as a basis to determine whether these theories can be combined to support the branding strategies of companies facing glocalization pressures.
The so-called “glocalization” trends have an influence on the decisions global companies take in relation to their marketing strategies. Theoretically speaking, “glocalization was embraced in marketing as the practical wisdom of creating the right balance between minding the bottom line of standardization while meeting the demands of localization – more than just a point on a continuum”\(^1\). What this means is that nowadays there are clear interconnections between societies, cultures and individuals on a world level. The new communication technologies and the increased international mobility have helped to create a common supranational culture and to diminish national differences. This in turn has allowed companies to approach markets with standardized products and marketing strategies. On the other hand, local identities still play a vital role, especially for products which could be considered as culturally embedded (e.g. some types of food and beverages). Corporations cannot disregard local culture and values when designing their marketing plans, and therefore a tradeoff has to be made between customization and cost savings. An “in-between” strategy should then seem to represent the best approach. Indeed, what has been claimed is that for a company “the glocalization resulting from the interaction between the opposing vectors of globalization and localization would seem to contribute toward building the brand’s public image and corporate reputation in foreign countries”\(^2\). It is important to point out that glocalization does not represent a separation of economic development at a global level and culture at the local one: it is a combination of the two.

Another consideration also has to be made. The fact that a product can be standardized across countries or regions has been proved, but it is questionable whether this also applies for the

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branding of the product. “Standardization is a mere abstraction, and all cross-cultural marketing requires some degree of glocalization: it is ‘the working arm of standardization’”\(^3\). Glocalization in fact affects how companies operate, or at least should operate, in today’s global society. In this context, branding matters because it can be seen as the main tool shaping how they are perceived and what they represent at both a local and a global level. That is why it would be interesting to include these glocalization trends to the branding strategies of global companies.

This paper will propose an in-depth overview of some of the main theories and schools of thought on the subject matter. Subsequently, the Carlsberg Group will be taken as a case study, as it represents an example of a corporation adopting both local and global perspectives. Moreover, since beer is a culturally embedded product (Thomas Jørgensen, 2009), challenges can easily be pointed out in regards to creating a branding strategy which takes into account both corporate values and national preferences. “Brewing is a culturally-embedded industry with high degrees of loyalty to local brands”\(^4\), and thus the Carlsberg Group case is meant to provide supporting evidence on how cultural and corporate branding can support companies facing the global-local dualism.

The Carlsberg Group’s strategy is “focused on value creation and expansion”\(^5\), and the company has among its aims that of growing internationally and developing an even more established corporate brand in the beer industry. It in fact seems that, given the stronger competition impacting when expanding globally, and also the need for recognition and consistency towards stakeholders, a corporate branding strategy seems necessary, linking national and regional brands. Nevertheless, a question remains on whether such a strategy would positively impact the local and


\(^{5}\) http://www.carlsberggroup.com/Company/Strategy/Pages/default.aspx
regional beer brands, and towards which stakeholders it should be addressed. Considering the first point, as already stated, beer is a product whose consumption is very much influenced by culture. This means that taste and price definitely are not the only criteria for choice of a specific brand over another. How customers identify with the brand and the storytelling behind it plays a crucial role. Moreover, a branding effort cannot be uniformly carried out across countries because differences in local customs and perception make it impossible for a specific message to be perceived equally. What is thus implied here is that the Carlsberg Group could face difficulties in implementing a pure global strategy for its corporate brand, if it does not want to jeopardize the local beer identities. Taking the second point into account instead, it is necessary to keep in mind that different stakeholders might react differently to the promotion of a strong corporate brand. Consumers, as opposed to employees for instance, might have different needs and therefore might not perceive the new strategy in the same way. This means that the company should also take into consideration who to primarily target and how.

In light of the above, this paper will explore how the two main theories on corporate and cultural branding can be intertwined, and how their approaches can be applied by companies that expand their business on a global scale and operate in culturally driven industries. For this purpose the Carlsberg Group is taken as a case study.
STRUCTURE

The purpose of this section is to outline the structure of the thesis and to illustrate the relationship between the consecutive chapters and the overall framework. The following illustration provides an overview.

CHAPTER ONE
Introduction, Problem Formulation & Delimitations

CHAPTER TWO
Methodology

CHAPTER THREE
Theoretical Background

CHAPTER FOUR
Industry & Market analysis
The Carlsberg Group Case

CHAPTER FIVE
Discussion & Implications

CHAPTER SIX
Conclusion
In the following a detailed description of the individual chapters depicted in the previous model is presented.

CHAPTER ONE:
In this chapter an introductory paragraph is presented, which along with the problem formulation, gives the reader an overview of the general topic the paper will deal with. The aim of this section is to introduce the reader to the discussion, by offering a brief outline leading to the finalized research question. A delimitation sets the boundaries of the thesis, hence specifying what this really investigates, and what has been disregarded, or only partly covered.

CHAPTER TWO:
In this chapter the methodological approach is proposed. It presents the reader with an outline on how theory and practice are put together in order to answer the research question. More precisely, this section explains in detail which steps are taken towards the drafting of the thesis. Therefore, it provides a clear picture of the path that is followed to construct a thorough discussion around the central topic, and also to draw a relevant conclusion. In particular, the various methodologies employed are described from a theoretical point of view at first, and then presented in relation to the practical case at hand. A description of the different philosophies and approaches which can be taken for such a research is also proposed, thus clarifying even more the reason behind the choices made. For this same reason, the research purpose and strategy, and the data collection methods are also outlined in this chapter.

CHAPTER THREE:
Chapter three introduces the main theories, which are dealt with throughout the thesis. An analysis of such schools of thought serves to create the basis for an understanding of the
background which the present paper stems from. In this respect, different perspectives have been considered, so as to allow both the authors and the reader to have a complete comprehension of the topic at hand, and to subsequently initiate a relevant discussion on the subject matter. A general discussion on the relevance of the globalization vs. glocalization trends sets off the chapter to specify the frame for the branding theories. These branding theories differ in their perspective, and therefore a critical analysis is also proposed, the intention of which is to point out strengths and weaknesses for both, and to link them to the “glocalization” discussion. To be pointed out is that one such theory, i.e. Cultural Branding by Douglas Holt, will be mostly touched upon in chapter five. This is done on purpose given that its focus is on consumer-to-brand level, and not on company-to-brand level, making it less useful for an analysis in chapter four.

CHAPTER FOUR:

This chapter contains an industry analysis, together with a perspective on the most relevant market trends for the case at hand. The aim of the section is to help create an overview of why the selected industry has been chosen, and of why it is relevant for the discussion. After presenting a general outline of the most important features of the chosen market, a general view on the case company is also proposed. Within this sub-chapter, its history, positioning and strategy are analyzed, and in particular the focus is kept on branding and the connected issues. The section revolving around the strategy of the Carlsberg Group attempts to be exhaustive in defining how the company explains its approach to market. The purpose of such exhaustiveness is to create a solid basis for the reader to be able to understand the pillars on which the corporation operates, and therefore to subsequently comprehend the links between theory and practice, which are delineated in the discussion.
CHAPTER FIVE:

This chapter is the natural consequence of the previous two (three and four), and provides a discussion of how the theoretical perspective measures up to the Carlsberg Group Case. In the first part, the concepts of glocalization and localization are intertwined with the actual approach the corporation has to market, and are therefore presented in a real life perspective. Through this analysis the reader is able to see the relevance of the case study to the present research. The second section presents an actual link between the branding theories previously discussed and the Group’s branding strategy, with a special focus on three brands the Carlsberg Group has in its portfolio, and on the relevant advertisements connected to them. Hereafter, a general discussion and implications are proposed. The findings derived from the analysis of theory and practice are presented and supported through quotes from the Carlsberg interview. The discussion opens up for the authors’ views and conclusions.

CHAPTER SIX:

Chapter six presents a conclusion, which gives a brief overview of the topics touched upon in the paper and of the main findings. In particular, an answer to the research question is summarized, which is derived from the discussion presented in chapter five. The chapter also includes brief recommendations for further research.
DELIMITATIONS

The purpose of this section is to delimit certain aspects which can be considered too broad concerning the scope of the paper, and thereby to point out those topics which will not be dealt with.

The focus of this paper is on determining how aspects of cultural and corporate branding can be merged to help companies facing glocalization issues. In these terms, it follows that some branding theories are disregarded and within the ones considered, only the main authors are analyzed. This is purposefully done to maintain focus and to specifically answer the research question. It is also important to note that this paper does not seek to determine the validity of the chosen branding theories, but rather to understand which aspects of the theories are relevant in a discussion linked to glocalization issues.

A case study of the Carlsberg Group and its expansion efforts is considered and used as empirical evidence supporting the main theoretical discussion. In the presentation and later discussion of the case company, the focus will be on the beer industry and beer brands only, also when specifically referring to the “Carlsberg Group”. This is because of the need to consider various international markets and the fact that, outside Denmark, the corporation is mostly known for production of beer. Therefore, soft drinks and promotional merchandising are to be considered out of the scope of the research. In addition, a limited number of brands are analyzed, in order to narrow down the scale of the project and given the limited resources available to carry out the present research. This means that a sample of representative local and regional brands is selected. For the same reason, only the relation of such specific brands to the very final consumer is considered, thus omitting the perceptions of the Group’s customers and other stakeholders – shareholders, media, etc. In the discussion section, the scope of the analysis could be partially
enlarged to possibly encompass all the industries, but it is possible that the findings are not relevant for all the markets and the companies. Moreover, analysis and argumentations are partly based on the input received by one single manager within the company, whose position in the corporate headquarter makes the information retrieved more related to the corporate aspects of strategy. This also means that only one perspective can be considered and a subjective bias could be encountered. Furthermore, the sample had a limited knowledge of some of the topics touched upon in the interview, derived by his focus on his specific area of business.
CHAPTER TWO

Methodology
METHODOLOGY

This section of the paper aims at presenting which practical approaches are adopted in order to better solve the research question, i.e. “Corporate and Cultural branding: Can these theories be combined to create a beneficial platform to be used by companies operating glocally? The Carlsberg Group as a case”. In particular, an explanation of the qualitative methods used is provided, which mostly focuses on their characteristics (pros and cons) in connection to the problem formulation, and not in general descriptive terms. This allows for a thorough and more detailed analysis, and also for a better comprehension of the reasons behind the choice of such methods. A brief clarification of the research philosophy, approach, and purpose is also provided.

RESEARCH PHILOSOPHY

As Saunders et al. state, research philosophy “relates to the development of knowledge and the nature of that knowledge”\(^6\). In particular, they stress that the choice of one philosophy over another influences the way in which the researchers view the world, and as a consequence the methods chosen to answer the underlying research question. For the purpose of the present paper, two major ways of thinking about research philosophy are presented: epistemology and ontology.

Epistemology refers to what researchers consider as acceptable knowledge in their studies, i.e. what is deemed as important, and the position taken can vary from positivist, to realist, and finally to interpretivist. In the current analysis, it is argued that an interpretivist perspective is adopted, which claims that “it is necessary for the researcher to understand differences between humans in

our role as social actors”. The emphasis is therefore on conducting research among people, rather than objects. Moreover, this philosophy creates the opportunity to discover and interpret “the details of the situation to understand the reality, or perhaps a reality working behind them”. In other words, it seeks to identify the actions and motives of the involved social actors. This is especially relevant for the study at hand, in which the focus is not specifically on a product, but on how different corporate branding styles affect a company’s management and its consumers. Another reason why this perspective has been favoured, derives from the fact that it is seen as the most appropriate for research in the business and management field, especially when the ever-changing nature of the environment is taken into consideration (Saunders et al., 2006), as it is the case in the present paper.

Ontology, on the other hand, regards the perception of the researcher on the nature of reality and his assumptions on how the world operates (Saunders et al., 2006). The subjectivist aspect of ontology is hereby considered, which is also associated to social constructionism. This is relevant for the current research since it deals with the idea that customers have diverse perceptions of a specific situation depending on the world they live in (Saunders et al., 2006). The case company, i.e. the Carlsberg Group, is on the way to becoming a global company and its consumers definitely differ from one another. It is therefore imperative to take this into account when studying their reactions to a particular company strategy or policy.

There is a constant debate on epistemology and ontology, and in particular on whether a positivist or interpretivist perspective should be taken. It has been so far argued that an interpretivist/subjectivist position should be adopted, but given the fact that “choosing between one position or

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the other is somewhat unrealistic in practice”⁹, a pragmatist perspective is therefore considered. In this context it is argued that the research question is the most important determinant of the philosophy chosen, and that if this does not clarify which perspective is better, then it is definitely possible to work with multiple of them.

**RESEARCH APPROACHES**

The design of a research project can be either inductive or deductive in nature. When trying to determine how different branding theories can be actualized and put into practice, specifically in relation to a case company, data has to be collected beforehand and then subsequently analyzed to draw a conclusion. This implies that the method utilized to answer the research question in the present paper is inductive in nature. According to Saunders et al. (2006), “the purpose would be here to get a feel of what was going on, so as to understand better the nature of the problem”¹⁰. This approach has the benefit of allowing the researcher to develop an understanding of the ways in which social agents perceive the world. This is especially true since inductive research is quite context specific. Once again, this method is suitable given that for instance the Carlsberg Group’s consumers belong to different clusters and that beer is a culturally embedded product (Meyer & Tran, 2006; Thomas Jørgensen, 2009).

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RESEARCH PURPOSE

The classification of a research purpose usually consists of exploratory, descriptive and explanatory studies. In the present research an exploratory study is conducted, as a mean of finding “what is happening, to seek new insights, to ask questions and to assess the phenomena in a new light”\textsuperscript{11}. The main advantage of an exploratory purpose is its flexibility and the possibility to combine a vast literature review with more inductive techniques such as interviews. As stated by Adams and Schvaneveldt (1992), this flexibility does not mean an absence of direction to the inquiry, as it allows to look initially at the broad picture and to then subsequently become more focused as the research progresses. Adaptability also means that the researcher has to be ready to change direction or to reconsider his findings on the basis of new available data. In the current research, the benefit of this approach regards the fact that no preconceived suggestion based on literature is going to be developed for the Carlsberg Group. Indeed, a conclusion is going to be drawn by analyzing data from both within and outside the organization, thus taking both the internal and the external environment into account.

RESEARCH STRATEGY

The choice of the research strategy should be influenced by the research question, the objectives of the study and the extent to which knowledge already exists. In the present paper the strategy takes the form of a case study.

A case study allows focus to be put on real events in their real-life context by portraying a snapshot of a particular moment in time. In the current case, the aim would be that of analyzing,

by always having the main branding theories in mind, the way in which the Carlsberg Group shapes its corporate branding strategy, in a situation when the two forces of localization and globalization seem to collide. Commonly used in anthropology and social studies the case study has been applied increasingly in organizational studies as it allows easily to gain insight into territory that was previously unexplored or not well documented (Daymon and Holloway, 2002). One of the main strengths of case studies is therefore their ability to produce multiple sources of evidence. Robson (2002) defines it as a way of doing research through a field investigation of a contemporary phenomenon within its real life context. A further advantage of this method is the possibility to analyze the situation without a predefined hypothesis to test, as it is the case in this research. The Carlsberg Group is the only organization considered in the research, and therefore most of the final discussion is going to be specifically tailored on its example. Therefore, a single case study is considered, which offers the opportunity to undertake a deep but narrow exploration of one particular phenomenon (Saunders et al., 2006). This choice has been made also taking into account the drawbacks of such an approach. First of all, the boundaries of the case might be difficult to define, or in any case adhere to, during the data collection phase. Moreover, access to such data might be limited. Another common critic to the use of case studies, as depicted by Daymon and Holloway (2002), is the tendency of being too descriptive, particularly in the case of a single case approach, outlining the findings without comparing them to other cases.

DATA COLLECTION

When using case studies, it is common to employ multiple data collection techniques at the same time, and therefore these data sources have to be triangulated, in order to gain a deep understanding of the phenomenon in question. “Triangulation is the display of multiple, refracted
realities simultaneously”¹². As Denzin and Lincoln (2003) state, this combination of practices relates to a strategy which aims at add rigor, complexity and richness to the investigation. Ghauri et al. (1995) follow the same line of thought and state that triangulation helps the researcher to improve the accuracy of judgments and results through the collection of data using multiple methods. They also argue that the main advantage is that of “producing a more complete, holistic and contextual portrait of the object under study”¹³.

Problems with triangulation might include the inability of assessing if the results from each method are consistent, and the possibility of obtaining contradictory findings.

**Methods choices**

In the present research, qualitative methods of analysis are employed. In particular, “qualitative research is a situated activity that locates the observer in the world. Qualitative research involves an interpretive, naturalistic approach to the world”¹⁴. This implies that the researcher studies phenomena in their own natural environment and tries to assign them a meaning. Qualitative analysis is carried on through a variety of techniques, such as personal experience, introspection, interviews, observational, historical, interactional, and visual texts and so on, which describe moments and meanings in individuals’ lives (Denzin et al., 2003). In the present paper, such data collection is performed in a cross-sectional manner, given the time constraint under which it is necessary to operate. In fact, this method is concerned with the study of a particular phenomenon

at a given time, i.e. the Carlsberg Group in the current market environment under the influence of the “glocalization” trends.

**Sampling**

When it is not possible to collect data from the entire population, sampling becomes necessary. It also allows to save time, since the researcher is faced with a manageable amount of data that needs to be analyzed. Sampling techniques are of two types: probability and non-probability. The second one applies to the present research. In fact, “the probability of each case being selected from the total population is not known”\(^{15}\), and the sample is selected according to the researcher’s subjective judgment.

The following part discusses three main issues: purposeful sampling, self selection sampling, and sample size. The focus is placed on discussion of theories which affect the approach chosen in designing a strategy for the qualitative research.

**Purposeful Sampling**

With its focus on smaller samples, where the sample might even be \( n = 1 \), purposeful sampling is applied in qualitative methods where the samples are selected purposefully to examine a phenomenon deeply. The emphasis of purposeful sampling is on in-depth analysis and understanding of the so-called “information-rich” cases. These can consist of individuals, organizations, families, cultures, incidents, activities etc. Each case is purposefully selected for in-depth study of the issues that are of central importance to the research, thus the expression

“purposeful sampling” (Patton, 2002). Such sampling strategy is employed when qualitatively researching and collecting data directly from within the organization. In particular, referral is made to “expert sampling”, which “involves the assembling of a sample of persons with known or demonstrable experience and expertise in some area”\(^\text{16}\). In the current case, this would be represented by an employee of the Carlsberg Group, who works in a relevant department within the company and holds a managerial position.

**Purposeful Sample:**

The purposeful sample participating to the research is Mr. Thomas Jørgensen. He has been working for the Group for seven years, and at present covers the position of Communications Director at Carlsberg. He is involved in the tasks related to the corporate functions, and therefore covers the global aspects of the business. He is in fact not specifically and directly involved with the daily operations of Carlsberg A/S, Carlsberg Denmark or any other subsidiary.

**Strategies in purposeful sampling**

In the initial process of choosing the right sample strategy, the key determinant for selecting it is again to look at the main purpose of the study. In this research the decision has been to choose a sampling method based on a priori stated criteria. The posed criteria are:

- Managers
- Working in the company for at least 3 years
- Working within the strategy/marketing department at headquarter level
- Involved in the strategic decision processes
- Willing to share their knowledge and experiences

\(^{16}\) [http://www.socialresearchmethods.net/kb/sampnon.php](http://www.socialresearchmethods.net/kb/sampnon.php)
In order to locate at least a manager that would fit the abovementioned criteria, personal networks have been exploited. The case was indeed identified by a contact one of the authors had within the company. This person suggested in fact that Mr. Jørgensen would perfectly fit the criteria established, and that he would be able to share his knowledge of the business in relation to the topics relevant to the research.

Opposed to quantitative methods, in qualitative research the reliability and validity of the data and information relies more profoundly on the strength of the interview and its analysis, than on the sampling method (Golafshani, 2003). Therefore, it is concluded that the method used for identifying the case was sufficiently accurate, bearing in mind the purpose of the paper.

**Sample Size**

When designing a qualitative inquiry, there is no rule for the right sample size, as this mostly depends on the purpose of the inquiry, making a small sample sufficient as long as the data collected is of high quality and detail (Patton, 2002). The initial aim was a sample size of 2 managers being employed in two different departments within the Carlsberg Group. In fact, by interviewing two managers, broader practical insights from the corporate business would have been obtained. It has however only been possible to find one suitable manager fitting the pre-set criteria, but when taking into consideration the scope of the project, the fact that sample size is not relevant in qualitative research, and the amount of the extensive data extracted from the interview, it is believed that there is sufficient information to validate the research.
Data collection methods

Secondary data

The collection of secondary data is mainly comprised of what is known as documentary data, i.e. written documents such as notices, minutes of meetings, administrative and public records and reports to shareholders, as well as non-written documents such as tape and video recording, pictures, films and television programs (Saunders et al., 2006).

One of the main advantages of secondary data is its wide availability and easy access. As formulated by Ghauri et al. (1995) “This not only helps researchers to formulate and understand the research problem better, but also broadens the base for which scientific conclusions can be drawn”17. Secondary data is also an excellent comparison instrument to interpret and better understand primary data. As with any other kind of data there are however some serious drawbacks in the application of secondary data. For instance, as stressed by Daymon and Holloway (2002), sources might not be reliable and documents might be subjective and political in nature. Therefore, it is the responsibility of the researcher to make sure that data is accurate, as inaccuracies cannot be blamed on the secondary source itself (Ghauri et al., 1995).

In the present research, information is retrieved from academic journals, online databases, relevant books, and material provided by the company. The latter includes informative leaflets, the annual report in both online and printed version, and the corporate website.

