Trends within Craft Beer Packaging

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Abstract

While the print industry is facing a changing atmosphere, one thing is as sure as death and taxes—there will always be a market for print within the packaging industry. There is a growing market within the craft beer industry, and with that comes competition for each brewery. Many breweries are finding it difficult to use their beer’s first point of sale, the packaging, to their advantage when attracting consumers to their product. The purpose of this research is to provide the reader with knowledge and insight into package design, with specific emphasis on designing for current trends and for success in the craft beer industry, so that their beer will effectively use their packaging to attract customers.
Chapter 1
Purpose of Study

Statement of Problem
Many sectors of print are declining. Newspapers are going extinct due to their digital counterparts, magazines are turning into blog posts, the written word is now an email or a text. However, as much as digital is finding its way into how we interact with the world, there’s one key place where print has no substantial substitute: packaging. Until the unforeseeable future when products can just materialize in one’s home at the touch of a button on a computer screen, the product needs to be delivered in something tangible. Packaging is a consumer’s first impression of a product, and it is often the make it or break it point of purchase. This means that product packaging must be designed with intention, from typography to graphics, to the choice of the box or bottle and material.

One sector of the package design market is beverage packaging. Whether it’s soda, liquor, wine, beer, or any other beverage, each drink has an associated market. With this market often comes a distinct style. One of the fastest growing beverage markets is the craft beverage industry, with a special emphasis on the craft beer industry. A “craft” brewery can be defined as one that is small, independent, and traditional. In the past seven years, the number of craft beers in stores and on taps has tripled (Notte). With growing competition within the industry it is important that the packaging attracts the customer and effectively reflects the beer as well as the brewer producing the beer.

Seeing as the packaging industry is constantly evolving, and because there is so much competition within the beer industry, it is vital for a brewer to use their packaging as a way to sell their beer. Many breweries do not have a clear idea of how to market
their beer through their packaging. The purpose of this research is to provide the reader with knowledge and insights into package design, with specific emphasis on designing for current trends and success in the craft beer industry, as to position the brewery for success.

**Significance of Problem**

The intended audience for this work is anyone with an interest in package design, craft beer, or a combination of the two. Many people do not think about how much intention there is behind a package design and the significance of packaging. Through this research the reader will be introduced to why packaging is important, and how the current state and trends of craft beer affect the industry as a whole as well as packaging and packaging technology. With so many beer options, many brewers are finding their beer lost amongst the competition. By having a deeper understanding of the industry craft breweries and designers will be able to make better informed decisions when creating their packaging. If he or she were to find this research useful for their work or business, they could use it as a guide for how to create packaging for craft beer, while staying ahead of trends and making packaging that puts the brewery in a position for success. This proves especially important in such a rapidly growing market where new entrants are creating more and more competition.

**Interest in Research**

As an avid fan of package design as well as of the craft beer industry, I often make new beer purchases based on the bottle’s label design or because of a unique usage of packaging. While I do this consciously and it’s the main driving force behind my purchases, many consumers are drawn to certain beers for the same reason whether they realize it or not. I want to dive deeper into the trends of packaging in this industry and dissect where the trends are going, and what the consumer wants in craft beer packaging. I have an ambition to work either in-house as a designer at a brewery, or for an agency that specializes in labels and packaging for the craft beer industry. By creating packaging
that is both aesthetically pleasing and that evokes feelings consistent with the type of beer, the consumer will be able to choose their beer with confidence that they’ll like it, in addition to serving as a great marketing tool for the brewery.

**Research**

There are many journals on the subject of craft beverage packaging, craft beer packaging, and the industries as a whole. I will use those trends and my own observations and field studies to create surveys. Through these surveys I will be able to judge the success of my findings concerning the trends of craft beer packaging, and how a brewery could use their packaging to properly portray their beer when marketing to their consumer, as well as attract consumers.
Chapter 2
Literature Review

The Craft Beer Industry

When a consumer enters a grocery store they are likely to encounter countless options for pretty much every item they are looking to purchase. When it comes to choosing a beer, the options are nearly endless. With over 4,000 craft breweries in the United States alone this decision becomes especially difficult (Brewers Association, 2017). When defining what a “craft brewery” is, one looks for three determinant factors; a craft brewery is small, independent, and traditional.

