

FROM STRENGTH TO STRENGTH



**MERCURY**

# THE RISE OF MERCURY HARD CIDER

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**INDUSTRY SECTOR**  
BEVERAGES

**DESIGN CONSULTANCY**  
DENOMINATION

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CARLTON & UNITED  
BREWERIES

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denomination

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## EXECUTIVE SUMMARY

Mercury Cider is Australia's oldest cider brand founded in 1911. Despite a loyal customer base, Mercury was experiencing a steady decline exacerbated by a lack of awareness amongst younger consumers in the booming cider category. In 2014 the client, CUB, developed a number of strategic directions to explore. This involved not only looking at the packaging but also at the actual liquid. Out of this came an innovative positioning for a "Hard" Cider: a higher alcohol offering that would sit alongside the parent brand.

The packaging and brand identity developed by Denomination for Mercury Hard Cider brought this innovative concept to life.

**The immediate popularity of Mercury Hard Cider helped single-handedly turn around the fortunes of the parent brand Mercury and pioneered a completely new category in the cider market.**

Other than the inclusion of the brand in a general portfolio promotion for 3 months between October 2015 and January 2016, Mercury Hard Cider received absolutely no specific advertising or promotional spend from CUB. The brand managed to clock up sales of 5.46 million cans in 18 months, becoming the "sleeper hit" of the business.

In addition, the effect of Mercury Hard Cider on its parent brand Mercury has been profound. At the time of launch, Mercury was declining at a rate of -7.0%. The immediate popularity of Mercury Hard Cider helped lift its parent to move Mercury into growth of +6.1%.<sup>1</sup>

Mercury Hard Cider now occupies a leadership position in the high alcohol cider segment it helped create and its parent brand continues to enjoy steady growth.

These stunning results can be attributed the packaging, which, combined with price and product, resulted in the most effective marketing campaign: word of mouth endorsement from consumers.



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**5.46M**  
CANS SOLD

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in 18 months, becoming the  
"sleeper hit" of the business.**

**Mercury Hard Cider  
helped lift Mercury into  
growth of 6.1%**

**-7.0%**

**+6.1%**

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## PROJECT OVERVIEW

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A “sea of sameness”, with the majority of brands occupying a similar space visually

### 3.1 OUTLINE OF PROJECT BRIEF

- Reverse the declining sales of Mercury Cider
- Develop an authentic and credible sub-brand with reinvigorated packaging and branding
- Increase brand awareness of parentbrand Mercury
- Create truly unique offering in the cider category
- Reflect the high alcohol content of the product
- Incorporate dark spirits RTD language
- Showcase the brand's history and authenticity to new consumers
- Powerful shelf standout
- Keep brand characteristics of honest, grounded and real
- Be masculine, authentic and relevant to 18-24 year olds.

### 3.2 DESCRIPTION

The size of the cider market in Australia in relation to other alcoholic drinks is small - a mere 5% of the market - but with 40 new entrants annually the market is growing rapidly. However there were a couple of large hurdles our client identified in order to grow consumer consumption. The first is availability: display space by retailers is limited as the cider category tends to be reduced to a very small section in store. The other is a “sea of sameness”, with the majority of brands occupying a similar space visually with rustic typography, apple trees and the colour green featuring prominently on the packaging.

For a cider brand to be suffering at a time when the cider market was experiencing rapid growth, would be very concerning. For a brand such as Mercury, Australia's oldest cider brand, it was disastrous. Over the past decade, Mercury had continued to lose consumers and retail distribution. In 2014 the client, Carlton & United Breweries (CUB), decided to take immediate action to halt the sales decline. A complete reinvigoration of the brand was needed. However the client CUB also needed to address the additional problems of a declining distribution footprint and lack of visibility and brand awareness.

On the positive side, CUB believed there was a gap in their portfolio for a masculine authentic brand that would be relevant to 18-24 year olds, and they believed that a rejuvenated Mercury could be the brand to fill this space.

Mercury would be repositioned within the CUB portfolio to have a far more defined positioning as CUB's lead value cider brand. To do this CUB aimed to research packaging that reflected three different positioning territories in order to explore different ways to bring the Mercury brand to life and attract new consumers. One of the positionings explored a higher in alcohol cider: 6.9% instead of the category norm of 5.0%. The client believed there was potential to kill two birds with one stone – the higher alcohol would appeal to both cider drinkers and hard spirits RTD drinkers. Denomination believed the key to doing this would be to take cues from the bourbon category and create a completely new and unique offering for a cider.

# 3

## PROJECT OVERVIEW

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With no advertising or promotional support, Mercury Hard Cider has sold over 5.46 million cans since its launch in October 2014 and in one year grew by 40.4%.

In one year it helped reverse the decline of parent brand Mercury into 13.1% growth without any change to the packaging or product.



Within consumer group research, consumers responded to both the design and concept of a high alcohol cider immediately. Faced with the bigger task of refreshing the entire brand, the client decided to launch the “hard” cider idea for Mercury as a sub-brand - Mercury Hard Cider - which would prove to be CUB’s golden ticket to resurrecting the fortunes of the Mercury brand as a whole.

In October 2014 Mercury Hard Cider was launched to independent bottle shops for a period of exclusivity. Its distinctive black packaging set it apart from the rest of the cider offering. The new packaging played strongly to the brands’ history as the first cider made in Australia appealing to consumers in search of authenticity in the category.

With no advertising or promotional support, Mercury Hard Cider has sold over 5.46 million cans since its launch in October 2014 and in one year grew by 40.4%.<sup>2</sup> The brand was listed in the top five of fastest growing ciders and totally re-engaged the trade: many retailers initiated floor displays and prominent shelf positioning due to its innovative nature. With its resounding success in the independent trade, the major national account retailers requested ranging as soon as the exclusivity period with the independents ended.

