



## 'Tastes Great, Less Filling, and Perfect with Cheese': Beer Tries to Brew Up a New Image

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Can an industry that has spent a fortune on TV ads featuring mud wrestlers and talking frogs suddenly change its stripes to appeal to the wine-and-cheese, single-malt Scotch crowd? The makers of Budweiser and other brands of beer hope so.



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Anheuser-Busch, based in St. Louis, Mo., and its competitors are developing an industry-wide marketing campaign aimed at overhauling the image of the humble beer and staunching its declining share of the alcoholic beverage market. But Wharton faculty members say the campaign won't be easy. Tweaking a product's image is one thing, but revamping an image in such an all-encompassing manner is a big stretch. Yet they also suggest that the Anheuser-spearheaded effort stands a good chance of enhancing the appeal of microbreweries and perhaps some mass-market beers, like Michelob, that have already carved out a higher-end image. In addition, it may be possible to change the overall image of beer slowly over time if the industry gives the effort years to take hold.

"It is a challenge in general to change an image, especially the image of an entire product category," suggests marketing professor [Patricia Williams](#). The beer industry faces an uphill battle in trying to "change the types of people who drink beer and the circumstances in which they consume it."

Besides, notes [Stephen J. Hoch](#), chairman of Wharton's marketing department, any money spent on an industry-wide campaign would probably be dwarfed by the amount spent by individual breweries to sell their brands. Companies need to "figure out how they can move away from their old position," he says. "But frankly, they can't move too far away because they have a huge base of customers. This is a business driven by heavy users. How much can [companies] spend on this new ad campaign compared with what they already spend on heavy users?"

### A Multi-pronged Approach

Robert Lachky, executive vice president of global industry development at Anheuser, told Knowledge@Wharton that the industry, working with the Beer Institute, a trade group, will use a multi-message approach involving not just TV ads, but also print and online media.

For one thing, says Lachky, the campaign will emphasize beer's "social value" -- that it is a product whose appeal cuts across demographics and cultures. "There are many, many beer drinking countries besides the United States." Another aspect of the campaign will involve "romancing the product" in which the beer industry will emphasize the art of brewing, notes Lachky, adding that "Washington, Jefferson and Franklin were brewmasters ... Wine has done this almost by default. They talk about the process of making wine, the art of it, the natural ingredients used and the varieties of styles."

Wineries have also done a good job linking the consumption of wine with certain foods, which increases the chances that consumers will buy bottles of wine or order wine in restaurants. "Beer is an appropriate product to link up with food, and that's something we haven't done well as an industry," says Lachky.

Nor have brewers excelled at emphasizing that beer, like wine and certain liquors, can be brewed with different flavors (Anheuser introduced a pumpkin spice ale to coincide with Thanksgiving) and sold in attractive packaging. "With TV, beer's appeal has been relegated to a one- to two-second snapshot of brown bottles in icy water," says Lachky. "We have the opportunity to talk about presentation, glassware, the pour, and color and flavors. Craft beers have pushed hard on selling the romance of the product, but we have not."

Finally, Lachky says, the beer industry also hopes to convince consumers that beer, when consumed in moderation, can be good for you. Indeed, *The Wall Street Journal* reported on December 9 that Meir Stampfer, a Harvard University epidemiologist, has become "the star of a new Anheuser move to publicize the health benefits of beer consumption." Anheuser has invited medical journalists to restaurants to eat meals and drink beers such as Budweiser Select. The reporters then listen to Stampfer give a lecture on the benefits of moderate alcohol consumption.

Frits van Paasschen, president and chief executive officer of Coors Brewing, told Knowledge@Wharton that his company supports an industry effort to enhance the beer category. "We have agreed to empower the Beer Institute to develop a communications strategy to promote beer as the leading alcohol beverage in the U.S., but exactly what that looks like has not been decided," he notes. "It's up to our individual brands to give people a reason to come back to beer." From 1995 to 2004, beer's share of the alcoholic-beverage market fell from 61% to 58%, while wine's share rose from 12% to 14%, according to the *Journal*.

"When it comes to absolute share of the alcohol market, beer still is huge and in many respects the dominant drink of choice for consumers," van Paasschen adds. "We're talking about relative growth on a big base. More than anything, it's incumbent on brewers to make sure they have brands that are interesting and compelling to consumers. We have to find ways to reinforce core equities of each brand, find new and exciting ways to grab attention again, to make beer cool."

Some Wharton faculty say an image-enhancing campaign may offer some benefit to breweries at the margins, but that it will be very difficult for the beer industry to alter the mindset of people, both those who do not drink beer, especially women, as well as the hard-core customer base of 21- to 27-year-old men.

Wharton marketing professor [David Schmittlein](#) sees a chance for the industry to reach out to "a more serious audience for beer. Microbreweries have found that the opportunity is real and that it goes beyond 22-year-olds drinking a ton of cheap or medium-priced beer [all] at once. And it's absolutely possible to have a multi-brand strategy. Michelob has its own distinctive brand image. So there is a marketing opportunity here to develop more nuanced brands, [to suggest] that beer can be a sophisticated product. But that's a little different than trying to re-brand the whole category of beer. I don't get that strategy. It doesn't really work. How much beer is consumed by sophisticated drinkers?"

