

Project Title

Rudgate Brewery Rebrand

Category

4 Packaging

Sub-Catetgory

4.2 Branded Drink

Client

Rudgate Brewery Ltd

Agency

LazenbyBrown Ltd

Date

June 2014



Executive Summary (296 words)

In 2012, LazenbyBrown were commissioned to help a small craft brewery rebrand itself, with the aim of creating a visual identity to equal the award-winning taste of its beers.

With a meagre budget, new designs were created that synergised the product range, reduced packaging costs and significantly increased distribution to consumers.

'The new look packaging has really updated the look and feel of the brewery and its products, this is an important development in a market place which is rapidly becoming more crowded and in which a clear identity and strong branding are key to driving a strong sales performance'

Rachel O'Brien, The Locally Sourced Food Company

ROI - With an overall investment of just £10,000, the ROI has been a staggering 1,800% over the 18 months to January 2014.

This design work shows that it is possible for a tiny, independent brewery to increase sales in a highly competitive market dominated by big brands. In addition to successful cask sales, Rudgate now has a growing market for their bottled beers, which are available to buy in Tesco, Sainsbury, Waitrose and Booths, with Asda and Morrisons to come on stream imminently.

'LazenbyBrown were tasked with refreshing the Rudgate brand primarily to increase awareness and sales to existing local markets. In reality, the strength of the rebrand and our pride in it made us more ambitious and we were ready to approach more of the national supermarkets, an area where we had had limited success up to that point. LazenbyBrown's work allowed our sales efforts to be rewarded with a presence in an additional two of the big four supermarkets - I think this is a fantastic achievement for a tiny craft brewery in the middle of York, and I am delighted.'

Craig Lee, MD, Rudgate Brewery Ltd

Project Overview (648 words)

Description

Rudgate is a traditional craft brewery, established in 1992 in the Vale of York. The brewery took its name from the old Roman road of Rudgate which runs through the airfield where the original brewery was located, and which led the Vikings along the vale, defeating the Romans in their steps. This road and its history is what instigated the main theme of Vikings for the brewery and its beers.

Despite its size, Rudgate is proud to be nationally recognised within the industry, having several awards to its name including CAMRA Overall Champion Beer of Britain 2009.

The main business focus was traditionally a cask offer into local pubs which accounted for 97% turnover. The brewery also produced three bottled beers - Ruby Mild, Battleaxe and Jorvik Blonde - all of these were stocked in 40 regional Asda stores, and two of the range were listed in four Waitrose regional outlets. At this point, bottle sales only accounted for 3% of turnover.

Post-rebrand collateral



Outline of Project Brief

Early in 2012, Rudgate recognised that the design of its beer identities and wider brand collateral required reaffirming to assert the brand and to kickstart new growth. Whilst the amateurish design of its pump clips and bottle labels was loved by a few loyal Rudgate fans, the labelling did little to showcase the award-winning quality of the products to a wider customer base.

Rudgate's portfolio of products and associated label designs had evolved over time into a confused mix of styles. The overall appearance of the brand was inconsistent and whilst the brewery was loyal to its Viking heritage, it was felt that the imagery being used was overtly macho and stifled sales growth.

Modest goals were set by the client,
but LazenbyBrown aspired beyond them.

LazenbyBrown were commissioned to create design which would meet the following objectives:

- Shed the overtly macho image of the existing Viking product identities whilst still focusing on Rudgate's Nordic/York provenance
- Link both the cask and bottled products together with the same, coherent design to create an instantly recognisable brand, whatever the format
- Improve the clarity of the ABV information to aid the consumer decision process at point of purchase
- Improve the quality of the packaging on the Ruby Mild product to withstand transit, as on average 50% of the neck sleeves were damaged on arrival with wholesalers
- Improve product stand-out on supermarket shelves
- Encourage an additional national supermarket to stock a Rudgate product within six months of the rebrand (only Asda and Waitrose stocked a limited range of Rudgate beers in just a few regional stores)

Pre-rebrand collateral



Overview of Market

The real ale industry has seen a huge revival in recent years. It has been claimed that micro-breweries are popping up nationwide at the rate of around 50 per year, with the number of craft breweries in the UK now totalling more than 800; a complete contrast to what was a declining market at the end of the 1990s.

Within the beer category, PBAs (Premium Bottled Ales) have been the best performing product over the past year. However, the market is dominated by the top ten brands (well known names such as Newcastle Brown Ale, Theakstons and Black Sheep) which account for more than 40% of both volume and value.

