

## Story of Asahi Breweries

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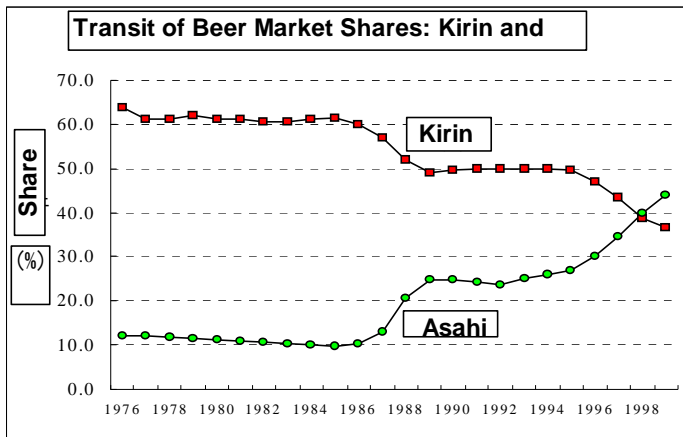
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### Asahi Breweries' Come-down and Revival

Asahi Breweries kept hitting a losing streak by its lone until 1985.

- (1) Asahi concentrated on restaurants/drinking outlets (institutional markets) since prewar periods:  
 70% in institutional markets vs. 30% in household, while Kirin developed home market.
- (2) Its company base became Western Japan due to the company breakup.
- (3) It leased its sales network to Suntory.

	Kirin	Sapporo	Asahi	Suntory	Account
1949	25.3%	38.7%	36.1%	market entry in '63	Company broken up under Excessive Economic Power Decentralization Law, another being Sapporo Breweries
1953	33.3%	33.3%	33.3%	market entry in '63	Parity among the three
1980-85	over 60%	approx. 20%	approx. 10%	9%	Practically dismissed 500 out of 3000 workers by designation in '81
1984	4.68 million kl	-5.3%			Shochu (distilled spirit) boom; Its consumption volume grew 2.3 times as much during 1982-85
1985	4.79 million kl	2.4%	9.6%	9.2%	Lost the lead to Suntory in some single months
1986	4.97 million kl	3.8%	10.4%		Implemented the corporate identity (CI) move (Jan); Released "Rich & Sharp Draft Beer" (Feb)
1987	5.34 million kl	7.4%			Released "Super Dry" (Mar); Aborted CI
1988	5.75 million kl	7.7%	20.6%		Intensified competition over "dry beers"
1989	6.05 million kl	5.2%	24.9%		Competitors laid aside dry beers
1990	shipment volume	growth rate	24.7%		Asahi's miraculous demise; Kirin released "Ichiban Shibori"
Jan 1997	36.8%	18.8%	37.9%	5.5%	Pulled ahead of Kirin in 44 years since
Mar 1998	36.1%		40.9%		Overstrode Kirin again since Jan '97 attaining 40%-mark share for the first
1998	38.8%		39.9%		Topped Kirin in the annual shipment



Introduction of Asahi Beer  
 May 1892



Implementation of Corporate Identity  
 February 1986



### What Happened to Asahi Breweries?

1982	Mar	Murai (Sumitomo Bank's vice president) assumed the presidency (adviser since Jan). During his tenure as Sumitomo Bank's managing director, he went over to Toyo Kogyo Co. (current Mazda Motor) as its vice president and rebuilt the firm.	
	Summer	Laid down the managerial creed (originated by the department managers' conference), and turned the code of conduct into a booklet for a company-wide distribution.	
	Oct	Formulated the first long-term plan (starting '83) which included a plan to enhance the corporate image	
	Year-end	Launched a "preparatory committee to implement CI" which was comprised of 7 deputy department managers and section managers, and was chaired by the public relations department manager. (Was it an informal study group?) Alias, "7 patriotically-minded men".	
1983		Conducted study sessions inviting Dentsu's producer Shigeki Sawa	
	Fall	Submitted a recommendation to the department managers' conference that called for an implementation of CI targeting at reforming corporate culture per se. (Submitted together was a master plan on CI implementation formulated by Dentsu's assistance.)	
1984	Feb	Made the formal decision to implement CI	Spontaneous activities only known to the president, part of executives and department managers
	Mar	Working-level committee on CI implementation kicked off: • To uncompromisingly dwell on beer • To take another look at taste of beer	• Marketing department's proposal (preference/taste research against 5000 samples during '84 fall through the beginning of the following year) • Tasting by sales sectors
1985	Jun	Dissolved itself in Jan. '86 having called for CI implementation; Alternatively established CI division	In Jun '85 "Rich/Sharp Draft Beer" was developed (Yeast No. 508)
	Sep	Made the decision to change the taste in the management conference	
1986		Higuchi (Sumitomo Bank's vice president) assumed an adviser position (Jan), and the presidency (Apr)	
	Jan 27	Ran a company-wide tasting of Rich/Sharp Draft Beer" (first time ever in Asahi)	
	Feb	Released in Tokyo (19th) and Kansai (25th); Took all old Asahi draft beer off the market prior to the releases; Adhered to fresh rotation (to ship out within 20 days; to purchase and dispose the product older than 4 months in stores)	
	Mar -Jun	"One-million-people Tasting Campaign" • All employees distributed one million pieces of mini sampling cans sacrificing their holidays. • Due to consumers' favorable responses, they took in the successful experience through the skin.	
		Albeit it was a mere 0.8%, the occasion was the first experience for majority of employees to engage themselves in increasing the market share of own brand.	

- Until the mid-1980s, beer for home consumption was mainly delivered to homes by liquor stores: Kirin's times
- Time changed from liquor stores' home delivery to that of customers' direct choice at discount stores where they drive own cars.
- Asahi began the license production of Lowenbrau of Germany in spring 1983, and was experimenting the yeast with low odor obtained from this German firm. That was the yeast 308 for Super Dry.
- Approximately by 1980, Asahi just about completed a standardization of its production department.
- Asahi 's "Super Yeast" ('89) and "z" ('91) failed } → Quality, as expected:  
Kirin's "Ichiban Shibori" ('90) succeeded } Freshness Management in 1994

Nevertheless, even in 1998, in terms of shares of the shipment volume including low-malt beer (e.g. Kirin "Tanrei <Draft>"), Kirin scored 40.7%, and Asahi, selling only regular beer, 34.5%. Placing an emphasis on low-malt beer, the three companies had a strategy clearly different from that of Asahi which concentrated on regular beer in a straight line.

And upon launching its low-malt beer in February 2001, Asahi topped Kirin in the 2001 sales quantity combining regular and low-malt beer, resulting in the switch of the primacy after an interval of 48 years. Shares of beer and low-malt beer combined in that year were 38.7% for Asahi, 35.8% Kirin, 15.0% Sapporo, 9.7% Suntory, and 0.8% Orion.

#### Reference literature hereout:

Takahashi, Nobuo, ed., *Management Theory on Organizational Culture*, Chuo-keizai-sha, 1997

In Chapter 10, there are commentaries on the history of corporate identity and Asahi Breweries' CI by Dentsu producer Shigeki Sawa himself.