

SUBMISSION:

Nethergate Brewery (Growler)

TITLE:

Redesign of Growler Brewery & its portfolio of beers

CATEGORY:

Brand Identity (I)

SUB-CATEGORY:

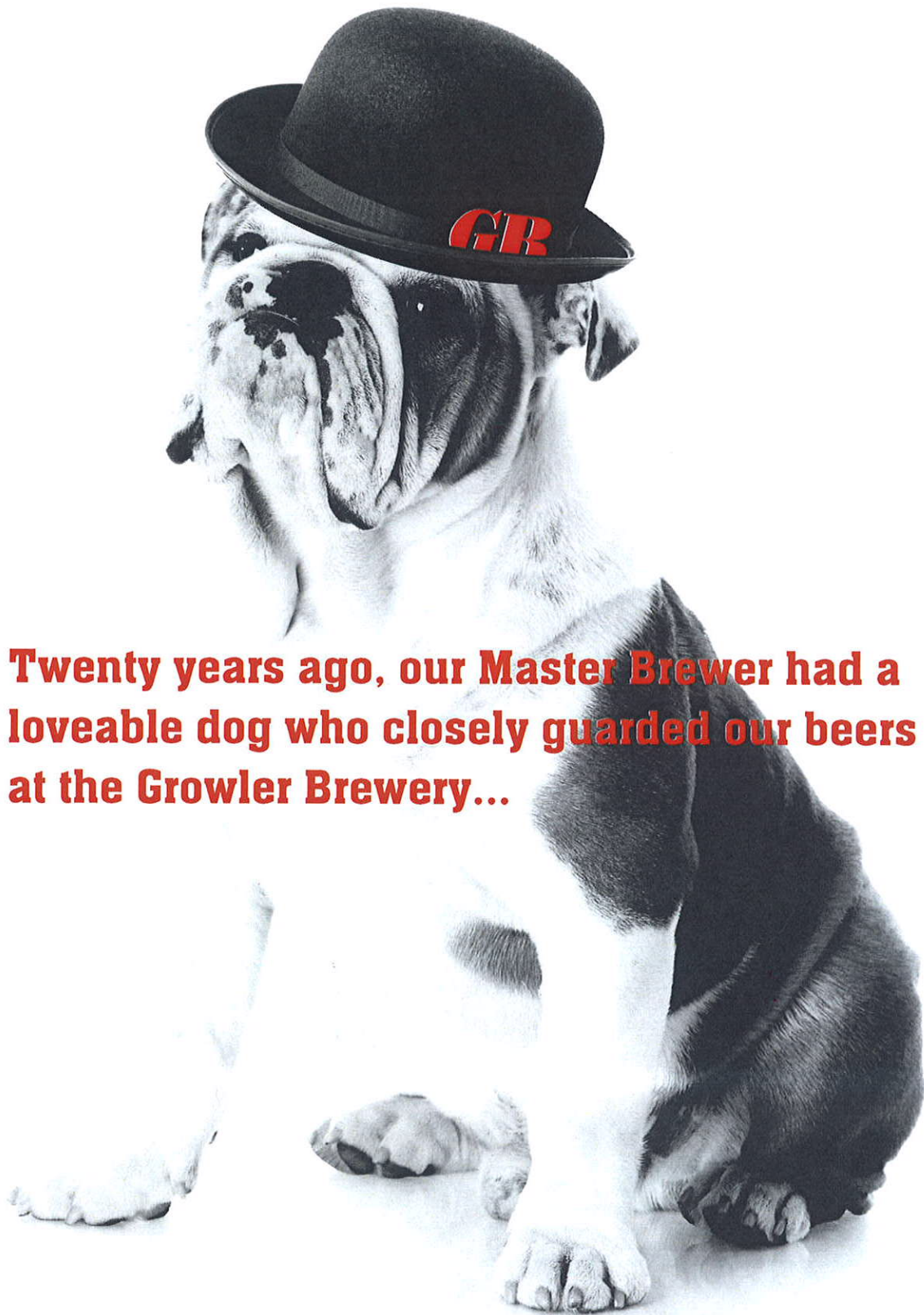
1.2 Design & implementation costs under £100,000

CLIENT COMPANY

Nethergate Brewing Company

DESIGN CONSULTANCY


**JDO Brand Design & Innovation
June 2013**



Twenty years ago, our Master Brewer had a loveable dog who closely guarded our beers at the Growler Brewery...

