

BREWDOG

BrewDog is a brewing phenomenon. The dream of two idealistic young men: Martin Dickie & James Watt from Fraserburgh in Scotland. They still hold to their dream (4 years later) and will spend as much time as you will give them to tell you why it is so important to drink good beer. They make 'bold, contemporary and progressive beer.'



© Brewdog

SALES HAVE RISEN TO 1.2 MILLION BOTTLES PER QUARTER



© Brewdog



Martin and James, the owners of Brewdog, brew and sell for customers all over the world with the help of 37 staff. They set up their brewery in the far North of Scotland, in 2006. They were 24 years old. Armed with a bank loan, passion, but not a lot of knowledge, they leased an industrial unit from the local Council and started brewing. Things weren't easy, 'I fell off a ladder and electrocuted myself' explained James. We dropped 'a mobile, keys, and a mercury thermometer into the first batch of beer.'

Even more depressing, the locals didn't like their beer. Martin and James produce, in their eyes, 'premium craft brewed beers', made 'with the finest fresh natural ingredients' but the locals preferred Tennants (a commercial lager mass-produced by a global giant).

Surprisingly, Tesco, the giant supermarket who are extremely difficult to penetrate for new small businesses, did like their beer, and agreed to stock it. BrewDog still had to find customers, or their beer would come off Tesco's shelves pretty quickly. They went out looking, first in Edinburgh, then in London, eventually all over the world.

James and Martin have a gift for suggestive names and evocative descriptions. **Punk IPA**, **5a.m. Saint** and **Trashy Blonde** are just three of their beers. **Trashy Blonde** is a 'titillating, neurotic, peroxide punk of a pale ale. Combining attitude, style, substance and a little bit of low self-esteem for good measure' they explain. **5a.m. Saint** is an 'uber-hoppy red ale. We've dry-hopped this little beauty to the brink and back'. You get the idea. The media loved it. Ceaseless editorials got them noticed. If you 'google' BrewDog Scotland, you'll get 558,000 results in 0.21 seconds.

Growth has been relentless. Sales are now at 1.2million bottles per quarter. **Punk IPA**, a 'fresh, full flavour beer' with just 6% of alcohol by volume, accounts for 55% of their sales. To achieve this growth, they added another big UK supermarket chain

TRASHY BLONDE IS A 'TITILLATING, NEUROTIC, PEROXIDE PUNK OF A PALE ALE'

(Sainsbury's) to their distribution channels and, by October 2010, they will also be in Morrisons (the 4th largest supermarket chain in the UK) in 'around 250 stores'.



© Brewdog



They also forged into export markets: Denmark, Sweden, Norway, the Netherlands & Australia.

BrewDog's marketing doesn't always work to plan. They were shocked by the angry response to their latest beer, **The End of History**, 55% alcohol by volume and costing £500 a bottle. The bottles of 'blond Belgian ale, infused with nettles and juniper berries', this 'strongest and most expensive beer in the world', are stuffed inside dead animals (seven stoats, four squirrels and one hare, see the picture on page 21). Just 12 bottles were made. Martin and James pretty much achieved global coverage in the media. They incensed many people but, if they can stand the heat,

ideas like this catch the eye of millions more. The guys walk, daily, a fine line between fruitful controversy and damaging outrage.

Controversy does have a financial cost. BrewDog are regularly in trouble with the Portman Group, a regulator. The Portman Group can't stop BrewDog brewing a controversial beer, or selling it over the internet, but they can take away the license of any shop which sells it. A simple and very effective curb.

To fund BrewDog's growth, James and Martin needed money. Raising a substantial bank loan over the last 2 years, between the credit crunch and the reality of BrewDog still being a very



new business, was impossible. They turned to their customers and offered them 'equity for punks'. 'The first funding programme of its kind in the UK', this scheme gives 'fans the chance to buy 10,000 shares in the business online'. You have to admire BrewDog's cheek. Customers pay for their beer to be made, by part-owning the business, and then pay for it again when they buy it. It's a brilliant idea because customers are, in fact, paying to be part of the BrewDog world, and they clearly want it. At a recent tasting session, the room, which could hold 40, was bursting at the seams.

BrewDog's tactics also offer useful lessons for businesses who eschew controversy but want to grow. They have to generate demand before any serious chain will stock their products, especially in export markets. They don't have a big marketing budget. So they contact foreign bloggers who like beer. By giving the bloggers free samples to taste, they win them over. Each blogger has a following (often in the thousands). Martin & James then approach a major chain and point to a guaranteed number of customers. Once again, clever & effective. Plans for the future include opening their own pubs in Aberdeen and Edinburgh, phew.
