

Marketing Research of New Alcohol Brand in United States

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Abstract. This paper is mainly divided into four parts, including an introduction, a literature review, the main body, and the conclusion. The main research direction is how new alcohol brands can be advertised and promoted under the existing difficulties in the market. There are a lot of difficulties in the U.S. alcohol market these days. On the one hand, there are many alcohol brands that have been in operation for many years, and they have a wide range of users, with relatively stable sales volume and reputation. On the other hand, the whole alcohol market is in a depressed state due to the impact of the Covid-19. In the wake of the pandemic, a decline in social interaction and increasing health concerns have contributed to a decrease in the need of alcoholic products. With technical developments, the way of information exposure is more diversified than before. Online promotion is easier to attract young people's attention in a short time. By comparison, the traditional promotion method focusing on offline is no longer enough to meet the needs of a new brand entering the market. Hence, this paper explains in detail about the problems in the alcohol market, several factors that are causing them and possible solutions and modes of campaigns.

Keywords: Alcohol marketing in the United States, difficulties faced by new alcohol brands, pr campaign and measurement

1. Introduction

In the United States, there are not many government restrictions on the use of alcohol. Except that people over the age of 21 can drink, there are also not many restrictions on the sale and promotion of alcohol. But as things stand, the alcohol market in the United States is close to saturation in recent years. Currently, there are already diverse brands on the market, some of which have been inherited for years and decades and have stable operation models. Many brands also have fixed audiences as well as customers who like the brand's alcoholic culture through the accumulation of time. Under these circumstances, the creation of a new alcohol brand can hardly attract the public attention. New brands have no choice but to make great efforts to study the particularity of products. At the same time, they need to spend more thoughts and energy on brand promotion, so that they can occupy a place in the nearly saturated market. From the consumers' perspective, their preferences are changing. So far from 2020, the world has been affected by COVID-19. People's thoughts are changing, leading to their consumption concepts are also changing invisibly. Health is getting more and more attention. Alcohol, however, has a negative effect on health. When people gradually value health more, they choose alcohol brands more carefully and may be more trusted with established brands than new ones, which is a reason that causes the hardship of new alcoholic brands and companies. The ideology of the market has also tended to focus more on brand quality in the wake of the pandemic. Corporate closures and high unemployment due to the pandemic have strained customers' budgets, while the need for health has increased. The main content of this paper is to combine some knowledge of public relations and put forward some feasible methods to solve the problem of how to enter the market of alcohol brands in the United States considering the enhancement of the popularity, public awareness, and market acceptance of a new company. According to the structure of the main body paragraphs, the problems of new alcohol brands, the reasons for the barriers and possible solutions are respectively included. The first section explains the difficulties faced by alcohol brands. According to existing analysis reports, most alcohol brands' marketing still takes place offline, especially in small stores or supermarkets that sell particular brands of alcohol. Advertising on the outside of supermarkets is rare compared to inside ones. The second part explains why this paper exists. In this era of rapid information development, the past marketing methods can no longer lead to a prominent influence.

Also, there are many alcohol brands in the market, which are close to saturation. Under this circumstance, preexisting marketing campaigns could not meet the needs of brand popularity in a limited time period. To summarize the common points in the references, the problems faced by alcohol brands include lack of ability to stand out in the same category, the lack of competitiveness caused by inadequate characteristics, deficiency of appropriate advertising, and the shortcoming on the control and positioning of the targeted consumers. Therefore, this paper is written to explore possible solutions mainly focusing on designing a more comprehensive campaign, including advertising through media, cooperation with bartenders, etc. The last part is focused on the relationship between marketing, media, and the public to explore more comprehensive marketing possibilities in the future. These may include continuous improvement of offline promotions and how to use the invisible resources brought by the media to quickly expand the impact and audience of the brand.

2. Literature Review

Although there isn't any paper directly consistent with the research topic of this paper in the previous literature, there are many articles that study the relationship between marketing, media and users, as well as articles about the alcohol markets in the United States. During the background investigation, it is found that many articles are obtained through accurate data analysis. As David H. Jernigan et al. have analyzed, the exposure of young people and alcohol advertising on televisions are closely related. More and more young people have been impacted or influenced by the content and information spread on TVs. The advertising could stimulate the purchase and consumption of alcohol. In the United States, David H. Jernigan et al. analyzed the 25 of the most important TV markets, getting the result that approximately a quarter of alcohol advertisements are exposed on TVs [1]. This result serves as evidence conveying that if alcohol companies consider broadening their consumers in the future, they should carefully notice that there is a strong relationship between the use and employment of media and public attention. Also, it is accepted that media influencers like YouTube vloggers and bloggers could play a vital role in determining the result of advertising [2]. Their followers, as a group that are interested in these influencers, are more easily to be impacted by the content they posted. Followers would consider the content created by influencers convincing, which makes media influencers powerful in advertising. In addition to the two aspects mentioned above, the choice of the consumers is decisive in the market. Kevin Keller has found that there is a close association between consumer preference, brand awareness and brand image [3]. Consumers tend to purchase things from the brand they have heard of because they would consider it more reliable than the ones that are new to market, which is a factor that cause the difficult situation of new brands that are lack of awareness and publicity. Brand image is crucial since it could distinguish a brand from others by creating its uniqueness and offering a clear brand positioning.