JD





SECTION 2 • EXECUTIVE SUMMARY:



In 2010, new management took over brewing company **Nethergate**, on the Essex-Suffolk border. Two years on, they tasked JDO Brand Design to design the renamed Growler Brewery's identity, together with its on and off trade livery. The creative result has helped set the brewery up for commercial, as well as critical success with results which far exceeded the brief's original objectives.

The entrepreneurial team set great store in the very best accountable design. A micro-brewer has micro budgets and, unquestionably, investment in the right branding project had to be rigorously considered to ensure optimal effectiveness. At board level, a design overhaul was deemed more appropriate than a costly advertising campaign.

The brief's marketing objectives included:

-  Winning 10% new customers within 6 months
-  Securing a prestigious retail account - for the business impact, as well as the kudos
-  Increasing market share in established territories by 15%
-  Increasing core portfolio beer sales by 20% yoy

Whilst a more premium look and feel was paramount, the brief stipulated production cost-parity to ensure no impact on margins, all the more significant considering the background of recent duty increases and rising costs which were weighing heavily on the brewing sector.

SECTION 2 • EXECUTIVE SUMMARY:

Growler's new identity has led to:









-  A huge increase in sales - bottle sales up 470% yoy (Essex Border)
-  Increased profitability (32%)
-  Turnover at an all time high of £2.1m from £1.6m pre-rebrand (37% yoy increase)
-  4 new retail customers - Tesco, Waitrose, Majestic, Sainsburys (Seasonal) & Co-op
-  4 weeks ROI
-  A new investor

All the more impressive when you consider this meteoric growth has been achieved in a market in decline. To cope with the additional demand, the brewery now brews 6 x week (+50%) and employing 25% additional staff, providing a positive knock-on effect on local employment.

(297 words)

SECTION 3 • PROJECT OVERVIEW:

I. OUTLINE OF PROJECT BRIEF

-  To create a unique, modern masterbrand identity with A-brand status for Growler Brewery which would stand out in a sea of microbrewers' craft beers.
-  To create cohesion across the Growler core portfolio whilst reflecting the values and characters of the individual sub-brands: Umbel Ale, Old Growler, Essex Border, Growler Bitter and Lemonhead.
-  To establish a compelling look and feel for Growler Brewery to impress and engage all our target audiences including consumers, loyalists, prospects, customers, competitors, media and staff, with the aspiration of opening new doors in terms of not just distribution, but also groundbreaking, growth - strategy future opportunities.
-  To recruit new drinkers to the world of craft beer and use the new branding to attract a younger consumer profile.
-  To increase the premium look and feel but maintain production cost-parity, (with a stretch target of actually reducing production costs where possible to increase margin by 2%)
-  To increase sales of Growler's core portfolio of beer by 30% in bottle sales and 20% in on-trade sales yoy.
-  To win 10% new customers within 6 months of relaunch, including the securing of a prestigious retail account within the first year of relaunch.
-  To increase market share in established territories by 15% and new markets by 12% within 12 months of relaunch.

SECTION 3 • PROJECT OVERVIEW:

2. BACKGROUND

When the young entrepreneurial management team took over the ownership, they all had ambitious goals for its future. Growler Brewery had a regional presence in the on trade, offering a large range of specialist and monthly beers. It also brewed an own label beer for the local Co-op but other than that, they had no distribution of Growler branded beer in any major national high street multiple.

The owners knew the craft brews to come out of this microbrewery were of exceptional quality, so much so it was awarded Brewery of the Year 2012. Yet the look and feel of Growler's portfolio of beers was not commensurate with its fantastic taste credentials. Consequently, Managing Director Rob Flanagan tasked JDO Design & Branding to redesign the brewery's tired-looking masterbrand identity, as well as the diverse sub-brands in its range.







