

Miller Brewing Company

The ever-expanding brand

In the 1970s Miller Brewing Company faced something of an image problem. For years it had been positioning its core brand, Miller High Life, as ‘the champagne of beers’. Jazz musicians had been used in advertising campaigns to endorse the beer and to consolidate its sophisticated image, but the results were increasingly disappointing.

When *Business Week* profiled the company in November 1976, it explained the problem with Miller’s marketing strategy. ‘Sold for years as the champagne of beers, High Life was attracting a disproportionate share of women and upper-income consumers who were not big beer drinkers [. . .] A lot of people drank the beer, but none drank it in quantity.’ In order to differentiate itself from its macho rivals, Budweiser and Coors, Miller had feminized its core brand in a bid for wider share of the market. However, the company was starting to learn what Marlboro had realized the decade before when it replaced images of female smokers with the iconic Marlboro Man. The lesson was this: in reaching out to new customers, a brand risks alienating its core market. But help was at hand. Philip Morris, the owners of the Marlboro brand, had purchased Miller at the start of the decade. The company now realized what it had to do.

Just as the Marlboro Man had been an exaggerated image of masculinity, so the new advertising for Miller High Life was designed to out-macho its rivals. Out went the sophisticated jazz musicians, and in came testosterone fuelled oil workers glugging back the beer like there was no tomorrow above the no-nonsense slogan, ‘Now Comes Miller Time.’ As the testosterone levels rose, so too did sales, with High Life becoming the second most popular beer by 1977. However, by that time, Miller had another success story on its hands in the form of Miller Lite.

Miraculously, Miller managed to introduce this low-calorie beer without tarnishing its macho image. The ads, featuring leading sports figures and the strap-line ‘everything you always wanted in a beer – and less’, were very successful, and by 1983 Miller Lite was second only to Budweiser in the beer rankings. Less miraculously, it soon became apparent that the rising popularity of Miller Lite was offset by the declining popularity of High Life. While the introduction of the light beer in 1974 had led to increased overall sales in the short term, in the long term it was costing the company its original brand. Having peaked in 1979 with sales of over 20 million barrels, High Life was now in terminal decline.

What Miller should have learnt from this experience was that the success of one Miller brand was at the cost of another. As marketing expert Jack Trout famously put it, ‘in the mind, it’s one idea to a brand.’ But Miller continued to extend its brand in further directions, and with similar results. In 1986, the company launched a cold-filtered beer called Miller Genuine Draft. Again, the beer was a success. Again, the other Miller brands suffered. By 1991, sales of Miller Lite were starting to decline.

The incentive to launch new brands was still strong, though. After all, every new Miller beer which had emerged on the market increased sales for the company in the short term. And short-term trends were always going to be easier to spot than those which happen slowly, over years and decades. Rather than create completely new brands, the company kept on launching sub-brands under the Miller name. So whereas their 1970s counterparts were only offered Miller High Life, Miller

drinkers in the 1990s had considerably more choice. Walking into a bar or supermarket, they not only had to choose between Miller, Coors and Budweiser, but between various brands within the Miller range itself.

There was still Miller High Life (hanging on by a thread) and Miller Lite, but also Miller Lite Ice, Miller High Life Lite, Miller Genuine Draft, Miller Genuine Draft Lite, Miller Reserve, Miller Reserve Lite, Miller Reserve Amber Ale and the very short-lived Miller Clear. The trouble was not so much that there were too many Miller brands (although that was indeed a problem) but that they were variations of each other, rather than a variation of one core brand. (Incidentally, this theory explains why Diet Coke succeeded where New Coke failed. Whereas the former had supplemented the original brand, the latter had eradicated it completely.)

In 1996 Miller decided to address this situation, adding yet another brand to the mix, Miller Regular. The company had looked at the success of its rivals' regular beers and wanted a piece of the action. In other words, they wanted a beer which would come to represent everything Miller stood for, which by that point was rather a lot. The only problem was that with so many Miller brands already out there, launching another one (even with a US \$50 million marketing budget) was always going to be a challenge, especially when it had such an unassuming name. With an apparently limitless array of Millers to choose from, most people assumed that Miller Regular had always been there. As a result, the brand failed to make an impact and Miller eventually decided to withdraw it altogether. The problem of identity, however, still remained. Whereas drinkers could go into a bar and say to the bartender, 'I'll have a Budweiser,' causing little confusion, if they said, 'I'll have a Miller,' the bartender would inevitably ask, 'Which Miller?'

As Jack Trout wrote in his excellent and influential book, *The New Positioning*, 'the more variations you attach to the brand, the more the mind loses focus.' Miller hadn't just alienated its core customers, it had completely baffled them. Whereas in the 1970s Miller had achieved its success by tightening its focus, by the time the company had reached the new millennium it had broadened itself beyond recognition. While Miller's long-standing rival, Budweiser, has now taken its regular brand identity to new levels of simplicity (reflected in the one-word strap line, 'True'), Miller still suffers from a lack of coherence. So, although the beer itself may taste great, the brand has definitely become watered down.

Lessons from Miller

Don't extend your brand too far. 'Leverage is good, too much leverage is bad,' says brand guru Tom Peters. He is joined in this opinion by Al Ries and Jack Trout, for whom 'The Law of Line Extension' is one of 'The 22 Immutable Laws of Marketing.' This law states, 'if you want to be successful today, you have to narrow the focus in order to build a position in the prospect's mind.'

Have a core brand. While Ries and Trout are right to highlight the potential problems of line extension, it is important to differentiate between those companies that can get away with it, and those that can't. Brand extensions aren't bad in themselves. For instance, nobody in his or her right mind would call *Diet Coke* a bad branding decision. Even Miller's chief competitors have played the extension game. In some respects, Budweiser is as guilty as Miller at broadening its line (consider Bud Light, Bud Dry and Bud Ice, for example), but unlike Miller, it has a core brand, Budweiser itself. Miller, on the other hand, has merely become the sum of its many parts. By the time the company tried to rectify the situation, with the launch of Miller Regular in 1996, it had left it too late.

Learn from your mistakes. Miller was clearly too focused on the success of each new brand it created to understand the negative impact these new brands were having on its existing beers.

Change your brand name. Although Miller was launching new brands, it kept hold of the 'Miller' name. If the company had created completely new names for each range, there would have been less consumer confusion.