

# B2B or B2C?

## Dutch Approaches Towards Marketing and the Consumer (1945-1968) with Particular Attention to Heineken's Brewery

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In this article I analyse how Dutch companies approached the consumers and marketing during the years 1945-1968, a period during which the Netherlands became a 'consumer society'. In the first part I examine articles in the Dutch journal *Tijdschrift voor Efficiëntie en Documentatie* (TED, or Journal for Efficiency and Documentation), a leading management periodical. This examination shows how new ideas from abroad were taken up and disseminated in the Netherlands by both management consultants and large producers of consumer goods such as Unilever and Philips. In the second part of this article I take a closer look at Heineken's brewery, drawing on the company's archives. Heineken closely followed the ideas afloat at the time and put them into practice. However, the Heineken case also shows the different approaches necessary for business-to-consumer (B2C) and business-to-business (B2B) relationships. The second type of relationships deserves more attention from historians.

*Nederlandse benaderingen ten aanzien van marketing en de consument (1945-1968), met speciale aandacht voor Heineken*

In dit artikel bekijk ik hoe Nederlandse bedrijven de consumenten en marketing benaderden in de jaren 1945-1968, een periode waarin Nederland zich ontwikkelde tot een 'consumptiemaatschappij'. In het eerste deel analyseer ik artikelen uit het *Tijdschrift voor Efficiëntie en Documentatie* (TED), een toonaangevend management tijdschrift. Uit dit onderzoek blijkt dat nieuwe ideeën uit het buitenland in Nederland werden opgepakt en verspreid door zowel management consultants als grote producenten van consumentengoederen zoals Unilever en Philips. In het tweede deel van dit artikel bekijk ik op basis van archiefonderzoek de bierbrouwer Heineken. Het blijkt dat Heineken goed op de hoogte was van de heersende

ideeën op het gebied van consumenten en marketing en deze ook in de praktijk toepaste. De Heineken-case laat echter ook zien dat in marketing verschillende benaderingen nodig waren voor de relatie tussen bedrijf en consument (B2C) en die tussen bedrijven onderling (B2B). Deze tweede relatie verdient meer aandacht van historici.

## Introduction<sup>1</sup>

In this special issue on the post-war consumer society in the Netherlands, the voice of business can hardly be missed, because businesses are to a large extent responsible for what consumers buy. Over the past decade a vast literature on consumer history has been published, including dedicated journals. The ‘cultural turn’ has brought attention to the signs and meanings of consumption and to the voice and identity of consumers, positioning them as active and creative actors. Political historians have explored the consumer as citizen in national and international contexts. In the process, businesses have faded into the background.<sup>2</sup>

On the other hand the business history literature has often taken the role of consumers for granted. Business historians tend to focus on production, innovation, management, organisation, and on business institutions. Even marketing and distribution have received relatively little attention. The editors of the *Routledge Companion to Business History*, published in 2017, have not included a single chapter on consumers or marketing, though the consumer cooperative is briefly discussed.<sup>3</sup> In *Reimagining Business History* Philip Scranton and Patrick Fridenson only mention consumers in passing, except for a short discussion in the chapter on Gender, where they note that the role of men as consumers remains to be written.<sup>4</sup> The *Oxford*

1 I would like to thank Bram Bouwens, Ilja van Damme, Peter van Dam and Joost Jonker, the participants of the workshop ‘Naoorlogse consumptiemaatschappij’ at 1 juni 2015 and two anonymous reviewers for their excellent comments on earlier drafts.

2 Frank Trentmann (ed.), *Oxford Handbook of the History of Consumption* (Oxford 2012) introduction; Peter van Dam, Tales of the Market: New Perspectives on Consumer Society in the 20th Century, in: *H-Soz-Kult* 04 December 2015, <http://www.hsozkult.de/literaturereview/id/forschungsberichte-2832>; John Brewer and Frank Trentmann (eds.), *Consuming Cultures, Global*

*Perspectives. Historical Trajectories, Transnational Exchanges* (Oxford, New York 2006); about consumers as co-producers, see also: Regina Blaszczyk, *Imagining consumers: design and innovation from Wedgwood to Corning* (Baltimore 2000); Regina Blaszczyk, *American Consumer Society, 1965-2005: from hearth to HDTV* (Wheeling 2009).

3 John F. Wilson, Steven Toms, Abe de Jong and Emily Buchnea (eds.), *Routledge Companion to Business History* (London, New York 2017).

4 Philip Scranton and Patrick Fridenson, *Reimagining Business History* (Baltimore 2013) 138-139.

*Handbook of Business History* has no separate chapter on consumers, but Robert Fitzgerald does include them in his chapter about marketing and distribution. According to him the little written about them mostly concerns the US situation and, to a lesser extent, the UK. The discussions on the consumer are subsumed in discussions of how the rise of mass production and mass consumption led to the new discipline of ‘marketing’. Before producers decided to invest large sums in dedicated production facilities they needed reassurance that consumers would want to buy their products or could be encouraged to buy them. Elements of ‘scientific management’ applied to achieve mass production were subsequently also applied to the distribution of those mass produced goods. That move included the rise of marketing research, a more scientific approach to advertising, and a branding strategy. But it would be wrong to associate marketing entirely with the twentieth century, because historians have shown that in earlier periods companies also used innovative advertising or understood the principle of market segmentation. However, Fitzgerald concludes that despite numerous corporate examples, there is still a shortage of historical writing on marketing’s development as a business function: “‘Marketing’ remains unhelpfully, both an elusive and all-embracing concept, and so presents a herculean and intimidating research agenda’.<sup>5</sup>

Marketing is clearly the field where production and consumption meet. The history of marketing has become a thriving discipline in its own right. Scholars in marketing have discovered history as a relevant approach to learning about marketing theory and practice. This ‘historical turn’ led to the conclusion that business people were involved with marketing long before marketing as discipline was invented. But if businesses knew all about marketing before new ideas about the discipline had been developed, it raises the question what these new thoughts actually contributed to businesses. Are the two, thoughts and practices, actually linked in any meaningful way? In any case, editors Brian Jones and Mark Tadajewski concluded in their introduction to the *Routledge Companion to Marketing History* that much still needed to be done with regard to marketing practices. They added that this was in particular the case with respect to the production of country-specific studies of marketing practice.<sup>6</sup> This article is a step in that direction.

5 Robert Fitzgerald, ‘Marketing and distribution’, in: Geoffrey Jones and Jonathan Zeitlin (eds.), *Oxford Handbook for Business History* (Oxford 2007) 396-399, quote, 398 DOI:10.1093/oxfordhb/9780199263684.003.0017.

6 Mark Tadajewski and D.G. Brian Jones, ‘Introduction: the history of marketing practice’,

in: D.G. Brian Jones and Mark Tadajewski (eds.), *Routledge Companion to Marketing History* (London, New York 2016); see also: Mark Tadajewski and Brian Jones, ‘Historical Research in Marketing Theory and Practice: a Review Essay’, *Journal of Marketing Management* 30:11-12 (2014) 1239-1291.