The challenge for JDO was to create a cohesive identity with bags of character for their disparate - looking house ales.



SECTION 3 • PROJECT OVERVIEW:

3. OVERVIEW OF THE MARKET

Against the toughest economic backdrop in many generations, both on-trade and off-trade have witnessed troubles in recent years.

-  The overall beer market in general has been in steady decline for the last decade, with 2011-2012 seeing a -3% decline.
-  The on-trade distribution channels are struggling due to regular pub closures, with approximately two pubs being closed every day.
-  The off-trade is problematic for the industry because of falling prices caused by stiff supermarket competition, which reduces the profit margins for all businesses involved in the manufacture and sale of beer.
-  Heavy duty increases weigh heavily on the brewing industry (“A duty increase in excess of 5% is expected to be announced, taking the rise to over 40% since 2008” - Premium Bottled Ale Report 2012).
-  Premium Bottled Ale is the only sector growing, outperforming the market in 2011 in terms of both volume and value, and recruiting over 450,000 new shoppers.
-  The craft brewing market has exploded in recent years, but with the proliferation of new brands comes increased competition as many micro-brewers fight for an ever decreasing slice of the craft pie. There are 1,035 breweries in the UK now, compared with approx 400 in 2006.

SOURCE: Keynote Breweries & the Beer Maker Report 2012

SOURCE: The Grocer's Premium Bottled Ale Report 2012



SECTION 3 • PROJECT OVERVIEW:

4. PROJECT LAUNCH DATE

The Growler brand identity redesign was launched in June 2012.

5. SIZE OF DESIGN BUDGET:

Growler's Brewery's design budget was £22,000 for Design Concepts through to artwork handover for the following elements:

- a. Masterbrand identity (signage, corporate, stationery, templates, vehicle livery, glassware)
- b. Identity for individual sub-brands (bottles and pumpclips) for:

Off trade: (bottles)

 Old Growler

 Lemonhead

 Umbel Ale

 Essex Border

On-trade: (pump clips)

 Growler Bitter

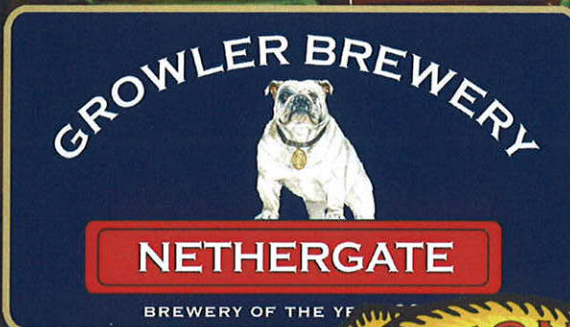
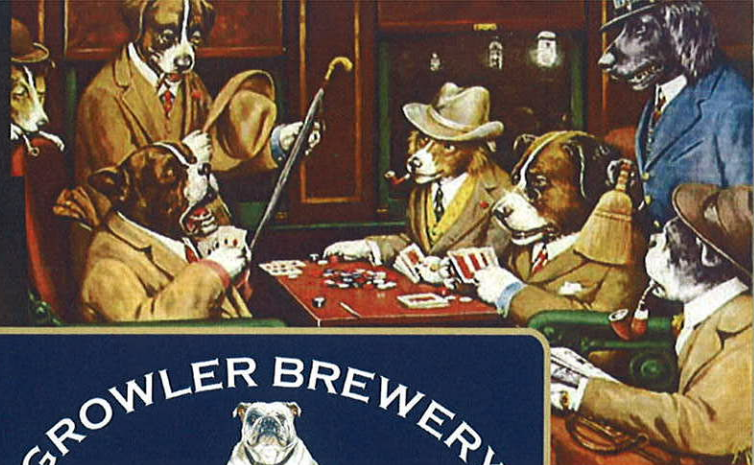
 Lemonhead

