

Brands in times of crisis - and still successful?

LOOKING FORWARD | Breweries were hit hard during the pandemic. The lockdown hit those breweries that focus their brand strongly on regional gastronomy, seasonal events and local experiences particularly hard. Tough times for brewers as a result - but even tougher times for beer brands with declining per capita consumption and overcapacities of beer sold. So what is to be done?
How can this be countered?

according to the deut-
The German Brewers' Association (DBB) is facing further difficult years. The approximately 1500 existing breweries in Germany will be under massive cost pressure in order to maintain their production operations at all. Rising costs for raw materials, intermediate products, energy as well as personnel and logistics can only partly be passed on to trade and end consumers through price increases. According to the DBB, the brewing industry is facing a "painful consolidation phase". The more than three-year crisis mode is ultimately an intensive shock phase for the industry, which will ultimately separate the "wheat from the chaff". A brewery death 2.0 will be the result. Ultimately, this consolidation was based on

Long foreseeable due to the oversupply of beer in Central Europe, it will now hit with even greater force and vehemence the more medium-sized and smaller breweries that lack financial resilience and sustainable consumer relevance for their brands.

Appearance or reality?

Ultimately, too much beer is brewed in Germany (Fig. 1). Or to put it another way:

The potential quantity of beers no longer finds enough takers. There are several reasons for this, which can be summarised very briefly (and without claiming to be exhaustive):

- Demographic ageing means that fewer and fewer potential beer consumers are available in Central Europe as older (and numerically stronger) cohorts gradually "retire".
- It has still not been possible to find woman-

The aim of the project is to expand the market to a larger target group (in terms of per capita consumption).

- More and more alternatives to beer are available to relatively fewer younger people as a means of enjoyment (with or without alcohol).
- New nutrition trends such as self-optimisation, beauty, low-carb, health, etc. are not spontaneously associated with beer.

