

Asahi Breweries' Marketing Transformation and Branding Strategies



March 8, 2022

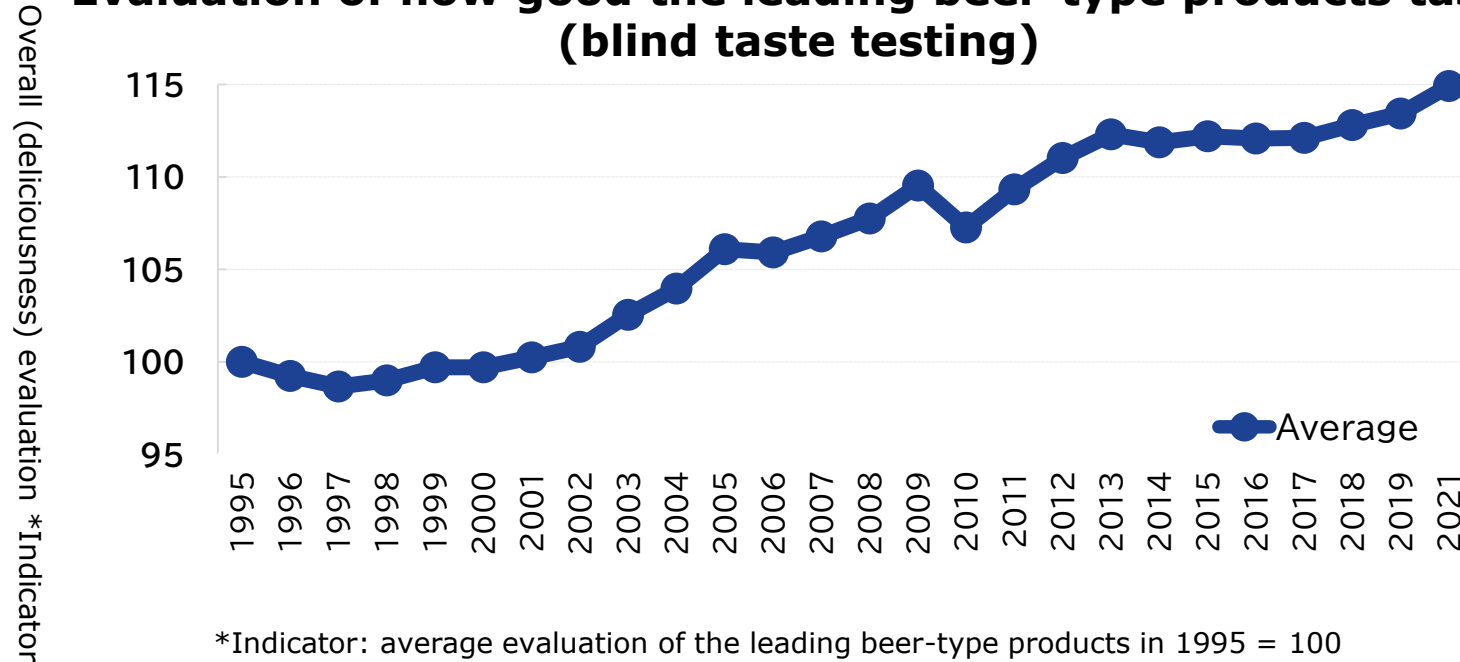
- ✓ **Asahi Breweries marketing transformation**
- ✓ **Aim of *Asahi Super Dry* revamp, 35 years after launch**
- ✓ **Impacts of FY2021 branding strategy and future prospects**
 - ➔ ***Asahi Super Dry Nama Jokki Can***
 - ➔ ***Asahi Nama Beer Maru F***
 - ➔ **Minimal alcohol category and Smart Drinking**
 - ➔ ***THE DRAFTERS***

Things I Realized after Joining Asahi



The taste of Japanese beer is in fact steadily improving → Tasting good isn't enough to sell well on the Japanese market

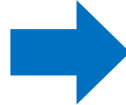
Evaluation of how good the leading beer-type products taste (blind taste testing)



Direction for Marketing Transformation

Company that makes delicious beer and alcohol beverages

- Focus on Company and Company's products
- Zero-sum approach to markets based on precedents
- Competition on volume
- Focus on selling products
- Competing on strengths of products (functional value propositions)
- Risk aversion



Beholden to rules of thumb, following precedents, and responding to competitors

Company that creates great lifestyle propositions featuring delicious beer and alcohol beverages

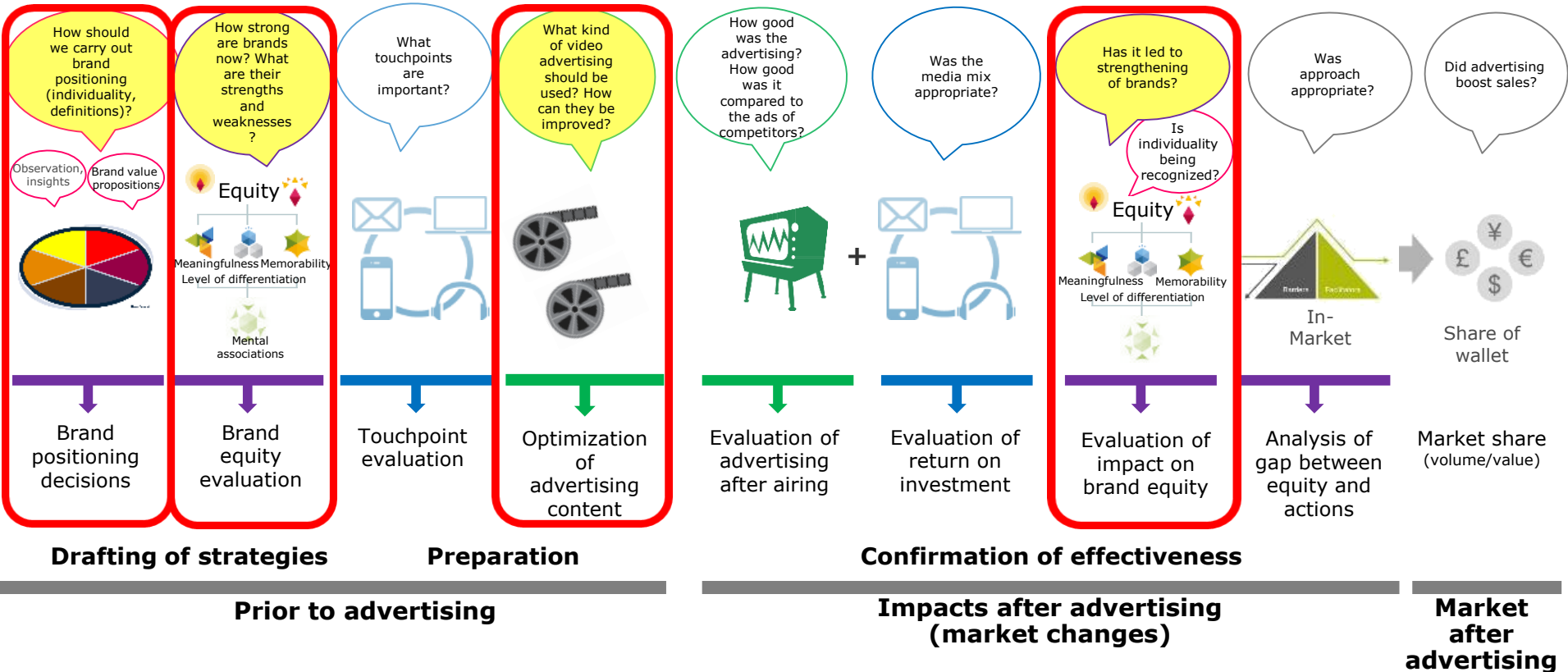
- Focus on consumers (the consumer is boss)
- Create new markets through instigating change and innovation
- Competition on value
- Creation of fans of Asahi and Asahi brands
- Move people with surprises, inspiration, and buzz
- Courageous risk-taking

