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How a Canadian company's research helped bring American beer to China



Charles Leech, a partner at ABM Research, in an observation room used in market research sessions, at the company's offices in Toronto. Photo: Tyler Anderson/National Post

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A Canadian consumer research firm has helped an iconic American beer brand owned by Brazilians become one of China's best-selling imported brews. The players – ABM Research Ltd. of Toronto and AB-InBev, the world's largest brewer owned by Rio De Janeiro-based global investment firm 3G Capital – used qualitative research to make it

happen. Suzanne Wintrob spoke to ABM partner Charles Leech to understand why hanging out in nightclubs and living rooms is part of his job description. This is an edited version of their conversation:

What is qualitative research and how does it work?

Quantitative research is telling you, with statistical significance, how many people feel a particular way, how many people do a certain thing or when they do it or why they do it. It's all hard data around behaviour. But what quantitative doesn't do is explain why. It doesn't talk about attitudes or motivations or behaviours or emotions. For that you need qualitative work.

How does that affect branding?

People engage with brands emotionally. Neuroscience tells us that no consumer behaviour, no actual purchasing can happen without an emotional spark. All shopping behaviour is based on an emotional impulse, so you have to get into qualitative research to find out why people feel the way they feel.

What was going on in China with the Budweiser brand?

Their challenge was one that's faced by many other successful brands around the world: to stay on top. But staying on top requires more effort. You have to always make sure that your message is relevant, that the things that you're saying are meaningful and that you're framing things in the right way. That continual effort requires continual research to make sure you're always calibrating in that direction.

Who were they after?

Chinese youth culture – how do they feel about the world, how do they feel about brands in general, how do they feel about the beer category, and how did Budweiser play in all that.

Turns out they're what you call “tribalistic xenophiliacs” ... huh?

Tribalistic means you divide the world into tribes, us and them. Chinese youth tend to believe that anything that's not Chinese is just foreign. Xenophilia refers to a love for a culture that's not your own, so xenophiliacs love foreign culture. They think it's really cool because it's different and interesting and exotic and unusual. So in China, as long as it doesn't come from China then that product is cool. They don't really notice that it's American, they don't care that it's American. What they care about is that it's foreign, that it's not Chinese. They're also not huge fans of Chinese products, which is why they love imported goods.

So you had a pint or two with the locals?

It's a hell of a job! We went out to beer and bar events like nightclubs, bars, restaurants and people's homes and observed behaviour. You have to be schooled to some degree in cultural anthropology to know what you're looking for. We also did consumer focus groups and semiotic analysis to understand the relationship between signs, between what something is and what it means and how communication really works. We use it for packaging, brands, logos, the role beer plays in the whole alcoholic pantheon.

Was being Canadian an advantage on a beer-drinking project?

When you walk into a global market, the trick is to have a very open mind and really try to understand what you're feeling or looking at without any prejudices or cultural assumptions. Only then can you understand how locals are engaging with whatever it is they're engaging and none of your local biases are going to skew or filter through any of the research results. Canadians are very good at that. As a nation we've got a long history of having an open mind, of having unconditional positive regard, of assuming the best even though we might also prepare for the worst. So when things unfold in front of you in research through focus groups or ethnography, for example, you're in a really good position to understand deeply exactly what it is you're seeing and make good recommendations.

What else do we bring to the international table?

Canadians tend to have an inferiority complex, partly because we're continually being told that our market is so small compared to the Goliath to our south that our opinions don't count, our consumers don't really matter, we're not really weighty enough or have enough purchasing or marketing power to be important. So we tend to keep ourselves very provincial, which is a shame because we've got a lot to offer and, as a nation, we're a very smart bunch. Think big and be confident. Believe in yourself. If we confidently took that step into global international markets, we could do really well. But we have to believe it.