

Anheuser-Busch InBev Acquires a Minority Stake in RateBeer...in 2016

Original News Post - *Good Beer Hunting*, June 2, 2017

In the last few months, covering the craft beer industry has begun to feel a bit like covering the Trump presidency, in the sense that major, shocking news seems to break each and every day. Every time it feels like some kind of “return to normalcy” is on the horizon, there’s been another blockbuster Big Beer deal, usually with the name AB-InBev involved.

On Friday, another one of those huge stories arrive, as ***Good Beer Hunting*** broke a significant acquisition —AB-InBev, via its “global disruptive growth group” ZX Ventures, had acquired an unknown “minority stake” of one of the web’s two largest and most popular beer-rating sites, RateBeer (the other being Beer Advocate). ZX Ventures is the same group that AB-InBev used to buy out popular home-brewing supplier Northern Brewer last year...

The most surprising part of the announcement, though, wasn’t necessarily the acquisition, but *when* the acquisition happened—October of 2016, almost 8 months ago. The deal had been effectively hidden from beer fans, beer media and the brewing industry for all of that time, while AB-InBev was free to get acquainted with their new acquisitions, which many beer drinkers regard as one of the most objective sources of online beer ratings. Suffice to say, the conflict of interest in this site being owned by AB-InBev, makers of Budweiser and purchasers of former craft breweries, is patently obvious.

The reason given for the partial acquisition not being disclosed back in October? Apparently that the two companies wanted to get “points on the board” to prove the value of their partnership without “the disruption of making it public,” according to GBH. This strikes us as the Top Super Duper Maxi Ultra Secret

method of AB-InBev saying “Because we figured it would be easier to get what we wanted from RateBeer

if none of the craft beer fans or breweries with an obvious reason to object to the deal were aware of it.”

Brewery reactions have started to hit the web, and it seems like at least a few of them agree. Both **Dogfish Head** and Brooklyn’s Sixpoint Brewery have put out statements pointing out the obvious conflict of interest, despite the assurances of independence from RateBeer Executive Director Joe Tucker, and both are calling for their brewery/beers to be removed from RateBeer entirely. To quote Sixpoint’s initial statement, which also casts some aspersions upon GBH’s role in breaking the story:

There’s way too much smoke here. How can this deal go down 9 months ago, but a press release about the transaction is first released **late on a Friday afternoon in the summer?** They know damn well that most people have a foot out the door by noon on Friday in June. And the site that broke the story is one that has a business consulting relationship with AB? AB doesn’t buy companies to be “bros” – there is always a strategic initiative at play. Buying up beer rating sites, the nation’s largest homebrewing site, and acquiring other grassroots companies is definitely part of a larger strategic initiative. At the very least, akin to journalism, this would most definitely violate all ethics rules to not disclose the transaction right away. Beer rating sites like Ratebeer.com or BeerAdvocate would need to disclose whether or not they are owned by a brewer, because there clearly could be a conflict of interest there. Simply put, these sites “report” consumer views on breweries. So if the site itself is owned by a brewery, there is the possibility that the objective nature could be compromised. Especially if



said brewer has been on a massive acquisition spree of craft breweries.

Asked by one of the commenters at RateBeer in a follow-up if Sixpoint Brewery would also be requesting the removal of its beers from RateBeer, the brewery replied simply, “Yes.” Dogfish Head, meanwhile, released a longer and somewhat more level-headed reply on their site, straight from the mouth of founder/craft beer icon Sam Calagione. In it, Calagione cites the Society of Professional Journalists (SPJ) Code of Ethics and explains how the company sees this minority acquisition as a serious threat to the independence of beer rating sites, which consumers use as a bellwether of determining “what is good.” He then calls for other independent breweries to join in requesting the removal of their beers from a system that may no longer objectively represent them, as excerpted below:

It is our strong opinion that ABI’s ownership of RateBeer, and other properties positioned to cover the craft brewing community like October and thebeernecessities.com is in direct conflict with multiple guidelines listed above.

In the past, as executive editor of Pallet, a print magazine project that celebrated global craft beer culture, neither I nor Dogfish Head held any stake in the publication. As a company, Dogfish Head continually shows support for various craft beer publications through paid advertising campaigns.

To that end, we have respectfully asked Anheuser-Busch InBev and RateBeer to remove all Dogfish Head beer reviews and mentions on the RateBeer website immediately. It just doesn’t seem right for a brewer of any kind to be in a position to potentially manipulate what consumers are hearing and saying about beers, how they are rated and which ones are receiving extra publicity on what might appear to be a legitimate, 100 percent user-generated

platform. It is our opinion that this initiative and others are ethically dubious and that the lack of transparency is troubling.

To our fellow independently-owned brewers, we encourage you to join us in this effort to ensure consumers continue to get the best and most accurate information about their beers. For everyone else, we encourage you to shift the sharing of your beer opinions and reviews to another platform that remains loyal to the principles of journalistic integrity. America’s Independence Day is just around the corner. Support the indie craft brewing movement!

It will be interesting to see how many craft breweries heed the call, but we commend Dogfish Head and Sixpoint for the conviction to call attention to yet another (“minority”) acquisition by Big Beer. At the very least, the users of RateBeer deserved to know this information all along.