

FROM MICRO BREWER TO ICONIC CRAFT BEER BRAND



DESIGN CONSULTANCY
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CLIENT COMPANY
KIRKSTALL BREWERY

PROJECT TITLE
FROM MICRO BREWER
TO ICONIC CRAFT BEER
BRAND

FOR PUBLICATION

EXECUTIVE SUMMARY

The brewing industry is experiencing one of its most exciting and challenging phases for over a century. With over 2,000 brewers operating in the UK, and more than 10,000 beer brands, the market had become overcrowded.

Kirkstall Brewery launched in 2010, part of the first wave of new breweries to erupt across the UK. They forged a niche reputation built on their range of well-balanced, flavoursome and crafted cask beers.

Then, in 2016, they relocated to new premises, increasing their brewing capacity significantly, however, despite their pioneering start, Kirkstall was in danger of being lost in the second wave of new breweries crowding the market, all competing in the same high end of the beer sector. At the same time, the beer market has declined by volume (down over 4% according to Statista).

Kirkstall's challenge was to increase sales volumes to fill the new brewing capacity, while maintaining their premium products and pricing, but in an increasingly competitive market, where supply was outstripping demand and wholesale prices to the trade were being eroded, this was going to be tough.

To persuade drinkers to consider adding Kirkstall to their portfolio of beers, the brand needed to be more visible, command a strong personality and carve out its own place in what was becoming a transient and overcrowded market.

The solution came in two parts. First, we needed to redefine and differentiate the brand, building on its heritage and provenance as well as its quality credentials, loyal fan base and modern brewing techniques. Secondly, the brand needed to diversify to achieve the growth necessary to survive. We identified an opportunity to move into the growing packaged beer market – this opportunity, however, meant a radical change of strategy for Kirkstall, moving from bottled beers into cans.

The results far exceeded expectations. Following an incredibly successful brand repositioning, the brewery achieved its expanded capacity in record time, exceeding all sales targets and paying back on investment (Redacted confidential data).

In the packaged beer market, switching from bottles to cans saw an increase in sales of almost 500% between 2018 and 2019.

Set against a disrupted and fragmented beer market, the new branding has made Kirkstall a brewing icon with instant recognition and standout, both on bar and shelf.



KEY ACHIEVEMENTS

/ The brand repositioning delivered % (redacted confidential data) increase compared to a 3.6% growth in overall beer sales volume across the UK beer sector during the same period. The market was outperformed by a large increase (redacted confidential data).

ON-TRADE

/ Growth in cask ale sales up by an average of 28% YOY by volume since launch. Compared to a market drop in volume of cask ales sales from 2.7M HL to 2.4M HL and a dip in value from £1.6bn to £1.4bn (CGA MAT).

OFF-TRADE

/ The move to cans has seen a % (redacted confidential data) increase in sales compared to a growth of approximately 6% for average UK canned beer sales in the same period.

NEW ACCOUNTS

/ (redacted confidential data)

"The relationship was won based on great on-shelf standout. The strong design means that the brand stands out well and has a good perceived quality. All this adds up to a strong value perception within the category."

TERRITORIAL REACH

- (redacted confidential data)



