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For All You Do, Bud, This Blog Is About You

Miller Site Specializes
In News on Its Rival;
The Scoop on Lime Beer

By **DAVID KESMODEL**

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MILWAUKEE -- Last month, beer reporter James Arndorfer broke a story that **Anheuser-Busch** Cos. was readying a new brew called Budweiser American Ale. Trade publications and Anheuser's hometown paper quickly chased the scoop.



James Arndorfer

With his dispatch, Mr. Arndorfer beat the giant brewer's own publicity machine to the punch. Making the story more irritating for Anheuser-Busch: Mr. Arndorfer's beer-news site is owned by Bud's biggest rival.

Mr. Arndorfer, 37 years old, is a full-time employee of Miller Brewing Co., the U.S. arm of **SABMiller** PLC. A former reporter for Advertising Age, he now runs Brew Blog, a free Web site dedicated to breaking news about beer. Especially news about Anheuser-Busch's beer.

Brew Blog is the latest and perhaps most unlikely front in Miller's drive to rattle Anheuser. Mr. Arndorfer tracks the St. Louis company's every move, from earnings reports to management changes. He relishes revealing details of its products before Anheuser does.

Though Mr. Arndorfer covers other brewers, he's "fixated on A-B," says Harry Schuhmacher, editor of Beer Business Daily, an online newsletter. Mr. Arndorfer responds: "They're the industry leader. And they've been making a lot of news."


BREW NEWS

Below, excerpts from recent posts on the [Brew Blog](#)¹.

The corporate marketing battlefield has long been strewn with pithy digs in ads and selective news leaks about others' business woes. But it's unusual for a company to go to the trouble of creating its own media arm to grind out news on the competition. While the site lets Miller tweak its famously tight-lipped rival, it also gives the company a platform to take a first crack at spinning industry news.

"They are trying to aggressively go around the gatekeepers" in newsrooms and the trade press,

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New Budweiser Line Extension on Tap?

Anheuser-Busch appears poised to roll out a craft-style line extension of its Budweiser brand.

The brewer has received label approval from the Treasury Department's Alcohol and Tobacco Tax and Trade Bureau for Budweiser American Ale.

Bud American Ale has 5.1 percent alcohol by volume, according to label filings. A-B received approvals for 12-ounce bottles and three sizes of barrels (half, quarter and 1/6). [Read more.](#)³

Budweiser Losing Distribution in Supermarkets

In recent years, Budweiser has shown an uncanny ability to gain shelf space in supermarkets and convenience stores even as its sales decline.

But performance finally appears to be catching up with Budweiser, at least in supermarkets. [Read more.](#)⁴

Bud Light Lime Has More Carbs than Chill

Anheuser-Busch appears to be betting it can take share from Miller Chill with a higher-carb, higher-calorie knockoff.

Bud Light Lime, set to hit the market in May, has 116 calories and 8 grams of carbohydrates, according to label materials filed with the Treasury Department's Alcohol and Tobacco Tax and Trade Bureau. [Read more.](#)⁵

Bud Takes Shots at Crafts, Lights, Imports

In recent ads touting Budweiser as "The Great American Lager," Anheuser-Busch manages to take shots at crafts, imports and light beer -- even though A-B has positions in all those areas.

In one ad, actor-comedian Rob Riggle explains to a woman in a bar that Bud is less heavy than an import yet has more taste than a light beer. [Read more.](#)⁶

says Stephen Quigley, an associate professor of public relations at Boston University. "It's something you couldn't do five years ago," before the proliferation of blogs.

Anheuser declined to answer specific questions about Brew Blog or make an executive available for an interview. It wouldn't say whether it considers the site a concern. "Our focus is on our consumers and delivering great brands," Dave Peacock, Anheuser's vice president of marketing, said in a statement.

Anheuser, which controls nearly 50% of the U.S. beer market, and Miller, with less than 20%, have been duking it out for decades. In the 1970s, some Anheuser employees wore "Miller Killers" T-shirts. Some Miller employees have come to refer to Anheuser as the Evil Empire.

