

Anheuser busch – marketing, advertising



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Anheuser Busch has been brewing beer for over 130 years, and produces the two best-selling beers in the world, Budweiser and Bud Light. 1 This company produces more than 100 beers and nonalcoholic brews at 12 breweries in the U. S. and others around the world, and imports other beers for distribution in the United States. Anheuser Busch has been a leader in marketing and promotions since it began in the 1850's, with the Budweiser Girl wall hangings to advertising with giveaways¹. Even today they are notoriously known for witty comical commercials and great advertising slogans. But even this company is not far from debate ever since the takeover by the Belgium company InBev. Rumors were abuzz when the deal was announced, many thought there would be closures and layoffs abound. However, it seems as though this deal allowed the company to streamline their products and focus on continuing sale of its best and most popular products.

There are several factors that go into the promotional and advertising mixes used by organizations like Anheuser Busch. There is of course on their advertising menu, commercials and advertisements in print to include newspapers, magazines and billboards. There is direct marketing in which you might see when you walk into a grocery store or a convenience store, the pyramids of products with clever staging, and sales promotions. They are also involved in public relations and by sponsoring certain events, for example, by hosting charity events they are still getting their name out there by providing promotional items at booths and in goody bags all while still lending their name to a good cause.

For an organization like Anheuser Busch the advertising mix relies on several factors that include resource availability, market size and concentration,

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needs of the market, and its competitors. However, much consideration is also taken to determine how much should be spent on advertising and promotion, and how that money should be spread across the organization, i. e., different products, different media, and target markets. By weighing the importance of price, the product, or the brand name can help companies allocate their advertising resources. Again for this organization the brand name itself can gain a lot of attention in advertising. Case and point, many of their holiday themed commercials don't show the beer products but another one of their staples, the Clydesdale horses. The cost of advertising on TV and in print can be extremely high and with Anheuser Busch paying for air time during events like the super bowl it's no doubt that they put a lot of their resources into this area.

Another way that Anheuser Busch was able to distinguish itself among its competitors was by creating sponsorships with organizations like the NFL, PGA and NASCAR. According to Mullman, they are currently the official beer sponsor of the nation's top four team sports, the NFL, NBA, MLB and the NHL, as well as the PGA, LPGA, Major League Soccer, and the UFC. You see their advertising when you attend any of these events and when you watch them on TV. When a product fits well with the event and/or the audience the impact will be greater, and once again Anheuser Busch finds their audience in each and every one of these events.

While there is no doubt that Anheuser Busch knows how to reach consumers with commercials, there is more to their approach than just clever commercials. By creating a diverse assortment of television, digital media and sponsorships, Anheuser Busch has created a strong advertising profile

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for the company. The mix that they currently have is not only strong, but effective. They have found a way to remain at the forefront of their business, and still inspire what many see as an American tradition.

For creating a budget, I chose several Anheuser Busch products to take into account for this assignment. If you take for example that Anheuser Busch's revenue was \$40 million for 2010, and the sales for their products were:

Bud Light – 30%

Budweiser – 24%

Busch Light – 20%

Michelob – 18%

Select 55 – 8%

If we are to use the percentage of sales method the breakdown would be as follows for the amount of money spent on advertising and promotions for each product.

Bud Light – \$12 million

Budweiser – \$9.6 million

Busch Light – \$8 million

Michelob – \$7.2 million

Select 55 – \$3.2 million

With the higher cost of advertising on TV and adapting to the changing avenues of advertising with e-media, the majority of money allocated to each brand would go towards these types of marketing the products. I would give 40% of allocated monies towards these avenues to ensure that the products being created were being shown at peak times and to further get the products more time and space. The break down would be as follows:

Bud Light - \$4.8 million = 40% (\$7.2 million = 60%)

Budweiser - \$3.84 million = 40% (\$5.76 million = 60%)

Busch Light - \$3.2 million = 40% (\$4.8 million = 60%)

Michelob - \$2.88 million = 40% (\$4.32 million = 60%)

Select 55 - \$1.28 million = 40% (\$1.92 million = 60%)

The e-media ads have come a long way and are becoming more and more popular with consumers, so providing funds for this area is becoming more important, especially with print ads slowly becoming less the norm. The other 60% of the budget for each product would be used for print ads, personal selling and other promotional items for the products. Although the print ads are slowly becoming less, the personal selling, public relations and publicity are all of high value to the organization. Just as with the video that was posted on the module page, that type of publicity for Anheuser Busch is what has helped it remain an American icon.