**Primary data**

Numerous ways of collecting data exist and only creativity and practicality sets the limit. The approach adopted in this research depends on the sample under consideration. When researching individuals operating internally in the company, interviews with the purposeful cases are performed, which can be helpful to find out what is happening and to seek new insights in an exploratory study (Robson, 2002; Saunders et al., 2006). “The purpose of qualitative interviewing is to capture how those being interviewed view their world, to learn their terminology and judgments, and to capture the complexities of their individual perceptions and experiences”¹⁸. To make the respondent’s worldview understandable the interview goes in-depth with, and explores, the respondent’s experiences and perceptions of the main issues concerning the Carlsberg Group’s current and future strategy.

In particular, in the present case, the interview has the aim of allowing the researcher to determine and find supportive evidence as to how the cooperation between corporate branding and cultural branding can give global companies, facing glocalization issues, an advantage. The Carlsberg Group case is deemed, in this respect, as a suited “real-life” example. From this, it follows that the aim of the interview itself is to obtain:

- Evidence that the Carlsberg Group is actually dealing with glocalization issues, in order to prove that it represents a valid example in the case study.
- Information on the branding strategies the Carlsberg Group actually implements, and the rationale behind them.
- Evidence of which impact culture has on the beer industry, and of how the company has responded to that.

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It is important to note here, that the Carlsberg Group is not expected to operate according to only one branding strategy, but rather on a multitude of levels, which should be: branding on a corporate level (for Carlsberg Group), and branding on a product level (for the individual beer brands). It is also recognized that the strategies can vary for international brands like Tuborg or Baltika, or for local brands such as Holsten.

**Semi-structured interviews**

For the case at hand, a semi-structured interview is performed, which is seen as one of the most adequate tools to capture how a person thinks of a particular issue.

In such an interview the respondent is given full liberty to discuss reaction, opinions and behavior on a particular issue, while the interviewer steers the general direction through a predefined outline of topics or issues to be covered. Important is however that the interviewer establishes a difficult balance between a general faith in what the subject says, and a sane skepticism. This induces the interviewer to go on questioning the subject in order to confirm the hypothesis about his/her beliefs (Honey, 1987). The major advantage is that data are somewhat more systematic and comprehensive than in the informal conversational interview, while the tone of the interview still remains fairly conversational and informal (Patton, 1990). Thanks to its open questions the semi-structured interview creates a more accurate and clear picture of the respondent’s position: the respondent is free to answer according to his/her own thinking as the answers are not constrained by a few alternatives (Ghauri et al., 1995). The data collection is situated within the respondent’s own social context and culture allowing a much deeper understanding of the organization, as the evidence is based on the respondent’s own interpretation and experience (Daymon et al., 2002). To a certain extent this can also be interpreted as a possible drawback of semi-structured interviews. Patton (1990) describes this as the ever-present problem of all self-
report measures. Everything the interviewer learns is based on the perceptions, knowledge, and words of the respondents, rather than objective and behavioral data, and therefore subject both to interviewer and respondent biases. This requires the interviewer to be particularly cautious and to gain a complete understanding of the research problem and the expected information beforehand (Ghauri, 1995). Even if this format is more systematic than the conversational interview, a further disadvantage is represented by the fact that it is difficult to compare or analyze data. In fact, different individuals are responding to somewhat different questions, as the interviewer’s flexibility in sequencing and wording questions can result in substantially different questions and consequently responses. Interviews in general are a really time-consuming method as they require not only more time to collect the data but also to analyze it. However, the quality and thoroughness of the outcome of an interview is hardly possible to gain from any other data collection technique. However, due to the very personal and conversational nature of the interview situation many of the basic ethical issues of any research or evaluation method can be faded during the execution (Patton, 1990). These issues can regard for instance confidentiality, as the respondent might be sharing very personal information.

In the present case, a face-to-face interview was carried out. This methodology was selected for various reasons. First of all, because the company’s headquarters are located in Copenhagen, it was possible to obtain an appointment in the local offices. Moreover, this typology of interview brings many advantages to the researcher. In fact, they can be longer than telephone or self-administered questionnaires, for which respondents are mostly not willing to devote their time, and during which they risk being less concentrated. Furthermore, if the respondent does not understand a question, the interviewer can integrate it with further data, and a situation in which the interviewee flips through the questions can be avoided (Bernard, 2000). This methodology has been selected, with complete awareness of the disadvantages connected to it. Mainly, this type of
interview can be perceived as intrusive, and the interviewer risks to involuntarily guide the interviewee in his/her responses. Additionally, personal interviews are costly in terms of the time required to both find and contact the right candidate (Bernard, 2000).

**Formulating and Sequencing Questions**

The semi-structured interview in itself does not require perfectly formulated questions. Instead the interviewer is probing and using follow-up questions that are more detailed oriented e.g. when___? how___? where___? Could you tell me about___?. These were also used as elaboration and clarification probes, to get the full perspective of the story. The questions were assigned into categories/topics to clarify the actual aim of the question and thereby helped focus on priorities and the sequencing (Patton, 2002).

It is important to get the interviewee to talk as soon as possible. This was achieved by asking questions regarding the interviewee’s background. After rapport and trust had been built up, the interviewers started asking the semi-constructed questions without any sequencing order. In this way the interviewers use personal judgment in deciding which topic is of highest relevance, depending on the advancement of the conversation, thereby controlling the interview without “leading” the interviewee. Finally, the interview was conducted in English, the language which all the three participants to the interview have in common. The interview was recorded so as to make sure that no relevant information got lost. Furthermore, some of the answers from the interviewee are quoted directly in the present paper, when it is found to be of significant importance.
**Concluding Remarks**

It is said: “The quality of the interview is largely dependent on the quality of the interviewer”\(^\text{19}\). Admittedly, the authors are novices in interviewing. However, precaution to limit the harm of this weakness was taken. The authors have tried their best to prepare for this task by reading information about qualitative interviews, planning the actual interview process, and checking the interview guideline carefully. Finally, it is noted that the interview went as planned and that there were no significant flaws due to inexperience. In addition, the authors are aware of their own social and cultural values and how these influence interpretation and analysis of the qualitative data collected.

CHAPTER THREE

Theoretical Background
LITERATURE REVIEW

LIVING IN A GLOBALIZED WORLD

“Different cultural preferences, national tastes and standards, and business institutions are vestiges of the past. Some inheritances die gradually; others prosper and expand into mainstream global preferences”.

Theodore Levitt

Terms such as “globalization” or “global strategy”, which were coined in the early 1980s, have now become very common in current literature. The main proponent of these trends was probably Theodore Levitt (1983), who advocated that companies should consider the world as a single big market and should disregard local differences. “Gone are accustomed differences in national or regional preference... The globalization of markets is at hand”. He indeed stressed that thanks to technology, the main driving force of these trends, corporations have the opportunity to standardize their products and profit from great economies of scale in all steps of the value chain. This would in turn allow them to decrease their prices, and therefore gain a competitive advantage in the highly integrated marketplace. What he foresaw was then the rise of a new global company, which would exploit markets other than its own and would conquer them, eliminating local differences thanks to products of high quality and low costs. “The global company will shape the vectors of technology and globalization.” He also stressed that due to this convergence, all the corporations that want to survive in the marketplace have to follow such trends and adapt their strategies to them: “Companies that do not adapt to the new global realities will become victims of those that do”.

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Similarly, other authors have argued that drivers of globalization exist. In particular, Yip (1989) pointed out, among others, factors such as homogeneous needs, global channels, favorable trade policies, interdependence between countries and again, technology. Consequently, global companies should strive for standardization across countries in order to improve their competitiveness, thanks to “the creation of a stronger global international identity through consistent positioning and image across markets over time...cost reduction through economies of scale in advertising production, sharing of experience and effective use of advertising budget”\(^{24}\).

Allio (1989) shared the same vision of corporations focusing on similarities across countries to take advantage of increased “economies of scale in R&D, manufacturing, marketing, distribution, and purchasing to an extent not possible in domestic markets alone”\(^{25}\). Other researchers argued that new communication technologies have facilitated the dominance of the Western culture and helped eliminate the diversity of cultures and identities of peoples around the world. Among those, Hall (1991) described a growing global mass culture as driven by Western societies in terms of technology, capital, techniques, and advanced labor. As a consequence, companies have to adapt not only their production and sales strategies, but also their branding ones. In fact, even if the majority of the advantages of standardization come from the supply side, it has to be said that standardization can also bring added value to consumers. Therefore, brand globalization seemed to have become at the same time the most suited response to consumers’ demand, as well as the most competitive option from the supply side. Apart from gaining economies of scale, it has been argued that companies having global brands enjoy worldwide recognition and reputation. They can exploit the image-enhancing effects derived from a label which is considered superior just because of its presence in the most prominent marketplaces (Johansson & Ronkainen, 2005).


Despite continuous discussion on the real opportunity for companies to adopt a strategy aimed at full standardization, favorable arguments on globalization are not only to be found among literature developed during the 1980s and early 1990s. In fact, in the same way as Levitt (1983) predicated the earth was flat, Friedman (2005) published a book titled “The world is flat”. He explained that, even though the process has not come to an end yet, there are ten forces contributing to the flattening of the world. In order to survive, companies then have to react to this convergence by continuously innovating, collaborating and creating connections with the surrounding community. This is to be done independently of linguistic, geographical and time barriers. “The bible tells us that God created the world in six days and on the seventh day he rested. Flattening the world took a little longer. The world has been flattened by the convergence of ten major political events, innovations and companies”26.

However, globalization has been recognized as a complicated process, which does not only lead to homogenization of needs but somehow also to people identifying more strongly with national groupings, in order not to lose their own identity. As a result, it has been suggested that companies have to face both converging and diverging trends, since for instance “the fact that a society was historically shaped by Protestantism or Confucianism or Islam leaves a cultural heritage with enduring effects that influence subsequent development”27. Pitta and Franzak (2008) shared the same line of thought and pointed out that products have to be taken globally when opportunities in the home market exhaust, but they cannot contribute to the disappearance of national differences, independently of their price and quality.

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A QUEST FOR A BALANCE BETWEEN GLOBALIZATION AND ADAPTATION

“Going global, like all new business objectives requires a new state of mind. It starts with recognizing that the world has no center and that certain processes can work everywhere, such a manufacturing and order-fulfillment. Never forget, however, that customers will differ from country to country and that they will expect you to respect those differences. Learn this or stay at home”.

James Champy

Since the beginning of the 1990s, numerous scholars have developed theories which represented a middle ground between the concept of globalization and localization, namely coining the term “glocalization”. This new concept “was embraced in marketing as the practical wisdom of creating the right balance between minding the bottom line of standardization while meeting the demands of localization – more than just a point on a continuum”29. In particular, according to Iwabuchi (2002), this notion had its origins in the strategies of Japanese marketers in Asia, notably Sony, which pursued “global localization” rather than “global standardization”.

What has been argued is that the two trends cannot be easily separated and this reflects on the strategies companies have to pursue when deciding to expand globally. Indeed, linguistic and cultural differences persist despite the proven homogenization of certain needs and tastes. In this context, Hammerly (1992) pointed out that some products, i.e. video cassettes, have a global range, while others, such as food, are still very much influenced by local preferences. “People in Italy will not give up pasta for steak and kidney pie no matter how cheaply it can be made or how consistent its quality”30. In his article, he used the example of 3M to prove that a corporation that

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has been recognized as global, still has to take into account local differences when developing a corporate strategy: “The company’s strategies are a blend of global, regional, and local components, and that will continue”\textsuperscript{31}. In compliance with this, Jessop (2000) claimed that global companies utilize this strategy so as to increase their responsiveness to the market, and thus their performance and competitiveness based on local differences. Another advocate of the glocalization approach is Svensson (2001), who stated that it is imperative for companies to tailor business activities when expanding their operations worldwide. He indeed stressed the need to find a balance between standardization and adaptation, homogenization and tailoring. \textit{In an empirical context, the global strategy approach is more like a managerial utopia... A worldwide strategy has at least to be adapted to local conditions, characteristics, and circumstances to a certain extent. Nevertheless, it is a matter of thinking globally, but acting locally, i.e. acting and thinking \textquotedblleft glocally\textquotedblright}\textsuperscript{32}. According to Maynard (2003), corporations have to balance their willingness to decrease costs and exploit economies of scale, with the need to meet local variations in customer demand. In order to prove his point, he takes the example of the Gillette ads for the Japanese market: even though the product is exactly the same, images and the text are always modified with respect to the American version, in order to accommodate for the local culture. \textit{A glocal strategic approach in business, as opposed to a global strategic approach or multi-national approach, is a combination of different levels, from local to global, of strategic approaches, with the awareness of the significance of adaptation to local markets}\textsuperscript{33}. Therefore, a question remains of how much of their branding strategies should marketers adapt, and how much is instead promptly translated into the meaning system of the local culture. Pitta and Franzak (2008) claimed


that global companies have to exploit global trends, but at the same time they do not have to forget of the existence of a wide customer segment who seems to still be attached to regional and even local products and brands. Sinclair & Wilken (2009) also pointed out that religious structures, as well as variations in national regulatory regimes and distribution systems, have to be taken into account. Moreover, they stated that a glocal strategy can be applied to management, marketing or advertising: this implies a modification of a product, process or message, in order to better suit the local culture.

GLOCALIZATION AND BRANDING

From the previous discussion it follows that a completely global marketing campaign does not seem possible. Therefore, the prophecy of global standardization advocated by Levitt (1983) did not become reality. In fact, looking at the strategies global companies currently devise, it is clear that the prominent approach is that of “glocalization”, also in terms of marketing communication. As already stated, the strategy adopted depends on which aspect of the value chain is taken into account, at the point in time and on which company is considered. This means that management, organization, product and advertising can be standardized to a great extent in some cases, while they necessitate local customization in others (Sinclair & Wilken, 2009). In particular, even though global brands can be associated with higher quality and more prestige (Johansson & Ronkainen, 2005), companies cannot propose the same exact branding strategies in all their markets: cultural differences are thus one of the main barriers to global branding. A similar argument was developed by Kotabe and Helsen (2004), who asserted that culture is a key pillar and that “the success of international marketing activities is to a large extent driven by the local culture”34. They

also stressed that all the four dimensions of the marketing mix, i.e. product, place, price and promotion, are highly affected by culture. In terms of promotion for instance, it is true that certain advertising can be really effective in one country, while counterproductive in another. In fact, a specific advertisement can be interpreted differently depending on the cultural context in which it is presented: consumers reinterpret the message according to their background and beliefs, and sometimes this reinterpretation can diverge from what the firm wanted to communicate (Van Gelder, 2004). Therefore, local adaptation partly seems inevitable in the branding strategies of global companies. Another argument supporting this position comes from Banerjee (1994). He indeed claimed that the physical features of a product could be the same across markets, but the brand values should be modified according to the local culture. Sinclair and Wilken (2009) explained the concept by stating that companies trying to balance standardization and adaptation should modify certain aspects of the marketing mix, while holding some others constant. However, they noted that not all of those elements should be modified. Therefore, globalization has a strong impact on the kind of strategies global companies devise, but at the same time local differences cannot simply be eliminated by presenting customers with standardized products. This holds true not only for elite goods and services but also for mass ones, such as food and drinks (Sinclair & Wilken, 2009). As a consequence, branding seems to be highly affected by both homogenization and adaptation trends.
A FOCUS ON CORPORATE AND CULTURAL BRANDING IN LIGHT OF GLOCALIZATION

The previous sections within the chapter have sought to explain the existence of globalized markets and the issue of glocalization as a phenomenon that companies must take into consideration if they are to succeed in the markets they operate in. The next part of the literature review refers instead to two main branding theories and seeks to find out if and how these can be merged to better help firms tackle glocalization. It is important to keep in mind that branding theories differ much from theories on globalization in terms of their origin. While the globalization discussion foremost resides among academics, much of what has been written about branding derives from practitioners and consulting firms. This means that the literature on branding is immense and there is no evident correct way to manage the subject. In the present case, given the scope of the paper, it is however important to focus on branding theories which derive from the foremost advocates in their respective fields. Furthermore, such theories must be relevant with respect to the main issues concerning the previous glocalization discussion, namely the balance between global standardization and local adaptation.

Following this, the next sections presents corporate branding and cultural branding, respectively advocated by Hatch & Schultz and by Douglas Holt. Corporate branding is relevant especially when companies go global since “the changes that businesses make as they move toward globalization is a shift in marketing emphasis from product brands to corporate branding”35. Schultz et. al (2006) also argue that given the difficulty of establishing product differentiation in a global market place, the corporate brand moves center stage to offer an additional element of differentiation. The adaptation aspect of glocalization, on the other hand, makes cultural branding a relevant

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paradigm to look further into. Cultural branding focuses on the importance of understanding the
cultural context the brand has to exist in, and thus relates well to the demand for awareness of
local cultures that glocalization poses. Moreover, cultural branding is at all times influenced by
history and therefore has a dynamic quality which is very relevant for understanding local cultures.
After both theories are presented, a comparison of the main similarities and differences is also put
forth.

Introducing corporate branding

Large corporations with a whole portfolio of brands often differentiate among a number of
product brands and one corporate brand. One example could be the “Procter and Gamble” brand
which has a vast number of product brands under it. The corporate brand most often functions as
a focal point for the individual product brands, and in this sense serves as a form of
standardization of the brand portfolio (Aaker & Joachimsthaler, 2000). However, though many
corporations might have a corporate brand this does not necessarily mean that they are applying a
corporate branding strategy. The following is a brief presentation of what corporate branding in a
strategic perspective entails.

While product branding is mostly maintained in the marketing department and is of functional
importance to the company, corporate branding entails the company as a whole and is of strategic
importance, wherefore it is often managed at a higher level (Raj & Choudhary, 2008). Earlier,
branding was indeed mostly applied to stand-alone products and was as such a part of the
marketing function, whereas academics today advocate that corporate branding should involve
the whole organization (Raj & Choudhary, 2008; Schultz, 2006). In accordance with these
arguments, the emphasis placed by companies on corporate branding has intensified in recent
years (Muzellec & Lambkin, 2009). This change in focus from product branding to corporate branding indicates a shift from focusing on functional attributes to emotional qualities. Schultz et al (2006) advocate for a corporate brand that communicates the corporate identity, and Aaker and Joachimsthaler (2000) point out that the corporate brand should portray a set of well-defined values. The move towards more emotional branding rather than functional branding lies in the fact that “functional values are more difficult to sustain due to factors such as advances in technology...similar designs for competing brands...and the ease of copying competitors’ prices”\(^{36}\), and allow the company to communicate to all stakeholders. This is in contrast to product branding which, because of its focus on functionality, only speaks to consumers. “The corporate brand contributes not only to customer-based images of the organization, but to the images formed and held by all its stakeholders.”\(^{37}\).

Therefore, creating a clear company identity provides an additional point of differentiation, which is a welcomed attribute in the face of increasing competition from a globalizing market-place. “In an era when companies can no longer base their strategy on a predictable market or a stable preferential product range, the ground rules for competition change. Differentiation requires positioning, not product, but the whole corporation. Accordingly, the values and emotions symbolized by the organization become key elements of differentiation strategies, and the corporation itself moves center stage”\(^{38}\). The issue of differentiation is a key factor as to why corporate branding has gained importance. In fact, the time a new product can exist in the market before it is imitated by competing firms has diminished. On top of this, consumers have become more knowledgeable about the products in the market as Burt et al. comment: “In conditions

characterized by unsustainable product differentiation, increasingly sophisticated consumers and fragmented markets, the corporate brand is recognized as an important asset"\(^{39}\). Communicating the corporation as a whole makes it become more transparent to all stakeholders (Raj and Choudhary, 2008). This may have the advantage of gaining stakeholders’ trust, e.g. acquiring shareholders or being looked favorably upon by the media. However, it also requires that the image the company is communicating is congruent across all touch-points it has outwardly.

In the above discussion, the reasoning behind corporate branding has been presented and the focus is now moved to see how corporate branding is proposed and actually integrated into companies. Schultz et. al (2006) propose a corporate branding tool-kit that rests on a foundation of interplay between four elements: strategic vision, organizational culture, stakeholder images and corporate brand identity. These four elements underline the view of corporate branding as being “a process through which an organization can continually work out its purpose – a purpose that is meaningful to people inside and outside the organization”\(^{40}\). The tool-kit builds on the premises that the entire organization must be involved in the process of creating and maintaining a congruent corporate brand identity, and that the primary goal of this strategy is to strengthen the company’s relationship towards all stakeholders (Schultz, Antorini & Csaba 2006). The framework is used and built upon by other supporters of corporate branding such as Raj & Choudhary (2008), and is presented in detail below.


The Corporate Branding Tool-Kit, Hatch & Schultz

The aim of the Corporate Branding Tool-Kit is to give and understanding of the cross-disciplinary origins of corporate branding and to provide a starting point for applying corporate branding (Schultz, Antorini & Csaba, 2006). The Tool-Kit provides a framework to conceptualize the relationship between the company and its different stakeholders, which is stressed further in Schultz’s definition of corporate branding: “Corporate branding can best be described as the process of creating, nurturing, and sustaining a mutually rewarding relationship between a company, its employees, and external stakeholders.”

Schultz et al. (2006) argue that building a corporate brand requires the company to have a clear idea of its organizational identity, which is to be the foundation that both organizational members and stakeholders recognize. From this it can be understood that having a strong corporate brand requires a common understanding of the company’s identity, both inwardly in the organization and externally among stakeholders. It is an understanding of these internal and external relationships that the Tool-Kit allows for, through the alignment of four elements: Organizational Culture, Stakeholder Images, Strategic Vision and Corporate Brand Identity.