Despite the extensive work done in marketing history on branding, product design, advertising and packaging as well as the history of marketing thought, historian Stephen Schwarzkopf found one noticeable absence: the voice of the consumer. After inspecting back issues of the *Journal of Historical Research in Marketing* he came to the conclusion that his fellow practitioners were in danger of ‘ignoring how consumers themselves created marketing content, innovated products, reacted to and changed marketing campaigns and contested corporate marketing activities through consumer boycotts and other forms of civil society-based activities’.<sup>7</sup> Schwarzkopf added some practical advice for those trying to find the voice of the consumer: contemporary standard of living surveys and the archives of advertising companies involved in market research, for instance the us agency J. Walter Thompson. With this battle cry he underlines the conclusion of Frank Trentmann that the field of consumer research is highly fragmented, because the consumer issues Schwarzkopf raises have been researched by other disciplines, as mentioned above.<sup>8</sup>

Another of those disciplines discussing the consumer is the history of technology. In researching processes of innovation historians of technology have analysed the social actors and institutions between production and consumption, acknowledging that the route between production and consumer is not one of neutral intermediation. Adri Albert de la Bruhèze and Ruth Oldenziel introduced the term ‘mediation junction’ to analyse how mediators and mediation practices shaped technological developments. The consumers are seen as active participants in the production process: they shape the products themselves directly, or through intermediaries such as retail traders or fashion designers, and in this way contribute themselves to the consumer society.<sup>9</sup> The mediation junction is the key word used by Onno de Wit and Adri Albert de la Bruhèze in their analysis of two Dutch multinationals Philips and Unilever. They compared the introduction of radio and television by Philips with the introduction of snacks by Unilever, both on the Dutch market. In particular, Unilever made extensive use of market research, but sometimes it discovered that consumers did not buy products the company thought they needed, in other words, the ‘imagined’ consumer behaved differently from the actual consumer. Marketing is a learning process and in that process the role of the consumer counts. The Philips case made clear that

7 Stefan Schwarzkopf, ‘Marketing History from Below: Towards a Paradigm Shift in Marketing Historical Research’, *Journal of Historical Marketing* 7:3 (2015) 295-309, quote 296 DOI:10.1108/JHRM-06-2015-0021.

8 Trentmann (eds.), *Handbook*, 2.

9 Ruth Oldenziel and Adri Albert de la Bruhèze, ‘Theorizing the Mediation Junction for Technology and Consumption’, in: Adri Albert de la Bruhèze and Ruth Oldenziel (eds.), *Manufacturing Technology, Manufacturing Consumers. The Making of Dutch Consumer Society* (Amsterdam 2009) 9-39.

the distribution channel, the retail shop, is not a neutral intermediary, but a party that plays a role of its own, and forms a relevant part of the companies' marketing strategy. The case-studies on Philips and Unilever show that in order to sell their products both multinationals had to deal with complex mediation processes, including consumers and intermediaries such as wholesalers and retailers but also consumer organisations and state agencies. Even the national business system impacted on the outcome.<sup>10</sup>

In this article I analyse how Dutch companies approached the consumer during the years 1945-1968, a period during which the Netherlands are considered to have become a 'consumer society'. In order to do so, I have to look at the discussions about marketing, because that is the context in which the consumer appears. I take a heuristic approach. First, I examine the ideas about marketing and the consumer in the Netherlands published by the Journal for Efficiency and Documentation (*Tijdschrift voor Efficiëntie en Documentatie*, hereafter TED), a leading management periodical in which consultants and business representatives discussed ideas to improve business efficiency and effectiveness. This examination shows how new ideas from abroad were taken up and disseminated in the Netherlands by large producers of consumer goods such as Unilever and Philips and by management consultants. In the second part of this article I turn from ideas to practices and take a closer look at one particular case, Heineken's brewery. Drawing on the company's archives, I explore the company's marketing practice and its approach towards consumers. Heineken closely followed the ideas afloat at the time and put them into practice. However, for a long time the company's marketing efforts were dominated by the fact that it sold most of its beer to pubs and restaurants, not directly to the consumer. Consequently, in interpreting the ideas about marketing and consumers put forward in journals we need to keep in mind the difference between business-to-consumer (B2C) and business-to-business (B2B) relationships, which really determined how companies dealt with their markets.

### Discussions about consumers and marketing in the Netherlands

In 1925 the rising new professionals in management consultancy together with progressive business people founded the Dutch Institute for

10 Onno de Wit, 'Corporate Mediation Junctions: Philips and Media in the Netherlands', in: De la Bruhèze and Oldenziel (eds.), *Manufacturing Technology*, 159-179; Adri Albert de la Bruhèze, 'Manufacturing Snacks and Snackers: Unilever and Dutch Snack Consumption', in: De la Bruhèze

and Oldenziel (eds.), *Manufacturing Technology*, 183-209; see also: Onno de Wit and Adri Albert de la Bruhèze, 'Bedrijfsmatige bemiddeling. Philips and Unilever en de marketing van radio's, televisies en snacks in Nederland in de twintigste eeuw', *Tijdschrift voor Sociale Geschiedenis* 18:3 (2002) 347-374.

Efficiency (*Nederlandsch Instituut voor Efficiency*, hereafter NIVE) to stimulate rationalization and efficiency in businesses and government organisations. During the Interwar period, supported by business and state subsidies, the NIVE developed into an organisation that held regular 'Efficiency conferences', published the speeches of those meetings as well as other speeches, and became a member of the *Comité International d'Organisation Scientifique* (CIOS).<sup>11</sup>

The economic depression of the 1930s made clear that industry could produce more than consumers were able (or willing) to buy. Industry had difficulties in finding sufficient outlet for its products. Advertising was already a frequently used instrument to increase sales.<sup>12</sup> Also, some industries were familiar with protecting and promoting branded products. Cartels were another way of influencing the market. It could help in keeping prices up, but did little to increase total demand. Another approach for increasing sales was needed. Such a new approach could be found in market research. Market research consisted of two elements: statistical analysis of data collections, for instance data collected by the governmental agency Centraal Statistical Bureau (*Centraal Bureau voor Statistiek*, hereafter CBS), and focused surveys through selected samples. New sample techniques made this kind of research a viable option. To help companies with their market research, the NIVE stimulated the collection of relevant statistical information, which resulted in the 1937 publication of the first Handbook Market Research for the Netherlands (*Marktanalytisch Handboek voor Nederland*). The Handbook offered national, regional and municipal figures about the number of inhabitants, their income, capital and spending patterns, but also about numbers and types of businesses and shops.<sup>13</sup> The information was collected by the CBS, and economist and statistician Jan Tinbergen supervised the project. In 1940 the CBS set up the Dutch Foundation for Statistics (*Nederlandsche Stichting voor Statistiek*) to further popularise the use of statistics.

To find out how often companies used market research, the Rotterdam professor J.F. ten Doesschate supervised thesis research by Jan van Rees on market research. In his dissertation Van Rees presented the results of his 1943 survey of 126 large Dutch companies to learn whether they had ever done market research. The survey covered the period 1930-1942. Of the 126 companies Van Rees approached, 108 were kind enough to return the survey. Of those, 30 gave no relevant information, while 43 had not done any market research. The remaining 34 had, so a third of the respondents had indeed

11 Erik Bloemen, *Scientific management in Nederland 1900-1930* (Amsterdam 1988).

12 Wilbert Schreurs, *Geschiedenis van de reclame in Nederland* (Utrecht 1989) 85-86.

13 *Marktanalytisch handboek voor Nederland* (Den Haag 1937).

performed market research. The companies gave various reasons for not doing market research, the most frequently cited reason being that the company had enough contact with the market through the reports of their salesmen, or considered the market small and thus sufficiently clear. Some thought that market research was unnecessary because of cartel arrangements. From those who reacted positively on market research, many had done only the occasional survey or a short study, without clear follow up. Only a few companies had made market research an integral part of their marketing. According to Van Rees, whose dissertation was published in 1946, market research in the Netherlands was still in its infancy.<sup>14</sup>

