

Situation Analysis:

PESTLE Analysis

Political- According to Open Secrets, the beer industry's political clout is represented by individual beer distributors instead of the big name manufacturers. The biggest group of beer distributors is the National Beer Wholesalers Association. Their contributions totaled \$3,972,700 for the 2014 political cycle. Lobbying for 2014 totaled \$1,060,000 and \$1,015,000 for 2013. Beer distributors contributed \$30,000 each to the Democratic Congressional and Senatorial Campaign Committees as well as the National Republican Congressional and Senatorial Committees. Beer is very well represented in politics, with 18 of 22 National Beer Wholesalers Association lobbyists previously holding jobs with the government. The top issues lobbied, in order, include taxes, consumer product safety, the constitution, alcohol and drug abuse, and postal issues. Likewise, politicians typically decide where beer can and cannot be sold in certain counties, cities, or states. Some cities, such as Sturgis, Kentucky, are divided into four sections and only certain sections are able to sell beer or liquor. Politicians and elected officials have the power to change or enact laws that dictate when and where beer and liquor can be sold, which can have an impact on how well beer sells in certain areas.

Economic- According to The Atlantic, Bud Light was the most popular beer, totaling \$5,946,776,000 in sales. Coors Light followed closely behind at \$2,360,430,000, Budweiser at \$2,110,352,000 million, and Miller Lite at \$1,868,866,000 million. Other contenders in the top spot included Natural Light, Busch Light, and Michelob Ultra Light. These are the domestic beer brands that dominate sales in their category. For some perspective, the top selling imported beer brand in the United States was Corona Extra,

with \$1,221,351,000 in sales, not even half of Bud Light's total sales. While these numbers sound great, they have been declining quite rapidly and are only projected to decline further. Furthermore, the sales of imported beer have risen in past years and are projected to continue to rise, along with craft beers. This shift of sales from domestic beer to import and craft beer is bad news for big brewers like Anheuser-Busch, who would need to act soon to prevent this trend from having a major impact on their profits. While domestic beer employs thousands of people across the US, they've already had to start making cuts at their St. Louis location because of the decline in sales.

Social- American beer has long been considered a 'social' beer, and because of its price, has become a staple at gatherings from backyard bbq's to frat parties. The low alcohol content of domestic American beers makes it easy to drink several of them over a long span of hours without becoming extremely intoxicated. Essentially, adults with a mid to high alcohol tolerance can drink them 'like water'. However in recent years, cheap American beer has become frowned upon and viewed as sub-par or inferior. Craft beers have taken the stage for being unique. Craft beers have become an experience rather than just a beverage. Craft beers are nearly a hobby all on their own- from finding craft breweries, brewing your own beer, traveling an area to try all of its beer offerings, picking favorites, etc. Craft beer has been taken to a level that is not possible with cheap, mass produced domestic American beer. The social environment has changed for big brands like Coors, Miller, and Bud Light. They are now seen as watered down, cheap, tasteless beers for people who already drunk rather than an icon for friendship.

Technological- Technology is primarily involved with the production of beer to make it more sustainable, and with the promotion of beer across digital media. Breweries across

America employ hydro power, solar energy, wind turbines, and anaerobic digesters to improve energy efficiency.

Legal- The legal environment for beer is a complicated one because of the drinking age laws and the laws prohibiting its sale at certain places and times. In America, the legal drinking age is 21 and marketing or advertising activities that target anyone below this age is illegal. It can be difficult to create commercials or print ads for this audience since it's hard to measure the exact age of the audience. For this reason, social media (particularly Facebook) is much easier to use as a promotional tool because alcohol ads can target users who registered as being 21 or over. There are several laws regarding alcohol consumption and sale as well. Intoxicated persons cannot drive or walk around in public without risking getting arrested for driving under the influence or public intoxication. The laws around beer and liquor are many and complicated, and vary per state. Furthermore, only select stores can sell alcohol or beer in different states. Beer can be purchased in grocery stores in Kentucky but not in Pennsylvania, where they usually have to be purchased at a liquor store or at a bar or restaurant. Kentucky only recently gained the right to sell alcohol on Sundays, and restaurants only recently became able to serve alcohol before 1 p.m. on Sundays.

Environmental- Beer production easily impacts the environment with the massive amount of water it takes to brew even one barrel. Anheuser-Busch, the leading beer manufacturer, has made drastic changes to the brewing process in order to make their business more sustainable. Their breweries combine power and heat turbines, and the generators account for 11% of the total electricity consumed. They also use anaerobic digesters, which are bio-energy recovery systems, to turn wastewater into methane gas.