**Data-driven approach
Consumer-focused integrated marketing communications**



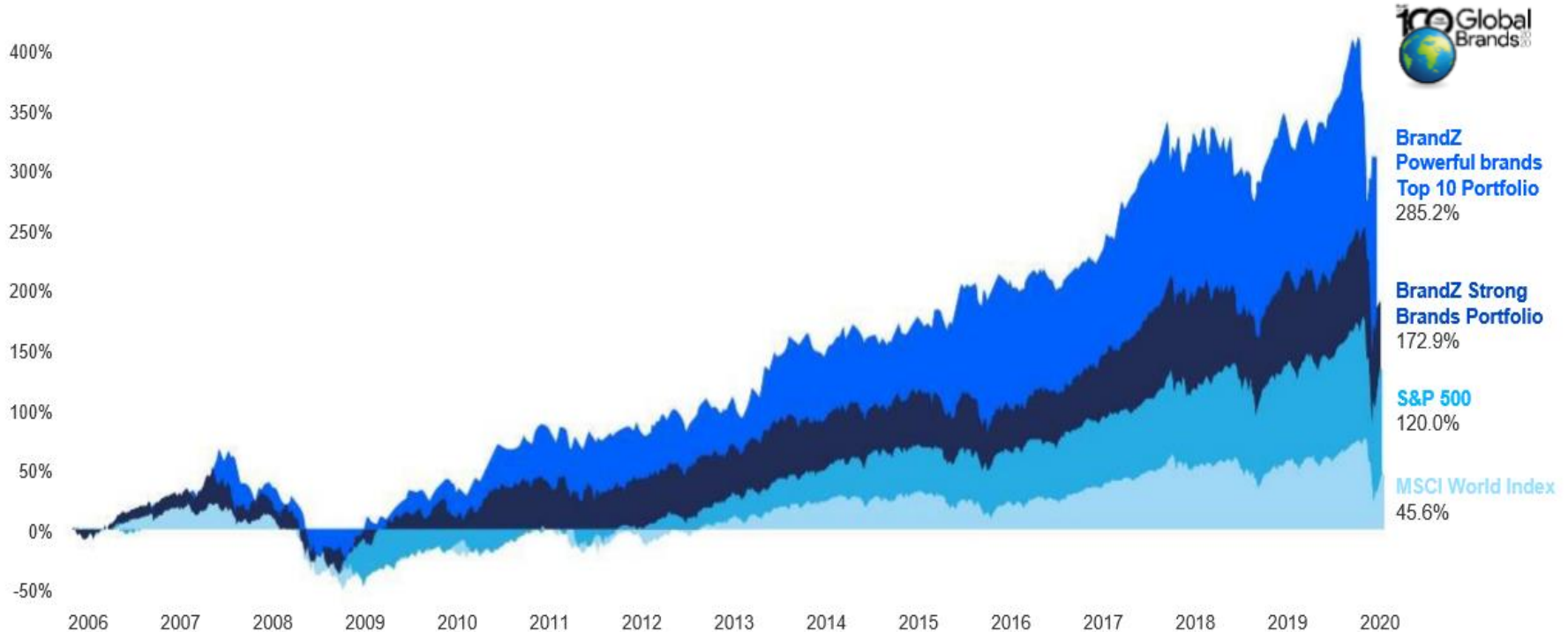
- ➔ Deliver inspirational value at all consumer touchpoints
- ➔ Grasp attitudinal and behavioral changes through data analysis to gain insights into consumers
- ➔ Verification of the impacts of strategies and policies through data analysis

Creating Strong Brands (in Coordination with Kantar)



What are “Strong Brands”?

The meaning of brands exists in the minds of consumers. Strong brands generate economic value.



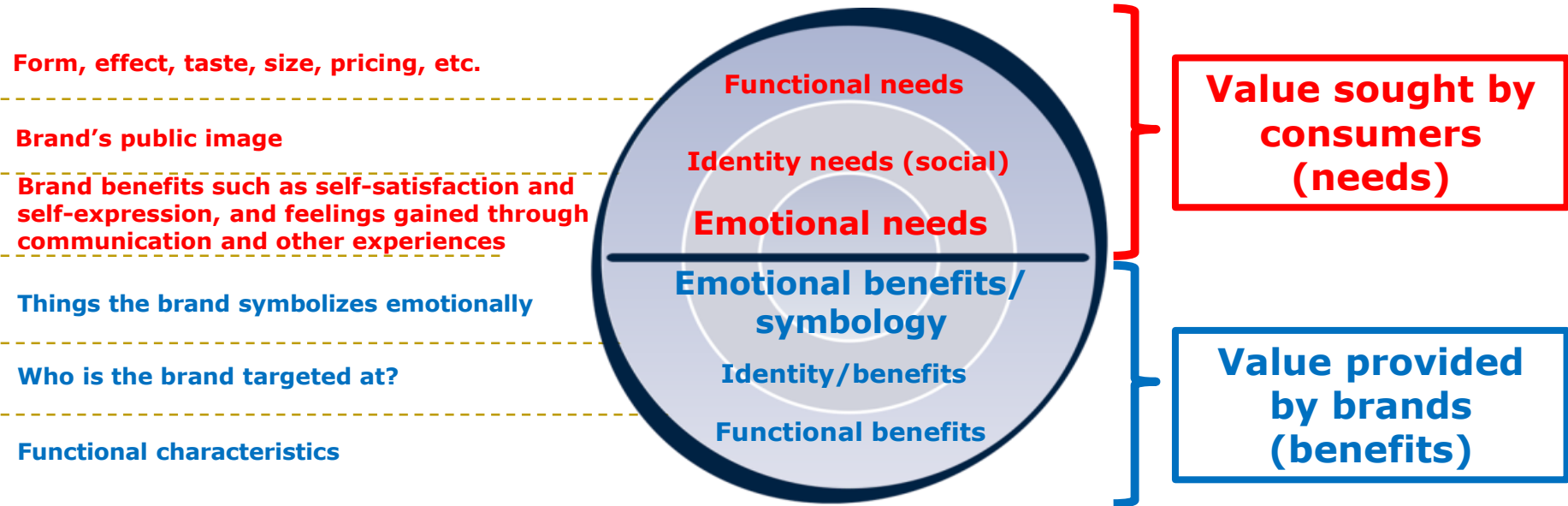
Source: BrandZ Global, 2020

BrandZ: Data gathered annually from surveys conducted in a number of countries based on the “MDF”

The Value That Strong Brands Possess

Strong brands appeal to emotional needs that are not readily apparent

→ Strong brands cannot be created based solely on functional value



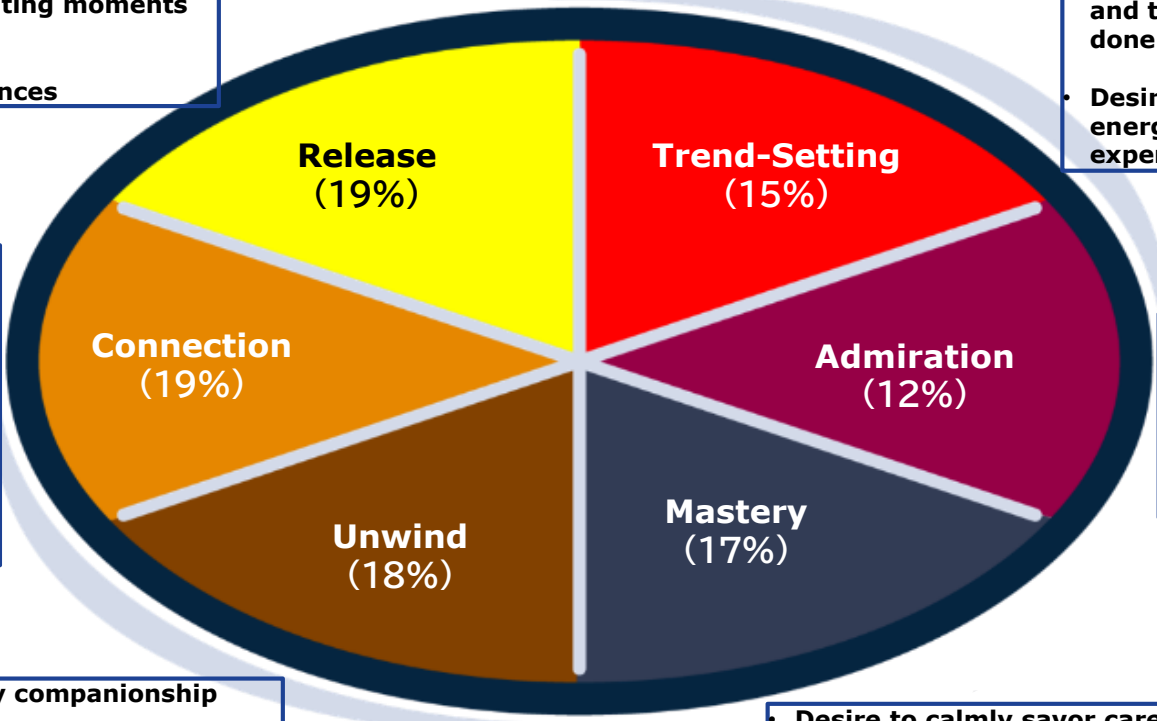
Emotional Need Categories in Japan's Beer-type Market

