

FOR PUBLICATION

## DBA DESIGN EFFECTIVENESS AWARDS 2022



**SUBMISSION TITLE:**

DRTY DRINKS HARD SELTZER: LIVE CLEAN DRINK DIRTY

**CLIENT COMPANY:**

DRTY DRINKS

**SUBMISSION DATE:**

NOVEMBER 2021

**Pearlfisher.**

# 1. EXECUTIVE SUMMARY

SEEING HARD SELTZER'S EXPLOSION ONTO THE SCENE IN THE US, FORMER DIAGEO MARKETERS OLI CLEMENTS AND MATIJA PISK SEIZED THE OPPORTUNITY TO INTRODUCE THIS DRINK TO THE UK AS A MARKET DISRUPTING ALTERNATIVE TO HIGH SUGAR CIDERS, RTDS AND CALORIE DENSE BEERS.

A DISTINCTIVE DESIGN AND TONE OF VOICE WAS ABSOLUTELY IMPERATIVE TO SUPPORT THE BRAND'S POSITIONING 'LIVE CLEAN DRINK DRTY' – A PUNCHY BRITISH CHALLENGER BRAND WITH A REBELLIOUS ATTITUDE FOR THOSE WHO WANT TO LIVE CLEAN, BUT ALSO LIVE FUN.

IN A SEA OF COMPETITORS THAT FOCUS ON PRODUCT BENEFITS LIKE NATURALNESS, BOTANICALS AND HEALTH, DRTY STAND OUTS! THANKS TO THE DESIGN, THIS IS A BEVERAGE AIMED AT EVERYONE WHO FEELS FREE ENOUGH TO BEHAVE HOW THEY LIKE. NO EXCUSES. NO PRETENSIONS. NO APOLOGIES.

AS ONE OF ONLY THREE MARKET ENTRANTS, DRTY WAS SEEMINGLY IN A GREAT POSITION AT LAUNCH. BUT THEN EVERYTHING CHANGED AND THE BRAND DESIGN WAS EVEN MORE IMPORTANT THAN EVER.

HIT BY A GLOBAL PANDEMIC THAT DECIMATED ON TRADE AND OBLITERATED ALL SAMPLING/EVENTS/ PROMOTIONAL MARKETING, A COMPETITIVE SET THAT GREW EXPONENTIALLY (MANY WITH MASSIVE MARKETING BUDGETS/RETAIL REACH), AND WITH NO MARKETING BUDGET TO SPEAK OF, DRTY NOT ONLY SURVIVED, BUT THRIVED DURING ITS FIRST 18 MONTHS.

- 4% MARKET SHARE DESPITE NO MAJOR UK BRICKS AND MORTAR SUPERMARKET LISTINGS
- +40% VS RETAIL SALES VALUE OBJECTIVE
- (REDACTED CONFIDENTIAL DATA)% OF DOMESTIC RETAIL SALES VALUE SOLELY DUE TO BRAND DESIGN
- DESIGN DRIVES UNPLANNED INTERNATIONAL GROWTH IN SEVEN MARKETS





## 2. CONTEXT AND OVERVIEW

### BACKGROUND

HARD SELTZER IS ALCOHOLIC, FLAVOURED SPARKLING WATER – MADE USING AN ALCOHOL BASE, SPARKLING WATER AND NATURAL FRUIT FLAVOURS. THE RESULT IS AN ALCOHOLIC DRINK THAT'S AROUND 4-5% ALCOHOL, LOW IN CALORIES AND LOW SUGAR.

HARD SELTZER EXPLODED ONTO THE SCENE IN THE US, FUNDAMENTALLY DISRUPTING THE ALCOHOLIC DRINKS CATEGORY. IN JUST FOUR YEARS, THE CATEGORY REACHED OVER US\$4BN IN SALES VALUE.

FORMER DIAGEO MARKETERS OLI CLEMENTS AND MATIJA PISK SEIZED THE OPPORTUNITY TO INTRODUCE THIS DRINK TO THE UK AS AN ALTERNATIVE TO HIGH SUGAR CIDERS, RTDS AND CALORIE DENSE BEERS.

### TARGET AUDIENCE

MILLENNIAL AND GEN-Z DRINKERS ARE LEADING THE CHARGE FOR HARD SELTZERS. THIS IS A YOUNGER, MORE HEALTH CONSCIOUS GENERATION THAT'S GROWN UP WITH A STRONG 'LOW/NO' MENTALITY. THOUGH NOT TECHNICALLY LOW ABV, HARD SELTZER APPEALS TO THIS MINDSET AS IT'S LOW IN OTHER AREAS COMBINED WITH RELATIVELY 'CLEAN' INGREDIENTS. BUT THESE "LOVE ISLAND" GENERATIONS ALSO WANT ALL THE ATTITUDE/FUN OF A 'PROPER DRINK', NONE OF THE FOMO (FEAR OF MISSING OUT).

