# GUINNESS NITROSURGE

**DBA Design Effectiveness Awards entry 2022** For publication

THE COMPLETE AT-HOME GUINNESS DRAUGHT POURING EXPERIENCE - MASTERED BY YOU

Client DIAGEO Agency



# **EXECUTIVE SUMMARY**

In our first year since launch Guinness NitroSurge has outperformed our goals and exceeded expectations. We have sold 5.5x more devices than target and Guinness NitroSurge already accounts for an incredible 14% of Ireland's Take Home Trade (THT) stout sales - all within 12 months of launch.

> STEPHEN O'KELLY Guinness Global Brand Director

In 1991, the Guinness widget won the Queen's Award for Technological Achievement, the first time this accolade was awarded to a brewing company. Guinness NitroSurge is our most significant breakthrough in at home dispense since then. The project is a brilliant example of how design and technology can help unlock breakthrough innovation and with-it significant growth for our brands.

> MARK SANDYS Diageo Chief Innovation Officer

# Key Achievements in first 9 months (Island of Ireland launch market)

# EXECUTIVE SUMMARY

# SALES

- <REDACTED CONFIDENTIAL DATA>
- Net sales exceed Year-5 global target in just 9 months
- 74% of sales volume is new to Guinness athome
- Over 400,000 devices sold versus 72,000 target <REDACTED CONFIDENTIAL DATA>

# FINANCE

- Full project payback within 6 months.
- 8.5% uplift in beer sale profitability compared to existing canned offering.
- 5x funding increase for design-led innovation.

# BRAND

- 'Only Guinness Could Do' breakthrough innovation: a nocompromise athome draught stout experience.
- Majority <REDACTED CONFIDENTIAL DATA> of consumers are LPA\* -34 years old versus a minority <REDACTED CONFIDENTIAL DATA> for 'widget' based can
- Enjoyed in casual moments connecting with others

\*LPA = Legal Purchasing Age

# **ENVIRONMENT**

- Zero to-landfill material footprint from packaging.
- Low power, rechargeable device.

# (Financial Year 2022 data)

The CoVid-19 pandemic acted as a catalyst for the invention of the Guinness NitroSurge system, as 70% of Guinness revenues were lost by the indefinite closure of the hospitality sector in March 2020. Guinness developed a breakthrough dispense innovation to create an enhanced Guinness at-home draught experience that delivers the same great quality and two-part pour experience of the pub-poured pint. Guinness identified that, regardless of CoVid, a successful outcome could attract tens of thousands of pub-Guinness consumers to Guinness at-home for the first time and convert a similar number of existing at-home Guinness drinkers to this higher margin, 'premiumised' offering.

As specialists in breakthrough product design, Dolmen partnered with Guinness to design a ground-breaking solution leveraging low-energy ultrasonic technology, precision digital control, and flow management to emulate the pub's keg pour in a compact, reusable can-top device.

The challenge of emulating the quality of keg-dispensed stout from a hand-held pouring device and delivering the project to market in an accelerated 12-month timeframe was heightened by the severe working restrictions of the time. A spirit of endeavour, adaptability and perseverance among the extraordinary development partnership has realised a wonderfully effective, yet beautifully elegant solution that puts the craft of the two-part pour in the hands of consumers to consistently deliver smooth, pub quality Guinness Draught in the comfort of the at-home setting.

The solution has brought wide and wild acclaim from industry commentators and target consumers alike, being proclaimed a 'gamechanger' for Guinness at home. Following an extraordinary sell-out run in the first 3 months, the system has delivered fourfold its projected target sales in 9 months, rapidly paying back project investment costs, supporting a £24m investment in business plant expansion, and ultimately contributing to Guinness' strategic target to bring the magic of Guinness to more spaces, places, and people.

The technology-enabled offering has attracted a younger (LPA\* - 34 yrs old), more diverse audience to the brand in line with strategic ambition and fulfilled the aim to earn a place in athome casual socialising. The product has generated strong social sentiment to drive word of mouth sales with relatively little advertising.