OUTLINE OF PROJECT BRIEF

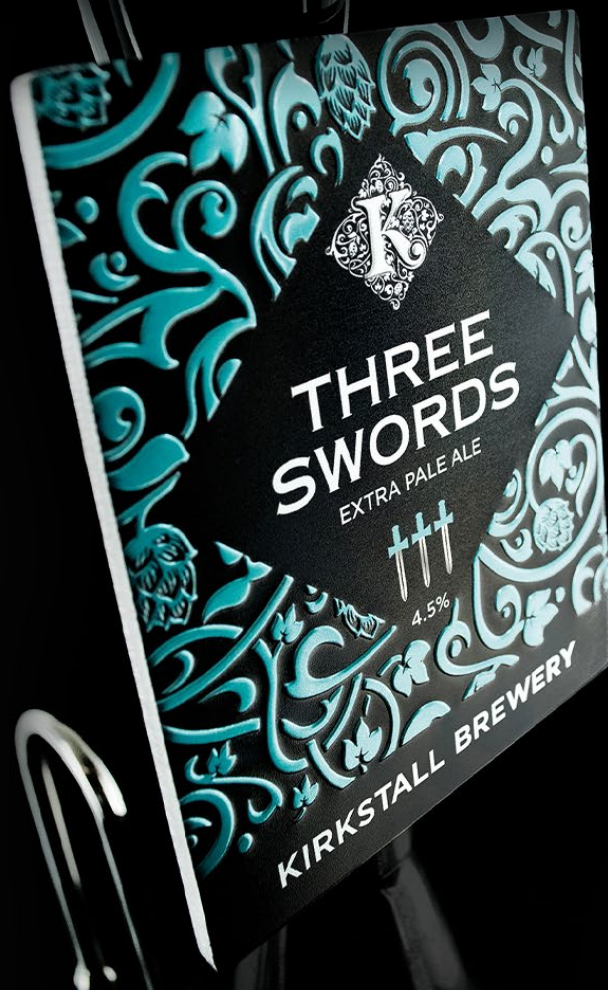
Persuade on-trade and off-trade drinkers to consider adding Kirkstall's range of beers to their beer portfolio at the key decision-making moment (70% of consumers choose their beer at time of purchase (2017 Nielsen update).

Reposition Kirkstall in the craft beer category rather than the traditional ale category it was currently in.

Transform a niche beer into an iconic brand by creating a distinct, ownable positioning, developing premium cues and making it more visible and appealing at POP (whether that is at the bar or on the shelf).



Before



KEY OBJECTIVES

- / Create a unique, visible and sustainable brand identity, building into it premium cues, making it better able to compete and win sales in a highly competitive and fragmented market.
- / Increase volume sales in both on-trade and off-trade by giving outlets and retailers more reasons to choose Kirkstall cask and packaged beers.



CONTEXT AND MARKET OVERVIEW

Kirkstall Brewery, an independent brewer founded in 2010, was part of the first wave of new breweries to erupt across the UK. Originating in north Leeds, close to Kirkstall Abbey, a place full of brewing history and the inspiration for the brewery's name, branding and even the beers, the brewery's niche reputation had been built on its well-balanced, flavoursome and crafted cask beers and they'd built up a good local fan base.

In 2016, the brewery moved to new premises and significantly increased its brewing capacity, so there was an urgent need to increase sales and develop additional routes to market.

This was at a time when a new brewery was opening at almost the equivalent of one per day, pubs and bars were flooded with an ever-changing rotation and proliferation of beer branding, the traditional cask ale market (where Kirkstall had built its reputation) was under pressure from reduced sales (both by volume and price) and breweries were starting to discount their wholesale prices in order to win orders. Added to this, Kirkstall had so far struggled to break into the off-trade in any significant way with its bottled range of beers.

However, there was a segment of the market in growth – the packaged beer market – interestingly, the growth was spearheaded by the craft beer category and its move into cans rather than bottles.

/ 70% OF CONSUMERS CHOOSE THEIR BEER AT TIME OF PURCHASE.

/ 71% OF CRAFT BEER BUYERS SAY THEY LIKE TO TRY BRANDS WITH BOLD AND INTERESTING PACKAGING.

Such statistics show just how crucial it is that a brand has a unique and ownable brand presence and distinctive, recognisable packaging to differentiate its beer products on shelves, in fridges and at festivals and bars, right at the point when consumers are open to influence.

Within the on-trade environment, the most significant opportunity to influence consumers' decisions is through impactful pump clips while off-trade is all about the on-shelf standout.



BUSINESS CHALLENGE

Kirkstall had built up a loyal fan base of drinkers, but this demand alone wasn't enough to fill the new brewing capacity - they needed to appeal to a new and bigger customer base if they were to survive and thrive. They wanted a brand that would not only stand out in a visually fragmented market, but also represent the brand's roots (Kirkstall and the abbey) and carry forward the brand equity and values that had been hard won.

We had to create a unique and ownable presence for the brewery. On both supermarket shelves and bars, many competitors were following trend leaders such as Cloudwater, Buxton and Northern Monk - leading to the sector becoming fragmented, transient and confusing with no obvious brand presence or ownership for many of the beer brands.

