

Join Julie Livingston, founder and president of WantLeverage Communications and host of PR Patter, a series of talks focusing on relevant topics in marketing and public relations today, in conversation with Zak Stambor, Senior Analyst at Insider Intelligence overseeing a team covering retail and ecommerce. His commentary appears regularly in the Wall Street Journal, CNN, the Associated Press, CBS, and other top print and broadcast media. He writes about beer, spirits, food, and business as a freelancer.

Livingston and Stambor talk about the intersection of brands and politics, dealing with polarizing circumstances as a brand and how that impacts audience, the recent controversies surrounding Bud Light, Keurig, and other brands, and how those brands handled the controversies.

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### Unedited Transcript

Julie Livingston:

Morning everyone. I'm Julie Livingston of Want Leverage Communications, here for another installment of PR Patter, my LinkedIn live series where I chat with people in the marketing and public relations space from across my network and beyond. Today, I'm really thrilled to have Zach Stambor from Insider Intelligence with me. Zach has spent more than a decade covering the beer and spirits, retail and e-commerce and marketing and advertising industries. At Insider Intelligence, he oversees a team covering retail and e-commerce and contributes to the Reimagining Retail podcast. His commentary regularly appears in the *Wall Street Journal*, on CNN, in the Associated Press, CBS, and other top print and broadcast media. He has written about beer and spirits and food and business for a number of publications, including the Chicago Tribune and Draft Magazine. Welcome Zach, and thanks so much for joining me.

Zak Stambor:

Thanks for having me. I'm thrilled to be here.

Julie Livingston:

I reached out because I've been fascinated with how brands align, how brands identify their core values, and how they communicate that to their target audiences. That was the case in February with the Bud Light beer brand. They came out with a campaign. It was a one minute video where they had engaged a transgender social influencer, and people went nuts. They had different reactions to it. I would love to get your take on what they did, why they did it, the influence of the LGBTQIA+ market and how they handled this crisis, this brand crisis, and how they intend to come out of it. So maybe you could enlighten us a little bit about what transpired and their response.

Zak Stambor:

There's a lot of questions there. The basic story is— I think it was early April, actually. The timing is even more condensed. In early April, Bud Light sent an influencer, a transgender influencer, Dylan Mulvaney, a handful of beers, including one with Dylan's face adored on the can.

Zak Stambor:

Mulvaney then posted a video of herself dressed like Audrey Hepburn and her character from Breakfast With Tiffany's and shared it. She talked about March Madness, not really understanding what March Madness is. She talked about how it had been one year since she had transitioned. Keep in mind, this was a small scale campaign. This was a part of a sweepstakes challenge with Bud Light, where I think you could win \$15,000 or something like that. The specific dollar amount escapes me. It's something that brands do all the time and it's not that big a deal itself, but we are in a moment in time in which there's this anti-trans story, and where there are a lot of people out there who are eager to launch a culture war and pick at this particular community and make it an issue.

Zak Stambor:

There's a lot of people who drink Bud Light. It's the largest beer brand in the United States. Certainly people within the trans community drink Bud Light. But so do people who watch Fox News or who are part of any other community. Unto itself, I don't think it's that big of an issue. It's a small-scale campaign, but there was a huge uproar about it. Once there was this big uproar, the issue became the parent company of Bud Light's overall reaction to this uproar. They put two executives on leave. That's really where I see the misstep happening, because yeah, once you have made the decision to launch this small-scale campaign, which I don't think is a big deal...

Julie Livingston:

You have to own it, right? You have to own it. From a corporate perspective, what they did was somewhat risky, but as you said, it was a small campaign. It was a niche kind of a thing. But

then to put those executives on leave is kind of admitting guilt in some way that they did something wrong.

Zak Stambor:

Exactly. I mean, who is that serving? Once you have taken that step, once you have made this decision— you need to stand by your decision. Once you've backpedaled— and we saw this yesterday with Target— once you've backpedaled, then everybody is upset with you. And the moment in time that we're in is one in which brands do and should have values, and you need to stand for those values. That doesn't mean that you get into a fight or you pick fights. For most brands, it makes no sense to do so. But if you are drawn into a fight, I think the biggest, most important thing you can do is stand up for yourself and your brand and the decisions that your brand has made.

Julie Livingston:

Yes, and with the way they reacted, they were sort of admitting that they didn't really believe in their own marketing decisions, and that they really didn't believe in their executives. So what does that say about the brand overall and their credibility? It really damaged relationships with this particular audience that is so coveted and powerful. One minute they're saying that the audience is important. The next minute they're saying, oh, you know, oops, we didn't really mean to do that.