\*LPA = Legal Purchasing Age

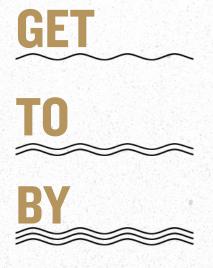
The system offers a step improvement in the environmental sustainability of Guinness at-home consumption thanks to a fully recyclable can and omission of plastic widget. The project's success has increased investment in designled dispense innovation and established an ambitious, continuous R, D & I programme which takes a long horizon, risk-embracing approach to new product development.

Guinness NitroSurge is Guinness' greatest innovation since the invention of the 'Widget'; judging by public sentiment and the astonishing business outcomes from its pilot market launch, a most worthy successor it is too.



# **OUTLINE OF PROJECT BRIEF**

### **CONTEXT AND OVERVIEW**



Consumers who espouse the richly satisfying experience of pubpoured Guinness Draught for its skilled two-part pour, iconic beauty, and smooth taste

Choose a new, premium Guinness Draught experience as their preferred at-home beer

Designing a technology-enabled pouring system that enhances the consumer's at-home Guinness Draught experience. A reusable, can-top pouring device will empower the consumer to replicate the pub's iconic two-part pour and deliver consistently beautiful pints at home, straight from a chilled can. The solution will contribute to the brand's continuing sustainability progress with 100% packaging recyclability and a rechargeable, long-life device.

# BACKGROUND

Guinness' dedication to innovation started with none other than its founder, Arthur Guinness, who in 1801 created the brand's first major innovation 'West India Porter'; formulated with a recipe high in alcohol and hops, it preserved the beer during export. Since then, breakthrough innovation founded in science has been in the brand's DNA.

'Guinness Draught' is a landmark innovation launched in 1959 enabled by another breakthrough in dispense, Michael Ash's 'Easy Pour' draught dispense system for stout. Like Arthur over 150 years previous, Ash sought to preserve beer quality, this time while a keg of stout was emptying during use. He discovered that nitrogen-rich gas would not only preserve the stout left in keg but could also be used to craft magic across the Guinness two-part pour. The new, transformational dispense innovation released nitrogen bubbles during first pour in a captivating spectacle of 'surge and settle'; and a beautiful white domed head formed during glass top-up endured to protect the smooth taste of the pint during drinking. Unsurprisingly, Guinness Draught became an icon in Ireland and dedication to the ritual two-part pour, an experiential necessity. It is the world's leading stout and the gold standard for taste, quality and experience; a benchmark that remains key to the present project's ambition.

The widespread enjoyment of Guinness Draught at home came in 1988 when another breakthrough in stout dispense, the Guinness 'widget', overcame the challenge of storing and releasing the vitally important nitrogen in a can. This hollow plastic device supplies a surge of nitrogen when the can is opened, delivering the classic smooth taste and white domed head of Guinness in a single pour. The invention was awarded the 1991 Queen's Award for Technological Achievement, and in 2004 was voted by Britons as the greatest invention of the past 40 years, amassing 48% of the vote, beating the internet and email (13% of vote) and mobile phones (7%) to the accolade!

Despite the unmistakable taste, at-home convenience, and cost advantage of canned draught Guinness, it has not garnered a strong association with at home occasions, with a market share of <REDACTED CONFIDENTIAL DATA> less than one third of the equivalent on-trade share. Tellingly, there is a perception arising from some dedicated pub patrons that the home pint cannot match the quality from a pub's complex dispense systems and crafted pour. Compared to the gold standard pub pint, the can's single pour provides a less engaging pouring experience, and the lack of a definitive pouring method for consumers to follow results in both mixed outcomes and low confidence of pour (less than 40% are confident pouring good pints at home). With <REDACTED CONFIDENTIAL DATA> nearly all consumers believing they can judge the quality of a Guinness pint solely by its final appearance, <REDACTED CONFIDENTIAL DATA>

At-home drinking occasions mostly feature wine and carbonated lager; however, this landscape was rocked in early 2020 when a worldwide pandemic forced the focus of all brands onto this take-home-trade.