- Desire to enjoy rejuvenating moments of freedom
- Desire for joyful experiences

- Brimming with strong motivation and enthusiasm, and the ability to get things done
- Desire for unique and energizing beer and experiences

- Desire to savor *joie de vivre*, positivity, and friendship
- Desire for healthy beer that goes down smoothly, and helps create a relaxed atmosphere and a sense of connection with others

- Desire to raise one's status, impress people, and gain respect
- Desire for outstanding beer and great experiences



- Desire to enjoy everyday companionship
- Desire to unwind in order to restore inner calm and enjoy warm intimacy

- Desire to calmly savor careful craftsmanship, maturity, and sophistication
- Desire to enjoy beer and experiences targeted at high performers

Two different kinds of strength, and three drivers

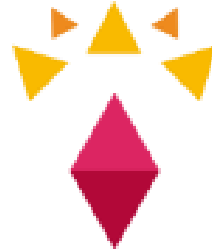


Increase volume
(number of consumers
and frequency of
purchases)



Power

Brand strength



Premium

Value for money

Increase value (the
amount consumers
are prepared to pay,
and unit prices)



Meaningful



Different

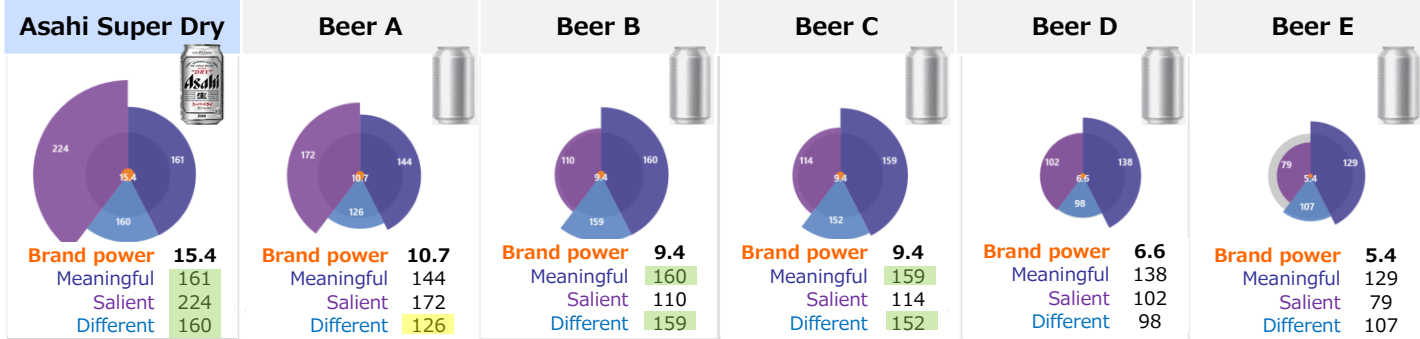


Salient

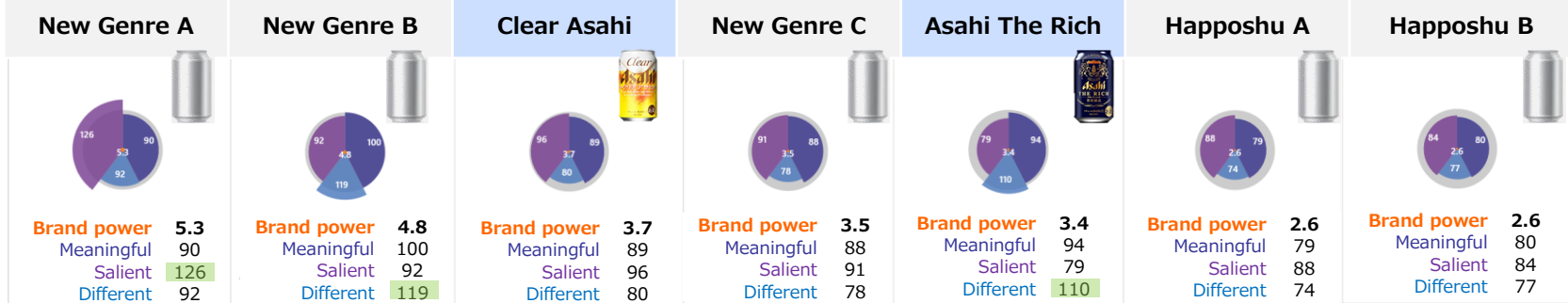
Brand Equity Evaluation (First Half of 2021)



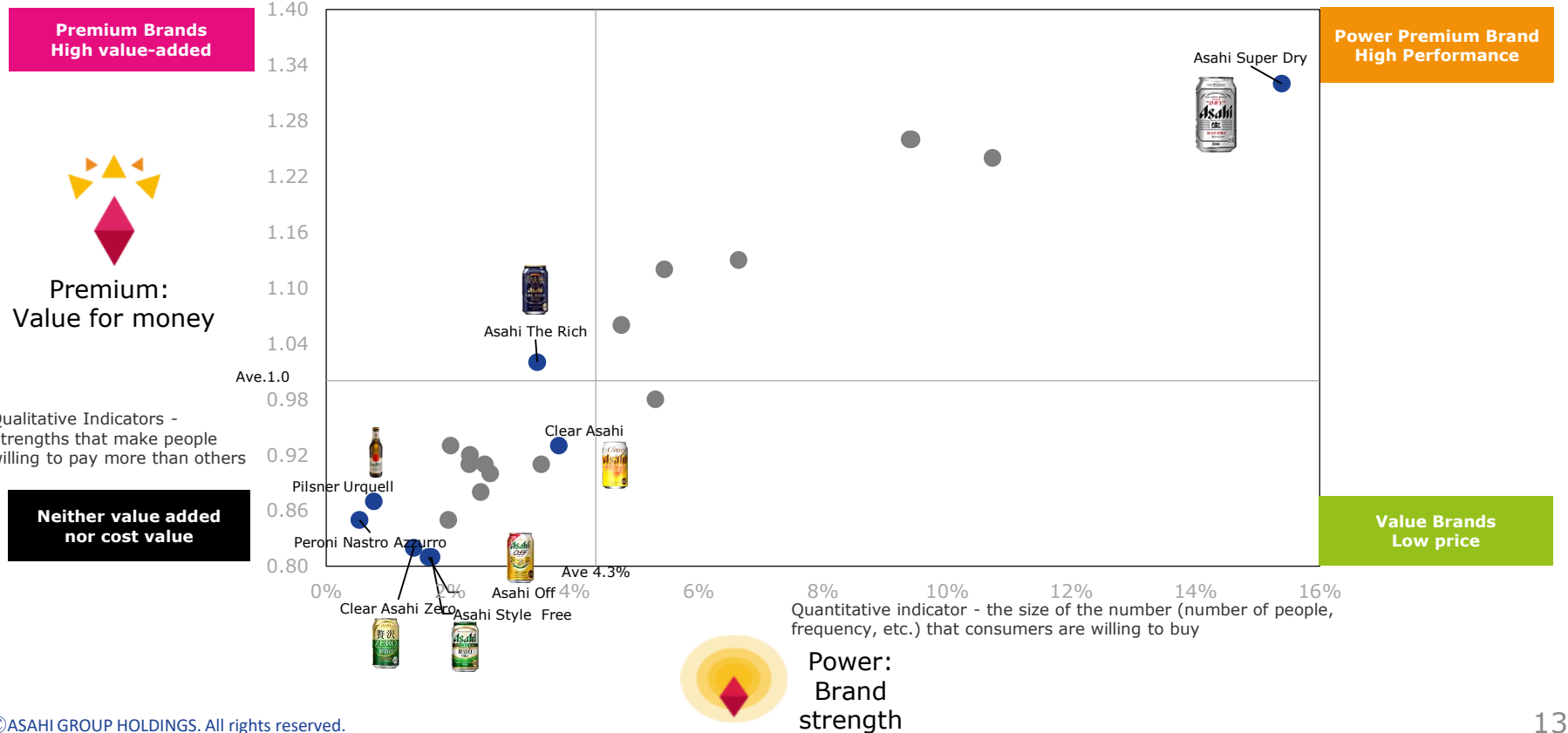
Beer



New Genre / Happoshu



Beer-type Beverage Brand Power and Premium (First Half of 2021)

