

Case #16 – Bud Light Gets Cancelled

Introduction - In 2023, the leading beer brand in America, Bud Light, partnered in a promotion with a transgender influencer. While the short-term campaign was part of the brand's push to broaden its market base and tap into diversity, equity and inclusion (DEI) marketing, it ended up alienating many traditional and long-term customers.

The aftermath resulted in a substantial slump in market share and sales volumes (as at May 2023) for Bud Light. But what went wrong and why did sales drop so quickly and substantially?

About Bud Light - Bud Light is a beer brand in America and is owned by Anheuser-Busch InBev, which is the largest beer company in the world. In 2022, Anheuser-Busch InBev's revenue was reported at almost \$55 billion (USD), around double the sales of Heineken (second largest beer company). In addition to Bud Light brand, the company also owns the brands of Budweiser, Kona, Corona, Michelob, Beck's, and Stella Artois, among many others. In total, Anheuser-Busch InBev brands have an almost 30% share of the global beer market. Bud Light is the leading beer brand in America based on unit sales (source: BeerBoard). And according to Statista, in 2021 the Bud Light brand is the 4th most valuable beer brand in world, with an estimated brand value of over (\$9 billion). Those ahead of it are Budweiser, Heineken, and Stella Artois.

Bud Light's Positioning Change - Overall, you would describe Bud Light's brand positioning as a "lifestyle" brand. This means that the brand is positioned to be "*part of your life*", such as automatically ordering a Bud Light at a restaurant when you are out for dinner. To achieve this lifestyle connection, the brand has worked hard on bonding and establishing an emotional connection with its customers – as opposed to promoting product features, such as taste. This emotional bonding is achieved by aligning the brand and its values with those of its target consumers. As part of this, Bud Light has been strongly associated with the NFL and Super Bowl, American imagery and traditional values, bringing friends together, lots of fun, and shared experiences.

While the above positioning was the mainstay of the brand for decades, their marketing direction changed following the appointment of a new vice president of marketing for the brand (Alissa Heinerscheid). She took the view that Bud Light's positioning needed to change and attract younger customers in order to maintain the brand's customer base. And in various interviews, Heinerscheid outlined her thinking about the brand, which included:

- We have to bring in new drinkers. That is the name of the game.
- We are ushering in a new era for this brand.
- Our new ads are telling a story you want to watch again and again.
- Consumers young and old want a brand to stand for something.
- (Her goal was) to evolve and elevate this incredibly iconic brand.

The Role of Influencers with Brand Building - What is the role of influencers? Here is a list of some of the reasons why a brand would choose to partner with an influencer:

- To help reposition the brand

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- To be associated with the influencer’s brand
- To reach new consumers via media
- To cut-through advertising clutter
- To add “entertainment” value to the brand
- To generate (free) earned media
- To attract new (first-time) consumers to the brand
- To reinforce and strengthen the brand’s positioning (as opposed to repositioning above)
- To enhance customer loyalty
- To support diversity and inclusion issues – or other social statements
- To increase brand awareness, trust, and credibility

How Diversity, Equity, and Inclusion (DEI) Fits Into Marketing - Bud Light’s 2023 influencer campaign could be classified as DEI marketing. DEI is the practice of promoting representation and inclusion of people from diverse backgrounds in marketing campaigns and brand messaging. The idea is that brands are seen as being inclusive and representative of different groups of people, while avoiding stereotypes.

Most firms are profit-driven, and much like “green marketing“, brands may engage in DEI practices for both social reasons, as well as profit reasons.

Bud Light’s Transgender Influencer Campaign of 2023 - The campaign kicked off at the start of April 2023, with an Instagram post by Bud Light’s influencer Dylan Mulvaney who had almost 2 million followers (at that time). Dylan, who had just celebrated 365 days of womanhood (that is, being on hormones in order to transition to a woman), tied this announcement into the Bud Light promotional post and video.

In the video, Dylan makes reference to “March Madness” (a major college basketball tournament), but then adds to their post a funny, but flippant, comment of “Just found out this had to do with sports and not just saying it’s a crazy month!”

Dylan’s likeness was also printed onto a series of promotional cans (see example below) of Bud Light, which the company states were not available for retail sales. The top of the can read “Cheers to 365 Days of Being a Girl”. But this, April 2023 trans influencer campaign triggered many negative comments online, which quickly turned into significant media backlash along with many calls to boycott the product.

Impact on Bud Light Sales and Market Share - Sales of Bud Light have dropped substantially. Data from Beer Marketer’s Insights shows that Bud Light’s dollar sales dropped 17% nationwide in the second week after the influencer’s post and NielsenIQ reported that unit sales fell by 21% and given the size of the American beer market (over \$100 billion), that’s a lot of sales and a lot of money now going off to competitors!

How the Company’s Management Reacted - The brand quickly ran a more traditional and very patriotic TV ad, that tries to tap into American values. Unfortunately for the brand, this was seen as an over-correction by the media and by consumers and was considered by many to be a “marketing stunt” and

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designed to sweep the current controversy “under the carpet”. The company also released a statement, which in part, read: *Anheuser-Busch works with hundreds of influencers across our brands as one of many ways to authentically connect with audiences across various demographics. From time to time, we produce unique commemorative cans for fans and for brand influencers, like Mulvaney. This commemorative can was a gift to celebrate a personal milestone and is not for sale to the general public.* This statement, along with the American values ad, seemed to communicate that the company was not overly committed to the trans community and that the use of Dylan as an influencer was somewhat insincere and opportunistic. In other words, their actions only managed to make the brand situation somewhat worse than it was before.

Who “Owns” a Brand? - This seems like a very silly question, but it is worth reflecting on for this case study. Obviously, from a technical and legal viewpoint, a brand is clearly owned by a business. But what gives a brand value? What makes the Bud Light brand worth \$9 billion? To keep it simple, brand value is a measure of the additional long-term value (profits) that is generated by the brand. And when it comes to emotional connection, many consumers see key brands as part of their life and even as a good friend – like Bud Light. That’s partly why there was such a negative reaction to the brand’s partnership with the influencer – because Bud Light’s traditional customer base felt betrayed that THEIR brand had changed and that their long-time friend was now different. And they felt that Bud Light was no longer delivering on its brand promises and that Bud Light was no longer there for them.

Student Discussion Questions

1. What do you think were BudLight’s main marketing objectives with the influencer partnership?
2. To what extent was Dylan a good fit to the brand?
3. While decisions in hindsight are easy, take yourself back to before this campaign ran – if you were in charge of the Bud Light brand, would you have supported the promotion with Dylan? Why/why not?
4. Who are the stakeholders in this case?
5. Media (social and traditional) and politicians want to have a nemesis to focus public opinion against a boogiemer - Big Pharma, Big Oil, Big Tobacco, Big Oil, Big Energy (Coal), Big Insurance, etc. They try to paint them as an evil that needs to be reigned in. The recent UAW strike against the Big Three automakers was a case in point. They were trying to paint the CEOs in a bad light saying they were personally greedy given their compensation package. Exactly who are they talking about?
6. Do you think that this promotion will have along-term impact on BudLight sales, or do you think that their sales will recover? Have you ever changed your consumer habits when a company does something you do not agree with?
7. Should companies factor in how marketing decisions impact their bottom line?
8. If you identified the “owner’s” (shareholders) of Anheuser-Busch InBev SA/NV as one of the stakeholders, how do these decisions actually impact them. The market capitalization on 3/31/2023 was \$132.4 billion. It fell to 103.8 billion on 10/9/2023. The per share stock price fell from \$66.99 to \$52.54 during this same period. Who are these owners?