Within the CUB business the effect of the success of Mercury Hard Cider was considerable. In one year it helped reverse the decline of parent brand Mercury into growth: from -7.0% to growth of +6.1%<sup>2</sup> without any change to the packaging or product. Having previously been seen as the poor cousin to beer, the runaway success of Mercury Hard Cider meant cider was given more importance and focus by the business as a whole, and gave the cider marketing team tremendous internal kudos. Denomination’s budget for Mercury Hard Cider was \$45,600 AUD

**Mercury sub-brand - Mercury Hard Cider**  
- would prove to be CUB’s golden ticket to resurrecting the fortunes of the Mercury brand as a whole.





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## OUTLINE OF DESIGN SOLUTION

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One of the first elements to tackle was the Mercury branding and brand icon. The running figure of Mercury was clumsy in its execution and slightly effeminate. The ribbon device encasing the logo added to the brand's dated impression. This was updated to a more unique holding device whose unusual shape, reflective of turn-of-the-century packaging, was instantly recognizable. The logotype was strengthened and condensed in order to enable the brand name to have maximum impact on the front face of a can. The running figure of Mercury was replaced with a strong arm holding the Caduceus, Mercury's distinctive staff. The strong arm dialed up the masculinity and emphasised strength, reflecting the longevity of the brand but also the strength of the alcoholic content of the cider.

Copy plays a very important role on the pack. Instead of the usual brand/sub-brand hierarchy, we developed a slogan "Built to last" which was featured prominently directly below the brand block to further reinforce the strength message. The slogan appears in inverted commas: a device commonly used in historical packaging; this small grammatical touch helps convey the heritage of the brand in a completely authentic way. Along with founding dates we also recommended The Original Cider Brand became part of the brand lock up to proudly trumpet the heritage of the brand. The bold typographic treatment of hard cider also adds to the strength and standout of the entire pack. Overall, the graphics are deliberately flat and simple with no vignettes or modelling: this reflects the simple honesty of the brand and once again adds to the historic authenticity.

The colour palette of black, red and cream, common amongst hard spirits and bourbons completely broke category conventions in cider and created immediate shelf impact amongst the competitive set, positioning the brand as unique, masculine and confident with a proud history.

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## OUTLINE OF DESIGN SOLUTION

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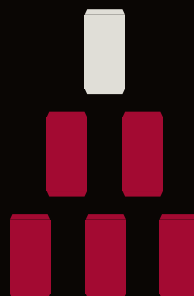
## SUMMARY OF RESULTS

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**MERCURY HARD CIDER HAS BEEN A  
PHENOMENAL SUCCESS FOR CUB. SINCE ITS  
LAUNCH, MERCURY HARD CIDER HAS:**

### TOP 5

Mercury Hard Cider became the fastest growing top 5 cider brand in Australia.



IRI MarketEdge Liquor Weighted Total Cider data to MAT 05.06.16 <sup>1</sup>

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### 2.1M LITRES

With no advertising or promotional support, the Hard Cider SKU has sold over 2.1 million litres since its launch in October 2014 to 31st May 2016.

IRI MarketEdge Liquor Weighted Total Cider data to MAT 05.06.16 <sup>1</sup>

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In the last 6 months to May 31st 2016 Mercury Hard Cider claimed the #1 SKU position within the Mercury range.

### #1 SKU IN THE LAST 6 MONTHS

IRI MarketEdge Liquor Weighted Total Cider data to MAT 05.06.16 <sup>1</sup>

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Hard Cider has also had a significant impact on the total masterbrand: with volume growth rates accelerating from

### 9.5% to 49.9%

9.5% (MAT to 05/06/15) to 49.9% (MAT to 05/06/15) and the classic range reversing the decline trajectory of -7.0% (MAT to 05/06/15) to growth of +6.1% (MAT to 05/06/15) <sup>2</sup>

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CUB has been able to increase penetration amongst Adults drinking alcohol on a L4W basis by 0.3 percentage points through the Mercury Masterbrand.

Kantar Tracking QTR May 16 vs QTR May 15 <sup>3</sup>

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## SUMMARY OF RESULTS

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The CUB sales team has been reinvigorated in terms of its belief in the Mercury masterbrand and in the ability of CUB to diversify its portfolio and reduce its reliance on its dominant cider offering Strongbow. As a result of introducing Mercury Hard Cider to the portfolio, CUB increased weighted distribution of the Mercury masterbrand from 28% to 68% over the past year.

IRI MarketEdge Liquor Scan Total Cider data to MAT 05.06.15 vs MAT 05.06.16) <sup>1</sup>

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Increased spontaneous awareness of Mercury masterbrand across all demographics by 0.7 percentage basis points, including the target 18-24 year olds.

Kantar Tracking QTR May 16 vs QTR May 15 <sup>3</sup>

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Hard Cider also occupies a leadership position in a new high alcohol segment.

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## OTHER INFLUENCING FACTORS

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### MARKET TRENDS

Over the past five years globally there has been a trend towards retro-inspired branding and products. It communicates authenticity and credibility, especially to younger Millennial consumers. Brands such as Sailor Jerry, Jim Beam (using modern Mila Kunis in contrast with their heritage), Adidas (Stan Smith shoe) Levis and Birkenstocks have used these to their advantage. It was this trend that Denomination and CUB tapped into with the development of Mercury Hard Cider.

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## RESEARCH RESOURCES

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<sup>1</sup> IRI MarketEdge Liquor Weighted Total Cider data to MAT to 05/06/16

<sup>2</sup> IRI MarketEdge Liquor Weighted Total Cider data to MAT to 05/06/15

<sup>3</sup> Kantar Tracking QTR May 16 vs QTR May 15