This offsets almost 10% of a brewery's fuel needs. Whatever water is left over after some has been turned into methane gas is then used to fertilize their crops. Anheuser-Busch also has a commitment to water efficiency. In the last five years, they have reduced their water use by 40% and their water used-to-beer produced ratio is less than 3.5:1. They also employ recycling at their breweries, and have a recycling rate of 99.6%. In California, wind turbines can produce 20% of the brewery's energy. In Baldwinville and Newburgh, electricity is generated through the use of hydro power. They also claim to be one of the biggest users of solar energy in the U.S. brewing industry. In Texas, a nearby landfill generates 60% of the brewery's fuel needs. In addition, Anheuser-Busch was inducted to the WasteWise Hall of Fame for its practices of efficient materials management and reducing their environmental footprint.

Competitor Analysis

Direct Competitors

- Craft beers
 - Can be defined as:
 - Small
 - Annual production of 6 million barrels of beer or less (approximately 3 percent of U.S. annual sales). Beer production is attributed to the rules of alternating proprietorships.
 - Independent
 - Less than 25 percent of the craft brewery is owned or controlled (or equivalent economic interest) by an alcoholic beverage industry member that is not itself a craft brewer.
 - Traditional
 - A brewer that has a majority of its total beverage alcohol volume in beers whose flavor derives from traditional or innovative brewing ingredients and their fermentation. Flavored malt beverages (FMBs) are not considered beers.
- Heineken
- Carlsberg Group
- China Resource Enterprise
- Tsingtao Brewery Co. Ltd.
- Asahi Breweries

- Yuengling
- Boston Beer Company
- Crown Imports

Indirect Competitors

- Absinthe
- Brandy
- Gin
- Rum
- Tequila
- Vodka
- Whiskey
- Other liquors and alcoholic beverages
- Water
- Soft drinks
- Juice drinks
- Sports drinks
- Coffee
- Energy drinks
- Dairy drinks
- Other non-alcoholic drinks

Sales/Market Shares of Competitors

- Distilled Spirits 2013 Industry Review

- Bourbon/Tennessee Whiskey exports were over \$1 billion
- Total exports surpassed \$1.5 billion dollars
- Volume growth: 1.9%
- Revenue growth: 4.4%
- Retail sales over \$66 billion
- Market Share is over \$3.4 billion
- Whiskey is the top seller and is driving revenue growth
- Non-alcoholic beverage industry
 - Worth 141.2 billion
 - Low-calorie drinks are on the rise
 - Pepsi, Coca-Cola, Nescafe, and Starbucks are leaders in the industry
 - Starbucks brought in \$14.9 billion last year
 - Coca Cola's brand is worth \$56.1 billion and their brand revenue is \$23.8 billion
 - Pepsi's brand is worth \$18.9 billion and their brand revenue is \$12.8 billion
 - Nescafe's brand is worth \$17.8 billion dollars and their brand revenue is \$10.5 billion
 - Starbucks brand is worth \$8.7 billion dollars and their brand revenue is \$14.5 billion
 - On the Forbes list of top 100 brands and their worth, 6/8 beverages named were non-alcoholic

Branding Plans of Competitors

- Coca Cola
 - General factors in branding strategy of Coca Cola Company have always been related to the sense of joy, unity, and togetherness. Coca Cola targets on occasions that connect people in the following ways:
 - Family
 - Happiness
 - Culture
 - Music
 - 5. Sports
- Pepsi
 - PepsiCo launched the Pepsi True lower-calorie brand, a Stevia-filled cola, on Amazon in October 2014. The new Pepsi True brand contains 30 per cent less sugar than regular Pepsi and no artificial sweeteners or high fructose corn syrup.
 - The drink comes in 7.5-ounce cans, each 60 calories. It's later going to transition to supermarkets in the US at a similar price to Pepsi.
- Starbucks
 - Forbes wrote that, "Since 1971, Starbucks stores have become a Third Place – a comfortable, sociable gathering spot away from home and work, like an extension of the front porch. People

connect with Starbucks because they related to what we stand for. It's the romance of the coffee experience, the feeling of warmth and community people get in Starbucks stores. As a standard course of business, we continually evaluate our store portfolio, and review and evaluate our locations to ensure a healthy store portfolio that fits the needs of the community.”

