

AB InBev

& Smart Drinking

Executive Summary

An Analysis of How the
World's Largest Beer
Company Contributes
to the Reduction of
Harmful Alcohol Use

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Attributions

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Contacts

Georgetown Business for Impact

Leslie Crutchfield, Executive Director
Georgetown University
McDonough School of Business
Hariri Building, Suite 320
37th and O Streets, NW
Washington, DC 20057
Email: BusinessforImpact@Georgetown.edu
Web: businessforimpact.georgetown.edu

Brands on a Mission

Myriam Sidibe, Chief Mission Officer & Founder
Brands on a Mission
PO Box 30062
00100 Nairobi
Kenya
Email: mission@brandsonamission.com
Web: brandsonamission.com

Introduction

Public health leaders estimate that harmful consumption of all forms of alcohol such as beer, wine, and spirits contributes to more than 3 million deaths annually and more than 5% of the global burden of disease and injury.¹ In 2010, the World Health Organization (WHO) prioritized confronting harmful alcohol use as a global public health imperative, calling for action by governments, civil society organizations, academia, and the alcohol industry to reduce harmful drinking by 10% by 2025.

In response, Anheuser-Busch InBev (AB InBev), the global brewing company, announced in 2015 it would invest \$1 billion USD to reduce harmful drinking through a new initiative – the Global Smart Drinking Goals (GSDGs). The initiative built on AB InBev's longstanding commitment to reducing alcohol-related harms caused by impaired driving, binge drinking, underage drinking, and gender-based violence, among other problem behaviors. The GSDGs centered on innovative, evidenced-based efforts to empower consumers to make “smart drinking” choices, shift societal norms, and measurably decrease harmful consumption.



The Carling Black Label #NoExcuse Campaign in South Africa brings awareness to the role drinking can play in gender-based violence.

This case, *AB InBev and Smart Drinking*, provides analysis of the company's progress during the GSDGs' first five years and offers recommendations for how AB InBev can strengthen its approach. It also includes

insights for other industry leaders to inform corporate sustainability efforts that aim to create customer and shareholder value while protecting people's health.

Global Health Context

In recent decades, public health leaders worldwide have increasingly focused on the burden of disease and injury related to harmful alcohol consumption. Alcohol misuse contributes to harms such as road accidents, drowning, poisoning, burns, falls, addiction, and suicide. Alcohol is also a known trigger of gender-based violence, among other forms of physical abuse. Alcohol consumption by children and adolescents can cause significant health effects, such as impaired growth and brain development.²

The challenge of grappling with how to safely allow for the production and consumption of alcohol while protecting public health is complicated, because alcohol is produced by commercial actors that have a vested economic interest in selling more alcohol. Historically, the relationship between the public health community and alcohol producers has been antagonistic. In the last decade, however, this dynamic has begun to shift as WHO leaders recognize that just as industry contributes to the problem of harmful drinking, it might also play a role in solving it.³ Even so, when AB InBev launched the Global Smart Drinking Goals, few good models existed for how the alcohol industry and the public health community could work together successfully.

The Company and its Commitment

AB InBev is a global company based in Leuven, Belgium, with a reported \$46.9 billion USD revenue in 2020. It produces more than 500 beer brands sold in 150 countries. Some of its most popular brands include Aguila, Budweiser, Carling, Corona, Michelob, O'Doul's (a non-alcoholic beer), and Stella Artois. AB InBev has long been committed to reducing and preventing harmful drinking. In 2013, AB InBev joined with other alcohol producers in signing the International Alliance for Responsible Drinking's "Producer Commitments" as a key part of a joint industry effort to contribute to reducing harmful drinking. That same year, AB InBev began planning its Global Smart Drinking Goals (GSDGs) initiative. The centerpiece of AB InBev's efforts was launched in 2015, when the company announced its intention to invest at least \$1 billion USD by the end of 2025 to achieve these four GSDGs.

1

Change social norms around harmful drinking through social norms marketing campaigns

2

Create guidance labels on all eligible product packaging to enable consumers to make more informed choices

3

Reduce the harmful use of alcohol by at least 10% in six cities by the end of 2020, and implement the best practices globally by the end of 2025

4

Diversify the company's product offerings to include more no- and lower-alcohol beers (NABLAB)

AB InBev's Global Smart Drinking Goals

Changing Behaviors Through Social Norms



Multi-Year Pilots

Reduce the **harmful use of alcohol** by at least 10% in six cities by the end of 2020.

