

LONEWOLF REBRAND

Agency: LOVE
Client: BrewDog
DBA Awards 2021 Entry
For Publication

LOVE.

 BREWD OG DISTILLING CO.



EXECUTIVE SUMMARY

LOVE. DBA Effectiveness Awards 2021

In 2019, the gin category was booming thanks to an abundance of craft and premium brands entering the market.

BrewDog, however, had entered a period of unease. Sales of its gin brand, LoneWolf, were falling despite the category growth, resulting in its only national retailer delisting the product.

LoneWolf needed a dramatic makeover to ensure it could ride the wave of popularity and stand-out proudly within an increasingly crowded market. Ensuring it remained accessible to a wide demographic of gin drinkers, as well as appealing to the incoming coming-of-age gin drinkers.

We undertook a comprehensive redesign of the brand, seeking to increase distribution, volume of sales and revenue gains, as well as significantly reducing production costs.

This entry looks at national performance after the new redesign was introduced.

How do we know it's been a success?

- Increased retail listings by 500%
- Volume of physical cases sold increased by 512%
- Gross sales increased by 970%
- COGS reduced by 44%



Previous Design



LOVE Redesign

Outline of Project Brief

In 2019, BrewDog Spirits was struggling. Consumers lacked a clear and compelling view of its spirits credentials, in particular its failing gin brand, LoneWolf.

In a growing category, LoneWolf gin sales were disappointing, losing to established brands as well as agile newcomers that were spending big.

We were briefed to reinvigorate the LoneWolf packaging design with a fresh rebrand. Ensuring the bold personality of the master BrewDog brand was reflected across all touchpoints.

The brief emphasised the need to make LoneWolf fit for the future, strengthening the current product offering whilst paving the way for future innovations, formats and flavour variants.

The Challenging Project Objectives

1. Increasing distribution by 50%

With very little advertising spend to support this launch, increasing distribution was key in aiding a maximum sales increase. With an emphasis on targeting national grocery listings, it was integral to identify which off-trade retailers would get the brand in-front of its target audience.

2. Increasing the volume of physical cases sold by at least 30%

Across both on and off-trade environments to drive incremental growth across the UK. These figures, if hit, would show that the LoneWolf brand could perform in line with the category which was up by 33% in value and by 28% in volume (12 months up to March 2018.)¹

3. To drive a gross sales increase of at least 30%

As a direct result of the increase in physical cases sold.

4. To drive a reduction in COGS through the redesign by 20%

Reducing the overall COGS by improving the design and choice of materials. This reduction in product specification would also allow room for a price reduction, unlocking an innovation opportunity for BrewDog Distilling Company to launch a more premium gin brand at a later date.

The Business Challenge

BrewDog's long-term vision is for their spirits portfolio, now BrewDog Distilling Co, to have as much fame, recognition and level of distribution across the UK market as their craft beer portfolio. At the start of 2019, LoneWolf was delisted from its biggest grocery stockist (Tesco) and sales had dropped by 37%. According to Tesco, packaging design was its core barrier to success.



The Resurgence

As the category showing the largest gain in global alcohol consumption in 2018 – with a total growth of 8.3% versus 2017 according to IWSR² - gin was definitely enjoying a renaissance and blazing a trail for others to follow, with 2018 welcoming 285 new gin brands to the market.

With a market forecasted to reach 88-million cases by 2023, the gin category showed strong growth, with the 12 months to March 2018 totalling gin sales of £1.5 billion - up by 33% in value and by 28% in volume. But, growth year on year was starting to slow down¹.

Eventually, it was clear there would be significant brand rationalisation in the market. It was our job to ensure LoneWolf survived and thrived.

The Market Challenge

Although the gin category was riding a wave of success, there were a number of challenges and considerations to navigate.

1. New habits in drinking and socialising

Alcohol habits were continuing to change, with health and wellness trends resulting in younger people drinking less in quantity, but better-quality alcoholic drinks.