- According to the Starbucks website, their values are:
 - “ Creating a culture of warmth and belonging, where everyone is welcome.
 - Acting with courage, challenging the status quo and finding new ways to grow our company and each other.
 - Being present, connecting with transparency, dignity and respect.
 - Delivering our very best in all we do, holding ourselves accountable for results.”

- Nescafe

- Although Nescafe is similar to Starbucks because they also brew coffee, this is a home coffee option. They have a global initiative plan to work to protect and preserve the earth all while delivering people their morning coffee they need to get through the day.

- Samuel Adams

- Sam Adams focuses on the variety of beers they offer. Often with their branding, they are lumped with a more “mainstream” version of craft beers, because they are considered an American craft brewer and focus on the roots of America.
- Liquor Companies
 - Liquor companies normally take into account the following four strategies when developing any branding plan relating to their products:
 - Target Specific Demographics
 - Seasonal Beverage Offerings
 - Gender Marketing Strategy
 - Creating Artisan Liquor Choices
- Craft Beer
 - Craft beer brands themselves with their USP’s (unique selling points) of variety, uniqueness, catchy brand names, unique ingredients/spices, higher alcohol content, unique hops and oils, unique packaging and more.
 - Branding is important for these craft beers and to build up their following locally. They participate in craft beer festivals and events and use social media to create a following

Social Media Footprint

With a majority of these dominating brands, one can see a heavy social media presence. These brands, one being Coca Cola, makes their brand extremely noticeable and relevant on social media platforms like Facebook, Twitter, Instagram, and on websites and phones. Starbucks has their own app where you can load gift cards on to it and claim rewards for the amount of coffee one purchases. All of these brands have high advertising budgets; Coca Cola spend over 3 billion dollars on advertising in 2013 alone. Mind you, this includes television commercials and events promoted by Coca Cola, but a portion of that is dedicated to paid social media advertising. These brands have developed such a strong presence on social media, that they get a lot of organic advertising along with their paid advertising. These companies have employees on standby to engage with customers on all forms of social media. This creates interest with the user to interact with these brands, and it shows they care about the customers they have.

Videos/Ads/Brand Content Examples



BECAUSE I CARE
ABOUT SUPPORTING LOCAL
CRAFT BREWERIES, BECAUSE

REAL BEER

DOESN'T CONTAIN CHEMICALS
LIKE SILICONE AND AMMONIA,
BECAUSE I CARE ABOUT WORDS LIKE

**NATURAL
AND FRESH,
I DRINK
CRAFT
BEER**

www.idrinkcraftbeer.com

IF YOUR
COFFEE
ISN'T PERFECT,
WE'LL MAKE IT OVER.
IF IT'S STILL NOT
PERFECT
MAKE SURE YOU'RE IN
A STARBUCKS.



IT'S NOT JUST COFFEE. IT'S **STARBUCKS.**



Company Analysis

Vision

To brew the highest quality beer, with the highest quality products in a consistent, transparent, and ethical manor

These products should be consumed responsibly and should be produced in an environment-friendly way

Values

Employees

- Success is based on dedication of employees who work together to achieve a common goal: to be the best.
- Strive for excellent customer service and great products
- Marketing and innovations teams, who connect with consumers through a variety of beer-drinking occasions.
- Take great pride in what they do
- Support armed forces
- Every employee to act with integrity.
- Self-regulate their practices, set guidelines for compliance and outline our responsibilities through their Code of Business Conduct.
- They have an unwavering commitment to diversity and inclusion.
- They recognize and appreciate similarities and differences as a source of creativity, innovation and new perspectives in the workplace, customers and brands.
- Employees work together as a single team

- They support their people and their brewing communities by investing in the employee's future.
- Through mentoring, educating and networking, they provide the tools and opportunities to promote growth and positive change both inside and outside the company.
- Their people are their most valuable asset, and their impact on the business is visible in each statistic and accomplishment

Promoting Alcohol Responsibility

- Drunk driving prevention
- Underage drinking prevention
- Excessive drinking prevention
- Drunk driving prevention is shown through the Drink Responsibly campaign and the Free Rides campaign
- Free Rides gave free rides on public transportation to people who were drinking at professional football games
- Paired with Ford to have a designated driver reward program
- 1-800-TAXICAB sponsor

