

Stella Artois - Brewing a Better Reputation

MANAGEMENT DECISIONS

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Introduction

When we talk about the management’s decision it is important to remember that AB InBev, the world’s largest brewery with over 600 product brands, is the corporate brand above Stella Artois, one of their product brands. Neither AB InBev nor Stella Artois explicitly mentioned or addressed the wife-beater image Stella had received in the UK. However, major changes were made to the product, the sponsorships, the marketing activities, and to the nature and identity of the Stella Artois brand. We have put the management’s decision in historical order, together with three major media events. It is important to remember that in 2007/2008, smartphone penetration was still below 10% (Comscore, 2017). Meanwhile, social media networks were not as present as they are today. Twitter had reportedly 50,000 active weekly users in 2007 (Wang & Chang, 2019). Media was much more controlled and classic media outlets such as papers, carried greater importance. We take a look at the changes that were made to understand the management’s decision better.

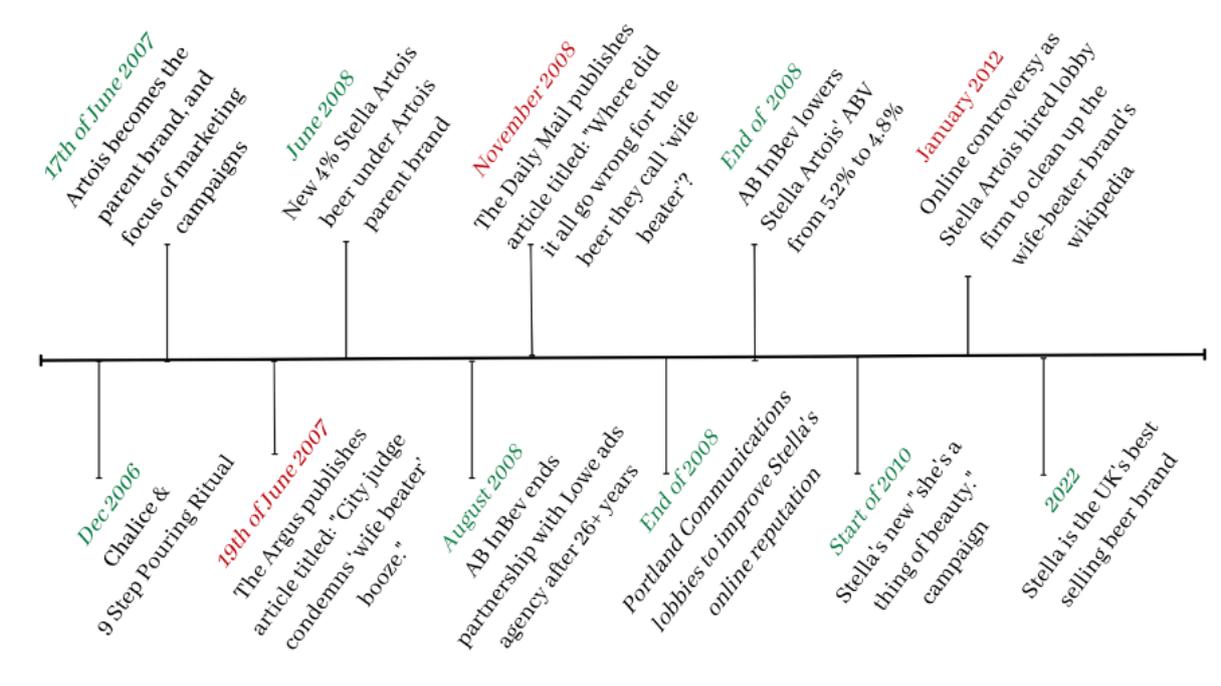


Figure 1: Timeline of important events regarding the managerial decisions

The Chalice is born, together with the 9-step pouring ritual

AB InBev made the first change to Stella's brand in December 2006. They introduced a new glass, the Chalice, to reinforce the brand's premium & exclusive identity, despite the 'wife-beater' image. The previous glass was an ordinary pint glass and didn't fit Stella's identity. The new feminine looking chalice was also meant to get rid of the wifebeater image, by repulsing aggressive & masculine drinkers (Marketing Week, 2007), see **figure 2 and 3**.



Figure 2 and 3: The new chalice & the old pint glass

Together with their new glass came the 9 step pouring ritual (see figure 4). The 9 steps are: The Purification, The Sacrifice, The Liquid Alchemy, The Head, The Removal, The Skimming, The Judgement, The Cleansing, and The Bestowal. The pouring ritual was a way to enforce their premium & exclusive identity and a way to repulse binge drinking and to bring sophistication to the drinking process.

