

Bud Light's sales tank even as macro beer brands gain share

Article

The news: Constellation Brands-owned **Modelo Especial** dethroned Anheuser-Busch InBev-owned **Bud Light** as the top-selling US beer brand in May, per The Wall Street Journal.

- **Modelo** accounted for **8.4%** of US retail-store beer sales in the four weeks ended June 3, while **Bud Light** had a **7.3%** share.

Repeated missteps: Bud Light remained the top-selling beer brand over the first five months of the year—a title it has consistently held since it surpassed **Budweiser** in 2001. But the brand has been stumbling since April, when transgender influencer **Dylan Mulvaney** made an **Instagram** post sponsored by the beer brand that **sparked an anti-trans uproar**.

- The negative response drove the brand to walk back the sponsorship and place executives responsible on leave, alienating conservative and young consumers in one fell swoop.
- **Bud Light's sales fell 24% year-over-year in the week ended June 3.** Other AB-InBev brands, including Budweiser and **Michelob Ultra**, have also taken a hit, per Bump Williams data cited in The Wall Street Journal.

A missed opportunity: The irony of Bud Light's situation is that there are multiple reasons the brand should be thriving.

- **Easy-drinking American-style lagers are suddenly in vogue**, even among craft beer drinkers, **per** Bloomberg.
- **Beer prices are rising quickly**—beer-at-home prices rose 6.1%, and away-from-home prices increased 5.0%, outpacing the overall inflation rate, **per** the US Labor Department—**which is driving cost-conscious consumers to shift spending from craft to macro beers.**

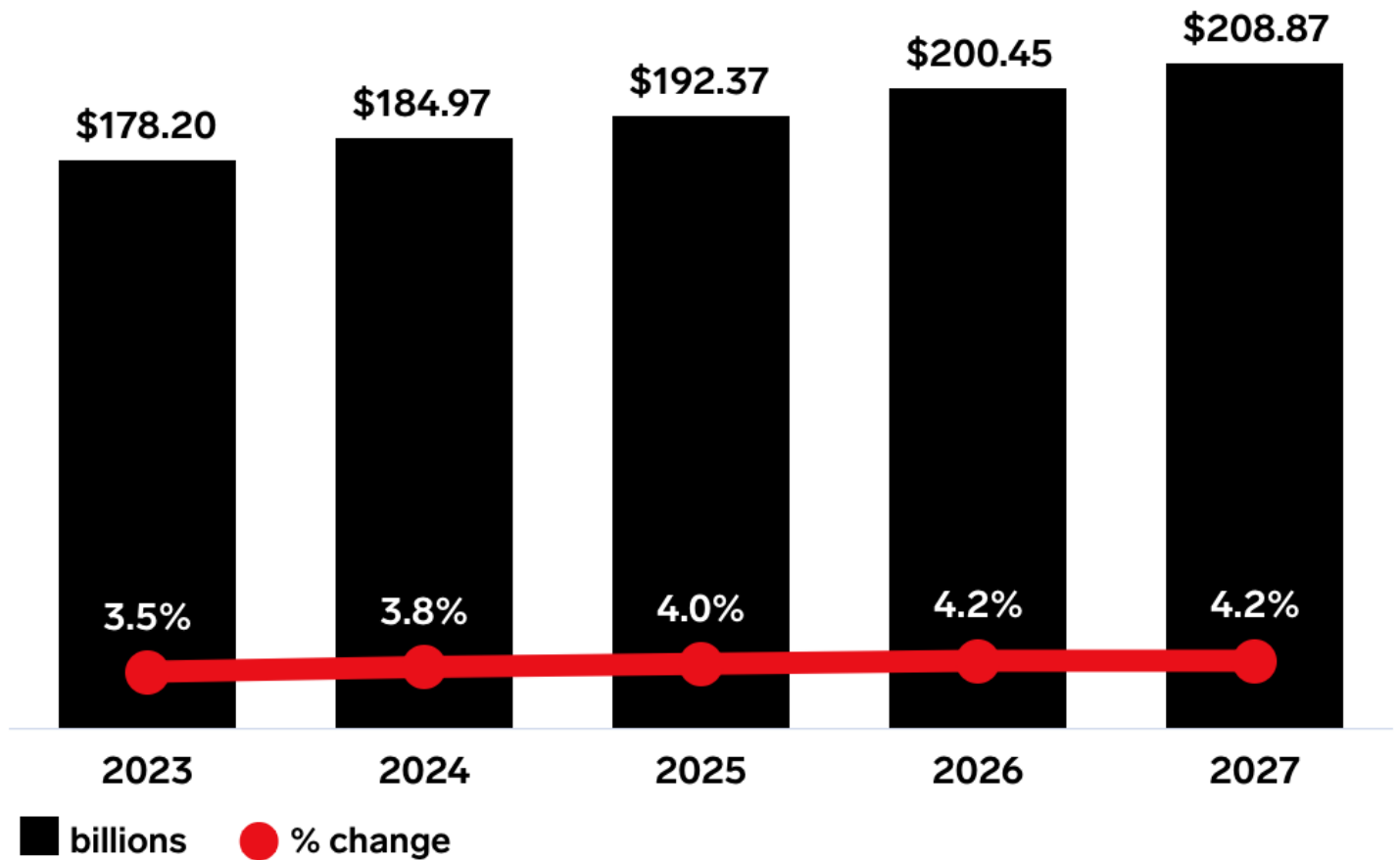
The big takeaway: Alcohol, and beer in particular, is a fairly recession-proof category. Our **off-premise alcohol retail sales forecast** expects sales to increase 3.5% this year, which is roughly in line with 4.0% growth last year and 3.8% in 2024.

- That said, consumers will trade down when they're feeling pinched. That explains why analysts polled by Refinitiv expect craft beer maker **Boston Beer Co.**'s revenues to fall nearly 3%, and **Molson Coors** and **AB InBev** to grow about 6% and 7.5%, respectively, per Reuters.
- But that AB InBev growth rate is far from a given. The company's blunders drove consumers to rethink their buying habits, which opened up an opportunity for Modelo (and other brands). And, once habits form, they can be hard to break.

Go further: Read our **[US Alcohol Ecommerce Forecast 2023](#)** report.

Alcohol Off-Premise Retail Sales

US, 2023-2027



Note: excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: eMarketer, February 2023

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