3. Alcohol marketing problems and solutions

3.1 Problems faced by new alcohol brands

Firstly, the current problem faced by the alcohol industry is that traditional public relations campaigns or marketing can hardly attract the attention of consumers in the saturated market. The market is considered saturated since Robin Room has brought out in the article that "The finding also brought to mind the fact that in many industrialised countries alcohol consumption has been almost stable since the mid-1970s, despite substantial economic growth, which has tended to reduce the price of alcoholic beverages in relation to wages" [4]. Saturation describes the current or potential demand for an item in an economic market. A high saturation indicates that it has or is gradually satisfying the market. Consumption has stabilized, meanwhile, demands have not increased significantly after reaching a certain level. Also, Centers for Disease Control & Prevention has announced that more interior alcohol advertisements were found compared to exterior ones. CDC also claims that

supermarkets are more likely to have low intensity advertising inside compared to liquor stores, local grocery stores and convenience stores [5]. This observation means that majority of alcoholic companies still choose offline promotions. However, with the rapid development and extensive use of different kinds of media, this limited information release and limited offline advertising push could not be as influential as before. Thus, combining the two factors that the near saturation of the alcohol market and limited attention of consumers make it difficult for the public to notice the birth of new alcohol brands. At the same time, key words and phrases on traditional campaign can hardly attract public attention in an efficient way.

3.2 Factors of the alcohol market problems

The causes of these difficulties mainly include external factors and internal factors. The external factor is that in recent years, due to the impact of Covid-19, inflation is widespread, prices are rising, and unemployment is also rising. The whole market economy is in a state of depression, and all markets are affected, so the alcohol market is also depressed. Taken New York as an example. Experts have announced that even New York is no longer a severe area affected by Covid-19, the pandemic-driven recession continuously impacts the \$1.7 trillion economy in the state [6]. Other states also face similar situation as New York does. The internal factors are mainly based on consumers' choice which bring difficulties to the alcohol market. From the perspective of consumers, their consumption concept is changing with the pandemic. In an environment where many people die every day from health issues, public awareness of the health crisis has exploded. Alcohol, as a product that harms the body, has been rejected by people. Moreover, it is published that in one month, employers shed 20.5 million jobs and the Bureau of Labor Statistics released the unemployment rate at 14.7%, which became the highest one since the Great Depression [7]. This collective mass unemployment makes consumers' budgets shrink rapidly, and alcohol is not the majorities' daily necessities. Therefore, within a limited budget, the amount of alcohol purchased by consumers decrease obviously. Additionally, demand for alcohol is declining as its uses disappear. According to the report, people are strongly advised to stay at home and physically distance themselves from others during the severe phase of the pandemic due to the unique nature of the respiratory transmission of COVID-19[8]. People rely on the Internet to work home or attend school classes instead of offline communications. This change has caused the public to cut back on events such as gatherings with friends, company dinners or business receptions. These occasions are often accompanied by the need of alcohol. Thus, reduced social interaction also leads to a lack of alcohol sales.

3.3 Factors of the alcohol market problems

Compared with traditional offline promotion, online promotion can reach more young people, and young people are also the backward power to purchase alcohol products. Hastings et al. have pointed out that through their team's regression analysis, they have learned that there exists a strong positive relation between the exposure of the young generation, the advertising of alcoholic products as well as their drinking behavior [9]. Hence, considering how to solve the current dilemma, more comprehensive promotion methods are offered in this paper. For how to popularize an alcoholic brand, the promotion plan can be mainly divided into four parts, including both on media and offline promotions. First of all, alcoholic companies could plan to find some social media celebrities who have a certain number of fans and have a history of recommending products on social media. Company representatives could have brief conversations with them to see if they are interested in cooperation. Then, in the process of cooperation, companies could ask them to focus on some of the features of their products and highlight specific characteristics. As for the choice of the final influencers, companies should learn about media celebrities' previous promotion videos in advance, check the conversion rate of passers-by to customers, and check their relevant data to make the final choice. In order to give more specific example, the new alcoholic brand "Another Half" appears as the subject of analysis below. Secondly, when the product is first introduced to the market, companies could plan to hold a tasting. For example, Another Half could scheme a gin tasting at the company's

headquarters for three days, including a weekend, because people would have more time to participate. Both appointment and walk-in visitors would be accepted. Another Half should have a room for gin and plenty of food and desserts. Professional bartenders are suggested to be employed to make their gin into different flavors of cocktails, as to neutralize the high concentration of the gin, so that people can taste different varieties and also allow the public to experience more flavors. The company could prepare a big screen to play their promotional video in a loop, including their production process and the sanitary situation of the workshop, so that the public can have a basic understanding of their products and brand culture, which is also a way of advertising.

