

DBA DESIGN EFFECTIVENESS AWARDS 2020

BEARFACE™

CANADIAN WHISKY CANADIEN

— HIDE NOTHING. FEAR NOTHING —

CLIENT NAME

MARK ANTHONY BRANDS INTERNATIONAL

SUBMISSION DATE

OCTOBER 2019

For publication - all confidential data redacted

Pearlfisher.

EXECUTIVE SUMMARY

Many international companies own Canadian whisky brands, but it is a volatile and polarising marketplace. The established category is regarded as tired and dusty, but this is set against a newly booming and emerging super-premium sector.

Canadian whisky – not bound by the same stringent distillation and production regulations as Irish or Scotch whisky – provides an ideal platform for this category to lead whisky innovation globally and Mark Anthony Brands seized the opportunity to create a brand to be proud of, claiming Canadian whisky back by challenging the norm and reinventing it for a more discerning and contemporary audience.

Striking a global first for Canadian Whisky, BEARFACE is definitively breaking new ground. An indisputably inventive, creative and collaborative brand, BEARFACE is bringing to life the ethos, bold personality and desire to lift the veil on the process behind Canadian whisky with its mission to 'HIDE NOTHING, FEAR NOTHING'.

The adventurous, raw and honest spirit of modern Canada and its people – found in every drop of every BEARFACE whisky – informs the brand identity featuring a claw mark inspired by the power and bravery of the bear.

The runaway success of BEARFACE since the launch of its initial signature blend BEARFACE Triple Oak has seen it exceed targets, extend state distribution, gain international recognition by becoming a multi-award winner and introduce the first release from its innovative One Eleven Series.

BEARFACE is fearlessly challenging drinking conventions at every turn and attracting global interest. In the absence of any additional marketing or PR spend, the brand's success and subsequent impressive growth can be fully credited to the look and offer. Following the unprecedented success of the brand in its first year, BEARFACE is already rolling out new products, has set ambitious targets and is planning other innovative releases for its second year as it opens up the potential to transform the Canadian Whisky category, help establish an emerging super-premium category and infiltrate the global Canadian Whisky marketplace.

AMBITIOUS YEAR 2 TARGETS

SELLING 5.6K 9L CASES VS THE ORIGINAL TARGET OF 2.5K AND EQUATING – REDACTED CONFIDENTIAL DATA.

NO.4 IN THE SUPER PREMIUM
CANADIAN WHISKY CATEGORY

and still growing against a competitive set in decline.

EXECUTIVE SUMMARY

**SECURED 47% OF THE
SUPER PREMIUM CANADIAN
WHISKY CATEGORY VOLUME.**

of the 20% overall market growth.

**BEARFACE ACCOUNTED FOR MORE THAN HALF OF
ALL ADDITIONAL CASES SOLD ACROSS THE ENTIRE
SUPER PREMIUM CANADIAN WHISKY CATEGORY IN ITS
LAUNCH PERIOD.**

EXTENDED DISTRIBUTION ACROSS

6 U.S. STATES

with plans to double territory reach.

**2ND BRAND LAUNCH
IN A YEAR**

with new limited release
BEARFACE One Eleven Series.

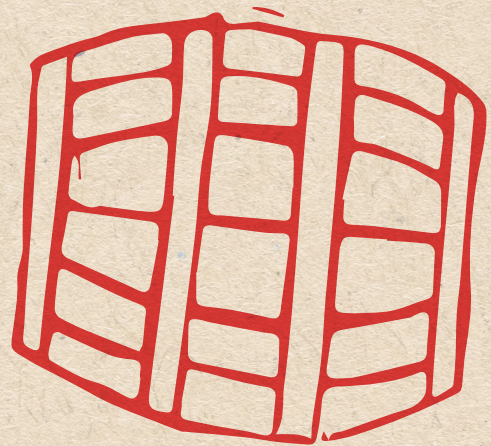
**REFORECAST INITIAL TARGET OF REACHING THE TOP
SPOT OF NO. 1 SUPER PREMIUM CANADIAN WHISKY
FROM TAKING 3 TO 2 YEARS DUE TO BEARFACE DOING
SO WELL IN YEAR 1.**



CASE STUDY OVERVIEW

As one of North America's most-respected and family-run wine and spirits suppliers, Mark Anthony Brands mission is to provide products that are the finest quality and value in their category.

With Mark Anthony Brands looking for a premium, challenger brand to create a ground-breaking entry into the Canadian Whisky category and attract a modern consumer, a challenger aesthetic and approach was paramount, and our identity and design needed to meet the following objectives:



SECURE A STRONG SHELF PRESENCE

to transform the idea of Canadian whisky & its offer.

CREATE A BOLD AND DIFFERENTIATED AESTHETIC AND CREATIVE POSITIONING

to match the nature of the product in a category split between established and emerging brands.

LEVERAGE A NEW ERA FOR CANADIAN WHISKY

with a brand that attracts the next generation of Premium Spirits Drinkers.

MEET THE ORIGINAL YEAR 1 SALES TARGET

of 2.5k 9L cases sold.

SHOULD BE 'STRETCHABLE'

for future product development in year 2 and beyond.