Environmental Preservation

- Protecting and preserving the environment
- Water, energy, and recycling are their three main focuses
- Solar/thermal power, hydropower, wind turbines, landfill gas, anaerobic digesters, biogas, combined heat and power generation
- Recycling rate of over 99% in breweries
- Recycle spent grain and give it to farmers as feed

- Employees constantly volunteer to help clean up the environment
- Reduce water reduction use when brewing beers

Community Outreach

- Want employees and company to be making a difference in their communities where they live and work
- Positive impact
- Charitable outreach—donating money to support good causes
- Support education, the environment, economic development, disaster relief, environmental improvements and military

Consistency

- Committed to giving customers the highest quality beers they can brew
- They select only the best ingredients to brew in their beers
- The main ingredients in the beers are water, hops, barley and yeast
- Great beer begins with the best water. It's pure, for sure, but it also has the perfect mineral content for the best lagers and ales.

Commitment to Sustainability

- As a brewer, responsible marketing and consumption are at the core of the sustainable brewing commitment.

Sales/Profits

- 115.86 million hectoliters sold for Anheuser-Busch
- According to Statista, domestic beers brought in over 7.5 billion dollars in sales in the US in 2013

- In 2012, these five domestic beers brought in more than 12 billion dollars worldwide: Bud Light, Coors Light, Budweiser, Miller Light and Natural Light



Source: Brewers Association, Boulder, CO

AMERICA'S TOP-SELLING BEERS, PER YEAR



CASES SOLD (2012)

TOTAL SALES (2012)

1.
Average price
per case:
\$20.26



269,135,600

\$5,452,052,000

2.
Average price
per case:
\$20.21



101,760,300

\$2,056,722,000

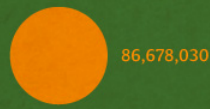
3.
Average price
per case:
\$19.85



101,651,900

\$2,017,366,000

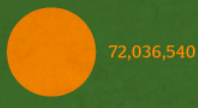
4.
Average price
per case:
\$19.80



86,678,030

\$1,716,281,000

5.
Average price
per case:
\$15.41



72,036,540

\$1,110,150,000



DON'T FORGET YOUR GUINNESS.
More than 5.5 million pints of Guinness are enjoyed every day around the world, but on St. Patrick's Day, that number more than doubles to 13 million pints.

SOURCES: National Retail Federation, Brand Index, AlcoholMonitoring.com



Trends

- Studies show that most people prefer domestic beers during happy hour
- Seasonal Sells
- Cans are making a comeback
- Style is king
- Beer cocktails are still popular
- Beer brand loyalty is fading
- There's been a gradual decline in sales for Domestic
- People are steering away from the "light" beers and are moving towards beers with higher alcohol content like Bud Light Platinum

Marketing Plans (Past/Present/Future)

- In the past, domestic beer is all anyone knew. There was a booming rise in the sale of beer in the 70's.
- This rise in sales is directly reflected in the demographic of domestic beer drinkers.
- According to MRI the vast majority of domestic beer drinkers are southern males with no college education, ages 18-54 (leaning towards the higher end of the age spectrum)
- Domestic beer was originally the only option, making it the go-to for all beer drinking events
- These beers used to represent America and the working class and still do today

- In the last 30 years, craft beer has been on the rise making domestics appear “mainstream” and they have been branded as lower quality due to their pricing and alcohol content
- People have been shying away from the large corporations, and focusing on a more “local” way of life, meaning they value locally made products with no added preservatives or additives
- Currently, the domestic industry is straying away from the farming and working class platforms and is moving towards domestic beers fueling an exciting and unpredictable lifestyle. They want people to feel as if anything can happen if they choose to drink domestic beer
- These brands are also marketing safety while drinking and they openly support the troops
- We can see all of these domestics displayed heavily at sporting events, one of the largest being football and the NFL

Brand Identity

- As stated above, these beers used to be America’s beer of choice
- Lately, the domestic beer industry has been branded with a lower quality due to the emergence of craft beer
- These craft beers feature special spices, higher alcohol content, and the domestics have tried to keep up with this but they keep getting the same complaint from consumers: taste.