# **BUSINESS & DESIGN CHALLENGE**

March 2020 saw CoVid-19 lockdown restrictions close hospitality venues in Ireland overnight; pubs accounted for 70% of Guinness revenue and strong margins, and there was no visibility when these revenues might return.

Guinness learned that more than half of their pubdrinkers (<REDACTED CONFIDENTIAL DATA>) would not drink canned Guinness. Targeting this set of drinkers with an enhanced at-home offering was not believed to be a CoVid-limited opportunity; lockdowns could lift quickly, but in an era of evolving consumer behaviours the clear business opportunity for this period was to grow lasting market share in the at-home category and strengthen the diversity of the overall revenue base for the future. The challenge to overcome was the disparity in the at-home versus pub Guinness experience and the associated consumer beliefs, no matter how deeply engrained.

Any uncertainty about priority areas for improvement was quickly answered by consumers' own words and actions... A community spirit on Guinness pour arose during lockdown, with Guinness 'adorers' sharing tips and tricks to get the famous surge and settle using home apparatus such as electric toothbrushes and jewellery cleaners! Consumer interviews also provided insight and a clear direction on the preferred solution:

# *'There's skill and a certain magic to pouring a beautiful Guinness at home. I wish I had something that could help me achieve this.'*

The design challenge was therefore to devise a new dispense system to put the power of the Guinness two part pour in the hands of the consumer, enabling them to deliver beautiful Guinness time after time. Could Guinness, partnering with a product design agency specialising in breakthrough innovation and technology enablement, create this sought-after consumer product? There was an obvious brand fit ...this was the kind of innovation breakthrough that only Guinness could do.



# **SCOPE OF WORK**

Design a new dispense system that enables a practiced consumer to consistently pour Guinness Draught at-home to a quality indiscernible from an expertly poured pub pint (in both taste and aesthetic).

A technology-enabled dispense device would manage a controlled release of nitrogen bubbles into the beer across a two-part pour and remove any need for single use plastic in the system. The device must be rechargeable, low power and easy-to-use, featuring a simple, repeatable pouring ritual. Unmistakably Guinness, the device must be representative of the brand's premium quality, through the use of premium feel materials, subtle illumination, distinctly Guinness detailing, and choice brand iconography.

The device was developed in close collaboration with commercial, quality, and technical representatives of the Guinness Global Brand Team and the Diageo Design Leadership team. Rapid development and launch of a patent-protected innovation was to be completed in 12 months.

# **KEY BUSINESS OBJECTIVES**

# The project will align with and make progress on the client's strategic aims for brand innovation:

Bring the magic of Guinness to new spaces, places & consumers not serviced by existing portfolio. **Guinness Innovation Focus** 



Make Guinness the world's most innovative, creative, and sustainable beer brand.



Recruit a new generation of diverse drinkers, stretching into contemporary, varied occasions.

The project should deliver 'wins' across the client's diverse stakeholder set:

# **Anticipated Stakeholder Benefits**

ONSUMERS

- Premium, yet affordable at-home experience.
- Enriched home social occasions with friends.
- Joy, play & pride from learning to master the Guinness two-part pour.
- Increased revenues and profit contribution from both device & recurring 'premiumised' beer sales.

RETAILERS

• Exclusive sales channel for technology device.



- Profitable, differentiated product emphasising premium nature of brand.
- Increased market share + shareholder value.
- Sustainable competitive advantage (incl. patent).



- Reduced process energy and material inputs versus widget can.
- Long life, low power, Reusable device.
- Zero to-landfill material footprint from packaging.

