

Hank Speaks... So Listen

By Hank Bienert

My mission is to cover ALL the beer universe; not just to share a few tips on homebrewing topics. yes it IS a big job but that is one of the reasons why The Hopline pays me the BIG BUCKS!!

Below is an interesting article which like the 2014 elections leads me to believe that one's prayers CAN be answered...

BRING ON THE FUTURE!!

GREENSBORO, N.C.—The wall behind the bar at Jake's Billiards has 69 taps offering beer choices that range from California's Lagunitas Fusion 22 to Natty Greene's Buckshot, which is brewed across town. The last tap in the long row belongs to Budweiser, and it is about to be removed.

A Halloween promotion earned Budweiser a place at the bar, a hot spot frequented by students and recent graduates of the University of North Carolina here, but owner Jessica Dewey sees no reason to keep Bud on tap. She sells 20 cases of Bud bottles each week, "but it's mostly to older gentlemen and country kids. Our clientele likes the craft beers."

In Budweiser's coming TV ads, Jay Z and zombies are in and the Clydesdales are out. WSJ's Tripp Mickle reports on MoneyBeat.

The self-proclaimed King of Beers is more of an afterthought among young consumers at Jake's and bars across the U.S.: Some 44% of 21- to 27-year-old drinkers today have never tried Budweiser, according to the brand's parent company, Anheuser-Busch InBev NV.

Young drinkers aren't the reason Budweiser volumes have declined in the U.S. for 25 years, from its nearly 50-million-barrel peak in 1988 to 16 million barrels last year. Light beers like its sister, Bud Light, have chipped away at Bud's share of the market for decades. Bud Light overtook it as the No. 1 selling beer in 2001, and Coors Light displaced it as No. 2 in 2011. Craft beers and flavored malts like AB InBev's Lime-a-Rita have contributed to a 9% decline in shipments since then.

The company has decided that persuading 21- to 27-year-olds to grab a Bud is the best chance to stop the free-fall. After years of developing advertising and marketing that appeals to all ages, AB InBev plans to concentrate future Budweiser promotions exclusively on that age bracket. That means it will not trot out the traditional Budweiser Clydesdales for this year's holiday advertising. It means February's Super Bowl ads will feature something more current than last year's Fleetwood Mac. It means less baseball and more raves with DJ group Cash Cash. The marketing push is accompanied by an effort to get Budweiser back on tap. Theory being: If Levi's and Converse can end years of sales declines by winning over young consumers, so can Bud.

"This is a very considered, long-term view of what will turn around the brand," said Brian Perkins, AB InBev's vice president of marketing, Budweiser.

Budweiser has a 7.6% share of the \$100 billion U.S. beer market, down from 10% five years ago, and 14.4% a decade ago, according to Beer Marketer's Insights. The biggest Budweiser drinkers are between the ages of 28 and 34 and consumption among that age group will decline as they settle down.

