

THE BUD LIGHT EFFECT

**HOW AN ICONIC
BRAND
UNINTENTIONALLY
MADE HISTORY**



*Kathleen Elliott
COMSTRAT 701
Summer 2024*

What happened?

In April 2023, as a paid collaborator with Anheuser-Busch, influencer Dylan Mulvaney took to her Instagram to promote a contest they ran during the NCAA's March Madness. Dylan Mulvaney is best known for her public chronicling of her transgender transition in a series called "Days of Girlhood." In the videos, she is seen holding Bud Light cans featuring her face, which Mulvaney declares are "possibly the best gift ever," a special creation by Bud Light to celebrate her "365th day of Womanhood."

Conservatives, right-wingers, and possibly individuals simply saturated by transgender-themed brand promotion in the media responded by vehemently protesting Bud Light's choice of promoters. This included shooting at, pouring out, and otherwise rejecting the product. Consequently, Bud Light faced a 25% decline in sales, losing its position as America's top-selling beer. This backlash, now termed "The Bud Light Effect," not only impacted Bud Light but also its parent company, Anheuser-Busch, and other companies associated with the promoter, Mulvaney. Mulvaney faced personal attacks, exacerbated by Anheuser-Busch's failure to support their choice. The company issued a public statement that some perceived as an apology and quickly sought to establish conservative partnerships that were contrary to transgender inclusivity.

Transgender-themed marketing continues to stir controversy in the United States, affecting brands like Target, Hershey's, Nike, Pantene, Gillette, Citi, and Adidas. As more brands use transgender promoters, the public remains divided on the role brands should play in politically charged social issues. Deb Gabor, CEO of branding agency Sol Marketing, told TIME, "You have people who are sort of divided over what role do brands truly play in these highly, politically charged and, divisive social issues" (Kholi, A., 2023). Are brands genuinely concerned with advancing social justice, or are they exploiting marketing opportunities presented by cultural conflicts? The Bud Light Effect has prompted brands to carefully consider their partnerships and the social issues they support, weighing the potential financial consequences of their choices.

Bud Light's Response

Dylan Mulvaney posted two videos celebrating her "365th day of womanhood," featuring a Bud Light can with her picture to promote the brand's Easy Carry Contest for the NCAA.

Brendan Whitworth, CEO Anheuser-Busch issued a statement. "We never intended to be part of a discussion that divides people."

Bud Light is no longer America's top-selling beer, experiencing an unprecedented 25% market share loss, now known as "The Bud Light Effect."

Bud Light continues into the fall with "Easy to Sunday" Fall football themes leading up to Super Bowl commercial & partnerships.

APRIL 1, 2023

APRIL 3,
2023

APRIL 14,
2023

MAY 23,
2023

JUNE 14,
2023

JUNE 22,
2023

JANUARY 1,
2024

JANUARY 1,
2024

Kid Rock posts a video shooting up cases of Bud Light beer with a rifle ; boycott begins.

'Nobody imagined it would go on this long': Bud Light sales continue to plummet over Mulvaney backlash ([nbcnews.com](https://www.nbcnews.com)). NBC NEWS.

