

LABATT (cont'd)

Lessons to be drawn

In order to decide on which countries to concentrate, Labatt undertook an extensive market study of most free world countries, rating each of them on a point scale against a pre-determined set of factors (eg. beer consumption, product types, government and legal environment, profitability of the industry, repatriation of profits, etc.). The information obtained through this study was an essential, though expensive, step in the international development of Labatt. Another source of valuable information was Labatt's knowledge of the worldwide beer industry gathered through their attendance at world fairs and participation in trade associations.

Dealing with a consumer product where brand awareness is a key success factor, Labatt granted enormous importance to their advertising campaign. They reckoned that to be successful on the UK market, their ads would have to be humorous, and would have to stress the Canadian factor to position their products as an international lager.

A cross-fertilisation programme has just begun with the objective of introducing UK nationals into the Canadian company. After a period of time they will be available to return to the UK to assume some of the senior roles currently filled by Canadian managers.

Much importance was given to the integration of the 3 managers' families. According to the interviewee, when moving abroad, Canadian managers should be conscious of the heavy demands that will be made of them, and of the need to reconcile them with pressures from their family who must get used to a new life in a foreign country.

Though the UK was Labatt's 1st European target, it has not served as the prototype for other continental countries. They see each country as being very different, at least as far as beer industry is concerned, and requiring a distinct strategic entry. For example, in Italy they bought 2 breweries.