

# Art and Craft

## A booming craft beer segment translates to new opportunities for converters



You don't need marketing data to tell you the craft beer segment is growing... and growing rapidly.

Simply walk into the beer aisle of practically any grocery store, convenience store, or pharmacy. You'll find yourself face-to-face with a bewildering selection of beers. It's a selection that was unimaginable just a few years ago.

The data, of course, do underscore what you're seeing. According to the Brewer's Association, craft was a \$19.6 billion product niche in 2014, accounting for 19 percent of beer sales in the U.S. That niche grew by nearly 18 percent that year, eclipsing the 0.5 percent growth of the beer industry overall.

The number of craft breweries stood at just 284 in 1990. It now stands at nearly 4,000, with a sharp rise since 2009. The U.S. hasn't had 4,000 breweries since the late 19th century. Back then, local brewing was the foundation of the beer segment.

### A new breed of beer buyer

As we get into 2016, craft beer is where it's at.

Helping fuel the segment's growth is shifting consumer demand from a new breed of beer buyer: Millennials. They want local. They want variety. They want quality.

So, it follows that Millennials' beer buying habits are evolving to be quite different than those of their parents. They walk through the beer aisle expecting a lot of options. And, they're willing—even eager—to experiment, rather than sticking to a single brand.

### Pushing the envelope with label design

A 2010 study by MarketForce, showed that consumers are more likely to buy a product that "catches their eye" on the store shelf. This factor outweighs promotions, coupons, product recommendations, and advertisements.

This phenomenon, the increasingly crowded retail space, and evolving consumer expectations, all present a challenge and an opportunity to the craft brewer: How to make a beer stand out, get noticed, and get chosen.

Commercially successful craft brewers have realized that, when it comes to driving sales, what's on the bottle is as important as what's in the bottle. They're tapping (no pun intended) into a bit of psychology as old as humanity itself, using storytelling to give their brews a unique identity. And they're focusing on labels, asking their graphic designers to push the artwork and design envelope with color, imagery, cuts (shape of the label itself), and even textures.

Many of these designs are a far, far cry from the comfortable and familiar logos that have adorned mass-market cans and bottles for upwards of a century.



### The eyes don't lie

That focus on artwork and design does have a proven impact.

Avery Dennison recently worked with the Clemson University CUshop™ Consumer Experience Laboratory to look at the shelf impact of craft beer labels in a simulated retail environment. The result? Labels definitely matter.

The lab tested higher-end media and facestocks like metallized film, wood veneer, and clear film. It found that these were more effective—sometimes far more effective—at getting and holding the test subjects’ attention than media typically associated with standard, cut and stack technology.

Beers with the higher-end label materials were also likely to be perceived as more expensive than those with paper labels. (For detailed results, see the study’s whitepaper at [label.averydennison.com](http://label.averydennison.com).)

## The benefits of pressure-sensitive labels

The Avery Dennison Craft Beer portfolio is designed to help converters take advantage of these dynamics, and meet the needs of craft brewers and their label designers.

The portfolio offers unprecedented design freedom. Bottles can display any of 14 pressure-sensitive label constructions. Facestocks include metallized, wood veneer, clear, and more. They can be designed and cut in almost infinite ways.

Brewers and designers also enjoy a variety of technical benefits that are unavailable with traditional, cut and stack paper labels.

Pressure-sensitive labels are easier to apply, and easier to changeover. That’s a definite advantage for the brewer bottling multiple types of beer throughout the year. They stand up better—and simply look better—in moist environments like ice chests. And, they produce less waste than cut and stack.

They also typically offer a lower total applied cost, once labor, equipment, operations, and other facets of the packaging process are factored. Interestingly, some mass-market brewers are converting away from cut and stack because they recognize the total applied cost model.

Avery Dennison offers a calculator to help craft brewers thoroughly understand these economics.



## Beyond 12-ounce bottles

The Avery Dennison portfolio works with at least nine of the most common craft brew label applications, offering incredible flexibility and agility.

Aside from the common 12-ounce bottles, Avery Dennison products can be used on 16-ounce bottles, pint cans (one of the fastest-growing formats), 22-ounce bottles, 24-ounce “tall boy” cans, 32-ounce “howler” bottles or “crowler” cans, 64-ounce glass growlers, keg wraps, pony-keg wraps, keg collars, tap handles, shelf-talkers, promotional items, and more.

Learn more about the portfolio at [label.averydennison.com/craftbeer](http://label.averydennison.com/craftbeer).



## Meeting craft brewers’ needs

“We recommend converters just be really proactive with craft brewers,” said Jeff Greenlief, Avery Dennison craft beer product and business development manager. “And, we provide the portfolio and technical support to help you do it. There’s really no reason to wait for the brewer and designer to come to you.”

The craft brew segment is an especially attractive opportunity for converters with digital presses, who can more cost-effectively do the smaller print runs commonly required.

Jeff shared his top three recommendations:

### 1. Dedicate sales calls to craft brewers

Chances are very, very good you’ll find one or more breweries in your area: According to the Brewers’ Association, 75 percent of legal-drinking-age adults live within 10 miles of a craft brewery. To find the ones near you, go to [craftbeer.com/breweries/brewery-locator](http://craftbeer.com/breweries/brewery-locator).

“It’s critical for converters to reach brewers before they’ve made a fiduciary commitment for labeling equipment,” said Jeff. “There’s a healthy used-equipment market, partly because some failed brewers have burdened themselves with costly, cut and stack labeling overhead. Today’s brewers have more flexible and cost-effective choices.”



## Craft Beer Feature Story

### 2. Be a champion for pressure-sensitive labels

Get to know what products are available and how they can be used in brewery applications. Understand both the design and technical benefits to help you effectively pitch them to brewers and designers. Use the Avery Dennison total applied cost calculator to help brewers understand the economic benefits of using pressure-sensitive products.

“Even if you already do a lot of cut and stack business, look at pressure-sensitive products as a conduit for additional opportunities,” said Jeff. “You can provide solutions for different formats, enhance brewers’ seasonal promotions, or help them expand their business.”

### 3. Present the Avery Dennison Craft Beer portfolio as a comprehensive solution

Proactively promote all the portfolio offers to craft brewers—even if they aren’t currently using pressure-sensitive products. Many brewers are looking to expand their product’s availability. So, promoting our easy-to-use, cost-effective labeling solution—one that can deliver the

quality and impact brewers need—may open up additional opportunities.

“Look beyond simply making a sale,” said Jeff. “Think of yourself as a consultant. Be their one-stop shop.”

Jeff offered up one more tip: “Lean on Avery Dennison. We want to help, and want you to be successful.”

Your Avery Dennison sales representative offers the technical and marketing support to help you expand into the craft beer segment, and into your local beer aisle. Contact your representative for more information about these benefits—including the total applied cost calculator—get pressure-sensitive samples, and to discuss the opportunities in your area.



**Make 2016 “an excellent year” for wine and spirits**

The new Avery Dennison pressure-sensitive Wine & Spirits Label Materials Collection is available as well, to help converters grow their business.

With nearly 50 pressure-sensitive constructions to choose from, including four new items, it offers many advantages to help brand owners—your customers—stand out.

Learn more at [label.averydennison.com/wineandspirits](http://label.averydennison.com/wineandspirits)