### The strategic objectives (A to C, and 1 to 4) cascade into functional business objectives for this project:

	PROJECT TARGETS - FINANCIAL YEAR 2022 9 Months of Guinness Nitrosurge Trading	STRATEGIC TARGETS						
	<redacted confidential="" data=""> net sales value (NSV)</redacted>					0	•	
SALES	Convert 10% of Guinness Draught in Can & Guinness on-trade only		0		0	•	•	0
SAL	Sell 72,000 devices		0			•	•	0
	Attract young (LPA* - 34 years) and female consumers to at-home			•	•	•	•	
NCE	Project payback period <redacted confidential="" data=""></redacted>							
FINANCE	Beer profitability uplift of 8.5%	•				0	•	
	Enable premium pub-quality Guinness experience at-home		•		•		•	•
BRAND	Breakthrough innovation that 'only Guinness could do'		•		0		•	•
BRA	Grow salience in the home; most personal, valued setting		0	•	•	0		
	Increase social media engagement	•	•	0	•	0	•	
PLANET	Fully recyclable packaging and no single use plastic		•		•		•	•
PLA	Rechargeable device with low power use and long life				0		0	•
	*LPA = Legal Purchasing Age	GROWTH	BRAND Position	MODERN OCCASIONS	Consumer	Retail	Diageo	Planet
KEY	KEY: ●= Direct Benefit: ○ = Indirect Benefit		BRAND INNOVATION STAKEHOLDER BENEFIT					IT

Direct Benefit; 🔿 = Indirect Benefit

We can see consumer trends shifting towards increased 'at home' socialising. For Guinness this poses a unique opportunity to find new and innovative ways to deliver brilliant Guinness experiences that bring the craft of our iconic Guinness Draught pint to the at home setting

> **GRAINNE WAFER Global Director Beer, Baileys & Smirnoff**



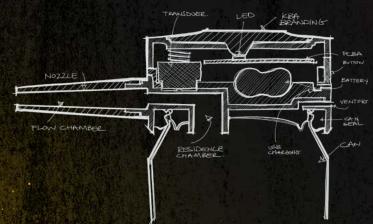
INNESS

GUINNESS



# **DESCRIPTION: THE DESIGN RESPONSE**

Together with Guinness, Dolmen got straight to work uncovering consumer insights, collating past research outcomes and kickstarting the ambitious programme to rapidly design a breakthrough dispense system; the challenge was exacerbated by the most restrictive movement of people and goods experienced in living history. With unfaltering perseverance, adaptability and innovation, a team of product design experts began a truly agile and iterative product development cycle with Guinness; it would take the team from late-night secret prototype handovers in supermarket car parks to roadside rendezvous for socially distant product evaluations. The goal was rapid iteration and relentless progress based on prototype testing + feedback. Defying all odds, the team succeeded in creating a technologyenabled solution worthy of succeeding the great Guinness 'Widget'... Guinness NitroSurge.



Guinness NitroSurge delivers the complete two-part pouring experience at-home through a can-top, ultrasonic device. The unit is discreetly stylised and compact in form, gently extending the profile of dispense can.

## **CONTEXT AND OVERVIEW**

# **DESCRIPTION: THE DESIGN RESPONSE**

The outer casing features distinctive Guinness brand tones and design motifs, including the classic Guinness Harp and 'Liffey waves' effected through premium feel materials. The same tapered, free-flow nozzle used in professional Guinness dispense founts is the outlet for pouring and is detachable for ease of cleaning and reduced packaging size.

The liquid used in Guinness NitroSurge is the same great beer enjoyed in pubs, but there is no longer any need for an entrapped 'widget' in the can. The lack of single-use plastic makes the can 100% recyclable without need for pre-processing. <REDACTED CONFIDENTIAL DATA>. The result is an impressively sustainable solution.

No different to the pub setting, crafting a beautiful pint requires a skilled pour, a craft now mastered by the consumer with the support of the embedded technology. Yet, the device is simple and intuitive to use; a classic 6-step pouring guide is printed within the device instructions and on the Guinness NitroSurge can, and a QR code links to a 'See it in action!' website video.