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The starting point for understanding the Tool-Kit is the **Corporate Brand Identity**. This identity refers to how the members of a company see themselves and the company they work for. Corporate brand identity is strongly linked to theories on organizational identity but is also formed by outside perspectives of the company from external stakeholders. In this sense the corporate brand identity is formed through dynamic interrelations between the company, the interactions the company has with its stakeholders, and the interactions that take place between stakeholders. These dynamics, which as said form the identity, are visualized in the tool-kit by the three remaining elements: organizational culture, stakeholder images and strategic vision.

The concept of **Organizational Culture** relates closely to organization theory and organization identity. It concerns how the internal values, beliefs, and basic assumptions, which are a result of the heritage of the company, can be seen in the ways employees act and feel about the company itself. **Stakeholder Images** relate more to marketing and communication theories, which take stakeholders into consideration. They are in fact the impressions that the outside world has of the company, i.e. customers, shareholders, media, the general public and so forth. Finally, **Strategic Vision** applies an additional dimension by focusing on the future vision of the corporate brand, and how this can influence the corporate reputation. It is in fact the top management’s vision for the company’s future, which corporate branding deliberately seeks to define, in contrast to organizational identity.

Returning again to the argument that, in order to have a strong brand, all three elements must be in alignment, it becomes clear that it is not enough for each single element to be complete. In fact, the elements must be aligned in order for the corporate brand to have a complete and consequent identity. Schultz et. Al (2006) elaborate: “How who we claim to be is related to our everyday beliefs and behavior (identity-culture relation); whether customers experience a
coherence between the expectations based in brand promises and their experiences from interacting with the organization (culture-image relation); if the aspirations for the organization communicated by top management are recognized and supported by organizational members (vision-culture relation)\textsuperscript{42}. If the elements do not align, tensions and misconceptions may arise. Schultz et al refer to these as gaps or disconnections between the elements of the brand, which the tool-kit also allows to analyze. For example, if customers have an experience when dealing with the company that does not live up to, or diverges from, their prior perception, a culture-image gap takes place. This can have undesirable consequences for the corporation leading to a loss of customers. Gaps may also occur between management and the organization (culture-vision gap), e.g. when management communicates new strategies or aspirations for the company. If the organization, that is the employees, does not respond positively to them, resistance towards the top management could be the result. The final gap, the vision-image gap, occurs when external stakeholders’ image of the company conflicts with management’s vision.

Introducing cultural branding

Douglas B. Holt, who is the foremost proponent of cultural branding, works from the hypothesis that postmodern consumers use goods and brands to pursue individuated identity projects (Holt, 2004). In the early 20\textsuperscript{th} century, when marketing was in its youth, companies used their power to coerce consumers to buy their products; companies and ad-agencies were the authorities. Today, the tables have turned, and consumers are taking control over what information they wish to adhere to, and how they intend to use this information. Cultural societies such as the music and sports industry, arts and the fashion world have gained importance in the lives and identity

creation of consumers, and brands have to take a stance towards these cultural societies in order to have any influence on them: “Companies now work hard to weave their brands into cultural epicenters. Firms gain market power by effectively controlling the movement of culture that flows through these epicenters. For firms that pursue this model, monopolizing these channels of cultural creation has become of central strategic importance. Hence we find that large consumer goods companies and ad agencies have moved aggressively to develop their ability to manage the market for cultural properties”\(^{43}\). It is this reality that Holt acknowledges when he argues that to have a successful brand, a company must understand and take advantage of the cultural context it is a part of. If a company can succeed in successfully relating itself to such a culture then the consumers will be able to use the brand to build their own identities around that culture. “A brand that forgoes a credible ongoing relationship within such a community creates an impression for the mass audience that the brand is a vested member of the community and that its stature within that community is deserved”\(^{44}\). From this last citation it is clear that companies must also make themselves a deserved member of a given community. In this proposition also lies that there is an issue of authenticity that companies must prove to consumers in order to gain their acceptance. Holt continues: “consumers will view brands as valuable resources for identity construction when brand meanings are perceived to be authentic---original and disinterested...to be authentic, brands must be disinterested; they must be perceived as invented and disseminated by parties without an instrumental economic agenda, by people who are intrinsically motivated by their inherent value”\(^{45}\).


Cultural branding touches on three main points: the relationship between consumer and brand, the cultural context that brands must work with, and the authenticity that brands must emanate. The following section goes into detail with each of these touch points, using Holt’s framework as a background.

**National Ideologies and myth markets**

As stated earlier, the outset for cultural branding is that it focuses on the cultural context that a given brand is part of. This becomes clear also when defining the brand’s market. Whereas branding theories, such as mind-share branding, define a market on the basis of functionality and substitutability, cultural branding defines a market as being composed of cultural products that compete to create myths which resolve cultural contradictions (Holt, 2004). These cultural products, or brands, are an ongoing source of consumers’ identity creation and Holt denominates such brands as ‘identity brands’. The markets built up around identity brands are defined as “myth markets”.

Myth markets are built around tensions in a given culture – cultural contradictions. These tensions, which manifest themselves as anxieties in the constituents of a given market, are what identity brands seek to resolve. The tensions arise from contradictions with the existing national ideology, an ideology which is “a system of ideas that forges links between everyday life – the aspirations of individuals, families, and communities – and those of the nation”\(^{46}\). National ideologies in turn represent models for how to conduct and live life. Holt uses the example of one of the American ideologies: the self-made man, which is about how any person who works hard can strive to become anything he wants, and thereby can become successful. However, for many people, it can be difficult seeing how their lives match up to these national ideals (Holt, 2004). In

these cases, consumers turn to myths to come to grips with and manage the contradiction between the national ideology and their own lives.

National ideologies are subject to constant evolution, and therefore the myth markets are also subject to ongoing change. Indeed, they derive from the cultural contradictions, which again are derived from national ideologies themselves. At any given time, there are a number of contradictions present in the society, and each of them generates a new myth market. These are for instance used in pop-culture - through television, music, books, magazines and so forth -, but also by brands, which are inspired by and borrow from the other cultural products. Eventually, when the myth is not relevant anymore, the brand must reinvent a version that relates to a new myth if it wants to stay relevant. This is one of the main premises of cultural branding: myth markets are not constant but adapt to contemporary social issues, and therefore brands should not be consistent either. Rather, brands must keep current in order to be of relevance to consumers.

The next section takes a look at where proponents of pop culture, i.e. movies, television, music, magazines and to a certain extent brands, get their inspiration from when creating myths.

**Populist worlds**

Cultural branding requires brand managers to be aware of changes in national ideology, possible contradictions, and the effects changes herein have on the brand’s myth market. The argument for this assertion is again rooted in the belief that post-modern consumers use identity brands to make sense of the current cultural context. Therefore, if the brand does not evolve to take a standpoint towards contradictions in society, the consumers will not be able to apply the brand in an effort to support their own identity creation. “Consumers are beginning to break down
marketers’ dominance by seeking out social spaces in which they produce their own culture, apart from that which is foisted on them by the market. These spaces allow people to continually rework their identities rather than let the market dictate identities for them. Consumers seek to find new values that they can incorporate into their lives, values which provide clarification to the discrepancy between the national ideology and their own lives. Holt argues that in providing these values, brands should look to ‘populist worlds’ when creating myth markets. Populist worlds are cultural hubs that express distinctive ideologies (Holt, 2004), and are believed to be authentic because actions taken by people are motivated by belief rather than interest. Subcultures, underground communities and troubled neighborhoods are good examples of where these populist worlds exist, but not only. By linking a brand to such a populist world, the brand itself gains credibility in the minds of consumers, and will therefore be of relevance to them. By consuming the brand, also people who normally do not inhabit the populist world, form a connection to- and can draw on values from it (Holt 2004).

Cultural branding, as Holt presents it, takes a clear ‘outward-in’ perspective, putting emphasis on understanding and using trends in the cultural context that a given brand exists in. Furthermore, the focus is very much on consumers and the relationship that they form with the brand. These observations, which are only two of many, help to clarify how cultural branding differs from corporate branding. In the following, the differences between these two branding theories are explored further and a discussion is made on how they each may prove useful in a glocalization setting.

Confronting corporate and cultural branding

In the following sections the differences between the two branding theories are discussed in order to understand how the theories work, and do not work, in respect to glocalization.

Company vs. product level

In introducing the two branding strategies, it has been stated that corporate branding provides a good branding strategy adding another point of differentiation to companies going global. This extra point of differentiation is a result of incorporating the whole company in order to create a brand identity that not only is relevant at a product level, but on a company level. In the case of consumers this means that they are not only purchasing benefits associated to the product, but also that they can embrace the associations deriving from the corporate brand behind the product brand. Cultural branding on the other hand only focuses on the actual product brand and on the associations created from consuming it. It is also implied that building the brand around the right myth-market constitutes enough differentiation for the company. However, what if other similar products use the same myth – then where is the differentiation? Corporate branding is influenced by organizational theory when it argues that the organizational culture, which is constantly influenced by the employees and the history of the company, is unique and cannot be replicated.

Stakeholder involvement

As argued in the previous section, corporate and cultural branding respectively work on a company and product level. This is also evident when considering the stakeholders the theories communicate to. Corporate branding’s main argument is that all stakeholders have to be involved, and that the brand identity must be in alignment between the stakeholder groups, so that the brand is seen as congruent from every perspective. Cultural branding instead only discusses the
communication taking place between brand and consumer. A peculiarity is that cultural branding signifies the importance of understanding how the consumer uses the brand, and thereby how the brand should reflect the culture it is part of. The theory implies that if consumers in one culture are affected by certain myths, then consumers in another culture will probably be affected by other myths. Companies thus have to keep this in mind when creating a brand. Corporate branding on the other hand does focus on multiple stakeholders, but it does not discuss how the brand should be affected by these stakeholders.

‘Inward-out’ vs. ‘outward-in’ view

The discussion on stakeholders leads to the question of which perspective each of the theories takes. In the case of cultural branding an ‘outward-in’ view is clearly employed. The cultural context is the source for the associations made to the brand, and the brand is expected to change and evolve together with the movements in the culture. As for corporate branding, scholars argue that this theory takes both an ‘inward-out’ and an ‘outward-in’ view, it is in essence an ‘inward-out’ view. This argument is based on the fact that focus is put on the internal culture of the company, while no effect originating for the outside world is considered (except the fact that the brand must communicate to it). In this sense none of the two theories seem to have a balanced view, but are both stuck on each side of the ‘fence’.

Rigid vs. dynamic theory

The importance that corporate branding assigns to both organizational culture and to the need of alignment of the three corporate tool-kit components, makes the strategy quite rigid. Especially the company culture, which theory for many years has been arguing can’t just change, is inhibiting the brand from evolving. Scholars do mention that brands should be able to evolve, but it is not
put forth from where this change should come. Also, given the rigidity of the brand identity, how is it possible for the brand to be relevant to all stakeholders? Cultural branding on the other hand is all about being dynamic and the theory clearly points out where to find the signifiers of change. Nevertheless, what about heritage, the history of the brand? Clearly that should have some value as well. In his papers, Holt does mention that even though a brand should evolve according to its context, it should also stay true to its heritage. However, here cultural branding comes to a short, like corporate branding, on how this should be done. The balance between having a dynamic brand whilst keeping it true to its heritage seems like a tricky challenge.

_Taking a global perspective?_

One matter that neither of the two theories touches upon is how to strategize when the company moves into other countries. Holt discusses national ideologies but does not consider cross-national ones. As the world becomes more global and interconnected it is safe to assume that both ideologies and populist worlds will transcend national borders. Also, if a brand is built around one myth in its home country, on what myth will it be built around if it is introduced in other markets? Moreover, if heritage is to play a part for the brand, is it possible to transfer such a heritage and still make it relevant in other countries? In the case of corporate branding the question instead becomes whether the brand identity can stretch to accommodate different local cultures, while still being congruent and relevant to all stakeholders.
A discussion of corporate branding versus cultural branding

One point of differentiation between Corporate Branding and Cultural Branding is, as previously mentioned, the outset from where the theories work to shape the brand. Even though advocates of Corporate Branding argue that the paradigm takes both an outward-in and inward-out view, it must be acknowledged that the emphasis which is put on organizational identity, congruence throughout the company, and lastly heritage, distinguishes it as taking an inward-out perspective. Cultural Branding, on the other hand, clearly takes an outward-in approach, putting much effort on defining a cultural context which the company can build its brand from. In this way, Cultural Branding fully surrenders to the current belief, especially apparent in Consumer Knowledge theory, that consumers are becoming more powerful in the market. This implies that to be relevant, a brand must build around the consumers in an effort to be a part of their identity creation. In relation to glocalization, the consciousness of consumers and the different cultural contexts that a brand can, and must take heed of, is a clear advantage when brands are to be relevant in multiple local cultures. In other words, the fact that the brand has to be coherent with the cultural context in each market in which it exists, renders Cultural Branding a very useful theory for companies operating cross-nationally. However, neither Corporate Branding nor Cultural Branding discuss the issues presented to a company when it seeks to be relevant at a global level. It indeed seems like a challenge to apply corporate branding across different countries and markets, especially because the brand needs to reach further geographically, while targeting more stakeholders, incorporating more employees, and reaching out to diverse consumers. The Corporate Branding Too-Kit developed by Hatch and Schultz is helpful in ensuring the alignment of corporate identity on several touch-points, but it does not make any points as to whether the corporate brand can be transferable to other countries. Moreover, Corporate Branding does stress relationship-building with all stakeholders, i.e. consumers, share-holders,
media, or employees, but what it does not make clear is whether these stakeholders are assumed to be in the same country or region. What challenges will a corporate brand meet if it has stakeholders in several countries and regions? Can these stakeholders be assumed to have the same expectations towards the brand? It seems that for branding to comply with the issue of glocalization, a brand must be relevant at a corporate- and a product level, and to multiple stakeholders. In fact, consumers mostly meet the corporate brand through products, whereas other stakeholders are more often exposed to the corporate brand through media attention and corporate communications, where the company as a whole is in the spotlight. Cultural branding on the other hand also falls short here because it only discusses branding in a product perspective, i.e. the relationship between consumer and product brand. The case-studies Holt has made only discuss the branding of specific products and purely in relation to consumers, not other stakeholders. Surely, for brands to be successful on a global level, companies must work with relevance towards all stakeholders. However, this has to be true not only in one market, as with corporate branding – but rather in multiple markets. Therefore, the ambition of this discussion is to point out that both corporate branding and cultural branding have very relevant observations, but that none of the paradigms singularly is fully developed to be adequate for companies trying to solve glocalization issues. Rather, companies operating glocally might be presented with a stronger platform for shaping their branding strategies, if corporate branding’s focus on multiple stakeholders and on the differentiation that a coherent corporate brand may provide is combined together with cultural branding’s attention to differences in cultural contexts and acknowledgement of the increasing power of consumers and how they use brands.
CHAPTER FOUR

Industry and Market Analysis, and

the Carlsberg Group case
INDUSTRY AND MARKET ANALYSIS

THE BEER INDUSTRY

Internationalization activities

The beer industry represents an interesting case of a sector which is known as being rooted in tradition and local habits. In fact, consumption patterns are dictated by local heritage, and history plays an important role. It is common for consumers, especially the older ones, to be loyal to a specific beer brand, be it the one they have been drinking since their youth, or be it the one which is brewed close to their home. Nevertheless, the sector is partly shaping itself according to globalization trends. In fact, companies, and especially the wealthy leading breweries, have started massive internationalization activities during the past years. Among the numerous reasons why such corporations enter foreign markets there are structural market changes and specific industry economics. While the former have pushed the beginning of the process, the latter have contributed to determine its course (IFAMA, 2008). In particular, market changes are characterized by a steady decrease in beer consumption for mature markets, as it happened in Germany (Zwick, 2003 - Time). This decrease is driven by both the rising popularity of other beverages, and the increased consumers’ consciousness about alcohol drinking. As a consequence, overproduction is present in mature markets, and has to be counter-balanced by the search of new distribution channels: “Most obviously, this would mean to go abroad, but it is here where industry economics come into play”\(^4^8\). On the other hand, economic conditions are affected by the nature of the product itself, and by the distribution processes. In fact, the ease of producing beer in almost every location and its perishability induce companies to avoid export, and to try to get

\(^4^8\) June 14th to 17th 2008. 18th Annual World Forum and Symposium. *Drivers of consolidation of major brewery groups – did their internationalization strategies pay off?*. International Food and Agribusiness Management Association. Monterey, California, USA
access to local channels. Distribution is however of course affected by national infrastructures and governmental policies (Adams, 2006). That is partly why big wealthy players seem to prefer the acquisition of local breweries to the setting up of owned subsidiaries. Internationalization also allows big beer brands to charge consumers with higher prices (IFAMA, 2008) and better cover their needs through a broader portfolio. In summary, “by means of cross-border M&As, brewing companies can not only keep or increase their size, they very likely are also able to boost their profits. Once national distribution systems are secured, introducing other (international) beer brands is easy and involves little extra cost”49.

A move towards consolidation

The world's beer giants are showing a growing thirst for consolidation as they try to gain leverage with suppliers, distributors and retailers amid slowing sales in the U.S. and Western Europe.

J. Singer & D. Kesmodel

Internationalization is closely linked to another major trend characterizing the current scene. In fact, the major drift of the past few years has been that of consolidation: “the once-fragmented beer industry has seen a huge amount of deal-making over the past decade, to the point where the world's top five brewers now control nearly 50% of the global market”51.

Among these top global brewers are: InBev, SABMiller plc, Heineken, and the Carlsberg Group. All of them are present in different markets and actively operate at an international level. Moreover,

49 June 14th to 17th 2008. 18th Annual World Forum and Symposium. Drivers of consolidation of major brewery groups – did their internationalization strategies pay off?. International Food and Agribusiness Management Association. Monterey, California, USA

50 http://online.wsj.com/public/article/SB119262856498561983.html

51 http://www.thedeal.com/corporatedealmaker/2007/06/building_the_worlds_biggest_br.php
they are currently pursuing a strategy of increasing their stakes in emerging markets, in order to balance their strengths in the more mature ones.

One question is: what are the reasons leading such already big companies to continue expansion, and even to collaborate with each other, thus putting aside their competitive drive? Perhaps, the most obvious answer is that consolidation maneuvers are a consequence of the stagnating beer sales growth and the increasing competition coming from other beverages, such as wine and spirits (Singer & Kesmodel, 2007). Another factor leading towards this direction is represented by the rising cost of key commodities like grain, glass and aluminum, which in the end is reducing the companies’ profit margins. Consolidating means that big corporations can negotiate better prices on various things, including commodities and advertising, and thus can achieve cost savings. Once again, a proof of this trend is represented by the fact that for instance, between 2000 and 2005 the biggest brewers operated 31 M&A’s, which accounted for a combined transaction value of approximately €64 billion (Ebneth and Theuvsen, 2007). Another good example of such drive towards consolidation is represented by the recent acquisition operated by Heineken and the Carlsberg Group, which joined their forces to take over the United Kingdom's best-selling brewer, Scottish & Newcastle PLC. “The move marks the latest example of a breakup proposal from corporate buyers who group together to acquire businesses that, for a variety of reasons, couldn’t be snapped up by just one bidder”52. Indeed, despite the difficulty of agreeing on value and strategy, consortia allow companies to pay a higher price and often overcome obstacles such as antitrust concerns. Moreover, for the two companies in question, this collaboration has meant the opportunity of enlarging their portfolio and ensuring large volumes and leadership position in many markets. As Heineken’s Chief executive Jean-Francois van Boxmeer stated, “the beer industry today takes so much capital that it isn't worth the expense being in many of the world’s

http://online.wsj.com/public/article/SB119262856498561983.html

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markets unless your company is either the No. 1 or No. 2 player... the best deals are ones that beef up a brewer's share of an existing market, not ones where it expands into a virgin one". In these terms, it is however necessary to recognize that the acquisition of the right brewery is far more important than being first into the market. Indeed, ensuring the right distribution channels and the right brand value is a key factor to outperform competition.

Looking at all of these considerations, it would be natural to assume that consolidation is driving consumers towards the purchase and consumption of a limited portfolio of beer brands, and that local small breweries are sentenced to disappear from the scene. Wrong. Indeed, this does not mean that tradition and local habits are ceasing to play an important role in the industry, both on the side of consumers and of companies. “It might be reasonable to think that the beer industry would tell a similar story. Reasonable, perhaps, but wrong... Things have changed, but history has left its legacy". Research has actually proved that consumers might be interested in trying new trendy imported products, but that in the end they continue buying local brands produced by local brewers. “Despite the emergence of global patterns in consumption, it is unlikely that a single world beer will appear in the near future”. This means, that even if the top companies are acquiring smaller national breweries, they still have to keep the local brands, because most of the times they add more value to the company portfolio (Thomas Jørgensen, 2009). The implication is that national markets are more and more looking like oligopolies, where the top two or three brewers control up to 80% of the share (Benson-Armer, Leibowitz & Ramachandran, 1999).

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53 June 14th to 17th 2008. 18th Annual World Forum and Symposium. Drivers of consolidation of major brewery groups – did their internationalization strategies pay off?. International Food and Agribusiness Management Association. Monterey, California, USA
Trends in the beer industry

Developments in the beverage industry seem to witness an increasing popularity of wine, wine bars, and "designer drinks" (Singer & Kesmodel, 2007). However, it has to be recognized that some emerging trends are boosting new life into the beer industry. For instance, through its sponsoring activities the Carlsberg Group has been capable of linking its flagship beer – Carlsberg – with football to such an extent that it has almost become a must for e.g. Liverpool fans to hold a green bottle in their hands during a match. Heineken is successfully moving towards the same direction and promoting beer as the must-have during for instance rock concerts. The associations continue: Cooking with beer is another growing trend. In fact, beer can now be tasted as an ingredient in sauces and batters. Not to mention the evergreen combination of a traditional beer with pizza: people still love their beer and pizza—or in some cases, a slice of pizza with their beer. Another popular trend is represented by the consumption of premium and light beers, which are gaining more and more recognition among consumers. And, companies are definitely adapting to such trends. The Carlsberg Group, is for instance exploiting this by offering a variety of products in its portfolio which are promoted as “low-fat” (Thomas Jørgensen, 2009).

