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Beer Marketers Still Slow To Pour Dollars Online; InBev A-B Buyout Unlikely To Change That

By David Kaplan - Tue 15 Jul 2008 05:30 PM PST

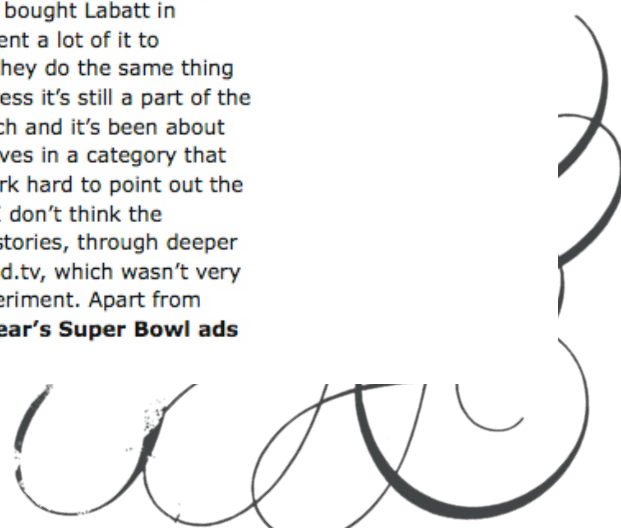
While the story of marketers shifting their ad spend from traditional media to digital media has been fairly constant, not all ad categories have been aggressive in making the



switch. Beyond the hooplah over online marketing by Anheuser-Busch and others, beer companies, despite having a younger, male demo than, say, consumer packaged goods marketers, have been pretty reluctant to change their methods.

InBev's [\\$52 billion buyout of Anheuser-Busch](#), whose Budweiser brand is as American as apple pie, isn't likely to change that. (InBev CEO Carlos Brito, who will head Anheuser-Busch InBev after the deal closes, has promised to keep the marketing level as is.) For one thing, Bud is still pretty successful by focusing on late-night TV and sports. And as Brad Adgate, SVP/director of research at Horizon Media told me, while A-B has threatened to spend more on cable as opposed to broadcast TV, that's about as far as its dollars have moved in the digital direction. [The failure of Bud.tv](#), its broadband entertainment showcase that was hindered by onerous restrictions designed to keep minors from entering the site, has left A-B and its rivals skeptical of anything involving "online" and "innovative." I spoke to several media buyers and branding consultants about the use of the web as a branding tool and why the alcoholic beverage category continues to lag in online activity. *Their take after the jump.*

—**Tap remains dry for online:** Mike Doherty, president of Seattle creative consultant Cole & Weber United, notes that Budweiser spent about \$134 million on advertising last year and less than 3 percent of that – roughly \$3.9 million—was online. A-B is one of the highest spenders on TV. Doherty: "I would expect that to continue, particularly because, if you look at what InBev did when they bought Labatt in 1995—they increased their spending, but they spent a lot of it to reestablish and retell the brand's story. If in fact they do the same thing here in the U.S., they'll do the same thing and stress it's still a part of the U.S. culture." The reason's partly about mass reach and it's been about the messaging and trying to differentiate themselves in a category that pretty much commoditized. You really have to work hard to point out the difference between a Bud Light and a Miller Lite. I don't think the category has caught on to using digital to telling stories, through deeper content and microsite experiences. Other than Bud.tv, which wasn't very successful, you haven't seen others trying to experiment. Apart from that, **it will be interesting to see what next year's Super Bowl ads will be like.**"



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—**Potential for online growth:** There are good reasons for beer marketers to shift their ad spend to online and other less traditional outlets. "Beer lends itself to using unmeasured media," said Adgate. That category will soon be ramping that up to reach men 21-34. And that demo tends to be more interested in games." But Adgate feels beer marketers' non-traditional focus will tend to encompass "unmeasured media," which includes such untracked marketing spend on activities like promotions, coupons and direct mail. Adgate pointed to an *Ad Age* report on the top advertisers. A-B ranked 22 in 2007, up from 24 in 2006, spending \$1.3 billion last year. If you look at unmeasured media, half of that, \$879 million is unmeasured. "That says something, Adgate said. "So it's not just online, but cinema advertising, video gaming, a lot of ad channels that are not picked up. Clearly, that's where young men spend their leisure time. I think the shift to digital will be gradual. They're very successful, and therefore, I wouldn't expect them to do anything dramatically different from what they've done."

—**The narrative of beer:** The problem with beer companies and packaged goods and others in general is figuring out how best to use online as they use other mediums, said Rita Rodriguez, CEO of WPP brand-and-design agency, [The Brand Union](#), which works with brands under rival beer marketer SABMiller. Rodriguez: "The beverage marketers are primarily using online to support their existing traditional campaigns. They're trying to drive traffic to their websites for a sweepstakes or some special effort being marketed offline. They're also using it as a social networking tool. A-B might be supporting a NASCAR driver and fans can connect through that. If you think of the European brands, from that standpoint, their products are different. They may not be so focused around the NASCAR driver, but more the telling of a narrative. That's been more the style of marketing in Europe and Latin America for some time. There's also a different kind of aesthetic in the ads. It will depend on what's right for the brand and how the audience experiences it."