Key Executives

Anheuser-Busch

Luiz Fernando Edmond

President, North America

Carlos Lisboa

Business Unit President of Labatt

James G. Brickey

Vice President, People

Mike Roche

Vice President, Corporate Affairs and Communications

David Almeida

Vice President, Sales

Anheuser-Busch

Jorn Socquet

Vice President, Marketing

MillerCoors

Tom Long

Chief Executive Officer

Karen Alber

Chief Information Officer

Scott Whitley

President & Chief Beer Merchant

Tenth and Blake Beer Company

Andrew J. England

Executive Vice President and Chief Marketing Officer

Consumer Analysis:

Consumer Persona 1:

Millennial

Man

23 years old

College grad

-Finally has real job and money to spend on premium/import beers

-Budding beer snob

-Wants to impress his boss and coworkers with pseudo refined taste

-Fraternity alumni

-Entry level business job, works for an insurance company- puts in extra hours because it's his first year at the company

-Feels like he's graduating past cheap domestic beers

-Just moved to a new city (Nashville), feels like he needs a change of pace from his college beers and bars

-Extrovert, charismatic, funny guy

-Sports! Excited for homecoming. Likes Baseball, Football. Likes the Cardinals.

Goals:

Move up the ladder to a higher management position, making \$300,000+

Apartment with no maintenance problems, better security, downtown

To find a casual girlfriend

Frustrations:

Not a morning person

Not happy with current living situation- low income area

Out of long term relationship- tough transition

Looking for fraternal connections after college

Persona 2:

Name: William (Bill)

Age: 28

- Never attended college
- High school diploma
- Lives in a small town with a population of 9,000
- Likes to watch Professional Football
- Owns and works for his family owned construction company
- Heavy tobacco user

Random:

- Drives a Ford truck
- Plays the lottery
- Not concerned keeping up to date with trends
- Watches Duck Dynasty
- Hunts during Duck and Deer season
- Handyman
- Drinks primarily homemade moonshine and Jim Beam bourbon 3Free Spirit

Frustrations:

- Over controlling government

- Monopoly corporations such as Walmart.
- Stricter gun regulations
- Calories shown on restaurant menus
- Short term relationships, looking for a long term potential wife

All American

Persona 3: Milo

-Age: 21

- Male

-Hipster, environmentalist

-Junior attending a Liberal Arts College

-Vanderbilt

-Involved in several clubs on campus

-Works at Provence Bread and Café

-Studies philosophy

-With a minor in political science

-Has never been a straight A student but tries his best

-Likes to support local businesses instead of chains

-Hangs out with friends on the weekends at hole in the wall bars

-Plays in a alternative rock band

-Drinks PBR and Miller light avidly

Goals:

-If he cannot find a job that interests him after college, he is hoping for his band to have a break in the Nashville music business

-Have a long term relationship with someone who shares similar perspectives on life.

Frustrations:

-Office jobs pursue

-Dress code policies

-Limitations on creative aspects of his style, music, and schooling

-Starbucks being the dominating coffee shop in the Nashville area

-Paying more than \$5 for a beer or drink when out at Bars

Brand Audit:

Beer being brewed in America dates back to 1587 when Virginia colonists first started brew ale using corn. Since then American Beers have become a globally recognized staple in any bar or liquor store.

Past:

In the past the top American beer brands have been very similar in their start ups, advertising and progression.

Originally, all beer advertising was done either by word-of-mouth through the company's traveling salesmen or as they were called "beer drummers". Point-of-sale items such as beer trays and wall hangings were popular displays in taverns. This point-of-sale advertising was an integral part of beer marketing. Anheuser-Busch's recognition increased after the Budweiser Girl series. Launched in the 1880's the Budweiser Girl wall

hanging campaign was the first multi-year, single themed advertisement from a brewery and lasted until 1910.



Anheuser-Busch seemed to set the bar as far as marketing during the growth of the American beer industry. The pioneering of giveaways originated with item freebies such as match safes and cork pulls with the Anheuser logo. Adolphus Busch, one of the founders of Anheuser-Busch, was far ahead of his time as far as target marketing. For example he recognized that not everyone enjoyed one taste and was not persuaded in the same way. Therefore in the early 1900's he targeted his 15 different brands towards different markets and demographics. Michelob for instance was marketed as a “draught beer for connoisseurs” and was only offered at high-end retail outlets.

Branding was very important during the early 1900's when trying to establish dominance in the newly created American beer industry. In 1903 the Girl in the Moon logo was introduced and received great loyalty which was proven through the tough times of the world wars. In 1944 with the grain shortages, Miller was forced to eliminate every brand except High Life. This included cutting its advertising budget and pulling its

name out of 17 states. Due to its reputation of quality, consumers chose Miller over cheaper beers being sold at the time. Later the Girl on the Moon was taken off of the High Life bottles but came out of retirement in 1998 and remains on the packaging today.



