

DISPATCHESTM

Insights On Brand Development From The Marketing Front

AMERICA'S LIGHT BEER BATTLES: WASSUP?

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"Bud Light: Brewed with no corn syrup."

"Coors Light: The More They Keep Talking, the More We Keep Refreshing." ("The World's Most Refreshing Beer.")

"Michelob Ultra: Superior Light Beer—2.6 carbs and only 95 calories."

"Michelob Ultra Pure Gold: Beer in Its Organic Form." ("Certified organic, no artificial colors or flavors.")

"Miller Lite: Great Taste with Only 96 Calories. The Original Lite Beer."

&

"Miller Lite: Tastes Better Than Michelob Ultra, with Only 1 More Calorie."

Confused? Well, if you're an American who drinks light beer, you have good reason to be. These key copy words (advertising "taglines") above have been swirling in the TV and digital universe recently. The Big 3 light beer brands—Bud Light, Coors Light, and Miller Lite—along with Michelob's Ultra have been dueling one another with various, and definitely conflicting, *product claims*. More than the confusion brought about by these claims, though, what intrigues us is the rapid shift that has occurred in messaging: a shift from messaging (and, therefore positioning) more about the drinker to messaging more about the drink.

It was just a little over a year ago, in January of 2018, that we penned a DISPATCHES article about the value of differentiating with psychographics...rather than the more traditional way of differentiating with product claims. And at that time we wrote specifically about the Big 3 light beer brands to illustrate the difference:

"Whether you take time to watch the television campaigns each of these three is currently running, or simply confine your look to their individual websites, it's instantly clear that both Bud Light and Coors Light have moved to differentiate themselves from the other two brands by directly appealing to a different psychographic target—rather than relying solely on some kind of (non-existent?) product difference. Just to be clear,

*psychographics refers to a prevailing “mindset” that a particular target segment shares, one that largely explains their preference for one brand over another, even accounting for their brand loyalty. As for Miller Lite, though, it seems stuck in traditional product-talk, with no obvious play to any psychographic segment. Said another way, Bud Light and Coors Light aim to compete by focusing on different drinkers; Miller Lite aims to compete by focusing on a not-so-different drink. While we have no hard evidence regarding which of these three “differentiation strategies” works best, we **do** have an opinion about which one we would choose.*

The easiest way to appreciate these different differentiation strategies is to simply examine their campaign slogans, what we have always referred to as Key Copy Words:

Bud Light: “Famous Among Friends”

Coors Light: “Whatever Your Mountain, Climb On”

Miller Lite: “The Original”

So, at least for Bud Light and Coors Light, the shift has been abrupt and dramatic—from celebrating drinker types “Famous Friends/The Many, Not the Few” and “Mountain Climbers/Challenge Conquerors” to (for Bud Light) denigrating a rather obscure beer processing ingredient, corn syrup, and (for Coors Light) to rebutting such negativity as inconsequential. What gives? or, recalling that memorable Bud Light tagline, “Wassup?” Bud Light marketers say publicly that beer drinkers have a right to know *exactly* what goes into the brewing of their beers...and, of course, to appreciate the distinction between Bud Light’s total avoidance of corn syrup and Coors Light’s/Miller Lite’s reliance on it. Coors Light marketers say publicly that “Bud Light is desperate”—the light beer giant once again lost big volume in 2018, reportedly down 5.5%, while Coors Light volume dropped on 3.1% and Miller Lite’s volume dropped only 1.5%.

And, as for the “out-of-the-blue,” denigrating corn syrup processing claim, both Coors Light and Miller Lite have this to say on their websites:

“Corn Syrup: All For the Yeast

Corn syrup is the fuel yeast needs to ferment into alcohol. Corn syrup is used by many of your favorite brewers, and it gets consumed by the yeast during the fermentation process. Corn syrup is not the same as high-fructose corn syrup, and brewing with corn syrup is natural and no less healthy than beers that brew without corn syrup. Don’t just take it from us...Men’s Health, Food & Wine, CNBC, Time, The Associated Press.”

Hmmmmmm. Is it corn syrup or *high-fructose* corn syrup? And, what really, is the difference in “healthiness” between the two. More importantly, do enough beer drinkers really care? We don’t have drinker research handy, so we can’t be sure of the answers to these questions. Common sense would suggest though that, if you’re a

betting person, you wouldn't bet that very many light beer drinkers care whether or not (a) their beer is brewed with corn syrup, and (b) whether that corn syrup is the high-fructose kind or not.

So, getting back to the original question, "Wassup?" what can we make of all this product claim noise in the light beer category? Here are a few observations:

1. **When a big pie shrinks, the scramble for larger pieces of a smaller pie intensifies.** Over the last few years, with the continued growth of more and more local craft beers—along with the continued growth of whiskies and other spirits—it's no secret that the U.S. light beer pie has been shrinking at an alarming rate. And the game has changed from what was once building loyalty and increasing frequency among ever-larger target-drinker groups to one of inciting switching among shrinking target-drinker groups. Whether or not a *distinction* as fine as corn syrup (not high-fructose corn syrup!) in brewing translates into *meaningful differentiation* for enough target-drinkers remains to be seen.
2. **In categories where product processing and ingredient differences are already nearly negligible, it's darn tough to make a tiny one meaningful.** Come on, can anyone find an advantage in being "only one more calorie" than another light beer? Or for that matter, how likely is it that being "certified organic with no artificial colors or flavors" will drive the degree of drinker-switching required to yield significant volume growth?
3. **In food and beverages, the leap from "less bad for you" products to "healthier" products is usually a leap too far.** The light beer category started simply: you can now drink a lot more beer without (a) getting inebriated so quickly and (b) feeling full so quickly. Soon after this, having fewer calories than full-bodied beers translated into something sort of less bad for you—you won't gain as much weight by drinking light beer. Then, with virtually all major light beers having the same caloric content, the next less bad for you thing to come along was carbs; they, too though, have pretty much been neutralized across the leading light beers. Which brings us to now...with the absence of a negative like corn syrup or the presence of a positive like "certified organic" suggests not merely less bad for you, but perhaps "better for you." Not exactly "healthier," mind you, but a step in that direction. But, really now, it's hard to imagine that beer—of any kind—will ever make the full leap to "healthier."

Wassup then? Well, our take would be not much that really matters—for by far the majority of light beer drinkers, that is. We'll have to wait and see what growth, if any, results for the light beer category, and more to the point, what share growth, if any, results for Bud Light or Michelob Ultra. Stay tuned...and try not to get confused.

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