

'Nightmare' at Anheuser-Busch: Delayed Pay Raises, Layoffs, Surveillance Frustrate Employees Amid Bud Light Fallout

The beer company went into crisis mode as it received backlash from a partnership with transgender influencer Dylan Mulvaney, current and former employees said.

By **Lauren Elkies Schram** | November 13, 2023



Credit: Joe Raedle/Getty Images

Anheuser-Busch InBev was ill-prepared when its partnership with an influencer who identifies as transgender, Dylan Mulvaney, stoked swift backlash.

On April 1, Mulvaney posted a [video on Instagram](#) promoting a **Bud Light NCAA March Madness** contest. The sponsored post included a custom can of beer with Mulvaney's face on it, commemorating her first year of gender transitioning.

Some factions of conservative celebrities, politicians and consumers [slammed Bud Light](#) and called for a boycott of AB products. Bud Light's sales [plummeted](#) and retailers were forced to [decrease shelf space](#) for the brand, causing Bud Light to [fall off its perch](#) as the leader in the U.S. beer market.

An operations manager who left the company of his own volition in the fall described the climate amid the Bud Light fallout as "a nightmare to say the least."

Issues ranged "from volume taking a massive hit, to our vehicles getting vandalized and our drivers getting harassed on the streets, to massive orders of Bud Light that were previously delivered getting returned," the former manager said via email.

The Belgium-based brewer [was mum](#) in responding to the controversy until U.S. CEO **Brendan Whitworth** released a [pro-solidarity, pro-America statement](#) April 14, that neither mentioned Mulvaney nor the sponsored post. Critics on both sides of trans rights felt the company was non-committal.

Leadership went into emergency-response mode and referred to the Mulvaney situation as "the Bud Light crisis," according to a former marketing employee who was part of the [mass layoffs](#) in the summer. Another moniker was, "The Bud Light situation," a supply chain manager in Anheuser-Busch's corporate offices told CPG Specialist in August.

As the company looked to stem the bleeding from Bud Light, it shifted dollars to [marketing](#) and advertising for the brand, conducted layoffs, delayed employees' pay raises, clamped down on corporate travel, issued stricter edicts and created an environment of hypervigilance, some of which was clearly linked to Bud Light's woes, according to current and former employees, who were granted anonymity by CPG Specialist.

Employee Layoffs

At the end of April, AB [reorganized](#) its marketing department. Bud Light's VP of marketing, **Alissa Heinerscheid**, and her boss **Daniel Blake**, group VP of mainstream-brand marketing, were put on leave. The company appointed a new head marketer for Bud Light. **Todd Allen**, VP of global marketing for **Budweiser** since November 2020, was given the additional role of SVP of marketing for Bud Light in May. Allen was experienced with crisis management, having been instrumental when Qatar officials [banned alcohol sales](#) at **Fifa World Cup 2022** stadiums 48 hours before the start of the tournament. The decision was a surprise to Budweiser, a sponsor since the 1986 tournament.

The ex-marketing employee said she was in the dark about changes to her department, learning about them by reading the news. Managers tried to mollify Bud Light staffers, with multiple boxes of **Krispy Kreme** donuts in the office, she said.

Eventually, some AB staff outside of Bud Light were told Heinerscheid and Blake did not leave voluntarily, and they were "put on leave to protect them" from reporters and paparazzi stalking them at their homes, the ex-marketing employee said.

Soon after the marketing reorg, the work culture began to change. The former marketing employee said on Monday, May 8 at 5 p.m., she was notified employees needed to work in the office every day, starting the following day, after having had a very flexible hybrid setup. Other departments were already working on site full time, the supply chain manager noted.

“It became a culture of surveillance — ‘we’re paying attention to your badge swipes; we’re paying attention to if you are at your desk; we’re paying attention to what you’re doing on your computer,’” the ex-marketing worker said. “I think that was to avoid people talking to press, or, like telling their friends and roommates about [the internal drama] while working from home.”

In July, the company said it would lay off hundreds of employees in corporate and marketing roles in several offices, including those in St. Louis, Missouri, home of the CPG's U.S. headquarters; New York; and Los Angeles. The CPG didn't attribute the layoffs to the Bud Light marketing saga, but employees could read between the lines.



Anheuser-Busch InBev HQ in St. Louis, Missouri

“They’re not saying, ‘hey, we’re letting you go because Bud Light sales are below a certain target.’ However, they’re not trying to say they’re unrelated,” the supply chain manager said in August. “I won't say that literally every meeting has a slide on the Bud Light situation, but, you know, they're not shying away from the fact that as a company, we're suffering with lost sales.”

