DEMAND SPACE; SEGMENTATION MODEL FOR CARLSBERG
CASE: CARLSBERG GROUP

"IN CARLSBERG WE WANT TO GROW OUR BRANDS THROUGH
A DEMAND SPACE SEGMENTATION MODEL. IPSOS HAS THE
MUSCLE, THE BRAINS, THE LIKEABILITY AND THE RIGHT
LEVEL OF FLEXIBILITY TO DEFINE THESE SEGMENTS AND
TO IDENTIFY THE GROWTH OPPORTUNITIES WITHIN THEM.
THIS IS A KEY ENABLER FOR OUR GROWTH STORY."
- Meltem Karahan, VP, Consumer Insights, Carlsberg Group

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Carlsberg is a global company managing more than 450 different brands with different positionings across markets worldwide. In a situation where the beer category is not growing, Carlsberg wanted to dig deeper into demand spaces (drinking situations) and to use the most advanced segmentation tools to optimize and identify growth potential for their products. Ipsos was chosen to do the large-scale analysis of consumer motivation, competitors and beer potential across 40+ markets. The result is a new global segmentation tool for Carlsberg – and deep insights into what drives the consumption of different beverages in different situations.

Challenge

To develop an advanced segmentation tool from a number of demand spaces or drinking situations:

- Based on the most advanced integration of HOT and COLD methodology, combining intuitive/contextual techniques with more rational approaches.
- Getting closer to the lived life of consumers, uncovering their unconscious and conscious choices, emotional drivers and potential for drinking beer.
- Enabling Carlsberg to have even more accurate allocation of brands into segments and optimizing the space for each of them across markets worldwide.

The Result

"With this model, we get a deep understanding of consumption within each demand space: What do consumers really want, why do they want it and when."

> *- Meltem Karahan, VP, Consumer Insights, Carlsberg Group*

Examples of the outcome so far:

- Specific recommendations on how to optimize on markets and to grow within them.
- Possibility to identify gaps and point to relevant product development/ adjustment.
- New insights on brand stories between, for example, Tuborg (more music), Carlsberg (more "hygge" and history) and Grimbergen (more reward and indulge).
- With globally relevant demand spaces, the model transforms into a strategic tool across Carlsberg's global organisation.

Analytical Setup

- Based on Carlsberg's research: Further prioritising and defining drinking situations into an overall model of demand spaces (where beer is relevant)
- Quantitative demand space sizing on selected markets:
    - Sizing of segment (drinking moment) – quantity consumed
    - Motivations: why people drink and motivation towards different brands
    - Rejections: Reasons for not choosing beer in specific moments
    - Potential for beer in each drinking moment.
- Developing a global demand space map (40+ markets).

Research management and core team out of Ipsos' Copenhagen Office.

Carlsberg says

"Ipsos has been our partner for the biggest part of our journey. They have a global organisation with their own methodology and access to an enormous pool of consumer data for benchmarks. And most importantly: they have shown curiosity and a great willingness to develop with us and to be meeting our specific needs."

"We now have a global and behavioural segmentation model that shows us opportunities to grow beyond beer category. It also helps make each of our key brands distinct in their positioning, which enables us to manage our complex portfolio very well. With the new model we better understand the motivations behind why people drink what they drink, we are able to size the growth potential and define actions to grow."

> *Quotes by:*
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> *Meltem Karahan, VP, Consumer Insights, Carlsberg Group*

Want to know more?

The development of Carlsberg's Demand Space model takes offset in Ipsos' deep segmentation capabilities, helping to uncover growth potential for specific brands on the market. The methodology is proven by research and our analysis includes the newest technologies and insights from both qualitative and quantitative research.

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