Stella Artois 9-Step Pour



Figure 4: The 9-step pouring ritual

The focus shifts towards Artois rather than Stella

The second change Stella made was on the 17th of June, 2007, which was two days before the article of The Argus titled: “City judge condemns ‘wife-beater’ booze” was published. AB InBev announced that they would change the name of the Stella Artois sponsored Queen’s Club Championships from the Stella Artois Championship to the Artois Championship. As AB InBev realized that Stella got nicknamed wife-beater, they decided to drop the Stella component from their marketing activities and shift towards the usage of Artois. Stella’s brand reputation was ruined due to the many negative associations and therefore AB InBev decided to focus on Artois. This change also allowed for the future creation of new products under the softer umbrella Artois brand (Greenslade, 2007).

Judge mentions Stella in a domestic violence case

As mentioned earlier, on June the 19th of 2007 an article was published by local newspaper The Argus, that openly stated Stella was involved in multiple domestic violence cases as it became the preferred choice of binge drinkers due to its high alcohol by volume (Parson, 2007). This is a serious problem, as a judge, a professional with authority is publicly linking Stella to domestic violence. It heats up the discussion and adds seriousness to Stella’s wife-beater reputation. Despite this, Stella nor AB InBev never publicly reacted to the associations, they stayed silent and rather decided to change some brand elements to repent certain consumers.

AB InBev launches a new and weaker version of Stella Artois

Subsequently, one year later at the end of June 2008, AB InBev introduced a new product under the Artois umbrella brand. The new product was a weaker version of 4% alcohol by volume of its classic Stella Artois beer. It was introduced to offer a weaker version, but also to offer consumers more choice and the confidence of choosing a weaker beer with the same quality credentials and taste of the Stella Artois parent brand (The Daily Mail, 2008).

Lobbying firms to clean up Stella’s dirty online reputation

Portland Communications & Bell Pottinger, two lobbying firms are hired to help clean up Stella’s online wife-beater reputation after the “wife beater” reputation (Seales, 2012). The lobbying efforts were widely criticized by some commentators, who argued that it was inappropriate for the beer company to use resources to avoid addressing the underlying issue of domestic violence.

AB InBev looks for a new advertising agency for Stella Artois in the UK.

On August 15th, 2008, Stella Artois decided to end the partnership with Lowe advertising agency after 26 years. Lowe came up with Stella's reassuringly expensive campaign and has won multiple prizes with Stella's marketing campaigns. After the wife-beater controversy, AB InBev decided to look for a new advertising agency, and they ended up hiring Mother London.

The Daily Mail writes on Sella's wife-beater reputation

In November 2008, The Daily Mail published an article on Stella and its 'wife-beater' reputation. The coverage of The Daily Mail, which is the UK's highest-circulated daily newspaper, was another reason for AB InBev to react and turnaround the best-selling beer's reputation (Moore, 2007).

Stella Artois is lowered in Alcohol by Volume from 5.2% to 4.8%

The last change was one of the most drastic changes and was made somewhere at the end of 2008. AB InBev decided to lower the alcohol by volume of Stella from 5.2% to 4.8%. According to Budweiser Brewing Group UK, a division of AB InBev, Stella has been reduced in alcohol content to take advantage of the growing popularity of health and fitness trends. Ever since Stella's wife-beater reputation of aggressive binge drinking, AB InBev has chosen for silence as the organization never commented on the issue or mentioned the troubles (Briggs, 2022).

Stella Artois rolls out new UK campaign titled: "she is a thing of beauty".

In 2010 Stella Artois rolled out a new advertising campaign made by Mother London titled "*She is a thing of beauty*". This advertising campaign was part of a long-term strategy, to reduce the toxic masculine wife-beater image. The new campaign communicates Stella to be a feminine brand/beer (Malykhina, 2010). As can be seen in **Figure 4**, the billboard showcases how a man admires a woman drinking Stella, quite a different narrative than their wife-beater reputation.



Figure 4: Billboard of woman drinking Stella Artois

Stella Artois recovered and is the leading beer brand in the UK

Furthermore, neither AB InBev nor Stella Artois ever acknowledged the wife-beater image and therefore has adopted a silent strategy. Furthermore, Stella has introduced the changes discussed above and has let time heal its wounds. The brand eventually recovered well and is with £246 million in 2022 the leading beer brand in the United Kingdom (Statista 2022).

Conclusion:

AB InBev & Stella Artois has made several short- and long-term marketing efforts to turnaround the wife-beater reputation. Major changes were made to the product, the sponsorships, the marketing activities, and to some brand elements of the Stella Artois brand. However, they stayed true to their core and never changed the nature of the brand. Their approach seemed to have worked although the response was gradual and sometimes a bit hesitant. We think that in today's day and age, more transparency and proactiveness would be demanded by consumers. Consumers have become more involved and are said to continuously cocreate the brand's identity.

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