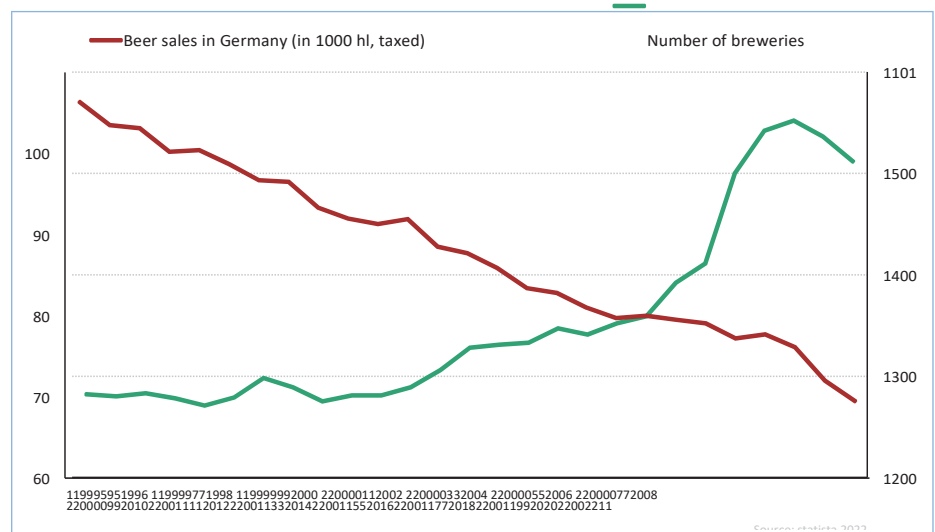


Fig. 1 Development of beer output and number of breweries in Germany

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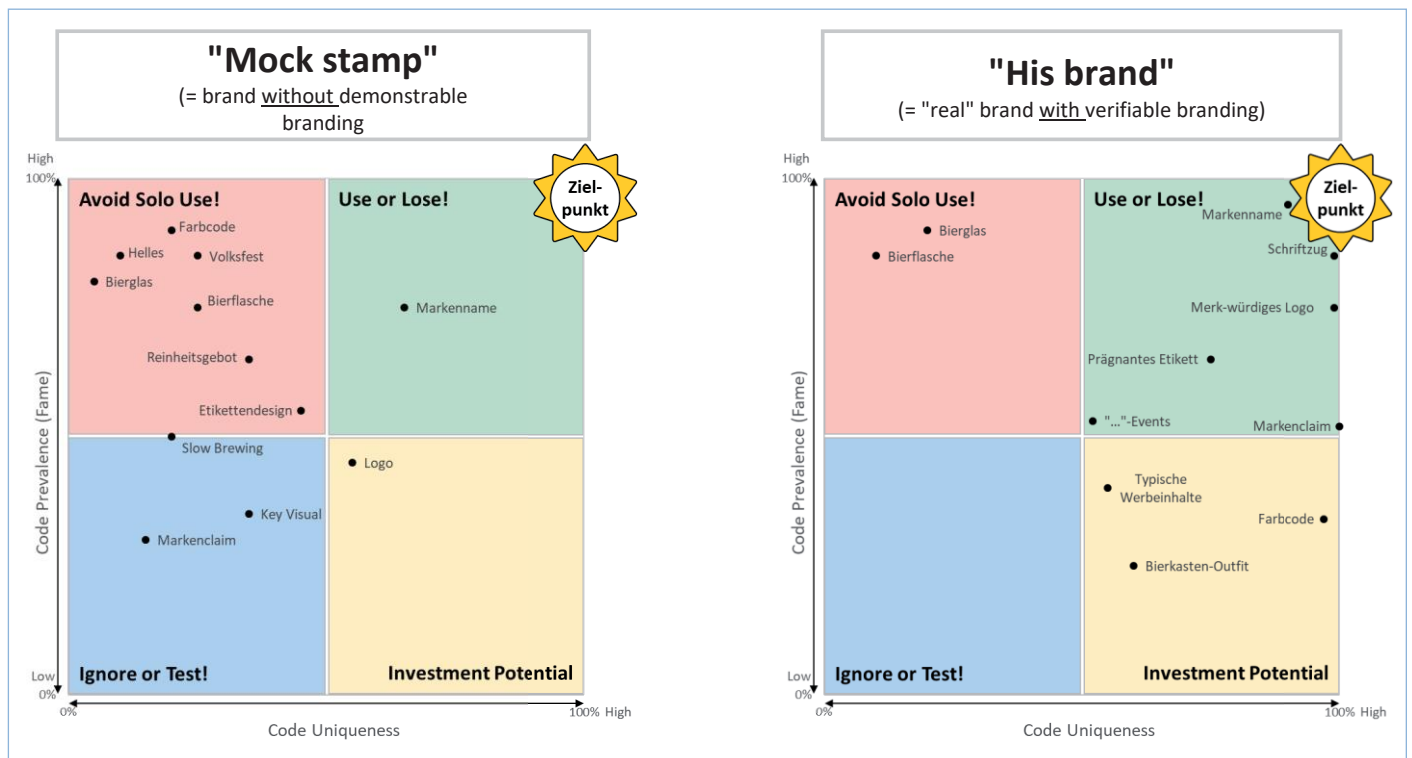


Fig. 2 Successful branding and less successful branding of medium-sized breweries

■ Migration effects change the cultural composition especially in younger (urban) generational cohorts and require specific, new approaches to beer for these populations - most producers have succeeded at best sufficiently. At the same time as the declining pro-

In the meantime, the number of breweries had even increased in relation to the per capita consumption of beer (Fig. 1). This is partly due to the impulses of the craft beer trend, which had a rather marginal effect in terms of hectolitres, but was all the more important for the rediscovery of the brewing trade with numerous new home breweries, garage breweries and microbreweries.

Since the pandemic at the latest, the number of breweries has begun to decline again: simply brewing beer is "just too little" these days! If a brewery does not know how to communicate its own story to its potential customers in a striking and constantly updated way, it will have an increasingly difficult time making itself heard by consumers in our feveryday world. And those who, as a medium-sized brewery with regional or even supra-regional aspirations, have still not managed to achieve a demonstrable "men- tal availability" in the perception of consumers.