A growing market, coupled with dominance by market leaders, means that it is extremely difficult for smaller producers to have any notable presence within the major retailers. The shelves are stacked high with a huge variety of beers, from local independent breweries to international brands.

Project Launch Date and Size of Design Budget

The project was launched in two phases: in May 2012 all cask products were produced with the rebranded pump clips. Two months later, all bottled products were introduced with the rebranded labels.

The total design budget for this project was just £10,000 and briefing to product launch took only 3 months.

Design Solution (500 words)

Cultural refinement of the craft beer market demanded that Rudgate's amateurish product branding be refreshed. Cask and bottle consumers are markedly different; pub drinkers normally stick to favourite ales, while supermarket buyers tend to try a varied range of beers. Therefore the challenge was to create pump clips that affirmed the brand to a loyal pub market while enticing new drinkers, and bottle labels that had shelf presence and tempted new buyers, with a visual cue between both.

A £10k design budget dictated that LazenbyBrown worked to a tight schedule. The bottles were limited to traditional paper labels and printed four colour process - no foil, screen printing, metallics or transparent labels. These restrictions meant that the design had to punch above its weight, with one hand tied behind its back!

Rebrand considerations

- Evolution not revolution
- Position Rudgate products as quality ales
- Enhance ABV recognition
- Colour palette creation to provide differentiation of products
- Typographic styling to maintain the legacy Viking theme
- A solution for Ruby Mild damaged neck labels (See 'Reductions in Production Costs')
- Avoiding 'on trend' design solutions that would not truthfully represent the brand

LazenbyBrown felt the rebrand must retain a link to Rudgate's existing Viking design style in order for the inherent truth of the brand personality to shine. Rudgate ales are traditional tasting beers and this needed to be evident in the new design styling. Therefore a temptation to follow 'on-trend' design solutions was purposefully swerved to avoid confusing the existing customer base.



Bottles

The labels were strategically designed to be punchier than the pump clips to generate shelf impact and develop a new customer base who were previously not interested in Rudgate's supermarket offering. The Rudgate logo was positioned prominently so that loyal Rudgate consumers could spot the bottles easily and to assure new buyers, who maybe knew the brewery already, that they were buying a quality ale.



Cask

At the time, 97% of turnover was from pub trade. Therefore it was absolutely vital to manoeuvre the identity, very gently, to a new place to avoid disenfranchising an existing loyal customer base. LazenbyBrown looked carefully at Rudgate's pub market and consulted a York CAMRA focus group to ensure the new identity would have a positive impact.

Achievements

- Retained brand legacy through expressing the personality of Rudgate and thoughtful application of typography to ensure it spoke the truth about the brand
- Reaffirmed Rudgate as a quality brewer and positioned the products to have wider appeal, Labelling includes tasting notes and food matching to further enhance consumer confidence
- A colour family enables each bottled ale to have its own identity, in synergy with its sibling pump clip
- A recognisable sun-burst icon for design synergy between cask and bottles
- 0% damage to Ruby Mild neck labels in transit
- Improved neck labelling to draw attention to ABV and awards - key pieces of information for consumers
- A genuine step-up in class, allowing a tiny brewery with a meagre budget to stand shoulder-to-shoulder alongside heavily marketed competition

Results achieved since rebrand

Increase in Sales

Since rebrand and in a fiercely competitive market, Rudgate has performed extremely well, as these figures show:



UP
22%

Turnover has **increased by 22%** year on year, going from £880,000 to £1,070,000 total turnover



UP
200%

The bottled beers side of the business has grown from £30,000 to £91,000 - an **increase of just over 200%**



UP
5.5%

Bottle sales now represent 8.5% of Rudgate's total turnover, an **increase of 5.5%**



UP
8%

Cask sales have increased from £850,000 to £922,000, **a rise of 8%**



UP
5%

Thanks to a new mini-keg product (more information on P.11), an **additional £57,000** (equivalent to 5%) has been added to total turnover

ROI -

With an overall investment of just £10,000, the ROI for the business has been a staggering 1,800% over the 18 months to January 2014

Reductions in Production Costs

Thanks to the new rebranded packaging, all Ruby Mild bottles are arriving at wholesalers with 0% damage. The cost of the original neck sleeve was 8p per bottle, and this had to be assembled and put onto each bottle by Rudgate staff, ready for delivery. Post rebrand, the bottles are produced with the new neck label already attached, and production cost per bottle is now 2p, thus saving on both expense and labour.