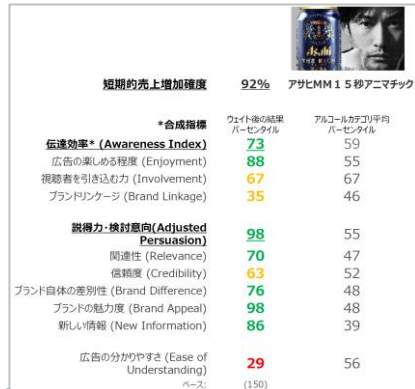


Evaluating Potential of Ads in Advance through Link Testing

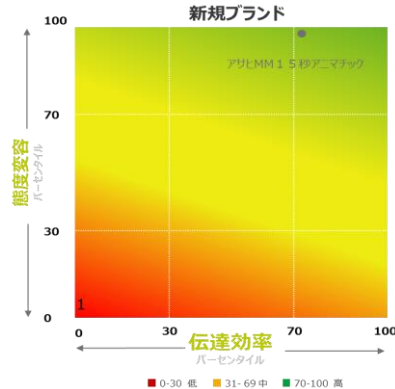
- Conducting online surveys to evaluate the potential of ads to contribute to short-term sales and long-term brand-building.
- Micro-expression analysis (used to interpret consumers' underlying, visceral responses based on facial muscle movements, etc.)
- Such evaluations have been conducted in 108 countries (including the markets that "Asahi Europe and International" (AEI) are responsible for). Evaluations have been conducted on approximately 3,000 ads in Japan.
- Comparisons can be made not only with other Asahi ads, but also the ads of other companies. Details about the computational logic behind the indicators used are not made public.

Image of comparison/evaluation/analysis results

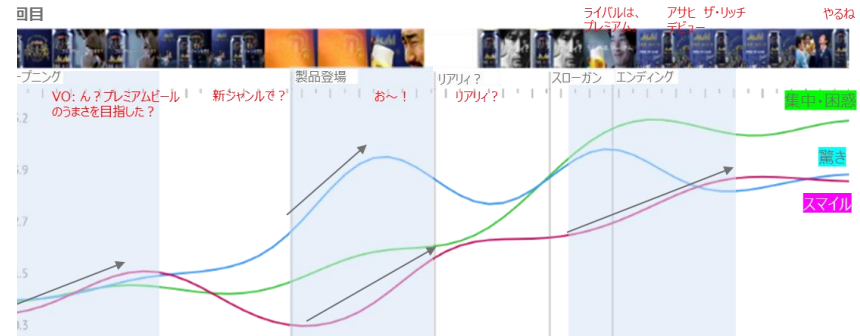
Comparisons with ads of other companies



Short- and long-term evaluation



Micro-expression analysis



- ✓ **Annual overall likeability rankings of Asahi Breweries ads against those of other companies**
 - ➔ **2021 ranking (11th) was highest ever.**
 - Likeability increasing among youths and women.**

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
35th	24th	18th	11th

- ✓ **Asahi Breweries - 1st among all ads in December 2021 (first time for Asahi Breweries)**
- ✓ **Asahi Super Dry - 5th among all ads in August 2021**

(CM Research Institute data)

- ✓ **Drafting of product portfolio strategy looking ahead to 2026 and beyond**
- ✓ **Brand Manager system**
- ✓ **Enhancement and acceleration of product development with Innovation Gate**
- ✓ **Integrate R&D laboratory functions into Marketing Headquarters**
- ✓ **Preparing for adoption of “20% rule”**

Aim of *Asahi Super Dry* Revamp, 35 Years after Launch



Barriers That have Impeded an *Asahi Super Dry* Renewal



- ✓ Japan's largest fast-moving consumer goods brand
- ✓ Overwhelming brand power and customer numbers
- ✓ Product is savior and spiritual pillar of Asahi Breweries
- ✓ Countless stakeholders

➔ Renewal absolutely has to be successful....

Sales Ranking of All Consumer Goods (FY2021)

Rank	Brand
1	<i>Asahi Super Dry</i>
2	Coffee A
3	Tea A
4	Beer A
5	Tea B
6	Processed food A
7	Skin Care A
8	Coffee B
9	Water A
10	New Genre A
11	RTD A
12	Laundry detergent A
13	Tea C
14	RTD B
15	Dairy products A

Why Conduct a “Full Renewal” of *Asahi Super Dry* Now?

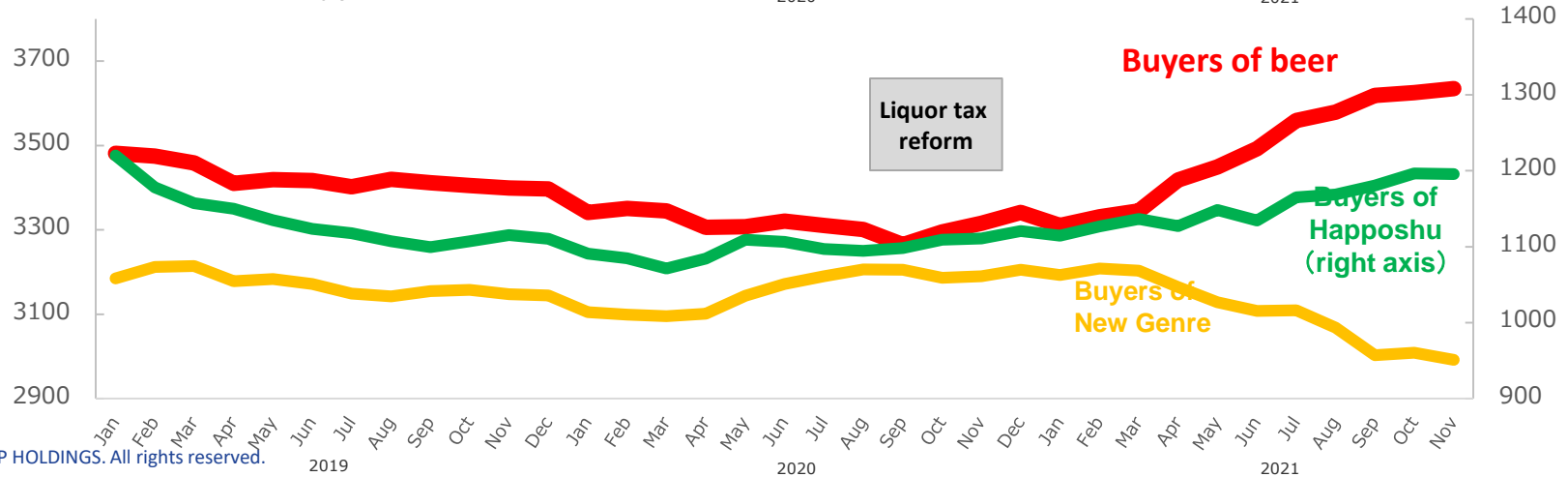
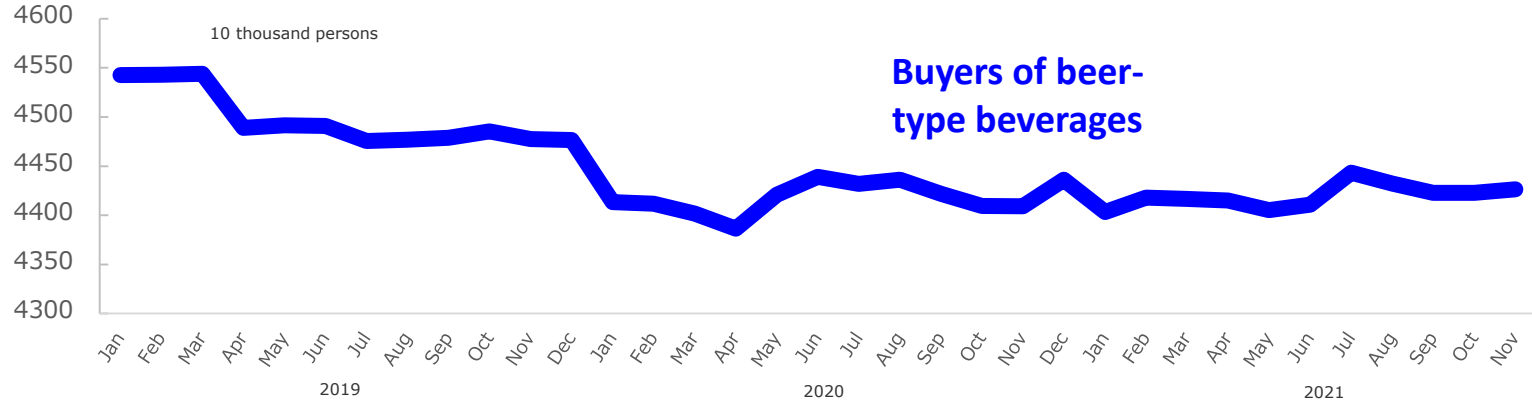