As well as being more aware of the health impacts, research suggested more and more consumers were opting to stay home and socialise online as opposed to in bars and nightclubs.

A staggering 5.4-million adults in Great Britain now don't drink at all at, up from 4-million in 2013. Also, 37.5% of under 35s believe it's worth paying extra for quality in pubs, bars and restaurant – well above the average for all adults (29.6%).

18-24 years olds in particular are those choosing to drink less, with the average number of alcoholic drinks consumed in a week falling from 13.5 to 12.4 over the last four years³.



2. Saturation

The question around gin reaching its peak is considered across the board, from investors and grocery buyers through to on-trade bar staff. In a market so undeniably saturated, we needed to find new ways to elevate the brand to reach its full potential.

We needed to understand how competing brands were pushing the botanicals angle in a quest to establish a point of difference. Also, what newness looked like and how long consumers would still care about the category before the next craze took flight.

3. Innovation

Part of the category's success has been due to its accessibility, reaching new consumers around the globe who are seeking playful products.

According to IWSR 2019 Beverage Alcohol Data, pink gin was a key growth driver, helping the category sell more than 72-million nine-litre cases globally last year.

As an accessible flavour trend, pink gin delivers a visual impact with Gordon's Beefeater, Edinburgh Gin, Burleigh's and more recently Malfy operating in the space.

Colour-changing gins were also heralding the birth of a new category of sensory-led or experiential products, with consumers looking to add a touch of theatrics to their gin serves.

4. Premiumisation

Craft and premium gins had become serious players bidding for customer attention.

With shoppers choosing quality over quantity when it comes to products, retailers are adapting what they stock to comply with this trend. In a quest to retain cultural relevance, budget retailers like Aldi have upped their game to include more upmarket options, such as niche flavoured gins or own-brand small-batch botanical gins.

In doing so, retailers have been able to compete with brands like BrewDog in appeasing consumer demands for upmarket products at a competitive price point.



Target Audience

LoneWolf's stronghold is a broad demographic range, typically between the age of 20–45 within the ABC1 and C2D socio-economic groups.

Brand Positioning

As an accessible gin brand from an independent distiller and still owner, the brand was built from the ambition to become a rebel in the spirits category.

BrewDog distil everything from scratch, to their own fanatical standards in their Aberdeenshire distillery. No corner-cutting or money scrimping, just authentic gin made by their own hands from grain to glass.

Celebrating BrewDog's Scottish heritage and the characteristics of the wolf mounted on the wall of the distillery, this powerful brand asset is used to personify the LoneWolf brand ethos:

- To never follow the pack
- To defy category conventions
- To lead with attitude over whimsical botanicals

The Design Solution

Our new LoneWolf design hits the sweet spot in terms of appealing to both consumer groups and retailers alike. With the new visual equities, all brand touch points have been renovated, with a powerful new visual identity that reflects the brand's bold attitude, values and personality.

Our iconic yet flexible brand architecture has created an opportunity to expand the LoneWolf portfolio from one variant to five which now includes three new flavours and a G&T can format.

Designed to allow a reduction in COGS and price point, this unlocked another innovation opportunity within the BrewDog Distilling Company portfolio for a new, more premium gin variant to sit above LoneWolf in pricepoint (see Further Influencing Factors section for more detail).



Illustration

The original LoneWolf packaging featured a minimalistic, geometric wolf illustration that didn't feel aligned to its BrewDog heritage. So, we recruited California-based artist Bioworkz to bring the wolf to life through a fierce new illustration, capturing the iconic BrewDog attitude through an intricately crafted, attention grabbing wolf's face, crafted with the botanicals that create the unique liquid inside.

His unique style also borrows from the world of steam-punk and tattoo designs - perfect for a wolf with attitude.

Packaging

We positioned our new wolf front and centre on the bottle, filling the label to create maximum impact and showcase the craft and detailing in the illustration. Finished with a flash of copper foil, inspired by the copper stills in the distillery, to add a premium finish to the label.