Save
£600

Rudgate produces 10,000 bottles of Ruby Mild per year, so the **cost saving** on just the packaging is **£600.00 per annum**



Save
10.4
days

The move away from neck sleeves **saved 10.4 days** of labour per year

Increase in Market Distribution

Rudgate's increase in market distribution has been the most marked result of the rebrand. Before the launch of the new designs, a limited range of Rudgate bottled beers was available in 40 Asda regional stores and just four Waitrose outlets. The brewery's instinct was that it was on the point of losing the Waitrose business before the rebrand, but Rudgate's ales are now available as follows:

- Booths supermarket (29 outlets in Lancashire, Cumbria, Yorkshire, Cheshire and Greater Manchester) sells all bottled products, plus a new mini-keg item which was launched as a result of the re-brand (see next paragraph 'Additional Product Creation'), in all of its 29 stores. From an initial annual turnover of £10,000 in the first year, Booths business now adds £32,000 onto Rudgate's books
- Sainsburys sells the Battleaxe product in 10 regional stores and this accounts for £8,000 worth of turnover
- Tesco sells Jorvik Blonde, plus the mini-keg product, in all of their 65 regional stores. Sales for the first year ran at £27,000. The second year's figures are showing a turnover of £50,000
- Waitrose has not only continued its business with Rudgate in its four regional stores but sales have increased by 25% from £1,000 during the year pre-rebrand to £1,250 for the year after the rebrand
- Asda continued its business with Rudgate, at the same rate, until July 2013. A major range change was then instigated by the store and Rudgate products, along with those of several other suppliers, were removed from the listings. The store now wishes to stock Rudgate's mini-keg product and negotiations are taking place for re-stocking the bottle range as well.



Rudgate's products are currently available to purchase in **104 additional stores** - an **increase of 136%** versus the number of outlets before the rebrand.



The initial six month objective of gaining listings in one additional supermarket was not only achieved but **exceeded by 100%**, as both Tesco and Sainsbury now stock Rudgate's products.

What's more, discussions with both Asda and Morrisons are at an advanced stage, so Rudgate's beers will be appearing on their shelves during 2014.

'Booths aim is to offer our customers the best quality products possible, made by suppliers who have passion and a real skill for what they do. Thanks to the label designs and the quality of customer information provided on the bottles, Rudgate's beers stand out really well on our shelves and our sales figures show they are selling well. Rudgate Brewery fits perfectly with our ethos and we are delighted with the results to date.'

John Gill, Ambient Buying Manager, Booths Stores

In addition to the increase in supermarket distribution, Rudgate now also has an increased online revenue stream. Yorkshire Ales, a specialist shop selling Yorkshire bottled beer from a number of regional breweries, now sells Rudgate's products online. Yorkshire Ales felt the rebrand of Rudgate product line brought the range up to a standard to compete with other suppliers, and negotiated to stock Rudgate products. The redesign of Rudgate's bottled range helping to secure this new business. This brand new revenue stream from Yorkshire Ales accounts for just over 1% of annual turnover (£15,600).

Additional Product Creation

As a result of the rebrand, Rudgate has created two new products:



Mini-Keg

Tesco made a request to its real ale suppliers as to whether they could produce a mini-keg product, with a tight timescale. As Rudgate already had a design in place, they were able to meet this timescale and create a mini-keg for one of their existing beers, which Tesco then took and sold in its regional stores. Thanks to the unified design of the bottles and the mini-keg product, Booths now stock the Rudgate mini-keg alongside the full suite of Rudgate Ales.



York Chocolate Stout

As a direct result of the rebrand, a completely new product was conceived as a partnership between LazenbyBrown and Rudgate Brewery.

In collaboration with LazenbyBrown and a local chocolate shop, York Cocoa House, a new beer, York Chocolate Stout, was created, bottled and launched in April 2012.

This product is sold in kegs and bottles to local pubs and is also available in crates of 8 x 500ml bottles (bought by local delicatessens and also the general public).

Originally intended as a seasonal product to be produced during the Easter period, this beer has been so well received that it is now brewed every couple of months and has to date achieved a profit for the business of £6,575 - an additional revenue stream from a product which was conceived and created due to LazenbyBrown's involvement with the business.

York Chocolate Stout was awarded Champion Speciality Beer at York Beer Festival 2012.