 Umbel Ale

 Essex Border

 IPA

SECTION 3 • PROJECT OVERVIEW:



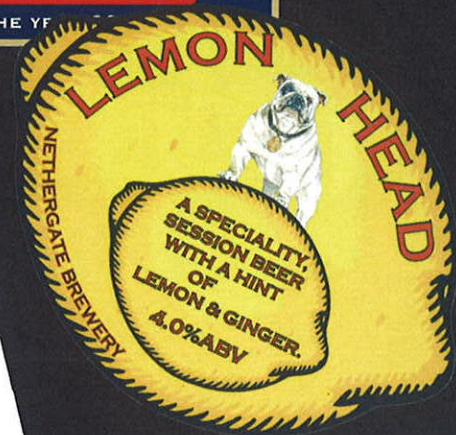
“create a cohesive identity with bags of character for their disparate-looking house ales.”

6. OUTLINE OF DESIGN SOLUTION

Audacious objectives often need radical design overhauls to really shift the brand perception and deliver the requisite commercial results.

Old Growler was originally the old Master Brewer's dog, and has appeared on the flagship brand's labels and pumpclips in various guises over the years. It was also the name given to the brewery's porter-style bottled ale, which has been a key element within the company's reputation. Growler Bitter is the brewery's leading on-trade brand so it seemed the most relevant fit for the focus of the new masterbrand identity to be an evolution of this loveable British bulldog.

We all felt his status need to be raised to become the overarching masterbrand marque for the brewery and consequently this has provided the theme for the wider rebranding. The inspiration behind Old Growler's evolved look came from a series of Dogs Playing Poker paintings which hero anthropomorphized dogs wearing hats and seated around a card table. These paintings featured heavily in the traditional British pub in the 50s.



Old GROWLER

“The bulldog is the guy we all engage with and who encapsulates the spirit and attitude of the brewery. We’ve evolved this loveable dog by giving him more personality, and imbuing him with a quirky sense of fun which makes him more accessible to younger drinkers. As a key brand equity, he’s now the ‘umbrella’ icon which links the brewery and the beers with a subtle brand glue and just a little bit of ‘tongue-in-cheek humour.’”

Nicky Parr, Design Director, JDO



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SECTION 3 • PROJECT OVERVIEW:



**“Love Essex Border ... we think it’s superb”
(Oliver O’Mara, Category Buyer, Waitrose)**

Tasked with capturing personalities and injecting a certain irreverence into the individual house ale brands, JDO also wanted to communicate Growler Brewery’s Essex provenance with confidence and a healthy dose of attitude.

The use of the bowler hat, which features on all variants, balances the old with the new – a marriage of British eccentricity and tradition. It was really important to balance edgy attitude, craft and personality without it looking old-fashioned. The bulldog from the Old Growler label has been retained in the new branding, and appears in some form on most of the new pump clip designs to underline the new Growler Brewery identity.

The most discussed of the new-look sub-brands is that chosen for Essex Border, which styles the beer as a “blonde ale” and features a woman in 1950s-style dress flashing her stockings (with the bulldog again present, this time with the bowler hat in his mouth). The inspiration behind this derived from what’s known as Nose Art - the pin-up girls used on World War II planes to bring a smile to soldiers’ faces!

SECTION 3 • PROJECT OVERVIEW:

The new design for Nethergate's IPA features a pair of bowler hats carrying the initials of Ian Hornsey, who first came up with the recipe and Paul Gower, the current head brewer – with IPA also, unofficially, standing for “Ian & Paul’s Ale”.

(488 words)





THE NEW RANGE

“JDO have really captured the spirit and humour of Growler and have produced a great piece of British branding...We wanted the new identity to reflect the culture of the brewery, Growler Brewery is a mature business but we are young guys with plenty of energy and imagination. We take the craft of brewing very seriously but not ourselves, and we wanted the branding to reflect the coming together of these qualities.”

