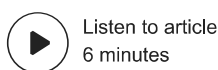


## The Bud Light Boycott Dented Sales. These Companies Are Also Being Targeted.

By [Janet H. Cho](#) Follow June 21, 2023 5:50 pm ET



Target was one of the retailers to face criticism and calls for a boycott after displaying Pride Month merchandise. Brandon Bell/Getty Images



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Bud Light isn't the only consumer product brand under pressure during Pride Month.

[Starbucks](#) (ticker: SBUX), [Target](#) (TGT), and [Cracker Barrel](#) (CBRL) have also faced criticism and calls for boycotts after showing support for the LGBTQ community this year during June, even though they have done so for years.

But the three have been able to avoid the harshest glare, which has stayed on [Anheuser-Busch InBev](#) (BUD). The Belgium-based brewer has seen U.S. sales of its Bud Light brand plummet since April, after a transgender social media personality named Dylan Mulvaney promoted it on Instagram. Shares are down 12.8% since then.

A Bud Light boycott that lasted through May and into June even flipped Bud Light's status as the top-selling U.S. beer. Instead, Mexican brand Modelo Especial, which is part of [Constellation Brands](#) (STZ) in the U.S. and Anheuser-Busch outside the U.S., [took that spot](#) in May. Modelo had 8.4% of U.S. retail-store beer sales in the four weeks ended June 3, compared with 7.3% for Bud Light.

An Anheuser-Busch InBev [ABI -0.62%](#) spokesperson told *Barron's* that on a broader timeline, Bud Light still dominates. "Bud Light remains the No. 1 brand in the U.S. nationally in volume and dollar sales."

## Different tracks

What makes the Bud Light situation different from a traditional boycott is that instead of being driven by outsiders, it is being led by people who self-identified as longtime Bud Light consumers, said Frank Findley, executive director of the independent Marketing Accountability Standards Board.

And social media has played a central role. The current polarized political climate has made promotions that were never an issue in years past increasingly controversial, said Michael Goldberg, associate professor at Case Western Reserve University's Weatherhead School of Management. He told *Barron's* that the social media platforms that made Mulvaney popular also helped fuel the backlash as people shared viral videos calling for a Bud Light boycott.

Jim Meier, a retired vice president of commercial finance who spent 26 years in the beer industry, told *Barron's* that even before the Mulvaney controversy, Modela and Corona were gaining popularity as Bud Light sales lagged. Mulvaney's April 1 [Instagram post](#) also coincided with a promotion by Yuengling Flight. Meier said Yuengling, along with Molson Coors [TAP -0.09%](#) (TAP) and other rivals, have seen [sales rise](#) as beer drinkers looked for alternatives.

Meier and Findley said the Starbucks [SBUX +0.59%](#), Target, and Cracker Barrel boycotts are more traditional, meaning they are unlikely to last long-term, and will have a limited impact on the companies' financial performance.

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### Molson Coors Benefits

## Starbucks

Starbucks' employees' union, Starbucks Workers United, [tweeted](#) on June 13 that [Starbucks stores](#) were banning Pride decorations in locations nationwide. That tweet

unleashed a social-media backlash against Starbucks from employees and customers who supported the store decorations, which the union said had been common in previous years.

Starbucks told *Barron's* in an email that the company had not changed its policy or guidance regarding decorations for Pride month or any other heritage months. "We unwaveringly support the LGBTQIA2+ community," company spokesman Andrew Trull said.

Trull said store leaders "were still empowered" to decorate their stores for all heritage months, but that the company's general guidance on store safety and security policies prohibit hanging decorations on windows or other displays that could restrict the line of sight for baristas working behind the counter.

Starbucks' shares are up 2.6% since June 13.

## Target

Target said it pulled some merchandise and moved displays of other items in its annual Pride collection after receiving criticism and threats that made workers feel unsafe.

People confronted workers in some stores, knocked down Pride merchandise displays, and posted threatening videos taken from inside stores on social media, a Target spokesperson told The Wall Street Journal. Target's decision to remove merchandise drew criticism from California Gov. Gavin Newsom and others.

Target said it remains committed to the LGBTQIA+ community and stands with them to "celebrate Pride Month and throughout the year." Target's shares are down 6.5% since May 24.

## Cracker Barrel

Cracker Barrel Old Country Store, known for its southern food menu and related merchandise, came under fire in early June from several conservative commentators after it posted a photo of a porch full of rocking chairs, one of them painted in rainbow colors, saying it was excited to celebrate Pride Month.

That [Facebook](#) post prompted calls for a boycott of the chain's 664 locations, though there isn't evidence that one has gained any traction.

Cracker Barrel shares fell 3.1% for June through Tuesday's close. The company also reported disappointing fiscal third-quarter earnings and a downbeat forecast lower than consensus earlier this month.

Cracker Barrel could not immediately be reached for comment.

"Discrimination, overt or through unconscious bias, has no place at Cracker Barrel Old Country Store," the company [says](#) on its diversity, equity, inclusion and belonging page.

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By [Karishma Vanjani](#) Follow Updated June 21, 2023 5:20 pm ET / Original June 21, 2023 4:05 pm ET

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