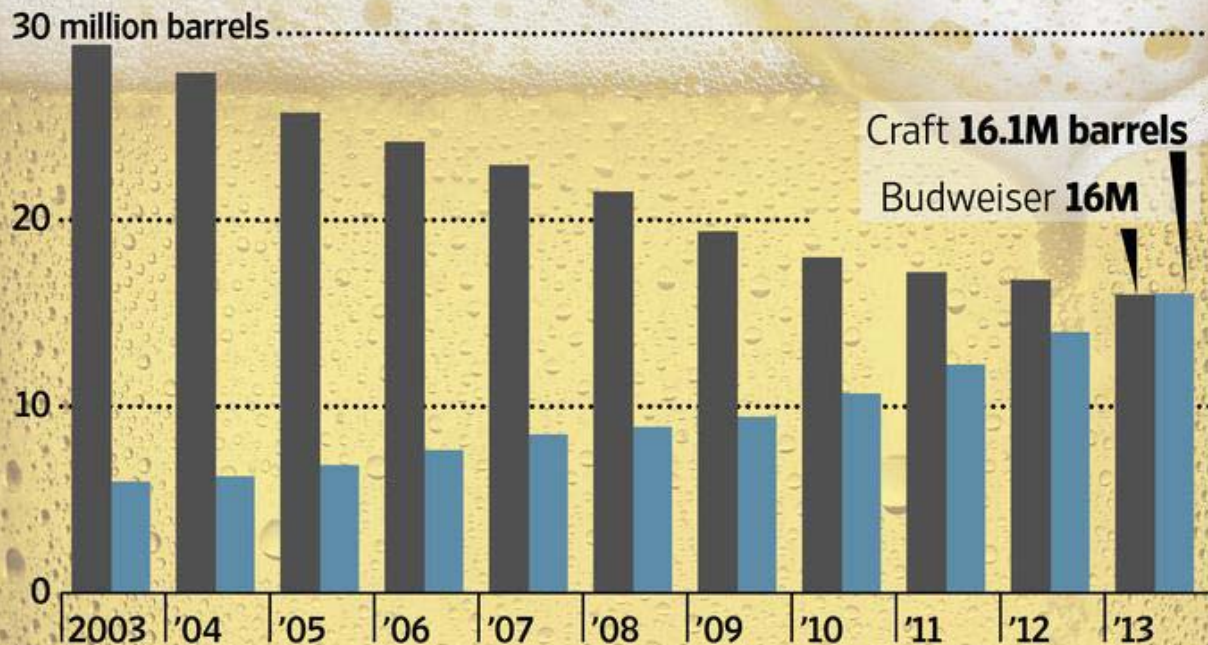
AB InBev looks at 20-somethings as a new market to tap. The number of people turning 21 peaked in 2013 at around 4.6 million. They represent the largest number of new drinkers since the Baby Boom, according to the National Beer Wholesalers Association.

In their demographic, craft beer makes up 15% of their out-of-home purchases, compared with 10% for older generations, according to Nielsen, and it is growing by two percentage points a year. They also consume more cider, flavored-malt beverages and ready-to-drink cocktails.

Convincing them to drink Bud won't be easy. Since 1987, the company has showcased the brand during the holidays with a commercial of its famous Clydesdales, powerful, white-legged horses pulling a red Budweiser carriage through the snow. Instead, this season Budweiser will air spots featuring people in their 20s looking directly into the camera and calling out friends' names as a narrator asks "If you could grab a Bud with any of your friends these holidays, who would it be?"

Battle of the Brew

Craft beer's growth pushes it past Budweiser in total barrels shipped.



Source: Beer Marketer's Insights; iStock (photo)

The Wall Street Journal

Beyond that, Budweiser marketing will become distinctly un-Budlike. Next year, Mr. Perkins said the brand, which sponsors sports like Major League Baseball and Nascar, plans to sponsor food festivals because 50% of 21- to 27-year-olds identify themselves as “foodies.” It will add parties in college towns around a two-day music festival it started with Jay Z in Philadelphia in 2012.

It will try to elbow Bud back into the bar. Budweiser has gone from being one of four beers on draft a decade ago to being one of 10 options today, distributors estimate. Many bars don't offer it at all. That's a problem when young people scan a bar's draft menu first, said Tim Bauguess, the general manager of R.H. Barringer Distributing Co., a Budweiser wholesaler.

Mr. Bauguess said distributors have to be creative to overcome the competition. His distributorship persuaded Jake's to add Budweiser draft for Halloween by developing a zombie-party concept with “Bloodweiser”—Bud turned red by food coloring. The bar went through six kegs of Budweiser that weekend, double its weekly sales.

By wooing new fans, Bud risks alienating core drinkers across rural America, said Tony Ponturo, a former Anheuser-Busch senior marketing executive. “If you try to be too young and too hip, you lose your base. They'll say, ‘That's not my Budweiser anymore.’ You have to start with a message that resonates with a new generation of people but doesn't throw off the core drinker.”

But most distributors like the change. Mike Gretz, who runs Gretz Beer Co., a Budweiser distributorship in Pennsylvania, said AB InBev and distributors had “taken our eye off the ball with Bud.” It must win over young drinkers, he said. “You're dealing with a 21- to 27-group that's open to change. It won't be their No. 1 brand but it will be in the purchase tent,” he said. —

THNX and don't forget to give me lotsa free beer at the next meeting (after the Christmas party); "BIG BUCKS" are nice and feed my bank account but the humble offerings of my fans feed my soul (But don't bring me no "katzenpipi")