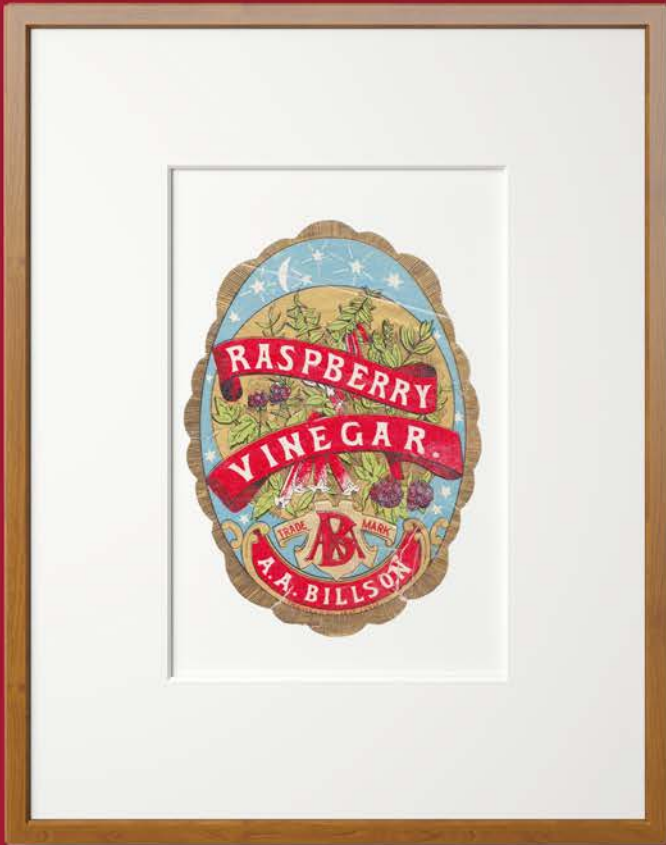


BILLSON'S REBRAND

DBA DESIGN EFFECTIVENESS AWARDS ENTRY 2022

FOR PUBLICATION



When a dilapidated traditional soft drinks factory, came up for sale in a small country town in Victoria, Australia, young couple Nathan & Felicity believed that brand design would be the key to reinventing the failing business into a sustainable one.

After uncovering the building's history, they decided to create a brand that tapped into the business' history and heritage in order to:

- 1** Secure distribution with the best quality local independent grocers in the Northeast Victoria region.
- 2** Grow sales by 50% year-on-year (YOY) to reinvest into the business.
- 3** Grow the brand significantly enough to enable innovation and growth by the end of year 2.

Through the brand's new positioning and commitment to local, artisan and craft values, Billson's has not only managed to achieve all that, but has done so convincingly and all despite a global pandemic.



Two and a half years after launching its rebranded products, Billson's now has **1,000+** quality, local independent customers stocking a variety of its cordial products, along with two key accounts across the state of Victoria.



Cowan's new premium design elevated the cordial range in buyers' eyes, enabling Billson's to charge a +21% higher price post redesign, and a premium of 89% over the entrenched market leader.

+21%

HIGHER PRICE
POST REDESIGN

The huge success of +107% growth in year one, enabled Billson's to expand into two new cordial-based ranges – sodas in Y1, and then vodka-based Ready-to-Drinks (RTDs) in Y2. They have secured national distribution with Woolworths and Coles for the RTDs in 2022, following completion of a bigger production facility to keep up with demand.

+107%

GROWTH IN YEAR ONE

And having truly leveraged the new design and the existing cordial flavours, Billson's is now a \$7.6m cordials-based business, from an incumbent base of \$160k, and the business continues to go from strength to strength.

