

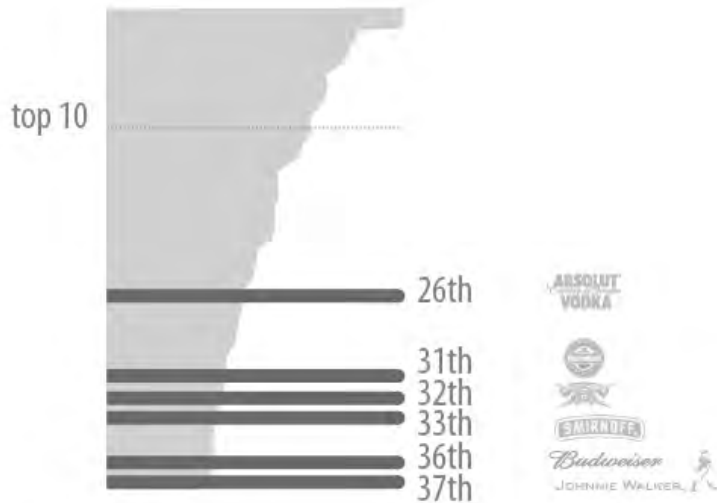


Time to reclaim the cultural conversation?

ALCOHOL BOOZE BRANDS ARE SNOOZING AND LOSING

Do mass alcohol brands still have the same relevance to consumers' lives as they had in the past?

GLOBAL VIBE INDEX



Smirnoff, Absolut, Heineken, Budweiser, Johnnie Walker, Chivas Regal. Big brands, with big budgets, big volumes, big visions – right? Whilst there's no denying the size and power of these giants, this year's Cultural Traction™ study shows that they might be under more pressure than we think, and up against some serious challenges to remain culturally relevant in the years ahead.

Between them, this collection of alcohol giants scored some of the lowest VIBEs of the study.

Perceptions of these brands as disruptive and having momentum (aka 'Exciting' in VIBE speak) are particularly low. Compare a lowly score of 72 for Smirnoff and Heineken with 103 for McDonald's, BMW and Nike. Look at brands like Apple and Samsung and you'll see scores virtually doubling the alcohol brands.



Time to reclaim the cultural conversation?

EXCITING



100

So what is going on? Why are the alcohol brands scoring so poorly overall and particularly on this key measure of momentum, innovation and progression?

The first reason is undoubtedly what's going on in its own category. In the last few years we've seen that category trends are no longer being driven by the big players, but by targeted, niche brands. Super-premium on the one hand and craft on the other have witnessed phenomenal growth. In this context, the mass brands have increasingly come to represent a 'safe' but uninteresting choice.

But the Cultural Traction™ study highlights an even broader challenge – the decline of alcohol's role and relevance in the world of consumers. Looking at the highest-ranking brands, it is technology that dominates. Whilst there may be an element of category impact going on here, we think it goes further than that. These brands are doing something for people which is meaningful and engaging, and which gives them a relevant cultural presence.

Whereas, people in the past have used mainstream alcohol brands to mark out their identity and status, technology brands are increasingly fulfilling this role. What phone you have is far more important in communicating your identity and values than the beer you choose to drink. And on top of this, technology brands are eroding the very 'social bonding' territory which has been the preserve of alcohol for so many years. The tech brands are trouncing alcohol in forming and facilitating interactions, experiences and relationships with and for their consumers – thus building affinity and cultural relevance.

The 'Big Boys' in alcohol need to recognize the shifts that are going on around them, not only in their own categories but in culture more broadly. They need to ask themselves the challenging question – do big brands in alcohol work and will they continue to work? They need to recapture the essence of what they can offer and express it in a relevant way. It's time for a refresh.

For more information on the alcohol brands, please visit www.added-value.com/culturaltraction

Mainstream alcohol brands seem to have lost their shine, and no longer feel like exciting cultural innovators.

Despite making healthy returns – Pernod Ricard have recently announced a 6% rise in profits – the larger global brands are not leading the innovation charge and they are not instigating truly emotive, meaningful conversations with their consumers.

As the Cultural Traction study shows, the global alcohol brands scored some of the lowest VIBE scores. Their scores for being 'Exciting' – being disruptive and having momentum – were particularly low.

The world of mainstream alcohol is currently facing threats on two fronts.

The status and excitement of these alcohol brands is being eroded from two directions –

- From the small, niche, craft alcohol brands that romanticise their production methods so much they threaten to make larger brands seem dull and industrial.
- And from tech brands, who have raced ahead to stake their claim on people's lives – stealing the emotional arena that alcohol used to fill, leaving it feeling remote and purely occasion-based.



On one side, small, craft brands have taken over the production story...

The world of craft brewing and distilling is booming – with over 2500 small breweries operating in the US, more than at any other point in history, and over 80 breweries opening each year in the UK.

With small batches and dedicated artisan makers, they can sentimentalise and champion their old-fashioned, niche and authentic production methods.



Its product designs reveal a mindfulness of the Cultural Trends which seem to drive a brand's VIBE.



The Kernel Brewery claims that good beer is deserving of attention. Their production story is all about flavour – embracing lengths and depths of flavour and even lingering bitterness. They produce a wide selection of different flavours for the beer connoisseur.



The Brooklyn Brewery have positioned themselves as foremost beer experts – publishing books, The Brewmaster's Table and Beer School, and also editing the comprehensive Oxford Companion To Beer. They claim no other brewery is as knowledgeable.



