DAVID VS. GOLIATH: HOW CRAFT BREWERS FOUGHT BACK AGAINST BIG BEER
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The Brewers Association’s campaign promotes small, independently owned breweries

**Category:**
Brand identity and framework, social media, TV, digital video/audio

**Vertical market:**
Beverage, alcoholic drinks, beer

**Agency:**
Sterling-Rice Group

**Initiative:**
Independent Craft Brewer Seal, “Take Craft Back,” “That’s Independence You’re Tasting”

**Timing:**
June 2017-2019

Craft brewers have always been the underdogs of the beer industry in the United States. Although much of the population can trace its ancestry to countries with rich brewing traditions, craft beers historically took a back seat to adjunct lagers. This was due to the predominance of the beer giants that came to define the business post-World War II, including Anheuser-Busch, Miller, Schlitz, Pabst and Coors. Their ability to mass-produce, store and ship this particular type of lager ensured that Americans almost exclusively drank light-bodied, pale and fizzy beers with little distinction in character between brands.

But when appliance company heir Fritz Maytag purchased San Francisco’s Anchor Brewing in 1965, the modern craft brewery was born, thus changing the landscape of beer-making in America. Throughout the 1980s, more small and independent breweries—like Sierra Nevada in Chico, California; D.L. Geary Brewing in Portland, Maine; Boston Beer; Widmer Brothers in Portland, Oregon; Kalamazoo Brewing in Michigan (renamed Bell’s Brewing in 2005); and Abita Brewing in Louisiana—began to serve their local communities a variety of full-flavored beers. These microbrewing pioneers contributed to a phenomenon in the mid-1990s that continued into the 2000s and reinvigorated a declining beer market in the U.S.
After years of consolidation and acquisitions, a handful of multinationals, now commonly referred to as Big Beer, dominated the industry. By 2012, just two Big Beer companies, Anheuser-Busch InBev and MillerCoors, controlled 90 percent of the market. By focusing on flavors and qualities not usually found in the beverages offered by mainstream brands, the craft brewing business has been able to win the quality-versus-quantity battle with Big Beer—and capture the devotion of beer aficionados. After only a few decades, the amount of small and independent breweries in the U.S. has increased to more than 7,000, with sales accounting for almost 13 percent of the total American beer market share by volume.

The marketing challenge
In 2007, the Brewers Association (BA)—a not-for-profit trade association representing more than 4,800 U.S. breweries and the community of brewing enthusiasts—established the definition of a craft brewer as a “small and independent brewer,” with annual production of no more than 6 million barrels of beer and less than 25 percent owned by an alcohol industry member that is not a craft brewer. However, with AB InBev’s 2011 purchase of Chicago’s Goose Island Beer, the line began to blur. Other Big Beer companies, including MillerCoors, Constellation Brands and Heineken, also started to acquire ownership stakes in small breweries across the country. Even the progenitor of the modern craft brewery, Anchor Brewing, was purchased by Japanese beer titan Sapporo Holdings in 2017. Some projections from Beer Marketer’s Insights indicate that AB InBev may surge past Boston Beer and Sierra Nevada in 2018 to become the nation’s top “craft” beer company in terms of dollar sales. (The BA will release its rankings of the top craft brewers in March.)

“AB InBev [now owns] 10 formerly independent craft brewers, and Big Beer has seriously
encroached on the craft beer space,” says Julia Herz, craft beer program director for the BA. “They not only co-opted the mojo that these brewers brought to market, but also created confusion for beer lovers looking to support small and independent breweries.”

Many consumers were completely unaware of this practice, known as “craftwashing” within the craft brewing community, because Big Beer companies do not change the packaging or indicate that they are now the owners of these acquired brands. (The brews are often derided as “faux craft” or “crafty beer” by the faithful.) “We were challenged with Big Beer’s lack of transparency,” says Adam Wohl, executive creative director and partner at Sterling-Rice Group. “There was no quick and discernible way for a beer drinker who wanted to support craft beer to know that that’s what they were doing.”