The device effortlessly mounts and seals to the top of a cold, opened Guinness NitroSurge can. Pulses of low-power, tuned ultrasonics are activated by a press of the device's only button, the prominent Guinness harp emblem illuminating as feedback (the same light flashes white/red if low battery, and flashes white during charging). Approximately 100 pours are available from a single charge. The activated first pour releases the surge of nitrogen bubbles that give the renowned smooth taste and domed, creamy head. Once settled, the two-part pour is finished off with an unpowered top-up to the rim of the glass.

# DIRECTIONS OF USE



DEVICE OVER OPENING



2. PUSH BUTTON ONCE TO ACTIVATE



HORIZONTAL 4.KEEP / S 2/3RDS GLASS A



ST TO SETTLE



6. TILT TO POUR THE REMAINING LIQUID, NOW ENJOY

Expert blind taste test panels were used throughout the development stages; prototype validation tests deemed the Guinness NitroSurge experience to be overall "no different" from the target kegdispensed Guinness Draught. Early consumer evaluations <REDACTED CONFIDENTIAL DATA> gave clear positive feedback that consumers felt a sense of pride and achievement in crafting their own pint resulting in a more rewarding at-home experience.

Launch Market: Island of Ireland Republic of Ireland & Northern Ireland

Launch Date: September 2021

Design Fees €450,000



ESTO 1759

# RESULTS

As Guinness NitroSurge represents

a radical change to consumers' familiar methods of dispense, it was decided to launch the project with the lead market of Island of Ireland (Republic of Ireland and Northern Ireland) as this would be the most demanding acceptance trial for the product. Irish consumers would have the highest expectations for Guinness Draught,

# PERFORMANCE AGAINST PROJECT OBJECTIVES:

\*Objectives are for financial year 2022 of which Guinness NitroSurge traded for 9 months

# COMMERCIAL

PROJECT TARGETS - YEAR I	RE	SULTS v TARGET	ADDITIONAL			
<redacted confidential="" data=""> net sales value</redacted>	$\checkmark$	339%	First 9-month NSV > Year 5 global target			
Convert 10% of Guinness Draught in Can & Guinness on-trade only	$\checkmark$	Surpassed	<redacted confidential="" data=""> 74% of sales new to Guinness at-home, 58% repeat rate 14% of stout market won</redacted>			
Sell 72,000 devices	$\checkmark$	556%	400,000 units sold. £9.62m sales			
Attract young (LPA* - 34 years) and female consumers to Guinness at-home		LPA* - 34 +38ppts female +15ppts	<redacted confidential="" data=""></redacted>			

Guinness NitroSurge is Diageo Europe's biggest selling innovation for Financial Year 2022, despite having no on-trade sales and being present in only 1 market. The product was an instant hit on launch in Ireland, selling out the Guinness webstore stock in a matter of hours and wiping out the pre-Christmas 3-month retail stock in less than 3 weeks. Net sales value delivered from 9 months trading in Ireland alone has already surpassed Year 5

# FINANCE

Outstanding sales volumes of both devices and beer coupled with strong margins have resulted in full project payback <REDACTED CONFIDENTIAL DATA>. Simplification of the canning process and deletion of widget has reduced input costs while the consumer value attached to a premium product offering has supported an increased sales price to deliver strong margins, with sustained strength of Guinness NitroSurge beer cans. \*LPA = Legal Purchasing Age

global target <REDACTED CONFIDENTIAL DATA>. Aggregate device and liquid sales have exceeded an ambitious initial target fivefold, with enough devices sold to be in 1 in 5 households on the island of Ireland! <REDACTED CONFIDENTIAL DATA> The demand for Guinness NitroSurge beer has led a new £24m investment in Diageo Belfast's canning line.

would hold the most engrained beliefs of the existing Guinness at-home experience, and the target pub Guinness-drinkers would not easily change their 'traditional' habits around Guinness

Purchased alone the Guinness NitroSurge device

launched at an affordable £22/€25 with 6 x 558ml

cans retailing at £13/€15; a 'starter-kit' containing 2

genuine Guinness pint glasses and 2 beer cans was

also created for consumers seeking all elements of

Guinness NitroSurge's complete at-home Guinness

consumption.