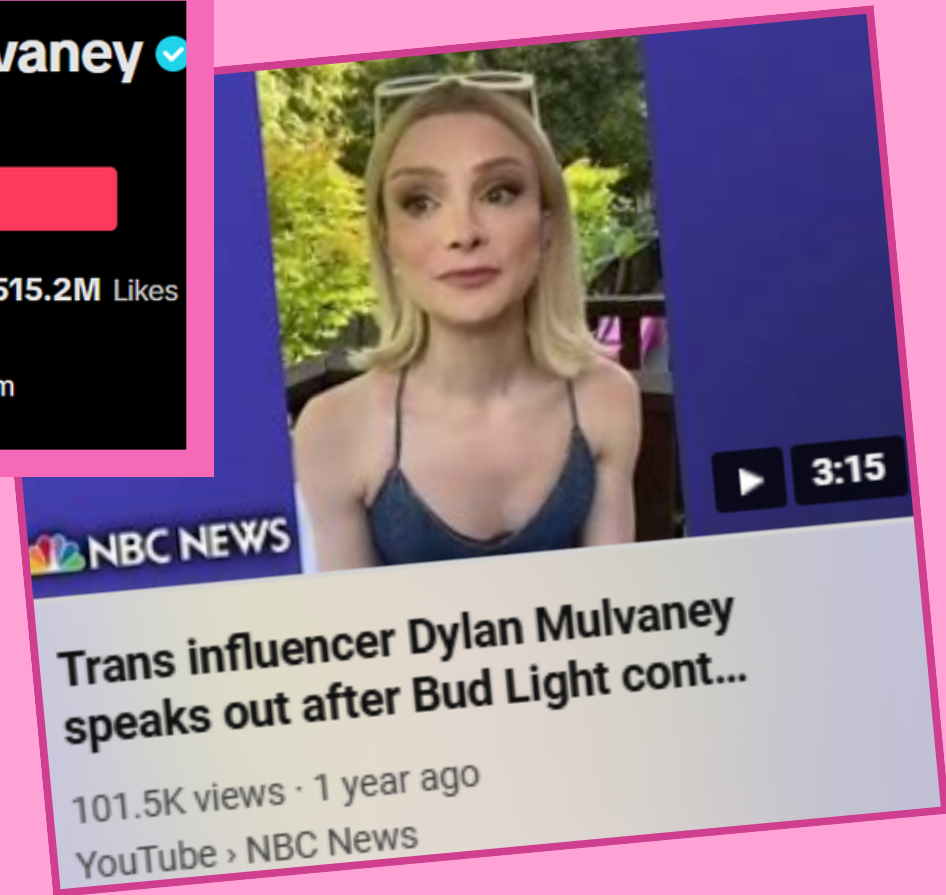
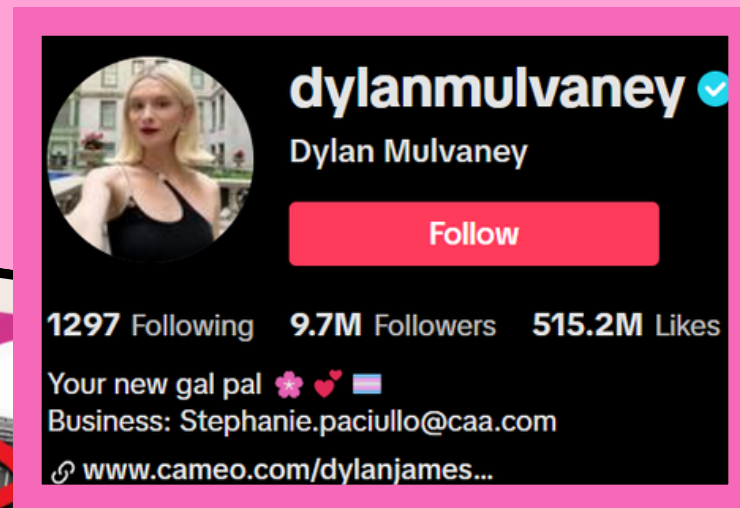
"Easy to Drink, Easy to Enjoy," "Easy to Summer" and "Bud Light Backyard Yard Tour" Campaigns.

Determined to regain its top position, Bud Light plans more sports and music events this year. It remains to be seen how they will repair their relationship with the LGBTQ+ community and work on inclusivity.