\$7.6m

CORDIALS BASED BUSINESS



Background and Brief

When Murray Breweries, a run-down traditional cordials factory, came up for sale in Beechworth, Australia, Nathan and Felicity instantly fell in love with the building. On further research, and after commissioning a local historian to delve deeper, they discovered that it had originally been a brewery established in 1865 by George Billson. He had built it up over the years to be an integral part of the community and was also responsible for manufacturing cordials under the Billson's name from 1872. The business changed hands in 1914 and started trading as Murray Breweries, but due to prohibition in the 1920s, it had relied purely on the sale of its cordials ever since.



The Brewery Estd. 1865



Nathan & Felicity



Previous brand & packaging

However, in recent history and with no marketing support, the cordials business had become unprofitable with a minute consumer base and limited distribution through a few small shops and its own on-site outlet – mainstream retailers wouldn't stock the product due to its appearance, despite its quality.

Seeing some potential in the business, the couple couldn't see the building they'd fallen in love with lost to history, and so decided to take on its 150-year-old heritage, transform the business and restore it to its former glory days. This meant a complete rebrand and packaging redesign to hit the following objectives:

1. SECURE DISTRIBUTION WITH THE BEST QUALITY LOCAL INDEPENDENT GROCERS

Because of the business' history and to drive local reputation, Nathan and Felicity wanted to ensure that their brand was built in the right way and was premium – with an emphasis on local, craft and artisan qualities. Therefore, it was important that they lived these values and only went after the right retailers which, for them, were quality small to medium independent grocers with a focus on their local region of northeast Victoria.

2. GROW SALES BY 50% YOY

To make the business profitable, sustainable and to enable growth – and in particular, to support future innovation.

3. GROW THE BRAND SIGNIFICANTLY ENOUGH TO ENABLE INNOVATION AND GROWTH BY THE END OF Y2

In a declining market, in order to survive and remain relevant to modern consumers, the team needed to seek out, and invest in, product development opportunities by the completion of year two.

Market Overview

Consumption of soft drinks in Australia has been in steady decline for over a decade (down to 73.6 litres per capita in July 2021)¹ due to increasing health consciousness – with consumers switching to perceived healthier alternatives such as flavoured sparkling water, soda water and Kombucha¹.

And Australians are drinking far less cordial than in 2009 too – from 35% of Australians to 26% in 2017 (5.2m people)². Again, due to consumers turning their backs on high sugar drinks.

As is typical in a declining category, this has led to space in-store coming at a premium – particularly in supermarkets where shelves are dominated by one or two key players. In this case, besides the mainstream brands, it was Bickford's Cordial.

Australian family-owned and managed, Bickford's has been making premium cordial since 1874, employs 250+ staff and posts annual revenues of \$52m³. Its products range from traditional cordials and sodas to coffee syrups and dairy RTDs, and they are sold in every supermarket nationally.

Given the market conditions, and the mainstream brands that are usually bought for family consumption targeting health and reduced sugar messages, the opportunity for Billson's was to tap into its rich heritage and the trend for nostalgia to appeal to an older consumer.

By celebrating its traditional cordial recipes that some would recognise from childhood, Billson's could find a differentiated place in the market.



References:

1. Ibis World – Soft Drink Consumption, July 2021
2. Roy Morgan Research – Aussies drinking far less cordial, March 2017
3. ZoomInfo, September 2020

Solution

The Brand

To reinstate the business and building to their former glory, Nathan and Felicity's approach was to become custodians of its heritage, so we wanted to bring to life its history but in a way that would appeal to modern consumers.

Together, we agreed that this meant:

BEING SYMPATHETIC TO THE PAST

– preserving traditional recipes, the building, etc.

FOCUSING ON QUALITY & CRAFTSMANSHIP

REMAINING LOCAL

This led us to our brand positioning:

“Our story is about a comeback, a return to quality and the revival of craftsmanship. We're committed to local and believe that sometimes we don't need to reinvent when we can simply restore.”

In the first outward manifestation of this, we reinstated the Billson's name, and we drew inspiration from the painting on the building's original brickwork for the brand identity, recrafting the bold typography and adding an 'estd. 1865' sign off.