Another important moment to look back on was the announcement made by Miller introducing their Lite beer. Ultimately creating a new category of beer and receiving high praise for its advertising campaign. The nay-sayers didn't believe that real American men would drink low calorie beer but Miller proved that they do enjoy it by showing tough, manly men in their Miller Lite commercials. "Tastes Great, Less Filling" was the driving message behind over 80 commercials that featured football stars, comedians and actors. Needless to say this addition to the beer wall targeted men who should be watching their calories, manly men, beer enthusiasts and even women.

Coors made a power play in the American brewing industry during the Second World War. The U.S. government gave Coors consent to buy and provide half of the beer for the troops. Enjoying a piece of American pride, when the troops returned they were still thirsty for a Coors. Ultimately creating a huge demand with little supply and a desired brand is created.

Present:

Currently consumers are hit with images and advertisements from the leading Beer companies almost weekly if not daily. There are so many more ways to reach those who are of drinking age in today's market than ever before. Whether or not people are listening is the issue being faced.

In the past the major campaigns and ideas produced by Miller, Bud and Coors had never been seen by the public. Receiving great responses and a clear increase in sales based on certain marketing tactics. In today's marketing environment it seems to be more difficult to see direct results. But some of the moves made by the big players have been very successful.

Anheuser-Busch currently sponsors Major League Baseball, The World Cup, NBA, NFL, the Super Bowl, No. 19 Nascar, and USOC. Not to mention it is sold in several other sporting arenas around the country, targeting and selling to a wide age range of consumers that have a enjoyment of sports in common.

Budweiser, Coors and Miller have such a long-standing American history that baby boomers and generation X are very loyal when choosing which brand to drink. With the current generation Y that is so used to a plethora of options, country pride seems to not be a valid reason in choosing the top three beers over craft and imports. This generation is also the driving force behind the creation and wide spread popularity of social media. So how are the top three beer brands reaching them: online.

From their promoted twitter posts, branded content Youtube channel and their 12 million Facebook followers, Bud has proven to be successful on social media. They

wouldn't be if it wasn't for their out of the box content though. Through real time branding they are able to stay current and communicate to different targets talking about specific topics or based on interests through social media. This tool has proven to be really helpful when communicating with millennials.

Bud Light

Twitter: 116K followers

Budweiser: Facebook: 12,326,111 likes/followers

Youtube: 42,960 subscribers

Coors light:

Twitter: 84K followers

Facebook: 3,236,853 likes/followers

Youtube: 2,826 subscribers

Miller:

Twitter: 216.3K followers

Facebook: 2,215,777 likes/followers

Youtube: 5,000 subscribers

Future:

Consumers are never going to stop drinking beer, and it doesn't seem like the American brewing industry is going anywhere any time soon. But it could be stronger and a way to generate more business is to target the generation of young drinkers instead of looking for its loyal older customers. Through a strong presence and brand personality on social media Miller, Bud and Coors can create another generation of American beer

consumers. Creative, out of the box non-traditional advertising is also something to be seen in the future. These ideas will be explored more in coming sections of this blueprint.

SWOT Analysis

Strengths:

- Well established brands, brand images
- Long standing, historical companies
- Closely tied with American values
- Has eco-friendly edge
- Strong ties with sports
- Very competitive prices

Weaknesses:

- Loss of the market
- Declining sales, prediction of future decline in sales
- Growth of market share for craft beer, import beer, liquor, wine
- Strong competition
- Never targeted a specific market, loss of focus

Opportunities:

- Potential market (millennials) is large, very influential
- Large budget for advertising, PR activities
- Budget to partner with celebrities, musicians
- Small craft breweries available for purchase

Threats:

- Millennials, other markets prefer liquor, wine, other beers
- Growing popularity of craft beer instead of domestic beer
- Rapidly increasing number of small, craft breweries
- Negative media coverage
- Large variety in the beer and alcohol market makes it difficult to gain popularity

III. Challenges

The American domestic beer industry as a whole (including the Budweiser, Coors, and Miller brands) are facing a number of challenges, the most prominent being the rise of craft beers. Craft beers are becoming more popular with Millennials, arguably the most important market for American beer. The biggest audience for American domestic beers, baby boomers, are getting older and do not drink regularly like they used to. Finally, the media is playing a large part in publishing declining numbers of American domestic beer sales and promoting craft beers across the nation.

