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Leffe's whole range of products.

Under the same Leffe brand, there are seven different beers, all with the common characteristic of have been made under the abbey tradition.

Our interest is focused on two of these beers. Leffe Blonde and Leffe Triple.

- Leffe blonde. Because of its special characteristics, Blonde is exactly the best beer of the Leffe's range to introduce in the UK. Britain is not a market with a long tradition in consumption of the traditional abbey beers. So, Blonde is the ideal beer to introduce the brand in the UK.
- Leffe Triple. It is the market complement of Blonde, because that, in this report we are going to focus specially in Leffe Blonde.

InterBrew.

InterBrew is the company who brews Leffe beers. It is the Belgium's major brewer, with a large international division, subsidiaries in Africa, France, etc.

InterBrew has reached an agreement with Leffe Abbey to brew and distribute the beer worldwide. Furthermore, InterBrew produces a whole range of beers, from pilsner to low alcohol beers, covering almost every existing type of beers.

The traditional abbey beer.

As promoted in the brand's logo, Leffe is being made since 1240 using the Trappist style. In 1999 InterBrew still brewing using the original formula. This heritage and its great quality will help us introducing this beer in a market with no longer tradition in the consumption of this kind of beers.

Products

The intermediate beer. Looks lager, it's an ale.

Blonde is a special beer with a non well-defined appeal. It looks like a lager, but it is an ale. That means we can have the good things of both types of beers. From lager type we can take the discerning, and of course its market. And from ale type we can take the taste, the ABV and the quality associated with this kind of beers.

However we have to take care of promoting to each market its appropriate characteristics and carefully do not show the other market's characteristics.

The ABV.

Blonde's ABV is 6.6 %, which is seen as the ideal ABV for introducing in UK market. We can take advantage of this, selling it as a quality indicator and showing its heritage and abbey characteristics together.

Triple's is higher (8.4 %) and is seen as ideal complement for Blonde.

Wine's alternative. The ABV helps.

Blonde could work well as wine alternative. To help this the ABV is going to work well, because its higher ABV gives more taste to food. This characteristic is one more to put the beer as a quality product position, and will help us in distribution, with a new point of sale, and new communication element to the point of sale, who can decide to buy our product by its ease of sell.

The quality.

The most important attribute of the product in the marketing perspective. We have to promote this characteristic, and using it to differentiate our product of the rest of the beers. But the quality is not always the most wanted characteristic in a beer but targeting properly this will be our main advantage.

The image. The brand. The glasses.

The abbey image is very important, however as shown by the statistics this attribute is not very important for the English people, but its very important to fulfil our main objective. The image suggests to the possible consumer its heritage, and that is because its good quality. Maintaining the abbey's name is powerful. We have to put the brand apart from the rest of the beers. To reach this objective the branded glasses are very important and powerful. It looks distinctive, and a well-designed glass will be more interesting.

Then, the price.

Now is time to take the profit of all the work before. If we reach our objectives in terms of image and quality the price has to reflect this and put it higher than the others put. The consumers will only pay more for our beer if they see it as a different, distinctive brand from the others. If we cannot provide those attributes to our product, what we are going to obtain is the opposite. They are not going to buy our product if they see an average product with a premium price.

I think we have reached that objective, and the price is well assigned, so we are in the correct way.

The package.

The package is the only attribute of the product we cannot set. This has two point of view:

- A foreign consumer who knows the brand can identify it rapidly and consume it.
- An eventual problem with the design of the package or the view of it, will need a lot of time to change it. Even more if we have the chance to change it.

Recommendations.

- Testing Blonde and Triple as the previous step to introduce the whole range.

We can test these two products, and if they get success we can think about introducing the whole brand.

- Continue using the abbey image.

The abbey image gives us an image of quality, which is what we are looking for.

- Maintaining the price–image–quality relationship.

If we dissolve this relation we can have problems in the customer's perception of the brand. If we set a low price the customer can have some problems in his mind, because the low price does not match very good with the high quality. You do not think a product has a very good quality if it has a low price.

Markets

First ale in Continental Europe.

Blonde is the best selling ale in Continental Europe, but we cannot say the same in the UK. Leffe has penetrated around 3 % of all licensed outlets. But this is a long development brand, and we have to be patient with it. We know the British is not a very good market for abbey beers. It has no long tradition and this is another thing to keep in mind in the development of our brand.