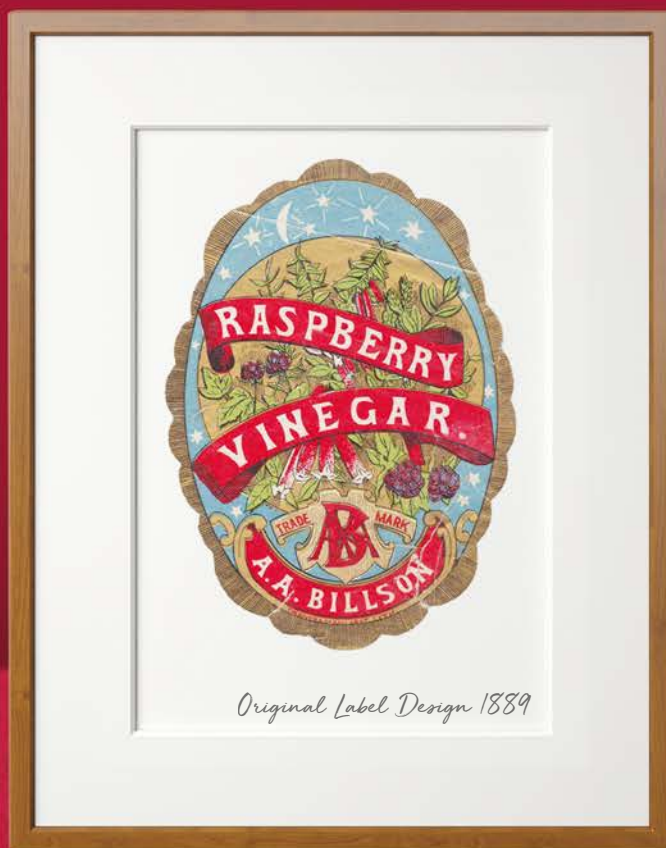
BILLSON'S
ESTD ★ 1865

Packaging

Staying true to the brand's ethos, Nathan and Felicity's approach to the products was to restore, where possible and emphasise craft and quality. Thanks to some generous locals, a historian, and the building restoration team, we uncovered an old label for the raspberry vinegar cordial that dated back to 1880 and which provided us with all the inspiration we needed to redesign the range.

Starting with the original hand-drawn label, we brought the design into the 21st century, but retained hand-drawn elements to dial up the artisan positioning. We kept the shape and gold frame but added a foil to premiumise the design. We also kept the blue background for all 15 existing flavours, but kept it a flat colour to make the flavours really pop.

In keeping with traditional cordials, we designed a bespoke glass bottle, which we embossed with the Billson's logo. And we added a gold neck with the messaging 'crafted in Beechworth' as a sign of its heritage. The only element we retained from the previous Murray Breweries design was the colourways to aid consumer navigation, effectively making Billson's appear a new brand.



Key Dates: Nathan and Felicity took over the brewery in November 2017 and launched their rebranded products on Boxing Day in 2018.

Design fees: £35k for brand identity and cordial range design



Results against Original Objectives

Billson's has delivered across all of its targets, and then some.

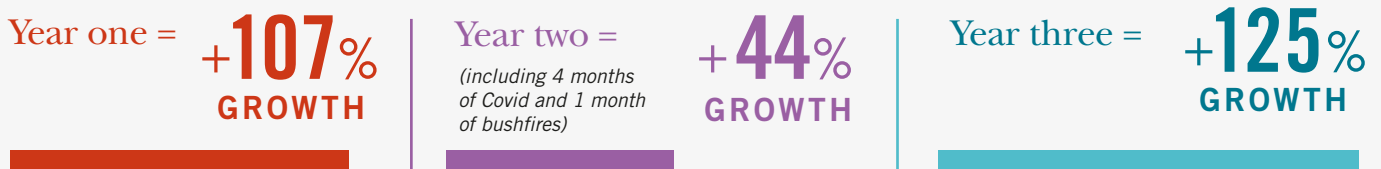
1. Secure distribution with a host of quality local independent grocers

Two and a half years after launching its rebranded products, **Billson's now has 1,000+ independent customers across the state of Victoria stocking a variety of its cordial products.** According to Statista, in 2020, there were 2,672 supermarket and/or grocery stores operating in Victoria⁴, so this is nearly half of all potential retailers taking on distribution.

