

Project Title

Fyne Ales

Category

Packaging

Sub Category

4.2 Branded Drink

Client Company

Fyne Ales

Design Consultancy

Good

Current Date

07.06.10

“Good have been instrumental in transforming Fyne Ales from a cottage industry into a nationally recognised brewery.”

Charlie Craig, Director,
Fyne Ales



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Fyne Ales was started in 2001 by Jonny Delap and his wife Tuggy in the redundant dairy of their farm at Loch Fyne in Argyle. The premise was a simple one; make use of buildings that were going to rack and ruin, generate some extra income for the farm, make a quality beer and bring some much needed employment to the area.

We believe our re-brand of Fyne Ales' packaging range is worthy of your attention as it clearly demonstrates how even a small budget, when spent on good, relevant thinking and design, can generate significant impact. It clearly illustrates the value design can add to niche products and brands that are experiencing difficulty, by differentiating them from the competition and creating impact on shelf whilst maintaining their artisan roots. It also shows how far reaching small spends in design can be by opening up new untapped markets, attracting fresh investment and creating new jobs in a declining economy.

Sources

- * All figures supplied by Fyne Ales
 ** Market data supplied by the Society of Independent Brewers (SIBA) – market reports 2006-09.

Commercial Impact:

- 49% Increase in Sales
(24 month turnover 05/07 of £590,000 v's 24 month turnover 07/09 of £882,000)*
- Outperforming the Market by 30.6%**
- Net Profitability up 201%
(24 month net loss 05/07 of £78,000 v's 24 month net profit 07/09 of £79,000)*
- 2,250% Return on Investment
(£6,680 cost of re-brand against £157,000 increase in net profit)*
- £12,120 saved in Label Production Costs – a 62% Reduction
(£0.17 per label 05/07 v's £0.065 per label in 07/09)*

Human Impact:

- Team has increased from 4 to 7 staff since launch – a 75% increase*
- Team increase (and commercial growth) instrumental in achieving £15,000 of Local Authority Funding*

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The Brief

— The entire re-brand and packaging of Fyne Ales' bottled and cask ales.

The Key Objectives:

- Halt declining sales in the on and off trade.
- Gain new UK listings for the bottled beers.
- Benchmark Fyne Ales as a player in the speciality beer market.
- Reduce production costs of existing labels.

The Key Issues:

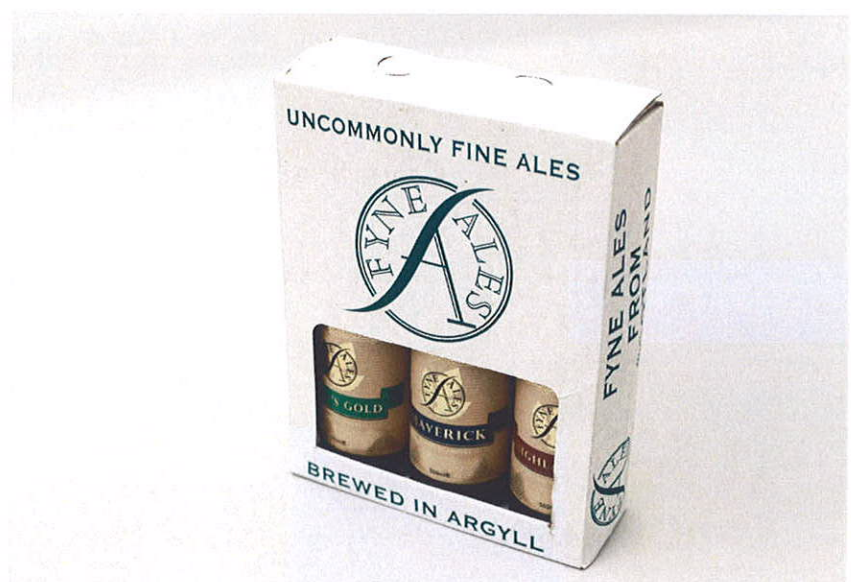
- Increasingly sophisticated competition with strong packaging.
- Congested marketplace with limited room for growth.
- Multiples refusing to stock product based on poor presentation.

Old Bottle Labeling/Packaging

Expensive to produce yet lacked shelf standout, and next to competitors it gave off an amateurish feel.

**Old Brand Application**

While staying true to the 'low-tech', hand-made principles, applications lacked impact and didn't communicate the quality product within the packs.