Draught experience.

PROJECT TARGETS - YEAR I	RESULTS			
Project payback period <redacted confidential="" data=""></redacted>	$\checkmark$	< 6 months		
Beer profitability uplift of 8.5%	$\checkmark$	8.5%* vs existing Guinness in can		

\*Premium margin and canning cost saving

# BRAND

PROJECT TARGETS - YEAR I		<b>RESULTS v TARGET</b>		ADDITIONAL		
	Enable premium pub-quality Guinness experience at-home	$\checkmark$	Positive press+ social reviews	Expert 'blind' tests ascertained "no difference" to keg-poured pint		
and the second	Breakthrough innovation that 'only Guinness could do'	$\checkmark$		Genuine press + consumer astonishment at accomplishment		
	Grow salience in the home; most personal, valued setting	$\checkmark$	Relaxed socialising	Casual evening connections or shared meals with partner/friends.		
	Increase social media engagement	$\checkmark$	2.45k mentions	7.9 million reach with 81% sentiment		

All brand aspirations for the Ireland market have been met. The performance has been an absolute tour-de-force for Guinness' -at-home brand perception in Ireland. The strength of sales has been fuelled by word-of-mouth advocacy for the effectiveness of the technology at delivering an outstanding Guinness pint and experience at home. Market reaction to Guinness NitroSurge has been astoundingly positive with pure astonishment at just how great the pour is; this genuine surprise underlines the enormity of the design challenge and the outcome achieved. Guinness NitroSurge is enjoyed over relaxed evening socialising with friends, in contrast to the unwinding at home association of canned draught Guinness. Increased enjoyment from the Guinness NitroSurge experience has overcome the engrained belief of a subset of consumers that Guinness at home is somehow inferior to the pub-quality Guinness experience. The combination of a premium quality experience and association with enjoyable social occasions is already building improved salience for Guinness athome.

# **INFLUENCER REVIEWS**

# RESULTS

Influencers were positively stunned when trialling the product:

"Dome on the top is a thing of beauty.... that is a really really impressive pint.... Wow! This is just a magic carpet ride of foamy, voluptuous mouth fill...it really is silky, it's a silky pub pint experience... I'm kind of blown away by that...I've not had a better home poured pint than that...5 out of 5....it is a wonderful wonderful thing"

> THECRAFTBEERCHANNEL: YouTube- Mar 9, 2022

*"It's brilliant, Does all of the messing we were trying to do with jewellery cleaners during lockdown with a far better result and in a much smaller form factor"* 

@DUBLINBYPUB: Twitter - Sep 2021

"That is really nice. I have to say, for a home pint, that is creamier than a standard can. Is it as creamy as a pub?...it's very close...far better than a regular draught can. It tastes lovely, it's really smooth. In comparison to draught cans, it's far tastier. For price, value, everything.... top marks!"

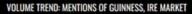
> A RIGHT NICE PINT - BEER REVIEWS: YouTube- Nov 4, 2021

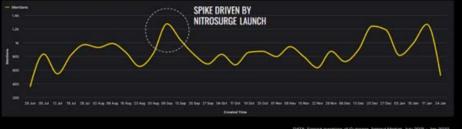
"That is a really impressive head!...I can't get over how smooth that genuinely is and how full it is.... That is honestly like Arthur Guiness just came into your house and gave you a kiss. I think that's the closest you're going to get to an at-home pint being like a pint in a pub... I just really want to make love to this pint now"

> **JUSTINE STAFFORD:** YouTube - Sep 23, 2021

# SOCIAL SENTIMENT

The market has been effusive to Guinness NitroSurge's pouring performance. Guinness Ireland's twitter mentions spiked sharply in the weeks following launch (below) with the design + innovation of the product being key to social conversation; 80% of posts contained a video or photograph.