Implement the **best practices** globally by the end of 2025.



Social Norms

Influence **social norms and individual behaviors** to reduce harmful alcohol use by investing at least 1 billion USD across our markets in dedicated social marketing campaigns and related programs by the end of 2025.

Empowering Consumers Through Choice



Product Portfolio

Ensure **No-Alcohol or Lower-Alcohol beer products** represent at least 20% of AB InBev's global beer volume by the end of 2025.



Alcohol Health Literacy

Place a **Guidance Label** on all of our beer products in all of our markets by the end of 2020.

Increase **alcohol health literacy** by the end of 2025.

The four goals were designed to leverage the company's global footprint, core marketing capabilities, deep financial assets, and powerful cultural influence to combat harmful drinking. Working to achieve the goals has involved AB InBev changing commercial operations as well as establishing a new philanthropic entity – the AB InBev Foundation. On the commercial side, AB InBev is expanding its product line by creating no- and lower-alcohol beverages that give consumers healthier drinking choices. It is also incorporating social marketing messages into its brand marketing campaigns and on its packaging to promote “smart drinking” behaviors. On the Foundation side, the company is driving systemic change in local communities to reduce alcohol-related harms through programs, policy advocacy, and cross-sector collaborations.

Through these efforts, AB InBev is harnessing the power of both its core business model and its philanthropic resources to reduce the harms caused by alcohol misuse. Our analysis demonstrates that AB InBev's approach surpasses traditional corporate social responsibility efforts as the company aspires to create *shared value*, as defined by Porter and Kramer, to deliver shared social, environmental, and economic value through core business operations.⁴

Progress to Date: Highlights

From the outset, the AB InBev's GSDGs initiative was ambitious in design, geographic scope, and scale of intended impact. A key early step was to establish the Foundation as a nonprofit under the leadership of a globally-renowned public health and medical expert as President and a board comprised of both AB InBev executives and government, nonprofit, and academic leaders. This approach enabled the Foundation to serve as a bridge between the company and public health community leaders, many of whom were wary of working directly with an alcohol producer.

Through the Foundation, AB InBev developed and supported the implementation of programs designed to shift harmful drinking awareness, attitudes, and behaviors in the six City Pilot locations and across the other GSDGs. In each City Pilot location, AB InBev established a local Steering Committee. The company also engaged global public health experts with proven experience in designing and delivering social norms marketing and behavior change campaigns, among other areas of expertise. The experts worked closely with AB InBev executives and local partners

to develop or expand programs in the six cities. They also helped guide AB InBev executives on the commercial side of the business in implementing the other GSDGs.



Co-creation workshop as part of the Brasilia City Pilot's Responsible Beverage Service program

For instance, on the commercial side, academic, public health, and social marketing experts helped guide AB InBev brand teams on developing new campaigns that incorporated creative social norm and behavior change messages; bottles, cans, and packaging were updated to include evidence-based smart drinking messages; and new products were formulated to expand AB InBev's inventory of lower- and non-alcoholic beverages.

Progress on the Goals

Goal 1: Change harmful drinking social norms through social norms marketing campaigns

By 2020, AB InBev had invested more than \$250 million USD across its markets in dedicated social norms marketing campaigns and programs. AB InBev also developed a Smart Drinking Toolkit to guide its marketing teams and received direct input from public health experts to inform its social norms marketing practices. An annual internal competition between brands to build social norms campaigns had spurred more than 80 social norms marketing campaigns by 2020. Analysis of three of AB InBev's branded social marketing campaigns – Aguila in Colombia, Budweiser in the U.S., and Carling Black Label in South Africa – revealed successful contributions to reducing harmful drinking behaviors and shifting drinking-related attitudes while the campaigns were active. However, long-term behavioral and norm shifts were not measured.



Budweiser Drink Wiser Campaign images

Goal 2: Create guidance labels on all eligible product packaging to enable consumer to make more informed choices

Responding to WHO's appeal to alcohol producers to voluntarily provide on-pack labels with health guidance, by 2020 AB InBev had successfully placed guidance labels on at least 81% of its eligible beer products consumed in countries that did not already have a legally-mandated health guidance policy. Though the guidance label rollout was swift, the impact on consumer norms, attitudes, and behavior was not clear. Also, challenges were identified in coordinating the work of the public health experts responsible for developing and testing the labels and the commercial teams responsible for placing them on their products.