Succeeding in such an industry is however not as immediate as it could seem by looking at these stories. Companies have to understand the challenges they will face, and try to transform them into opportunities. As Deloitte (2005) recognizes, current market trends can be characterized by various themes, which might not only include consumption patterns. In fact, increasing retailer strength, fierce competition, tightening regulations, and the already discussed consolidation have to be taken into account. As a consequence, the pursuit of market share growth, innovation and increased margins seem fundamental if companies want to continue playing a role in the industry. Whether only the wealthy “giants” or also the smaller local breweries will make it, still has to be seen.
Drivers of beer consumption

The dynamics of beer consumption vary significantly across the world. As for the volumes, they are mostly stable or decreasing in Western Europe, while they are increasing in the emerging Asiatic and Eastern European markets (Carlsberg A/S Annual Report, 2008). The question is: what drives consumption? An explanation is to be found in the projections made by the Carlsberg Group: “global beer volumes are primarily being driven by growing disposable income, improvements in the quality of beer, marketing and advertising activities, and a steadily growing beer-consuming population base”\(^{56}\). In fact, urbanization and westernization play a role, with the big international beer brands being seen as attractive by younger consumers since the brewery groups behind them have the financial possibilities to run intensive marketing campaigns (Adams, 2006). Moreover, weather, seasonality, responsible-use programs, regulations, and presence of substitute products in the market also contribute to determine the level of beer consumption.

THE CARLSBERG GROUP

After having provided an overview on the beer industry, and the trends and patterns characterizing it, it is worth moving the focus to one of the players that impacts the global scene. The Carlsberg Group is a good example of a corporation which is trying to exploit market trends and to follow the drive for globalization. Its story is so far that of a success, a story of a small Danish brewery which has developed into one of the biggest, wealthiest and most recognized international market players. What is worth noting is how the Carlsberg Group has gained its current status by managing to operate according to two opposing forces, globalization and localization, while acting in congruence with its own past. The path to its success has of course not

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always been easy. That is why an overview on its history is provided in the following paragraph, which is then followed by the presentation of its markets and brand portfolio. Moreover, the company’s strategy is also presented, and portrays the Carlsberg Group’s perspectives on – and explanation of – its approach to the market.

Company history

The Carlsberg Group, headquartered in Valby (Denmark), is nowadays the 4\textsuperscript{th} largest brewery in the world with an approximate world market share of 5%. This global conglomerate has come a long way since it was founded in 1847 by the brewer J.C. Jacobsen, who envisioned a revolutionary and innovative way of making beer, thus creating the foundation of the modern brewing industry\textsuperscript{57}. He was first inspired by the Bavarian tradition, which at the time was at the base of the production of a much appreciated beer. Exportation started in 1868, when the beer was first shipped to Scotland, and in 1960 full foreign production became a reality with the opening of a Carlsberg brewery in Blantyre, Malawi.

During the 1870s, Carlsberg was enjoying great success in the market and its founder decided to establish a foundation, which is still very active today and distributes over DKK 60 million annually, so as to share the achievements of his company with the Danish society (http://www.ny-carlsbergfondet.dk/formaal.asp). The idea behind this foundation is that of promoting and sustaining research in fields such as “natural sciences, mathematics, philosophy, the humanities and social sciences”\textsuperscript{58}. Moreover, it is directly involved in the administration of the company.

In 1882, Carl Jacobsen, son of the founder, opened a new brewery under the name of “Ny Carlsberg”, next door to the original one, which was subsequently renamed “Gamle Carlsberg”. At

\textsuperscript{57} http://www.carlsberggroup.com/Company/Timeline/Pages/History.aspx
\textsuperscript{58} http://www.carlsberggroup.com/Company/Foundations/CARLSBERGFOUNDATION/Pages/Default.aspx
the death of J. C. Jacobsen in 1887 the foundation took over “Gamle Carlsberg”, and subsequently merged the two breweries renaming them “Carlsberg Breweries”. At this point in time, Carlsberg Breweries was already establishing itself in the industry, amongst other because of the discovery by Carlsberg’s Emil Christian Hansen of a method for propagating pure yeast, which revolutionized the brewing industry, and gave the company a further competitive advantage.

The end of the 19th- and the beginning of the 20th Century were characterized by the agreement between Carlsberg and one of its main competitors at the time, Tuborg. In particular, they signed a trust in 1903, which represented the most peculiar agreement in Danish business history. In fact, it was supposed to last ninety-seven years, until the end of September 2000 and was aiming at making two completely independent companies share their profits. Even though there has been some incomprehension over the years as to how this agreement was to be managed, following negotiations led to a complete merger of the two breweries under the name of “United Breweries A/S”, which was signed on May 25th, 1970. Even though issues still had to be solved, especially in terms of international marketing efforts, United Breweries A/S managed to successfully establish itself in international markets during those years, mainly through a strategy aimed at licensing and acquiring stakes in local breweries.

During the 1990s the company decided to adopt a more aggressive approach and majority shares in the most valuable breweries were acquired. This gave it the status of a truly global player, with sales in the Danish home market accounting for just 10% of the total sales.

However, one of the most important steps in the company’s history was the establishment of the new “Carlsberg Breweries A/S”, made possible by the collaboration between Carlsberg A/S (with an ownership of 60%) and Orkla ASA (owning the remaining 40%). This agreement ensured leadership in the Nordic markets along with direct access to the booming Eastern European ones.
Lastly, Carlsberg A/S acquired the 40% shares of Orkla in 2004, thus forming what is now recognized as the “Carlsberg Group”.

Today, after the major acquisition in 2008 of Scottish & Newcastle together with Heineken, the Carlsberg Group is the largest brewery in North- and East-Europe and the 4th largest brewery in the world. Its annual sales have exceeded 120 million hl beer (Carlsberg A/S Annual Report, 2008), and with over 500 brands in its portfolio it is a truly global player.

**Markets and brand portfolio**

Nowadays the Carlsberg Group has more than 45,000 employees around the world, and its products are present in more than 150 countries. These markets are grouped into three major regions, i.e. Northern & Western Europe, Eastern Europe and Asia (Carlsberg A/S Annual Report, 2008). The Group retains a leadership position in a majority of these markets, and production has expanded from beer to soft drinks, from light products to wellness ones, to also encompass different types of promotional merchandise. Usually, success and consequently strong revenues are obtained by marketing a combination of local power brands together with internationally recognized ones. In areas where the company does not own a brewery, brands are promoted through the “Export, Licence and Duty Free (ExLiD) division”\(^{59}\). “An essential part of the brand strategy is premiumization of the portfolio. Wherever possible, Carlsberg will be the brand owner of premium products, but where this is not possible, Carlsberg will engage with partners to increase premiumization”\(^{60}\).

Specifically, the entire Carlsberg Group family is composed of more than 500 brands, among which it is possible to find global ones, such as Carlsberg beer, but also regional and local ones.

\(^{59}\) http://www.carlsberggroup.com/Company/Markets/Pages/Markets.aspx

Considering the regional brands, some of the most popular are probably Tuborg, Baltika and Kronenburg, while strong local ones are for instance Ringnes (Norway), Holsten (Germany), Wusu (Western China), or Lav (Serbia). Important to notice is the level of recognition that some of these brands have achieved. Indeed, according to the latest annual report, “An important strength of Carlsberg’s brand portfolio is highlighted by the fact that four brands (Baltika, Carlsberg, Tuborg and Kronenburg) are among the ten biggest brands in Europe with Baltika as number one”61. Products vary from each other in terms of penetration in the respective markets, volume, price and target audience, and this is perceived as a strength for the Carlsberg group, both in terms of flexibility and responsiveness to market needs and demand. “We have a beer for every occasion and for every palate and lifestyle”62.

**Perspectives on the company strategy**

Across the Carlsberg Group we take a GloCal approach. we work together on a global level to develop our strategic approach but acknowledge the local diversity within our operations63.

This paragraph is developed around the main pillars representing the strategic platform from which the Carlsberg Group operates. The reader is therefore presented with the approach the company has to market and with an overview of the different perspectives through which its strategy can be looked at. However, it has once again to be noted that all the argumentations which will be offered in the following section are based on the view of the company and on what it

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63 http://www.carlsberggroup.com/csr/approach/our_strategy/Pages/default.aspx
communicates. Therefore, a critical analysis of such convictions is not provided in this section; it will instead be proposed in the next chapter using the following information as a platform.

Over the years, the Carlsberg Group has implemented a strategy, which allowed it to achieve a competitive advantage, to increase market share and to expand in a profitable way. “In recent years things have really taken off. Expansion and dynamic marketing externally, and streamlining and innovation internally, have brought growth in both revenue and earnings”\(^{64}\). Part of this success came when the Group made a shift in its strategy, emphasizing a global focus instead of concentrating on the home market. In fact, it started expanding heavily in both mature and emerging economies, until it became what it is now: the 4\(^{th}\) largest brewery in the world (Meyer & Tran, 2006). It is recognized that there are different standpoints from which to analyze the success of the company, but what is deemed as most interesting here is to try to answer the following questions: what is really behind the strategy of the Carlsberg Group? Which are the pillars that drive the decisions of the company in one direction or the other?

The strategy of the Carlsberg Group, as recognized internally, could be analyzed by taking different perspectives: “strategy has different angles, where you have the geography, the products innovation, the brands, and what we call the focus areas or basically the way to tune the organization”\(^{65}\). Starting from this assumption, the main aspects on which focus will be placed are:

1. Organizational efficiency
2. Geography
3. Brands, and
4. Innovation

\(^{64}\) Carlsberg A/S Annual Report. 2008. Pp. 8
\(^{65}\) Interview with Thomas Jørgensen, 2009
Acquisitions of already existing breweries represent the main tool through which the Group has managed to expand in diverse markets. In this respect, organizational efficiency is characterized by the attempt of the Carlsberg Group to strengthen the integration process of the acquired companies, in order to achieve synergies, and to be able to control and guide them in their strategic initiatives. This means that the goal for the short-term future, i.e. 3-5 years, is to increase the ownership share in such breweries (Thomas Jørgensen, 2009). Nowadays, the Group already owns 85% of the breweries on a majority share, and this percentage is expected to be raised even more. In fact, the majority ownership is considered as being one of the main prerequisites for a truly global company. It is the tool through which it is possible to get control, achieve scale and really run a business in a consistent way. “If you don’t have ownership, you cannot do anything, you can just export. And give good advice. So a prerequisite for becoming a global company and acting on a global scale - meaning shifting around resources from one country to another, deciding what happens there, and what should not happen there, and looking at the world as your oyster - is that you have ownership control”\textsuperscript{66}. Ownership is anyhow not the only means to achieve organizational efficiency and to make sure that this integration process is successful. An alignment in terms of shared values and vision also has to be achieved, and for this reason a set of so called “winning behaviors” has been developed (Appendix 3). “What sets us apart from our competitors is that we strive to find the right balance between working closely together at a global level whilst allowing local brands and initiatives to flourish”\textsuperscript{67}. The basic idea is not that of linking these behaviors to the beer business, at least not for the moment. They have been created for the Group, and therefore have been developed for an internal purpose, from an HR and a communication perspective. The major aim is that of stimulating commitment within the organization, across borders and functions, so that every single employee shares the same vision,

\textsuperscript{66} Interview with Thomas Jørgensen, 2009
\textsuperscript{67} http://www.carlsberggroup.com/Company/Strategy/Pages/MVV.aspx
no matter where he is located in the world. “The company has created these ‘winning behaviors’ which goes for all employees, which were created together across borders, to say that this is the behavior that we want in the company called Carlsberg Group”\(^{68}\).

Always within the spectrum of organizational efficiency it is possible to place the globalization and centralization efforts the company is making with respect to procurement. This is in fact done with the aim of trying to achieve the best deals and the most favorable terms at Group level. Another goal is that of optimizing the route to the market, so as to offer an optimal service to both consumers and customers (Carlsberg A/S Annual Report, 2008). Standardization also means having the opportunity to achieve transparency within the company and towards the external environment, through common practices and shared platforms. “The first phase has involved identifying and mapping the many operational and administrative processes in the Carlsberg Group with a view to designing and optimizing uniform procedures”\(^{69}\). These allow to optimize and speed up decision making, and thus to be faster to market with respect to competition. However, it has to be realized that the process is far from being completed, and that there is still some work to be done in order to optimize it. A clear and simple example of this is provided by the IT system in place: “If I want to write an e-mail to one of my colleagues in Eastern-Europe I cannot find it in the Outlook directory because IBM has not registered it. That’s how global we are. So I cannot share my mailing lists with CEO’s in the Group. So that’s the limitations of globalization that we are even not there”\(^{70}\). Nevertheless, continuous effort is placed to make sure that consistency is kept across all layers and divisions of the business. Uniform procedures are being implemented first in the mature Western European markets, and if successful, are rolled out in the other regions.

\(^{68}\) Interview with Thomas Jørgensen, 2009  
\(^{70}\) Interview with Thomas Jørgensen, 2009
Linked to this efficiency approach is the discussion regarding the **geographical expansion** of the corporation. The idea of carefully selecting the right market is at the basis of all decisions, and has for instance resulted in the choice of not focusing on the North American one. In fact, the presence of already consolidated competitors, which own the top two or three beer brands, discourages any attempt of gaining a satisfactory market share (Thomas Jørgensen, 2009). The Carlsberg Group would have to invest a substantial amount of money and resources without the certainty of succeeding, resources that could be spent in other more profitable projects. Moreover, the creation of value for the shareholders is a factor which has to be taken into account when considering where to expand, and thus the Group only acquires a brewery if this grants it one of the top 3 positions in the market. With this principle in mind, there are three main areas which the corporation is focusing on - Western Europe, Eastern Europe and Asia – and given the different logics and level of saturation of such markets, the strategy differs accordingly. Where the market is not fully consolidated, such as in Asia, there is the opportunity to still gain or buy market share. In fact, even though beer is not very popular in the area at the moment, the aim is that of creating a brand and distribution platform to be exploited when consumption will eventually increase, as forecasted. “**In Asia, they do not drink a lot of beer. They never have. It is only a very small part, it is only 10 % of our volume. But in the long run, in ten years, it might come, it might change. So our strategy there is to build a platform to be ready when it kicks off**”71. In Eastern Europe instead, beer consumption is increasing rapidly, and more and more competitors are trying to steal market share from each other. In this region, the main strategy is then that of acquiring a new brewery, expand it and optimize the processes. Indeed, starting the business from scratch is perhaps possible in some specific areas, but it is a costly time-consuming process, which does not ensure success. “**There are breweries out there: it’s not that we have to teach them what to do, it’s...**

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71 Interview with Thomas Jørgensen, 2009
a question of buying what is already there and making it more efficient. Closing stuff down, expanding where there is growth.” As for the region where the company already holds a strong leadership position, i.e. Western Europe, the focus is on the optimization of processes given that consolidation has taken place. The main players in the market already own those breweries which are worth having in the portfolio, and volumes are going down. It is thus not really possible to make the market grow and to increase market share. The idea is therefore that of exploiting the already achieved position and of trying to make money out of it, through innovation, minimization of costs and improvements in the processes (www.carlsberggroup.com). “We cannot make the markets necessarily grow that fast. What we can try to make, is get more money and get more market share, and make more money on the strong positions we have. If you are market leader, like we are, there are ways of making money. Even though the market may be falling.”

Due to the need to differentiate from other companies in an increasingly competitive environment, and given the abovementioned stagnation trends in beer consumption, another important aspect of the company’s strategy is represented by its strive towards premiumization. “The objective of the Carlsberg Group’s portfolio strategy is to premiumize the product mix. This is done with Carlsberg’s own premium and super-premium brands, such as Carlsberg, Tuborg, 1664, Grimbergen and Jacobsen, as well as with complementary super-premium brands of other brewers.” This strategy seems to be the winning one given the level of competition in the middle segment, and the need to differentiate from competitors and to bring some value added to the market. Moreover, should sales decrease because of changes in consumption preferences or because of competition, the company secures profit by having less consumers buying more expensive beers. And, given its market share and the broad product portfolio, the Carlsberg Group

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72 Interview with Thomas Jørgensen, 2009
73 Interview with Thomas Jørgensen, 2009
is certainly capable of influencing the process. “So you might say that overall beer consumption is going down, yes, but you can make people drink more expensive beers. And we have the biggest market share... even in mature markets you can still grow your bottom-line by creating more value adding products”75.

As already stressed, the Carlsberg Group aims at being better at going to market, sourcing, and improving efficiency. Nevertheless, after the decision to enter a market or acquire a new brewery is taken, the consumer side is also considered. That is why the company strives to develop a brand image in accordance to consumers’ needs, which can spur value creation. “An example within this area is the development of sophisticated methods and intelligent tools that have been taken into use for analyzing consumer behavior with a view to improving product placement and sales”76.

However, in order to keep consistency across brands and markets, the development of a brand proposition does not only rely on consumers’ insights. Indeed, the corporation creates beforehand a platform internally, on which to base the decision to enter a country (Thomas Jørgensen, 2009). The Group explains that local adaptation is in any case continuously stressed, which is then pursued by following local market trends. In fact, it is true that a harmonization of tastes around the world is taking place (Hall, 1991; Miller, 1995), allowing for standardization of packaging and delivery channels, but it is also true that the beer industry is deeply rooted in culture (Meyer & Tran, 2006). And the company argues it recognizes this: it recognizes that consumers will continuously require multiple options, in terms of the kind of beer they want to consume, how they consume it and where. To sum up, it can therefore be said that so far the aim has been that of running the business independently of national boundaries, while always respecting the local trends and traditions present in each market (Carlsberg A/S Annual Report, 2008).

75 Interview with Thomas Jørgensen, 2009
In terms of the company portfolio, emphasis is put on the combination between local power brands and international premium ones. A power brand represents the top brand in a country, forming the platform from which to develop an international range. “We will have one power brand in a country... So we focus on those companies and build your international portfolio on top of that”\(^{77}\). Indeed, the local power brands are the ones which are believed can be used to create the route to market, and therefore which subsequently allow the company to introduce other brands to the consumers. The argument used by the Carlsberg Group for why having such a structure in the brand portfolio – i.e. a mix of local power brands and international premium ones – is a winning approach, is that it allows to be competitive on a 360° spectrum and to better tackle the never-ending tradeoff between global and local. Indeed, where consumers prefer local beers, they are offered a product which seems to be customized in taste, brand personality and appearance. Whenever instead consumers can be grouped in a cluster, regional and international beer brands play the winning role.

Last but not least, innovation is another pillar on which the Carlsberg Group bases its strategy and which is emphasized in every decision taken. This approach to innovation can take different angles. On the one end there is the development and the introduction of new products in the market, while on the other there is the enhancement of already existing ones (www.carlsberggroup.com). In the former case, new drinks are presented to consumers and are characterized by a tailored communication campaign. When it comes to already existing products instead, packaging innovations are the most common for the Group, as it has been done for Tuborg. Moreover, the introduction of light products, not in terms of alcohol but in terms of calories, also represents a way in which the company tries to differentiate from competition and to gain consumers’ attention. Innovation is however not only related to the products themselves.

\(^{77}\) Interview with Thomas Jørgensen, 2009
It can in fact be related to other areas. While it is recognized that the beer segment is the main focus, entertainment and pleasure are also two businesses the Carlsberg Group operates in. Being active in such sectors gives the company the opportunity to respond to the challenges derived by increased competition in the beer industry, as well as to target consumers with new approaches, presenting them with a brand which is not only related to drinking.

In conclusion, it can therefore be said that the Carlsberg Group has a polyvalent approach to strategy, which can be seen from very different angles. The main point is however that, in the coming future, the company will continue to strive for the integration of the acquired breweries, and will try to develop a sound platform through which to expand in the growth markets, while strengthening the position in the saturated ones. The principle which will always be followed is – be number one or two in the market, or you are on the wrong side (Thomas Jørgensen, 2009).

“*We will not go into a country just in order to add more dots on the map. When we move into markets, our strategy is to be the leader in the markets where we choose to compete*”\(^{78}\). In order to achieve this, a sound portfolio of brands will be continuously developed, innovation will be pursued at all levels, and efficiency will be enhanced. In particular, standardization and the drive towards globalization will be strongly emphasized in the so called “back-office activities”, i.e. procurement, finance and accounting. On the other hand, the closer the focus moves to marketing and sales, the more policies and activities will be localized. To be remembered is however that the overall ambition is always that of creating “*value for the shareholders. You must do this as an enlisted company, we are not a foundation, we are not here to save the world. We are owned by a foundation who can support different stuff with their money. We are in the global beer business*”\(^{79}\).

\(^{78}\) Interview with Thomas Jørgensen, 2009
\(^{79}\) Interview with Thomas Jørgensen, 2009
CHAPTER FIVE

Discussion & Implications
DISCUSSION AND IMPLICATIONS

The following chapter proposes a discussion revolving around the Carlsberg Group, as presented in chapter four, and the main trends and theories touched upon in chapter three. This discussion will be reflected on in two main sections. The first one will briefly present an overview of where the corporation stands with respect to globalization and localization, an overview which is directly related to the company strategy. In particular, an explanation of the features characterizing the Group as a global vs. glocal company is offered, with the aim of clarifying the reason why it represents a suitable case for the discussion in the present paper. The second part will provide an argumentation revolving around the relationship between the previously discussed branding theories and the Group’s branding strategy. In the last section the strategy of the Group brand is analyzed at first, following which a case study on three product brands is presented, in order to investigate how the Group strategizes with respect to its local, regional and global brands. Finally, a general discussion and the authors’ recommendations are put forth.