If a brewery is able to build up its brand by "branding the brain", it will have a hard time surviving the age of brewery death 2.0 that has now **begin**

This is because many breweries are psycho- logically much less of a brand than they believe themselves to be. To be a brand means to have built up a branding that is distinctive in the long term. According to the marketing professor Jenni Romaniuk (among others in her new book "Better Brand Health"), it is central for sustainable brand management and dramatically easier storytelling if a brand has 3 - 5 Distinc- tive Brand Assets: Characteristics of a brand that are known in the category buyer environment (internationally or nationally or regionally!) and that unmistakably associated only with the brand itself (Fig. 2). In addition to logo, lettering, colour codes, labels, claims, audio sounds, these can also include clear regional references, communication styles and much more. Ultimately, the 100% unvarnished, honest and unbiased view of consumers is decisive for brand managers to seriously claim to have a "well-maintained" brand. If the external view (consumers) paints a different picture than the one in the

(brand managers, companies), then there should be no hesitation in starting actual brand management for such brands. "mock stamps" are started.

Loosely based on Erich Kästner's proverb: There is nothing good among brands, either, unless you do it (namely long-term brand management). Consistent branding means that such a brand is not a commodity to be exchanged via distinc- tiveness fed back from consumers. Profiling via brand assets that can be intuitively retrieved and assigned to a brand at any time is sometimes more important than a detailed entanglement in sophisticated positioning wordings or lofty purpose hymns. Simple symbolism leads to quick, action- triggering behaviour (system 1, according to Daniel Kahneman) than a lot of explanations that require more thought (system 2).

Without any branding, the only decisive criterion is the random purchase or the price. Even in the case of Hellbie- ren, which enjoyed a high for many years, the variety of suppliers with simultaneous monotony in the creative appearance (Bavarian white-blue colour code of the labels, Euro bottle, Bavarian symbolism of rhombus, pretzel, dirndl & co.) and gradual saturation of the market is likely to be a problem.

lead to price reflexes among consumers, as we have experienced with Pilsner for decades. A lack of relevance and distinctiveness almost always leads to a sidetrack.

Branding is a central tool for systematic brand management. Shirking a consistent codification of a brand with the argument that there is no money for communication will endanger the success of a company sooner or later. Communicated branding can be cleverly staged using certain lighthouse tools: such as the Zötler brewery with special beer mats (distinctive!) in the Allgäu format, Flensburger with the typical successive pop sound for a rather wordless but connected and self-contained community of men without "strangeness" or the Rügen island brewery with its unique packaging, which makes their expeditions into the beer kingdom feel like a gift. Beer mugs are currently less than "merk-worthy" assets. In most cases, they are forgotten just as quickly as most beer crates (unless they stand out from the rest). Crown caps, on the other hand, can be all the more memorable, ideally reminding people of the brand through simple co-designations every time the bottles are opened.

Human behaviour in times of crisis

Those who are a "being brand" with a number of distinctive brand assets generally have an easier time in times of crisis and can deal with price sensitivities more easily than "pretend brands" with an unclear, blurred wishy-washy or plain Jane impression. It is also easier for "being brands" to maintain communication with consumers in times of crisis by addressing brand assets they have already learned. But not communicating at all is always the wrong solution, according to numerous representative marketing research studies by the renowned Ehrenberg-Bass Institute.

In situations of danger, stress or crisis, people tend to close their minds to the problems. A reflex known from evolutionary research is the "flight from difficulties". In the

In animal terms, this corresponds to an antelope running away when hungry lions are approaching. In humans, flight is often synonymous with everyday escapes. Much more common, however, is the "ostrich effect", in which stressful but urgent matters are simply Like the ostrich, we bury our heads in the sand and hope that the problems will move on - and that we can cry on later as we are used to. But things will never get better if we look the other way and wait.

