

DISPATCHESTM

Insights On Brand Development From The Marketing Front

MULVANEY AND BUD LIGHT PARTNERSHIP: DUMB MARKETING

I feel like I'm walking on thin ice. At any moment, it will crack, and I will plunge into icy waters and be swept away.

What am I talking about? Well, to start, I will conduct a postmortem on Bud Light. This undertaking alone is fraught with danger as corporations sweep their failures away to protect those senior managers who perpetrated them.

Also, this failure involves employing a “transgender” to represent a brand. There, I’ve said it, “transgender.” Haters from both sides lie, waiting to jump on anyone who dares to raise the subject. But this article is not an argument for or against using transgender people or anyone in the LGBTQIA+ community to support a brand.

Instead, this undertaking is to assess a specific brand’s, Bud Light’s, choice of using Dylan Mulvaney, a transwoman, to promote it. Why undertake something so controversial? The purpose is to identify critical learnings to avoid making the same mistakes since those who don’t learn from history, or are ignorant of it, are apt to repeat it.

I hope I’ve settled the motivation for this undertaking as I state my conclusion: using Dylan Mulvaney as a brand ambassador for Bud Light and introducing her during March Madness is a shining example of dumb marketing!

Indeed, as a marketer, you're aware of a boycott against Bud Light for featuring Ms. Mulvaney. She introduced her partnership with Bud Light via Instagram. In it, she shows a can of Bud Light with her image displayed on it, stating it was a gift from the company to celebrate her 365-day anniversary of coming out as a woman. See it here:

It brought the house down—the house of Bud Light—at least during the early going. The brand is experiencing a highly publicized two-week boycott against it. The company stock has dropped, losing more than \$4 billion in market value, and purported sales are slipping.

I’d also wager that the company's distributors are not happy and promoting other beer brands in their portfolio until this fury calms down—at a minimum. Additionally, this

calamitous situation is undoubtedly raising questions regarding the fitness of key executives in managing the business. Moreover, it's putting a dent in the brand's sacred image.

So, what are the critical marketing errors? What makes this dumb marketing?

1. ***It is inconsistent with the brand's heritage.*** Bud Light springs from the self-proclaimed King of Beers, Budweiser. The Anheuser-Busch CEO released a statement following the controversy: "I am focused on building and protecting our remarkable history and heritage." Yet, the company's actions appear to run contrary to both. I've understood the AB heritage as blue-collar, male, middle-America, hardworking, whom the brand has saluted through its storied past—"For all you do, this Bud's for you!" I can't imagine the Busch family would agree that using Ms. Mulvaney for Bud Light is consistent with the brand and company's heritage. I doubt that the company's many distributors and long-time employees would agree that her ambassadorship is consistent with the AB heritage.
2. ***This initiative appears to be a revolutionary departure from the brand's positioning.*** Yes, times are changing, and we need to keep up with them and, when appropriate, even lead them. But, like throwing a pass, one shouldn't lead the receiver so much that it's out of their grasp. The revolutionary versus evolutionary departure is exacerbated not just by their choice of brand ambassador but her coming on the radar of everyone, not a select target customer segment. Revolutionary changes are highly disruptive, undermine the brand's positioning, and negate previous brand-building investments.
3. ***It doesn't align with the brand's target customer and current franchise base.*** Bud Light beer consumption favors men, particularly those 18 – 34 of age, followed by 35 – 54. These consumers are mainly blue-collar workers employed in manual labor or industrial jobs. But beyond the demographics are important psychographics. While I don't have data on psychographics, the umbrella brand has projected values of patriotism, hard work, unity, and social responsibility. I don't see how the choice of Ms. Mulvaney aligns with the demographics and psychographics. One may argue to the contrary. However, the reaction suggests otherwise. She's unconventional and controversial in this situation regardless of perceived positive values.
4. ***Her selection promotes a social and cultural cause, not the business's purpose and marketing's role.*** What is the purpose of a company? To earn a profit. The business will fail if it doesn't make profits. What is marketing's role? To create brand loyalty. As I've stated many times, "create" means bringing a customer into existence. While Ms. Mulvaney may help bring in the LGBTQIA+ community, it appears to have turned off (many) of its customers. "Brand" is that special relationship and bond with customers based upon shared values and a rewarding experience. The use of Ms. Mulvaney broke that bond with some Bud Light loyalists. While the CEO stated that "the company never meant to be part of a

discussion that divides people,” that's what happened. "Loyalty" is unswerving devotion to the brand. I feel that many Bud Light drinkers believe that their tribe is no longer a fit, and at bar call, they will ask for a Coors' Light or Miller Lite.

