



This Bud's For You? Budweiser Debuts New Can

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Anheuser-Busch, the self-proclaimed "King of Beers," is attempting to polish its brand crown by launching a redesign of its classic Budweiser can, the can's first facelift since 2001. But marketing experts say that the makeover isn't likely to boost brand equity or stave off sagging sales for Budweiser's parent company, Brussels, Belgium-based Anheuser-Busch InBev.

The new can features the color red prominently—versus the previous red, white and blue design—as well as the Budweiser bow tie symbol, and is an attempt to reinforce Budweiser's global marketing strategy. "Together with our unifying global creative idea, the new global packaging look and feel will reinforce Budweiser's bond with consumers around the world," Frank Abenante, vice president of brands at A-B InBev, said in a statement. Company executives did not respond to requests for comment by deadline.

While Budweiser has long enjoyed strong sales both in the United States and overseas, U.S. consumers' increased interest in craft and light beer has put the traditional Budweiser brand at a disadvantage in the beer industry, even compared with A-B's own Bud Light brand, experts say, and beer sales data appear to support that claim. U.S.-based sales for Budweiser dropped 7.3% in 2010, while sales for Bud Light dropped 2%, according to Beer Marketer's Insights, a Suffern, N.Y.-based beer industry news source. Meanwhile, craft beer sales in the United States are soaring, up 15% in the first half of 2011, according to the Brewers Association, a Boulder, Colo.-based trade association representing the majority of U.S. brewing companies.

According to Terry Lozoff, president and CEO of Antler, a Boston-based experiential and digital marketing agency that is the agency of record for Magners Irish Cider in the United States, Budweiser certainly needs a marketing boost to counteract lagging sales, but it made a mistake in tinkering with its globally recognizable packaging. The new can "is like putting lipstick on a pig. It's not going to help anything," he says. "They got rid of one redeeming factor of their brand, which was the classic heritage. They're in a free fall and will continue to fall."

Rather than attempting to use new packaging to engage consumers, Budweiser should work on creating consistency in its overall marketing strategy, says Kimberly Orton, managing director of the New York office of branding consultancy EffectiveBrands. "There's power in packaging, but it's just one spoke on the wheel. It still has to be about product, the advertising, the message and the activation of it. This [design] alone is not going to make youngsters or hipsters say, 'This is a cool beer.'"

Bud's new design has garnered some industry support. Paul Fichter, president and founder of Taphandles, a Seattle-based beer branding and product development company, likes the new design. "The new can rejuvenates Budweiser's brand and has already created a buzz within the beer industry," he says.

But Fichter agrees that A-B InBev could benefit from leveraging its vintage heritage. He points to Pabst Blue Ribbon, an old-school beer brand that retains its vintage label and now is popular among college students and the hipster set. "There is an opportunity, as proven by PBR, that grandpa's beer is cool again," he says.

Look for a case study on Schlafly, a St. Louis brewery that built a loyal local following in Anheuser-Busch's backyard, in the Oct. 30 issue of Marketing News.