Even brand-name companies that had virtually set communication and marketing maintenance to zero during the pandemic experience in the period afterwards that they were much more forgotten than, for example, those suppliers who sought interaction with consumers precisely in such times of crisis. Attack is still the best defence - especially in times of crisis and recession!

It has been repeatedly proven (Fig. 4) that - provided a crisis has been brands that increased their communicative activities during crises perform significantly better in terms of image and sales after a recovery than the others, the timid, the hesitant and the wallflowers. Those who significantly increase their share of voice in times of crisis compared to others can do better in the period thereafter.

on average expect disproportionate growth, as economists determined for the 2008 financial crisis. In contrast, companies that cut back on communication achieve zero growth in the best case (but usually further contraction).

If market penetration is therefore also about having interpretive sovereignty for brand signals, this means strengthening the subconscious feeling of fame (yes, I know these brands somehow - yes, I know the logo, the key visual, the special catchword, the claim, etc.) in order to build up a mental presence among consumers. Or in the words of marketing blogger Bob Hoffman about the awareness effects of brand communication: "The most expensive way to become famous is through advertising. It is the most expensive, but also the most reliable. It's the only avenue to fame that you can buy your way into. And further: The most compelling advertising objective for any brand that aspires to be highly successful is to become famous. And the most compelling advertising objective for any brand that is already famous is to remain famous!"

Actually, we know this from our own experiences as pupils in our childhood days: those who do better than average at school make a good impression on the teachers as good pupils. Who be-