Our challenge was to create a unique and differentiating brand which would appeal to drinkers and trade buyers looking for beers which had classic qualities with a contemporary edge that they could trust and easily identify wherever they were purchasing. The ultimate aim was to increase volume sales and retain premium pricing.



SCOPE OF WORK

The work was centred around building on the Kirkstall brand equity, strengthening relationships with the trade and creating added value, longevity and impact at the point of purchase. There was a need to revitalise and reposition the packaging, for both on-trade and off-trade. This required a differentiating and iconic design for Kirkstall that positioned it as the quality brewer of choice that consumers could trust.

The designs for on-trade needed to fit in with the structural compliance of pump clips and required a practical understanding of how they performed on bars. It was important that the pump clips had a permanent position on bar. The redesign had to create significant presence and standout in overcrowded and visually cluttered environments both on bar and on-shelf.

Adding value and protecting its premium positioning (Kirkstall does not discount its beers to the trade) was paramount.



DESIGN RESPONSE

The requirement was to reposition the Kirkstall brand and packaging to create added value and a differentiating proposition that built on the existing equity of quality and provenance.

We took the decision to unify the brand through a cohesive design that gave the brewer immediate brand presence on bar and impactful 'block' facing on-shelf.

The key growth sector was the high-end (added value) craft beer category and we focused our redesign on this to help the brewery deliver in this area.

The first priority was to establish Kirkstall's credentials for its core range of cask conditioned ales in the on-trade. This was achieved by creating a unique, custom-made range of pump clips, working closely with the manufacturer to create distinctive solid metal clips with embossed and metallic finishes. This gave the clips individuality and fantastic standout on bar, and a real sense of quality, craftsmanship and permanence.

The designs also clearly defined the different beers and styles, which helped the consumer to navigate the confusion that was often presented to them by an ever-changing array of other beers. We developed the design to value engineer the production process through the use of common embossing dies which cut the cost of the tooling and streamlined the manufacturing process - this reduced production costs (redacted confidential data).

For the off-trade, we created a new range of canned beers that used similar distinctive designs to the pump clips with metallic and tactile finishes to further embed a premium look and feel for the brand.

The final result is a truly unique and ownable brand look and feel which gives the Kirkstall brand a distinctive, highly visible and recognisable presence whether at the bar or in stores.



RESULTS

- / An increase in volume sales (redacted confidential data).
- / In less than 3 years, sales have steadily increased to meet the increased production capacity of the new brewery.
- / Growth in cask ale (redacted confidential data).
- / (redacted confidential data)
- / Off-trade - Kirkstall has switched from bottles to cans and has seen an increase in sales (Redacted confidential data).
- / *"The Craft Beer category commands premium pricing and we sit well within that premium craft segment due to our designs".*
- Ian Galbraith, Director of Sales, Kirkstall Brewery
- / New accounts (redacted confidential data).
- / Territorial reach
"First canned orders have taken place in Ireland and Finland and we're in the process of developing other territories".
- Ian Galbraith, Director of Sales, Kirkstall Brewery.



INFLUENCING FACTORS

Kirkstall has no advertising or marketing support and relies on direct sales presentations to the trade, word of mouth and the presentation of its beers and brands at beer events (e.g. Leeds International Beer Festival) to promote its beers. The brand presentation is everything...

BUDGET

/ (Redacted confidential data).

LAUNCH DATE

/ Roll out from August 2017.



CLIENT QUOTES

“The marketplace is awash with breweries and especially with breweries relying on cartoon/geometric designs and graphics to achieve standout in the market. To have an individual design that stands out and speaks of quality is a real strength”.

– Ian Galbraith, Director of Sales, Kirkstall Brewery

“Having a strong brand, image and reputation was essential for success. Strong design and branding also adds credibility with both the trade and consumers, as many of the small breweries tend to do their own designs and proliferate brands (a different beer every week in many cases). Poor design, confused branding and proliferation of brand names leaves many small breweries having to sell at low prices in order to get customers interested”.

– Steve Holt, MD, Kirkstall Brewery

RESEARCH SOURCES

Statista
CGA
SIBA
Marston's Market Reports
Camra
Nielsen



Before