- ✓ Medium- to long-term decline in customer base
- ✓ The value of the product’s “karakuchi taste” hasn’t yet been properly communicated
- ✓ The homogenization of beer flavors in Japan is impacting competitive superiority
- ✓ Aging brand image

Causing behavioral changes among consumers isn’t possible without improvement and development of current methods and communication strategies

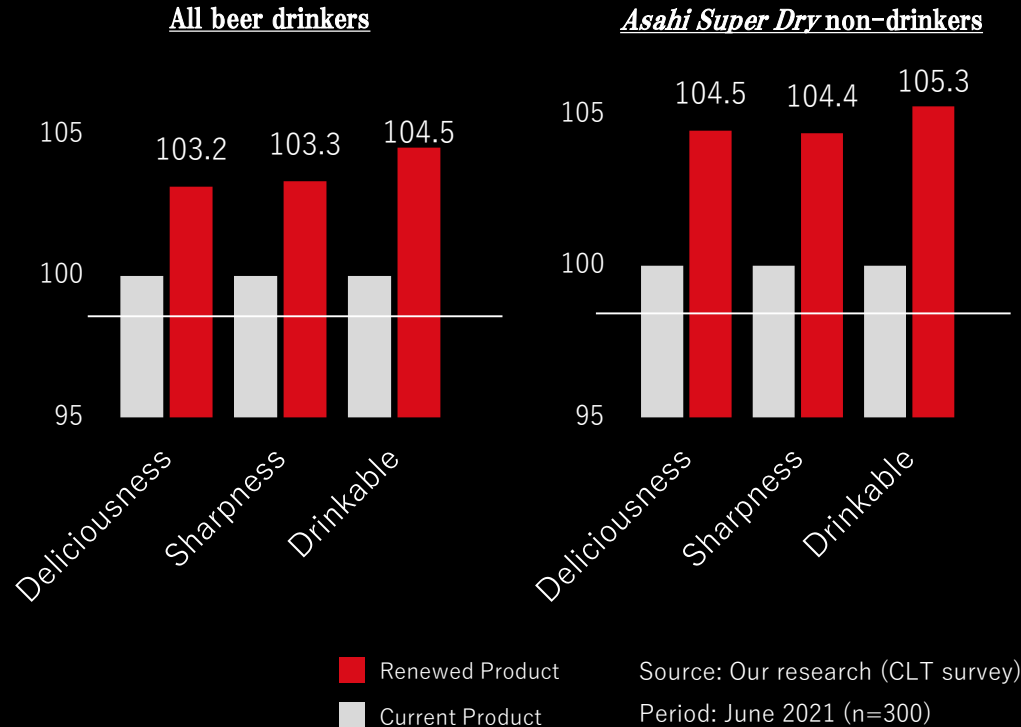
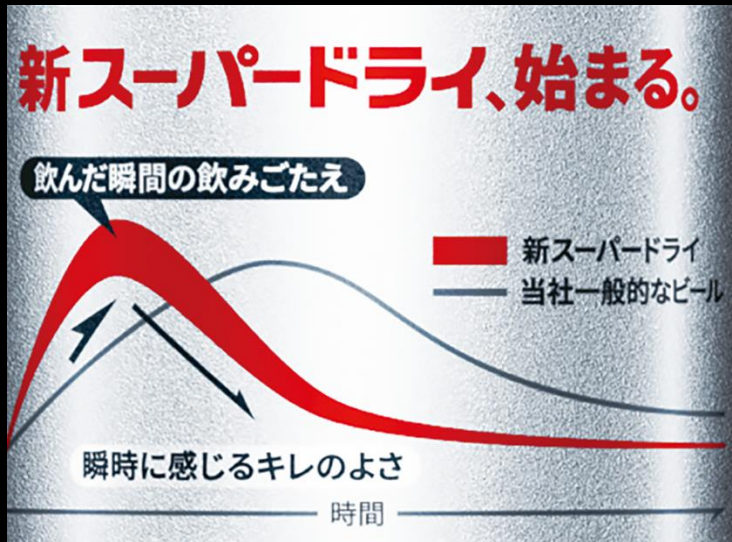
- ✓ Changes in market environment are creating tailwind for beer
- ✓ Aiming to also change Asahi Breweries through the *Asahi Super Dry* renewal (with a shift to value-focused management)

Sales of Beer* Growing in Japan Following Liquor Tax Reform



*As opposed to *happoshu*, and "new-genre" beer-taste beverages

“New Karakuchi Taste” to Deliver on Our Great Taste Promise to Customers Present and Future



Source: Our research (CLT survey)
Period: June 2021 (n=300)

“Karakuchi curve”

Marketing Focused on Brand Value Enhancement

Integrated Marketing Communications

- ✓ “New karakuchi taste”
- ✓ Revamped packaging
- ✓ Shift from “stepping up” to “stepping forward”
- ✓ Integrated marketing communications on a larger scale than ever before (both in terms of quantity and quality)
- ✓ Branding in retail stores, bars, and restaurants
- ✓ Brand experiences (online and offline)



Look up Japan!

Return of the *Asahi Super Dry* blimp flown at the time of the original launch of *Asahi Super Dry*.

Aim is to bring together the people of Japan, who have been feeling cooped up during the pandemic by encouraging them to look up at the sky.



Traversing the Japanese archipelago from April

A World First! "The most fun canned beer in the world"



SUPER
"DRY"

Asahi Super Dry
Nama Jokki Can

Great Taste + Astonishment, Inspiration, and Buzz



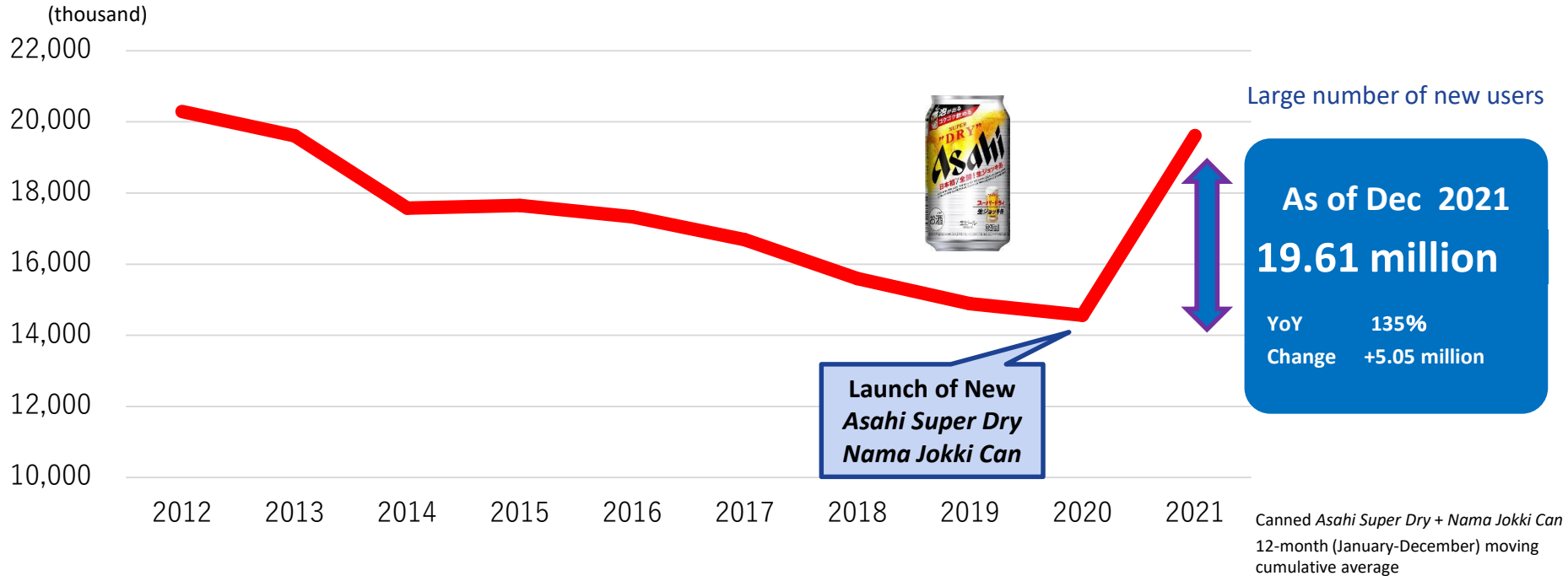
- ✓ "It's just like gulping down beer from a beer mug!"
- ✓ "The foam's creamy! And the wide opening means I can enjoy the aroma."
- ✓ "I haven't had Asahi Super Dry in ages. I forgot how good it tastes!"
- ✓ "This is the first time I've actually enjoyed the taste of beer!"
- ✓ "Never been a fan of beer but this is delicious!"