After the Second World War the NIVE teamed up with two firms specializing in documentation to publish a monthly journal, *TED*.<sup>15</sup> This journal was a platform for business people and management consultants to discuss together new ideas about how best to run a company. As the name suggests, initially the focus was on increasing efficiency, but gradually it moved to management more generally. The journal consisted of detailed accounts of conferences, articles that mostly consisted of written-out lectures, news about the member-organisations, and book reviews. Articles were sparsely footnoted. The emphasis was on practical advice rather than academic theories, and therefore gives a good idea how business people thought about the issues under discussion. The journal in this form and under this name continued until 1968, thereafter it changed name and focus several times.<sup>16</sup>

During the first post-war years, the main preoccupation of *TED* was raising productivity in industry, because Dutch productivity levels were so much below those in the USA. However, the periodical also devoted attention to the problem of mapping consumers, proceeding with the work done before and during the Second World War. For instance, it drew the attention of its readers to the CBS publication *Consumer Research for the Netherlands (Consumentenonderzoek voor Nederland)*, which appeared in 1947, and could be seen as a follow up of the 1937 *Marktanalytisch Handboek voor Nederland*. It presented the results of a survey of about 6,000 households, full of useful information for businesses about the behaviour and preferences of consumers. For instance, consumers were asked about how often they ate home-made cakes, or when they liked to consume strong drinks.<sup>17</sup> Companies who were interested in more specific information related to their own market could turn also to the NIPO (Netherlands Institute for Public Opinion and Market Research), established in

14 Jan van Rees, *Inleiding tot het marktonderzoek* (Wassenaar 1946) 93-110.

15 The other two organisations were *the Nederlands Instituut voor Documentatie en Registratuur*, and the *Nederlandse Documentalistenkring*.

16 In 1969 its name became *Tijdschrift voor Efficiënt Directiebeleid* and after 1972 it became the journal for management consultants.

17 *Tijdschrift voor Efficiëntie en Documentatie (TED)* 18:3 (1948) 37.

1945. Over the years, it produced many surveys of consumer views on brands and quality, on market shares and consumer preferences.<sup>18</sup>

*TED* published regularly about the benefits of market research. In 1948 the editors even included, against their policy, a translated article on market research from the *Journal of Marketing*, because they considered the subject important for their readers, while comparable information on company spending on research and marketing was not available in the Netherlands.<sup>19</sup> The economist W.J. van de Woestijne argued in 1948 that what he called ‘commercial public opinion’ research was absolutely essential for business people because it enabled them to come to ‘rational’ decisions. For instance, such research could tell them how different groups of consumers would react to a price rise. He showed great optimism about the accuracy of the research results: ‘Commercial public opinion research is a means to obtain objective empirical knowledge with the established degree of accuracy in questions that without such research would only be decided on the basis of subjective, personal feelings’.<sup>20</sup>

In 1949 the readers of *TED* were warned that post-war scarcity had come to an end and consumers would gain the upper hand once more as a consequence. Increasing competition would force producers to learn more about the needs and wishes of consumers. A number of articles discussed the benefits and pitfalls of survey techniques. S.C. Bakkenist, at that moment partner of Preijer & De Haan accountants, argued that the consumer should be central in all considerations of distribution. It was no use to conclude that consumers were irrational and should be less demanding, or should stock up goods and not require home delivery, because all these demands would raise costs for producers and distributors. Bakkenist explained that these demands showed that consumers were becoming wealthier and could afford additional services, which should be provided by businesses as long as consumers were willing to pay for the extra costs.<sup>21</sup> On another occasion Bakkenist told his audience that serving consumers properly was important for the sake of safeguarding employment.<sup>22</sup>

Not just outside experts filled in the pages of *TED*, experts from inside the companies also contributed. For instance, H.Th. Vreede, a Unilever employee, was a frequent author. The British part of Unilever had started market research during the Interwar years, leading Unilever to set up a Dutch Institute of Domestic Research (*Instituut voor Huishoudelijk Onderzoek*), at the end of the 1930s. Vreede was director of this agency, and a fervent promoter of market research.<sup>23</sup>

18 NIPO, *Zo zijn wij. De eerste vijftientig jaar NIPO-onderzoek* (Amsterdam, Brussel 1970) 126-132.

19 *TED* 18:10 (1948) 214-215.

20 W.J. van de Woestijne, ‘Het commerciële publieke opinieonderzoek (C.O.P.)’, *TED* 18:9 (1948) 194-196.

21 S.C. Bakkenist, ‘Distributievormen’, *TED* 24:10 (1954) 290-292.

22 Report of a conference on the dynamics in distribution, *TED* 32:14 (1962) 815-816.

23 Janny Lok, ‘H.Th. Vreede, Marktonderzoeker bij Unilever’, *Onderzoek*, February 2001.



He spoke regularly at meetings organised by the NIVE to convince business people of the importance of market research, to explain how surveys should be organised, and how the training of sales people should be professionalised. He underlined that sales people should not be content just to sell their goods to the wholesalers or retailers, but that it was their ultimate responsibility that the goods would reach the final consumer.<sup>24</sup> Other authors, suggesting that in fact sales representatives were inclined to focus their attention on the first steps in the distribution chain, repeated this exhortation frequently.<sup>25</sup>

The NIVE considered market research such an important instrument to increase the commercial efficiency of Dutch companies that it founded its own agency to promote the use of market research (*Bureau Bevordering Marktonderzoek*) in 1956. This agency did not perform market research itself, but promoted its use, particularly in small and medium sized companies.<sup>26</sup> Market research was considered of importance for two main reasons. The first was the ‘marketing concept’, that meant: not selling what is produced, but producing what is demanded. The second reason was the expected increase in competition as a consequence of the formation of a European market.<sup>27</sup> One of the first publications of this new agency was a booklet on market research for advertising. In the 1950s companies spent increasing amounts of money on advertising and marketing campaigns, but were all these sums well spent? Was it applied efficiently?<sup>28</sup> All kinds of techniques were used to test the success of advertising, such as the pre-test before the start of a campaign and the impact test afterwards, to see whether consumers had picked up the message and responded to it.

The TED devoted full attention to Motivation Research in 1959, after the subject had become famous (or rather notorious) through Vance Packard’s 1957 book *The Hidden Persuaders*. This book became a worldwide bestseller, and appeared in Dutch translation in 1958 under the title *De Verborgten Verleiders*.<sup>29</sup> A.A.J. van den Broecke, director of the Dutch

24 H.Th. Vreede, ‘De consument als studieobject voor marktonderzoek’, TED 19:4 (1949) 81-83; idem, ‘Niveaunderschillen bij enquêtes’, TED 20:10 (1950) 225-226; idem, ‘Taak en opleiding van vertegenwoordigers’, TED, 22:7/8 (1952), 189-193; idem, ‘Verkoopanalyses’, TED 23:12 (1953) 261-266.

25 For instance, C.F.A. Weterman, ‘Marktonderzoek en commercieel beleid’, TED 29:5 (1959) 195-200.

26 TED, 26:12 (1956) 432-434.

27 TED, 30:10 (1960) 530.

28 H. Ferro, *Marktonderzoek voor de reclame*, NIPO 1958; see also: H. Ferro, *Marktonderzoek in de praktijk* (Bussum 1959).