Bud Light's dollar sales were down 25.4% YOY for the time period from late April through July 15, according to **NIQ** data analyzed by **Goldman Sachs**.

One former AB executive, **Anson Frericks**, who worked at AB InBev for nearly 11 years until April 2022, lastly as president of sales and distribution, suspects the company will have to lay off “thousands of people and close breweries over the next couple of months if they actually want to get back to those higher-margin levels in 2024 and beyond because I just don't see that volume coming back anytime soon.”

There have been more layoffs since July, though not en masse. **DraftLine**, AB's internal creative agency, underwent a reorganization, per the supply chain manager. **Lauren Denowitz**, who was the global studio head of **DraftLine Entertainment**, AB InBev's premium content studio, was let go roughly a month ago after nearly seven years at the company. She oversaw the development and financing of original entertainment, according to her [LinkedIn page](#).

"With the Bud Light situation earlier this year, the company experienced its largest brand crisis in its several-hundred-year history," Denowitz [posted on LinkedIn](#). "The impacts are being felt far and wide, and, understandably, as the company navigates its path back to sturdy ground, it's prioritizing resourcing shorter-term impact initiatives vs longer-lead-time strategic bets like brand entertainment."

Tightening the Purse Strings

AB InBev has been trying to win back its beer drinkers, many of whom [shifted to brands](#) under the umbrellas of **Constellation Brands** and **Molson Coors**. The latter's CEO said retailers decreased shelf space for Bud Light, following the "massive shift in consumer purchase behavior" after the Mulvaney post, according to Molson Coors' latest [earnings call](#).

AB's efforts to bring back consumers have included committing to tripling the company's media spend on Bud Light, as AB InBev CEO **Michel Doukeris** said during the CPG's [Q1 earnings call](#); conducting a survey of 170,000 consumers — a number which swelled to [more than 260,000](#) as of the CPG's Q3 earnings call — from which the CPG [plans to take pointers](#); and forging a [multiyear partnership](#) that will make Bud Light the official beer of mixed martial arts organization UFC. (AB and Bud Light were the UFC's original sponsors more than 15 years ago.)

The company is upping the spend on more traditional Bud Light advertisements during the [NFL season](#), as Yahoo Finance reported.

“To support our long-term strategy, we continue to invest in our megabrands, wholesaler support measures and key partnerships including the NFL and Folds of Honor, as well as new activations in college football and the NBA,” the company said in its [Q3 earnings release](#).

As the company augmented its media spend on Bud Light, AB corporate employees saw more restrictions on their pay and processes.

Typically, raises are given in the spring and the fall, the supply chain manager said, although it's not a guarantee that all workers get pay hikes at either time. Executives announced in the spring that salary raises were delayed as a “direct result of the Bud Light situation,” the supply chain manager said. The raises came, effective Oct. 1. He explained via email, “So rather than two periods, there was the consolidated (and in some cases, delayed) one period.”

He added, “It sounds like next year, they're planning to have the two periods again.”



Bud Light's 2023 NFL campaign, "Easy to Sunday." Credit: Anheuser-Busch

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supply chain manager.

The former marketing employee said executives stated in a May meeting, “the review period would happen in October instead of June and that the bonus structure is also changing” to be weighted toward the company’s more profitable international business.

“The U.S. bonus goals were basically impossible,” the supply chain manager said, as they were based on earnings, which were down. “This would make the 'size of pie' zero.”

Indeed, U.S. revenue decreased 10.5% in Q2, with earnings before taxes down 28.2% YOY.

The company clamped down on corporate travel, at a time when other companies were also trimming those costs. AB shifted in-person internal conferences and training to video conferencing; required additional managerial approvals in the instances of travel; and told employees to cancel non-critical trips, according to the

“There were no explicit guidelines put in place, but teams were told to stop traveling for shoots and meetings and to do things virtually. When booking through our travel portal, trips over a certain dollar amount required manager, finance and VP approval,” the former marketing employee said. “It was, ‘hush-hush, don’t tell people you’re traveling for business’ because other teams weren’t getting approved.”

As of last week, the supply chain manager said, “travel is still quite restricted.”



Anheuser-Busch's Houston, Texas, brewery. Credit: Anheuser-Busch

A brewery worker for AB said via email that Bud Light’s branding decision with Mulvaney has had “a very real impact on our hours, shifts and production.” Specifically, he added, “Declines in Bud Light production have led to less overtime hours, which has meant less money in take home pay.” The U.S. brewery workers are in negotiations for a new union contract; the current one expires Feb. 29.