**Definition of a craft brewery.** “Small” can be defined as a brewery that has an “Annual production of 6 million barrels of beer or less (approximately 3 percent of U.S. annual sales)” (Brewers Association, 2017). A craft brewery is “independent” when it is “less than 25 percent of the craft brewery is owned or controlled (or equivalent economic interest) by an alcohol industry member that is not itself a craft brewer.” And lastly, a craft brewery is “traditional”, meaning that it has “a majority of its total beverage alcohol volume in beers whose flavor derives from traditional or innovative brewing ingredients and their fermentation” (Brewers Association, 2017).

**Current state of the industry.** In 2014, craft breweries alone contributed around 55.7 billion dollars to the United States economy (Brewers Association, 2017). Not only did the brewing industry contribute heavily to the economy directly, but the brewing industry also “provided more than 424,000 jobs, with more than 115,000 jobs directly at breweries and brewpubs, including serving staff at brewpubs” (Brewers Association, 2017).
Craft breweries have been steadily taking over the market from macro beer producers, and Figure 1 shows the number of craft brewers with the number of big beer or macro beer producers from 1947 to June 2013. “The number of macrobrewers declined steadily during the period. The reasons for this pattern of exit include advertising wars and scale-augmenting technological change that was reinforced by the homogenization of American beer from the 1950s to the 1970s (Elzinga, 2009; Tremblay and Tremblay, 2005)” (Elzinga, Tremblay, & Tremblay, 2015).

![Graph showing the number of U.S. Macro and Craft Brewers, 1947-2013.](source)

*Figure 1 - Number of U.S. Macro and Craft Brewers, 1947-2013. Sources: Elzinga-Tremblay Database; the Office of R.S. Weinberg; Brewers Almanac, 1979-1988.*

**The Packaging Industry**

Despite the questionable future of the print industry, one thing is certain: the importance of package printing and production will always be constant. A study by *Smithers Pira* predicts that “global packaging sales are projected to rise by 3% in real
terms to $797 billion in 2013 and grow at an annual rate of 4% to 2018.” (Smithers Pira, 2013). They attribute the growth to a number of reasons, stating,

“the growth of the global packaging industry is being driven by a number of trends, depending on various geographical regions. Growing urbanization, investment in housing and construction, the development of retail chains and the burgeoning health care and cosmetics sectors are driving packaging demand in China, India, Brazil, Russia and other emerging economies. An increase in living standards and personal disposable income in the developing regions fuels consumption across a broad range of products, with subsequent growth in demand for the packaging of these goods.” (Smithers Pira, 2013).

The same Smithers Pira article specifically cited “Consumption of drinks packaging over the period [2013-2018] is projected to increase at a rate of 3.3% on average per annum until 2018, reaching a value of $102 billion” (Smithers Pira, 2013). The beverage industry is seeing a steady increase in it’s packaging market, which bodes well for the future of package design as a whole, and those who work in the industry.

**Packaging design.** As the demand for packaging grows, so does the demand for designers to fulfill the package design needs. “Products brands use a range of packaging attributes, combining colors, designs, shapes, symbols, and messages (Nancarrow et al., 1998). These attract and sustain attention, helping consumers identify with the images presented. The importance of packaging design and the use of packaging as a vehicle for communication and branding is growing (Rettie and Brewer, 2000), as packaging takes on a role similar to other marketing communications elements.” (Silayoi, Speece, 2005).

Although many brands have various forms of marketing to attract customers to their product, for craft beer the packaging and labels are the primary and sometimes only marketing tool. Most craft breweries don’t have the capital or means to advertise in other ways, and when the craft brewery is selling their beer in a market outside of their local region, they solely rely on the beer label and packaging to do attract the customer.
**Conclusion**

I was able to find many scholarly, respectable articles about the current conditions of the craft brewing industry, as well about the packaging industry. The part that was a little more difficult was finding information about trends within beverage packaging. I have found articles about it, but they are not from scholarly sources.
Chapter 3
Methodology

Purpose

The purpose of this study was to provide designers and craft breweries with a guide for how best to utilize a beer’s biggest point of sale—its packaging. The information in this study would help the designer or brewery understand its target market, how to communicate the feel of their brand, and the factors that make up a successful label. The objectives of this study were to:

- Inform the designer or brewer about trends in beverage packaging
- Inform the designer or brewer about what makes attractive beverage packaging
- Provide a guide for how to make sure that brand and packaging are aligned, in order to attract and maintain customer base

Data Collection Plan

For each of the listed objectives there would be a different way to collect and display information. To achieve the goal of informing the designer or brewer about trends in the packaging industry, the beverage industry packaging industry, the researcher will gather information about trends in the beverage industry, and the beverage specific packaging industry, industry reports, case studies, and scholarly articles will be used. These sources provided statistics and data related to the current climate of the industry, as to give an overview of how the craft beer industry and its packaging can relate to the industry as a whole.

To determine what makes an attractive beer package, a survey was conducted with questions targeting the reasoning behind a consumer’s purchases. Do the consumers base
any of their beer purchasing incentives off package design? If so, what do they like about the package? Do any packages turn the consumer away from the product?

To provide the brewer or designer with information regarding making sure that the packaging design and brand are aligned, the researcher will examine different beer labels, and compare that with their respective brand “feel”, region, the type of beer, etc.

**Data Analysis Plan**

All of the above data collection plans were used to create a comprehensive guide for brewers and designers, so that the brewery could market their beer well using their label. The survey feedback and field research were used to get opinions from real consumers, while the case studies and industry reports were used to survey the climate of the packaging industry as a whole.
Chapter 4
Results

Survey Audience

The survey, consisting of ten questions, was completed by 140 people. Of the respondents only one person's data was thrown out because that person identified as being under 21 years of age. Most of the respondents are students at California Polytechnic State University, San Luis Obispo.

Survey Questions

The ten survey questions asked of the respondents were:

1. Are you 21?
2. How knowledgeable are you concerning beer?
3. Do you ever purchase a beer you know nothing about?
4. Check all that you consider when purchasing beer.
5. What types of beer do you like?
6. Which packaging type do you prefer?
7. When looking at a beer label design, what attracts you?
8. Have you ever bought a beer just because you like the packaging?
9. If you answered yes to the previous question, can you think of a time when you purchased a beer just because of the packaging? If so, which beer was it? Why did it attract you?
10. What do you prefer to be the dominant design element?
Survey Responses

The survey, consisting of ten questions, was completed by 140 people. The second question asked of the survey pool was “how knowledgeable are you concerning beer?”. The purpose of this question was to understand how experienced the audience is with beer, because those who are more experienced have probably been exposed to more varieties, labels, and types of packaging, compared to those who are less experienced. It’s important to get responses from people with wide ranges of experience levels and tastes, in order to understand how to market to all beer drinkers regardless of experience level. As seen in Figure 2, the respondents represent a broad range of experiences levels, with highest concentration of survey respondents (46.40%) identifying as “competent” when it comes to understanding beer. Between those who responded as “expert” and “competent”, over 75% of respondents consider themselves to be very knowledgeable concerning beer.

![Pie chart showing self-reported knowledge of beer.](Image)

*Figure 2 - Survey respondents’ self reported knowledge of beer.*

The third question was “do you ever purchase beer you know nothing about?”,

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with the goal of understanding how often respondents recognize that they will try beer for reasons other than that they know they already like it. While this does not mean that if they buy beer without knowing about that they are only purchasing it because of the packaging, it does show how there is a market willing to try new things. Packaging is one of the most powerful ways to bring in those consumers who try new things. 80% of respondents reported that they “occasionally” try new things, with only 4.80% of respondents saying they “never” purchase beer they know nothing about. The “other” response consisted of four people, one stating that they “often” purchase beer they know nothing about, one stating that they will purchase beer they know nothing about when it comes to craft or foreign beers, and one saying if it has “cool packaging” they will purchase it. The breakdown can be seen in Figure 3.

Figure 3 - Survey responses to “do you ever purchase a beer you know nothing about?”.

To understand why people might purchase a certain beer, I had the survey takers check every option that they might consider when making a purchase. The options were price, type of beer, whether or not it is environmentally friendly, the taste, the brewery,
the label design, the number of beers in the package (I meant the question to read as the number of bottles within the package, whether it’s a single bottle, six pack, etc., but this might have also been interpreted as how many fluid ounces are within the bottle), and an “other” option. Within the “other” option, the most common written response was that people consider the ABV, or “alcohol by volume” percentage, when purchasing a beer. The results from this question can be seen in Figure 4.