In fact, in year one, Ritchies (an independent supermarket chain) took on all 15 cordial varieties in 23 of its stores across the state of Victoria as the buyer was so impressed with the new branding. Previously he hadn't entertained stocking the Murray Breweries brand, but now loved that the cordials felt handcrafted and premium. **The design and branding elevated Billson's rich history and single-handedly unlocked distribution with the retailer who looked for brands with real stories.**

2. Grow sales by 50% YOY

Across the first three years, Billson's has over-delivered against its objectives, having achieved over 100% YOY growth for the cordial range – apart from in the YE Jun 2020, when Covid and severe bushfires took hold.



An ABS Household Impacts of COVID-19 Survey in June 2020 found a 19% drop in the consumption of soft drinks, cordials and energy drinks during the pandemic¹. And for the month of January 2020, bushfires raged in the region and tourists were advised not to travel. This completely destroyed Billson's venue sales for the month which is normally the highest trading month of the year due to school summer holidays. Despite both challenges, Billson's still managed 44% growth, which is pretty impressive.

3. Grow the brand significantly enough to enable innovation and growth by Y2

In a declining market, to survive and remain relevant to modern consumers, the team needed to seek out, and invest in, product development opportunities by year two.

Due to doubling its growth target in Y1, Billson's was able to invest a year early in developing its cordial-based classic sodas. These have also been extremely successful, achieving growth of over 100% each year.

And with the growing RTD market taking hold in Australia, Billson's developed a range of 10 classic cordial flavoured vodka RTDs and the success has been phenomenal – redacted confidential data.

ANNUAL SALES

Fiscal Yr. (Jul-Jun)	Before: 2017/18	YEAR 1: 2017/18		YEAR 2: 2019/20 (affected by Bushfires & Covid)		YEAR 3: 2020/21	
	AUS \$K	AUS \$K	YOY % Growth	AUS \$K	YOY % Growth	AUS \$K	YOY % Growth
CORDIALS	160	331	+107%	478	+44%	1,076	+125%
SODAS	n/a	100	Launched DEC 2018	250	+150%	555	+122%
RTDS	n/a	n/a	n/a	redacted confidential data	Launched NOV 2019 Bushfires in Jan 2020 and Covid from March onwards	redacted confidential data	redacted confidential data
TOTAL Cordial-based Sales	160	431	+169%	redacted confidential data	+121%	redacted confidential data	redacted confidential data

References:

1. Ibis World – Soft Drink Consumption, July 2021
4. Statista – Number of operating supermarkets and grocery stores in Australia FY 2020 by state, July 2021

The effect of the design solution and impact on the business

Billson's success was all due to the design.

Distribution gains

Previously Murray Breweries' cordials were sold solely at a number of obscure local retailers, a large discount warehouse and via email, with nominal sales also coming from the venue – quality, local independents and mainstream retailers were not interested in stocking.

The new design and branding celebrates everything that is inherent to Billson's – from the locally sourced ingredients and traditional flavours to the craft values – and it has elevated its rich history to single-handedly unlock distribution with Ritchies, as stated previously.

In fact, in 2020 Woolworths asked Billson's to let them list the cordials nationally. Billson's kindly declined as the timing wasn't right due to production limitations and the desire to keep the brand feeling craft. Again, in 2021, Woolworths and Coles (the two largest national retailers) asked to list the RTD range nationally. This deal has now been agreed pending commissioning of a new production facility to cope with the increase in volume.