Performing a Google search for ‘American domestic beer sales’ or ‘beer sales in the United States’ or sales of any American domestic beer brand such as Budweiser, Miller, or Coors, brings up a slew of dismal headlines touting the decline of the industry. Articles praising the rise of craft beer are abound. The media atmosphere for domestic American beers is not a good one. Consumers reading about these trends may be influenced to follow them as well. Someone who otherwise would not have tried a craft beer may read an article about the rise of craft beer and think twice.

Craft beer is domestic beer’s biggest enemy right now, and American millennials are contributing to this problem. Their rebellion against their parents’ habits (drinking domestic American beer) is causing them to try different beers. Millennials today are more likely to drink liquors, wines, and craft beers than domestic American beers. Higher alcohol content, a variety of tastes, and a locality factor all play into this. Trying different craft beers can be a hobby for millennials, and they may want to support local breweries by buying their products.

IV. Branding Strategies

- Craft beer is dominating the market, primarily because of taste
- Big beer brands have tried creating platinum or premium lines with varied levels of success, but have been overall successful
- We plan to implement a new strategy of 'If you can't beat them, join them' in terms of craft beers
- Big beer companies have the resources to buy up craft breweries and use them to sell their own product alongside organic, already established craft beers
- They can run specials for buying a craft beer and getting a discount on a Budweiser, or a Miller. Our research interviews told us that beer drinkers start off with a high alcohol content craft beer and then drink cheaper, lower alcohol content beer to maintain a buzz rather than drinking it for the taste. This strategy fits in well.
- Bud Light rented out a city and flew millennials to it and threw a party for them. We plan to host a similar event, catered more towards craft beer drinkers to win them over.
- We plan to run vintage-labeled and possible 'original recipe' bottles of big-name beers such as Budweiser, Miller, and Coors to boost sales for their original beers.

V. Communications Framework

-Why are you communicating?

We are communicating because American domestic beer sales have declined in past years, and they are predicted to continue declining indefinitely. American domestic beer brands such as Anheuser Busch, Miller, and Coors have never targeted a specific demographic and this has been part of their downfall. Our campaign will narrow their focus to a large, emerging target market known as millennials. The millennials are a tricky demographic because they want to try new things, are not particularly brand loyal, and have more specific taste than generations before. However, the millennials are too large of a group to be ignored. The beer market has already suffered from losing them and we want to prevent further losses.

-What is the message you want to convey?

American domestic beers are the superior beer choice for past generations, millennials, and generations to come.

We want to convey that American domestic beers are not worse than craft beer because they taste different- people who want craft beer prefer the taste and alcohol concentration of local brews, but American domestic beers still have plenty to offer outside of that. They are affordable, popular, and classic. They have a rich history with America and have been enjoyed for generations.

-Who are you communicating to?

We are communicating to the male demographic between the ages of 21-30. This is a generation that is dubbed as the "Generation Me" with exuberant confidence and tolerance, but also identifies a sense of entitlement and narcissism. Millennials have

distinctly different behaviors, values and attitudes from previous generations as a response to the technological effects of the Internet

We would like to direct communicate with a market similar to our persona Kyle. He is an educated male that has a steady income. As seen in the his infographic Kyle is a social person who is trying craft beers due to his recent maturing and entrance into the adult nine to 5 life. While in his college days he enjoyed American beer such as Bud Light while at football games but feels it is time to try new things that may be more expensive while out at bars and restaurants.

This is a large group that is walking away from the American brews and giving their recent income to craft or import breweries. This is the newest generation that is coming into their heavy drinking years and is a valuable customer that cannot be passed up.

-Where are you proposing to communicate your message?

We propose to use paid media, earned media, owned media and social platforms.

Paid:

Sponsorships are already a large part of the top three beers advertising plans and we would like to extend that spending. Large events such as the Super Bowl have so much coverage already but events that do not have as much national coverage are great opportunities. Music festival sponsorships are huge prospects to reach the target markets we are looking to attract. Also paid advertising through banner ads and search ads directed to the right online user would be very effective. By placing an intriguing ad in front of the millennials online, a desire or memory may come to mind just by a glimpse at the ad.

