



elmwood



## REDEFINING A MEXICAN ICON

INDUSTRY SECTOR: Beverages  
CLIENT COMPANY: Heineken, Tecate  
DESIGN CONSULTANCY Elmwood  
SUBMISSION DATE: June 2016



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## EXECUTIVE SUMMARY

Heineken wanted to reawaken and rejuvenate the Tecate brand in Mexico. It already had an impressive heritage and equity, but it was mainly with a loyal, aging consumer base.

The challenge was to grab the attention and interest of 18-25 year-olds in a changing Mexican cultural environment, while not alienating older consumers.

The answer was to redefine modern masculinity through a redesign that brought modernity and energy to the Tecate brand family.

Building on the brand's existing iconic assets, while giving them a stronger role and greater meaning, drove growth across the whole portfolio. It allowed consumers of all ages to be proud to be Mexican and proud to drink Tecate.

Word count 112

**TECATE HAS NOT ONLY INCREASED SALES WITHIN THE YOUNGER MARKET BUT HAS DONE SO WHILE RETAINING ORIGINAL CONSUMERS AND INCREASING ITS SHARE OF THE MARKET IN MEXICO AND THE UNITED STATES.**

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# 18.6% INCREASE

IN VOLUME OF SALES ACROSS THE FRANCHISE SINCE  
THEIR NEW DESIGN LAUNCH

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# 9.5% INCREASE

IN MARKET SHARES ACROSS THE ORIGINAL VARIANT

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# 4.8% GROWTH

ON YOUNG MEXICAN CONSUMERS THAT HAVE TECATE  
AS THEIR MOST CONSUMED BRAND

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# +110% GROWTH

IN THE UNITED STATES

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## PROJECT OVERVIEW

### OUTLINE OF THE BRIEF

Iconic and beloved, Tecate rapidly rose from humble beginnings in the north of Mexico in 1944. Implicitly tied up in the notion of masculinity, the brand and its point of view had aged with its loyal consumers and, as a result, was losing volume and share, particularly in its core original 'Red' variant.

Tecate needed to engage with a younger generation and find new ways to lead the masculine conversation without alienating current drinkers.

Additionally, the portfolio of Tecate products did not work as a co-ordinated and related brand family, which mean that each variant required its own marketing and trade support rather than benefiting from an umbrella brand effect.

Our brief was to redesign the Tecate beer brand across all their current portfolio variants to ensure continued leadership and further growth.

## KEY CHALLENGES

1. **MAINTAIN THE LEVEL OF THEIR LOYAL CURRENT CONSUMERS, WHILST REVOLUTIONISING THE BRAND ENOUGH TO ATTRACT A NEW AUDIENCE.**
2. **TARGET A YOUNGER AUDIENCE, FROM THE LEGAL DRINKING AGE 18-25 AND UP.**
3. **PRODUCE A MEXICAN BEER THAT COULD APPEAL ON A GLOBAL LEVEL, AND DRIVE EXPANSION.**
4. **PREVENT FURTHER CANNIBALISATION OF THE PORTFOLIO.**



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# PROJECT OVERVIEW

## DESCRIPTION

Tecate is a hugely popular and successful beer brand in Mexico and the US. Although a national brand, Tecate resonates particularly in the northern regions of Mexico from where it originated. It was launched in 1944 through the introduction of Bavarian Pilsner brewing expertise to the northern Mexican border town of Tecate.

The original 'Red' variant was the first ever canned product in the Mexican market, which was subsequently joined by 'Light' and 'Titanium' variants in 1992 and 2013 respectively.

In the US, distribution focused mainly on the Sun Belt states – i.e. Alabama, Arizona, Florida, Georgia, Louisiana, Mississippi, New Mexico, South Carolina, Texas, California, North Carolina, Nevada and Oklahoma.

**PROJECT LAUNCH DATE:** May 2015

**SIZE OF DESIGN BUDGET:** £375,000





# PROJECT OVERVIEW

## OVERVIEW OF THE MARKET

Mexico is the 6th largest beer-consuming country in the world, although only 40th on the list of consumption per capita. The beer market has grown by +6.6% over the past two years and in particular in the Light beer segment, where sales have increased by +18.4%.

Mexican beer is distinctive for its lager-like properties, being generally light-bodied with a mild taste and is meant to be consumed cold.

Corona is the largest beer brand in Mexico with a share of circa 25% and is the biggest competitor to Tecate. Corona is seen as the best in class Mexican beer, and has global

popularity. Tecate is the second largest beer brand in Mexico with a share of circa 23%. In the last 5 years Bud Light has grown substantially particularly in the northern Mexican territory close to the US border.