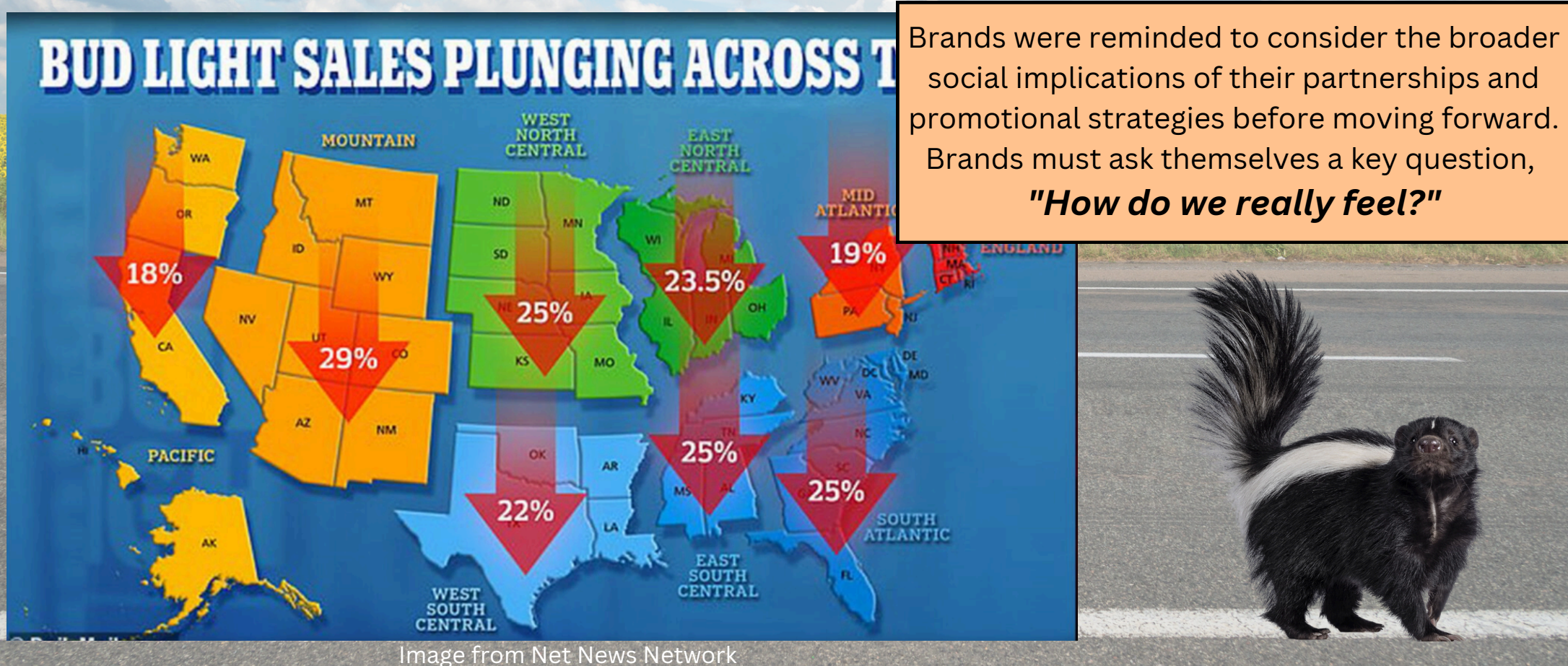
Dylan Mulvaney's Journey

June 29, 2023, in response to the controversy and Bud Light's seeming abandonment, Dylan Mulvaney took to social media to say Bud Light's backlash response was 'worse than not hiring a trans person at all.' Mulvaney said, "Bud Light is trying to be everything to everyone and now they are being nothing to anyone." While Bud Light has been slow to recover their spot at the top, Dylan's seemingly never faltered. She continues to have nearly 10 million TikTok followers and multiple paid partnerships with an assortment of brands.



The Bud Light Effect

The term "The Bud Light Effect" emerged in response to the unprecedented backlash caused by a misalignment between a brand, an influencer, and a marketing strategy. The fallout was so severe that Bud Light lost its status as the top-selling beer in America. The negative impact extended beyond the brand to its parent company, Anheuser-Busch, and even affected other brands endorsed by Mulvaney. It has since become a case study in marketing missteps, prompting brands to take measures to avoid experiencing "The Bud Light Effect" for themselves.

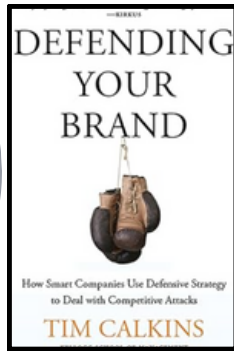


A Missed Opportunity

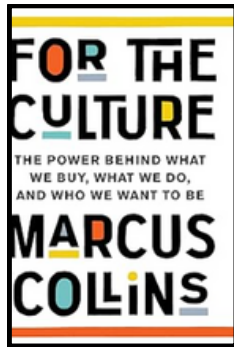
During 2023 there were 609 anti-trans bills introduced into state legislatures & US Congress. Prior to the scandal, Anheuser-Busch had been considered one of the most LGBTQ+ friendly companies with a long history championing LGBTQ+ rights.