APPEAL TO CANADIAN AND INTERNATIONAL AUDIENCES

to allow for international expansion from year 2 and beyond.

TO BECOME THE NO.1 SUPER PREMIUM CANADIAN WHISKY IN CANADA BY YEAR 3

CANADIAN SUPER PREMIUM WHISKY IS UNDER-DEVELOPED RELATIVE TO OTHER

major Spirit categories in Canada and represents an opportunity to enhance the long-term credibility of this domestic category.

We saw a strategic and creative opportunity to challenge convention at every level - from driving innovation in taste exploration to the central idea of embracing collaboration and endless curiosity to become a bold and impactful newcomer to the Canadian Whisky market. In addition, in an emerging super-premium category with an already popular, creative and experimental competitive set, we wanted to push the boundaries of creative and aesthetic expectation to show just what Canadian Whisky has to offer the world of flavour and beyond; helping redefine drinking experiences on a global scale and building the Mark Anthony Brands portfolio and profile for future growth and brand development.

To ensure that the final brand design truly reflected the innovative nature of the product - and its strategic vision to create a premium and next generation Canadian Whisky - we worked in close collaboration throughout the entire process to creatively bring every element to life in the packaging design and across all key brand assets to extend the reach, resonance and influence of the brand across Canada and globally.

Mark Anthony Brands approached Pearlfisher with the strategic vision of creating a premium and progressive whisky brand for a modern consumer, offering a way into Canadian Whisky that speaks to their age, creativity and contemporary worldview.

Working in close collaboration at all stages - on strategic positioning, naming, visual identity and packaging design - the creation of the BEARFACE brand centres on evoking the adventurous, raw and honest spirit of modern Canada, and its people, found in every drop of BEARFACE whisky.

The name 'BEARFACE' articulates the bold personality and the refusal to conceal anything - from cutting through the category to lifting the veil on the process, bringing to life the bold personality and fearless attitude that defines BEARFACE; and carrying this into the creation of the brand identity featuring a claw mark inspired by the power and bravery of the bear.

Patterns and illustrations made from hand-chiselling wood evoke a crafted aesthetic with a more modernised look and feel, with energetic and shot-from-the-hip lifestyle photography showcasing the unstoppable Canadian spirit and the brand's 'HIDE NOTHING, FEAR NOTHING' mentality.

The identity and design system is emotive and immediate and comes to life across the brand's key assets including website, posters, wooden shipping containers, barrels and coasters.

With BEARFACE Triple Oak - the first variant to launch - we set out to challenge norms and shake up the category, knowing that this was just the start of the journey to reinstate Canadian pride and do things differently in the world of Canadian Whisky.

In fact, the initial success of Triple Oak's launch precipitated the launch of Mark Anthony Brands next innovative release, bringing the first unique blend from its limited One Eleven Series - blending ten parts whisky with up to one part of another spirit - to market in October 2019. One Eleven seals another global first for Mark Anthony Brands, Canadian Whisky and the back bar, and has been instrumental in driving plans to roll out this series in the second year of business and focus on the innovation of more new and disruptive premium product launches.



OVERVIEW OF MARKET

The Canadian Whisky market presents a polarising picture – on one hand regarded as tired and dusty and still lagging behind other whisky markets, and particularly whisky heritage nations such as Ireland and Scotland, in both taste and experience.

However, on the other hand, the fact that it is not bound by the same rules and regulations as other whisky markets means that there is greater opportunity for innovation and there is an emerging craft and super-premium sector of new, bolder whiskies growing the overall market and international reputation of Canadian Whisky.

The North American Whisky Market is predicted to be worth \$17 billion by 2025 in a global market expected to cross \$84 billion supported by changing consumer taste and preferences along with increasing demand for premium whisky. (Source: Global Market Insights)

By creating BEARFACE, Mark Anthony Brands is not only capitalising on, and establishing itself as a leader in this emerging super-premium sector (brands at CAD\$39.95 + price point) with a finger on the pulse of what the modern drinking consumer is seeking, but reinforcing its position as a premium wine and spirits supplier in this territory – and globally.

The desire for bold and dynamic offers is driving, especially the super-premium sector of the market, and this overall part of the category is exhibiting +20% volume growth (Source: Association of Canadian Distillers). Of that, 47% of the incremental R12 volume has been driven by BEARFACE, clearly exhibiting the brand's impact.

In addition, the table illustrates how BEARFACE's launch affected the share of the brand's 4 main competitors in the market – who had previously dominated the category. Of these, some are now in decline and others are not growing at the same rate as the overall market, meaning BEARFACE has quickly risen from zero to Number 4 in the overall market by volume. No mean feat for a new-to-market challenger.

BEARFACE HAS QUICKLY RISEN FROM ZERO TO NUMBER 4 IN THE OVERALL MARKET BY VOLUME.



RESULTS

Reacted confidential data

TABLE

In terms of cases sold in this
Super Premium category,

10.6K

MORE CASES WERE SOLD BETWEEN OCTOBER 2018
(WHEN BEARFACE LAUNCHED) & 31ST JULY 2019
(9 MONTHS AFTER BEARFACE LAUNCHED).