Marketing professor [Barbara Kahn](#) says convincing large numbers of women to drink beer would be difficult, for reasons having to do with both image and beer's perceived undesirable traits. "One problem is the perception that beer is much more fattening [than wine]," Kahn says. "The other problem is the smell. Beer is very much an image product, and the image is male. What [the beer industry] is talking about is a cultural shift. Beer is associated with men and sports events. It's more than advertising."

### 'Finer Points' vs. Impolite Horses

Hoch recalls that when Miller Brewing introduced Miller Lite in the 1970s it was originally designed to appeal to women. "But they couldn't make it on women alone because women don't drink that much. So they changed the ad campaign to 'Great taste, less filling' so a fat guy could drink beer every night and not feel like a slob."

Hoch says the industry campaign discussed by Lachky is likely to get less notice than the ads that individual companies will continue to run to sell their own brands. "Miller and Anheuser-Busch have to spend a lot to retain heavy users, and that will drown out the other messages they want to get across to people. They are going to say that beer is nutritious, natural and wholesome, and don't drink too much at the frat party. I do agree that this is a reasonable message but I don't think it's a message that works for the bulk of these manufacturers' businesses."

Williams agrees, noting that an industry campaign focused on the finer points of beer can be readily undercut by the kind of sophomoric TV ads that breweries have relied on for years. "If the individual manufacturers don't change their advertising, what kind of impact is an industry campaign going to have?" she asks. "If one of the major manufacturers has a Super Bowl ad where two people are on a sled on a romantic night and the horse pulling the sled passes wind in their faces [the theme of a Bud Light ad during the 2004 Super Bowl], what kind of help is the industry campaign going to be?"

The Wharton experts say there are any number of examples of companies that have tweaked the image of brands and product categories over the years, but not to the extent where black became white and not in the same circumstances that Anheuser is proposing to do with beer.

Decades ago, for example, Abercrombie and Fitch sold expensive clothing and supplies to well-heeled outdoorsmen. Today, the company uses sexually explicit advertising to sell fashions to young people. But the Wharton faculty members point out that while this shift represents a complete about-face for Abercrombie's image, the new image emerged many years after the old image had faded from virtually everyone's memories and required no need to change consumers' perceptions of the old company and its product line.

Another product whose image has changed dramatically in recent decades is blue jeans. Once considered clothing exclusively for workmen, jeans since the 1960s have become widely accepted. A single pair of designer jeans today can cost more than the weekly wages of a blue-collar worker of the 1950s. But the overhaul of the image of jeans is not quite the same as what the beer industry is proposing to do. The wearing of jeans first became widespread, not as the result of an overt marketing effort by clothing manufacturers to get consumers to dress up, but as an expression of the 1960s counter-culture in which many young people dressed down in order to identify themselves with the poor and the working class.

Other companies and industries have actively tried to enhance the image of their products. With its "softer side" ad campaign, Sears tried, without much success, to get consumers to think of the retailer as a place for fashion and not hand tools and car batteries. Avon has worked hard to get customers to think of their products without associating them with ringing doorbells. Dairy farmers and milk processors have their "Got Milk?" campaign featuring celebrities with milk moustaches appearing in magazine ads. In 1989, Cotton Inc., an association of cotton growers and importers, began an effort to boost sales of cotton garments with the tagline, "The Fabric of Our Lives." And various organizations representing agricultural products, such as eggs and cranberries, have had image-altering campaigns. But none of these represented a 180-degree reversal of the way a product is perceived.

Williams says most industry-association ads typically are not that successful in boosting sales and have not tried to do what the beer industry is proposing. "There wasn't necessarily a negative stereotype associated with milk," she says. "The same is true with cotton. I don't know if there was a tendency for people to say, 'Cotton should be rejected because it's associated with something bad.' No one in the cotton industry had ads showing cotton in crude and unappealing situations."

### **Slow, Incremental Change**

There is, however, a potential bright spot for the beer producers: The industry may be able to change

beer's image over a long period of time. One general strategy for changing the image of a brand, and by implication for a product category as a whole, is a "slow, steady, incremental movement to keep the brand relevant and tweaking it," according to Kahn. "Each change isn't hard to do, and if you add all the changes together you get a big change. So they can slowly" alter the brand image.

But to achieve this goal, the industry would have to tread on some thin ethical ice and hope that its message reaches people young enough "who don't have deeply ingrained attitudes toward beer, but that means starting with people too young to drink," says Kahn.

Ironically, the beer industry has done such a good job associating its product with a certain type of marketing campaign and a certain type of consumer that it is nearly impossible for people to think of beer -- at least the mass-market brands -- any other way.

Breweries, Williams says, "have trended cruder and cruder" in an attempt to break through the clutter of TV ads and have dug a deep hole for themselves. "They have just descended into the depths as a product category. Unless that stops, no industry ad campaign will do it for them. I don't see that happening." Says Hoch: "It's really hard to reposition a product that has been well-positioned for a long time. The beer industry is carrying around what I call excess baggage. They may say, 'It's not your father's Oldsmobile,' but it is."

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