5. ***The wrong celebrity can damage the brand's reputation and/or cause needless controversy.*** Your brand lives or dies based on the choice of celebrities. If the celebrity stays clean, fits with what s/he's hawking, has a large following of faithful fans, and is inspirational, then that celebrity can help lift sales. But if the celebrity is found to be having sex with children, engaged in (date) raping, involved in domestic abuse, DWI, doping to enhance performance, tied to illicit drug use, participating in illegal activities, caught using the competitor's product, convicted of a felony, publicly making (a) controversial statement(s), making racial or homophobic slurs, gambling, murder, and other calamities, can hurt the brands they represent. No one is accusing Ms. Mulvaney of doing any of these things. She is merely herself, which many perceive to be unconventional and controversial. Additionally, she presents herself as not having a clue about March Madness in her Instagram video, which is totally out of touch with most Bud Light consumers.
6. ***Celebrities and their messaging are difficult to control.*** Controversy may have been avoided had Dylan Mulvaney's association with Bud Light been limited to the LGBTQIA+ community the brand was targeting. Also, how she presented herself, and the message needed managing to avoid alienating current brand users. However, with the reach and impact of social media, her ambassadorship touched the raw nerves of Bud Light users.
7. ***It's about the celebrity, not the brand.*** The message was about Ms. Mulvaney and her relationship with the company/brand. She's celebrating 365 days of coming out as a woman. The specially designed Bud Light packaging bearing her image, gifted by the company, had little to do with telling the brand's story. Is AB lauding Ms. Mulvaney? Is it creating or strengthening ties with the LGBTQIA+ community? Is it getting its brand story across in a relevant and meaningfully differentiated way (beyond the use of the messenger) to connect with its intended target customers? And without alienating current customers, particularly those who may not be sympathetic to the transgender cause?
8. ***Going broadscale without testing.*** My goodness, was this idea ever tested to gauge response? I doubt it! Even if it had been tested, did anyone consider and factor in the potential unintended consequences of the action? No, to both questions. Had the company done the deep thinking, challenging each other along the way, and testing the concept, I don't think they would have moved forward with engaging Ms. Mulvaney or using her in a way that would divide their franchise base and alienate customers.

Many of the aforementioned Bud Light critical marketing errors overlap. It comes down to knowing the brand's positioning, heritage, customers, and organization, and the impact

of your marketing initiatives. Senior AB management didn't have a clue or ignored it to satisfy another purpose. While we don't know, nor can we predict the long-term impact of this controversy, it could and should have been avoided. Accordingly, there's only one conclusion: It was dumb marketing.

Applications:

1. **Know and stay true to the brand's heritage and positioning strategy.** Don't make changes until you understand what the brand represents to your target customer and what those changes will bring.
2. **Don't ignore brand character, the brand's personality.** While this is a core element of the brand's positioning strategy, it alone is a solid indicator of the appropriateness of marketing initiatives.
3. **Make evolutionary, not revolutionary, changes to the brand's positioning.** Positioning (Proactive Positioning) beats repositioning (reactive positioning). Positioning is evolutionary. Repositioning is revolutionary. Revolutionary changes are extreme and risk confusing and turning off the brand's current customers.
4. **Remember, the purpose of the business is to earn a profit to fuel future growth, not advocate socially or politically.** We must generate incremental sales, not evaluate our brand or company based on clicks, likes, or social recognition. Clicks or likes are not the same things as nor a substitute for driving sales and profits.
5. **Do nothing that might alienate your brand's customers, particularly its heaviest users.** While you think and may sell the idea to senior management that your change in strategy or idea will bring in more customers than it loses, that's hardly ever the case. You're going to lose out—big time!
6. **Ensure all marketing initiatives align with the brand's heritage and positioning strategy.** The brand positioning strategy statement provides direction for developing all marketing initiatives and also serves as a filter to ensure that all align with it.
7. **If you use celebrities, choose them wisely.** Yes, they may help you cut through the clutter to gain attention, but they must be relevant to the brand's story to stimulate sales. Also, manage them carefully because any questionable actions on their part can come back to bite you and your brand in the a#\$!
8. **Keep the brand's story front and center.** It's not about the celebrity. The celebrity is a vehicle for the brand's story. The brand's story must connect with target customers in a relevant and meaningfully differentiated way to create brand loyalty.

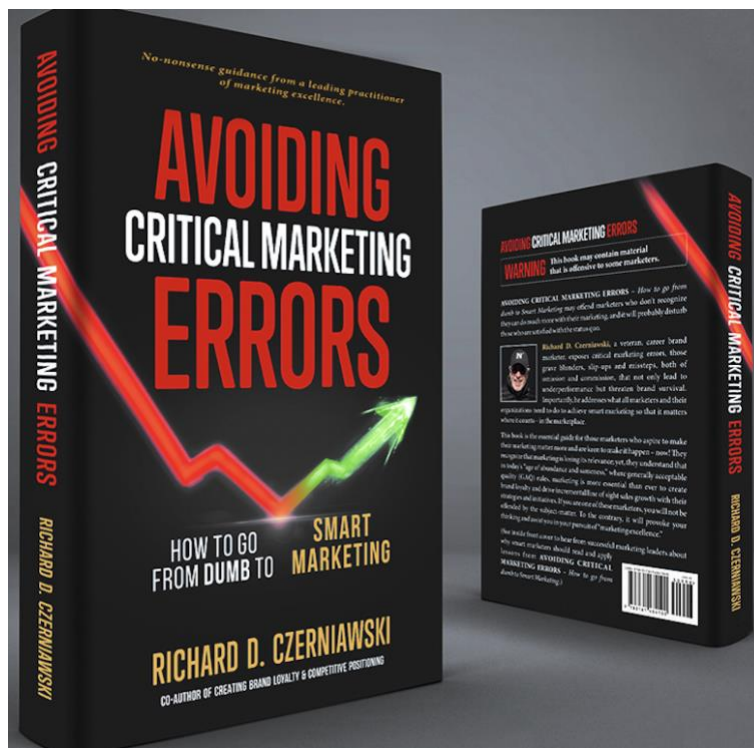
9. **Test to gather evidence that what you propose will work.** Make your marketing evidence-based, not eminence-based, to avoid critical marketing errors. Not testing? Well, that's dumb marketing.

I wish the Bud Light marketing team and Ms. Mulvaney good luck. Hopefully, they will learn from this experience and right their respective ships. However, they must first take stock and thoroughly analyze what went wrong and why before they can avoid repeating it.

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Thanks for your interest.

Peace and best wishes,

A handwritten signature in black ink that reads "Richard Czerniawski". The script is cursive and fluid, with the first name "Richard" and last name "Czerniawski" clearly legible.

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