### OUTLINE OF PROJECT BRIEF

WHEN THEY SET OUT TO PIONEER THIS NEW STYLE OF DRINK IN THE UK, OLI AND MATIJA PREDICTED A CATEGORY GROWTH TRAJECTORY SIMILAR TO



THAT EXPERIENCED IN THE USA, ONE WHICH WOULD SEE AN EXPONENTIAL RISE IN COMPETITORS IN A VERY SHORT TIMEFRAME.

WITH THAT IN MIND, THEY DECIDED TO POSITION DRTY AS A PUNCHY BRITISH CHALLENGER BRAND WITH A REBELLIOUS ATTITUDE THAT DOESN'T DRONE ON ABOUT HAND-PICKED BOTANICALS OR BAVARIAN HOPS.

A DISTINCTIVE DESIGN AND TONE OF VOICE WAS ABSOLUTELY IMPERATIVE TO THAT. THE AGENCY'S CHALLENGE? DEVISE A BRAND IDENTITY, PACKAGING DESIGN AND TONE OF VOICE THAT SUPPORT THE BRAND'S POSITIONING 'LIVE CLEAN DRINK DRTY' – A DRINK FOR THOSE WHO WANT TO LIVE CLEAN, BUT ALSO LIVE FUN.

#### OBJECTIVES

WITH VIRTUALLY NO MARKETING BUDGET TO SPEAK OF, DRTY'S BRAND DESIGN NEEDED TO SERVE AS THE KEY DIFFERENTIATOR TO FUTUREPROOF THE BRAND AGAINST THE ANTICIPATED COMPETITIVE RUSH AND ENABLE DRTY TO ACHIEVE THE FOLLOWING IN ITS FIRST 18 MONTHS IN THE UK:

- 3-4% MARKET SHARE
- (REDACTED CONFIDENTIAL DATA) RETAIL SALES VALUE
- ONE MAJOR DOMESTIC LISTING ON THE STRENGTH OF THE DESIGN ALONE (BEFORE THE PRODUCT ITSELF WAS READY)
- OPEN DOORS FOR CONVERSATIONS WITH A MAJOR DOMESTIC 'BRICKS & MORTAR' SUPERMARKET CHAIN, WITH A VIEW TO LISTING BY MID-2022

#### MARKET OVERVIEW

HARD SELTZER UNDERWENT A METEORIC RISE IN THE USA IN FOUR YEARS – BY 2019 IT GENERATED OVER £4BN IN SALES. AS PER DRTY'S PREDICTIONS, IT'S ON A SIMILAR TRAJECTORY IN THE UK. WHEN DRTY LAUNCHED, THEY ONLY HAD TWO COMPETITORS. FAST FORWARD 18 MONTHS, AND THE MARKET GREW EXPONENTIALLY TO MORE THAN 40 BRANDS, WITH A £10.4M RETAIL SALES VALUE (99.5% OFF TRADE / 0.5% ON TRADE). FROM THE WORLD'S LARGEST MULTINATIONALS TO SMALL

INDEPENDENTS AND START-UPS, EVERYONE'S JUMPING INTO THE FRAY. THE TREND WON'T FIZZ OUT ANYTIME SOON. IN FACT, DRTY'S SPECIALLY COMMISSIONED 2021 REPORT FOR THE UK MARKET SHOWS CATEGORY SALES VALUE ESTIMATED TO RISE TO £75M BY 2023.

#### CHALLENGES

GIVEN THE CATEGORY GROWTH DYNAMICS AND THESE CHALLENGES, COMBINED WITH DRTY'S LIMITED MARKETING BUDGET, DESIGN NEEDED TO PLAY A KEY ROLE TO SUPPORT THE BRAND'S OBJECTIVES.

