

Molson Canadian

Marketing Concepts, Spring 2011

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After reading the case study "Molson Canadian 'The Rant'" and doing some external research it is clear to me that Molson has been consistent in positioning its products over the years. I feel that Molson should continue with its positioning, but may want to consider options for augmenting its positioning to capture a younger consumer base. Molson should also look to target purchasing products for consumption in the home and make imported beer seem more affordable given the economic times we are facing¹. They should also consider expanding its focus to include Hispanic segment because they offer significant growth opportunities². Lastly Molson should explore increasing the marketing of their light brand to capitalize on health conscious consumers.³

Where one consumes a beer may seem insignificant, but Mintel Oxygen states, "Over the past year, consuming alcoholic beverages at home to save money increased among adults ages 25-34 (42%) and ages 35-44 (43%). According to the BLS, 33.4% of consumers in this age group were unemployed for half a year or more during 2009. Among people under 25, the rate was 23.3%. The 35-44 segment is most likely to have dependent young children living at home. Consumers ages 65+ were least likely to be consuming more alcohol at home to save money. These consumers are most likely retired and therefore less affected by employment fears. " Molson could use this information to tailor advertisements showing consumers enjoying the product at home and look at marketing its cases of beer, six packs and seek out additional opportunities to highlight Molson in the home. Its current target is consumers frequenting bars and restaurants who are probably looking for the experience like Molson's SubZero technology which, "utilizes innovative technology to pour Molson Canadian draught

¹ Mintel Oxygen - Beer: The Market - US - December 2010 - http://academic.mintel.com.ezproxy.sju.edu/sinatra/oxygen_academic/search_results/show&/display/id=553331/display/id=559439

² Mintel Oxygen - Beer: The Market - US - December 2010 - http://academic.mintel.com.ezproxy.sju.edu/sinatra/oxygen_academic/search_results/show&/display/id=553331/display/id=559439

³ Mintel Oxygen - Beer: The Market - US - December 2010 - http://academic.mintel.com.ezproxy.sju.edu/sinatra/oxygen_academic/search_results/show&/display/id=553331/display/id=559439

beer at below zero degrees Celsius, which is approximately four-eight degrees colder than regular draught beer towers.⁴

The Molson Coors Brewing Company states that, "Molson is Canada's largest brewer by volume and North America's oldest beer company, with an approximate 41% market share in Canada."⁵ To continue to grow its market share Molson will need to tap into additional markets. After spending some time watching the plethora of Molson commercials on YouTube it is easy to see that Molson targets middle-aged and mid-income white men, outdoorsmen, proud Canadians and sports enthusiasts who have an affinity for hockey. Molson should consider marketing to other demographics including younger beer drinkers and Hispanic communities. "Hispanics are currently the largest minority and fastest-growing segment of the population. The population of Hispanics aged 21+ is projected to grow 17.6% during 2010-15, the highest growth rate among other races. Additionally, Hispanics are a formidable consumer group. By 2014, Hispanics' buying power is projected to reach \$1.3 trillion, according to the Selig Center for Economic Growth (July 2009). Hispanics exhibit the highest incidence of drinking beer; therefore, this demographic group's population and income growth provides significant opportunity for brewers."⁶ The branding and product for Molson has remained pretty consistent over the years and may need to be revised to capture the Hispanic market. You can also see in Figure 1.1 that by 2015 the growth projected in the US Hispanic community of over 5,267,000 people.