Chase Vodka sells itself as a labour of love. They use traditional methods to produce vodka with true provenance. They talk about their 'unique hand-crafted copper batch pot' and celebrate the farmland their products come from.

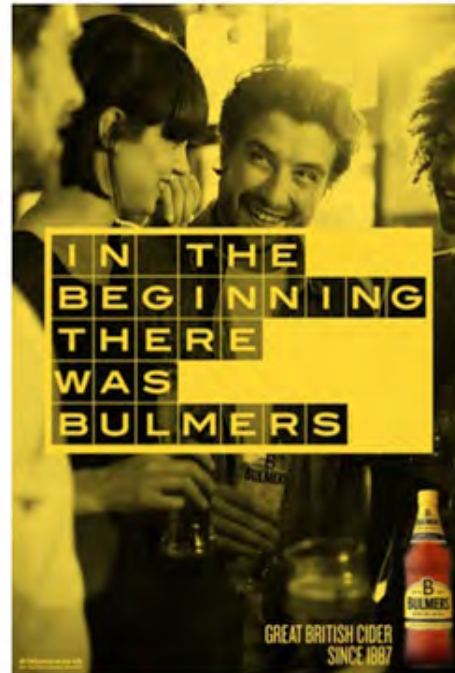


Sipsmith Gin drive home their independence and authenticity. They celebrate the artisanal methods used in their small batch gin, naming their copper still – the first in London for nearly 200 years – Prudence.

These small craft brands can entirely celebrate their product, tell the compelling story of its birth, and also talk about the discovery and challenge of new and subtle flavours.

For bigger brands, with large scale manufacturing processes, this angle is incredibly hard to pull off convincingly.

It leaves the large alcohol giants struggling to own a persuasive production story.



... And on the other, tech brands have taken over the emotional space.

The world has changed over the last few decades, and where alcohol used to be the badge by which people expressed their identity and status, it has increasingly been pushed to the side.

The ubiquitous and essential items of technology that everyone carries with them have become the means of expression and creativity.



Alcohol feels far less exciting than technology. It can't compete in terms of usefulness, but it also seems to insist upon talking about itself rather than connecting with the lives of its users.

Tech brands have become leaders in not only connecting with lives, but with enriching them – doing something which is meaningful and engaging. They therefore have a far more powerful cultural presence.

Although it is hard to be as well-connected as technology brands, we do see the big alcohol brands acting in tune with culture, and tapping into the Cultural Trends that seem to drive a brand's VIBE.



Total Immersion

Whole new worlds created for people to become fully immersed within. Being a passive audience member is not an option, and viewers are expected to participate in their own entertainment, transforming themselves into key players and experiencing new levels of stimulation.

Stella Artois teamed up with ground-breaking immersive theatre group, Punchdrunk, to create a first hand brand experience. They invited the public to a perfectly created world of 60 France, which soon became an interactive drama of mystery, treachery and intrigue.



Accessible Creativity

Creativity for the otherwise uncreative – simple, readily available ways of expressing individuality. Empowering people to communicate their identity and taste by making products that are perfect for them and them alone.

Absolut pushed their creativity with their iconic bottle even further with a series of limited edition one-offs. They made four million uniquely designed and numbered bottles. A series of complex coating, pattern and placement algorithms meant that each specific combination was never repeated, so every single bottle was a completely unique work of art.



Enhanced Experience

Transforming everything into something more compelling. This is about injecting energy and meaning into the otherwise ordinary, so that nothing remains ordinary.

Johnnie Walker House in Shanghai was created as an embassy for whisky culture – the first of its kind outside Scotland. It aims to help people discover the status and rich heritage of Scotch whisky. A true luxury experience – provenance, the blender's art, and the vibrant story are woven into the very fabric of the space, creating a rich, immersive experience.



Hyper Local

The strong connection people are feeling to their local areas – the streets, neighbourhoods, and shops around them. They're willing to stand up for them and willing to change their behaviour to protect, support, and keep them flourishing.

Smirnoff's "Nightlife Exchange Project" tapped in to local pride by sharing the best nightlife of each area. Party-goers from all around the world were able to sample a taste of another scene from another city.

But to make a true impact, they need to start thinking much bigger.

To be truly exciting and culturally connected, alcohol brands need to be thinking outside their own category, and creating a wider impact in the world.

The brands that manage to really own emotional spaces do so because they start a conversation that echoes further and reaches deeper.



Where **Stella Artois** created a buzz around an interactive and engaging experience, **Red Bull** creates intense experiences time after time that capture the imagination and wonder of the masses.



Where **Absolut** pushed their creativity with unique limited editions, **Instagram** captured the imagination of a whole generation, by allowing them to explore and express their own creativity.



Where **Smirnoff** tapped into local spirit, **Nike** consistently push it further – setting area against area and provoking camaraderie and playful competition.



Where **Johnnie Walker** embraced a bespoke luxury experience, **Burberry's** London flagship store has been designed as a physical manifestation of the website; interactive, innovative and delightful.

So, what can the big, global alcohol brands do to ensure they are culturally relevant?

Global alcohol brands should make a virtue of their size, fame and clout. They are in a uniquely privileged position to start conversations and to be heard.

They should focus energy on creating and executing stories that have a tangible impact, that mean something to people and that allow the brands to participate in people's lives.

This would enable them to have a resonance within their own category and out in the wider world