29 Vance Packard, *The Hidden Persuaders* (New York 1957); Vance Packard, *De verborgen verleiders* (Amsterdam 1958). In 1958 the Dutch journal *Revue der Reclame* encouraged advertising agencies to take ‘Motivation Research’ seriously, despite the fierce attack by Vance Packard in his book *Hidden Persuaders*, because this kind of research enabled the manufacturer to become familiar again with the consumer: *Revue der Reclame*, 18:11 (November 1958).

Institute for Motivation Research explained how psychology had taught that consumer goods had their practical use as well as their psychological significance. Motivation research could help the producer to address the emotional attachment consumers may form with their product and their brand. One of the article's illustrations was an advertisement design by Smit's advertising agency for Heineken with the message that having fun and drinking Heineken went well together. The picture showed young people dancing, and a woman relaxing with a glass of beer in front of a record player.<sup>30</sup>

When in 1960 the American psychologist Ernest Dichter, one of the leaders of Motivation Research, gave a lecture in Brussels, *TED* reported his lecture and the ensuing debates in an article by the psychologist R. A. Hubner.<sup>31</sup> He explained that motivation research was not 'sorcery', nor consisted of complicated techniques. The essence was to carefully consider in which 'frame of reference' a product had to be offered. For instance: should a scooter be offered as a quick bicycle, or as the first step on the way to a car? Some critics considered this kind of research not real research but an upgraded form of copy writing. Others blamed Dichter for insufficiently taking into account the question of how representative the selected group of people were. But Hubner rejected the view that motivation research was an underhand way of selling worthless products to innocent consumers and therefore unethical.<sup>32</sup> In 1966 Dichter came to the Netherlands for a Euro-American Marketing Conference. *TED* used the occasion to interview him. Dichter was introduced as a European who had gone to live and work in the USA and who combined the worldly wisdom and psychology of old-Europe with the tough American sales practices. Asked why such thorough psychological research was deemed necessary to convince consumers, Dichter replied that the standardized mass produced consumer goods were all so similar that consumers could not make a rational choice based on objective differences. Therefore they decided on the basis of emotional distinction. People hadn't changed so much, but products had.<sup>33</sup>

The popularity of market research called into question the space left over for creativity. The commercial-economic advisor J. L. Wage argued in 1960 that the dispute between those who advocated research and those who

30 A.A.J. van den Broecke, 'Motievenonderzoek ten behoeve van verkoop en reclame', *TED* 29:5 (1959) 224-228.

31 For more information about Ernest Dichter see: S. Schwarzkopf and R. Gries (eds.), *Ernest Dichter and Motivation Research: New Perspectives*

on the Making of Post-War Consumer Culture (London 2010).

32 R.A. Hubner, 'Het beeld kantelt in Brussel', *TED* 30:1 (1960) 22-23.

33 J. Soer, 'Het psycho-economische tijdperk; een gesprek met dr. Ernest Dichter', *TED* 36:5 (1966) 277-281.

relied on creative phantasy was not yet resolved. For him the essential three questions in commercial policy were: who are the customers, how do they behave, and why? Sometimes a manufacturer will adjust his strategy to the buying habits of his customers, but sometimes he will try to change consumer behaviour.<sup>34</sup> In any case, commercial strategy and market research had to go hand in hand.

In the mid-1960s planning became the new management issue. How could market research contribute to planning? As F.C.G. de Buyzer, research director of the NIPO argued, market researchers had learned to chart existing markets, but not future ones, those remained unknown territory. It had become clear that it was not effective to simply ask consumers: are you going to buy this product in the near future? You also needed to know when, where and how often. Thus market research needed to develop new instruments to learn more about future spending.<sup>35</sup> In a special issue of the *TED* about quality care at Philips, dr. Jan van Rees from the company's department of commercial pre-calculation and planning, argued that 'passively meeting the demands of the consumer will never lead to lasting success. Interpretation of – usually unexpressed – wishes should be the basis for quality offered'.<sup>36</sup> But not all managers seemed to be forward looking in their expectation of their customers. Discussing the problems of international advertising, a member of Unilever's Group Management told his audience in 1965 that women in France, Germany and the Netherlands might be very different, but that they would surely all be interested in white shirts for their husbands, tasty margarine for their family, and healthy teeth for their children. Therefore, the basic advertising message could be the same in all three countries, he argued.<sup>37</sup>

While the focus in market research moved from knowing the present market to understanding the future market, marketing as word and discipline became more and more popular. As J.F.A. de Soet, head marketing of KLM, explained in 1965 marketing as a process had always been an essential part of entrepreneurial activity, but marketing as concept was something new. The latter implied a systematic approach, and an integrated plan that covered production, financing, sales, advertising and public relations over a number of years. Such plans could be developed with the help of the concept of the 'marketing mix', a balanced ensemble of product, price, distribution channel, sales, advertising and public relations. External factors such as competition, government, geography and the relations with wholesalers and public also

34 J.L. Wage, 'Commercieel beleid en marktonderzoek', *TED*, 30:10 (1960) 507-511; see also: J.L. Wage, *Verkoopleiding en verkooporganisatie* (2nd ed., Alphen aan den Rijn 1961).

35 F.C.G. de Buyzer, 'Omzetplanning en marktonderzoek', *TED* 35:1 (1965) 41-46.

36 J. van Rees, 'De gebruiker en zijn kwaliteitsoordeel', *TED* 35:6 (1965) 406-408; very likely this person, dr. J. van Rees, is the same person who wrote the 1946 dissertation on marketing, mentioned above.

37 R. Rijkens [not the famous Paul Rijkens!], 'Akropolis of Early Bird?', *TED*, 35:13 (1965) 1024-1029.

needed to be considered. The marketing strategy should be able to anticipate changing consumer behaviour, preferences and income.<sup>38</sup> The president of the NIVE, J. Kreiken, in 1965 also underlined the importance of forward thinking. Like De Soet, he argued that the marketing concept doesn't follow the wishes of the consumer but anticipates them, and that requires entrepreneurial creativity.<sup>39</sup> Two years later, F.M. Hasselman from Philips, published a lengthy article on selling and marketing, explaining the difference between the two, and underlining that marketing wanted to analyse consumer demand, and not just the present demand but in particular the future demand. The consumers should be at the centre of all considerations, because they could pick and choose.<sup>40</sup>

Thus, market research moved from understanding consumers' present needs and preferences to trying to anticipate what they might need in the future. The wish to develop products to meet future consumer' wishes had also to do with the fact that some industries, in particular electronics, came up routinely with new products but also experienced that the lifecycle of those products became shorter. Therefore it was all the more important to understand which products consumers would like to have in the future. In this context, a new kind of research developed into identifying 'consumption pioneers' and 'opinion leaders'.<sup>41</sup>

In 1946 Jan van Rees had concluded that market research in the Netherlands was still in its infancy.<sup>42</sup> How important had it become during the 1950s and 1960s? A.D. Bonnet from the *Bureau voor Marketing Management* explained in a 1966 *TED* article that, according to the figures collected by the dozens of existing research agencies, no more than 2 percent of Dutch businesses working on the local market used market research. This percentage seems very low.<sup>43</sup> However, in 1963 the percentage of companies with more than 50 employees made up only 2.2 percent of all Dutch companies, but together they employed 55 per cent of all employed people.<sup>44</sup> It might be expected that only the larger companies would use market research, and in that sense it seems likely that most of the larger companies did indeed apply market research to gain a better understanding of their customers.