Functional Value

- ✓ "A canned beer revolution!"
- ✓ "An incredibly novel idea!"
- ✓ "It's a mood boost seeing the foam nearly spilling out!"
- ✓ "It looks like beer in a beer mug so it's like drinking in a bar but at home!"
- ✓ "It's a can but it feels like drinking from a beer mug. It's a fresh and fun experience."

Emotional Value

V-shaped Recovery in Number of *Asahi Super Dry* Customers



Awards for Asahi Super Dry Nama Jokki Can

2021 International Beer Challenge/Design & Packaging Awards GOLD

2022 WORLDSTAR Global Packaging Awards

Can of the year 2021/Beverage Two Piece GOLD

2021年度グッドデザイン賞

第45回木下賞 研究開発部門

2021 日本パッケージングコンテスト/日本包装技術協会会長賞

第60回ジャパンパッケージングコンペティション2021/経済産業省 商務情報政策局長賞

2021年日経優秀製品・サービス賞(第40回)/最優秀賞

日経トレンドイ2021年ヒット商品ベスト30/13位

日経MJヒット商品番付/上期・小結、年間前頭

2021 第34回小学館DIMEトレンド大賞(食品部門)

日本食糧新聞社/食品ヒット大賞

第二回フーディスト新商品大賞/総合グランプリ

AsiaStar2021 Packaging award



WORLDSTAR
GLOBAL
PACKAGING
AWARDS



GOOD DESIGN
AWARD 2021



March 29, 2022

Launch of New *Asahi Super Dry Nama Jokki Can*

Production capacity increased by roughly 400% to 12.9 million cases

Foaming speed roughly doubled

TV commercials to promote new *Asahi Super Dry* + new can

Current can

Redesigned can



Average time for foam coverage to develop (n=185):

3 seconds

Average time for foam coverage to develop (n=65)

1.6 seconds (time halved)

Asahi Nama Beer Maru F: Overview and Future Plans



まろやかな
うまみ

“復活の生”
since 1986

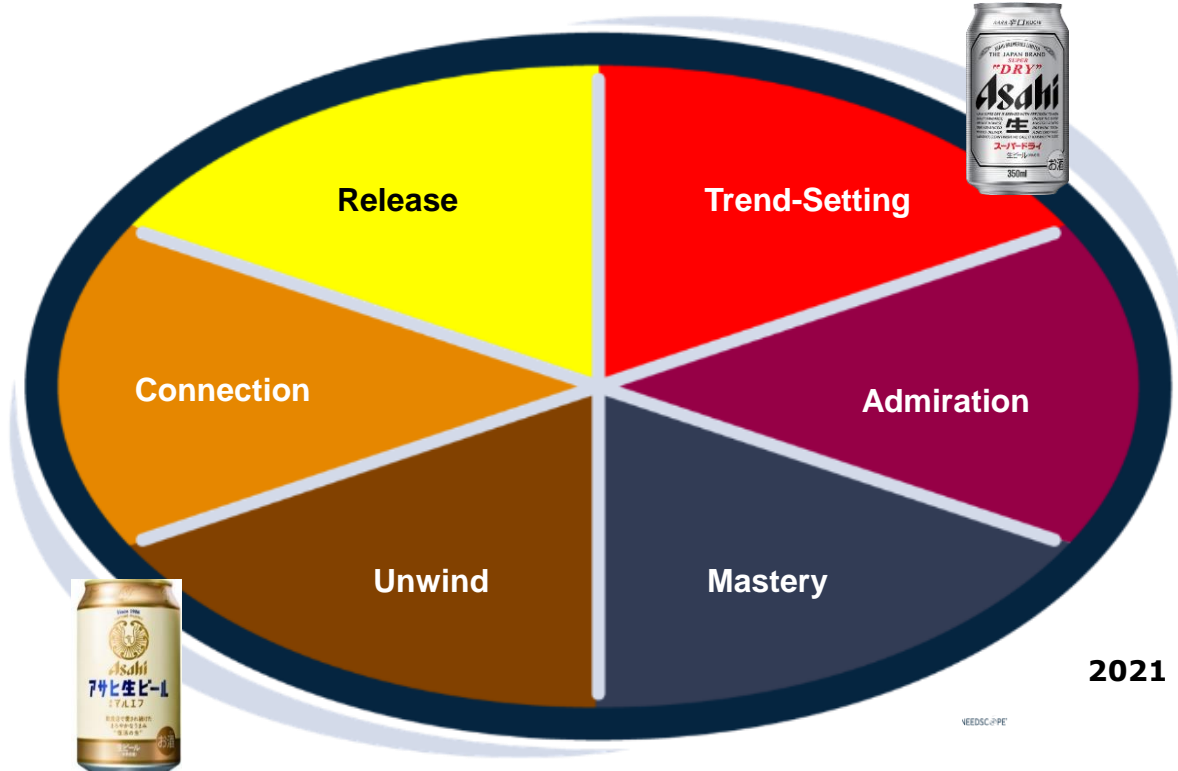
ストップ！20歳未満飲酒・飲酒運転。
妊娠中や授乳期の飲酒はやめましょう。

ビール

Positioning in Terms of Emotional Needs



To be positioned as a brand with a world view that is polar opposites to that of *Asahi Super Dry*