In 2004, Anheuser ran ads portraying Miller Lite as the "queen of carbs," prompting Miller to file a lawsuit. (The matter was settled out of court.) Lately, Miller has been running ads showing Dalmations, longtime Anheuser mascots, bolting from a barnful of Clydesdales and chasing down a Miller truck.

The Beer Beat

Brew Blog is the brainchild of Paul Pendergrass and Pete Marino, communications consultants for Miller who wanted the brewer to have more influence over what's covered in the industry. In 2006, they recruited Mr. Arndorfer from Advertising Age and told him to cover the sector like a beat reporter would.

The site reaches mostly beer-industry professionals, Mr. Arndorfer says. It received about 24,000 visits in the month ending April 10 -- representing more than 12,000 individual visitors -

- according to Miller's statistics. Users on Miller's computer network accounted for the most visits among corporations, with 1,675. Running second: Anheuser, with 1,540 visits.

Messrs. Marino and Pendergrass say they've been gently needled about the blog by Anheuser executives at industry events. Anheuser public-relations officials have responded with pique to reporters' follow-ups to Brew Blog items. "You know that's put out by Miller, right?" an official told The Wall Street Journal.

Miller isn't sneaky about Brew Blog. Its home page prominently states that the blog is "brought to

you by the Miller Brewing Co."

Mr. Arndorfer, a Milwaukee native, works in a spartan office adjacent to Miller's 150-year-old brewery. He spends his days calling industry sources, reading analyst reports and sifting through public records.

In February, Mr. Arndorfer's industry sources were telling him that Anheuser was planning a lime-flavored version of Bud Light, the world's best-selling beer. He posted an article saying Anheuser appeared poised to roll out a knockoff of Miller Chill, a lime-and-salt-flavored brew launched by Miller last year.

The scoop, chased by this and other publications, allowed Miller to paint Bud Light Lime as a "follower," says Nehl Horton, Miller's senior vice president for communications. Anheuser responded that it had begun considering such a brew in 2006, before Miller Chill came out.

Mr. Arndorfer usually doesn't call Anheuser for that sort of comment. "I called them a couple of times a long time ago," he says. "I didn't hear back."

In March, Mr. Arndorfer was rummaging through an online database when he noticed that Anheuser had received government approval for a Budweiser American Ale label. Breaking the news about the offering, he evoked recent Anheuser ads that disparaged ale-style craft brews. "It's somewhat ironic A-B would roll out a Bud ale given 'Great American Lager' ads for Bud take shots at 'heavy' and 'cloudy' beers."

Rosy Coverage

The same month, Brew Blog's coverage of Miller was rosy. One entry highlighted how Miller won four "hot brand" awards from trade journal Impact.

Mr. Arndorfer says he doesn't avoid negative stories about Miller. He pointed to an October 2006 blog entry saying Miller CEO Tom Long was "dissatisfied" with Miller Lite sales, as well as a March 2007 report that the brewer was parting ways with a key ad agency.

The blog has enough influence that a staffer at a PR agency for Anheuser pitched a story to Mr. Arndorfer about Budweiser's Superbowl ads. A representative for Tecate, a Mexican beer, inquired about running an ad on the site. Brew Blog doesn't take ads.

Not so crazy about the blog is Mr. Schuhmacher, the editor and publisher of Beer Business Daily. Mr. Schuhmacher, who charges \$440 a year for his publication, declines to say how many subscribers he has. "I tell Miller you're subsidizing a free publication, and it hurts the trade press," he says. "But they don't care."

Mr. Schuhmacher became angry when Miller bought ads to run alongside Google searches for the keywords "Harry Schuhmacher" and "Beer Business Daily" to drive visitors to Brew Blog. The brewer took the ads down after he complained.

Mr. Schuhmacher adds that he writes fewer positive pieces about Miller than he once did because he knows Brew Blog will always publish the same stories. On a recent evening, a Miller spokesman suggested he write about one of its newer brews, a lemonade-flavored wheat beer called Leinenkugel's Summer Shandy.

"I said, 'You know what, give it to Brew Blog,'" Mr. Schuhmacher says.

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