38 J.F.A. de Soet, 'Marketing', *TED*, 35:13 (1965) 1006-1010.

39 J. Kreiken, 'Marketing en management', *TED*, 35:13 (1965) 1012-1017.

40 F.M. Hasselman, 'De functie van verkoopbevordering binnen een marketing plan', *TED*, 37:9 (1967) 605-608.

41 A.D. Bonnet, 'De moderne ondernemer en het marktonderzoek', *TED*, 36:13 (1966) 821-824.

42 Jan van Rees, *Inleiding tot het marktonderzoek*, Wassenaar (1946) 93-110.

43 A.D. Bonnet, 'De moderne ondernemer en het marktonderzoek', *TED*, 36:13 (1966) 821-824.

44 Jacques van Gerwen and Ferry de Goey, *Ondernemers in Nederland. Variaties in ondernemen* (Amsterdam 2008) 171.

What comes across from the pages of the *TED* is the ambition of management consultants and managers of the leading enterprises to stimulate other managers in thinking about their customers in a more systematic and professional way. In the 1940s and early 1950s the emphasis was on gathering statistical information about where consumers were located, what they earned and thus could afford, and how large national markets were to enable managers to understand sales prospects and calculate their market share. In the mid-1950s the emphasis moved from understanding consumers to influencing them with the help of psychological insights. As next stage the thinking moved towards long-term planning and the possibilities of creating future consumer needs. In the 1960s the concept of marketing in its many facets received ample attention. Particularly striking is the leading role of Unilever and Philips, the two companies that have also been the subject of historical studies, including the ones mentioned in the introduction. Their representatives wrote many articles and acted as speakers regularly. Other well-known Dutch companies put in an occasional appearance but none had such a prominent presence in the pages of this journal as those two multinationals.

### Heineken, its customers and consumers

Moving now from the general to the specific, how did the Heineken brewery's marketing efforts relate to the evolution of ideas published by experts?<sup>45</sup> Unlike Unilever and Philips, the brewery was not particularly visible in *TED*'s pages, though staff members may well have visited the annual *NIVE* meetings. I only look at what Heineken did on the Dutch market and not at its export efforts or strategies concerning breweries abroad.<sup>46</sup>

Heineken's history goes back to the acquisition by Gerard Heineken (1841-1893) of the Amsterdam brewery *De Hooiberg* (The Haystack) in 1864, at the time when the Dutch beer industry began recovering from a long period of decline.<sup>47</sup> Gerard Heineken formed very much part of the new upswing in the beer sector and he bought an old brewery, which had already ventured responding to new trends such as the demand for 'Bavarian' or lager beer. The

45 For this section I freely used the research by Bram Bouwens and myself for the Heineken company history: Keetie Sluyterman and Bram Bouwens, *Brewery, Brand and Family: 150 years of Heineken* (Amsterdam 2014).

46 For information on international marketing and branding of multinationals in the beer industry from the 1960s onwards see: Teresa

da Silva Lopes, *Global Brand. The Evolution of Multinationals in Alcoholic Beverages* (Cambridge 2007).

47 Richard W. Unger, 'Dutch Brewing in the Nineteenth Century', in R.G. Wilson and T.R. Gourvish (eds.), *The Dynamics of the International Brewing Industry since 1800* (London, New York 1994) 13-31, appendix 1.

special characteristics of Bavarian beer included its greater clarity and higher alcohol content.<sup>48</sup> Climate conditions made it difficult for Dutch brewers to produce lager, because they lacked storage facilities for ice, which mild winters kept in short supply anyway. Nevertheless, they did their best to produce lager in response to rising consumer interest in that beer type.<sup>49</sup> Growing demand for Bavarian beer encouraged Heineken to expand his business by building a new brewery in Amsterdam. In 1873 he built another brewery in Rotterdam together with a local brewer and combined both breweries in the *NV Heineken's Bierbrouwerij Maatschappij*.<sup>50</sup> Back then most of the beer was consumed in the brewery's vicinity, so building a second brewery in another large city was a good way of increasing sales. Another way of increasing sales was making different varieties at different prices. Heineken followed this strategy of product differentiation as early as the 1880s. As one of the managing directors argued in 1881: 'Revenue was in need of a nudge, and if the company wished to maintain or expand its domestic market share, it could not rely solely on its relatively expensive, upscale beers'.<sup>51</sup> Indeed, Heineken used a strategy of 'market segregation' without being familiar with the concept. By offering cheaper varieties of lager beer, Heineken was able to reach other and larger groups of consumers. Heineken thus took consumers into account in two ways: by responding to changes in taste, and by offering cheaper varieties of beer for consumers with less income to spend.

Though Heineken definitely thought about how best to reach beer consumers, the company did not develop a very active advertising effort until the 1950s. Since almost all of its sales went to bars and restaurants, Heineken did not need to address consumers directly and instead had to work on the intermediary trade and managers in the hospitality trade. In other words: Heineken engaged in business-to-business and directed its marketing efforts accordingly. Those target groups were addressed in a number of ways, including financial support, the provision of beer installations, or higher margins than rival brewers. When beer sales stagnated during the Interwar years, the main Dutch brewers, including Heineken, tried to shore up prices and market share with cartel agreements, even at the cost of reducing sales volumes. This made Heineken seek growth through exports and setting up breweries overseas. During those years the Dutch government supported cartels in order to safeguard employment, sending an implicit message that

48 Hans Schippers, 'Bier', in H.W. Lintsen et al. (eds.), *Geschiedenis van de Techniek in Nederland. De wording van een moderne samenleving 1800-1890. Dl. I, Techniek en modernisering. Landbouw en voeding* (Zutphen 1992) 45-49.

49 G.Z. Jol, *Ontwikkeling en organisatie der Nederlandsche brouwindustrie* (Haarlem 1933) 45.

50 Sluyterman and Bouwens, *Brewery, Brand and Family*, 73-86.

51 Heineken Collection Amsterdam (hereafter HC, for more information visit [www.heinekencollection.com](http://www.heinekencollection.com)), minutes supervisory board, 27 December 1881.

employment was more important than low prices for consumers.<sup>52</sup> During the 1930s Heineken and other brewers also started to think about a new product for the domestic market: bottled beer. Though bottled beer was already in use for export markets, it had hardly been introduced on the domestic market. But the brewery also thought about a new sales channel: grocers. One smaller competitor, the Amersfoort brewery Phoenix, had already started sales to groceries. If Heineken wanted to avoid lagging behind the competition, it had to take this option seriously.

During the Second World War Heineken made plans for the post-war period, including the exploration of home consumption. To probe this market Heineken employed market research methods popularized during the 1930s. In 1943 the brewer surveyed bottled beer sales via Rotterdam groceries and commissioned the Rotterdam Professor J. F. ten Doesschate to write a report, in which he advised to promote bottled beer as a branded article.<sup>53</sup> After consultation with the Unilever head of advertising Heineken concluded in 1944 that it needed more market research before drawing up a sales plan, managers complaining that ‘this science is still in its infancy in The Netherlands’.<sup>54</sup> They then approached Prof. Ten Doesschate and Van Rees for a report.

Heineken’s plans for the home consumption market were put on ice for the duration of the war. In 1946 Heineken’s Retail Sales Committee (*Commissie Winkelverkoop*) reported that home consumption could yield a substantial increase in sales, but the board remained unconvinced that the home consumption market was a worthwhile target. Bottled beer cost more to produce than draught beer, and if the brewer wanted to capture the new market, it had to make huge investments in bottling plants.<sup>55</sup> Furthermore, Heineken needed to set up a system for selling beer to shops. Going through the wholesalers supplying shops seemed like an obvious step. Managers feared the wrath of the company’s agents, who would to some extent be side-lined by the use of wholesalers. However managing director Piet Feith argued that if something was the right way forward in principle, one should be prepared to accept a temporary backlash. The agents indeed protested vehemently and Heineken also soon discovered that distribution through wholesalers did not cover the entire market, so the company returned to its agents once again and

52 Keetie Sluyterman, *Dutch Enterprise in the Twentieth Century: Business Strategies in a Small Open Economy* (London, New York 2005) 111; cf. Bram Bouwens and Joost Dankers, *Tussen concurrentie en concentratie: belangenorganisaties, kartels, fusies en overnames* (Amsterdam 2012) 106-124.

