

Q&A: BA Power Hour - Helping Brands Resonate with Diverse Audiences

Q: Do you have tips on increasing the number of Brand Champions?

A: The most important thing you can do is to be relentlessly consistent in communicating your brand, especially the intangibles – values, feelings, personality, essence. Everything you say and do communicates something about your brand. Event marketing that supports your positioning is also a great way to bring current Brand Champions together with potential future Champions.

Q: Is there any data on LGBT beer drinkers out there?

A: The 2016 Yankelovich MONITOR sample includes 93 men and 50 women who identify as gay or bisexual. While these are small samples, I'll look into ways we might glean some insight from this, possibly in combination with other sources.

Q: What are your thoughts on wine-food pairings versus the perceptions on beer-food pairings? Is it worth pursuing and changing the existing perceptions that beer cannot be paired, or that attempting to do so is snobbish BS?

A: I think that those who see it as pretentious will probably never change, and that's okay. But I do think there's a large group out there that is unaware of the potential for food-beer pairings, and providing basic education on that will be good for craft beer and brands. Based on the "snob" issue I wouldn't make pairings front-and-center for your brand, but I would look for ways to reach those who are open to the idea. Current wine drinkers who also drink beer (and there are many) would seem to be ripe for this sort of education.

Q: You spoke about clubs. Are you referring to social clubs or entertainment venues?

A: Essentially I'm referring to dance clubs – high energy places. These are not only melting pots for different ethnicities, they're bastions of status-influenced consumption, and when it comes to beer imports reign. There will be challenges – owner/managers as well as customers may resist craft beer at first because "no one drinks it here." But once it gets some traction, the momentum will more than likely build due to the heavy social influence.

Q: How do you make beer styles approachable to people? We have been taking a road of avoiding using them in favor of flavor-based descriptions to not be intimidating, but it sometimes alienates the knowledgeable craft drinker.

A: What I've been hearing from fringe craft drinkers is that they want to know enough to be able to order different styles with confidence. I think a flavor-based description is probably the first priority. I don't think these fringe drinkers want a lot of information on the style's history or how it's brewed, but some sort of factoid in that vein could help bring the style to life in a drinker's mind.

Q: Would status for conspicuous consumption include high end restaurants and getting them to treat beer lists like wine lists?

A: My sense on high-end restaurants is that status plays a role, but probably not nearly as prominent a role as it does in the clubs. But yes, I do think there's an opportunity there, and craft's lack of traditional quality cues may be an issue for this audience as well. Treating beer lists like wine lists could help mitigate that.

Q: How do you translate all of this to a developing, unorganized market such as India?

A: I don't think you do. I don't know how far behind the US India may be in terms of the development of craft, but these topics we've covered are about pushing beyond craft's traditional core audience. In India, I strongly suspect the core audience is far from fully developed, and so that should be the focus.

Q: Thoughts on finding ways to actively partner up with the wine industry on events and tourism efforts?

A: I think it's an idea with a lot of potential. Maybe you shouldn't say this to potential wine industry partners, but I think that beer has more to gain from such a relationship than wine. This is because wine is already pretty well understood among beer drinkers, but the opposite isn't necessarily the case.

Q: How do you balance reaching the conspicuous consumption consumer while not coming across as snobbery?

A: In clubs it won't be an issue – conspicuous consumption is so ingrained that there's almost no such thing as snobbery. Outside the clubs it could certainly be a big challenge, and my recommendation (at this point at least) would be to avoid promoting any sort of conspicuous consumption, with the exception of finding ways to make the quality cues you do offer more visible.

Q: Do you have any data on African American and Hispanic craft beer drinkers in the lower middle income class?

A: We could certainly break out a subsample of the MONITOR data based on income. If you're interested in this, let me know and we'll discuss it further.

Q: What's an example, in your mind, of a craft brewery that expresses creative rebellion above other craft brands?

A: I generally don't like to single out breweries or brands (whether in a positive or negative light). Since I "cracked" during the live broadcast, I'll repeat it here – I think Dogfish Head seems to tap into a rebelliousness that's positive, engaged, and productive.

Q: On the topic of involving 'clubs' to involve harder to reach communities, do you know of existing examples in the African American and Hispanic communities similar to Girls Pint Out for women?