RESULTS:

UPLIFT IN SALES

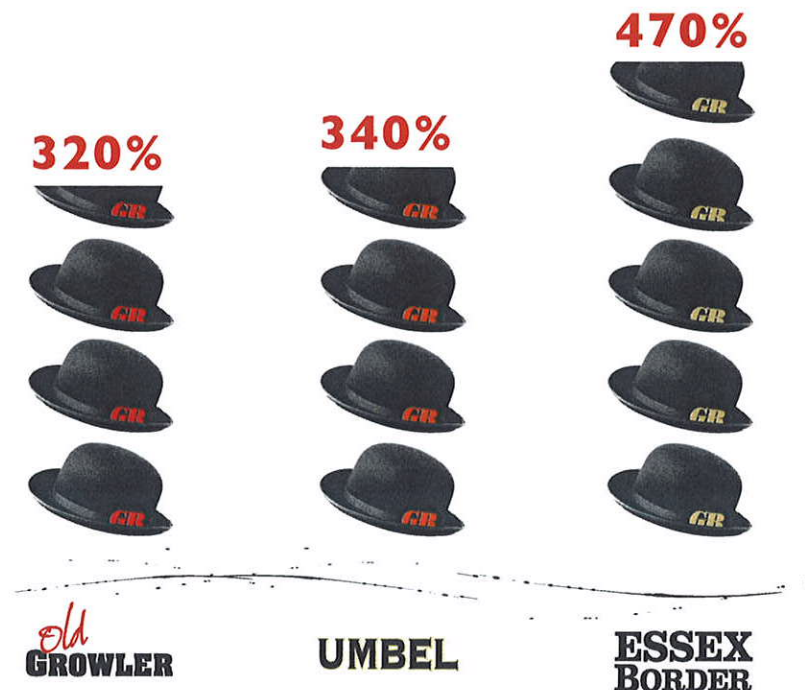
Bottles

The results of the redesign exceeded expectation by improving confidence among the sales force and earning new distribution with retailers and wholesalers.

Following the launch, the Growler beer portfolio was picked up by and listed in four major retailers, Waitrose, Majestic, Sainsbury's (Seasonal) and with the biggest customer account being Tesco. Having only brewed an own label for Co-op, they now stock our branded portfolio too.

In the **12 months** since going into store, sales of the redesigned bottles have risen to **490,000** from **100,000** yoy, almost five times the growth rate of the previous year.

Increase in bottle sales:



Profit on bottle sales gone from £28,000 to £156,800 in the first year since the rebranding.

RESULTS:

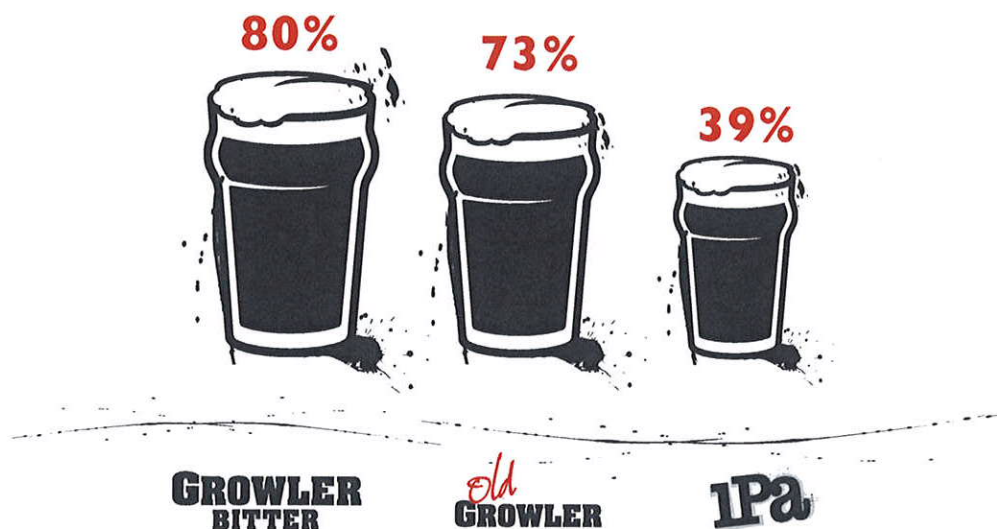
UPLIFT IN SALES

Draught

In the on-trade, despite the cask ale market being -3% in decline,

- ☛ Turnover has increased by £400,000, going from £1.3m to £1.7m.
- ☛ Growler Brewery has outperformed the declining market by 33%.
- ☛ Profit has risen to £646,000 up from £500,000, an increase of 29%.