**The insight**

Do American beer drinkers even care who is producing the beer they purchase or whether or not a beer is made by a small and independent brewer? Research demonstrated that although transparency is not important to every beer lover, recent data showed that purchasing beer from independently owned brewers was important to many consumers. One devotee was so peeved by Blue Moon—perhaps the most infamous crafty beer—that he sued owner MillerCoors for “its false and deceptive marketing.” A 2,000-person Harris Poll survey co-developed by the trade publication Brewbound and Nielsen in May 2017 found that 81 percent of beer drinkers were familiar with terms like “independent” and “independently owned.” Of that group, 84 percent said they’d be “likely” or “more likely” to purchase a craft beer with either designation. A Twitter poll conducted by Beer Advocate in July 2018 asked an engaged group of core craft beer lovers: “Do you care about #independentbeer?” Of the 1,100-plus voters, 68 percent said “yes.”

**The campaign**

“Knowing that people cared about transparency helped us brainstorm and come up with the idea of the Independent Craft Brewer Seal,” says Eric Friedman, group account director at Sterling-Rice. “We vetted the concept...
throughout the industry, and about 93 percent of people showed interest in having something on their packaging that people would seek out before making their beer purchase.” The seal, which Sterling-Rice designed in consultation with the craft breweries themselves, features an upside-down beer bottle, in an attempt to capture the spirit with which independently owned craft breweries have upended the industry. “We needed it to be simple, so we utilized the iconic shape of a beer bottle,” says Friedman. “We also wanted [to show] how craft breweries flipped the industry by focusing on beer making as a passion and not just a money maker. I think the seal reflects this in a beautiful, graphic way that looks great on packaging, without interrupting each brewery’s own unique aesthetic.”

The Independent Craft Brewer Seal was launched on June 27, 2017, and more than 400 U.S. craft breweries immediately signed up to use it. Early adopters of the seal saw it as a mark of distinction for breweries that run their businesses free of influence and represent the craft brewer definition. “We began with a grassroots effort to make breweries aware of the new certified mark available to them,” says Herz. “It took many phone calls, in-person meetings and visits to craft brewery conferences and seminars, but the community soon embraced the visual representation that would differentiate their products from the faux craft produced by Big Beer.”

In October 2017, the BA rolled out “Take Craft Back” as the first initiative to feature the seal in a media campaign and to raise awareness on a large-scale basis. “We wanted to focus on transparency and let people know that AB InBev, specifically, was buying up independent craft breweries,” says Friedman. “We came up with the most disruptive and unexpected idea possible.”

The ludicrously ambitious, tongue-in-cheek “goal” of “Take Craft Back” was crowdsourcing $213 billion to buy AB InBev “before they can bleed the passion out of the independent craft brewing culture forever,” according to the campaign video. Eventually, almost 12,000 people pledged more than $3.8 million to support the effort, at least symbolically. “This wasn’t about a literal victory. It was about a moral victory,” says Wohl. “It was about educating people about the plight of independent brewers and getting the message out there that the seal is what they should be looking for in order to support independent craft beer.”

“‘Take Craft Back’ advanced the visibility of the seal and helped us get more top-of-mind awareness from the stakeholders themselves,” says Herz. “It was a solid, media-driven campaign”—the appeal extended beyond the industry journals and blogs with positive
coverage in mainstream outlets such as Forbes, Men’s Journal and USA Today—“and set the groundwork for our next initiative to promote the seal and focus more on the beer-loving consumer.”

In August 2018, the BA and Sterling-Rice rolled out the next and more consumer-facing phase of the campaign with “That’s Independence You’re Tasting,” featuring a pair of 30-second commercials, “Independence” and “Choice,” distributed across multiple channels, including linear and digital TV, social media and streaming radio. “We still need to educate the public and wanted to do it in a different way than ‘Take Craft Back,’” says Wohl. “We shifted our focus from an ‘us vs. them’ to more of a celebration of everything we do. It’s much more reflective of independence and authentically features actual brewers at breweries, giving a look and feel that you would never expect in a beer commercial.”

With the Independent Craft Brewer Seal and its supporting campaigns, the BA succeeded in its goal of transparency while continuing its dedication to American craft brewers. “It was our goal to create a marketing effort with meaning and a movement behind it,” says Herz. “We weren’t trying to reinvent the wheel or create a brand from nothing. We already had the ‘brand’ and wanted to connect the consumer with brewers with integrity that were fighting their way onto every restaurant menu and every liquor store shelf against the muscle of Big Beer. I think we’re accomplishing that.”