A higher price premium

The new design is now seen as more premium which has enabled Billson's to charge a 21% higher price than before (\$8.50 per bottle rather than \$7) – and at an 89% price premium over the entrenched cordial market leader, Bickford's. Additionally, in regional and metro outlets, the cordials often gain a much more prominent shelf placement displacing Bickford's from prime shelving all because of the new design.

The brand taps into a sense of positive nostalgia and appeals to an older consumer, which is why the RTD range is flying. Indeed the #1 SKU in all three cordial based ranges is Portello (a grape and berry mix which tastes similar to port) which is another original recipe and one that is remembered from childhood.

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Highly successful NPD

The core cordial design has been adapted for both the new soda and RTD ranges with both using the distinct label shape as a key asset in the design to hold the flavour variants.

The soda cans feature the sign off 'made with our famous Alpine spring water' and feature dots emanating from the label that instantly conveys the sparkling nature of the drink, whereas the RTDs keep the colour palette and label but move the flavour illustrations to the background to clearly differentiate the alcoholic drink from the soft drinks. The key point to note is that with the consistency in flavours from the cordials to the sodas to the RTDs, the design encourages consumers to try the flavours they know they love – just in a different guise.

The scale of effect and breadth of impact

Not only did Billson's achieve all of its objectives, but it did so convincingly and despite a global pandemic. By leveraging its heritage and local, craft and artisanal values, Billson's has created a brand that resonates with consumers and that has tapped into consumer desire for simpler times and positive nostalgia.

For example, compared to Crows Nest Soft Drinks which was taken over by its current owner in 2014, and who also found the original recipes for its cordials, Billson's is flying – all because of its branding. In its seventh year of trading, Crows Nest sold only circa 200k bottles of cordial, whereas in just its third year, Billson's produced circa 250k bottles of cordial AND 2.5 million cans⁵.

The success of the cordials allowed Billson's to expand into sodas, and then RTDs, generating an additional 30% in revenue in Y1, 99% in Y2 and 609% in Y3. Which in turn has created a business that has made a significant impact on Beechworth's economy, visitation and employment in just three years.

This means that by the end of Year 3, Billson's was:

IN THE TOP 3 BUSINESSES IN BEECHWORTH FOR TURNOVER

This is behind Beechworth Honey (\$11m) and Bridge Road Brewers (\$8m) which has been in business for fifteen years and employs 40 staff.

Beechworth is a well-preserved historic town in Victoria (north-east of Melbourne), famous for its major growth during the gold rush days. It has re-invented itself and is now a popular tourist destination and growing wine-producing centre.

IN THE TOP 3 EMPLOYERS IN BEECHWORTH

On taking over, Billson's inherited just two full-time staff – an office manager and a factory manager/cordial maker. By September 2020, this had increased to 28, including six brewers/distillers, three packaging staff, eight venue staff and two sales reps. This puts the business as a Top 3 employer behind Bridge Road Brewers (with 40) and Beechworth Honey (with 11-50 employees).

To put this into context, 97% of businesses within the local government area (LGA) of Indigo Shire (in which Beechworth is situated) employ fewer than 19 people, so Billson's is not just top 3 in Beechworth but now in the top 3% of businesses in the region⁶.

THE #1 VISITOR ATTRACTION IN BEECHWORTH,

according to Trip Advisor. In 2017 Murray Breweries was #30 of 32 in Tripadvisor's 'Things to do in Beechworth'. Three years later, Billson's Brewery is #1, ahead of Bridge Road Brewers.



The proof of effect and other influencing factors

As with all businesses, you could argue that Billson's success could be due to other factors rather than purely down to design:

Is it due to the rising demand for natural, non-alcoholic beverages?

It's true that more natural soft drinks are rising in popularity and slowing the overall decline in the total non-alcoholic drinks market. However, cordials have still suffered a decline. But it's Billson's brand design and packaging that taps into flavour and nostalgia that is responsible for its popularity and growth. The fact that Nathan and Felicity took on a declining business in a declining market is testament to their belief and trust in the power of design to turn the business around.