We combined the illustration with a bold, punchy logo using an existing BrewDog typeface to align with the master brand. Creating an unmistakably BrewDog pack design, celebrating the fierce new LoneWolf attitude and demanding attention on-shelf and in busy bar environments.



New formats

The LoneWolf G&T can design builds on the new bottle packaging with the wolf filling the pack front and centre. An attention-grabbing wolf's face in a world of delicate, floral ready-to-drink G&T cans.

Line extensions

After the success of the 700ml bottle and can formats, we encouraged BrewDog to experiment with new flavours, adding bite to the portfolio through a new Cloudy Lemon variant.

We applied a yellow colourway to the wolf, whilst retaining the copper detailing to tie-in with the master brand. Finished in a frosted glass bottle that embodies the natural, cloudy liquid inside.

Since then, two additional flavours have also launched; LoneWolf Gunpowder and LoneWolf Cactus and Lime, all bearing the iconic wolf identity and demonstrating the master brands ability to flex and support a wide portfolio.



Merchandise

We developed a range of LoneWolf merchandise and gift packs, combining the fierce new wolf illustration with the rebellious tone of voice. The result was a range of items that appealed to new and existing BrewDog consumers.

Playbook

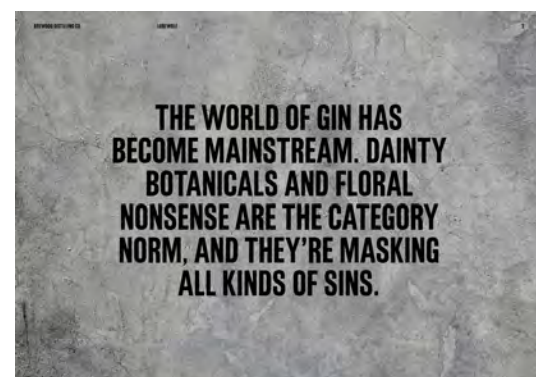
To help bring LoneWolf to life we created a brand playbook containing detailed guidelines on everything the BrewDog team needed to release the brand into the wild.

Point of Sale

After a very successful launch in Asda, BrewDog were given a hotspot location in-store which we were commissioned to design. We used the new wolf illustration to create an attention-grabbing space, combined with bold, typographic messaging to draw in the consumer.

Tone of voice

As part of the rebrand we developed a new tone of voice that added bite to the brand. Combining the unapologetic irreverence of BrewDog with the obsessive expertise of the LoneWolf distilling team.



KEY FACTS

Launch dates: April 6th, 2019
Design fees: £63,961

The Results

For your reference, results have been presented in two ways; LoneWolf Dry Gin results and total LoneWolf portfolio.

As per the objectives:
Objective: increase retail listings by 50%
Result: increased retail listings by 500%

Pre re-brand, LoneWolf had been delisted by its only national retailer, Tesco, leaving it's only retail presence in Sainsbury's, Scotland.

Post re-brand, retail distribution points grew significantly, 322% across 6 national retailers. These included a relisting from Tesco and new partnerships with Asda, Waitrose, Morrisons, CoOp and Sainsburys.

This increase was 10 x the target KPI.

Pre-Rebrand	2019
Sainsbury's (Scotland)	Sainsbury's (National)
	Co-Op (National)
	Asda (National)
	Waitrose (National)
	Morrisons (National)
	Tesco (National)
1	6

Objective: increase volume sold by 30%
Result: Volume sold increased by 512% for all LoneWolf variants.

Volume sold increased by 185% for LoneWolf Dry Gin.

redacted confidential data

Objective: to drive a gross sales increase of 30%
Result: Volume sold increased by 970% for all LoneWolf variants.

Gross sales increased by 486% for LoneWolf Dry Gin.