A COMPANY SPLIT BETWEEN THE FORCES OF GLOBALIZATION AND LOCALIZATION

When looking at the Carlsberg Group the first impression gained is that of a global corporation, which has managed to expand its business internationally and to create a portfolio of brands covering a broad array of needs and preferences. However, given the definitions and the implications of the term globalization, is it really possible to define the company as “globalized”? Perhaps, establishing subsidiaries in multiple countries, striving for the centralization of certain business activities, and offering internationally top class beer brands is not sufficient to grant the
Carlsberg Group the title of “truly globalized company”. What is meant here is that the corporation is certainly global from the outset, but its own strategy partly reflects a different truth, which also tries to work in close connection to the local realities. However, let us consider one point at a time.

If the question is asked: “how is it possible to classify the Carlsberg Group?”, then the most popular answer would probably be “like a global company”. It is in fact easy to argue in this direction by for instance just looking at how it has modified its expansion strategy over time, and what it has achieved through that. Carlsberg beer was initially exported to the countries where the Group was present. However, when expansion meant that the number of markets, where the Group was operating, was increasing exponentially, and given the perishable nature of the beer, the company started licensing at first, and then went on to directly establishing owned subsidiaries. When consolidation of the industry started in the 1980s and ‘90s, and other companies began the acquisition of smaller local breweries on a majority share, the Carlsberg Group decided to follow the trend (Thomas Jørgensen, 2009). This strategy allowed it to become the biggest brewery in the Nordics in 2001, and the 4th largest globally from 2008. From this perspective, the corporation has thus achieved the status of a truly global player, with a broad portfolio, strong market share and sales in the Danish home market accounting for just a minimum percentage of the total.

On the other hand, it has to be said that the Carlsberg Group, notwithstanding the intention to be a global company, also tries to acknowledge local variations in customer demand. The culturally embedded nature of the beer industry (Meyer & Tran, 2006) and the strong differences in both the consumers to be targeted – young, old, religious, sporty, etc. – and the preferences in consumption make it near to impossible for a corporation to gain market supremacy with a single
global brand. “And basically beer is a very local product. It’s probably one of the last FMCG (fast moving consumer goods, red.) industries that will become truly globalized, because beer is something that is associated with national heritage”\textsuperscript{80}. And it is here that branding enters the scene and plays an important role, together with the composition of the corporation’s brand portfolio. These are two of the main aspects for which the Carlsberg Group argues it follows a glocal strategy. Its portfolio is in fact composed of international brands, but 90\% of it is represented by local beer brands, which lately moved from being a side activity to a central part of the corporation’s business strategy (Meyer & Tran, 2006). Synergies are created in logistical terms, but when it comes to the approach to market, major importance is assigned to the value created at the local level.

It therefore seems that the Carlsberg Group represents a suitable case of a company which strives to become global, but which at the same time has to operate in an industry requiring local adaptation. This thought is reinforced by the company which has itself put forth a strategy focusing on “finding the right balance between working closely together at a GLObal level…whilst allowing loCAL brands and initiatives to flourish”\textsuperscript{81}. This statement shows in fact that there is a recognition that such a glocal strategy is necessary to succeed in today’s marketplace. Therefore, having established that the Carlsberg Group does indeed provide a case of a company acting glocally, it is interesting to investigate how the company then manages its brands in light of this recognition. Furthermore, is it also interesting to consider how this approach complies or differs from the theories proposed in chapter three.

\textsuperscript{80} Interview with Thomas Jørgensen, 2009
\textsuperscript{81} CEO presentation, February 2009. Copenhagen, Denmark
WHAT ASPECTS OF THE BRANDING THEORIES IS CARLSBERG ALREADY WORKING WITH?

The purpose of this section is to discuss how the authors of this paper view that the Carlsberg Group is employing aspects from the previously discussed branding theories. It is not hereby implied that the Group recognizes and actively uses these branding theories, but rather that in its strategy it may unconsciously be following some of the points that the two branding theories advocate. In the case of the company, there are several brands to be considered, as well as a multitude of stakeholders for each of these. And, “Carlsberg Group” is the corporate brand underneath which individual breweries and product brands reside. In the next sections the strategies of the Group brand and three product brands are analyzed, ending in a general discussion and the authors’ recommendations.

Strategizing on the Carlsberg Group brand

The theories on corporate branding are argued as being of interest because they seem to answer some of the issues that may arise when a company goes global, namely the need for brand consistency across borders and markets. The corporate branding tool-kit, which focuses on culture, vision and image, serves as a check list to safeguard that the corporate identity is congruent in all touch points the company has with its stakeholders. Using this tool-kit to analyze how the Group strategizes on the corporate brand helps therefore in deciding whether the theories on corporate branding actually prove useful for a company operating gloically. Is it possible to create a Group brand which is consistent according to the three components of corporate branding?
To start off, looking at organization culture, which concerns the values held by employees and mainly influenced by the history and heritage of the company, the Carlsberg Group definitely faces a challenge. The ongoing acquisitions of new breweries with their own histories (some even older than Carlsberg’s) are not subject to instant ‘culture-brainwash’. It has been a clear view in organizational theory for many years that organizational culture is not subject to any sudden change: working on it is a time-consuming process. When the Carlsberg Group acquires a brewery, it is well aware of this fact, and an example of this is the Norwegian Ringnes: “For skeptics like the Norwegians, what value would we (Carlsberg Group red) add? It’s a question of identity, who pays my wages and where do I belong”\(^{82}\). The same holds true for the acquisition of Russian Baltika which, in sales volume in the Eastern-European region, is far larger than the Carlsberg beer. For the employees at Baltika, being part of the Carlsberg Group has no added value given the strong heritage that the company (Baltika) already has. On the other hand, for younger breweries, especially in Eastern Europe, becoming part of a well-renowned, Western-European conglomerate is very favorable. “They were just as eager to get into the Carlsberg Group as they were eager to get into the European Union. To become part of that world”\(^{83}\). For these companies, e.g. Carlsberg Croatia, one may argue that it had a strategic benefit being associated with a European company, and as such, it is not a question of culture or branding. But for the employees who now work for the Carlsberg Group, it is a question of belonging to a culture that they favor. For some it therefore appears attractive to become part of the Carlsberg Group, and consequently part of the culture. However, as previously pointed out, for others there is another heritage which is more important, a heritage which is their own.

\(^{82}\) Interview with Thomas Jørgensen, 2009

\(^{83}\) Interview with Thomas Jørgensen, 2009
It is also a question of being exposed to such corporate culture. For instance, for employees working at the Carlsberg site in Valby, Copenhagen, the heritage is accessible and very tangible. For others working in other countries it is not. Working at the Carlsberg Group Head Quarter makes it easy to get in touch with the company culture. The site is specked with historical buildings, statues, pictures and more. Even some of the employees emanate the Carlsberg history because they have been a part of the place their whole lives. Some of the receptionists that visitors meet when they enter the main building are an example of this. If the Carlsberg Group is set on creating one common company culture, it has to realize that employees in remote locations are not exposed to the company heritage in the same way as those working in the headquarters.

The concept of one common company culture sets forth another question: ‘which company culture’? For it cannot be assumed that it is just the culture originating from Carlsberg Breweries that will be rolled-out in all subsidiaries of the Carlsberg Group. How much of the heritage from Carlsberg should be kept in the culture that now constitutes a variety of different brands? The Carlsberg Group does not at this point have a clear strategy. On the one hand it expresses a wish to portray its Danish history: “I think we will have a very strong link to the Danish history of Carlsberg. I don’t know what the rest of the world will say about it, but if we are clever, then we are able to incorporate them too”\(^{84}\). On the other hand however, it also has to be noticed that some of the acquired companies have a history which is even older than Carlsberg’s, and therefore a mix would be preferable: “So in each of the local breweries you have their history. So what does the Group do? We will have to mix it”\(^{85}\). So far, some steps towards a united Group have been taken. In recent years, the Carlsberg Group has initiated a roll-out of a set of company values, known as ‘Winning Behaviors’. These winning behaviors (Appendix 3) serve as a code of conduct:

\(^{84}\) Interview with Thomas Jørgensen, 2009
\(^{85}\) Interview with Thomas Jørgensen, 2009
“the company has created these ‘winning behaviors’ which go for all employees, which were created together across borders, to say that this is the behavior that we want in the company called Carlsberg Group”\textsuperscript{86}. Their aim is thus that of facilitating the integration of new breweries into the Carlsberg Group. These ‘winning behaviors’ show that initiatives towards creating a Group culture are being taken, and from a corporate branding perspective this is the right sentiment. However, if there is no willingness from the employees to become a part of this culture, to incorporate the winning behaviors, then these behaviors will have no effect (vision-culture gap).

It also has to be understood that the Group, as it presents itself today, is still young, and as already said, creating a culture over-night is not possible. The Group’s journey towards globalization first really took off about 10 years ago so compared to the individual companies which have over 100 years worth of culture, the Carlsberg Group is still in its infancy. When looking at the breweries that the Carlsberg Group has acquired, it indeed becomes clear that creating a common organizational culture, as proposed in corporate branding strategies, may not prove possible when dealing with a global company that in essence is made up of very regional and local products. It is not possible for management to just roll-out a new global Group culture, especially when employees around the world may feel an association only to the specific product brand they work with. The link to the local brewery or the individual product brand is too strong: “in Sweden, we have 2 big brands there, Pripps and Falcon. In principle they work for Carlsberg Sweden, but I’m sure they just think of it as a holding company that pays their wages, but their heart lies with the brand”\textsuperscript{87}. One resulting question becomes whether the Carlsberg Group resides over too many breweries, and thereby brewery cultures, to be able to create one congruent company culture. Also, if it is decided to maintain the local cultures for employees what about stakeholders such as

\textsuperscript{86} Interview with Thomas Jørgensen, 2009
\textsuperscript{87} Interview with Thomas Jørgensen, 2009
the media and shareholders? Would it make sense to create a corporate brand for the sake of these groups alone? That would definitely be against corporate brandings proposition of alignment between vision, culture and image.

So far, the Carlsberg Group’s most important goal is to create as much value as possible. “To us (Carlsberg Group) it matters if we are able to create synergies and use the benefits of being a group. But with so much value being generated locally, with local Norwegian employees working at a Norwegian brewery bringing out Norwegian beers to Norwegian supermarkets via Norwegian roads being sold to Norwegian consumers, then a lot of value is being made there” 88. So, when the overall goal is value creation, is corporate branding’s focus on one organizational culture contributing positively? In the case of the Carlsberg Group, where value creation foremost happens at a local level, creating a Group culture is maybe only relevant for employees situated in back-office positions and other centralized departments supporting the local offices. However, the corporate branding ideology advocates the importance of having one brand identity throughout the whole organization. This leads to the question of management’s vision for the company’s brand identity.

Management’s vision for the future of the company is definitely concerned with striving for a thorough integration of the newly acquired breweries, amongst other through the creation, as previously pointed out, of the ‘Winning Behaviors’; “That was actually to facilitate a good integration of the new companies as fast as possible” 89. As touched upon above, the vision of one the Carlsberg Group brand seems to coincide with the strategy for value creation through local brands, i.e. on the one hand there may exist is a wish for the Group brand to have a global reach to all stakeholders, but on the other hand this may lessen some of the value created on a local

88 Interview with Thomas Jørgensen, 2009
89 Interview with Thomas Jørgensen, 2009
level. What will be interesting to see is where management will strive to take the Group brand in the years to follow. Currently there seems to be some confusion as to the best way forward. On the one hand there is a wish to keep the Group brand separate from many of the product brands. The Group does indeed not want to push the corporate brand onto the product brands. However, the company also expresses the opinion that consumers do not mind that their preferred beer brand is owned by a conglomerate. In this point, it therefore seems that the Group is contradicting itself. Moreover, it seems that an actual strategic vision for the Group brand is missing or at least appears vague. The challenge that lies here is that even if senior management puts forth a vision for the Group brand in the nearest future, they will still have difficulty making all employees proponents of such a vision: as previously stressed, this is because in many cases these employees’ loyalty lies with the product brand, e.g. Baltika, and not the Carlsberg Group brand. It is a case of the Group culture being forced upon the employees, in corporate branding terms it is a vision-culture gap. Some scholars would hint that employees that denounce or actively work against the organizational culture should be removed from the company. However, when these are also the people who are adding value to the company it does not seem a prudent thing to do. The predicament poses a severe risk to management of ending up with a vision-culture gap. Even if management was to single out to whom it will be lucrative to expose a strong Carlsberg Group brand, and furthermore where internally in the company the support for such a corporate brand is to be found, it is nowhere near close to a clear strategic brand vision supported by one organizational culture.

This brings forth the third component of the Corporate Branding Tool-Kit, namely ‘stakeholder image’. Where the company has been reluctant to expose the Carlsberg Group brand towards consumers because of the emotional ties they have for the individual product brands, this is not the case when it comes to other stakeholders (e.g. shareholders, media etc.). Towards these
stakeholders the Carlsberg name seems to have some value, which is also why a decision was made to keep it within the brand name as the company expanded. “Carlsberg and Heineken have something in common, in our portfolios we each have a beer that has the same name as our company, but that is not the same for Anheuser-Busch. There is not a beer called Anheuser-Busch, it’s called Budweiser... Then you will see other big global conglomerates where you sometimes have a mix between the company name and the product. In our business we have a mix, and we believe it creates a lot of value for us that there is that strong link between the products and the group because there is so much strength in the Carlsberg brand; a lot of people want to work for the Carlsberg Group”

The case resembles other big FMCG companies, e.g. Procter and Gamble, whose brand has an enormous value for stockholders and employees, but is mainly unknown to the customers buying the single final products. In other words, most consumers of the Carlsberg Group’s product labels have no image of the Carlsberg Group itself. They probably have a very good image of the beer brand that they buy, but if for example a statement comes out in the media from the Carlsberg Group, the link will not be made. This can in some cases have the benefit of risk-minimizing if the Carlsberg Group should be exposed negatively: then for most consumers, there will not be a negative spill-over effect onto the product brand.

It thus seems that for the Carlsberg Group, aligning culture, vision and image is close to impossible. Firstly, the internal culture is not that easily made into one common Group one, because of the links formed by employees to the individual breweries’ cultures. Secondly, management’s vision for the future of the Carlsberg Group brand is not clear, and when they do try to unite the Group, they first have to win the loyalty of employees who are attached to the acquired brewery. Thirdly, whilst a common Group brand may prove valuable to stakeholders such as media, stockholders and business partners, this is not the case for consumers, who are more

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90 Interview with Thomas Jørgensen, 2009
attached to the product brands. From here it follows that the presence of an opportunity to create a strong brand identity for the Group is questionable.

**Strategizing on the product brands: A special focus on Carlsberg, Tuborg and Holsten.**

Having discussed the strategy behind the corporate brand, it is relevant to also look into the strategies the Group deploys for its product brands in order to provide a sound and complete discussion of the company’s approach to branding. To do this, a case study of three product brands is presented and thereafter discussed in light of corporate and cultural branding.

As mentioned earlier, the Carlsberg Group has an extensive portfolio of product brands, originating both from own beer brands and acquired ones. The brands are categorized as being global, regional or local. In the following section one brand from each of these categories will be looked further into, in order to investigate what brand strategy the Carlsberg Group deploys, and thereby to understand how it differentiates between operating locally, regionally and globally.

The three beer brands selected are Carlsberg, Tuborg and Holsten. These specific brands were chosen partly on account of the Carlsberg interview, which gave some insights into how the Group strategizes on them. Furthermore, these are all prominent brands in the Group portfolio and it is therefore supposed that a good deal of attention is played to brand them in the most beneficial way. All three of them are actually very big, both referring to brand awareness and in terms of sales volume. It is therefore also interesting to see how such seemingly similar brands in terms of size and brand awareness can be categorized so differently by the Group. Specifically, both Tuborg and Carlsberg are perceived as international brands, and yet they are categorized as being
respectively regional and global and as the following shows, are led by different branding strategies.

In the following section each brand is thus presented and analyzed, and subsequently a discussion is made on the different strategies deployed by the company and what connected theoretical implications this may have.

**Carlsberg beer: An international brand with a glocal approach**

The Carlsberg Pilsner is the original beer brewed at the old Carlsberg brewery. First brewed in 1904 and present in 140 countries today, it is the flagship in the Carlsberg Group portfolio. Because of its wide presence, the Group categorizes this beer as being global, and operations are controlled centrally. From the company’s point of view, this is done in order to guarantee a consistent positioning and a coherent image, and to benefit from synergies boosting profits (Carlsberg A/S Annual Report, 2008). The significance put on the consistency of this brand is also evident in the ‘tasting panel’ which is a group of experts is in charge of ensuring that, “*across the world, a Carlsberg tastes like a Carlsberg*”\(^{91}\). However, having touched upon this focus on consistency, it is important to point out that the Carlsberg Pilsner brand is not the same in every country. The Carlsberg Group itself comments about the brand that it “*means different things to different people. It’s a lot more difficult and a lot more complex brand. It’s a lot of different positioning*”\(^{92}\). In fact it is mostly the visual appearance of the beer bottle which is kept consistent across markets. Though not in Denmark where the brand originates from. Here the beer is indeed associated to the Carlsberg company history and the Danes are very proud of the brand, wherefore the company has been compelled to keep the old type of beer bottle and to only

\(^{91}\) http://www.carlsberggroup.com/Experience/Pages/Experience.aspx

\(^{92}\) Interview with Thomas Jørgensen, 2009
introduce the more modern version abroad (Appendix 4). According to Thomas Jørgensen the history of the company is in fact not interesting in all markets: “Does history play a part for consumers who buy it? – only in Denmark... It’s a brand that has been around forever so of course there is some history. Does that mean something to the consumer? 90% probably not. But in Denmark it does”\(^93\).

Coming back to the different associations that this brand has; in Denmark evidently it is associated with the history of the Carlsberg company and it has a history of being the “workers” beer. This association also means that in Denmark, Carlsberg Pilsner is seen as a mainstream beer, and priced accordingly. The beer is also associated with arts and culture because of the foundation which owns the Carlsberg Group, and which every year donates millions of Danish Kroner to arts and culture. Furthermore it is strongly associated to football (Appendix 5), which is seen through its sponsorship of the biggest Danish football club: FC København. The association to football is also very clear on the beer’s Danish website, through visuals, referrals and content (www.carlsberg.dk).

Abroad the brand is likewise mainly associated with sports. However, different sports are chosen depending on which market the beer is branded in: “To some it is golf, to some it’s skiing, to most it’s premium, to some it’s mainstream, to some it’s my dad’s beer, to others it is new guy coming in, if it’s a new market you enter. It has had so many different connections. It’s about foundations and art...so a lot more difficult to make a unique position”\(^94\). In the UK the brand is also (or has been up to recently) the sponsor of one of the biggest football clubs, namely Liverpool. Because of the association to football, Carlsberg Pilsner is also considered a mainstream beer in the UK. In the same sense as probably every English fan associates the brand to the Liverpool team, so do most

\(^{93}\) Interview with Thomas Jørgensen, 2009  
\(^{94}\) Interview with Thomas Jørgensen, 2009
Europeans remember it as the sponsor of the UEFA European football championship (Appendix 6). Taking a look at how these associations are promoted, the advertisements supporting this sponsorship strategy strongly emphasize the link of the beer to football, and make the brand extremely prominent in every major event. During the Euro 2008 for instance, Vienna, the Austrian capital, was wrapped in Carlsberg billboards and posters and mostly, the only beer available during the games was Carlsberg. Another example is given by the campaign which was developed for the English market, promoting England as a probable candidate to win the world championship (Appendix 7). This latter campaign has been one of the most successful ones: “The brand was the most popular lager at home and in the pub during the tournament delivering Carlsberg’s highest ever sales uplift in the off trade and out-performing the on-Trade category by 33%”\(^{95}\). These are clear examples of how the company actively uses major events, attracting a prominent number of potential consumers, and of how it exploits such happenings to make sure that the link “football – drink – beer – Carlsberg” is clear and unique.

Another advertisement campaign which Carlsberg has used throughout its expansion efforts is part of the overall company ‘premiumization’ strategy. Apart from the Danish and UK market, Carlsberg Pilsner is indeed branded as a premium beer at a premium price. The slogan for the campaigns is originally from the 1970s but is still relevant today according to the aforementioned strategy, and reads: “probably the best lager in the world”. The tagline is thus used to depict the story of a successful brand, and to communicate to consumers that “you can probably be the best too”. Furthermore, when Carlsberg becomes part of an experience, “it will be (probably) the best one” – and the experience becomes ‘premium’. Following the wish for Carlsberg to become part of ‘the best’ experiences, the company also tries to place the beer in more up-scale places, by e.g. introducing it in restaurants all over the world. A series of ads have been rolled out, partly

\(^{95}\) http://www.bcl.co.uk/case-study/2006/carlsbergworldcup/index.htm
communicating the premium status of the beer and the potential ability of the company to be the best independently of the business it could be in (Appendix 8), and partly putting consumers in the center of attention, trying to make the brand a concrete part of their lives (Appendix 9).

How these associations are achieved varies across countries and target groups: while in Europe focus is mainly placed on team spirit, fun, and being the best, in Asia it is more on sharing, friendship and moral values, in congruence with the local culture (Appendix 10). Especially in the latter region premiumization is pursued by the company, which wants to place the beer in the premium segment to differentiate it from the other competitors: “the premium segment is particularly attractive in cultures where status and prestige are highly valued, as in many Asian countries”\(^{96}\). Tradition, which is so important for the Asian culture is also a value which Carlsberg beer wants to portray. A good example of this is given by the campaign developed in Malaysia in 2008: “The new campaign, developed by the beer brand’s newly appointed creative agency Euro RSCG, will seek to emotionally engage the Malaysian consumers by exploring the beer’s heritage, quality and Danish roots”\(^{97}\) (Appendix 11).