Is the value growth due to the higher (+21%) price premium?

This would only apply to Y1, however, with a growth rate of +107% Billson's would still have smashed its 50% YOY growth target. It is also clear that design was the enabler here, with the higher price only being justified by the new branding.

References:

5. ABC News – Bottling nostalgia: The rise and fall of Australia's old-fashioned soft drink industry, August 2020

6. Indigo Shire Council Economic Development Strategy 2018

Is it due to entering the rapidly growing RTD market?

It's clear that the RTDs have boosted turnover, particularly in Y3. However, this was only possible due to the success of the original cordials business allowing further investment in NPD such as the RTDs. Even without the RTDs, Billson's still well and truly surpassed its desired 50% YOY growth.

ANNUAL SALES

Fiscal Yr. (Jul-Jun)	Before: 2017/18	YEAR 1: 2017/18		YEAR 2: 2019/20		YEAR 3: 2020/21	
	AUS \$K	AUS \$K	YOY % Growth	AUS \$K	YOY % Growth	AUS \$K	YOY % Growth
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RTDS	n/a	n/a	n/a	redacted confidential data	Launched NOV 2019	redacted confidential data	redacted confidential data
TOTAL Cordial-based Sales	160	431	+169%	redacted confidential data	+121%	redacted confidential data	redacted confidential data
TOTAL Cordial-based Sales (excl. alcohol RTDs)	160	431	+169%	728	+69%	redacted confidential data	redacted confidential data

And, in comparison to the overall RTD market, which is now worth \$1bn in Australia⁷, Billson's is still showing growth that outperforms the market. *Redacted confidential data.*

Is it due to lots of marketing activity?

Billson's has relied on its reimagining of the business' heritage to gain PR and its social media accounts tell that story well for a modern consumer – in fact customers follow to find out new aspects of the story. There has been no other advertising or marketing support throughout the results period, apart from entering (and winning) awards; something that is commonplace in the industry – Billson's won Best Brand / Business at the 2019 World Food Innovation Awards. It was also voted Victoria's favourite craft spirit brand by the public in 2020 on the back of Vodka Portello. In September 2020, the brewery was chosen to be part of the 'Click for Vic' advertising campaign on social media, encouraging residents of Victoria to remember their businesses while closed due to Covid-19. This was a Government decision (not a brand or business-driven one), but there is no doubt that the pack design was instrumental in this decision as the campaign focused heavily on craft/artisan products.

The impact of Covid-19

Covid has affected businesses in Victoria more than the rest of Australia due to the State Government's lockdown and, in fact, as of September 2021, Melbourne will have spent more time under Covid lockdown than any other city in the world (45% of time since the pandemic was declared on 12/2/20). Obviously, this will have impacted sales from the venue itself, but despite that, the cordials business continued to grow through its retail and online sales, and only just below target.

Is it due to Nathan & Felicity?

Obviously, the people at the helm of any business are integral to the company's success and Billson's is no different. But neither Nathan nor Felicity knew anything about soft drinks manufacture and neither were they accomplished salespeople. Nathan's experience was in brand design and Felicity's in nuclear medicine. It's hard not to become caught up in their passion for Billson's, but the brand and design work has given them a clear narrative to convey their story, and one that is compelling.

Is it due to having a revamped shop and hospitality venue?

As part of the business' restoration, the couple wanted to revamp the existing shop to make the business at the heart of the local community once again and added a café and speakeasy. They restored as much of the original building as possible – from the original granite and riverstone cellar floor and reclaiming materials onsite to make the bar, to using traditional materials such as lime mortar to repoint the original brickwork. The care and attention to detail in the design has no doubt led to the venue becoming the #1 tourist attraction in Beechworth, but the cordials business would still have been a success without it – venue sales typically account for 35% of total sales each year.

References:

7. Drinks Digest – LMG sales growth leads Australia's RTD revolution, May 2021