Zak Stambor:

Yes. I think one important thing that we were briefly talking about before we went live is thinking about this audience broadly. There is the LGBTQIA+ audience that is a segment of consumers. There are allies there, and then there is the broader community who is fine with it. They may not call themselves allies.

Zak Stambor:

Right. But they're cool with it. It doesn't affect them. To each their own. And then when the brand backpedals and suggests that they are no longer cool with it, or they are willing to be pushed and shoved by people who are not cool with it, well, then it leaves a distaste for the brand. And it's a beer that doesn't have much taste to begin with. So you might as well just have some other view that people don't have. And now other brands have been able to capitalize on that. Molson Coors has seen this in particular with Coors Light and Miller Light and whatnot.

Julie Livingston:

Are they one of the first brands to have actually altered their packaging to relate to a particular audience?

Zak Stambor:

What do you mean by that? Well, they're sticking Dylan Malini's face on the camera.

Julie Livingston:

Yeah, with her face on there. With the Rainbow packaging.

Zak Stambor:

I don't think so. I mean, I feel like over the past decade...

Julie Livingston:

Yeah, we're seeing more of that.

Zak Stambor:

We're seeing a lot of it. Pride month has just become ubiquitous wherever you go. I'm in an urban area, and it just seems like once it's June or even getting close to June, it's everywhere. I think it's just part of life at this point. So again, I think a lot of this controversy is much ado about nothing. It's more of the reaction or response from the brand itself that has spurred this on and fed the fire.

Julie Livingston:

I was reading when this happened, there was of course, by conservative groups a boycott of the brand, and they were trying to promote a boycott of it. But on the other side, people who believed in what the campaign stood for were actually buying more Bud Light to support what they did. So where did they go from here? I mean, how will they recover from this? Is it just lying low and being quiet and letting the fire firestorm calm down?

Zak Stambor:

According to AB and Bev's earnings, they're gonna spend a lot of money on it. They're just going to throw a lot of money, and hopefully something will click, and people will get distracted by something else. Maybe, as with the Target controversy of yesterday— there will always be a new distraction.

Zak Stambor:

I don't even consider it an issue. I think this is much to do about nothing, but it is so out of line with the way that things generally work. I mean, I don't know if you recall, but I think it was in 2017 there was a boycott of Keurigs. People were like destroying their Keurigs.

Zak Stambor:

It was in the wake of the Roy Moore controversy. Roy Moore was running for senate in Alabama. He had a whole slew of issues. We're not going to get into that. But Keurig was advertising on Sean Hannity's show. Sean Hannity had Roy Moore on the show, or was supporting him in some sort of fashion. People were just destroying Keurigs. Nothing happened to Keurig. Like, I think five people destroyed their Keurigs and posted it on social media. And then quickly that firestorm blew up. It was not even a firestorm. In 2020, the CEO of Goya endorsed Donald Trump. People called for a boycott. That went and came and went in the span of a flick of an eye.

Julie Livingston:

That's a great example. The response was more of a boycott where people went out and bought more Goya products as a result.

Zak Stambor:

And it goes both ways. Liberals were protesting too. There was a labor dispute with Frito Lay last year or the year before, and they called for a boycott. Nobody did that. These things generally have no resonance. The fact that this one has is actually really surprising to me. And it's sizable. Bud Light has had six straight weeks of declining sales. JP Morgan did an analysis where they expect Anheuser-Busch to have like a 12 to 13% decline in annual sales. So it is something, and because it's something— to answer your question that you asked about 15 minutes ago— I don't know where this goes from here, because we haven't really seen anything like this. I think to some extent this will eventually blow over and the next controversy will ensue. But I don't know.

Julie Livingston:

It is an interesting case. You wonder, is their reaction to it, to get rid of their executives... Did that really fuel the fire and make it so much worse?

Zak Stambor:

I think so. This is just the hot button issue among conservatives of the time. Bud Light is an iconic brand. I don't want to call it a misstep because I don't think it is— but I think they provided fodder for this culture war. The true misstep was the absolutely powerless response from this controversy and their absolute failure to own their own decisions. That's the crux of the whole issue. You make a decision, you stand by your decision.

Julie Livingston:

They had to have known that this was somewhat risky. It was putting themselves out there in a bigger way— a more profound way. I just find it hard to believe that they didn't weigh the pluses and the minuses. That's not to say the companies shouldn't take a risk when they go with certain messaging or particular campaign, but you do have to own it then, and own the response, whatever it's going to be. You've got to stand by your brand.