With BEARFACE accounting
for 5.6k of cases sold.

5.6K

THIS MAKES FOR MORE THAN HALF
OF THE ADDITIONAL SALES.
(SOURCE: ASSOCIATION OF CANADIAN DISTILLERS).

PROJECT LAUNCH DATE

30th October 2018

DESIGN FEES

Reacted confidential data

SURPASSED YEAR 1 TARGET BY OVER 100%

selling 5,600 cases to beat the initial and predicted
target of 2,500, (Redacted confidential data)



RESULTS OVERVIEW

BEARFACE has performed brilliantly against its initial Year 1 objectives and the following results are that much more impressive given that it's a growing market and that BEARFACE is challenging some of the category's biggest names who have already established significant share. In addition, there was no media or marketing spend, meaning that all uptake can be directly attributed to the brand design.

NO.1 INNOVATION IN THE CANADIAN WHISKY CATEGORY

BEARFACE has been ranked No. 1 innovation in the Canadian Whisky Category in terms of sales volume launched over 12 months (Redacted confidential data)

NO.2 MARKET POSITION IN THE CANADIAN WHISKY CATEGORY

BEARFACE has been ranked No. 2 in sales value in the Canadian Whisky category (Redacted confidential data).

NO.4 IN THE SUPER PREMIUM CANADIAN WHISKY CATEGORY

from a total challenger entering the market, BEARFACE is now ranked at No. 4 by volume in the Super Premium Canadian Whisky category (Redacted confidential data) and is still growing; overtaking competitors and stealing market share from some of the category's most established players.

HOLDS FASTEST AND SECOND FASTEST RATE OF SALE AT MAJOR RETAIL MARKETS IN PRIORITY CITIES

BEARFACE maintains the second fastest Rate of Sale (number of sales per point of distribution) at all major retailers in Ontario within its super premium competitive set, and the fastest ROS in British Columbia. (Source: Ontario Government and British Columbia Government Liquor Boards.)

47% SUPER PREMIUM CANADIAN WHISKY CATEGORY VOLUME DRIVEN BY BEARFACE

the recorded incremental volume of the category over the initial 12-month period since launch sees BEARFACE securing a monumental 47% of the overall 20% market growth.

RESULTS OVERVIEW

BEARFACE ACCOUNTS FOR MORE THAN HALF OF ALL ADDITIONAL CASES SOLD IN THE SUPER PREMIUM CANADIAN WHISKY CATEGORY IN ITS LAUNCH PERIOD

In terms of cases sold in this category, 10.6k more cases were sold in the Super Premium Canadian Whisky category between Oct 2018 (when BEARFACE launched) and July 31 2019 (9 months after BEARFACE launched), with BEARFACE accounting for 5.6k of cases sold – more than half of all the additional cases sold between its launch and 31st July 2019.

ANOTHER GLOBAL FIRST FOR CANADIAN WHISKY

following swiftly on from the success of BEARFACE Canadian Triple Oak Whisky Blend, Mark Anthony Brands has launched a new BEARFACE innovation – the BEARFACE One Eleven Series – a year earlier than anticipated.

EXTENDED DISTRIBUTION ACROSS THE US

based on the success of the brand and the interest it has attracted, has meant that BEARFACE has begun international distribution a year earlier than planned. BEARFACE is now being stocked throughout Canada and also across 6 key US states – Texas, Illinois, Colorado, California, Massachusetts and Michigan – with plans to extend into another six within the next 12 months.

AMBITIOUS YEAR 2 TARGETS

BEARFACE had an initial and ambitious objective to reach the No. 1 Super Premium Canadian Whisky spot within 3 years. However, building on its impressive start and entry into the market, the brand is already targeting sales volumes of 10k 9L cases in 18 months, meaning they have readjusted their target to take the No. 1 Super Premium Canadian Whisky spot an entire year earlier than first planned.

OTHER INFLUENCING FACTORS

There was no media or marketing spend at time of launch, external promotional activity or in-store sales promotion and merchandising activity. All initial listings in Canada – and subsequent growth and distribution across the US – was based solely on the strength of the branding and design with all designed assets intended to leverage the messaging and communications for the brand and directly contributing to consumer appeal and purchase.

Securing entry into the market, achieving significant growth against major competitors and impacting on category growth overall in such a short period of time, and in the absence of a dedicated marketing campaign and media exposure, fully credits the success of BEARFACE to the look and offer of the brand.

Sceptics may assume that given the Holiday season occurred during BEARFACE's premier 9-month launch period, that the brand may have seen the majority of its impressive performance during this time. However, that's not the case. Only 10% of the brand's annual sales were accounted for in December. This is below the overall Super Premium Canadian Whisky category, for which 16.8% of annual sales take place in December, proving that seasonality was not a factor in overall brand success.



RESEARCH & **DATA SOURCES**

- **CLIENT INTERNAL DATA**
- **ACD - ASSOCIATION OF CANADIAN DISTILLERS**
- **ONTARIO GOVERNMENT (LCBO) AND**
- **B.C. GOVERNMENT (BCLS) LIQUOR BOARDS**
- **GLOBAL MARKET INSIGHTS**