In addition, they should launch their new products offline. Cooperation with big supermarkets such as Target and Costco are possible, so that their products can be fully marketed offline. As their brand positioning is relatively high-end, targeting at people who like to drink but not intemperance, who like gin culture and like to study gin, their market positioning should also conform to the brand positioning. They should not consider selling their products in ordinary small alcohol stores for the time being. Finally, the company should work with bartenders in high-traffic bars around the country. Due to the characteristics of their gin, its high taste and alcohol strength, gin is more suitable, or in most cases is used as a base liquor to make cocktails with other drinks than to drink alone. They could find more influential bars in major cities, especially with large amount of young people, let the bartender use and recommend their gin to the customers, although formal advertising limits to play that gin is healthier, but in a bar, offline by recommending the bartender is not limited. At the same time, choosing such a bar can sell more alcoholic drinks, which can be a guarantee for their gin sales. These methods mentioned above are all efforts to enhance the popularity, public awareness, and market acceptance of a gin brand when it first enters the market. It is also because of the particularity of the gin and the characteristics of its health factors, that the company should highly emphasize the promotion of the product.

As it is mentioned in the public relation area, the evaluation and measurement play a vital role after a campaign, since it offers a frame to decide whether the campaign is successful and to determine possible future focus. While measuring the impact and success of a PR campaign, some metrics are considered. For instance, sales stats, social media reach, engagement on social media, media impressions, social shares are key factors to measure an online promotion. Hence, after the promotion, there are few methods to measure the success of the campaign. Firstly, companies could send out surveys randomly on various media platforms to test if more people have heard of or have purchased the products from this brand. Surveys will be sent with random gift cards in order to attract more people to do this simple survey. Through these surveys, alcohol companies can also understand the effectiveness of the social media influencers that they work with, by asking the channel that people heard they from. Secondly, companies could send out surveys through emails to their customers and ask more specific questions like “how likely will you purchase our products again” and “how likely will you recommend our brand to people around you” to test the degree of satisfaction and adhesiveness of users. Thirdly, these brands should organize the data collected both online and in store. Professional data analysis is suggested to get a clear vision of the value of sales, respectively to diverse seasons, locations, the characteristics and spreads of their customers, the design and packaging of their products, etc. Lastly, it’s crucial to ask for feedbacks of bartenders that the brand cooperates with and consider how to improve the taste in the future products.

Additionally, finding suitable brand positioning and distinctive features is also one of the key factors to success. As Andreasen mentioned that marketing should be adequately differentiated from its competition, especially in its own favor[10]. Another Half Gin is representative of its uniqueness. The main goal of their research team is how to make customers drink more healthily. In simple terms, sympathetic nerve system is a group of nerve system that manages people’s body. It functions when people feels that they are much more powerful than the way they used to be, for example, during and after drinking. This nerve system deals with emergency, but people will feel tired afterwards. Generally, drinking only accelerates sympathetic nerve system, but Another Half Gin could stimulate both sympathetic and parasympathetic nerve system, so it will keep the body in well balance,

eliminating nearly all the side effects from organs, not just the liver, but also heart and brain. Their research and development group produce this gin with less harmful ingredients by special rectification and concentration techniques, so their customers could have better inner circumstance while and after drinking. The special target of the brand could clearly find its position in the market. Meanwhile, it could enable the consumers to notice it in a relatively short period.

4. Conclusion

To conclude, this paper focuses on the alcohol market in the United States. It first demonstrates existing ideas of alcohol markets. The problems are further analyzed. The alcohol market in the United States is close to saturation due to a large number of brands. In this case, it is difficult for a new alcohol brand to gain popularity and acceptance in the market without any special features in its product and promotion. Existing alcohol brands have stable customers and audiences, hence, it's hard to attract users from other brands. Along with the impact of the pandemic, people's consumption ideology has changed. There has been a huge increase in health awareness. The pandemic has also affected people's activities, leading to the cancellation of events that previously required alcohol, such as family gatherings, company dinners and group activities, so the demand for alcohol has been reduced. To resolve these problems, the knowledge of public relations campaigns is applied, and a new scheme combining traditional offline marketing and media exposure is proposed. As young people are readily accessible and exposed to the information posted by the media, online advertising is suggested. Possible solutions could be finding social media influencers to recommend the product. Companies are also advised to open tastings when they first enter the market to raise public attention about the culture and production of alcohol brands. Offline promotion and sales of the supermarket should also conform to the characteristics and positioning of the brand. In addition, the company could cooperate with bars with large traffic, so that alcohol products can be more widely recommended. At the end of the campaign, a dedicated team will list criteria for the success of it so that mistakes can be pointed out, or suggestions can be proposed. The above content functions as a summary of the structural framework and main information conveyed through this paper. In this field, more comprehensive plans may be proposed in the future in addition to the online and offline advertising, and at the same time, the evaluation methods may be more diversified.

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