Global Trends - Beverages

SABMiller, AB InBev to increase South African hops production and export

The AB InBev Hops Network workshop taking place in George - one of only four locations in the Southern Hemisphere where hops have been successfully cultivated since 1935 - aims to introduce the South African varieties to the AB InBev craft industry and innovation department. The global business combination of SABMiller and Anheuser-Busch (AB InBev) is set to unlock South Africa’s agricultural export potential by utilising unique South African hop varieties to become a net exporter by 2021.

As part of AB InBev’s public interest commitments, the company has undertaken to invest R610-million into strengthening the South African agricultural landscape. "We will support small-holder farmers by financing 800 new emerging farmers and 20 new commercial farmers to produce hops, barley, and maize with the strategic intent to create 2,600 additional jobs in the agricultural supply chain.

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Global Trends - Wine Industry Key Elements

Your brand is unique. Does anyone care?

The legacy of Andrew Ehrenberg is haunting brand managers in all categories – and wine is no exception.

Andrew Ehrenberg was a German-born, London-based, marketing scientist who worked in academia for over 50 years, publishing over 200 articles. His contribution to the discipline is phenomenal, describing many law-like relationships and winning many awards for his contributions. His findings are sometimes counter-intuitive but have been successfully replicated in many categories and under different conditions.

One of his many sobering arguments was to minimise the importance of a product having unique or uncontestable attributes, which he called Differentiation.

Ehrenberg identified a few problems with the Differentiation approach. He noticed that competing
brands in any given market tend to end up looking, behaving and tasting similar. This is partly because consumers have relatively specific expectations for a category (e.g. what is Rioja expected to taste like).

Innovation, while it may provide a lasting advantage in some cases for early-movers, is generally short lived as a differentiator. Ehrenberg suggested that innovation, in the real world, is mainly a defensive strategy: brands cannot afford to be left behind.

If innovation, apart from being risky, is also short lived, why do some brands, even if looking very like the competitors, sell 10 or even 100 times more than others? Here Ehrenberg brings the argument of Salience. Salience is a combination of awareness, consideration, some relevant associations which determine the propensity of a brand to be noticed and considered at the point of purchase.

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