2021 Kantar/our research

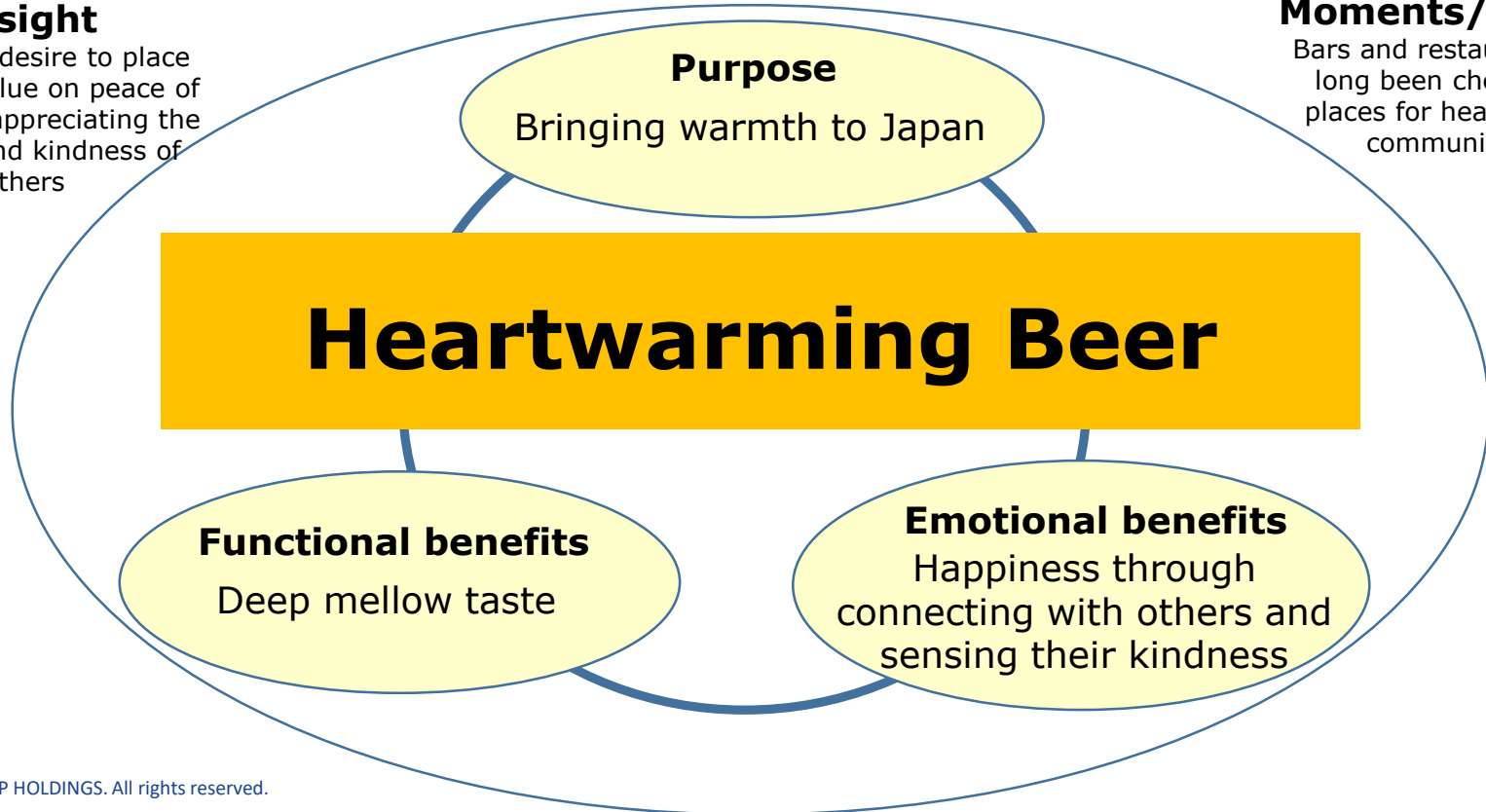
WEEDSC@PE

Insight

Consumer desire to place renewed value on peace of mind, and appreciating the warmth and kindness of others

Moments/Stories

Bars and restaurants have long been cherished as places for heart-to-heart communication



Current Situation

- ✓ Positioning successful → becoming a second staple beer brand
- ✓ Launch of remaining 3 SKUs and *Kuronama* on February 15, 2022
- ✓ POS (SRI) data the week of launch → total brand sales 2nd in beer market
- ✓ Record-high levels of *Kuronama* customers intending to continue purchasing (75%)

Future Plans

- ✓ Branding strategy → consolidate positioning
- ✓ *Kuronama* → consolidate position as staple beer, provide serving suggestions (mixing *Kuronama* with *Maru F*, etc.)

飲み方を、もっと自由に、**Feel free to drink** もっと自分らしく。**your own way.**

コロナ禍をきっかけに、日々の生活様式は益々多様化し、自分のペースで人生を楽しむお客さまが増えています。アサヒビールは、そんなお客さまの「今の声」にもっと寄り添いたいと思いました。

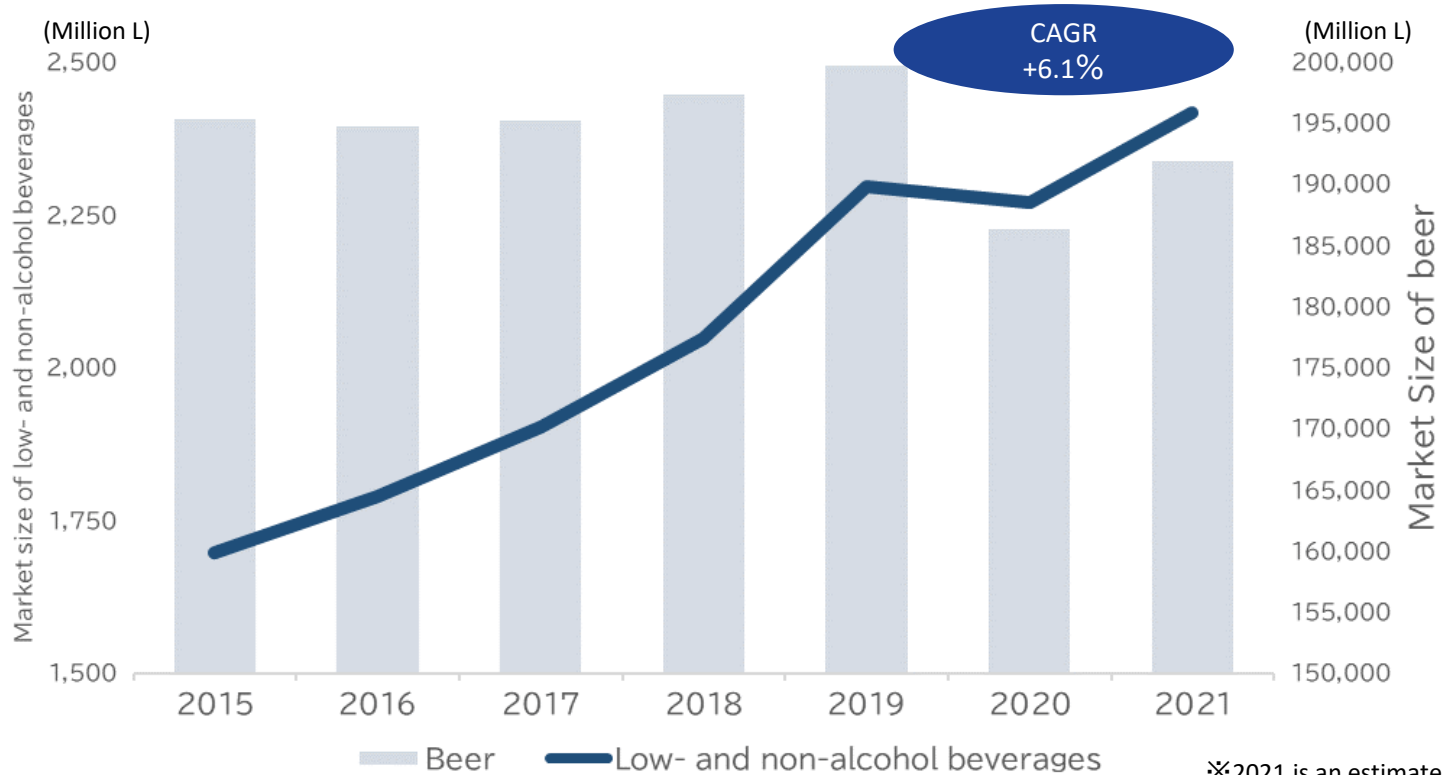
スマドリ=スマートドリンク。

Smart drinking.

お酒を飲みたい時、飲めない時、そして、あえて飲まない時、飲む人も、飲まない人も、ひとりひとりが、自分の体質や気分、シーンに合わせて、適切なお酒やノンアルコールドリンクをスマートに選べる時代へ。

私たちは、これまでにない多彩なコンセプトの商品やサービスをご提案し、飲み方の多様性を尊重し合える社会の実現と、「楽しい生活文化の創造」に取り組みます。

Low-alcohol/Non-alcohol Market Growing Worldwide



Smart Drinking = a Market with Massive Potential



Working to “Deliver on our great taste promise” and “Bring more fun to life”.