By turning their back on Mulvaney, issuing public statements that smacked more of apology than defense, placing executives on leave, and pursuing multiple conservative partnerships unsympathetic to transgender issues, they missed a major opportunity to bring powerful visibility and garner social support for transgender rights.



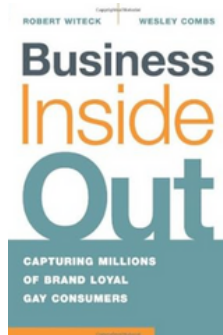


Tim Calkins of Northwestern University's Kellogg School of Management says Anheuser-Busch's response to the Bud Light controversy only succeeded in "making everyone mad." He advises brands to avoid getting "caught in a controversy that really isn't related to what you are doing with your brand fundamentally" and believes the backlash will make companies shy away from controversial topics unless they are central to their brand positioning.



Marcus Collins, a professor at the University of Michigan's Ross School, notes that brands are reevaluating their marketing strategies and partnerships. He questions why Anheuser-Busch, once considered the "nation's most LGBTQ+ company," chose to backtrack. Collins advises brands to determine what they are willing to stand for and potentially lose money over, emphasizing the importance of aligning responses with their mission.

Collins argues that playing to the middle is ineffective and highlights Nike's support of Colin Kaepernick as an example of doing it right. In 2020, Kaepernick "took a knee" during the National Anthem to protest how "blacks are treated in America," in the context of police brutality and George Floyd's controversial death. Nike stood by their athlete, while Bud Light flinched in the face of resistance, which was especially damaging given their historical support of the LGBTQ+ community.



Bob Witeck, CEO and co-founder of Witeck Communications, adds that marginalized communities understand the risks involved in advocacy campaigns. He emphasizes that these issues are crucial to their future, and not every customer matters.

Two Paths that Worked



Chick-fil-A defining itself as a family-owned company with Christian values could potentially be seen as exclusive, especially in today's diverse society. This was particularly evident in 2012 when President and COO Dan Cathy publicly opposed same-sex marriage, risking alienation of potential customers.

Instead, by 2023, Chick-fil-A tops \$21 billion systemwide. Why? They stand by their mission statement, focus on high-quality products, offer scholarships to employees, and donate surplus food to shelters and nonprofits. Each restaurant is encouraged to engage with their community through sponsorships, donations, fundraisers, and volunteering. They continually seek ways to innovate and enhance the guest experience.