The results

Galvanizing the community: More than 4,000 craft brewing companies have adopted the Independent Craft Brewer Seal, representing more than 80 percent of craft beer volume. Some breweries have gone as far as displaying the seal even more prominently than their own logo: For example, the seal on Dogfish Head’s 60 Minute IPA takes up half of the packaging.

Driving purchase intent and prioritization: Those exposed to the seal were 77 percent more likely to prioritize purchasing craft beers from independent breweries. A recent Nielsen survey indicated that 40 percent of people said the seal would make them “more” or “much more” likely to buy a beer with the label over one without it, up 5 percent from the prior year. In 2017, retail sales of craft beer were $26 billion, an 8 percent increase. Craft beer sales are on track to rise another 5 percent in 2018 (an official and complete industry analysis will be released in April during the Craft Brewers Conference & BrewExpo America in Denver).
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Going viral: “Take Craft Back” has garnered more than 1 billion impressions. In the second half of 2018, “That’s Independence You’re Tasting” received 180 million impressions and 35 million views of the two videos.

Marketing lessons
Movements aren’t built overnight: “This is really a movement that first started with the craft brewer definition we developed in 2007,” says Herz. “Look how far small and independent brewers have come since then.”

Connect with the community: “This campaign got to the issue of why people should care about this group of small brewing businesses,” says Herz. “Craft breweries contribute in so many ways to our country and our culture, with 135,000 full- and part-time direct jobs and $73.4 million in cash donations [to various philanthropic efforts] in 2017 alone. These businesses are real economic drivers for backyard communities, and consumers are beginning to realize this and seek them out.”

“Coopetition” is key: According to Casey Frid, an associate professor at Pace University’s Lubin School of Business in New York who co-authored a 2017 paper on the industry, craft breweries are uniquely suited to benefit from a shared campaign as these entities continue to engage in actions of cooperation and competition—what he calls “coopetition”—with one another. “The craft brewing industry has matured to a point where breweries should be much more competitive, but there is a lot of collaboration and a shared goal to work together,” says Frid. “In many ways craft is still this oppositional category relative to the large multinational behemoths of Big Beer. It remains a market segment that continues to develop its own cultural symbols to [positively] and collectively tell the marketplace that they represent quality and community.”

More is more: “The more people see the seal, the more craft breweries will be incentivized to [use it on] their packaging and the more people will look for it in their purchases,” says Friedman. “It continues to support itself with this incredible movement and creates trust when people start to see it everywhere from packaging to beer menus to even tap handles.”

What’s next
Current and upcoming challenges facing not just craft brewers but the entire beer industry include the potential impact of cannabis legalization, millennials’ and Generation Z’s preference for other spirits or cannabis (or nothing at all) over beer, and the threatening effects of climate change on the core beer ingredients of barley, hops and, of course, water. Craft brewers like Oregon’s Coalition Brewing as well as Big Beer companies AB InBev and MolsonCoors, and brands like Heineken’s Lagunitas are taking an if-you-can’t-beat-’em-join-’em approach to the cannabis problem by creating their own CBD-infused beverages or investing or partnering with cannabis firms.

While younger Americans are drinking far less than older generations, demographics suggest that they will likely consume more craft beer as they age, according to studies by the BA. To help combat the threat of climate change, Big Beer is investing in breeding strains of barley that can withstand extreme fluctuations in weather. The BA is supporting several research projects on barley efficiency, while also devoting financial resources to renewed hop breeding activities within the USDA ARS public hop research program.

Despite these formidable challenges and an overall downward trend in the beer industry, craft brewers are thriving. “We’re just getting started,” says Herz. “That’s Independence You’re Tasting” will continue to roll out through the second half of 2019, and the BA has encouraged consumers to support the movement by snapping and sharing photos on Instagram with the hashtag #seektheseeal. The new Supporter Seal is available to champions of independent craft breweries including retailers, distributors, homebrew shops, state brewers guilds, festivals and allied trade companies.
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