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Project Description

In late 2006, following 5 years of brewing and stuttering sales, the Fyne Ale team knew they had a great product but presentation was holding them back. If they didn't act decisively and quickly, they realised that they'd have to 'close the doors.'

With limited budget they had decided at inception to save money and design their packaging themselves. This had resulted in a homespun look and feel that whilst 'quaint' was expensive to reproduce and had little or no shelf presence. This had been recognised by the UK multiples who refused to stock the bottled beers due entirely to the packaging and the local on-trade, who were reluctant to stock them as the weak branding didn't assure them of strong sales.

Recognising their weakness, Fyne Ales decided to invest what they could in a brand refresh and new packaging to rejuvenate their ailing brand and create the impact and sales they desperately needed.

The Fyne Ales Brewery

Located amidst the hills of Argyle, the Fyne Ales Brewery (effectively a set of converted farm buildings) is designed to have as little environmental impact as possible. For instance water is sourced from a burn above the brewery overlooking Glen Fyne and the head of Loch Fyne.



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The Market

The speciality beer sector, whilst buoyant, has traditionally been squeezed from all sides whether in draft or bottle. The big brewers on one side, able to compete with huge volumes at rock bottom prices and the multiples on the other, squeezing the smaller players on price and margin.

Over the last five years in the speciality beer market volume growth has averaged 9% year on year. This in turn has directly affected sales turnover, growing at an average value of 18.4% year on year.*

All of this, despite the worse recession in living memory.

*Source: Society of Independent Brewers, SIBA, market reports 2006-09.

Competitors' Packs

Examples of some of the packaging sourced during the research phase.



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The Solution

The existing Fyne Ales' labels fell down on a number of fronts. Printed with a foil on a brown paper stock and expensive to produce. Shelf standout was almost non-existent and it looked homespun and amateurish.

With a tiny budget we decided to create a simple structure that could handle all the information we needed to carry. This block ensured a family feel and allowed us to design all the labels and fonts from one template, reducing cost and making it easy for Fyne Ales to replicate for any 'seasonal specials'.

Ultimately the design is about simplicity, clarity of communication and differentiation on shelf. Plus, the basic palette and no frills design also achieves the last of our criteria, a reduction in production costs for the client.

Project Launch Date and Budget

The new packaging and font clips went live in June 2007. The budget for design, project management and finished art for 5 labels and font clips was £6,880.

New Packaging

Utilising a bold typographic structure, vibrant colour palette and a unique headline font for each beer allowed us to create economy in production and shelf stand out.



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Other Influencing Factors

The only major change, between pre and post re-brand has been the death of the founder and driving force behind Fyne Ales, Jonny Delap. Originally his brainchild, he steered the company through its formative years and oversaw the re-brand and packing that secured profitability and a long term future for his dream.

The rest of the management team at the brewery has remained the same and marketing spend outside of the investment in re-branding was the same pre and post launch – zero.

IBC Awards and Retail Placements

As a result of the re-packaging Fyne Ales has received 3 awards at the world's largest packaged beer competition, the International Beer Challenge (IBC), and retail opportunities in selected beer halls across the country – Blackfriars, Glasgow shown.



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49% increase in sales

Between 2005 & 2007 Fyne Ales turned over £590K before the new packaging took effect. With the launch in June 2007, sales in both bottles and draft have increased dramatically, to £882,000 to 2009 with most incremental gains being attributed purely to the redesign.

	(£) 2005-07	(£) 2007-09	Variation	% +/-
Sales	590,000	882,000	292,000	49

Source: Fyne Ales' sales figures

49% INCREASE

Outperforming the market by 30.6% (by value)

In the period between 2008 and 2009, the Society of Independent Brewers (SIBA) report that average value growth across the Speciality Beer Sector was 18.4% (no figures exist for prior to 2007). **Fyne Ale's performance was 30.6% better than this over the total period.**

Source: SIBA market reports 2008-2009

Net Profitability up 201%

In simple profitability terms, the redesign has taken Fyne Ales from a loss making entity (£78,000 loss between 2005 and 2007) to a thriving, profitable small business posting £79,000 profit in the period post launch (2007 to 2009). **This equates to an incremental gain of £157,000 over the period.**

	(£) 2005-07	(£) 2007-09	Variation	% +/-
Net Profit	-78,000	79,000	157,000	201

Source: Fyne Ales' sales figures

201% INCREASE

2,250% return on investment

The modest £6,680 investment in improving the packaging across the bottle and draft business has delivered an incremental return of £157,000 in the 24 month period. This equates to an ROI of 2,250%.