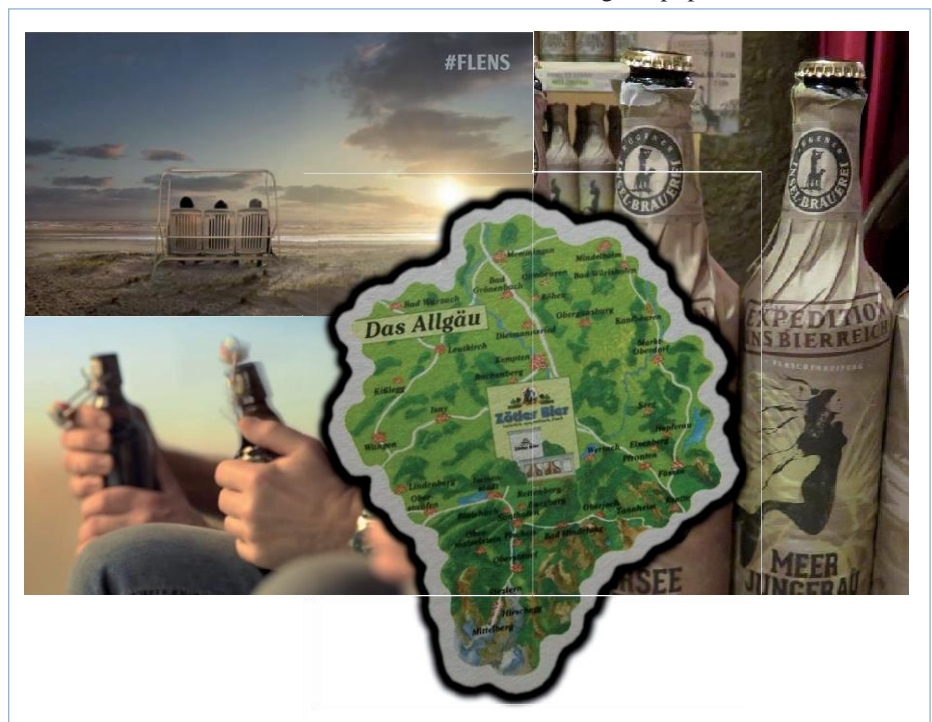


Fig. 3 Effective branding for beer

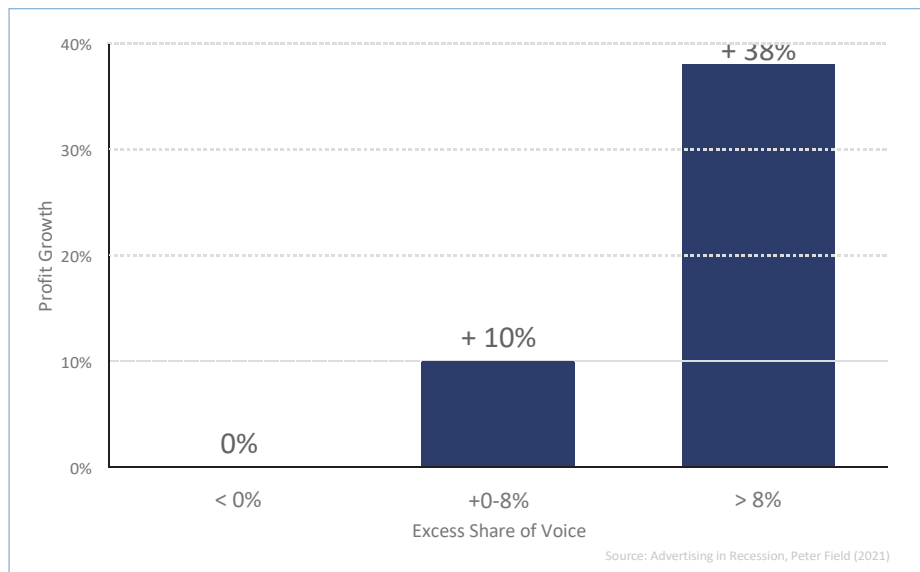


Fig. 4 Growth effects after the 2008 crisis, taking into account communication expenditure during the crisis

The one who is particularly loud and stands out in terms of appearance is the one who is noticed. All others are quickly forgotten.

Seven steps to more attention in times of crisis

There are certainly many more aspects that need to be considered. For smaller brand manufacturers of beverages or manufacturers with brands that still have deficits in branding, these seven steps can be helpful guidelines for their own brand management.

In any case: Communicate

No matter what we do and what we do. We cannot "not communicate", as the former communication researcher Paul Watzlawick once put it. So it is better to seek direct interaction with consumers in the desired direction than to remain quiet and inactive. Not communicating also communicates - unfortunately then in the form that such a brand is not perceived by the consumer.

is quickly dismissed as pale, unspecific and irrelevant.

Focus

Strategy is, above all, what you DON'T do. Today, it is much more important that consumers remember a certain brand in certain situations or for certain contexts than that they know a lot about it in depth. That takes our brains far too long. Therefore, seek fast System 1 communication via focused addresses and distinctive signal codes and brand signals with the aim of gradual distinctiveness. Brands must be simple! It is about finding central brand codes and anchoring them successfully.

Maintain brands

Brand support should always be prioritised higher, not lower. Those who do not maintain their garden experience wild growth. If you don't keep your brewery clean, you will stumble across rubbish and litter. In principle, it is the same with brands that are unkempt.

Staying present with the consumer

It is important to maintain the salience of the brand in the target group and to know about the current perception. This can even be achieved with smaller budgets, as the share of voice is easier to achieve when competitors temporarily spend less or nothing at all.

Trust and security offer Costs for new communication concepts can often be saved in times of crisis. It is precisely then that it is time to use familiar brand signals and confirm the target group's knowledge instead of hoping that they will want to learn new messages. This is annoying for ambitious product managers and agencies, but very healthy for the brand. There are very few exceptions to this golden rule. When et-wa brand communication is suddenly different in the new economic context, z. e.g. is interpreted as obscene or arrogant, then a change should also be made in times of crisis.

Do not lower the price

Always defending an achieved award - and thus the perception of the award-worthiness of one's own brand. Promotions are allowed, they have to be. But when target groups have learned a lower price value, it becomes much more difficult to implement price increases in the future. Profitability remains permanently weak with price promotions, competition with the competition can no longer be financed.

Thinking ahead

There will be life after the crisis. Develop new offers during the crisis that can be launched immediately during the next upswing and that are relevant to consumers and demonstrably trigger a wow. ■