Goal 3: Reduce the harmful use of alcohol by at least 10% in six cities by the end of 2020, and implement best practices globally by the end of 2025

The first City Pilot site was established by AB InBev in Zacatecas, Mexico in 2014. With the creation of the AB InBev Foundation in 2016, five additional sites were identified: Brasilia, Brazil; Columbus, Ohio; Jiangshan, China; Johannesburg, South Africa; and Leuven, Belgium. By 2020, Zacatecas had achieved the goal of contributing to a 10% reduction in harmful drinking in the region, and Brasilia was close to reaching the 10% goal. The other two City Pilots had made partial progress toward that goal. The City Pilot in Jiangshan, China never officially launched. Best practices established in key cities such as Zacatecas and Brasilia were starting to be replicated as of 2020. Successful activities were completed in many of these City Pilots, but some of the interventions were ineffective or had mixed results because of their unintended negative consequences; all efforts were measured and documented so that lessons could be extracted and applied to future activities. Recommendations are provided in the full case study that can enhance the efficacy of work done at the local level in these six cities and in future sites.



Breathalyzer machines were distributed as part of the Zacatecas City Pilot's Road Safety program.

Goal 4: Reformulate and diversify beer product offerings to include more no- and lower-alcohol beers (NABLAB) to empower consumers with choice

AB InBev aspired to have no- and lower-alcohol beer (NABLAB) products constitute at least 20% of its global beer volume by 2025. AB InBev's target was for existing drinkers to integrate beers with no alcohol or beers with 3.5% ABV or lower into their current drink choices, thereby reducing their overall total alcohol intake. Following the launch of the GSDGs in 2015, this percentage rose slightly from 6.66% to a high of 7.4% in 2018, then fell back to 6.58% in 2020. While AB InBev had made progress in diversifying its product line to include NABLAB choices, it made essentially no progress toward increasing NABLAB product sales to 20% of its global beer volume.



Promotional event for the no-alcohol Jupiler 0.0 in Belgium

The case study includes insights on some of the benefits that can accrue if NABLAB's market share was to grow in conjunction with making progress toward the other GSDGs.

By the end of 2020, after the first five years of the GSDGs initiative, AB InBev had invested more than \$335 million USD in achieving the four goals. The majority of financial investment, more than 70%, supported the social norms marketing campaigns (Goal 1), about 10% supported cross-goal initiatives, and the remainder went toward the other individual GSDGs.

The full case study, *AB InBev and Smart Drinking*, includes in-depth analysis of the company's implementation of the GSDGs, exploring what worked, what did not, and what opportunities exist to strengthen its approach going forward. Key findings include the following:

- AB InBev's Global Smart Drinking initiative was successful in bringing together public health and corporate leaders to work collaboratively toward the common goal of reducing harmful drinking. This was a noteworthy, first-of-its-kind initiative that holds promise as a model for other companies that aspire to have a positive impact on society while balancing the triple bottom line – people, planet, and profit.
- Commitment from the top is key. AB InBev CEO Carlos Brito held a strong, authentic, and deeply personal commitment to the GSDGs. He and his leadership team inspired action across the company, guided by his clear-eyed view that AB InBev is not intent on making profit at the expense of society; rather AB InBev's employees and partners are part of the community and benefit from reduced harmful drinking, just as consumers do. Incoming CEO Michel Doukeris has affirmed his strong support for the GSDGs.
- Marked differences exist between commercial and public health organizational cultures. For instance, we observed that the speed with which AB InBev aspired to operationalize its goals was faster than the pace the public health advisors could accommodate while ensuring that scientifically sound practices were being employed.
- AB InBev executives embraced a “fail forward” mentality; they were comfortable with setting ambitious goals and then striving to achieve them, considering any progress a success if it was a step forward toward reducing harmful drinking and as long as it contributed to continuous learning. On the other hand, some public health leaders would not classify AB InBev's efforts as a success unless the goal was actually achieved.
- The timeframes for achieving durable social changes are much longer than commercial product marketing and sales cycles; it can take a decade or more to shift stubborn societal norms and permanently change health-related behaviors.