In conclusion, the Carlsberg brand is positioned as a global one, but is positioned differently across markets and thus does not have one strong image. The reason, given by the Group, for this strategy is to adapt the brand to fit every market.

**Tuborg: a regional brand with supranational traits**

Tuborg has its origins in Denmark, where it was first brewed in 1873, and nowadays it is present in 25 countries. In the last decades it has grown tremendously in Western- and Eastern-Europe and is also present in the Asian market. However, the profit center remains Europe, at least for the


moment. Seen from an operational level, the brand is managed centrally given its vast market presence, however in branding terms, the Group categorizes it as “really regional”\textsuperscript{98}. It is not quite clear what ‘regional’ encompasses, but looking at the related marketing and branding activities, the brand seems to be managed as an international brand, i.e. a lot of work goes into conveying a consistent image across countries. In particular, music is at the center of the commercial promotion of Tuborg, with festivals representing the main events sponsored by the brand. “\textit{That is part of the Tuborg concept – of the international Tuborg concept, which is then being lifted locally where Tuborg is music, young people, party, beer}”\textsuperscript{99}. The brand has especially focused on ‘owning’ the green color that is used throughout its campaigns: “\textit{then you can show the color green, and you can use the music and make something called the green festival or a green dj or green whatever, and people will immediately associate it with Tuborg}”\textsuperscript{100}.

The association to music first started in Denmark where Tuborg became the official sponsor of the Roskilde Festival. Given the success of the initiative and the increased awareness this link brought in the mind of consumers, the Group decided to position the brand in the same way internationally too. “\textit{So I think it was fairly obvious, when they a few years back had to develop international Tuborg stuff, to do it in a bigger scale than previous, to build on that... And that has become a stronger international positioning for that brand than we actually have in Denmark... Here we have the usual Tuborg stuff at Christmas and Easter and whatever, but if you went to Kiev in Ukraine and saw the entire subway painted in that green color you would not necessarily recognize it as Tuborg, but they do. Immediately}”\textsuperscript{101}.

\textsuperscript{98}Interview with Thomas Jørgensen, 2009
\textsuperscript{99}Interview with Thomas Jørgensen, 2009
\textsuperscript{100}Interview with Thomas Jørgensen, 2009
\textsuperscript{101}Interview with Thomas Jørgensen, 2009
Music is however not the only thing which Tuborg bases its image and brand proposition on. In general terms, the brand is known to portray the value of entertainment, being it music, a party or movies. Standard international campaigns have in fact been developed from year to year, and have taken advantage of common themes and trends. For instance, 2007/2008 was the year in which the major subject was summer, the sea and its animals. Exploiting the common concept that summer corresponds to hot weather, Tuborg managed to develop an international campaign which portrayed the brand as the one to drink to get cooler and to be refreshed (Appendix 12). Another really successful set of advertisements, proving the point that this brand is capable of having a consistent image across markets thanks to the generally accepted themes it bases itself on, is represented by the “movies” campaign. Tuborg was launched as the official beer of movie theaters, making a direct visual link between the product and the most successful movies which were presented in cinemas (Appendix 13).

**Holsten: a local power brand**

Unlike the two previous beers, Holsten is a German beer. The beer is one of the company’s biggest brands, and is available also outside Germany. In spite of this, the Group categorizes the brand as local. Holsten is one of the so called ‘power brands’ that the Carlsberg Group has in its portfolio, and whose role is that of being a key driver in the local segment (Carlsberg A/S Annual Report, 2008). The original brewery behind Holsten is Holsten Brauerei AG, which was founded in Germany in 1879 and became part of the Carlsberg Group in April 2004. At the time of acquisition, the brewery was already a big player in the market, and thus fit into the Group’s strategy of only buying the largest players in the market. Indeed, Holsten Brauerei already tried to expand before Carlsberg came into the picture, and was in fact strongly present in the UK for instance.
Because of its status as a local brand, Holsten is managed at a local level and furthermore is kept separate from the other beer brands the Group has in its portfolio. "We do not go and change the marketing of their local brand, it is up to them how they want to market they local brand... There is no way we are going to change that. We don’t buy them because of the brewery. We have got breweries enough. We don’t buy them because of the employees. Because you can get brewery employees anywhere. You buy them because of the strength the brand has locally... The value is in the local brand"¹⁰². As mentioned the brand is also kept very separate from the, rest of the group and where many other brands in the Carlsberg Group portfolio have nearly identical websites, in visual terms, there is no resemblance between the features of the Holsten webpage and the Group’s (Appendix 14). There is just a minimal reference to the fact that the brewery is owned by the Carlsberg Group, and even in that section more emphasis is placed on Carlsberg Deutschland, rather than on the Danish corporate division (http://www.holsten-pilsener.de/index01.php).

The image that the brand communicates through advertisements is mostly about values of heritage, strength, and respect (Appendix 15). In order to also give a more modern appeal to the brand though, a campaign has been developed for the German market which depicts some young men in different everyday situations. In this case the value masculinity is transmitted and the idea is that of defining what are men really like?. In the short commercials under the motto “Men in action”, Holsten takes a perceptive but entertaining glance at typical male behavior. Moreover, with the tagline “Holsten. To us, men”, the Pilsner has established itself as a men's beer, for self-confident males with a good dose of humor and self-irony (Appendix 16).

¹⁰² Interview with Thomas Jørgensen, 2009
Analysis and discussion on the product brands

Starting again with Carlsberg Pilsner, this brand is supposed to be the most global brand in the Group’s portfolio and yet it is one of the most inconsistent brands in terms of image. First of all, the company emphasizes building a brand in each market so it is adapted to local tastes and values. Being present in 150 countries, it is plausible to wonder if the brand is experiencing a bit of schizophrenia. Even the Group itself seems to be contradicting itself, when it on the one hand argues that the brand is managed centrally in order to secure consistency, while on the other hand, it stresses adaptation to every market. Especially the fact that in some markets the beer is considered mainstream, while in others it is communicated as a premium beer, seems to be very contradictive. What would happen, if a Japanese businessman was enjoying a premium Carlsberg Pilsner at a nice restaurant, and he later sees a football game from Liverpool, England, where drunk men in football clothes are drinking the very same beer out of plastic beakers? It is plausible to think that the brand would lose its authenticity. What does seem to work though is the campaign using the slogan “probably the best beer in the world”. This is more in line with premiumizing the brand, because every ad sets the Carlsberg brand in connection with e.g. “the best barbeque in the world” or “the best litter in the world” etc, saying that it would be the best in every category. However, there also seems to be some inconsistencies in terms of how much the brand is connected to its heritage. In Denmark, the link is very strong, because, as is argued by the company, in the country the history adds value. However, the link to the Danish history is also communicated in some parts of the Asian market, where there is a belief that the link will add value too. These inconsistencies are clearly in contrast to how corporate branding would manage a brand. Tuborg on the other hand presents itself as a much more consistent brand. Advertisements across countries are all built up around the same theme of music and partying. Furthermore, the events which Tuborg uses to promote its brand, i.e. music festivals are also similar. True, the music
played in one country may differ from music played in another country, but what the Tuborg brand seems to be communicating, is the general enjoyment of music and not promoting specific local music groups. In other words, the ideologies portrayed are so general, that they appeal cross-nationally. Furthermore, the fact that Tuborg is not linked to its history in any of the markets supports the streamlined image of the brand. Oddly enough, with this regional brand, as the Group categorizes it, it has been possible to create a brand which is more consistent and in that way more global, than it has been done with the Carlsberg Pilsner brand. Evidently, the categories in which the Carlsberg Group has put these two abovementioned beer brands do not really match the respective branding strategies. This is partly also true for Holsten. Even though Holsten is categorized as a local brand, it must be pointed out that this is not a small local brand, only known and appreciated in the regions of Germany. As mentioned earlier, it is one of the Groups biggest brands, and it is also present in other countries besides Germany. In fact, it is a popular pilsner in the UK, which otherwise is known to be quite anti-German because of the recent history of the Second World War. However, taking a cultural branding perspective partly explains why. Though the brand is termed local, the associations that the brand plays on are not exclusive to the German culture. The image of being a ‘man’s’ beer, and that drinking the beer allows the consumer to become ‘a real man’ is not only relevant in Germany; it is an association that most men, especially in the westernized part of the world can relate to. In other words, the Group might categorize the brand as being local, but they are definitely not branding it in respect to the local culture, as Holt would argue to be necessary. Again, the root of this problem may lie in the company’s strategy to buy only the big valuable brands in every market. For the most part, these brands are already present abroad, and might therefore already have adopted myths that are cross-nationally relevant.
In conclusion, the categories that the Carlsberg Group uses in relation to its different brands –
global, regional and local -, do not completely match how the branding strategies are deployed. In
the case of Carlsberg Pilsner, the strategy is too focused on adapting the brand to every individual
market, and thus this does not have a congruent global image. However, in spite of these
inconsistencies, the Carlsberg Pilsner is very successful in terms of sales and seemingly the brand is
strong in the individual markets. For Tuborg it has however been possible to create a consistent
cross national image to a larger extent than Carlsberg. In fact, Tuborg seems to be the most
congruent international brand of the two. Lastly, the Holsten brand which is supposed to be a local
brand, is not really applying a myth that is purely locally relevant.

A CRITICAL LOOK AT BOTH CASE COMPANY AND BRANDING
THEORIES

The analysis of the product brands shows that the Group seems to be struggling to both manage
global and local brands, and in the effort to manage both, none of the strategies really comply
with the categories that the brands are put in. The issue is also that the company is focused on
value creation and this interferes with creating a sound brand strategy since the goal in most cases
becomes adaptation, which again leads to inconsistencies. In fact, even though the company
categorizes for instance the Carlsberg Pilsner brand as global, the brand is in fact adapted to each
market, and thus has a multitude of associations in the minds of consumers. It is a global brand
but because of the inconsistencies highlighted previously, it does not have a global identity. It
seems that with the Carlsberg brand, the company is taking a local approach to a global brand.
Again the challenge of creating a truly global and consistent beer brand may reside in the
culturally embedded nature of the product itself In regards to local brands, the company fails to
make them local in a cultural sense. The reason for this may be linked to the overall strategy of the company to only buy leading breweries in the markets. This means that the company is actually dealing with big power brands, which may not have kept a pure connection to the local culture of origin. Incorporating Holt’s theories on myth markets would strengthen these brands to make them truly local, in other words, making them local in branding terms and not, as the company is doing now, being local only in terms of geography. Lastly, it has to be pointed out that it has proven possible for the Group to create a brand which is consistent in branding terms to a larger degree than others: the Tuborg brand. Tuborg uses the association to music, which allows it to be relevant across markets. The argument behind this is that music, independently of the type, is related to those values of fun and enjoyment which are not related to any specific culture. They are supranational. It has to be noted here, that this decision was not purposefully made by the company. Rather, the association of the brand to music was started in the Danish market, and given its success there it was exported and tried out abroad. In this sense the Group was lucky in its strategizing. The myth market created around the music culture has brought the Tuborg brand much success and has allowed for a consistent brand. It is therefore worthwhile to propose that to accommodate international brands such as Tuborg, Holt’s focus on national ideologies has to be extended to encompass ideologies which are relatable cross-nationally. As discussed in the Literature Review, Holt builds up his theories of cultural branding around the premise of national ideologies. So the question one might ask when dealing with a global company is: which national ideology will the given company or product build its brand around? Or, does such a brand have to deal with multiple national ideologies? Holt only discusses the brand within the boundaries of one country, but today, as the world and the companies in it become more globalized, the theory of one national ideology seems outdated and far from sufficient. The case of Tuborg shows that the move towards globalization, even in an industry such as the beer one, also means that cultural
branding has to open its boundaries to encompass cross-national ideologies. Even though national ideologies still exist, and can be relevant in the case of a local brand, globalization will most likely result in principles which are not rooted in just one nationality. “Studies in the future should go beyond methodological nationalism and combine various frames of reference — local, microregional, national, macroregional, and global — to develop distributed models for creating brand meaning”\textsuperscript{103}. Putting this in cultural branding terms this would imply that populist worlds will form in opposition to new local, regional and global ideologies, and these populist worlds will consequently also exist cross-nationally, creating cross-national myth markets. For Holt’s arguments on cultural branding to stay significant, the focus should shift from national ideologies to the gap between globalization and populist worlds. In effect, globalization becomes the disruption which spawns new contradictions. It is here that myth-markets will lie. Whilst Holt’s point on being locally aware is still very much relevant, as clearly seen in the case of Carlsberg, it must be realized that myth-markets can be found on a global level as well. “Recent studies have shown that brand myth markets play a significant role in organizing and structuring the choice-making work of consumers and that some mythic brand markets are not national but transnational phenomena”\textsuperscript{104}. If cultural branding does not adapt to these globalization trends, the result will end up creating rigidity instead of what the theory advocates for, namely a dynamic brand that is capable of evolving together with the cultural context. The Group should therefore keep in mind this possible change in focus from a national to a global culture for its beer brands, even if beer is considered to be one of the last FMCGs which will completely globalize. To be noted is that it is not hereby implied that a strategy revolving around cross-national ideologies will fit all brands.


Indeed, taking the example of Carlsberg Pilsner, which is also an international brand, it was commented in the above that the company has failed to make a consistent brand. The reason for this appears to lie in the fact that such brand means so many different things in different markets, that it does not seem plausible to apply a strategy like the one used for Tuborg. Indeed, it is clearly an issue that the brand equals premium in some markets though is considered mainstream in others, and changing consumers’ associations to it proves difficult. To be an actual global brand, does the Carlsberg brand have to be consistent across cultures? Cayla and Arnould (2008) put forth a similar comment: “Erdem and Swait (1998) argue that the consistency of brand messages increases the clarity and credibility of a brand in the minds of consumers, but the relevance of consistency across cultural contexts remains largely uncontested and under-researched”¹⁰⁵. This argument implies that the question of consistency does not have an answer yet. The fact remains though, that with the Carlsberg Pilsner, the Group has managed to make a successful brand, even though the strategy behind the brand strongly deviates from what most branding scholars would recommend. In regard to the local brands, it becomes a question of what goal the Group has for the given brand. If for example the Group wants Holsten to remain a local power brand, and not evolve into an international one, then it would not make sense to use cross-national myths to build it. In this case, as already argued, the company should in fact rather strengthen the local aspect of the brand, by building it around myths that are very culturally bound to its local market, i.e. Germany.

Turning now to the corporate brand: the Carlsberg Group. How is it possible to create one brand identity which can be used and be relatable to all the brands which the Carlsberg Group encompasses? Again the issue becomes, how many brands can one corporate brand hold if it is

still to be communicated as one brand? So far, the corporate brand is not advertised on its own. The ‘winning behaviors’ do tell something about what values the company promotes among its employees, but they are nowhere near close to being used to create an actual corporate brand. In fact, even internally they seem to be coerced on the employees from the top, rather than really taking into account their different values, working environments and cultures. Moreover, there is no apparent wish to promote the Group brand to the consumers of the product brands, and therefore they, as the main stakeholders, are not urged to use the corporate brand in their lives.

Cultural branding is based on an outward-in view, and therefore, if there is no outside world to create a brand around, because there is no wish to communicate the brand to the outside world, then the cause seems like a lost one. Coming back again to the issue of creating one villain, it seems a difficult endeavor because of the multiple numbers of brands in the portfolio, each with its own story. More importantly and as stressed before, even if it was possible, there is no wish from the Group to communicate a Group brand to consumers. So far, it has to be again stressed that the Group as such has only been branded internally, and as the previous analysis showed, the attempt seems to be doomed beforehand. Indeed, creating an organizational culture as proposed by corporate branding is next to impossible given the presence of so many diverse cultures, deriving from the numerous brewery acquisitions. Furthermore, as said, the Group is not interested in communicating the corporate brand towards consumers, especially given the fear that this move would lead to a disruption of the value-creation taking place between product brands and consumers themselves. The complexity of this seems to result in a question of whether it is actually feasible to create a common Group brand building on traditional corporate branding theory. Creating one brand identity in Schultz terms – which is firstly grounded in one common organizational culture, is secondly relevant in all markets to all consumers, and thirdly can also make a relevant link to the product brands under it – seems impossible in the Carlsberg Group.
case. It can be argued that the company could continue to work on making a brand which communicates consistently to all other stakeholders – other than consumers and employees – but then would the point of the brand be lost? Would it instead maybe be most beneficial for the Carlsberg Group to abandon the idea of creating a corporate brand, and instead focus on being a very local company? This means that it should develop its local brands to be local in a cultural branding sense, i.e. using the cultural context of the given country or region, and furthermore it should try to expand this approach in order to create consistent international brands, with the example of Tuborg as the goal, that are culturally rooted at a cross-country level. Corporate branding may not prove applicable in terms of the Group brand. The authors argue that corporate brandings’ attention to creating a congruent brand identity is relevant in terms of the product brands – especially for the international product brands which are present globally. But what about the Group brand? It seems a matter of group the different stakeholders: the ones that are attached to the cultural aspects of the product brands, namely employees and consumers, and those that are more interested in a well-functioning Group which can create value, namely shareholders, media and b2b partners. For the first group, developing a Group brand in a corporate branding sense does not add any value to them. Towards this group of stakeholders it could be argued that creating an umbrella brand, also called ‘a house of brands’ like that of Procter and Gamble would make sense. Regarding the latter group, a Group brand could add value as such a brand could be a mark of quality, and thus creating something in between ‘a house of brands’ and ‘branded house of brands’ could be beneficial. This is clearly deviating from corporate branding’s alignment strategy, but if there is no interest from certain stakeholder groups, then communicating to them will give no added value in creating a brand identity.
CHAPTER SIX

Conclusion
CONCLUSION

In a world which is becoming more accessible and where technology allows people to communicate and trade from one part of the globe to another, companies are venturing out, expanding their business and becoming globally present. This also means that competition is intensifying because consumers can evaluate alternatives to a larger extent than before, and have actual access to these alternatives. As a result thereof, branding has become a main differentiator in the competition of gaining consumers’ preferences. In recent years this has developed to not only encompass product branding, but to include branding of corporations as a whole, thus bringing that extra source of distinction aiming at winning the loyalty of consumers. The main theory relating to this is called ‘corporate branding’. One of its main advocates, Majken Schultz, argues that alignment of the company’s culture, vision and image can create a strong brand identity which can be communicated to all stakeholders of the brand, and can create that differentiating trait highlighted above.

However, even though the world is globalizing, scholars are arguing that local culture is still very much alive. In some instances it is even reinforced by consumers, in order not to be swallowed by global trends and products which can make local equivalents obsolete. Therefore, when companies expand their operations, it becomes a question of balancing two approaches: being global whilst taking care of understanding and respecting the local preferences and cultures. This acknowledgement has of course to be considered when a company determines its branding strategy.

In this context, it therefore becomes interesting to look at another branding theory, which claims the significance of building brands around the local cultural context in each country. This theory is ‘cultural branding’ and is advocated especially by Douglas B. Holt. His argument is, that in order to
be of relevance to consumers, a brand must answer some of the contradictions which consumers find in the gap between national ideologies and their own lives. The brand must become part of their identity creation.

Therefore, returning to the challenge of operating both globally and locally, the authors propose that taking aspects from corporate branding, which seems to answer some of the challenges facing global brands, and then incorporating aspects of cultural branding, which aims to make brands relevant on a local level, could prove useful for companies operating “glocally”. In order to research this assumption further, the Carlsberg Group is presented as a case of a company facing and struggling with such challenges. Indeed, the Group has in recent years become a global contender in the beer industry and at the moment is the 4th largest. However, because the beer industry is very culturally embedded and because consumers are emotionally attached to the beer they drink, the Group has realized that, in branding its products, it must pay attention to the local trends and preferences in each market it operates in. Otherwise, the brands risk losing value in the minds of consumers. Furthermore, the Group is faced with the challenge of creating a relevant corporate brand for all stakeholders. In fact, especially employees from acquired breweries and consumers are attached to the values their chosen product brands portray, and seemingly will not accept a change in these associations just because the brands now are part of a global conglomerate.

Analyzing how the Group goes about strategizing its brands, it becomes clear that it is still very much affected by the goal of ‘value-creation’, meaning that its foremost ambition is to be relevant to consumers in each market. The result is, that the categories which the Group puts its different product brands in, namely ‘global’, ‘regional’ and ‘local’, are actually not matched with a similar branding strategy. Creating a global brand with one brand image, seems to prove impossible.
because of the different associations the product brand is given in different markets, in order to be relevant to the different consumers. Furthermore, because the Group works from a strategy of only acquiring the top three leading breweries in each market, the brands which the Group terms ‘local’ are in some cases not local in a branding sense - they are not rooted in the cultural context of the specific region. However, in spite of adhering to local adaptation, it has still been possible for the Group to create one international product brand which is quite consistent. The answer seems to lie in building the brand around a myth which is relevant across nations. Lastly, in the case of the Group brand, there seems to be no clear strategy for where to take it, even though there have been attempts from management’s side to create a common set of values for employees to follow internally. The reason for this may lie in the fact that the company is made up of too many individual breweries, each with their own culture, to be able to form one common organizational culture that can stand behind one consistent corporate brand identity.