Increase in draught sales:



Total turnover:

Draught and bottle sales turnover has **increased by 31% yoy** - this is up 2.1m in 2013 from 1.66m in 2012.

Commercial strategy:

Our PBA (premium bottled ale) now represents approx **20% of our business**, which is an **increase of 150% since rebrand**. This fundamentally changes the commercial landscape for Growler Brewery as more and more consumers get exposed to the brand in 4 major high street retailers.

RESULTS:

NEW CUSTOMERS

Growler Brewery gained **180 new customers** since launch last September (400 to 580 accounts) - this represents an additional 45% new accounts, **exceeding our 10% objective by a clear 35%!**



Retail accounts include: Tesco, Waitrose, Majestic, which are all new, and Co-op now stock Growler brands as well as the brewery still producing an own-label for them.



176 new customers in the on-trade (including the much coveted Punch) which leads Growler Brewery into new territories.

RESULTS:

COST SAVINGS

Cohesion in the look and feel have not only delivered a stronger brand feel, the brewery has also been able to save money in bottle and print production with its homogenised design. There are the obvious **economies of scale using all the same bottle and same label printers**, but this also delivers additional **savings on transport costs**. The company has also been able to reduce manufacturing costs simply through economies of scale.



Bottling costs are reduced by 40p per case due to greater volumes, which will save Growler Brewery £30,000 p/a.

Production efficiencies are worth an additional £25,000 p/a.

“In a declining market, we have made money and saved money...We have gained more permanent listings which means we don’t have to produce as many pump clips (a pub just needs our Growler Bitter pump clip now the beer is permanent rather than 6 or 7 from us when they were rotating our beers). The permanent listings gained have been due to the brand strength. This saves money on producing the temporary pump clips as well as transporting new pump clips to all our pubs.”

Rob Flanagan

RETURN ON INVESTMENT

Full return on investment took 4 weeks from launch

RESULTS:

OPPORTUNITIES

Yet another big positive to come out of the new design and identity was the fact the management team were able to **attract a new investor** and branding played a big part.

“The new look has transformed people’s perceptions of the beer and the brewery and the management team behind it. John Holberry, our new investor, liked the direction we had taken the brand and felt very positive about it.”

Having secured this crucial investment for the future for the Growler brand, a sustainable growth strategy has been established. With Holberry’s backing, Growler Brewery has a 7 year plan which aims to expand the business five to 10-fold, adding a tied estate of 10 to 15 pubs.

Regarding the expansion, Holberry adds “it looks huge, and there’s a limited time to do it. Eventually there will be consolidation among microbrewers. we might get to 1,500 breweries, but that will drop to 600 or 700, and **we want to get Growler into a position where we can get a good share of the cask ale sold in Essex.”**

SOURCE: Interview with John Holberry, The Publican’s Morning Advertiser, October 2012

Ambitious brand plans also include developing a wider portfolio of ales, with the possible addition of its own Growler brand of lager and cider.

These plans are already in motion, something which their new much-improved brand identity will certainly help deliver.

RESULTS:

Local employment opportunities

To cope with the additional demand of increased customers, the brewery is now brewing 6 times a week, compared with 3 times in 2011. This has meant a substantial local recruitment drive. Since the rebrand the brewery have recruited: 2 additional brewery workers, 1 driver, 2 sales people, 5 admin, 5 finance.

80s Pop Collaboration

A recent collaboration with 80s pop and Ska band Madness - a craft brew called Gladness - also features the new masterbrand identity.