Consumer profiles for beer consumption in Mexico spans all ages and demographics but for Tecate the core audience has been 35+ males who live in the north of Mexico. They are hard workers, value family, love sports, but tend to have out dated views of macho masculinity and women's roles in society as the person who runs the household.

With the market growing at a fast rate there was therefore a need to drive consumption in a new younger audience between the age of 25 - 35, who understand the masculine landscape has changed to value brains as well as brawn. They are just regular people, yet have aspirations and a dynamic drive to make the most of their lives, careers and socially, with every moment.

Word count 506



Main competitors



## CHANGES IN THE MARKET PRE TO POST LAUNCH



# OUTLINE OF DESIGN SOLUTION

Our extensive cultural immersion was rewarded with deep insight into shifting Mexican values and expressions of masculinity. It revealed an optimism, proud patriotism and desire for positive change that has the younger generation feeling energised and proud to be Mexican. This positive cultural momentum is encapsulated in the brand's new distinct point of view:

**'Now. Create the moment'.**

Creatively, we had to understand Tecate's iconic design features, how these could be reworked with the new positioning and how a brand that started as one variant could now work as a cohesive and compelling family.

We gave the Tecate Eagle, the heart of the brand, a lovingly crafted facelift, embracing the offbeat Mexican quirk and character that makes it distinctive. With his 'T'-emblazoned chest puffed out, and shoulders broadened, he now sits proudly atop the contemporised Tecate word marque.







## OUTLINE OF DESIGN SOLUTION CONTINUED

To drive alignment across the 3 variants in the Tecate franchise we gave the core 'Red' variant its own name 'Original' to denote its proud position as the first product from the brand, to now sit alongside the newer 'Light' and 'Titanium' variants.

To amplify this strong brand family but still celebrate the unique character of individual beers, the on-pack storytelling had to match the new attitude of the master brand. Three 'Spirit Eagles' were developed to wittily and engagingly bring the personalities of each of the variants to life.

Finally, the introduction of a dynamic silver strip modernised, unified and energised the portfolio, and a revolutionary matte finish drives refreshing cues key to drive consumption in the Mexican market. These modern touches help elevate the brand above the competition driving a more premium look and feel without alienating the core audience.

Word count 280



# SUMMARY OF RESULTS

It's been an incredible year for Tecate in Mexico and the USA. Building on what was already a very strong brand presence, the new design has attracted a new, wider younger audience. This seismic shift has set the brand well on its way to over-taking market leader Corona.

## 1. THE CHALLENGE

Maintain the level of their loyal current consumers, whilst revolutionising the brand enough to attract a new audience.

## THE RESULT

For a brand that was already well established in the Mexican market, Tecate has grown by a massive 18.6% in volume since the new design was launched in May 2015.

On top of that, Tecate's national share has grown by 0.5 points (+2.2%) clearly taking another chunk of market share from its main rival Corona – and the brand is now 0.5 points of share away from becoming the number one beer brand in Mexico.



# 18.6% GROWTH

IN VOLUME ACROSS FRANCHISE  
SINCE NEW DESIGN LAUNCH

25.1%



2014

23.8%



2015

NATIONAL  
MARKET  
SHARE



# SUMMARY OF RESULTS CONTINUED

## 2. THE CHALLENGE

Target a younger audience, from the legal drinking age 18-25 and up

### THE RESULT

Tecate has successfully attracted young customers, increasing its young consumer base by 4.8%, who now choose Tecate as their favourite beer brand.

Additionally the brand equity perceptions of the Tecate brand amongst 18-24 year old consumers saw significant positive shift across the board, which means younger consumers now see Tecate as a brand they genuinely want to be seen with.

This is a notable success for the brand, as in particular the Original variant was previously seen as a drink for the older generation, and not the choice of younger Mexicans.

**+4.4%**

**APPROVAL**  
"A BRAND I LIKE TO BE  
SEEN WITH"

**+4.2%**

**AUTHORITY**  
"AN INNOVATING BRAND" AND  
"A BRAND YOU CAN TRUST"

**+3.9%**

**PACKAGING**  
"IT OWNS AN ATTRACTIVE  
PACKAGE"

**+4.4%**

**PRODUCT QUALITY**  
"HAVE HIGH QUALITY AND  
HAVE A GREAT TASTE"

## 3. THE CHALLENGE

Produce a Mexican beer that could appeal on a global level, and therefore allow global expansion.

### THE RESULT

Globally, the Tecate franchise increased its volume in 2015 by 19.5% compared to 2014. This impressive spike was driven by increased sales in Mexico, USA and Guatemala, its top three markets.