A: Sorry, but I don't.

Q: Do you think that the oversaturation of beer dinners and tap takeovers, with the huge influx of brewers, has stymied the perception of food pairings? I have heard that the craft beer drinker is the new wine drinker from many retailers.

A: I think there's a subset of craft beer drinkers who could be called the new wine drinker, but I don't think they're a majority and I think it could be dangerous to focus too much on them. As mentioned, I've seen a lot of evidence that craft beer has grown in recent years by reaching those beer drinkers who are less open to new experiences (and more likely to be motivated by belonging and connection). I don't anticipate that more than a handful of these will be described as "the new wine drinkers." I wouldn't stop doing beer dinners, but if there is in fact an oversaturation of beer dinners, I do think it could potentially alienate some of these "less open" new craft drinkers.

Q: How does this data relate to craft beer versus liquor drinkers? How do we win liquor drinkers?

A: Liquor and craft beer actually address many of the same motivations. This is why both started growing again at the same time (in the early 2000s) after long periods of no growth, and both accelerated at the same time – they're tapping into the same consumer/cultural trends. So in order to win with liquor drinkers we've essentially already met the strategic table stakes, and tactics will come into play, e.g., identifying where and when people drink liquor and being there with the right kinds of promotions, events, etc.

Q: We have had success with getting large format beers treated like wines, served by the bottle (750ml) and a pair of glasses, and had sales increase by over 60% per account of those brands.

A: That's great to hear. I think it validates some of what I've said here.

Q: Do you have any recommendations for staying visually authentic to 'right kind of creativity and rebellion' while trying to attract consumers most interested in 'quality cues'?

A: During the live broadcast I said that I'm not a designer, and I tread into this area with caution. But as I think about it more I shouldn't have confined my answer to portraying creative rebellion visually. That will come through in the kinds of causes or other promotions/events with which you associate your brand (e.g., "taking a stand") as much or more so as the logo/label. But if you have a high-end lineup, one option could be a different, more traditional "quality" presentation, with the "creatively rebellious" logo treated more subtly. (Designers reading this can stop cringing now.)

Q: Any idea what is the gender and the ethnicity skew on wine drinkers vs beer drinkers? (beer being 66%/33% from what I've seen on the whole)

A: The Yankelovich MONITOR data (from 2015) shows women at about 25% of weekly beer drinkers and 25% of weekly craft beer drinkers, while women represent 44% of weekly wine drinkers. (The Power Hour presentation showed women increasing to 28% of weekly craft drinkers in 2016.)

Q: what's the market opportunity (size) of reaching out to these diverse audience?

A: A back-of-the-envelope calculation (which I literally did on the back of an envelope) says that if women were as likely as men to drink craft beer weekly, there would be an increase of 44% in the drinker base. Hispanics and African-Americans are already at around fair share of the drinker base, but that doesn't mean there isn't more opportunity among these audiences, because it's still possible for individual drinkers to drink craft more often (or as we often say, it's about gaining drinks, not necessarily gaining drinkers).

Q: Will reaching out to diverse audience alienate the existing craft drinker?

A: I think it's highly unlikely it would alienate more than a small handful. The most effective approaches will often be "below the radar," so this would be invisible to existing craft drinkers. But given the value of openness demonstrated by most craft drinkers, I think the right kind of overt appeal to diverse audiences would actually be something they would see in a positive light.

Q: Given the nature of S curves, it seems like we're getting close to the top of this one? What do you see as the potential length of plateau period, and what does that mean for craft?

A: I don't think we're all that close to the top of the curve, though we do see some of that natural tapering. But the top of the curve is determined by the size of the pool of drinkers who are potentially open to the idea, and I think that pool has been increasing in size because the appeal of craft has been broadened through cans, session beers, etc. So while craft had a slow growth year in 2016, we may still see an upward hitch in the overall growth of craft (as we, in effect, transition to a different S curve). And it will be fascinating to see if the post-Millennial generation, known as Centennials, have an even greater affinity for craft than their predecessors.

Q: Is there any evidence that collaboration beers across beverage types (i.e. partnerships with wine, spirits, coffee producers) attract drinkers over to craft beer?

A: I don't know of any evidence, but I suspect it would work that way.