“Madness loved our new branding and that was one of the factors for them working with us. Subsequently in 5 weeks Gladness has turned over £100,000. So another fantastic knock-on from the branding.”

Rob Flanagan, MD

OTHER INFLUENCING FACTORS

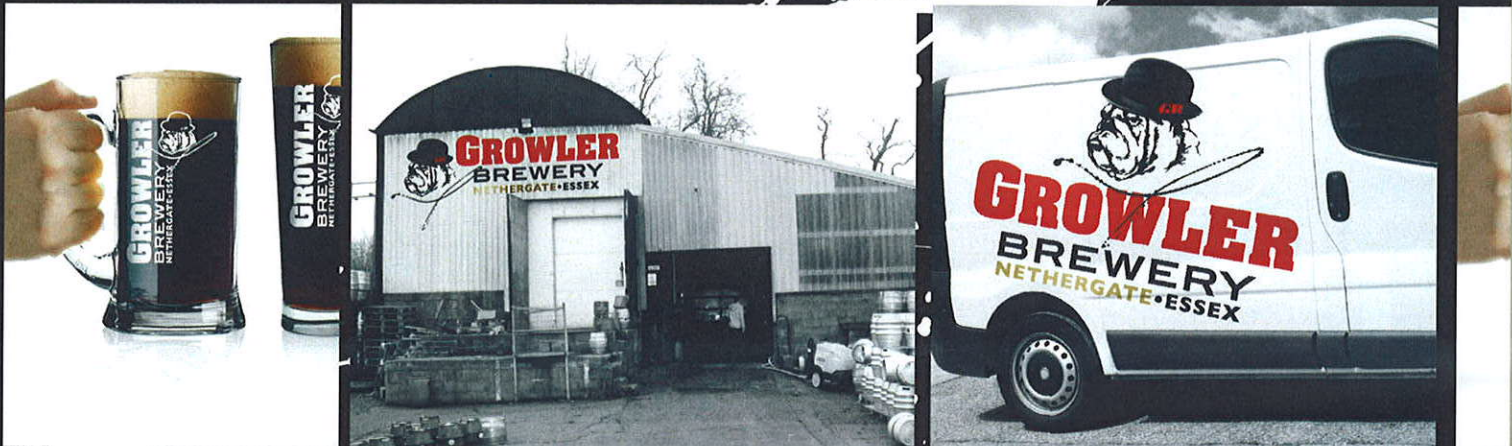
There was no budget to commission a PR or advertising campaign. However, the brewery did invest in POS support for some outlets which featured the new branding.

Due to the over - achievement of Growler Brewery's commercial objectives from the redesign, there was sufficient budget (£25k) for a subsequent POS campaign in some outlets. This featured our new masterbrand identity.

QUOTES

“Our designs have been universally accepted and positively commented on which is great. Sales are rising rapidly, we have gained new customers and in some key cities (Cambridge) we have gained amazing market share. We’ve won an industry-leading contract (Tesco) due to the new branding which has had a massive impact on the business. But most importantly of all, our sales people are confident and proud to go out selling our beers since the new branding. All our vans have been signed for the first time and we have re-signed the brewery inside and out which makes people feel part of the brand much more.”

Rob Flanagan, Managing Director



"I wouldn't list your beers in the past as the branding was so poor but now it's great and we'd love to have the range in our brochure."

Brewers Wholesale.

"the branding is the best in the industry, we have four beers on (one of yours and three others) and we now sell three times more of your beer than any of the others."

**Simon, The Pheasant, Great Chishell.
(Simon has since put three of our beers on his bar.)**

"We print Beer labels for over 60 breweries and the general consensus on the Growler range is that they're about the best we do, in terms of look, use of colours and how they fit together as a 'family'... plenty of our customers comment on, and compliment them, which is why we are using them on our adverts. Its a good 'story' of successful rebranding, reflecting in great bottle sales. It's instantly recognisable from a distance!"

Martin Usher - Chesapeake Printers.



...There's life in the old dog yet.



GROWLER

BREWERY

NETHERGATE • ESSEX