Earned:

Organic responses on social media platforms are the best results a marketer would like to receive. In order to increase organic conversation about the top American Beer we would like to share relevant content that creates tweets, posts and media coverage. In the past this has been a result of out of the ordinary campaigns or events which we would like to continue creating. By hosting or sponsoring a large traditional events such as Football Homecomings at large SEC universities. This would be successful among sports fans, older generations returning to their alma mater who drink American beer and college students who would create social media buzz. Traditions should be passed down in order to continue rituals especially when it's a tradition of drinking a piece of American history.

Owned:

The shift to mobile is something that we highly recommend Miller, Coors and Budweiser perfecting. While there are several apps already for Budweiser and Coors they are not 100% and are losing users. The apps are not supporting the games or tools they were created to do for users. Bad reviews can be read when in our mobile applications store displaying all of the apps flaws and discouraging users to download.

Mobile apps are a great way to communicate directly to fans not to mention keep their attention. Posting relevant and interactive content shows the users the personality behind the brand. It's also a great way to directly advertise without having to pay or use traditional options.

Social Platforms:

As seen in the brand audit some brands are currently more successful on social platforms than others. In order to reach the audience we are currently losing social media is a critical factor to create a stronger online influence. The younger generations check various social medias sites 2-3 times an hour. This is a prime opportunity for boosted or sponsored posts to be displayed in potential customer feeds. By using demographic tools on individual social media sites we can find the users that are between the 21-30 age range that we want to target. Reaching on to new platforms such as Snapchat, Vine and Tumblr is something that we highly recommend. People are getting bored with the well-established social sites and turning to new alternatives. It is a smart move to begin branding on these new social platforms in order to reach that trendy technological user.

-When are you communicating?

We will be communicating to our target consumer during popular events such as holidays, sporting games, and based on trending topics. We will plan to advertise before and during known drinking holidays such as St. Patrick's Day, Fourth of July and New Years Eve. Sporting events that will be viewed nationally are golden opportunities for large exposure. Also during the prime beer consumption months, which would be the summer, we would run an extensive campaign lasting till fall. By relating any event or trending topic back to American Beer their brands becomes marketable during any occasion, even the most trivial.

VI. Costs of Implementing Ideas

How Much We Want to Spend

- With such a large budget to work with, were looking to spend around 500 million on this new look for craft beer.

What Were Spending it on

There are a number of things we would like to potentially spend money on with the campaign, one being the purchase of a few smaller craft breweries. We also need to use this budget money towards the marketing and advertising of our new product line we would be creating. We would be promoting that new product line along with the promotion of “brewing locally” and environmental awareness/conservation. Along with this, we want to create “throwback” labels for the current domestics, as well as new labels for the new product line. Lastly, we want to host craft beer events and festivals. The problem with most craft breweries is ensuring that ROI and earning enough money to increase revenue. The domestic beer industry can help with this because it’s so big and strong already. Between all of these items and our ROI and KPI tracker, we should be able to get a strong campaign going to give domestic beer a facelift in a way that appeals to the current consumer.

ROI Tracking

- For ROI tracking, we are going to use Klipfolio and Google Analytics
- Klipfolio is a paid website which can track the ROI from our campaign in a number of different ways, some of the most relevant being marketing, sales, social media, and SEO.
- Google Analytics will help to enhance SEO and will be the free tool we use to help ensure the domestic beer market is getting as much business and ROI as it possibly can

- Between these two platforms, we will work to ensure we are maximizing our ROI

KPI's

Just like ROI, we are going to use Klipfolio to track our KPI's. This website breaks down the businesses into the following categories of KPI's:

- Sales
- Marketing
- Financial
- Insurance
- Retail
- SEO
- Social Media
- Healthcare
- Supply Chain
- Call Center
- Help Desk

Klipfolio has been rated extremely highly by businesses

VII. Summary of Next Steps

We're going to be looking to add to the domestic beer market in a craft beer way.

We want all of the American domestic beer brands to do a campaign that gets in touch with their beginnings. We could work to accomplish this with a few different strategies, including:

- Re-designing vintage labels
- Creating a 'craft' or premium line
- Buying craft breweries to help support the industry and gain some insight from the people who have been brewing their beer “craft style” for years
- Hosting craft beer festivals that also feature their product

Ultimately, we want to have a campaign that summarizes the phrase: 'if you can't beat them, join them'. After all, we've got the money to work our way into craft beers and expand the business.

The goal is to level the playing field, not to make domestic beer companies appear to be better or cooler than craft beer because the consumer is too smart for that and they won't buy into it. We want to start to blur those lines of craft and domestic beers.

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