SCLECE Tweet

Public reviews of Guinness NitroSurge on social media have strongly affirmed Guinness' reputation for breakthrough innovation and fulfilled the consumer objective that NitroSurge will help to get a rewarding pour every time.

ē	James McGrath @FudgeNol - Sep 16, 2021 @Cushreasonitand ( think you have "Inelly cracked it lack an introsurge Papdar O'Saillyan @ @ @poceptions - Sep 24, 2021	200	Therealtroble99 @mercaltroble09 · May 9 Just had me first ever can of <b>Brittrounge</b> draught guiness? Best can of guiness I've ever had, I will be investing in one & taking it back for me backerever the type people. ■ ♠		englisk.beer.gentleman Finally got my hands on the correct Gunness Nitro Surge cans from my buddy @ccottbn2reviews and WOW it was worth the wait.	
VOLEY	I was a sceptic. Eve been converted, Game changer, UNitroSarge	100	Rvan Crooks (ICrooksyv45 - Sep 24, 2021 +++		Rather bloody delicious 🎔 🎯 it's just so smooth and as if	
1	Greig Stewart @GreigStewarti - Apr 19 One of the best Inventions know to man. #Oolmness.#nitrosurge	V	Current Contraction of Altern Guinese at total game changer for Guinese at home Contract of Contract o		poured down the pub 10/10 #quinness #thepub #quinnessbeer #quinnesstime	
	Protectnik	0	Stuart Lawfor @ @stuart_lawfor - Nov 12, 2021 COunteschafted #sthrouge is the real deal. As Creany as the best Pint the tested		#guinnessdraught #guinnessstout #guinnesslover @guinnessgb #beer #nitrosurge #nitrosurger #guinnessnitrosurge #smooth	

Guinness NitroSurge reimagined and reinvented 'at home' dispense for us. The price point and compact design made it attainable for millions of consumers to enjoy a beautiful Guinness at home while significantly growing our sales of packaged Guinness Draught and increasing our market share

# **GRÁINNE WAFER**

Global Director Beer, Baileys & Smirnof

# SUSTAINABILITY

<b>PROJECT TARGETS - YEAR I</b>	RESULTS	ADDITIONAL
Fully recyclable packaging and no single use plastic		All single use packaging is recyclable through mainstream channels
Rechargeable device with low power use and long life	$\checkmark$	-100 pint activations from single charge

Guinness NitroSurge is contributing to the brand's commitment to reduce the downstream sustainability impact of its products. Reduction in material use and energy requirements for canning are positively contributing on a small scale to Guinness' 10-year sustainability action plan, Society 2030: Spirit of Progress, which commits to achieving net zero carbon emissions across its direct operations. Full recyclability of packaging, low device power consumption and the presence of recyclable end-of-life materials within the device more considerably contribute to Guinness' other Society 2030 objective of a 50% reduction in Scope 3 downstream emissions by 2030.

# IMPACT ON RESEARCH, DEVELOPMENT, AND INNOVATION:

The success of Guinness NitroSurge has strengthened investment and attitudes to the business value of R, D&I. Guinness NitroSurge has generated unexpectedly large direct contribution to the business within its pilot launch year. The intellectual property underpinning the product provides defendable competitive advantage and has already attracted licencing enquiries, offering the potential for further revenue streams.

The increased appetite for design-led breakthrough innovation has spurred Guinness to commit to continuous strategic investment and developing a dispense product portfolio beyond 2030, including a greater appetite for radical technological advances, consumer behaviour scenario exploration, and the potential for disruptive innovations within developing markets. The funding and number of major dispense related innovation projects has increased by a factor of 5 since the inception of Guinness NitroSurge. The success of this and other recent Guinness breakthroughs has encouraged other Diageo brands to explore more radical dispense opportunities to attract market share and offer increased value to the consumer.