- While the ambition of the GSDGs initiative was laudable, the scope of the program was too large and diffuse. The four goals were being implemented across thousands of different markets, involved more than 80 popular brands. At the same time, AB InBev was targeting six cities for ambitious reductions in harmful drinking and its outcomes.



Tanzania's Kilimanjaro Beer includes Smart Drinking icons on the label.

Looking ahead, one of AB InBev's biggest opportunities will be to coordinate and align its efforts across the four GSDGs to drive change in a set of target markets. The next section offers recommendations geared to increase AB InBev's impact going forward.

Recommendations

Deepen Public Health Collaboration

AB InBev has done a commendable job engaging public health experts and creating pathways for them to provide strategic guidance and technical assistance in developing and delivering interventions across the four GSDGs. However, blending the different perspectives of commercial executives and public health leaders presented challenges during the first five years. The AB InBev Foundation served as an important bridge between the two sectors. By 2020, the Foundation had been reorganized and subsumed into the company. Going forward, AB InBev should consider hiring public health experts to work directly within its commercial teams, so these experts can continuously influence the development of social marketing campaigns across the company's hundreds of brands and ensure that the other GSDGs efforts are being implemented in accordance with evidence-based best practices.

Coordinate and Align Across Goals for Greater Impact

Individually, each of the GSDGs has the potential to contribute to reducing harmful drinking, but if the four goals were better coordinated strategically and implemented in common markets, AB InBev could potentially achieve even greater impact and do so more quickly. AB InBev should select a group of markets where the GSDGs campaigns and programs can be implemented in a synchronized way so that synergy is achieved

across the four goals. For instance, AB InBev could mount social norms marketing campaigns while launching or promoting NABLAB products in the same markets, and while expanding or replicating best practices from the City Pilots. For durable and widespread change to occur, consumers must be presented with the "smart drinking" messages in numerous ways at the same time, just as they need to have awareness of and access to "smarter" beverage choices such as low- or no-alcohol beer.



Billboard from the Aguila Live Responsibly Campaign



Design Social Marketing Campaigns to Drive Norm and Behavior Shifts that Stick

As AB InBev mounts social norms marketing campaigns across more brands and markets, it can shift its focus to achieve change that lasts beyond any single campaign. It's not enough to provide information or change attitudes in the short term; consumers need to believe that a new norm has taken root that supports and enforces smarter drinking choices over the long term. Changing stubborn norms and long-held behaviors can take years and decades – far longer than a three-month marketing campaign cycle. When developing and rolling out campaigns, AB InBev can consider launching more year-round initiatives that span multiple years to drive longer-term impact. AB InBev should also continue to engage social marketing experts who can use evidence-based behavioral science to increase the efficacy of their campaigns. The company can go farther by embedding these experts on the commercial side of the business to work directly with the brand marketing teams to design, implement, and evaluate the campaigns.

Measure Better

Measurement of individual behavior and social norm changes requires long-term investment in research and evaluation. Data must be collected before, during, and after campaigns to understand whether the intended impact was achieved or any unintended results may have occurred. Collecting baseline data in advance of an action, and putting in place mechanisms to continuously collect data to be evaluated over time, will be key to understanding the efficacy of AB InBev's contributions to harm reduction.

Lend Voice to Public Policies Supported by Public Health Experts

Some of the most impactful actions that AB InBev can take relate to policy advocacy. Global companies like AB InBev have direct relationships and an influential voice with policy makers and government agencies. By using its voice to support policies that promote public health, or by refraining from lobbying against policies that public health experts support, AB InBev can help reduce harmful drinking. For instance, AB InBev has publicly stated that it would not oppose reducing the legal drinking Blood Alcohol Content (BAC) limit to .05% anywhere in the world. AB InBev was the first and only alcohol company to make such a statement.

Looking Ahead

Harmful drinking is one of the most important issues facing society globally. With the launch of the GSDGs initiative, AB InBev has proven that reducing harmful drinking is a priority for the company. Building on these first five years of experience, AB InBev

now has opportunities to channel learnings and best practices into more focused and effective efforts going forward. Doing so will require increased coordination across goals, further engagement with public health experts and other partners, and

commitment to evaluating efforts for long-term impact. Through its efforts, AB InBev is demonstrating how a global company can create shared value for both business and society.



Members of the Brasilia City Pilot's Ambassador Program

Endnotes

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