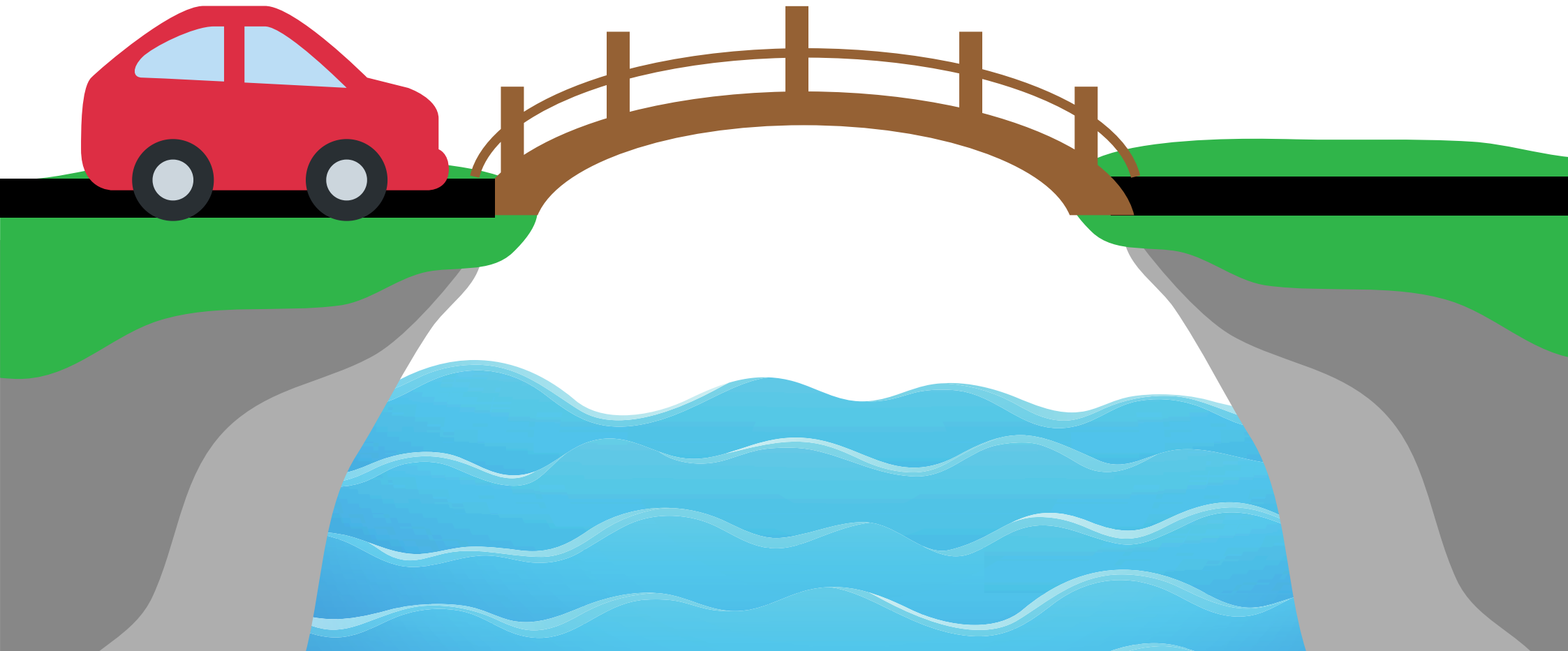


Nike's support of Colin Kaepernick is an example of doing it right. In 2020, Kaepernick "took a knee" during the National Anthem to protest how "blacks are treated in America," in the context of police brutality and George Floyd's controversial death. The act ignited both praise and calls for boycott. Nike stood by their athlete. While some protesters stopped buying Nike, supporters bought two pairs. Sales rose, with the company reporting a 10 percent jump in income to \$847 million, driven primarily by strong revenue growth. Nike continues to collaborate with Kaepernick.



Lesson #1: Plan Your Trip.

It's reasonable to believe that the Bud Light marketing team thought using the concept of "inclusion" to boost stalling sales was a good strategy. However, following the crisis, top executives were placed on permanent leave, and restructuring occurred. Ensuring key stakeholders are properly positioned and involved in the planning process is crucial to guarantee everyone is on board.