53 M.G.P.A. Jacobs and W.H.G. Maas, *Heineken 1949-1988* (Amsterdam 1991) 122.

54 HC, minutes executive board, 5 May 1944.

Unilever’s head of advertising, Van Rees, was the father of dr. Jan van Rees who wrote a dissertation on market research and very likely went on to work for Philips.

55 HC, minutes executive board, 13 February and 12 June 1946, 19 March and 15 September 1947.

# Heineken's Bier

*ook bij u thuis*



Large show-card intended for display in grocery shops and used in the 1950s to encourage housewives to buy Heineken beer for consumption at home.

Heineken Collection Amsterdam.



encouraged them to serve groceries and milk shops alongside the cafés and restaurants.<sup>56</sup>

The decision to reach consumers through the new channel of wholesalers and groceries posed new challenges to the sales organization. The advertising agency C.J. Palm told the Heineken managers that they needed to hire ‘trade representatives trained in a modern way’, because approaching and persuading wholesalers to sell Heineken beer required a different tactic than the one applied to the cafés and restaurants.<sup>57</sup> In the spring of 1948 Heineken asked C.J. Palm to develop an advertising campaign covering both hospitality and grocery sales. This resulted in a segmented approach reflecting the brewer’s split sales pattern. On the one hand newspaper advertisements targeted male consumers in pubs and restaurants, showing the rounded figure of a cheerful waiter rushing towards the customer with the words: ‘Your Heineken’s, Sir’. Advertisements in trade magazines, on the other hand, encouraged shop owners to attract customers by promoting Heineken’s beer, or to raise their profits by selling Heineken’s beer.<sup>58</sup> Despite the advertising campaign overall sales continued to drop in line with the overall post-war decline of the Dutch beer market. From a brief, liberation-linked peak in beer consumption during the second half of 1945 consumption dropped sharply from 19 litres per capita in 1946 to just 10 in 1949, before rebounding slightly to 11.2 litres in 1952. By comparison, the average Dutch consumer had drunk some 40 litres of beer a year in 1900; by 1970 consumption had risen back to 57 litres before peaking in 1990 at 92 litres per capita per year.<sup>59</sup>

Continuing pre-war cartel practices, brewers reacted to the drop in beer sales not by increasing their individual marketing efforts, but by developing joint initiatives. The trade association Central Brewery Office (*Centraal Brouwerij Kantoor* or CBK) ordered several consumer surveys to better understand the disappointing beer market. One survey, by the CBS-related *Nederlandsche Stichting voor de Statistiek*, charted Dutch drinking habits. The results, published in 1949, showed that only 15 percent of men in the major cities drank beer regularly. Per capita consumption was only 7.83 litres in Amsterdam, scarcely half the 1938 level.<sup>60</sup> At the same time soft drinks consumption rose, with Coca-Cola showing the greatest surge in popularity.<sup>61</sup>

56 HC, minutes executive board, 12 June 1946 and 12 and 26 April 1948; Jacobs and Maas, *Heineken 1949-1988*, 131-132.

57 HC, minutes executive board, 8 March 1948.

58 Stadsarchief Amsterdam (hereafter SA), Heineken Archive access number 834 (HA 834), inv.nr. 901, Heineken groceries campaign summer 1948; HC, minutes executive board, 8 March 1948.

59 CBS Statline, voedings- en genotmiddelen; HC, minutes supervisory board, 3 December 1945.

60 SA, Archive Centraal Brouwerij Kantoor (hereafter CBK) 204, inv.no. 21, Nederlandse Stichting voor de Statistiek, enquête verbruiksgewoonten bier, september 1949.

61 HC, Annual Report Heineken, 1945/1946, 1946/1947; Peter Zwaal, *Frisdranken in Nederland*, 148-151.

The CBK brewers concluded that a collective advertising campaign should increase the public preference for beer consumption.<sup>62</sup> This was not a new marketing instrument. The brewers had already debated such an approach during the 1930s, perhaps inspired by the British beer industry's advertising campaign using the slogan 'Beer is best' to convince the British public that beer was good for their health.<sup>63</sup> During that same period the *Zuivel Crisis Bureau* (Dairy Crisis Agency), representing the Dutch dairy industry had promoted milk, butter and cheese with an extensive campaign, including advertising, exhibitions, films, cooking demonstrations, excursions and contests.<sup>64</sup> Thus the CBK possessed excellent examples to follow. The brewers agreed to advertise collectively for a period of three years and limit individual advertising. After consulting with advertising experts at KLM, Philips, and Unilever, and in cooperation with C.J. Palm advertising agency and Smit's Advies and Service Bureau, the CBK launched its campaign under the slogan *Het bier is weer best* ('The beer is once again excellent') on 18 June 1949. All the Dutch dailies carried four-centimetre-high strip ads informing consumers that 'top-quality beer is once again available'. The slogan caught on, and a survey by the market research agency NIPO led to the conclusion that *Het bier is weer best* was the most widely recognized and most attention-grabbing advertisement of the 1949 summer.<sup>65</sup>

However, newspaper advertising did not suffice for winning over consumers, so in early 1950 the CBK appointed a public relations officer: Henny E. Janssen, the former head of advertising for the *Bijenkorf* department stores, who would remain the collective campaign's creative and organizational linchpin until 1959. Under his guidance the CBK launched a series of activities to improve the image of beer and promote consumption. Mirroring prevailing sales patterns, those activities included consumer advertising, but were primarily directed towards sales agents and pub owners. The campaign provided guidance for café and restaurant managers, sending beer inspectors all over the country to check whether dispensing systems were installed properly and to offer useful tips. Between 1951 and 1963 a full 650,000 inspections and cleanings of beer dispensing equipment were carried out in cafés. Restaurant and café managers could also expect a visit from a 'mystery guest', an idea originating in America. If this unfamiliar guest was greeted in a café with the words *Een biertje meneer, het is weer best* ('A beer for you, sir? It's excellent again'), the bartender and the manager received ten guilders each. Starting in 1952, the CBK also organized annual nationwide beer-pulling

62 HC, minutes executive board, 9 December 1948 and 4 January 1950.

63 Schreurs, *Collectieve reclame in Nederland*, 43.

64 Pim Reinders and Aad Vernooij, *Alles van melk: geschiedenis van de Nederlandse zuivelindustrie*, (Zwolle 2013) 113-119.