However, the brand has had a very good reception by the consumers. Furthermore the branded glasses are helping us conquering the British market. The consumers showed their minimum interest in our long tradition brewing Trappist beers, but we have to continue developing this attribute, as a quality indicator.

On–trade Vs. Off–trade.

Our beer is distributed in both markets. The most profitable, and most selling is on–trade. We are trying to develop both at the same time trying to show to our customers that they can enjoy our excellent beer, at the pub as well as their home.

The on–trade in the British market is an exceptional one because, no other European market has this ratio of on–trade selling. The UK ratio is 66%. We are controlling our on–trade distributors and we have to continue doing this. Because our beer has to be served with a specific environment, as well as in the branded glasses where possible. If we are showing a premium quality we cannot allow selling the beer in a normal bar, with non–desirable characteristics. Our representatives will visit every new outlet to teach the staff how to serve the beer, and control the environment.

The off–trade market is very important for our brand. If we want positioning the brand as wine's substitute, we have to allow people to buy it and then enjoy at home or wherever but with their favourite food, and that is not going to be always in a high–standards pub!

Opportunities.

- Outlet market. This market, keeping in mind is not very powerful in UK, we have to develop it. This market is important and is an opportunity because if we want a global brand, our customers have to have the chance to taste their food with our incredible beer. And because the meal enhancers, as we will see later, is going to be one of our more important segments, if not the most important.
- The people has demonstrated a very good reception. So as a market test, we can try spending more money, hoping this good reception can continue and get success.
- Lack of brand and product awareness. The British market does not know properly this kind of abbey beers, and the Leffe brand. This allows us to position the brand and the beer easily on the way and position we want with the proper communication.

Threats

- Competitive response. Because the good reception of Leffe, the competitors could launch its own "abbey" beers which can reduce the potential market, and our potential growth.
- Wine's strength. The wine is very strong and could stop our progressions and tries to steal its market share. UK is not a market such as Belgium, where beer is a way of life. The British people could not accept in the way we are expecting and all our efforts will be for nothing.

Segmentation

We can segment the UK market in the way of what are expecting the customers from the beer and why they drink. These characteristics for segmentation will be:

What are they expecting Why do you drink

Enjoy meal Celebrate

Relax Socialize

Refresh Snobbery / Be different.

Good taste High Alcohol by Volume

High ABV Image

Image Enjoy meal

With this criteria we can segment the market as follows:

Segments:

- Meal Enhancers. They expect from the beer, relax refresh and a good taste. And the reasons because they drink are, to enjoy the meal, to celebrate something, and socialize.
- Sociable. The beer is going to give them relax, refresh and an image. Why they drink, to celebrate, and socialize.
- Discerning. This segment expect from the beer a good image and enjoy taste. But, the main reasons are for celebrating, socialize and looking for being different.
- Adventurous.
- Expecting: High A.B.V.
- Why they drink: Celebrate, socialize, and be different.
- Session: Celebrate, socialize, and they expect high ABV.

Considerations.

Looking carefully all the segments, we can see that all the segments drink because they want to celebrate something and for socializing.

This means that both characteristics have to be eliminated from the criteria. Because they do not help us to segment, because they are in all the segments.

Competition

Who

Where

Direct/Indirect

Potential new competitors. New bussines, change of intermediates to competitors, and/or new brands form existing companies

Use: To know our competitors, being aware of them and to adequate our strategies to an environment where we are not alone.

Segments

Size of the segments.

Characteristics of our segments.

Use: To know exactly our potential markets, and to compare and keep in mind the variances form our studies to the reality. Trying to adequate our efforts to the real segments.

Brand

Position

Other perceptions form the customers of our brand.

Use: To compare from our studies to the reality, and to know if something is wrong in the way the customers see us trying to locate the variances from we are and we want to be.

Distribution

Rate of coverage of our potential customers.

Quality of service of our brand in the outlets.

Trying to achieve the maximum quality in the service to our customers. This is what most of them are expecting from a high premium beer. We can not allow to our distributors to serve the beer without the characteristics our customers are expecting.

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Blonde and Triple

Situation Report

Introduction

Where is Leffe

What are

the opportunities and threats

How the

market might be segmented

Information needs