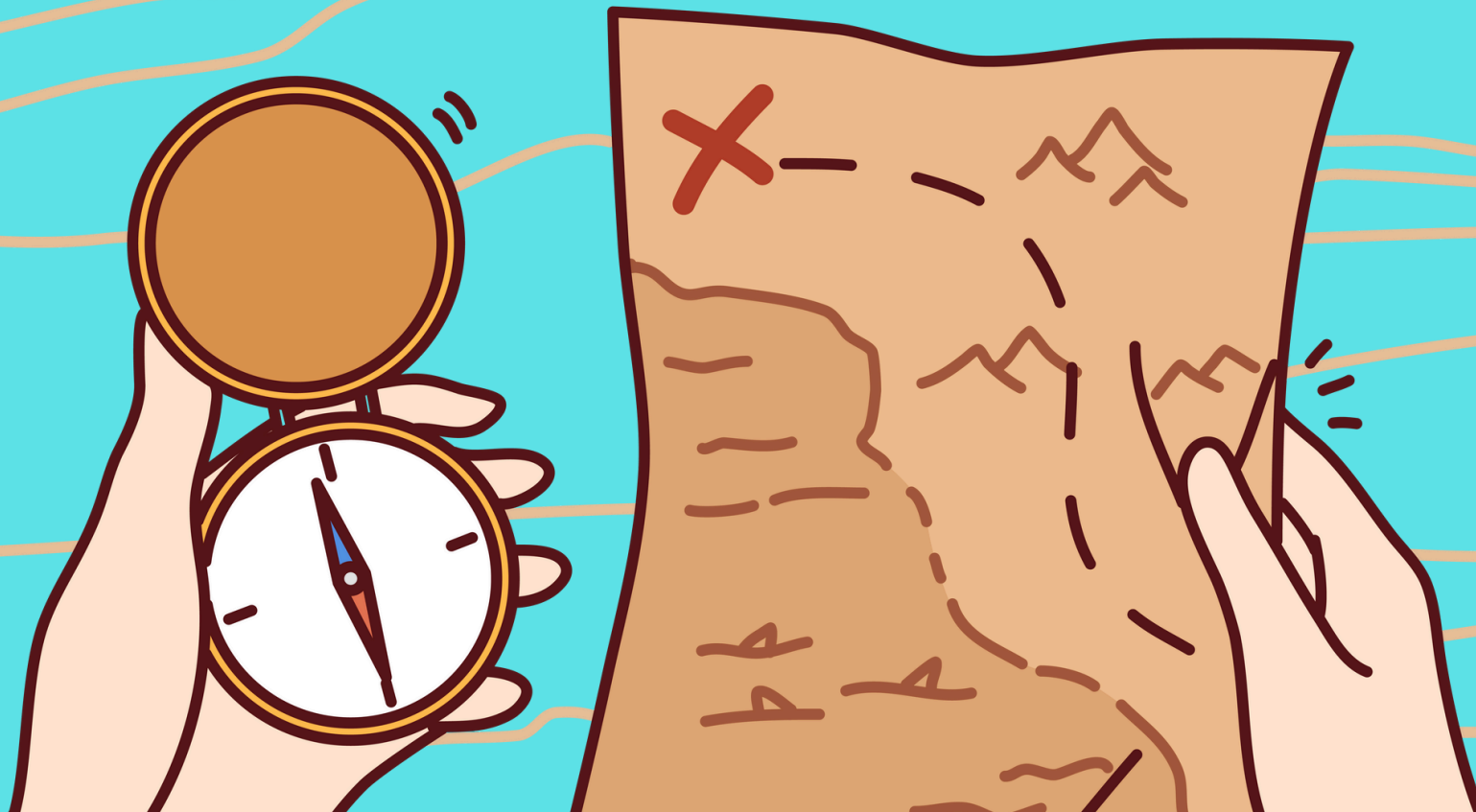
Lesson #2: Don't Flinch.

A major criticism by marketing experts is that Anheuser-Busch flinched. Identify likely sources of conflict--and how to respond--as part of your Crisis Planning. Do your research & test market concepts. Know where you are head & then buckle up. Know what to do if the road gets rocky before the plan is launched.



Lesson #3: *Backtracking can make things worse.*

Negative reactions can happen fast & have far-reaching consequences. While there may be circumstances where abandoning the campaign makes sense, there are also multiple historical instances where backtracking made a bad situation worse. Pre-planning contingencies is critical but staying the course may just be the right move.



Target your campaign messaging carefully.