65 Sluyterman and Bouwens, *Brewery, Brand and Family*, 239.

competitions, which generated so much publicity that they were continued even after the collective campaign's end in 1963.<sup>66</sup>

In Janssen's view, it was not just the bartenders and café managers who were in need of instructions. His patrons should also learn more about selling beer, so Janssen organised annual two-day study conferences for the brewers themselves. During the first of such conferences, in 1951, marketing experts informed the brewers about the new scientific insights in selling and the need for treating sales systematically and based on careful analysis. An at times sceptical audience received information on the use of econometric calculations, psychological insights, how to create and sell branded articles, and how to deal with public relations. Janssen urged the brewers to move from advertising to marketing via sales management, sales promotion, and public relations.<sup>67</sup>

When following the 1952 trough Dutch beer sales picked up again, the brewers switched to worrying again about market shares, so Heineken took a subscription to the NIPO market research reports to keep track of its home market share.<sup>68</sup> Like its competitors, Heineken supplied two different market segments in the Netherlands: the traditional hospitality market, served via agents, and the new market for home consumption, served via wholesalers and groceries. Each segment required a different marketing approach. Starting with the latter, to boost shop sales Heineken had first to convince shop owners through the wholesalers to place its beer on the shelves, and then the consumer to buy it. But the company could also try to convince consumers through advertising to demand Heineken beer in shops and that made branding and advertising increasingly important. During the late 1940s Heineken discussed the benefits of more consistence in writing the company name. The advertising agency Palm recommended that so as to make the name Heineken just as recognisable as Philips, Coca-Cola or the coffee and tea producer Van Nelle. As a result Heineken introduced a uniform way of writing Heineken worldwide, in a specific type with a capital H and the rest in lower case and a slightly tilted 'e', which came to be referred to as the uniquely designed 'smiling Heineken e'. The advertising department's 1950 report, however, referred to this particular way of writing Heineken simply as an adjustment to how the name was already written abroad.<sup>69</sup> It really signalled a first step in turning the family and company name into a brand name.

Shop selling implied that women were often the actual buyers of beer for home consumption, so Heineken began to include women in

66 SA, HA 834, inv.no. 915, lecture by H.E. Janssen for Genootschap van Reclame, 1955; Sluyterman and Bouwens, *Brewery, Brand, and Family*, 239-241.

67 SA, HA 834, inv.no. 717, report on conference in Noordwijk organized by CBK in 1951.

68 HC, minutes executive board, 4 January 1956.

69 SA, HA 834, inv.no. 903, reports advertising department, 1 Oct. 1949-1 Jan. 1950 and 1 July 1950-1 Oct. 1950.

its advertising. Initially they did not figure as consumers, because beer-drinking women were seen as 'common', whereas Heineken wanted to attract prosperous consumers with premium beer. For promoting shop sales, therefore, Heineken produced, in 1947, a show card picturing a charming woman pouring out a bottle of beer in an elegant glass with the family sitting at the table laid for dinner in the background. The beer drinker was portrayed as a happy family man, kindly served by his wife. Gradually, Heineken also began to embrace the female beer drinker. In 1957 Heineken promoted beer sales by encouraging men to participate in a newspaper competition requiring them to answer questions about how attractive they considered a certain picture of a woman with a glass of Heineken beer in her hand, ready to drink the beer herself. The prize consisted of a piece of cloth for their wives, in the understanding that housewives made clothes for their family. Next, Heineken wanted to encourage housewives not only to buy Heineken beer for their husbands but also to enjoy a glass of beer themselves. It chose a very roundabout way to argue the point. Discussing the merits of advertising on TV, Heineken's advertising man argued in 1963 that women would find it difficult to choose between beer brands, so Heineken should help them by getting TV exposure promoting the virtues of a large company in guaranteeing a constant, high quality and a widely appreciated taste. Thus, gradually Heineken accepted women as beer consumers, although women were still not entirely trusted to recognise high-quality beer without help.<sup>70</sup>

For home consumption beer had to be bottled instead of being poured in barrels, but otherwise Heineken made no difference in the product offered in shops. Alongside the light-coloured Pilsner the brewery made a few other varieties, including Münchener, Dark Lager, Oud-Bruin and Stout. During the 1960s, consumers showed an increasing preference for Pilsner, so in 1968 Heineken stopped producing Münchener beer and Dark Lager.<sup>71</sup> It is unclear whether or not home consumption stimulated the growing preference for Pilsner beer, but the discontinuation of Münchener and Dark Lager may have been produced by the fast growth of the home consumption combining with limited shelf space in shops. Still, it is somewhat surprising that in the buoyant market of the 1960s Heineken decreased rather than increased the variety of beers on offer and instead chose to add spirits and soft drinks to the assortment by acquiring or participating in several small producers.

The sales effort had to be supported by a professionally trained staff. Heineken had a long experience trading with agents and hospitality managers, but addressing wholesalers and groceries required a different approach, so the Heineken employees doing that needed dedicated training.

70 SA, HA 834, inv.no. 901, discussion beer promotion committee, 19 February 1947; inv.no. 916, NIPO

questionnaire and advertisement; inv. no. 918, discussion on TV advertising, 1963.

71 HC, *Het meest getapt*, April 1964 and July 1968.

One of their tasks was to create attractive window or shop displays to tempt the consumer, in particular those visiting the new self-service shops.<sup>72</sup>

Shop selling also raised new challenges. During the 1950s Heineken faced increasing competition from retail chains like Edah, Spar, and VEGÉ, which wanted to offer low-price house brand beer to their customers. Brewing companies such as Dommelsch and Bavaria did not mind producing beer for house brands, but Heineken refused and stuck to brewing exclusively for its own brand. The company could afford to do so since it already struggled to increase its bottling capacity to meet bottled beer demand and had no incentive to boost sales by cutting prices.<sup>73</sup> Quite the contrary, in 1962 managing director Oscar Wittert van Hoogland suggested raising the price of Heineken beer and giving the brand the same high status in the Netherlands that it had achieved abroad, in particular in the US market.<sup>74</sup>

In 1962 Heineken concluded that the relationship with wholesalers would loosen as a consequence of the anti-cartel policy of the European Economic Community, so the company needed to start working directly on consumers, enhancing brand power through advertising and public relations.<sup>75</sup> Fortunately rising incomes meant that consumers could well afford buying more expensive branded products, Heineken told its wholesalers in 1964.<sup>76</sup> Competitor Amstel chose a different approach and became active as wholesaler itself, but as yet Heineken was not convinced it should follow suit. In years to come Heineken would also have to contend with ever more powerful retail chains negotiating directly with producers.<sup>77</sup>

Meanwhile Heineken did not forget the traditional hospitality trade. Indeed, the archives yield more discussions with and about business-to-business customers, including wholesalers, agents, pubs, and restaurants, than about the final consumers. During the 1950s the company organised winter training courses for its representatives working this market segment. In 1952 managing director Piet Feith encouraged the sales representatives to put in their best effort by emphasising the company's present overdependence on its exports and breweries abroad. Dutch sales ought to be brought back to their former dominant position, he argued. Traditionally, trade representatives knew all about licensing regulations, loans and contracts.<sup>78</sup> The new approach meant they also learned to make conversation with pub managers about raising sales by pouring beer in nice, clean glasses, with a proper head and in a proper atmosphere. Moreover, sales representatives

72 Jacobs and Maas, *Heineken 1948-1988*, 129-130.

73 Antoon Swinkels and Peter Zwaal, *Bavaria: biografie van een brouwerij en een familie uit Lieshout* (Lieshout 2008), 252-259; HC, minutes executive board, 8 April 1953, 4 Oktober 1962 and 18 April 1963.

