

Bud Light and Dylan Mulvaney Case Study

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? Let's find out the key marketing lessons in this activity.

About Bud Light

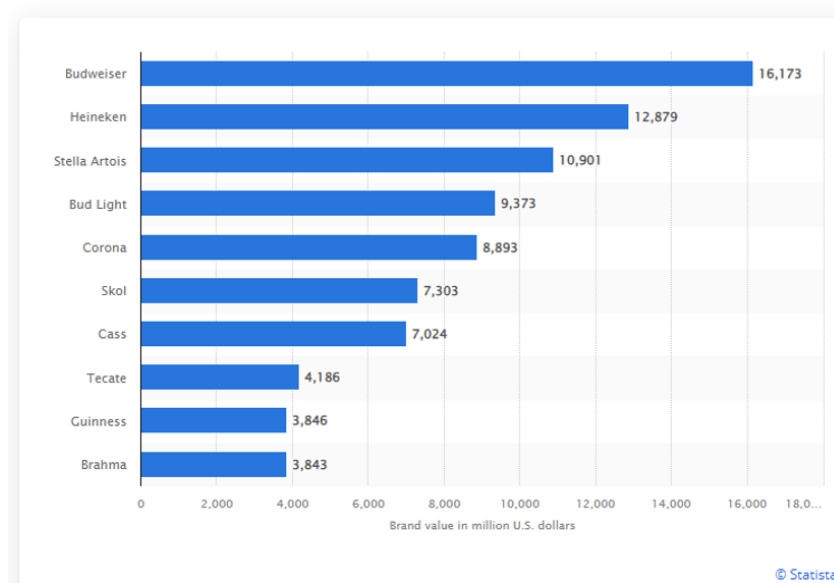
Bud Light is a leading beer brand in America and is owned by [Anheuser-Busch InBev](#), which is the largest beer company in the world. In 2022, Anheuser-Busch InBev's revenue was reported at almost \$55 billion (USD), around double the sales of Heineken (second largest beer company).

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 a light beer option (hence its name) and is the leading beer brand in America based on unit sales (source: [BeerBoard](#)).

And according to [Statista](#), the Bud Light brand is the 4th most valuable beer brand in world, with an estimated brand value of over (\$9 billion), as per the below chart.

Brand value of leading beer brands worldwide in 2021
(in million U.S. dollars)



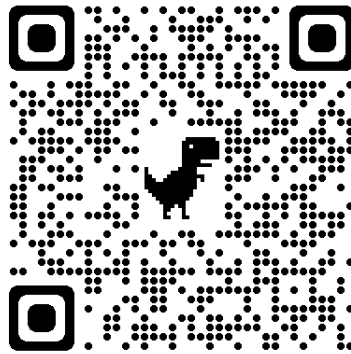
Bud Light's Positioning Change

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, shared experiences - and of course, the use of "fratty" humor.

Here is a Bud Light video ad that demonstrates the type of humor used by the brand. As can be seen, the beer is positioned as highly desirable, primarily to a younger male demographic.

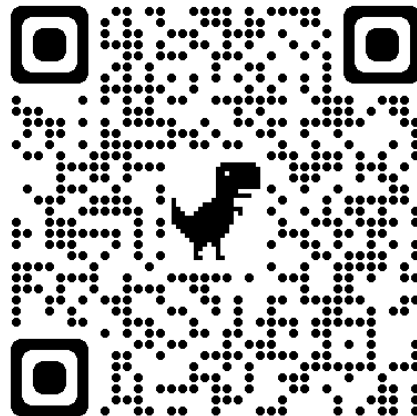


While the above positioning was the mainstay of the brand for decades, their marketing direction changed following the appointment of a new vice president of marketing for the brand (Alissa Heinerscheid).

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.
- Inclusivity it means having a campaign that's truly inclusive, and feels lighter and brighter and different, and appeals to women and to men.
- Bud Light had been kind of a brand of fratty, kind of out of touch humor, and it was really important that we had another approach.

One of the resulting outcomes is the 2023 Bud Light Super Bowl ad below. As you will see, while the ad still uses humor (but a lower key form of humor), it moves away from a "buddy" type friendship (usually of younger males) to a fun-loving couple - taking the brand from a group/male relationship to a partnership relationship, most likely in an attempt to switch and broaden the target market.



The Role of Influencers with Brand Building

Before we dig into the specifics of this influencer campaign, let's first take a look at 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
- To be associated with the influencer's brand
- (Note: These two points can be interrelated)
- 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 strength 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

While these are great reasons for brands to engage with influencers, there are also potential downsides. Some of the possible concerns with influencer and brand partnerships would include:

- Poor alignment of brands and brand values
- Inconsistent (different) target audiences
- Rub-off of any negative brand associations between the parties
- Too much brand promotion = wear out factor
- Inconsistent brand messaging

How Diversity, Equity, and Inclusion (DEI) Fits Into Marketing

Bud Light's 2023 influencer campaign could be classified as DEI marketing, so let's quickly recap that as well.

In simple terms, 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.

As we know, most firms are usually profit-driven, and much like "green marketing", brands may engage in DEI practices for both social good reasons, as well as profit reasons.

So, other than for supporting social values and change, how else can a brand benefit from DEI approaches? Well, here's a quick list:

- Enhanced brand image = being seen as connected to positive social change
- Seen as more modern and even innovative = improved brand positioning
- Being seen as a more approachable brand
- Improved customer loyalty = to a brand that "really cares"
- Improved customer loyalty = to a brand that aligns to the values of their customers
- Greater emotional connection between the brand and its customers
- Greater likelihood of positive earned media
- Giving new customers a reason to trial the brand's products
- Potentially expanding into new target markets
- And being seen as a positive "social contributor", potentially creating another layer of competitive differentiation

As you can see, in addition to social justice and support, DEI practices are likely to have multiple, positive, and quite profitable outcomes for the brand as well - so, essentially a win-win-win scenario - where the brand, its customers, and overall society wins!