⁴ Marketwire - Molson Launches Sub Zero in Canada - <http://www.marketwire.com/press-release/Molson-Launches-Sub-Zero-Draught-In-Canada-580742.htm>

⁵ Molson Coors Brewing Company - <http://www.molsoncoors.com/investor-relations/business-profiles/canada>

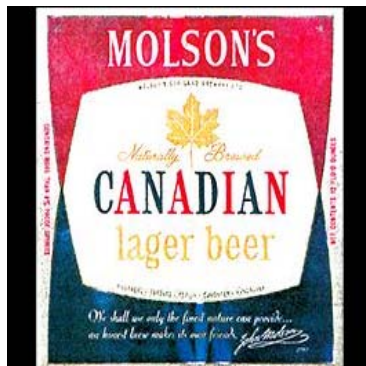
⁶ Mintel Oxygen - Beer: The Market - US - December 2010 - http://academic.mintel.com.ezproxy.sju.edu/sinatra/oxygen_academic/search_results/show&/display/id=553331/display/id=559439

U.S. Hispanic population aged 21+, 2005-15 - Figure 1.1

	2005		2010		2015		Change 2005-10	Change 2010-15
	(000)	%	(000)	%	(000)	%	%	%
21-24	3,044	11.7	3,147	10.5	3,878	11.0	3.4	23.2
25-34	7,699	29.6	7,926	26.5	8,477	24.1	2.9	7.0
35-44	6,341	24.4	7,299	24.4	8,215	23.3	15.1	12.5
45-54	4,250	16.4	5,427	18.1	6,528	18.5	27.7	20.3
55-64	2,371	9.1	3,278	11.0	4,318	12.3	38.3	31.7
65-74	1,319	5.1	1,685	5.6	2,307	6.6	27.7	36.9
75+	961	3.7	1,173	3.9	1,479	4.2	22.1	26.1
Total	25,985	100.0	29,935	100.0	35,202	100.0	15.2	17.6

Source: Mintel/U.S. Census Bureau, interim population projections released 2008 (population in 2010 and 2015) and annual July 1 population estimates (population in 2005) ⁷

Molson should keep the underlying theme of being a patriotic Canadian, but relate it to the pride that Hispanic Americans have for their culture while communicating that you do not have to be Canadian to drink and enjoy Molson Canadian. As seen in Figure 1.0 Molson also needs to continue to position the product as a premium brand, which they started doing in 2007.



Molson Canadian Label 1963⁸



Molson Canadian Label 2007⁹

Figure 1.0

⁷ Mintel Oxygen - Beer: The Market - US - December 2010 - http://academic.mintel.com.ezproxy.sju.edu/sinatra/oxygen_academic/search_results/show&/display/id=553331/display/id=559439

⁸ Molson Canadian - Label History - <http://www.molsoncanadian.com/main/>

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Molson should also continue to fill its commercials with the various light version of its product and offer it as an alternative to health conscious consumers who count calories. "As more health-oriented Canadians take a calorie-conscious approach to their eating habits, they now have a beer choice that fits with this lifestyle," Stephanie DeSutter, Senior Brand Manager, Molson Canadian, was quoted as saying "Molson Canadian 67 lets men and women enjoy a great tasting beer with a calorie count they can feel good about."¹⁰ "As U.S. adults increasingly become proactive in managing weight and worried about the growing problem of obesity, even light/low-calorie beer, which carries around 100-110 calories per 12 ounces, may come under fire. This trend will continue to hurt regular beer, which features 140-150 calories. This is substantiated by Mintel's findings—32% of all beer drinkers who are drinking less beer than a year ago cite watching calories/weight as the reason for drinking less. While lighter beers—MGD 64 and Budweiser Select 55—have appeared in the market and have shown promising growth, this new segment is likely to grow, in part, at the cost of light beers like Bud Light and Miller Lite, etc."¹¹

Molson Canadian has a rich history and very powerful positioning among Canadian beers, and it now has the ability to tap into additional segments with minor adjustments to its positioning. As Molson positions its product to younger and more diverse demographics, and delivers consistent messages that resonate with cost and health conscious consumers they will become the market leader of Canadian beers.

¹⁰ Toronto News 24 - Molson Canadian 67 - Canada's Lowest Calorie Beer -

<http://www.torontonews24.com/entertainment-news/142-new-molson-canadian-67-canadas-lowest-calorie-beer>

¹¹ Mintel Oxygen - Beer: The Market - US - December 2010 -

http://academic.mintel.com.ezproxy.sju.edu/sinatra/oxygen_academic/search_results/show&/display/id=553331/display/id=559439