Profit
£6,575

Award
Winner

Recruitment

Due to increased sales since the launch of the new brand, Rudgate has employed two additional staff - one in sales and one in production.

This represents an increase in staff levels of 8%, going from 10 to 12 people on the payroll.

Industry Perception

Rudgate Brewery has always been well regarded within the industry, thanks to the quality of the products itself - this is reflected in Rudgate's plethora of industry awards from CAMRA, SIBA (Society of Independent Brewers) and various beer festivals around the country. Most recently as last year, Rudgate's Jorvik Blonde beer was awarded Silver in the SIBA North East Beer Competition.

However, there was a feeling that the quality of the brand didn't quite match up to the quality of the beer. The new design has rectified this, so that every Rudgate product now looks as good as it tastes.

'The branding was in my opinion, better than many other brewers, but still lacked the quality and presence that I feel would do the beers Rudgate produced more of a justice. After all, brewing a champion beer of Britain does set you aside from your competitors! Rudgate instigated a complete overhaul of their branding and the results have been fantastic - branding with a corporate identity but with traditional family values. From a purchasing point of view, we have increased our sales with Rudgate as the new designs and branding have enticed our customers to purchase more beers from Rudgate.'

Mark Hill, The Brewers Wholesale Ltd

'The new look packaging has really updated the look and feel of the brewery and its products, this is an important development in a market place which is rapidly becoming more crowded and in which a clear identity and strong branding are key to driving a strong sales performance. The branding looks modern and clean and communicates effectively that Rudgate produces quality drinkable beer for all to enjoy.'

Rachel O'Brien, The Locally Sourced Food Company

Other Influencing Factors

On the strength of the rebrand, Rudgate employed a retail consultancy firm, ARC, to assist with sales, particularly into the supermarkets. ARC has undertaken various activity to promote the newly rebranded Rudgate products, including:

- Management of the relationships with the supermarkets, including ongoing promotional programmes (see below), in-store sampling (at two Waitrose stores) and attendance at new store openings to brief colleagues on the range
- Press releases into local newspapers (York newspaper The Press) and various trade publications including Off Licence News and The Grocer
- Coverage on local news programme Look North in September 2013 as part of the coverage of the York Food and Drink Festival
- Attendance at various beer festivals nationwide including the BBC Good Food Show at the NEC Birmingham and the Leyburn Dale Food and Drink Festival

As part of the activity with supermarkets, various in-store promotions have been set up by Booths and Tesco. For Booths, uplift factors have been between 1 and 8 (the 8-fold increase being for one particular beer, Jorvik Blonde). Tesco has seen sales uplift figures of at least 247%, rising to 478%, again for the Jorvik Blonde product.

ARC's involvement means that the following questions need to be answered:

Is the increased success of the brand not just down to the work of the retail consultancy?

It is true that ARC worked on a promotional campaign which helped to raise awareness of the rebranded products, however, ARC themselves recognise that the newly launched professional Rudgate brand really made this possible and achievable. With ARC's help, the new brand 'opened doors' that were previously shut. The rebrand working in harmony with quality products was required to enable ARC to start discussions with wider supermarket retailers.

Who's to say that the supermarket business wouldn't have increased anyway, given the help from the retail consultancy?

Had the rebrand not taken place, ARC would not have been brought on board to look at the business into supermarkets. ARC were commissioned as a direct result of the redesigned packaging.

Rudgate already had listings in supermarkets before the rebrand, so - what's the big deal?

Rudgate had limited success with a couple of supermarkets before the rebrand, and this case study has hopefully made it clear how difficult it is to sustain that business within what is a fiercely competitive and growing market. The old labels of Rudgate's various products did not hang together as one brand and were uninviting to both retailers and all but the most loyal consumers. The rebrand helped to engage additional retailers, thus creating the increase in that side of the business.

Some of the supermarkets have undertaken promotions. Surely these are the main reason for the increase in sales?

Of course, supermarket promotions are very powerful marketing tools which can influence a brand's performance. Whilst the promotions in this case did increase sales, it still remains that Rudgate's new look made sure that the products were listed in the supermarkets in the first place.

Sources

Rudgate Brewery sales information

ARC Retail Consultancy sales information

The Guardian article entitled 'Real Ale Revival Led by Small Breweries', 2 August 2011

CAMRA website (www.camra.org.uk)

Marstons PBA Report 2013