- **BIG BRANDS WITH BIG RESOURCES:** COMPETITIVE HARD SELTZER OFFERINGS FROM BIG BUSINESSES SUCH AS COCA-COLA, HEINEKEN, KOPPARBERG, DIAGEO AND WHITE CLAW, WHO NOT ONLY HOLD MASSIVE RETAILER POWER, BUT ALSO HAVE BIG BUDGETS TO ACTIVATE MARKETING CAMPAIGNS.
- **COVID-19:** ONLY FOUR MONTHS OF DRTY'S LIFE HAS BEEN IN A PANDEMIC-FREE WORLD TO DATE. THEY LOST ON TRADE FOR A FULL YEAR AND HAD TO QUICKLY PIVOT TO COMBAT THIS, INVESTING IN ECOMMERCE CAPABILITIES, AND FOCUSING ON WORKING WITH INDEPENDENT SHOPS AS MORE PEOPLE STAYED LOCAL.

#### KEY FACTS

**PROJECT LAUNCH DATE:** 23 OCTOBER 2019

**DESIGN FEES:** (REDACTED CONFIDENTIAL DATA)

#### DESIGN SOLUTION

IN A SEA OF COMPETITORS THAT FOCUS ON PRODUCT BENEFITS LIKE NATURALNESS, BOTANICALS AND HEALTH, DRTY'S REBELLIOUS DESIGN AND TONE OF VOICE STAND OUT – TWO FINGERS UP TO EVERYONE ELSE!

FIRMLY AIMED AT MILLENNIALS/GEN ZERS WITH A 'NOT AFRAID TO GET THEIR HANDS DIRTY, WORK HARD, PLAY HARD' APPROACH TO LIFE, THIS YOUNG, VIBRANT BRAND TALKS THEIR LANGUAGE THROUGH THE STRAIGHTFORWARD, CONFIDENT DESIGN AND TONE OF VOICE. THE SLIM, ELONGATED TYPEFACE IN THE LOGO AND THE SLIM TALL CAN ARE A NOD TO THE 0 CARBS,

0 SUGAR, LOW CALORIE PRODUCT BENEFITS. THESE COMBINE WITH STRIKING ILLUSTRATIONS OF MOUTHS/LIPS WITH ATTITUDE TO BECOME OWNABLE GRAPHIC DEVICES FOR EACH FLAVOUR VARIANT. THEY'RE DELIBERATELY RAW AND UNPOLISHED, TO SPARK INTRIGUE AND APPEAL TO PEOPLE'S DIRTY SIDE. MOUTHS ALSO FIGURE PROMINENTLY IN THE PHOTOGRAPHIC STYLE.

DRTY MIGHT BE LOW-CALORIE AND LOW-SUGAR, BUT THANKS TO THE DESIGN, THIS IS A BEVERAGE AIMED AT EVERYONE WHO FEELS FREE ENOUGH TO BEHAVE HOW THEY LIKE. THE DESIGN ALLOWS THE BRAND TO TRULY VOICE ITS 'LIVE CLEAN DRINK DRTY' ETHOS.

**NO EXCUSES. NO PRETENSIONS. NO APOLOGIES.**







### 3. RESULTS

AS ONE OF ONLY THREE MARKET ENTRANTS, DRTY WAS SEEMINGLY IN A GREAT POSITION AT LAUNCH. BUT THEN EVERYTHING CHANGED AND THE BRAND DESIGN WAS EVEN MORE IMPORTANT THAN EVER.

HIT BY A GLOBAL PANDEMIC THAT DECIMATED ON TRADE AND OBLITERATED ALL SAMPLING/EVENTS/PROMOTIONAL MARKETING, A COMPETITIVE SET THAT GREW EXPONENTIALLY (MANY WITH MASSIVE MARKETING BUDGETS/RETAIL REACH), AND WITH NO MARKETING BUDGET TO SPEAK OF, DRTY NOT ONLY SURVIVED, BUT THRIVED IN THE 18 MONTHS TO MAY 2021.

#### 4% MARKET SHARE

DRTY ACHIEVED ITS MARKET SHARE OBJECTIVE. THEY DON'T HAVE DISTRIBUTION WITH ANY MAJOR UK BRICKS AND MORTAR SUPERMARKET CHAINS (THAT'S AN OBJECTIVE FOR MID-2022), SO GIVEN THE MARKET IS CURRENTLY DOMINATED BY THE BIG BRANDS, ALL OF WHOM HAVE GOT SHELF SPACE WITH MAJOR RETAILERS, THIS IS A PRETTY IMPRESSIVE STAT.