Applying the branding theories of cultural and corporate branding, it is first of all clear, that the significance which cultural branding puts on creating locally rooted brands, is very relevant in the Carlsberg Group case. However, the Group is recognized as being too stuck in acting local from an operational point of view, and should therefore put effort into branding locally, meaning that it should use the cultural context of the local markets more in its branding strategies. This is especially true for those brands which the company aims at keeping bound to a specific culture. Concerning the more global brands in the Group portfolio, it is argued that it is necessary to extend Holt’s theory from building brands around national ideologies, to instead using cross-national ideologies in order to create brands which are relevant on a global level. It must be realized that globalization means that consumers will be creating their identities on account of global trends and not just national ones. This has to be considered when creating global brands. In respect to managing a corporate Group brand, the case of Carlsberg Group points to the notion
that corporate branding’s focus on one brand identity and relevance to all stakeholders is too rigid in a sector such as the beer industry, where product brands provide the value for consumers and where culture is so relevant. Therefore, when targeting consumers and employees, the Carlsberg Group brand should not strive for a model resembling the one put forth by Schultz, but should focus on being an umbrella, placing the emphasis on the local brands under it. On the other hand, when talking about other stakeholders - shareholders, media and b2b partners - who associate the Group brand with value, a corporate brand has to be emphasized.

In conclusion, it is therefore argued that the two theories on branding do add valuable perspectives from a glocal viewpoint however an adaptation is necessary in order for them to be relevant for companies operating in a culturally embedded industry, as the Carlsberg Group case presents.

**SUGGESTIONS FOR FURTHER RESEARCH**

It is recognized that the present research does not cover all of the aspects which could further contribute to a thorough discussion of the subject matter at hand. In particular, it is recognized that given the limited amount of time at disposal and the limited resources available, the topics under consideration had to be restricted within specific boundaries. Further studies could both focus on the Carlsberg Group and its branding strategy, or could try to enlarge the spectrum of the research to encompass other companies and industries.

In the first case, it would be interesting to investigate how consumers really perceive the single product brands and the corporate one. In this case a quantitative research should be carried out, involving questionnaires, together with a more in depth qualitative analysis through interviews
and focus groups. Combining both approaches would in fact allow for obtaining a comprehensive view of the relationship that consumers have with the company brands and vice-versa. The investigation could also be enlarged to include the other businesses the Carlsberg Group is operating in, such as soft drinks, so as to provide an overview of the differences with respect to the beer industry and of the implications that culture has on the branding strategies for those products. With the same goal in mind, an in-depth analysis of the impact the branding strategy of the company has on other stakeholders – i.e. customers, shareholders, media, etc. – should also be provided. Focus should be placed in the study of the relevance the corporate brand would have for such groups. In order to support the argumentations and the stance taken in the present paper to a larger extent, an examination of more brands should be carried out, each falling in one of the three categories discussed. Furthermore, a larger sample of managers within the company should be interviewed, and it should be made sure that they operate in diverse positions and areas of business. Lastly, other branding theories could also be incorporated to analyze the subject matter from a different perspective.

As already stated above, it would also be interesting to apply such theories and concepts to different companies operating both in the same industry and in a different one. This would allow for defining whether a generalization of the arguments developed in the present paper is possible or not. Moreover, it would also be possible to determine whether the given conclusions and suggestions are to be bound to an industry which is culturally embedded, or can be extended.

Lastly, interesting for further research could be to look at the differences between older and younger generations in regards to the importance of local culture. Is the younger generation building its identity around being a member of a globalized world? And in which case, what effect will this have an effect on what we today term local and global branding?
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APPENDICES

APPENDIX 1

Potential questions for the interview

BECOMING GLOBAL

1. How did the Carlsberg Group branding strategy change when the company went really global? Why did you decide to change the corporate name?
2. How do you brand a corporate brand which includes local, glocal and global products/brands? You have local, global, brands – how do you fit these into a corporate brand....
3. How does the branding strategy differ in practice between local and regional and global?
4. To what extent does Carlsberg wish to keep an association to its history? Is it relevant only for the Carlsberg beer – or also for other parts of the company portfolio or the Carlsberg Group?

QUESTIONS REGARDING GLOBAL AND LOCAL ISSUES

5. What is the function of the Carlsberg headquarter with respect to the regional units (are there any?) with respect to the national offices? What is the level of centralization vs. autonomy? We need to understand what they do to be able to argue about it in the thesis.
6. In the annual report, you talk about “glocalization” – how did you come to that? Can you tell us about the reason behind Carlsberg’s ‘GloCal’ strategy? Why was this necessary for the company to focus on? You write that you are driving for more standardization – in which business areas do you mean?
7. Have you experienced any problems in having such a broad portfolio of beers? Did local culture play a big role in your corporate performance and decisions?

BRANDING (BOTH CORPORATE BAND AND PRODUCT BRANDS)

8. Is branding one of your main focuses for differentiating from competition or do you for instance act more on the product portfolio or on pricing?
9. Do you want to keep the local brands detached from the corporate one? If yes, why?
10. Do you fear cannibalization due to the broad portfolio of beers you own, and the overlap some have in target customers?
11. The Carlsberg Group Brand. Compared to the individual product brands, what is the aim of the corporate group brand? Who is it aimed at (difference between consumers and other stakeholders)? Has it changed during the years (to fit the expansion and globalization of the company)?

12. Do you plan to emphasize the corporate brand more in the future? If yes, towards whom and why? Would you link it more to the national beer brands?

13. How is the marketing and branding of the product brands run? Who has the overall say?

14. Did you experience any particular success story or failure in branding?

15. We need to have an understanding of what branding lies within the Carlsberg Group, compared to the singular product brands. This is concerning stakeholders/consumers/brand message/ ...Does the message of the 3 big international brands have to be more in-line with the Carlsberg Group brand compared to the mainly local brands?

16. Looking at Carlsberg’s CSR strategy – e.g. their key focus areas – the values depicted here, are they also values that the company wants the individual brands to be associated with?

**SPECIFIC BEER BRANDS**

CARLSBERG BEER, TUBORG, Holsten (DE - Hamburg), and Jacobs (DK – premium beer)

17. Do you consider Tuborg as a regional or a global brand? Just to be sure.

18. Both Carlsberg beer and Tuborg are international brands, why do you keep them so separate in your portfolio? Meaning, people think they are competitors – they have different target consumers and therefore the cannibalization of sales should not be an issue. Is it because of the contrasting image they have?

19. What was the reason behind Carlsberg’s decision to link Tuborg to music and Carlsberg to sports? When it comes to the local brands, are they marketed in respect to the local culture where they have their main segment? If such a local beer is taken to a new market, e.g. from Germany to Russia, will the branding then change to fit the new market?

20. Does the local culture play a role? Do you take a broader perspective looking for instance at trends in other industries or in society or not?

21. Does the Carlsberg beer branding influence the corporate brand more than the other beers?

22. Other companies have launched local products as an international brand globally. Have you or would you consider doing this? This could for example be the case with your regional/local beers like Holsten – or would you be afraid it would jeopardize the sale of Carlsberg and Tuborg?

**QUESTIONS REGARDING CONSUMERS AND OTHER STAKEHOLDERS**
1. How do you target the consumers in the different markets? Is it based on an internally developed strategy, an internal policy, external market researches, or on heritage and trends?
2. Do you try to educate consumers in some way? Meaning, do you emphasize which beer is suitable for which purpose and about the differences between one beer brand and another?
3. Stakeholders. How do you categorize your different stakeholders? How do you try to reach them? Does Carlsberg try to convey the same message to all its stakeholders, or does it differentiate? If so - is it difficult to convey a similar message to all stakeholders when the company is made up of quite diverse beers?
4. Has Carlsberg done any market research on how consumers would react to having their local beer visibly be a part of the Corporate Carlsberg brand?

**GENERAL QUESTIONS ABOUT THE COMPANY AND ITS STRUCTURE**

1. When acquiring a brewery do you look for similarities – how does it have to fit into your existing portfolio?
2. Do you consider the beer market as emotionally construed?
3. We find that there is much written about innovation (both in the annual report and on the website) – what constitutes innovation in the beer market?
4. We read that you are targeting premiumisation – what is the reason behind this? What is your perception of the beer market, since you choose this strategy?
APPENDIX 2

Transcript of interview with Thomas Jørgensen, Carlsberg Group communication, HQ

Interviewer: So, we are writing this thesis and we are using Carlsberg as case, so that means that we try to give an example of what we are discussing theoretically. So what we hope to get today is some sought of evidence that what we think of Carlsberg is actually true and that there is some stuff that we couldn’t read from the annual report and the website, that maybe you can explain. The reason that we chose Carlsberg is that we believe you have becoming very global during the recent 10 years or so – is that correct?

Thomas J: There has been a recent change over the last years, yes, towards more globalization.

Interviewer: And that is why we believe that you might be dealing with some of the problems that we are writing about. On how to both act globally and locally. So I guess where we would like to start is: you have been here for 7 years, and you work with the group.

Thomas J: I work with the Group – this is Carlsberg Group HQ which has typical HQ functions which you need to have when you are an enlisted company, in order to serve the shareholders and so on. We also have group functions which serve subsidiaries, and exist because we add value to their business. Or we control what they do, or we try to roll out global things that can only be managed by global HQ. I’m not involved in Carlsberg Denmark, which is a subsidiary and which is 50 meters away that’s the distinction.

Interviewer: Since the company has become more global has the job for the group changed during those years. Have you had any difficulty grasping all these breweries that you have bought and having such a broad brand folio and trying to have a group that has to be consistent?

Thomas J: That is a huge question and that is something that we work with everyday in all functions. It is not a question about whether you are global, you’re not global, it’s a journey and to understand that journey you have to understand our business concept and to understand Carlsberg’s history on that journey. And basically beer is a very local product. It’s probably the last the FMCG (fast moving consumer goods, red.) industries that will become truly globalized, because beer is something that is associated with nation heritage and even Germany is very local, if you take another company like Kellogg’s or Unilever or Nestlé, you can by the same product in every supermarket all over Europe. If you take beer, one of the beers in Sweden is call Pripps, it is Carlsberg owned, you cannot buy it in Copenhagen. If you ask what the biggest beer is in Norway, you probably wouldn’t know, it’s called Ringnes and has 50 % market share, it is Carlsberg owned. Same thing if you go to other countries, in Switzerland it’s called Feldschlosschen, it’s Carlsberg owned, you wouldn’t have a clue. So in that respect it is very different from the magnum ice cream or the L’Oreal hair products, this is not global at all. The on top of all the local brands which constitute 90 % of our business, you have 10 % global brands, or at least international brands, which are the Carlsberg brand, Tuborg – which is really regional, and Baltika which is Russian. If you count that part of Russia as a part of Europe it is the biggest beer in Europe and you wouldn’t have hear about it. You have Kronenbourg 1664, which you probably have heard about, it is
also Carlsberg. So in that respect we have some huge international brands, we have a very well know company, because of the beer. But again 90% of the business is local.

Interviewer So with the local beers the people drink e.g. Ringnes don’t know it is Carlsberg owned?

Thomas J No it doesn’t matter for them

Interviewer Does it matter for you? As Carlsberg Group?

Thomas J To us it matters if we are able to create synergies and use the benefits of being a group. But with so much value being generated locally, with local Norwegian employees working at a Norwegian brewery bringing out Norwegian beers to Norwegian supermarkets via Norwegian roads being sold to Norwegian consumers then a lot of value is being made there. That also means that we have to have 1000 people at the brewery in Denmark, and about the same in the Norway and Sweden. We have about 6000 employees in the Nordics, Kellogg’s has 200. That’s the difference in setup in how we generate value. The principle is that the closer you get to the market you are managing to sales and marketing the more local it is. The more close you get to back-office you get like finance procurement it, the more global it becomes. So we have made a global accounting center in Poland. We try to make our supply chain more and more linked. The IT we try to pull together – we outsource a lot of it to IBM

Interviewer Very nice – we like that

Thomas J That hasn’t made our lives easier. In that way we try to put things together in back-office. But in front office you have to respect and allow Norwegians to buy Norwegian beer.

Interviewer And branding must be seen as front office.

Thomas J There you have to change between beer branding and company branding. Beer branding is that is something that the beer marketer takes care of. Even the global brand like Carlsberg beer is managed in the marketing department by the Carlsberg beer brand people. In Carlsberg Group. Carlsberg Denmark also has a Carlsberg company, but of course the Carlsberg beer as an international beer has its own international marketing department too. Carlsberg Denmark then you have the Danish version of that.

Interviewer We saw the bottles for Carlsberg are so different when you see them abroad.

Thomas J Yes the most fashioned one are the Danish ones...due to tradition in Denmark the Carlsberg beer is a mainstream beer, a worker’s beer. The same thing in England it is pretty main stream. In all other countries it is a pretty good beer, it’s a luxury beer and can have a different bottling. But in Denmark it is very difficult – it’s not something you change over-night. You just have to live with that here it is main stream, in all other countries, all over the world it is premium – a 20 % price premium. We’ve tried to change it, it’s not that easy.

Interviewer Okay. What about Tuborg, you said that it is more regional than international or global?
Thomas J  
Carlsberg is available in 150 markets around the world, Tuborg is in 25. So it was the beer in Denmark and started growing tremendously a few years back in Europe and very strong in the Balkans and also in Russia.

Interviewer  
Was that on account of the music festivals that it is associated with, or?

Thomas J  
That is part of the Tuborg concept – of the international Tuborg concept, which is then being lifted locally where Tuborg is music, young people, party, beer. It is very easy to comprehend, to copy its attractive to the Eastern European countries. They also have marketing restrictions like not showing people drinking in the marketing. But then you can show the color green and you can use the music and make something called the green festival or a green dj or green what-ever, and people will immediately associate it with Tuborg. Now Carlsberg has been around for ages. And it means different thing to different people. It’s a lot more difficult and a lot more complex brand. It’s a lot of different positioning. To a lot of people it is football. To some it is golf, to most it’s premium, to some it’s mainstream, to some it’s dad’s beer, to others it is new guy coming in, if it’s a new market you enter. It has had so many different connections. It’s about foundations and art...so a lot more difficult to make a unique position. That is one of the challenges of that huge brand which still has enormous potential. It is very powerful but also a lot of other things. But again this is beer branding and international beer branding and not company. The company, that is Carlsberg Group, has its own CVI, corporate visual identity, reflected on your cup, with different colors and with more colors added because of course the Group has to encompass not just the Carlsberg brand but the Tuborg brand and all the other companies associated. 2/3 of our subsidiaries are called Carlsberg-something, Carlsberg Denmark, Carlsberg Sweden, but in some companies it does not add value if the beer or the company is seen as being very national. E.g. Ringnes in Norway, Baltika in Russia, Kronenbourg in France, it will not add value to change them into Carlsberg brands. Why would they say - our workers go to work because they love Kronenbourg. For other companies it has made sense to change into Carlsberg Croatia, Carlsberg Serbia, Carlsberg Bulgaria, as they were just as eager to get into the Carlsberg Group as they were eager to get into the European Union. To become part of that world. But for skeptics like the Norwegians, what value would we add. It’s a question of identity, who pays my wages and where do I belong. It’s a journey again, but you need to be associated with something that you can see as attractive and a lot of people in our business associate themselves more with the products than with the company. Because the product branding is so strong. Because it is so attractive, because it is communicated so heavily. If you think about it there are still people today who ask, ‘by the way, Tuborg, Carlsberg, is that the same? And we have to say that well the companies actually merged in 1970 there is no Tuborg brewery anymore –it’s apartments in Hellerup, all over the place, it has been brewed here for years and years. Carlsberg is the company.

Interviewer  
For example in Italy, no one knows that Tuborg is a part of the Carlsberg Company. Everyone thinks they are competitors. Why do you want to keep this distinction considering the fact that the target groups are so different therefore you would not risk e.g. cannibalization? So why is it that you don’t communicate that Tuborg is under the Carlsberg brand?
It’s not because we don’t want to do it. In all group material we do communicate this. In total Carlsberg Group has over 500 brands. I think we produce 35 of them down here. And we are not that afraid of cannibalization. It is a question of providing a beer for different occasions, different lifestyles, so Tuborg will typically go for a younger segment, associated with music and freshness and festivals and parties, whereas Carlsberg will be positioned as something a bit older a bit more mature, and often associated with football. So having them positioned differently is fine. We have a special beer for the food connoisseur we have wheat beer for that specialty segment we have super premium luxury like Duckstein in Germany. In Denmark we have 35 different brands. So there is room in the market for positioning different brands. If we really should look for a problem it would that there is too crowded in the middle area in the mainstream area, too many beers in the mainstream portfolio. There is a huge interest in specialty beers and beers for special occasions so if you can increase that with all the microbreweries for example.

There is a market for premiumization. Also because it is less price sensitive. It is very hard to build up a brand to become premium but there are premium brands that we can expand – like Duckstein, or like the Belgian specialty beers. Which can attract extremely high prices. Or in Denmark with Jacobsen, which is very expensive, but also is completely different and provides a different experience. So it is not a question of saying that this company produces the Carlsberg beer and that’s it, it is a question of the Carlsberg Group being coveted with a portfolio of brands for different markets and different regions. Some are local, some are regional, some are global or at least international. And having the right portfolio is the trick. Carlsberg and Heineken have something in common, in our portfolios we each have a beer that has the same name as our company, but that is not the same for Anheuser-Busch. There is not a beer called Anheuser-Busch, it’s called Budweiser. But they have a lot of other brands. The same for SAB Miller. Then you will see other big global conglomerates where you sometimes have a mix between the company name and the product, in our business we have a mix, and we believe it creates a lot of value for us that there is that strong link between the products and the group because there is so much strength in the Carlsberg brand, a lot of people want to for the Carlsberg Group. In Italy they have no idea what the Carlsberg Company is, we could call it ‘C-Group’ or whatever, it wouldn’t make a difference, because in Italy it is not very strong, or has a big market share. In other companies it is an advantage; in Sweden, we have 2 big brands there, Pripps and Falcon. In principle they work for Carlsberg Sweden, but I’m sure they just think of it as a holding company that pays their wages, but their heart lies with the brand. It’s like we have people here saying ‘I work for Tuborg’, very good but who pays your wages? Carlsberg does. Tuborg is a beer, not a company, they don’t have an office.

We saw a chart the other day, where they had ranked which companies are best thought of by the public, and Carlsberg was in that as the highest ranked in Denmark.
Thomas J: Well what you don’t know is, why they say that. Is that because they like to be associated with the beers branding, or Carlsberg Denmark’s position in Denmark, or the articles which… Why do people think that BMW is a good company? Do they just like the car…

Interviewer: But as a Group, you have some values that you put out. Do they resemble the Carlsberg beer more than maybe Tuborg, do you want to have the Carlsberg beer and the Carlsberg Group more together?

Thomas J: That is not the case at the moment. Maybe it will be in the future. At this point, the beer values and positioning is decided by marketing depending on what they view makes most sense given the consumer segmentation. The Group values, as you call them, something called ‘Winning Behaviors’, have just been created, base on the acquisition made recently with Heineken of Scottish and Newcastle. And we had to create something new to make that fit together. And one of the biggest companies we had to incorporate was Baltika. They don’t really care about Carlsberg beer, they maybe only sell a few % Carlsberg. In Finland I think they sell 1 % Carlsberg, and they have a 50 % market share in Finland. So it would not really make sense to say that this brand adds more value…. So the company has created these ‘winning behaviors’ which goes for all employees, which were created together across borders, to say that this is the behavior that we want in the company called Carlsberg Group. And that is not really linked to the Carlsberg beer, no. They were created for the new group, from HR and communication of subsidiaries in all regions where we. It would be elegant if it could be linked somehow but that was not the most important thing at that point. That was actually to facilitate a good integration of the new companies as fast as possible. Coming back to your question, ‘how global are we, or are we becoming more global, and how do we manage that’ that is a journey which is no more than 10 years old. In the old days we were the owner of a beer which was exported to a lot of markets. So Carlsberg was mainly a Danish company with an English subsidiary and beer that was exported to other markets all over the world. And then we had a number of license agreements where Carlsberg was brewed under license. Then we have some subsidiaries in Nepal and Malaysia, Portugal … but as consolidation took place in the 80s and 90s and so on the other big brewers of the world started acquiring distribution rights and market shares and they acquired some of our license partners. So how interested are they then in marketing Carlsberg beer? Not really. So we were sought of seeing the markets being consolidated and not part of that. That all changed in 2001 when we merged our brewing activities with Orkla’s brewing activities which were the Pripps Ringnes in Norway. And all of the sudden by merging these 2 we became the leading player in the Nordics which gave us the power to start more acquisitions and get ownership control of more local brewers around the world. That took up pace, we bought out the Norwegians in 2004 and all of a sudden we had majority ownership in 20 countries…so…then with the last year acquisition of Scottish and Newcastle we got full ownership of all of Russia, Kazakhstan, Belarus, and so on. So now it’s a lot of Western-European countries, Eastern-European countries and Asia where we have the majority ownership or at least 85% of that. The huge benefit of ownership is that you get control. It means that you can go and tell how they should run their business. It means that you can choose synergies and benefit from being a Group and you can enjoy being big. And become bigger. If you don’t have ownership, you cannot do anything – you can just export. And give good advice. So a prerequisite for becoming a
global company and acting on a global scale meaning shifting around resources from one
country to another, deciding what happens there, and what should not happen there, and
looking at the world as your oyster, is that you have ownership control. And that’s only
something that started 8 years ago. Before that we were not a big company, we were just a
big beer. That’s the whole change. That’s why since it’s so new and since it’s a journey
there are a lot of things where we are not there yet. I mean we outsourced our IT to IBM
right that goes for Western-Europe. If I want to write an e-mail to one of my colleagues in
Eastern-Europe I cannot find it in the Outlook directory because IBM has not registered it.
That’s how global we are. So I cannot share my mailing lists with CEO’s in the Group. So
that’s the limitations of globalization that we are even not there.