24 month net profit 2005-07 (pre-launch)	-£78,000
24 month net profit 2007-09 (post-launch)	£79,000
Actual incremental increase	£157,000
Brand/packaging investment in 2007	£6,680
RETURN ON INVESTMENT	2,250%

Source: Fyne Ales' sales figures

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£12,120 saved in label production costs

Through a responsible approach to label design, the packaging effort has resulted in a 62% efficiency in label production. This saving in itself equates to almost twice the initial investment in the rebrand. (£0.17 per label 05/07 v's £0.065 per label in 07/09).

	(£) 2005-07	(£) 2007-09	Variation	% +/-
Label cots	0.17	0.065	0.105	-62

Source: *Fyne Ales' sales figures***62% EFFICIENCY****328% growth in local draft stockists**

With no additional sales effort, or changes to the product, stockists continue to convert to Fyne Ales' products. In 05/07 prior to the repack there were 7 local stockists in the Argyle area. By the end of 2009 this had risen to 30 stockists. The reason? **In almost every case, it was cited as the improvement in the look of the brand.**

	(£) 2005-07	(£) 2007-09	Variation	% +/-
Local stockists	7	30	23	328

Source: *Fyne Ales' figures***328% INCREASE****43% average increase in draft and bottle volume**

Encouragingly, the volume and value increase for Fyne Ales are both on an upward trend, meaning they're selling more beer, but realising the value of this increase with their increasing customer base.

— **Draft business up 58% overall across 05/07 versus 07/09.**

(260,000 litres 05/07 versus 410,000 litres 07/09)

— **Bottled business up 29% overall across 05/07 versus 07/09.**

(45,000 litres 05/07 versus 58,000 litres 07/09)

Source: *Fyne Ales' figures***Outperforming the market by 34% (by volume)**

In the period between 2005 and 2009, the Society of Independent Brewers (SIBA) report that average volume growth across the Speciality Beer Sector was 9%. Fyne Ales' performance was 34% better than this over the total period.

Source: *SIBA market reports 2006-2009*

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New listings in Waitrose and Booths supermarkets

In both cases, the above supermarkets listed the products on the strength of the repack. In the case of Waitrose, their expectation of selling 4 cases a week in Scotland has nearly tripled to 11 cases per week, an increase of 175% on predictions.

	Expectation	Actual
Waitrose Case Sales (per-week)	4	11
		175% INCREASE

Source: *Fyne Ales' sales figures*

“The beer was first rate, but the packaging made it invisible.”

David Smith, Buyer,
Booths Supermarkets

Volume output by 2012 set to quadruple

Fyne Ales expect this trend to continue, and by 2012 predict to be selling 4 times the volume they sell today. (07/09 average 6,800 litres per week versus 2012 forecast of 27,000 litres per week). Given the correlation between volume and value growth outlined above, it's fair to expect a similar pro rata growth in their sales value over the same period.

(Source: *Fyne Ales' sales forecasts*)

New Markets

Pre the re-brand Fyne Ales had no export business. Since the new packaging launched they have negotiated exclusive new deals in Sweden and Hong Kong.

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75% increase in staff

The increase in volume and productivity since the re-brand has meant that the brewery has had to increase its staff levels to deal with demand. Since launch in 2007 three new staff have been employed to support the pre launch team of 4. This was always important to the Delap family as one of the founding principles of the company was to help bring employment to the area.

£15,000 of Local Authority Funding

In order to deal with the increase in volumes Fyne Ales applied for a local authority grant to upgrade some of their equipment. They secured this grant only because they were able to prove that they were a secure company in growth, not decline.

“In order to secure a grant award from Highlands and Islands Enterprise, we had to demonstrate consistent growth of at least 20% a year for two years, we comfortably exceeded this figure with dramatically improved profitability.”