#### OFF TRADE: +40% VS RETAIL SALES VALUE OBJECTIVE

DRTY IS 40% BIGGER THAN THEY THOUGHT THEY WOULD BE AFTER 18 MONTHS. DESPITE LOSING ON TRADE FOR A FULL YEAR, OFF TRADE SALES THRIVED, ACHIEVING £ (REDACTED CONFIDENTIAL DATA) RSV VERSUS THE £ (REDACTED CONFIDENTIAL DATA) OBJECTIVE. BASED ON EARLY SUCCESS, THEY INCREASED THEIR SALES FORECAST AFTER THE FIRST 6 MONTHS, RAN OUT OF STOCK IN JUNE 2020 AS A RESULT OF DEMAND, AND HAD BRING FORWARD A PRODUCTION RUN BY TWO MONTHS.

#### (REDACTED CONFIDENTIAL DATA)% OF DOMESTIC RSV SOLELY AS A RESULT OF BRAND DESIGN

BEFORE THE PRODUCT WAS EVEN READY TO SAMPLE, DRTY STILL NEEDED TO SECURE PRE-LAUNCH LISTINGS. AND THEY DID. BOTH OCADO AND WHOLE FOODS SPECIFICALLY CITED DESIGN AS THE REASON FOR SELECTING THEM AHEAD OF OTHER 'CONCEPT'/START-UPS BRANDS THEY'D REVIEWED AT THE TIME. THEY FELT DRTY'S DESIGN HAD THE BEST CHANCE OF SUCCESS AT

THE SHELF FIXTURE. THESE TWO LISTINGS NOW ACCOUNT FOR (REDACTED CONFIDENTIAL DATA)% OF DRTY'S RSV.

#### DOOR OPENS TO DOMESTIC 'BRICKS & MORTAR' SUPERMARKET CHAIN DISCUSSIONS

DRTY ARE CURRENTLY IN TALKS WITH A MAJOR UK SUPERMARKET CHAIN, SO IF THEY LAND THAT BEFORE MID-2022, THEY'LL BE AHEAD OF THEIR OBJECTIVE. WHAT MAKES THIS SO NOTABLE IS THAT THEY'RE COMPETING WITH A PLETHORA OF BIG BRANDS WHO HAVE PRE-EXISTING RELATIONSHIPS WITH RETAILERS, WHILST DRTY DOESN'T. THAT'S WHY THE BRAND DESIGN IS SO IMPORTANT – IT HELPS THEM ACHIEVE CUT-THROUGH WITH PROSPECTIVE RETAIL BUYERS.







#### DESIGN DRIVES INTERNATIONAL GROWTH

PERHAPS THE MOST COMPELLING CASE FOR DRTY'S DESIGN EFFECTIVENESS LIES IN INTERNATIONAL SALES. THEY DIDN'T EVEN PLAN TO LOOK OUTSIDE OF THE UK UNTIL YEAR 3 AT THE EARLIEST. BUT THEY WERE INUNDATED WITH REQUESTS FROM ALL OVER THE WORLD IN THE FIRST 12 MONTHS. THESE WERE ALL FROM BUSINESSES WHO HAD ONLY SEEN THE PRODUCT BRANDING – THEY HADN'T TASTED PRODUCT. ONE OF THE KEY STRENGTHS OF DRTY'S DESIGN OVER OTHER HARD SELTZERS IS ITS GLOBAL APPEAL. THE BRAND IS CLEARLY

COMMUNICATED EVEN IN COUNTRIES THAT AREN'T ENGLISH SPEAKING. THIS INTEREST HAS RESULTED IN DRTY'S LAUNCH IN SEVEN MARKETS INTERNATIONALLY: CHINA, FINLAND, FRANCE (CASINO GROUP – 400 STORES), GREECE, ICELAND (NOW ICELAND'S NUMBER 1 HARD SELTZER), THE NETHERLANDS AND SOUTH KOREA.

#### ROI ON DESIGN INVESTMENT

IT TOOK JUST SIX MONTHS TO RECOUP THE £ (REDACTED CONFIDENTIAL DATA) DESIGN INVESTMENT BASED ON PROFIT GENERATED.





## OTHER INFLUENCING FACTORS

### WAS IT CATEGORY GROWTH?

WHILST IT'S TRUE THAT DRTY MAY HAVE BENEFITED FROM THIS, IT'S ALSO TRUE THAT BEFORE THE CATEGORY EXPLODED, DRTY WAS THE FIRST HARD SELTZER TO BE LISTED WITH A MAJOR ONLINE RETAILER (OCADO), AND THAT WAS ON THE STRENGTH OF THE DESIGN. NOT ONLY THIS, BUT COMPETITIVE HARD SELTZER OFFERINGS FROM BIG BUSINESSES CAPITALISED ON THEIR MASSIVE RETAILER POWER TO GAIN SUPERMARKET LISTINGS AND LEVERAGE BIG BUDGETS TO ACTIVATE MARKETING CAMPAIGNS. DRTY HAD NONE OF THAT.