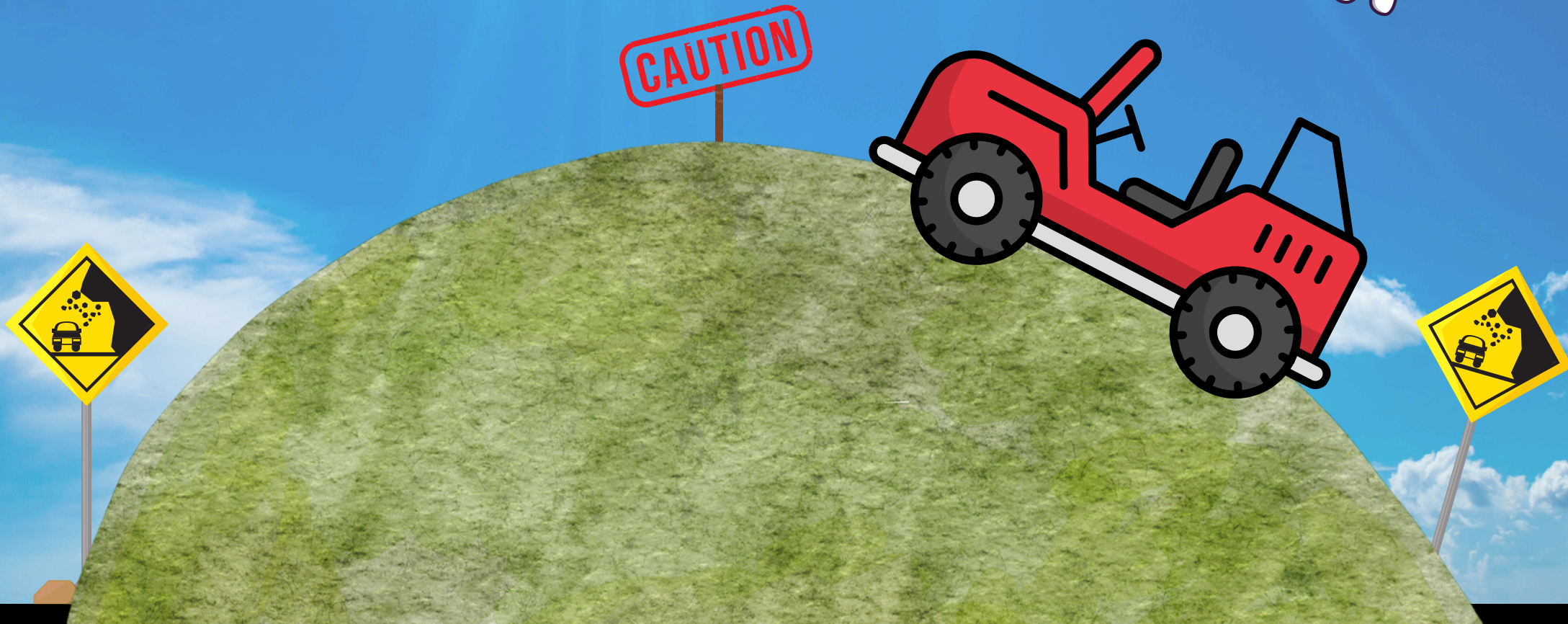
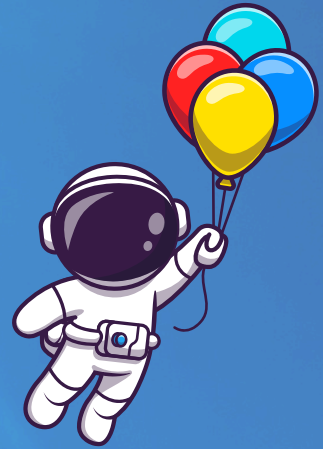
Customer segmentation divides a base into groups by demographics, behaviors, and geography. Your mission statement guides your purpose. Lean too far left or right, and you risk alienating customers. Too neutral and you may be ignored. Understand your customers and target them precisely. Align your messaging with your business goals and mission while maintaining a distinct edge.



Finding Your Sweet Spot

Playing it safe is not a strategy.
Companies can no longer aim for the middle.

Don't *accidentally* land on the fringe.
If you go, *decide* to go. Plan your trip.



Will Anheuser-Busch Recover?

Anheuser-Busch? Yes.

With over 100

Anheuser-Busch beer brands to choose from, they still make the top spot beer, Modelo Especial.

Bud Light? Remains to be seen. With a plethora of alternative beers to choose from (we haven't even ***touched*** on foreign beers & microbreweries!), consumers may well have permanently moved on. Time will tell!

Modelo still reigns after dethroning Bud Light

Modelo Especial remains the best-selling beer in the U.S. and its sales are up 12% so far in 2024, compared to a year ago, according to Bump Williams Consulting. The Shelton, Connecticut firm services the alcoholic beverage industry and uses NIQ data tracking retail sales at supermarkets, convenience and select liquor stores.

April 6, 2024 USA TODAY



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