

Redesign of Budweiser beer can won't make much difference in sales

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Budweiser's newly redesigned can.

The recent Budweiser can redesign probably won't do much to reinvigorate sagging sales of the iconic brew, say marketing professors at Olin Business School at Washington University in St. Louis.

“It is unlikely to matter much,” says John Norton, PhD, senior lecturer in marketing.

The redesign is Budweiser's 12th since the beer was launched in cans in 1936.

“Firms update their designs all the time,” Norton says. “Without meaning to minimize the efforts of the design staff — who are trying to create a design that leverages the brand's heritage yet offers a contemporary look and appeal — it just won't make that much difference.”

“When Coke went back to the iconic ‘contour bottle’ shape years ago, that didn’t make much difference either,” Norton says. “Budweiser, Coke and Starbucks have a lot of brand equity. That ‘mass’ of equity has a lot of inertia, which is hard to redirect.”

Anheuser-Busch InBev is hoping the new can will boost sales of Budweiser, which is the second most popular beer sold in the United States behind Bud Light. Shipments of Budweiser to wholesalers fell 7 percent last year in the United States, according to Beer Marketer’s Insights.

The new can design, which rolls out nationwide this summer, is designed to highlight the Budweiser bowtie and the fact that the beer is “beechwood aged.” It also will feature a quick response, or QR, code.

“If consumers were looking for cheaper brands because of the economic conditions, I don’t see how this will help,” says Chakravarthi Narasimhan, PhD, the Phillip L. Siteman Professor of Marketing.

Narasimhan says the redesign should pique consumers’ interest in the grocery or liquor store aisle but questions whether that will be enough.

“In that sense it is like creating some buzz because of the newness of the package,” he says. “But I don’t think it will have much of a long-term impact on overall sales.”

Carol Johanek, adjunct professor of marketing, says package design for brand is a key element of a brand’s overall communication strategy.

“Package designs are typically done to reflect different target audience profiles,” Johanek says. “Like Pepsi Blue’s case study of its global package change in the 1990s to reflect the ‘new refreshing taste’ of its younger audience compared to Coke, or new messaging of the brand that

reflects changes in why target audiences prefer your product over the competitors.”

It is important, Johanek says, that there is a visual transition to the new design so as not to alienate loyal customers — those responsible for the brand’s largest revenue.

In the new Budweiser can, she says, there are definitely similarities visually in terms of font, colors and graphic layout.

“Brands need to have a thorough understanding of why consumers prefer their product over competitors and whether or not these attributes are being communicated through the packaging design,” Johanek says.

“Impacts on market share are witnessed when consumers can quickly perceive a product’s competitive differentiation at the point of sale.

“In this case, it appears the heritage of the Budweiser’s name, along with its aging process, supports the brand’s positioning of superior taste. These elements are consistently displayed on both cans; reducing the risk of consumer confusion.”

Provided by Washington University in St. Louis

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