Shutting Down the Conversation

On the day of the Super Bowl Feb. 12, Bud Light garnered roughly 53,000 mentions across social media platforms with 17% positive sentiment, according to research performed by **Rila Global Consulting**, a social media listening firm; that number surged to an “unprecedented” 160,000 mentions the day of the Mulvaney post, with positive sentiment dropping to 5% since the post, **Tsvetta Kaleynska**, CEO of Rila, said via email.

AB tried to shut down the discourse. At the behest of leadership, company social media posts and comment functions were paused, the former marketing employee said.

From April 1 to 14, Bud Light and AB did not post on their **Instagram**, **Facebook** and **X** (formerly Twitter) accounts, according to research performed by Rila. The dark period continued on Bud Light's Facebook page until May. On **YouTube**, AB posted no new videos from Feb. 27 until May 11, when it uploaded [a video](#) about how it supports all its workers.

Current and former employees said AB management would at times communicate via a **WhatsApp** chat. On April 14, **Spencer Gordon**, group VP of consumer connections, said in the chat that Whitworth "posted [a statement](#) on behalf of the company" on X, and that Budweiser "tweeted an iconic [video](#)." Two minutes later, Gordon texted, "we have made the decision to stay dark across the rest of the portfolio for the next day or two," according to screenshots shared with CPG Specialist. He reiterated that sentiment the following day.

On April 17, Gordon said the quiet period would continue with "organic/unpaid social across the portfolio" excluding some ongoing content. But the CPG would be "turning on paid media across Facebook, Instagram, YouTube and Snapchat," he said, with the comment function disabled. He said the CPG would keep paid social for X paused for a longer period.

"The intention is to continue to drive reach and awareness for our portfolio's media plans, without inviting negative commentary on everything we do," Gordon wrote.

Leadership shifted the focus of its social listening team to exclusively monitor the crisis, the former marketing employee said. And for employees' personal social media, "VPs were encouraged to make accounts private. Everyone else was encouraged to be discerning on social [media] in general," she said. That was requested under the guise of keeping employees safe from outside threats.

Presently, the CPG's compliance training — consisting of pre-recorded videos intended to be watched at employees' own pace — directs employees to conform to AB media policies if they have identified themselves as AB employees.

To view the graphic, [click here](#) or go to https://www.cpgspecialist.com/c/4317554/559544?referring_content_id=4317554&referring_issue_id=559544

During Pride month in June, there was "more caution than usual" about company activations and partnerships and how they would reflect on the company, per the former marketing employee. Mulvaney said in a June 29 [video](#) posted to her Instagram account that she was disappointed that Bud Light hired a trans person for a brand deal, and then did not "publicly stand by them" amid the bullying, ridiculing and transphobia she experienced.

Still, AB sponsored 40 Pride events around the country, including a parade in St. Louis.

AB said in a statement, "We remain committed to the programs and partnerships we have forged over decades with organizations to drive economic prosperity across a number of communities, including those in the LGBTQ+ community."

Frericks, still a shareholder in AB InBev's stock, doesn't think the CPG should get involved in political issues, "like the Dylan Mulvaney partnership."

"Historically Bud Light became the largest brand in the U.S. because it did not focus on polarizing issues or polarizing topics," Frericks said. "It did things that brought folks together like sports and music and whatever else. In my opinion, that's the way that Bud Light should continue to be. ... If it wants to go down the Ben & Jerry's route, great, then just be open and transparent about that. And then consumers can decide if they want to still purchase the brand or not. But as a company, they haven't even taken a stance either way about what Bud Light is going to be as a brand."

The supply chain manager said there was an obvious effort by executives to "change the conversation about Bud Light to just football," with distributors, the media and employees.

Seven months after the Mulvaney post, things have settled down at AB, though the company's U.S. revenue declined by 13.5% YOY in Q3.

"I would say the company isn't in crisis mode anymore," the supply chain manager said via email. "The Bud Light Situation' ... is still a topic that comes up somewhat often, but earlier in the year, just about every presentation had a section discussing 'The Bud Light Situation' and now it's less ubiquitous."

The manager said he doesn't feel AB has expressed enough support for the LGBT community, though he is not sure any other large company would handle it any better.

"While I don't think our company is actively anti-LGBT, I don't feel as if they made any strong statements of support for LGBT folks and if you look at the bulk of our marketing messaging, donations on 'non-political' issues (i.e. excise tax lobbying and other industry matters), I do think the overall momentum is anti-LGBT," he said.

On the positive side, he said the pay is "pretty good," he likes his colleagues and there's "a lot of opportunity within the company."

At the very least, he plans to stay until bonuses are paid out in March.

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