Zak Stambor:

This does shine a bright light. I don't think this is such a risky, aggressive move. I think brands do this sort of outreach.

Julie Livingston:

They do it all the time.

Zak Stambor:

Influencers, with sizable, but not gigantic followings all the time, and nothing happens.

Julie Livingston:

There has to be some kind of thought process before, you know, okay, we wanna do this, we think it's great. We think it's going to, you know, really move the needle. It's going to get a lot of attention. There's a lot of PR value in doing this. However, these are some of the things that could happen.

Zak Stambor:  
Right, absolutely.

Julie Livingston:  
They have to be prepared for it and be prepared for it in advance.

Zak Stambor:  
Right. Companies need to be sensitive within this culture war period that we are in, in which there are lots of groups out there eager to latch upon anything. Everything is a battle. Everything is my side, or your side. As you're embarking on campaigns, to your point, think about if this might feed those flames. Or if this is something that aligns clearly with our brand and enables us to achieve our objective, whatever that objective might be.

Julie Livingston:  
Can you talk a little bit about what happened yesterday with Target?

Zak Stambor:  
Oh, absolutely. Target has spent at least a decade having Pride-related stuff in their store. All sorts of stuff— T-shirts, mugs, whatever it might be. There were people out there who started to feel threatened by this. So we'll see how this story plays out, because I don't know that that's entirely true, but they're saying there were threats to store associates because of the high visibility of these Pride items.

Julie Livingston:  
Because they're being heavily promoted. When you walk into a Target store and there's a Pride display...

Zak Stambor:  
So Target then pulled some items. Once again, this is the same sort of scenario where once you've decided with your merchandising team to have this merchandise within your store, well, that's what your decision was. When you've pulled back from that, it leaves such a strong distaste in people's mouths and just the way people think about the brand. It's a bad look.

Julie Livingston:  
It's a hit on their credibility. As a brand, you believe in this, or you don't. And if you start pulling back from it, it kind of shows the audience that maybe you don't really believe in this.

Zak Stambor:  
I think that's such a strong, important point. There's nothing more important to a brand than

authenticity, particularly in this moment in time. That is what this Bud Light campaign initially was supposed to convey. Some sort of authenticity, as in— we're aligned with this community. We also are aligned with NASCAR. Pulling back seems inauthentic. This having Pride stuff in Target seems just like having, you know, both Cubs and White Sox stuff in your store. It's more important than ever for a company to have a spouse. A value, values what you stand for, what you believe in. And those don't need to be controversial. In fact, it's probably better if they're not controversial. But if you have something as simple as inclusivity, then you need to actually demonstrate that. That's what they failed to do here.

Julie Livingston:

It's just amazing for a multinational brand that they did not have this thought process among their marketing and PR teams beforehand.

Zak Stambor:

Absolutely. Whether we're talking about Target, or AB in Bev, the scale of the pullback or like the scale of the initiative... Dylan Mulvaney has like, I think less than 2 million Instagram followers, right? Something like 10 or 11 million TikTok followers. For a company that advertises in the Super Bowl, these are such small scale things.

Julie Livingston:

They obviously also do tons of market research. They supposedly really know a lot about their target audiences.

Zak Stambor:

These small things can have such an outsized impact. It just calls to mind the need to be thoughtful and mindful of your audience. Most importantly, I think it's important to have a strong backbone for what it is that you are, what you stand for, and who your audience is or your customer base is. It's important that you respect them, and you demonstrate that you respect them enough to say, well, I know you might not fully understand who this person is, but we're going to stand behind them because they're part of the broader community of people who are part of our community.

Julie Livingston:

They could have, for example, as an alternative solution, put out a statement saying they shut down the hate, and showed how much they believed in what they did.

Zak Stambor:

Absolutely. Something to the effect of yes, we are the brand for the NASCAR dads. We're the brand for this too.

Julie Livingston:

Right? We believe in inclusivity. This is a part of that, and sorry, you didn't agree, but that's who we are.

Zak Stambor:

The reality of it is, that is what Bud Light is. That is what is so crazy about this controversy, is that they are such a huge brand.

Julie Livingston:

Everyone drinks it.

Zak Stambor:

Well, I don't, well, pretty much you don't, right?

Julie Livingston:

Right. I'm a Blue Moon lover myself. All right. Well, Zach, thank you so much for being with me today. Really appreciate your insights on this topic.