Guinness NitroSurge is another step in a long history of innovations from Guinness as we strive to provide the best quality experience and bring beautiful Guinness to every occasion. The technology allows for an enhanced pouring experience and a pint with a smooth, domed head for those who choose to enjoy a can of Guinness at home. The overwhelming commercial success of Guinness NitroSurge has directly led to substantial reinvestment in an exciting, design-led programme of future Guinness dispense innovation.

> STEVE GILSENAN Global Head of Quality

# **COVID-19 TRADING CONDITIONS**

# **OTHER POTENTIAL CONTRIBUTORY EFFECTS**

While the pandemic is not responsible for the commercial success achieved, the difficult trading conditions focussed efforts squarely on the Guinness at-home segment, uncovering a sizeable untapped opportunity and an underserved element of the Guinness experience that consumers clearly valued. The lack of on-trade sales created an unparalleled business urgency that when combined with CoVid-19 restrictions afforded the development team some leniency to rewrite the playbook based on speed and efficiency; many of these opportune innovation process learnings have been incorporated into the way of work on continued collaboration projects between the parties.

Guinness NitroSurge sales performance occurred predominantly outside of the window of relevant CoVid restrictions; there was no longer a captive at-home market and consumers could choose a long-craved pub pint above any level of at home experience if this was their preference. The product achieved market release in September 2021, by which time Republic of Ireland pubs had opened on a restricted basis (July 2021); due to overwhelming initial demand, Guinness NitroSurge device and beer availability was then limited until January 2022, by which stage pubs had reopened fully. Continuing public health concerns in conjunction with requirements to advance book pub seats may have encouraged initial Guinness NitroSurge evaluations for some consumers, but a 58% repeat purchase of the product and sustained sales of Guinness NitroSurge beer indicate that the consumer base has been well converted by the enjoyable experience. As initially predicted, the initial and continued success of Guinness NitroSurge is largely independent of CoVid trading restrictions.

# ADVERTISING AND PROMOTIONS

The product had demonstrated strong sales and demand in advance of any concerted marketing efforts or campaigns. The strength of initial interest coupled with uncertainty of demand resulted in a subdued launch tactic where Guinness simply engaged with interest resulting from an image leak that followed prototype trials; a sketch of a Guinness NitroSurge mid-pour sparked a surge of interest and intrigue across social media, resulting in journalist enquiries. While unplanned, this gave a glimpse into the power and draw of the technology itself. In a Diageo innovation first, with no controlled marketing, the product itself was left to do the talking, with the first trial by lucky 'adorers' creating mass word-of-mouth. 14 exclusive tastings, with no financial exchange or control from the brand, resulted in 121 pieces of social coverage and overwhelmingly positive sentiment. This organic word-of-mouth and user reviews drove a groundswell of interest and initial sales, all of which had product performance and innovative design as the root of their recommendations.

# STOUT CATEGORY

NielsenIQ have reported that January 2022 annual year on year growth in Ireland's stout category was 4.3% [Nielsen, February 2022]; the 14% stout market share achieved by Guinness NitroSurge shows that organic growth in Guinness' overall at-home trade has not substantially contributed to the outstanding Guinness NitroSurge performance.

The marketing activities run post-launch by Guinness were not exceptional to other product launches, but NitroSurge sales outcomes have been far superior. A December advertising campaign starring actor and known Guinnessfan, Jamie Dornan, was aired focussing on the smooth quality of device pour and beer. The sales outcome was limited as it aired during a period of limited NitroSurge device and beer availability; it was intended to introduce a celebrity ambassador to the Guinness audience and maintain a profile during the fiercely competitive Christmas gifting space.



Guinness NitroSurge is an incredible piece of design. The technology is an innovation breakthrough which could only be achieved by an agency with a deep understanding of our brand and our liquid. The sleek design, beautiful tactility of the surfaces and special touches (like the spout which replicates that on our in-bar fount) come together in a beautifully designed device which creates a very special Guinness experience in the hands of our consumer

> **KATHRYN WILSON Guinness Design Lead**