Population
in 20s-60s

Approx. 80 million people

Those
who drink
less than
once a
month

Approx. 60 million people

Approx. 40 million people

Non-drinkers

- Those who can't drink
- Those who don't drink

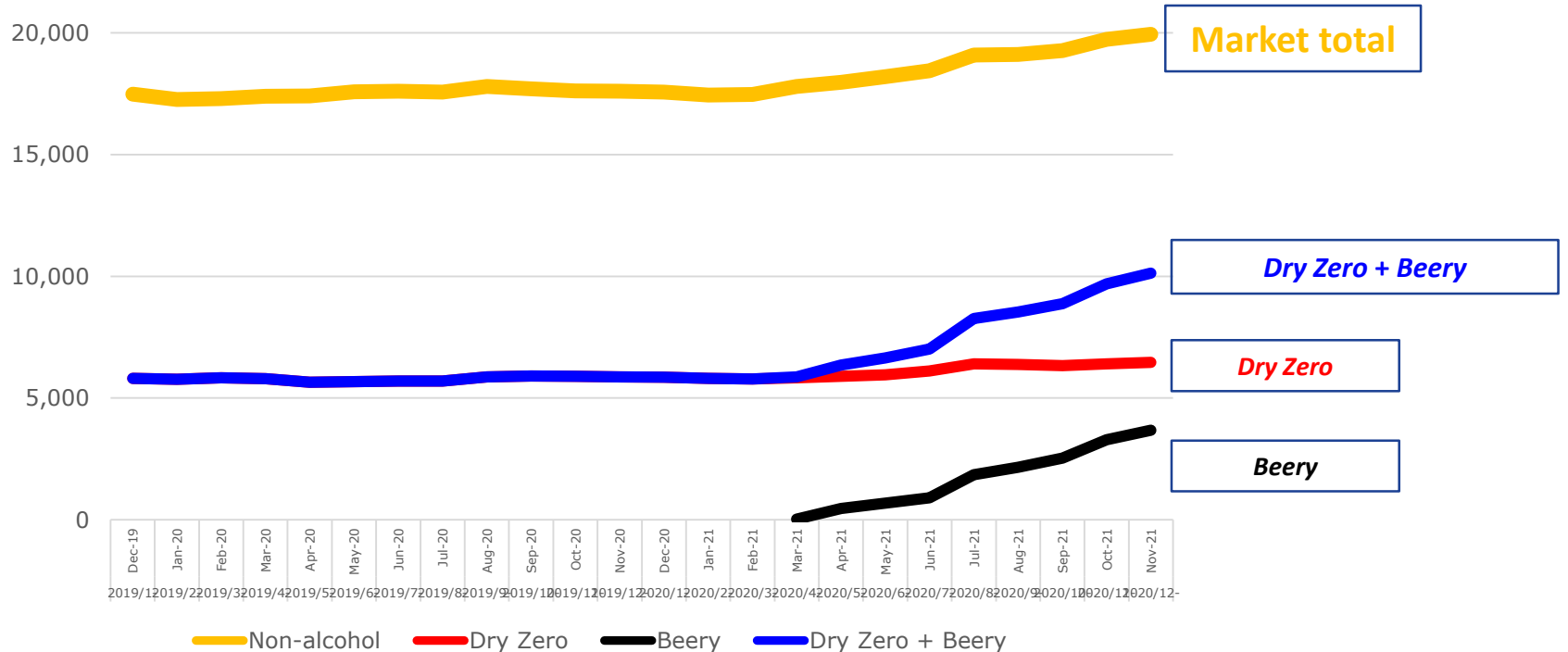
More than half of
20s and 30s do not
drink alcohol.



Minimal Alcohol Product “Beery” is Driving Growth



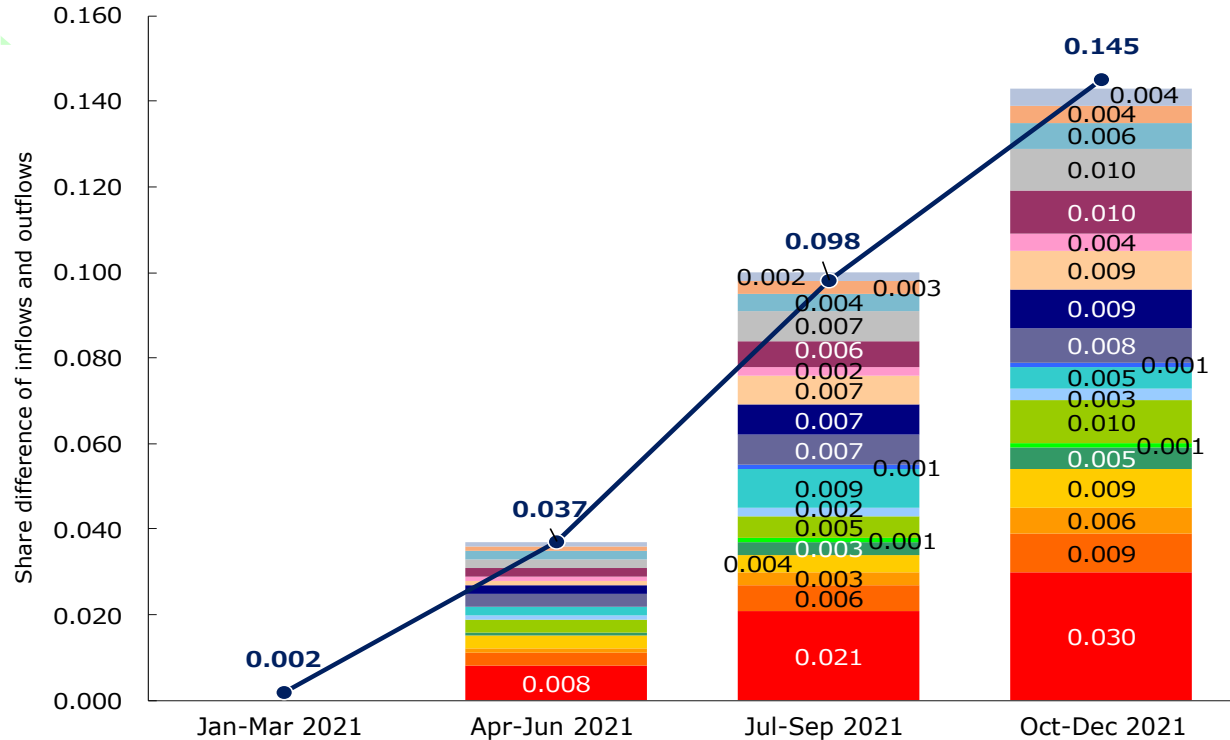
Number of non-alcohol and minimal alcohol users



Consumers Switching to Beery from Wide Range of Beverages



From October through December 2021, consumers were mainly switching to *Beery* from beer-type beverages, Japanese Sake, sugar-free tea, and health drinks



- Other soft drinks
- Lactic acid beverages
- Mineral water
- Health-related beverages
- Unsweetened tea
- Black tea
- Coffee
- Carbonated drinks
- Fruit and vegetable
- beverages
- Non-alcohol cocktail
- Non-alcohol beer
- Other alcohol beverages
- Japanese Sake
- High ball
- Whiskey and spirits
- Wine
- Shochu
- RTD
- Beers
- Total

Minimal Alcohol Category and Smart Drinking Strategies



Current Situation

- ✓ Last year, the minimal alcohol/non-alcohol beverage market in Japan grew 115% YoY driven by minimal alcohol beverages

Future Plans

- ✓ Expand and enhance product lineup
- ✓ Creation of menus for use in bars and restaurant that enable customers to select drinks by alcohol content
- ✓ Understand the needs of those looking to drink less and gain insights about such people
- ✓ Establishment of Smart Drinking Co., Ltd. to popularize and establish the Smart Drinking concept



- Specialization in Asahi Super Dry (Extra Cold)
- Focus on loyal customers in the first year
- 15,000 members
 - Controlling number of members through the use of lotteries due to lack of equipment and materials
 - 58,000 people on the membership waiting list and 630,000 registered followers on the “Line” app
- Direct communication with members
 - Online seminars by employees for new members
 - Direct communication with enthusiastic members through fan meetings
- Cancellation rate of only 1.6%



Bringing more fun to members

- Direct online and offline communication
- Members-only information, exclusive products/events
- Joint development of original products and new services with members

Lifetime value enhancement

- Direct engagement with each individual member
- Enhancement of provided value through direct communication and analysis of purchasing/behavioral data

Pursuing profitability

- High added value and efficient primarily online customer attraction and sales promotions
- Targeting a total of 70,000 members (however focus is not on increasing number of members)

Putting the Asahi Group Philosophy into Practice

- “Deliver on our great taste promise and bring more fun to life.”



**Members are referred to as the Drafters
(the name for the members is also the name
of the service)**





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