### WAS IT CHANGING CONSUMER HABITS DUE TO COVID-19?

ONE COULD ARGUE THAT THE FANTASTIC PERFORMANCE COULD BE DOWN PEOPLE STUCK AT HOME OR MEETING FRIENDS IN PARKS DUE TO COVID LOCKDOWNS, AND DECIDING TO BUY AN EASILY TRANSPORTABLE CAN OF HARD SELTZER. WHILST HARD SELTZER IS RELATIVELY NEW TO THE UK, WITH LITTLE RESEARCH THUS FAR, IT'S BEEN IN THE USA FAR LONGER, AND A NOVEMBER 2020 REPORT BY ISWR SHOWS THAT FOR THE US MARKET, THE

2020 CONSUMPTION INCREASE IN THE US WAS IN LINE WITH 2019 TRENDS, INDICATING THAT COVID-19 DID NOT IMPACT OVERALL CONSUMER DEMAND. IT'S LIKELY THAT THIS WAS THE CASE IN THE UK AS WELL. ALSO, COVID-19 DECIMATED ON TRADE. NO ON TRADE MEANT DRTY WEREN'T ABLE TO GENERATE ANY SALES FROM THIS CHANNEL, DESPITE SECURING AROUND 100 ON TRADE OUTLETS IN 2019, WHICH WOULD HAVE LED TO SIGNIFICANT REVENUE.

### WAS IT OTHER MARKETING ACTIVITY?

DRTY HAVEN'T INVESTED IN ANY LARGE-SCALE MARCOMS ACTIVITY, JUST MINIMAL IN-HOUSE MANAGED ORGANIC SOCIAL MEDIA AND ORGANIC PR – THE LATTER MAINLY REACTIVE AS A RESULT OF THE MEDIA CONTACTING THEM. THEY'VE GROWN TO AROUND 15,000 FOLLOWERS ACROSS INSTAGRAM AND FACEBOOK, WHERE POSTS RELY HEAVILY ON THE BRAND'S PACKAGING, VISUAL IDENTITY AND TONE OF VOICE. THIS IS IN LINE WITH FOLLOWER NUMBERS FOR MANY UK HARD SELTZER BRANDS, SO IT'S UNLIKELY TO IMPACT SIGNIFICANTLY ON DRTY'S RESULTS.





COVID-19 ALSO WIPED OUT ALL OPPORTUNITIES FOR FESTIVAL PARTNERSHIPS AND SAMPLING THAT DRTY WOULD NORMALLY HAVE DEPENDED ON, SO THEY HAD TO RELY ON THEIR BRAND DESIGN TO BUILD THEIR REPUTATION WITH RETAILERS AND CONSUMERS. GIVEN THE LIMITED SCOPE OF OTHER MARKETING INITIATIVES, ANY SALES SUCCESS CAN BE QUITE CLEANLY ATTRIBUTED TO THE LOOK OF THE PRODUCT (AND ITS TASTE, ONCE THE PRODUCT WAS READY).

#### **WAS IT SALES PROMOTIONS?**

WHOLE FOODS RAN 2 FOR £4 PRICE PROMOTIONS THREE TIMES OVER THE 18 MONTHS SINCE LAUNCH. THIS SIMPLY CANNOT ACCOUNT FOR ALL BRAND'S SUCCESS, PARTICULARLY IN RELATION TO INTERNATIONAL LISTINGS.

#### **WAS IT SEASONALITY?**

THERE ARE SOME SEASONAL TRENDS TO HARD SELTZER

DRINKING, WITH PEAKS SEEN DURING WARMER MONTHS, BUT AS OUR RESULTS COVER 18 MONTHS, FROM NOV 2019 – MAY 2021, THEY SPAN ALL SEASONAL PEAKS AND TROUGHS, AND INDEED TWO WINTER SEASONS. SO SUCCESS CAN'T BE ENTIRELY DOWN TO THAT.

#### **DATA SOURCES**

- DRTY DRINKS INTERNAL DATA: 2019-2021
- IWSR DRINKS MARKET ANALYSIS: HARD SELTZER CONSUMPTION FORECASTED TO TRIPLE BY 2023, NOV 2020
- DRTY HARD SELTZER HANDBOOK FEB 2021: COMPILED AND AUTHORED BY MATTHEW LANGLEY, DRINKS INSIGHT, STRATEGY AND BRAND EXPERT

# DRTY

**HARD SELTZER**