**Charlie Craig, Director,
Fyne Ales Brewery**

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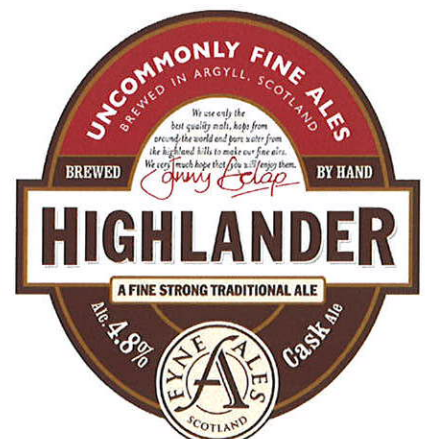
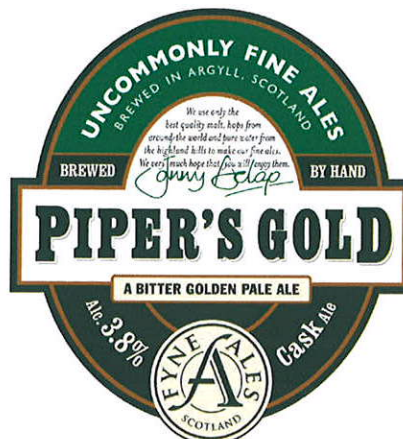
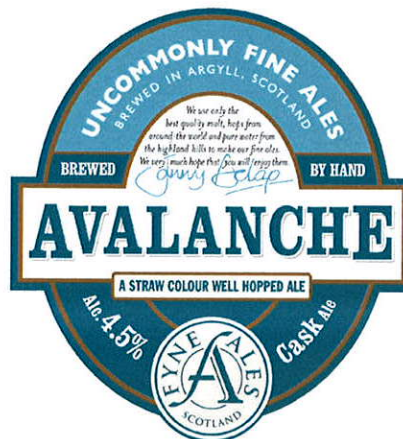
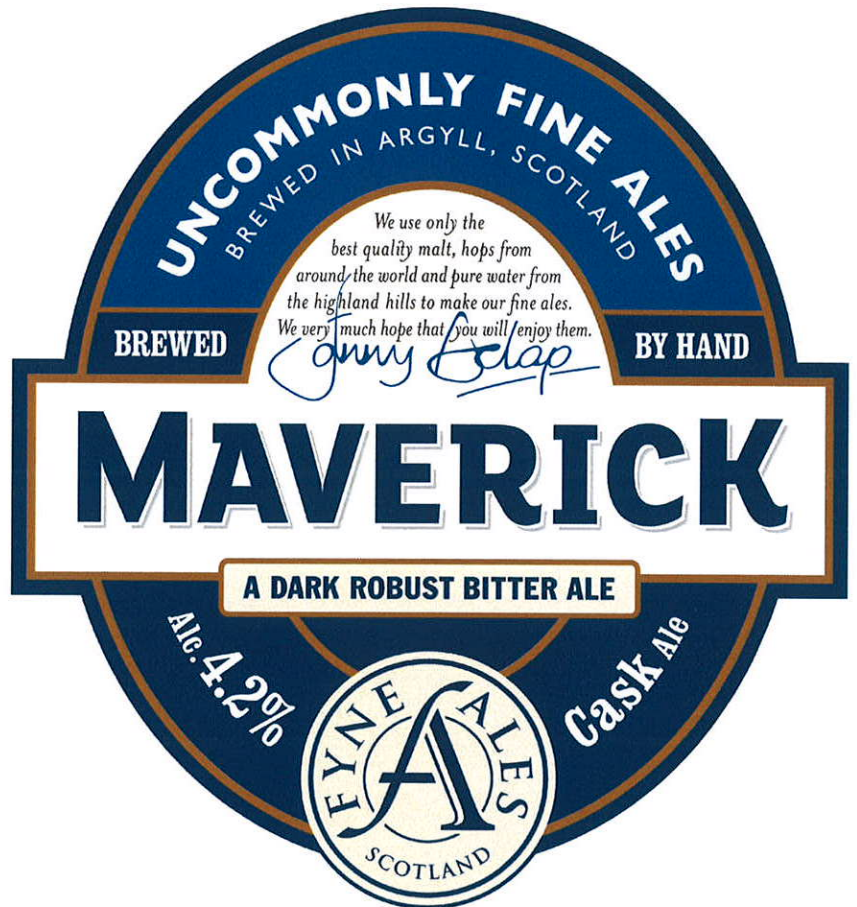
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*The secret to doing
sweet FA is to use the finest hops,
the freshest water and the cleanest air.
That and a little care and hard work.*

We hope you agree.

Jonny Selap



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On behalf of Good Creative

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