But much like the uses of influencers, there are also potential risks and downsides when promoting a brand around DEI issues - these risks include:

- Potential backlash - or negative earned media (as we will see below)
- Criticisms of tokenism
- Potentially offending community groups and/or brand customers and/or peoples' values
- Inadvertently using negative stereotypes
- Cultural misappropriation concerns
- Being seen as insincere
- Being seen as profit-driven only = "just a marketing stunt or a PR exercise"

Bud Light's Transgender Influencer Campaign of 2023

We finally get to the discussion of the actual campaign, now that we have covered all the necessary background information.

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!"

The promotion also carried a hefty cash prize, and continued confusion of March Madness, with the post also including: In celebration of this sports thing @budlight is giving you the chance to win \$15,000!

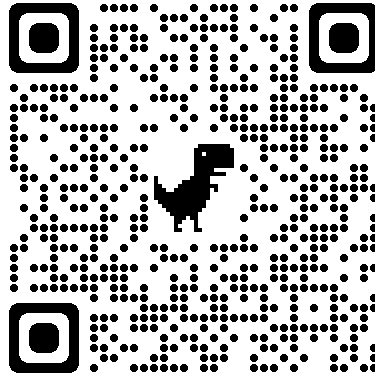
Dylan's likeness was also printed onto a series of promotional cans (see example below) of Bud Light, which the company states were not available for retail sales. The top of the can read "Cheers to 365 Days of Being a Girl".



However, what seemed to be an example of yet another influencer being paid to promote a brand, the campaign appeared to "cross the line" with many regular customers. For some reason, even though Bud Light had previously supported Gay Pride initiatives, the mix of influencer and message delivery (in this case) clearly upset many customers.

This campaign triggered many negative comments online, which quickly turned into significant media backlash along with many calls to boycott the product.

The following news video gives a good overview and a fairly balanced description of events (up until the end of April 2023).



Impact on Bud Light Sales and Market Share

As mentioned in the above video, in the few weeks following the influencer promotion, sales of Bud Light have reportedly 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!

Needless to say to a marketing student, but such dramatic shifts in market shares - in mature markets - simply don't happen unless something goes very wrong.

And, of course, beer consumption and brand choice is a habitual purchase. That means that consumers are often in the habit of repeat buying the same brand of beer each time. So, by opening the door to competitors and "encouraging" consumers to switch brands, it is likely that Bud Light's market share will not fully recover and they have likely lost sizeable market share for the long-term.

How the Company's Management Reacted

Again, as highlighted in the above news video, 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 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

But 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. In this case, Bud Light is owned by Anheuser-Busch InBev - no question about that.

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. That is, what is the EXTRA profit delivered by our product lines because they are supported by a brand name.

And where does this extra profit come from? The brand factors that drive enhanced profits include:

- Strong customer loyalty and WOM
- Consumer preference for the brand
- Retailer preference for the brand
- Above average sales and market share
- The ability to charge a premium price
- Clarity of the brand's positioning
- Competitive differentiation of the brand
- Likely longevity of the brand

As you can see, brand value is primarily a financial metric. And what drives most of these financial metrics? Clearly, the support and commitment of the brand's underlying customer base. And without any customers, the value of any brand is zero.

This means that there is a strong argument that the customer base "owns" the brand. It is their emotional connection, preference, liking, WOM (word-of-mouth), and usage of the brand that gives the brand its value.

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.

While that make sound overly dramatic - you should remember that there was a backlash against Coke when they replaced their flagship product with New Coke in the 1980s, and there was even a massive sales drop for Tropicana when they changes there packaging a few years back.

So What Went Wrong?

The first problem was highlighted in the previous section - that brands, especially iconic ones, have such a strong emotional connection to their loyal customer base - that the customers perceive that the brand belongs to them, that it's their brand - and the brand owner is merely a custodian there to look after the brand for them.

Compounding this view was the comments made by Scheinbaum (vice president of marketing) on a podcast that were likely to be perceived as negative commentary about Bud Light drinkers.

The second concern is the substantial gulf between the brand's traditional positioning and its target market, and the choice of Dylan as a brand influencer partner. There seems to no/little overlap of the two brands and a disconnect between lifestyles and values.

Not helping this concern was Dylan's style of delivery in the Instagram video. While this may be their normal style and personality (which has been successful on social media), it did not resonate with the Bud Light customer base. And Dylan's "unawareness" of March Madness probably did not help either, as this is a significant and important sporting event among many Bud Light consumers.

Another issue is the company's pivot and distancing from the campaign. Their quick switch to an All-American style ad, along with their official statements, painted the company and the brand as being very insincere in their efforts - making it seem like "just another marketing tactic", as opposed to a true commitment to the queer community.

But instead of addressing this issue head on, Brendan Whitworth (CEO of Anheuser Busch) saw it as an opportunity to try and sell more beer and stated: "We never intended to be part of a discussion that divides people. We are in the business of bringing people together over a beer."

Student Discussion Questions

1. After reviewing the case study, what do you think were Bud Light's main marketing objectives with the influencer partnership?
2. Review the list in the section above of "The Role of Influencers with Brand Building" - 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. The case study highlights several issues, but from your reading of it, what were the main reasons that this promotion did not resonate with Bud Light customers and created negative earned media?
5. Do you think that this promotion will have a long-term impact on Bud Light sales, or do you think that their sales will recover? Remember that old saying, "any publicity is good publicity".
6. As a marketer, what general advice would you now have for brands looking to implement DEI initiatives?