In the USA, there's been huge growth in sales. So much so that the brand has doubled its volume, growing 110% in 2015 compared to 2014, which means it's now Tecate's biggest growth market. In total, 13 of Tecate's 17 markets grew in 2015.

In April 2016, Tecate announced a nationwide expansion of Tecate Light. It had previously been focused on the American Sun Belt states, where it had 47% year-on-year growth. Now Tecate Light has beaten its competitors to become the fastest growing light beer in the USA.

"The success Tecate Light saw in 2015 has set our brand up for an even bigger year in 2016," said Belen Pamukoff, Brand Director, Tecate. "For the first time ever, the entire United States can taste one of Mexico's most popular light beers while seeing our masculine Black Eagle as he takes flight across the country through the 'Born Bold' campaign."

**+110%**  
**SALES GROWTH**  
IN THE UNITED STATES

\*National 18 - 24 YO  
Results from key equity data, 3Q 2014-3Q 2015



# SUMMARY OF RESULTS CONTINUED

## 4. THE CHALLENGE

Prevent further cannibalisation of the portfolio.

### THE RESULT

Tecate Original increased its market share by 9.5% compared to 2014 for the first time in years. The shift was driven by the Center, Gulf and West regions, traditional Corona strongholds.

Importantly, the share of all three variants in the portfolio has risen markedly, clearly showing that the growth of Original wasn't at the expense of any other variants in the Tecate portfolio.

**8.2%**  
**INCREASE**

IN MARKET SHARE  
ACROSS LIGHT



**9.5%**  
**INCREASE**

IN MARKET SHARE  
ACROSS ORIGINAL



**49.5%**  
**INCREASE**

IN MARKET SHARE  
ACROSS TITANIUM





## CLIENT TESTIMONIAL

**“ONE OF OUR TEAM MEMBERS WAS TASKED WITH FINDING THE BEST AGENCY IN THE WORLD TO WORK WITH AND CAME BACK WITH ELMWOOD. WE’VE NOT BEEN DISAPPOINTED. THEIR DEEP INSIGHT PROCESSES COMBINED WITH GENUINE CREATIVITY HAS RESULTED IN THE TECATE BRAND BEING TAKEN TO PLACES WE WOULD NEVER HAVE IMAGINED. ELMWOOD HAS MAINTAINED AND RESPECTED THE BRAND’S ESSENCE WHILE DELIVERING AN IDENTITY THAT IS FRESH AND POWERFUL AND WILL LEAVE A MARK ON THE BRAND AND MARKET FOR YEARS TO COME.”**

**FRANCO MARIA MAGGI**  
**MARKETING DIRECTOR, HEINEKEN MEXICO**





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# INFLUENCING FACTORS

## WAS ITS SUCCESS DUE TO THE ADVERTISING CAMPAIGNS WITH CELEBRITY ENDORSEMENTS?

The brand was relaunched at the Mayweather V Pacquiao fight, and was supported by two TV ads. The adverts took the brand's protagonist, the Black Eagle, while highlighting the two biggest passion points of Tecate's bi-cultural Hispanic consumer – soccer and boxing.

- In “Red Card,” the Black Eagle comes face-to-face with famed Mexican soccer referee Felipe Ramos Rizo, empowering him to make the bold, right decision.
- Through “Flashy,” Tecate highlights its partnership with Mexican super star Canelo Alvarez, while putting its fearless icon center stage (or ring), as he inspires Canelo to ditch the bling and stay true to his roots.

Whilst these obviously had an impact the use of celebrity endorsement and sponsorships wasn't new for the brand. They have been long-term sponsors of boxing and soccer and, in fact, the previous campaigns leveraged Sylvester Stallone as a brand endorsement, so of at least comparable fame and impact.

Although Tecate is a strongly supported brand in TV advertising there was no increase in spend throughout the period versus previous years, and therefore the level of spend was not a factor in the sales and share increase achieved.

## DID THEY INCREASE DISTRIBUTION?

There was no change to distribution for the brand in the Mexican market during the period of the re-launch. Mexican retail is saturated and the 2 key brewers own exclusive distribution channels, which do not flex, therefore did not impact the performance of the brand during this period.

## RESEARCH RESOURCES

Heineken calculation based in part on data reported by ONEunity (Heineken official brand equity score) and Nielsen through its Scantrack Service for the Light beer category for the 52-week period ending February 27, 2016, for the FDCM+ market according to the Nielsen standard product hierarchy. Copyright © 2016, The Nielsen Company.