74 HC, minutes executive board, 15 February 1962.

75 HC, board report, 9 August 1962.

76 HC, *Het Meest Getapt*, Oktober 1964.

77 Lopes, *Global Brand*, chapter 5.

78 Jacobs and Maas, *Heineken 1948-1988*, 66.



received targets based on statistical information and market analysis.<sup>79</sup> To achieve those targets Heineken used both sticks and carrots. In 1959 the brewer launched an advertising campaign with the simple message that Heineken beer tasted good. As part of the campaign, agents received lottery tickets for each 5 percent increase in beer sales, giving them a chance to win a car – not just any car, but a Dutch DAF 600.<sup>80</sup>

At the same time the growing emphasis on brand recognition meant that an increasing part of Heineken's advertising bridged the differences between the brewer's two main market segments and benefitted both at the same time. Heineken continued advertising in newspapers and weekly magazines and in addition spent rising amounts on outdoor advertising such as light boxes, neon signs, bicycle racks, and wall paintings, indoor advertising on beer mats and show cards, and special activities such as company films. In 1958 a company film about hygiene featured the slogan *Heerlijk, helder Heineken* ('Delicious, clear Heineken'), destined to become perhaps the best-known catchphrase in the Dutch beer industry.<sup>81</sup> Moreover, the company magazine *Het Meest Getapt (Most Popular on Tap)*, published once or twice a year, was directed at both the shop and the hospitality trade and informing both agents and wholesalers about the company. In the first issue of 1954 the readers were addressed as 'all those with a keen interest to increase Heineken sales'. Readers were told that beer sales had recently picked up timidly, but sales in 1953 had been very good indeed, and 1954 promised more of the same. The company assured readers it would streamline distribution and support sales efforts with vigorous advertising.<sup>82</sup> In 1962 streamlining distribution led to a drastic reduction in the number of agents covering sales to the hospitality trade from 250 to about 60, so that the remaining agents could handle more sales and thus reduce costs.<sup>83</sup> At the same time Heineken voiced concerns about the profitability of pubs and restaurants. Research had shown that the situation could be improved by increasing sales through enhancing the attractiveness of the establishments and by lowering costs through greater efficiency and rationality. Heineken considered it one of its tasks to stimulate those developments with advice and, of course, finance.<sup>84</sup>

79 SA, HA 834, inv. No. 275, Commercial organisation Heineken, training course 1952; Jacobs and Maas, *Heineken 1948-1988*, 82-84.

80 HC, *Vers van 't vat*, mei 1959.

81 HC, company film 'Heerlijk, Helder Heineken' by Joop Gesink 1958 and film 'Tram en Zondag' by Joop Gesink's Dollywood, 1968.

82 HC, *Het Meest Getapt*, 2:1 (1954).

83 HC, minutes executive board, 26 September 1962.

84 Heineken Annual Report 1963/1964.



A 1950s design for illuminated advertising for Heineken beer, targeting consumers in pubs and restaurants. Heineken Collection Amsterdam.

By the early 1960s marketing and market research had gained a firm foothold within the firm. In 1961 Heineken used the English word ‘marketing’ for the first time in a job description, appointing its sales manager P.A. Bakker as ‘marketing-specialist’ in a committee.<sup>85</sup> That same year its advertising agency *Smit’s Adviesbureau* suggested Heineken ask the Dutch Institute for Motivation and Marketing Research to find out whether an advertising campaign themed around yeast and quality beer would attract consumers. The response was mixed.<sup>86</sup> Heineken also commissioned research from the Netherlands Economic Institute (NEI) in Rotterdam about likely future demand in support of brewing capacity plans.<sup>87</sup> Though in 1963 Heineken’s managing directors were still not sure whether they needed a ‘marketing committee’ to devise a long-term commercial strategy, they approved its formation a year later.<sup>88</sup> So Heineken, too, moved from understanding present markets to wanting to learn about their future evolution.

By the late 1960s the NIPO market reports gave Heineken cause for concern.<sup>89</sup> It appeared that endogenous growth through increasing market share had its limits, because some competitors, including foreign competitors, were growing through mergers and acquisitions. Should Heineken follow suit? The Heineken management emphatically stated as early as 1961 that ‘concentration in the Dutch beer market can certainly be regarded as important, in view of growing foreign competition stemming from the continuing development of the common European market’.<sup>90</sup> Numerous candidates for acquisition were considered, many of whom were reluctant or flat-out unwilling to do business with Heineken. It needed the threat of a foreign take-over of Amstel brewery to push Heineken into action and in August 1968 it merged with Amstel. This merger created new marketing challenges in the form of handling two A-status brands. Only gradually did Heineken learn how to do this.

Looking back we can conclude that the 1950s and 1960s were excellent years for Heineken. Dutch beer sales rose from 240 thousand hectolitres in the financial year 1949/1950 to 2005 in 1966/1967.<sup>91</sup> The brewery fully benefited from the rising incomes that formed part of the ‘consumer society’ of the 1950s and 1960s. Heineken presented consuming beer as an opportunity to relax and be cheerful among family and friends, underlining the aspect of ‘having fun together’. In 1969, in its magazine for agents and wholesalers, Heineken described how modern consumers took the car to the shops, bought

85 HC, *Vers van 't Vat*, 1961.

86 SA, HA 834, inv.no. 914, advertising reports, 9 and 27 January 1961.

87 HC, minutes executive board, 30 June 1959.

88 HC, minutes supervisory board, 28 November 1963 and 23 April 1964.

89 HC, board report, 17 Mei 1967 and minutes executive board, 26 May 1967.

90 HC, minutes executive board, 1 November 1961.

91 HC, Heineken annual reports 1949/1950 and 1966/1967.



their stock of Heineken beer and returned home to put the beer in their fridge, all recent achievements of the welfare state, which also included holidays and leisure time for enjoying many glasses of beer.<sup>92</sup> Beer fitted the consumer society perfectly, and it therefore seemed self-evident that in 1968 Heineken began to use that icon of the consumer society, the colour TV, to advertise its products.


## Conclusion

The rising consumer incomes of the 1950s and 1960 offered many businesses excellent opportunities to sell their products. Even in such a positive environment business leaders constantly discussed the best ways to sell products, as our perusal of the Dutch journal of Efficiency and Documentation shows. Representatives from big companies like Philips and Unilever and management consultants discussed new developments in meetings and journal contributions to 'spread the news'. From the 1930s onwards the instrument of market research was discussed and recommended. Initially, market researchers employed statistics and surveys to find out what consumers wanted right now, where and when. From the mid-1950s the psychological motives of consumers to buy certain products drew increasing interest in relation to possibilities of using that knowledge to boost sales. During the 1960s businesses started to think about which products consumers might need in the future without yet having identified those needs themselves. At the same time many journal contributions elaborated on the marketing mix in all its aspects. Marketing was more than selling. It meant developing a strategy for future growth. Business had to design new products continuously to reach new groups of consumers.

For most of the period under consideration Heineken's approach to marketing differed from what was promoted by the experts from the likes of Unilever or Philips because business-to-business dominated sales, keeping consumers at one remove. In analysing marketing efforts, we therefore first need to understand the relevant company's sales pattern and make a distinction between customers, such as agents, pubs and restaurants, wholesalers and shops, and the final consumers. In other words, business-to-business relationships deserve more attention from historians. Because of its sales pattern, Heineken was not very visible in marketing journal pages. However, the brewer did apply many of the new ideas in practice. For instance, the company used market research before investing in bottling lines to engage in the market for home consumption, and then developed a new sales policy directly addressing consumers through more emphasis on advertising and branding. To help define the brand message, Heineken also enlisted an

92 HC, *Het Meest Getapt*, April 1969.

agency for motivation research. That message became more inclusive, not just addressing men drinking in pubs, but including women and all those wanting to have fun together drinking beer. As sales for home consumption rose during the 1960s, Heineken's marketing focused more and more on reaching out to consumers via advertising and branding, to some extent bridging the difference in approach between its market segments by moving the consumer to centre stage in both.



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