Interviewer  You say that you are still in the process of becoming global – do you have some goals set for
the next 3-5 years? Where do you want to take the Group also brand-wise.

Thomas J  Oh yes! Again, huge question. The only thing I will disclose is in terms of earnings and
figures which are set in the quarterly reports and the annual reports of where we want to
go. In big terms we will continue the integration of the acquired companies which has gone
well. We have been on a journey, where we have increased ownership, and we will
continue to do that, where it makes sense. We will not continue, or we will not go into a
country just in order to add more dots on the map. When we move into markets, our
strategy is to be the leader in the markets where we choose to compete. If you look at the
world map, you will see there are markets which have already been consolidated. Meaning
that some of the world’s top five brewers already own number one or two in the markets.
And in most places, in our business of big brewers, you need to be number one, two or
maybe three to earn money. If you are less than that you are on the wrong side.

Interviewer  Is that why America is not interesting for you?

Thomas J  Yes, not at all – it is totally consolidated. It’s Anheuser-Busch and AB InBev and Heineken
has an import part which is pretty big, but we have 12 people sitting in an export office and
that’s all. And there is no way of expanding unless we can acquire something and it’s not up
for sale.

Interviewer  And you just bought a big brewery already so...

Thomas J  Yes, well the biggest in the world, AB InBev, they are not really up for sale. It’s the other
way around. So something should happen between the big guys, and that happens when
you do something like we did last year, with Heineken, where you do a hostile takeover. If
you look at the map then there are some areas which are not consolidated. There are areas
in Asia, areas in Africa, where South America, North America, Europe and most of Eastern-
Europe is consolidated. Certain parts of Easter-Europe you can do something. So Asia is
where you still can buy yourself to market share. It is extremely tough to go in on a new
market and start growing from scratch. There are some markets in central Asia, or Asia,
where you can do that but basically beer has been around for 100s and 100s of years. There
are breweries out there, it’s not that we have to teach them what to do; it’s a question of
buying what is already there and making it more efficient. Closing stuff down, expanding
where there is growth.
Interviewer: But is this your only strategy you follow then to decide whether to enter a market or not? So look, if you can acquire the best selling breweries, so you can become the top 1, 2 or 3 in the market? Or do you have other ...

Thomas J: Strategy is a lot of different – how can you say...lines – let’s find the best way of showing it. All this is strategy, but viewed upon in different ways. There is the overall ambition, is of course to create value for the shareholders, you must do this as an enlisted company, we are not a foundation we are not here to save the world. We are owned by a foundation that can support different stuff with their money. We are in the global beer business, our ambition is also to be the fastest growing, because we are so big in eastern-Europe so that is something that we can present ourselves to. In terms of geography, we focus on Northern-Western Europe, Eastern-Europe and Asia. That is a strategic choice, to say, that we don’t go for the Americas. So these are the core areas where we can go in and make a difference. In terms of product innovation, we are in the business of drinks, or are we in entertainment, or are we in pleasure. We have defined it as beer is our core business. But we do expand into other markets where it makes business sense. So we are bottlers for Coca Cola in many countries, in a few countries, we are bottlers for Pepsi, we do provide some bars with wine, because we have such a good relationship with which we visit every day, that we fill up the truck with other stuff. When you mention Italy, we have huge distribution business down there, so we are more a distribution company than actually a brewer. In some companies we are more brewer than distribution business, because we distribute through other channels. It is very different. But basically, beer is the core. But we may expand into other parts. In terms of brands, we will focus on what we call local power brands, and international premium brands. Again, it is a portfolio strategy, where it is important to have the local power brand, which is the most important in that country. Germany is very different of course. Germany is so regionalized, you have 30 different breweries. You cannot talk about one brand for Germany, you can talk about 4 or 5 big ones, but the more you go south, the more local it is. Other countries, in Europe, usually have 1-2-3 power brands, and so we will have one power brand in a country. Like Kronenbourg in France. Like both Carlsberg and Tuborg in Denmark. Like Pripps and Falcon in Sweden. Ringnes in Norway etc.. So focus on those companies and build your international portfolio on top of that.

Interviewer: In terms of innovation, 2 questions. 1) What do you exactly mean in terms of creating it for the beer market, is it really possible, to innovate in such a market. 2) When all of the markets will be saturated, because sooner or later this will come, do you then only see your strategy towards what you were talking about going into other drinks, or do you think at beer can still play that role?

Thomas J: In terms of innovation, (showing PPT) in this region, this is a mature area; where volumes are going down, so the strategy for that one, as response to that, is to improve competitiveness, and earnings. We cannot make the markets necessarily grow that fast, we can try to make, get more money and get more market share and make more money on the strong positions we have. If you are market leader, like we are, there are ways of making money. Even though the market may be falling. In Eastern-Europe the markets are making money. Our strategy is to ensure the possible growth – steal from your competitors if you can. In
Asia, they do not drink a lot of beer. They never have. It is only a very small part; it is only 10% of our volume. But in the long run, in ten years, it might come, it might change. So our strategy there is to build a platform to be ready when it kicks off. To get the distribution in place to get the market and brands in place, so when they start there, we can make money. So it is not really a question of getting back huge profit. So we don’t try to squeeze this market, we try to build it, invest in growth for the future. So that is three different regions, three different strategies, based on the markets logics.

Product innovation. So what can we do in terms of innovation? Here we have a packaging innovation in Tuborg. We have product innovation in terms of creating the lite products. Not the light in terms of alcohol, but lite in terms of calories. Which seems to be a market. We have innovation in terms of female alcoholic drinks like the ‘Eve’, which is a champagne like drink, but wheat-based. So it is not based on grapes, it comes out of the breweries. And we have wellness and health drinks. Then we have the Summersby cider, which is being created because we see that within our market there is an interest in this kind of product which is also alcoholic but created for the female segment. And even when you look at beer you will see the immense development that has happened over the last 5 years in Denmark alone. Where the microbreweries have been leading on, but where a lot of them have been supported by the Carlsberg brew masters in building that category. And we definitely build upon it ourselves because we profit from it – that is part of the premiumization. So you might say that overall beer consumption is going down, yes, but you can make people drink more expensive beers. And we have the biggest market share. It’s not just a question of – of course the top line we would like to grow by entering growth markets, but even in mature markets you can still grow your bottom-line by creating more value adding products.

In terms of brands, these are...this is the brand strategy...it is a mix of international premium brands and local power brands. And in terms of how then to go and tune the business it’s about being better at squeezing out these innovations it’s about being better when we talk route to market, so in those supermarkets and bars. It’s about the efficiency where we have the possibility because we own all these breweries to increase efficiency and cross-border sourcing. So those are the 4 buttons we turn constantly. But as you see strategy has different angles, where you have the geography, the products innovation, the brands, and what we call the focus areas or basically the way to tune the organization.

Interviewer If we go back to the heritage, we read that you want to incorporate it, keep incorporating it in the company. Is that also for the Group that you want to keep taking from the heritage and keeping that a part of the Group?

Thomas J Yes. I think so.

Interviewer Because as such, the Group seems very global and it seems like a modern place to work. And of course the heritage is all about history, the old brewer.

Thomas J It’s a good question, because is our history also a Danish history. And to a large extent it is all the stuff that we normally show and that we are so proud about...that is a Danish history too. The company in Finland has an older history than Carlsberg. And Baltika only has a very short history but it is very impressive too. So in each of the local breweries you have their
history. So what does the Group do. We will have to mix it, I think, being Danish based, owned by the foundation, and having created at this point, having 160 years of history. I think we will have a very strong link to the Danish history of Carlsberg. I don’t know what the rest of the world will say about it, but if we are clever, then we are able to incorporate them too.

**Interviewer** But do you really think that Carlsberg is linked to its history because for example, I speak for my country, but hmm, half of the people don’t know that Carlsberg exists.

**Thomas J** Nope. It depends what you mean. If you think that the beer is linked to its history – no. Does history play a part for consumers who buy it – only in Denmark. In the UK, a lot of consumers think that Carlsberg is an English beer. And they will have their own part of history. So if you ask me sitting in HQ being a representative of the Group and of the people here, I have a lot of history close by, also being part of the ownership structure and the way we have to report. So when you say Carlsberg, if you mean the product, and the way that interacts with consumers then no, not at all. It could be that in some areas of the world, people would like that story. If you look at the brand yourself you will see it is not a modern, new, iconic thing. It’s a brand that has been around forever so of course there is some history. Does that mean something to the consumer, 90% probably not. In Denmark it does.

**Interviewer** What about to the shareholders? I’m just thinking that the Group maybe communicates more to the shareholders, and the product brand is only to the consumers.

**Thomas J** You have a lot of stakeholders in a company like this. You have the shareholders, who are being communicated to also by professional investors and analysts. Of course as one of the largest shareholders you have the foundation. Who again communicate by handing out x millions of DKK to art and to museums and being one of the biggest givers to Danish art and culture. This has been historically the biggest giver at all times. On top of that we have a very important group, customers and consumers. Customers are bars and supermarkets and that kind of stuff, and consumers are those that drink the beer. They react of course to all the marketing that they see in the supermarkets, they also react on the articles they read about in the press. And the press both writes about the beer and about the company. Now there is a huge amount of press because we also are an enlisted company. Like some years ago you could write a lot about ISS in the press, because they were an enlisted company. Now they are not anymore, so they just closed down the communications part. So you don’t really read about them anymore, it doesn’t feel that Danish anymore. But in the press there is a lot about the company, a lot about the beer, that also influences consumers and customers and their impression of both the beer and the company. Then you have all the employees. And all the suppliers. So it’s not that the Group only communicates to the shareholders, and the beer just communicates with consumers. They influence each other, through the media and through advertizing and whatever. So if you go and ask, ‘what do you think about Carlsberg?’, your answer will be influenced depending on how many of these information sources you have been in contact with.

**Interviewer** Do you know if there has ever been talk of not naming the Group ‘Carlsberg’?
Thomas J  Yes, there has when we developed a new CVI. You can follow different routes; you can make the corporate invisible where you e.g. call it C Group instead. So like Anheuser-Busch and Budweiser, and just like Scottish and Newcastle. You mix the company name with the beer names. But we have felt, just like Heineken, and just like some of the other companies, like the Coca-Cola Company that there are so many values attached to it, so many benefits attached to it from where we sit, that it is an advantage. Of course that advantage is bigger in those markets where the Carlsberg beer is well known and has a big market share. In Eastern-Europe, in many markets it has been attractive to work for a western company. It has been so attractive, that in Croatia, they called it Carlsberg Croatia; they chose an English company name to attract Croatian employees. In Switzerland it does not have that effect at all. It is a local company called Feldschlosschen, being owned by a company called Carlsberg. They have their own history. So the Swiss people, they will probably prefer working for a Swiss company. In Russia, given our present market share, it is very important for them to work for Baltika. And not working for Carlsberg. There is a huge strength right now, in our position, with that beer, to be Russian.

2/3 of the market is called Carlsberg...Carlsberg Malaysia or Carlsberg something.

Interviewer  But you started on the beer bottles on the labels, putting ‘part of the Carlsberg Group’ in small letters – right?

Thomas J  Very few places, that it is on the bottles. Part of the Carlsberg Group is the company, not the beer. The company brand locally you either choose, Carlsberg Malaysia, or you could choose Ringnes part of the Carlsberg Group. 3 levels of logo, ‘Carlsberg Group’, ‘Carlsberg Deutschland’, or ‘Ringnes, part of the Carlsberg Group’. That’s the strategy. If you choose in Norway to highlight your local company then that the way you have to do it and you have to put that by-line underneath. If you have decided that keeping that name creates more value. If you decide that changing into Carlsberg Norway creates more value, that’s the way it has to look, and you have to follow all of these colors and typography. This is the corporate visual identity. And they can still have a beer called Ringnes, and they do. But if they choose to call it Carlsberg Norway they follow the CVI.

Interviewer  Actually we read that you are focusing right now on this premiumization strategy especially regarding the back-office part. Do you see in the future a possibility of standardizing more also sometimes in the front-office or trying to link the Carlsberg name to the local brands or do you think that this will still be problematic.

Thomas J  Now you are talking beer again. I don’t think that the consumer cares if there is a Carlsberg little logo on local beer. I don’t think that makes any specific sense.

Interviewer  So you don’t think that beer is somehow so culturally driven that for example an old person that has this image of drinking beer from its local brewer the last 50 years and then a big giant comes and acquires that, don’t you think that this could give a negative image? It’s becoming a globalized brand and could not have the same quality of our small local brewery. Do you think this could be the case?
Thomas J: I think you again mix the company branding and the beer branding. I mean we have acquired numerous breweries around the world who we own today. And what we change is the company name but not the beer name. We buy them because the local beer has a value in its brand, we don’t buy it to change it. That would be the same as if we were bought by InBev and they changed all Carlsberg and started calling it Budweiser. Now that would be stupid. That would be like BMW taking over Saab and continuing producing Saab cars, just putting a little badge on, people buy a Saab because it is Saab regardless of who owns them. So people buy Feldschlosschen beer because it’s Feldschlosschen beer, regardless of who owns it.

Interviewer: In my perception, especially people who are used to drink the same beer for ages and then a big company comes, and okay, the brand stays the same, but the company behind changes, therefore it doesn’t have the local image, maybe changes the perception.

Thomas J: Why would the local image be different?

Interviewer: Because I think that for example for some products that are culturally driven, having an international company behind doesn’t give the same image of quality.

Thomas J: I don’t think that for most of the brands, that we acquire, these are not local micro breweries. When we buy companies we buy the biggest or second biggest provider in the country. So it is a big guy that we buy already. We do not go and change the marketing of their local brand, it is up to them how they want to market their local brand. And rather, correction, their local brands. They have different brands in their portfolio. So like Kronenbourg, they have the normal Kronenbourg, they have the 1664, and more...and they are still called that. It is not said that this all of a sudden now Brasserie Kronenbourg is owned by a new company, it doesn’t say on the label, and it wouldn’t add value if it did. That’s a pure corporate consideration about who owns who. The connection between the product and the consumer is important and we bought that company because they were good at making that connection; between the 1664 brand and the consumer. There is now way we are going to change that. We don’t buy them because of the brewery. We have got breweries enough. We don’t buy them because of the employees. Because you can get brewery employees anywhere. You buy them because of the strength the brand has locally. So it would be stupid to go and change that. Unless we know that we can maybe shift it towards something better or not better. But taking care of that connection between brand and consumer is something that is very important. It is not important to go and say hey we bought it, we are going to change everything. That is not the way it works. The value is in the local brand. Then it may be that we on top of that roll out the Carlsberg beer or the Tuborg beer, and add something extra to the portfolio. But we don’t do that to cannibalize on the local brand or to bring that down because the whole idea of buying that company was to get hold of that brand. That’s the same thing as when Ford acquired Volvo. They did not do that to turn it into Ford. They acquired Volvo because they were leading in security. They acquired Jaguar because they had the heritage. They acquired Lincoln because of luxury. Landrover because of outdoor life. They did not acquire them to turn them into Fords.
Interviewer  But, having the Ferrari and the Fiat. Not everyone knows. You know that Ferrari has this really high quality, super performing cars, but maybe when Fiat was not considered as a good company that image reflected in not such a good way on Ferrari. Don’t you feel that this could happen as well if something happened to the Group this could reflect on the local brands.

Thomas J  Theoretically yes. In practice yes, let’s imagine that somebody developed some drawings of religious contents and sent that out and pissed off the whole Muslim world. We could imagine that some of these would stop drinking products coming from a Danish company. 2 things; the Muslims don’t drink all that much beer, second they don’t know it’s a Danish company because we don’t go out at promote that now Carlsberg owns this company. For the employees we add all the Carlsberg stuff that the Group culture which is important for the employees to feel part of a group in order to develop synergies and benefit from being part of a group. Towards consumers and customers it’s a different story we do whatever we can to present them the most attractive portfolio of local brands and global brands. And if they actually know who provides them or not is of less importance.

Interviewer  What if we go back for example to the Tuborg beer brand. Do you know some of the reasons why you chose to associate it with partying, youthfulness, music – is that so it would be easier to sell internationally? Because that is sought of a category that everyone can relate to.

Thomas J  I mean, most of these beer related questions ought to be answered by marketing. And this is not marketing, this is corporate communications. But if I should guess, Tuborg has had a long tradition of being associated with music, due to its sponsorships. With Roskilde Festival, with Green Concert – here in Denmark, it has a strong position on that. So I think it was fairly obvious when they a few years back had to develop international Tuborg stuff to do it in a bigger scale than previous, to build on that. And then the clever marketing guys made their marketing analysis and developed what they call a proposition, where they could put it in the market and say this is where there is room for this beer. And that has become a stronger international positioning for that brand than we actually have in Denmark. It has grown much faster in Russia and Ukraine than ever in Denmark. In Denmark we have an established position due to concerts but over there all of that just took off. So you have not really seen the Tuborg positioning in Denmark. Here we have the usual Tuborg stuff at Christmas and Easter and whatever but if you went to Kiev in Ukraine and saw the entire subway painted in that green color you would not necessarily recognize it as Tuborg but they do. Immediately. Even without seeing the name. So that has had a huge effect as well. So that is the international brand perspective, positioning and package that has been developed here and sent to the different markets. Not necessarily Denmark.

Interviewer  But coming back to the Carlsberg beer, how do you decide to link for example that one to football in one country and that one to art and one to skiing. Did you decide that based on the consumer trends, market researches, did you just decide it internally, how did you develop that?

Thomas J  Again this is a marketing question. You can be quite sure that they made a market analysis and quite sure that there has been numerous focus groups, and analysis about what works
best in which markets. This is a big company with huge marketing budgets, selling these 12bn liters a year, so of course they do their homework. When they develop something, they previously developed global Carlsberg brands positioning platform for the market. Saying, ‘hey, we developed this platform for these, these images these films’, in those markets where it makes most sense. For example if you had the same premium positioning you can use this material and you can change it into your language and using your actors. But since Carlsberg historically due to export and licensing have historically had different positioning in different markets, then not all markets have been able to benefit from whatever central marketing department came up with. So they have their own positioning. And skiing of course is relevant in the skiing nations. That will be Sweden, Norway, Switzerland, a little bit of France, have been some skiing nations. Golf has been big in Asia, they don’t have the snow, Football is not that big, so that was some Golf tours. Football has been very big due to sponsorships in especially the UK especially Liverpool of course which has been the longest standing shirt name, sponsored contract in English football.

APPENDIX 3

The winning behaviors

Together we are stronger
We respect and welcome differences in culture, people and brands, at the same time recognizing that working closely together and actively sharing best practices across functions, countries and regions is what it takes to grow and win.

We want to win
We always strive for winning solutions and are willing to take bold steps to reach our goals. Whether big or small in the market place, we behave as entrepreneurs/leaders – fast, proactive and action oriented. In decision making as well as in execution.

Our customers and consumers are at the heart of every decision we make
We put ourselves in the shoes of our customers and consumers and have a detailed in-sight into their needs and preferences. We base our strategies and plans on this insight and continuously evaluate the ways we work to improve their experience of our brands, our services and our people.

We are each empowered to make a difference
We take ownership of challenges and problems. Individually and in teams, and have the autonomy to deliver outstanding results. We do not let fear of failure overcome the desire to succeed and learn from our mistakes. We work in an environment where good ideas and passion to deliver are recognized and rewarded.

We are engaged with society
We are socially and environmentally responsible and believe it makes business sense to be so. We make a positive contribution to the societies in which we operate and the communities in which we live. We listen to and engage with our stakeholders and always strive for responsible use of natural resources.
APPENDIX 4

From the left: beer bottle in the Danish market, beer bottle in other markets

APPENDIX 5

Danish market: Carlsberg’s link to football is evident on the brand’s website:
APPENDIX 6

Source: www.carlsberg.com

APPENDIX 7

Source: www.bcl.co.uk
APPENDIX 8

Carlsberg has come up with a creative advertising campaign where £5000 in £10 and £20 notes were individually dropped in the streets of London. On each note is a removable sticker that reads “Carlsberg don’t do litter. But if they did it would probably be the best litter in the world.”

Source: www.google.com

“Probably the best flat-mates in the world” Commercial
http://www.youtube.com/watch?v=3P_API6N4oA

APPENDIX 9

Carlsberg came up with a nationwide competition akin to the Canadian Idol phenomenon. Competitors were required to show what makes them the “Best Mate” and why they could lay claim to the title. The competition looked for “the guy that can make every situation better, is always connected and never lets anything stand in the way of a good time”. Visitors to www.bestmate.ca could enter to prove that with pictures, stories and videos that they are the best Best Mate. The winner received a VIP weekend in Vegas.

APPENDIX 10

http://www.youtube.com/watch?v=W_BvbaLZOSk

http://www.youtube.com/watch?v=Wc876oB9bnA&feature=related

APPENDIX 11

“Probably the most used Danish word in more than 150 countries around the world.”

"Nice One."

APPENDIX 13

Source: www.adoftheworld.com
APPENDIX 14

The Carlsberg Group Webpage: same layout for Ringnes website, not for Holsten website though.
APPENDIX 15

TV AD: http://www.youtube.com/watch?v=2-krFFBHnmM,
http://www.youtube.com/watch?v=XYFTv0xDLg&feature=related

PRINTED AD:

Holsten’s creative platform is based on the idea that the beer is of a great quality and taste, and these quality and taste are protected by genuine knights over the centuries.

APPENDIX 16

TV ADS:

COORDINATION:  http://www.youtube.com/watch?v=X-yVp1JBkhE&NR=1

FRIENDSHIP:  http://www.youtube.com/watch?v=CIm7bMosVLs&feature=related

CHAUVINISM:  http://www.youtube.com/watch?v=ugIKn0Y3vB4&feature=related