These results demonstrate that the LoneWolf Gin portfolio outperformed the category by 955%. According to WSTA, in 2019 total gin sales grew only 15%; with total sales of alcohol in the off-trade up by 8% over the same 12 months⁴.

As a competitor example, Hendricks during the same period

redacted confidential data

Objective: to reduce COGS by 20%
Result: reduced COGS by 44%

Packaging COGS Reduction		
	Old Branding	New Branding
	£0.86	£0.59
Label	£0.28	£0.10
Cork	£0.20	£0.20
Silicone Band	£0.25	X
Packaging COGS		-44%
Packaging Labour Reduction		
Cases/Hour	30	120
Cases/Hour Cost	£4.15	£1.04
Labour Per Case		-75%

We made strategic changes to the bottle materials to reduce the packaging COGS. For example, dropping the silicone band, which delivered no design value and was contributing negatively to the environment, saved us 25p per unit. This also dramatically reduced labour production costs by 75%, increasing the volume of cases produced and cased per hour from 30 to 120.

Changing the packaging from bespoke to stock glass saved 27p per unit. We also changed the label to a stock paper, saving us 18p per unit.

As a result, we've been able to significantly reduce COGS by 44%.

The success LoneWolf has seen in the year since the rebrand has been nothing short of exceptional. Launching into a highly competitive market with virtually nothing in the way of additional marketing spend, the brand redesign has captured the imagination of consumers, driving commercial improvements across the board and smashing every KPI set.

The Wider Business Strategy

Previously, BrewDog had been reluctant to explore flavoured variants. BrewDog CEO David Gates believes it's thanks to LoneWolf's success that they're now confident to try new flavours and have since launched three new flavours and a can variant.

"The LoneWolf project and its success also let us define our brand architecture as an endorsement piece of branding. Because of LoneWolf, every spirit brand creation that has followed (Zealot's Heart, Rogue Wave and Boilermaker Series) now leads with a big powerful illustration front and centre of the pack". - David Gates

New Flavour Sales

The four new variants have surpassed expectation and contributed an additional £3.2million in gross sales and 22,087 additional cases.

Demand was so high, upon launching Cloudy Lemon 700ml bottle and can, both products sold out within 5 hours of launch in BrewDog's e-commerce channel.

GLOBAL PANDEMIC

Whilst the original objectives set were based on driving sales across both the on and off-trade, the effect of the Covid-19 pandemic and the restrictions it placed on the on-trade industry has meant that results for the on-trade are not available.

WSTA figures show that despite there being an increase in off-trade sales during the pandemic, this increase does not off-set the losses made by the on-trade, with total alcohol sales having slumped by 20% in volume.⁴



Gin Sector Growth?

It's likely that a small proportion of LoneWolf's success is due to the growing market. However, LoneWolf's sales value and volume far outstrips market growth, proving that the rebrand clearly played a huge role in driving brand consideration amongst consumers, retailers and on-trade.

Marketing Communications?

There was no investment in any other marketing communications beyond press outreach and organic postings on social media. Neither of which could account for the scale of success we've seen.

All PR and social media activity had the rebrand design front and centre, so prospective customers were attracted to the brand through the packaging design and branding.

Sampling?

The only sampling was at the BrewDog AGM event which is only accessible to BrewDog investors and brand advocates, which wouldn't result in customer acquisition from competing gin brands.

Price / Promotion?

As previously mentioned, a key objective of the brief was to reduce COGS by 20%. Our re-design allowed an even greater saving (44%) and provided BrewDog with the opportunity to reduce the RRP from £30-£25, opening up space within their spirits portfolio for further innovation.

Following the re-launch of LoneWolf, we created and launched a new premium gin brand, Zealots Heart which retailed at a slightly higher price point of £30RRP, strengthening BrewDog Distilling Company's position within the gin category.



References:

1. IWSR 2019 Global Beverage Alcohol Data
2. IWSR 2018 Global Beverage Alcohol Data

3. Kantar's Worldpanel 2018
4. wsta.co.uk