![Figure 4 - The different factors that come into play when survey responders purchase beer.](image)

When asking the survey group what type of packaging they preferred, 80.80% responded that they prefer glass bottles. Glass is often associated with higher quality so it has long been the norm for beer to be packaged as such. Most craft beers currently on the market primarily come in a glass bottle. Many craft breweries are beginning to experiment with cans, or even making their primary packaging a can. An economist for the Brewers Association, Bart Watson, cites many positives to making the move to cans; they’re highly recyclable, they’re lighter than bottles so there is reduced CO2 emissions when shipping, they block light (which keeps the beer fresh), and new aluminum can
innovations, like removable lids that turn the can into a glass, or a resealable lid (Watson, 2015).

Because of the reasons listed by Watson, the craft beer market share for cans increased from less than 2% in 2011 to 10% in 2014, with even more growth to date (Watson, 2015). The biggest challenge facing cans in the craft industry is consumer perception. The survey confirmed this, with around 80% of respondents saying that they prefer glass bottle packaging.

Currently, a brewer would appear to have better luck packaging their beers in a glass bottle as opposed to an aluminum can. The perceived value is much higher, and although perceptions are changing the current market for cans is less prevalent. Some breweries, like *Alibi Ale Works* in Incline Village, Nevada, offer their core beers in can, but their rotating beers and limited release beers in a bottle. By doing this a brewery can take full advantage of the benefits of an aluminum can because their current customer base will buy the core, familiar, beers regardless of the packaging, but as for the rotating beers and limited release beers, small breweries like *Alibi Ale Works* are adding a perceived value to their selection and attracting potential consumers. Other small breweries might find this tactic advantageous, and combined with the increasing

![Figure 5- Packaging preferences from survey respondents.](image-url)
popularity of the aluminum can in general cans could prove to take over the craft market.

When asked about what attracts the consumer to a beer label design, bright colors and drawings were the most common response. On the other end of the spectrum, people were not as attracted to photographs or dark colors. In Figure 6, one can see that the survey respondents are most attracted to eye catching designs. Bright colors attract almost 60% of the survey respondents, while dark colors attract less than 25% of respondents. Having a label that is colorful and eye-catching naturally helps it stand out, while dark colors don’t draw the eye. Dark colors also have the potential just to blend into the dark brown glass bottles, and when consumers only take seconds scanning past an item, bright colors would prove more attractive.

![Figure 6: What design elements attract consumers?](image)

One of the most telling questions was asking survey respondents whether they have ever bought a beer strictly because they like the packaging. The results of this question can be seen in Figure 7. Over 71% of consumers said that yes, they have bought a beer strictly because they were attracted to the packaging. Just over 25% of the respondents reported that they have not purchased a beer just for the packaging. That 71% of respondents represents the market that a craft brewery has the potential to turn into repeated customers. When the respondents answered that they have bought a beer
just because of the packaging, one can assume that they are not familiar with the brewery and the packaging is the sole consideration that went into their purchase.

![Graph showing survey results](image)

*Figure 7- Have survey respondents ever purchased a beer strictly because they were attracted to the packaging?*

Next the survey respondents were asked if they had answered yes to purchasing a beer just because of the packaging, what about the packaging attracted them? Of the respondents, 41.80% of respondents reported that they have chosen a beer for the package but do not remember details about the bottle. Of the respondents who remembered details about the packaging and why they bought it, a few breweries stood out, with multiple respondents citing the same bottles, for many of the same reasons. One such brewery that stood out was *Elysian Brewing*, from Seattle, Washington. The three *Elysian* beers mentioned, *Space Dust* IPA, their *Day Glow* IPA, and their *Super Fuzz* Blood Orange Pale Ale, all have very eccentric and bold styles. The *Space Dust* and *Day Glow* beers have reflective, iridescent paper, and eye catching graphics. The three carriers can be seen in *Figure 8, Figure 9, and Figure 10*. A few of the respondents who cited *Elysian* beers as a beer they bought for the packaging didn’t actually call *Elysian* by name. The respondents simply described the packaging, but because the packaging is so unique
and unlike any other beer on the market, it’s clear which brewery it’s from. A marketing contributor for *Forbes* cites one interesting packaging tip that he calls the “five-year old test” as a key to attracting, and keeping, consumers:

“If you can describe your brand to a five-year-old, send them into a store to find it, and actually get it, your packaging creates an iconic connection. Consumers will come back week after week looking for it. The key to this stickiness is a distinctive brand mark. For example, you could tell a five-year-old, to get the salt pack with the girl in a yellow coat with an umbrella on it; she will come back with Morton Salt. Similarly, ask for the blue pack with the big black and white cookie splashed in milk, and he will return with a package of Oreos.” (*Forbes*, 2014).

*Elysian* beers would definitely pass this test, with bold and unique graphics. If someone were to ask a friend to purchase the beer with a tiger shooting rainbows out of its eyes, the friend would most likely be able to find it on the shelves. Graphics like these create lasting memories with a consumer. A craft brewery should take advantage of bold and unique graphics to create brand recognition with consumers.

![Figure 8- The Elysian Dayglow IPA, with reflective iridescent details. Sources: Elysian Brewing Co, 2017.](image1)

![Figure 9- The Elysian Space Dust IPA, with reflective iridescent details. Sources: Elysian Brewing Co, 2017.](image2)

![Figure 10- The Elysian Superfuzz Blood Orange Pale Ale. Sources: Elysian Brewing Co, 2017.](image3)
When asked what they prefer the dominant design element to be on a beer label, the majority of the respondents (68.80%) said that they prefer the dominant design element to be the drawing or the design, as opposed to a text based label, or a photograph. The results of this question can be seen in Figure 11. When a consumer is walking down the aisles, text often isn’t legible from a distance and photographs aren’t always as eye catching as a bright graphic. In order to make the most of consumers quickly scanning a shelf at a store, a bold drawing or graphic would catch the consumer’s eye more frequently.

![Pie Chart](image)

*Figure 11 - What do you prefer to be the dominant design element on a beer label?*

When craft breweries design their packaging they would benefit from focusing on the design points discovered by this research. Having a “good” design is not enough to stand out from the competition. By marrying that good design with bold, eye catching, elements, a craft brewery has the opportunity to capture some of the market share currently occupied by other breweries.
Chapter 5
Conclusions

When designing a packaging for beer, it’s important to consider that there are an overwhelming number of options on the shelves at any liquor or grocery store. Aside from reputation, price, or previous a consumer’s experience alone, packaging is the first thing that the consumer comes in contact with when looking to make a purchase. As seen through the survey results people are very willing to make a purchase based on the packaging alone, so each brewery must use their packaging to their advantage.

The most interesting part of the survey results were when I asked people to try and recall why they were attracted to certain kinds of beer packaging. This question brought about the most conclusive results, and concrete examples gave a very tangible way for me to understand what elements of packaging catch peoples eyes. Those who took the survey seemed to remember the packaging better when the brewery had a consistent “look”, aligning with their brand. Elysian Brewing Co’s packaging stood out to people because all of their packaging is bold, distinct, and matches Elysian’s funky style. While Elysian is not technically a craft brewery because it was recently acquired by Anheuser-Busch, it’s packaging elicits a unique spunky vibe consistent with many craft breweries.

Another way that breweries are able to use their packaging to their advantage is by emphasizing the location of the brewery. Multiple survey respondents reported that the location of the brewery is important to them, and when a brewery is local they are more likely to give it a try without knowing much about the beer. One brewery that does this well is Firestone Walker, especially with their 805 beer. Many residents of the central
As more and more small breweries open and the push for small, local, production increases, the competition in the beverage industry becomes more competitive. Breweries that are able to create consistent packaging between their products, with variation showing what sets each product apart, the brewery will have more success selling their beer.

In conclusion, the findings within this research paper have concluded that there are design principles and marketing tactics that a craft brewer could employ to attract consumers. By using these suggestions a craft brewer can better position their products among the competition, at a time when there are seemingly endless beer options. These design principles are as follows:

- Utilize bright colors over darker, muted, colors. Bright colors have the more ability to catch a consumer’s eye.
- Survey results show graphics to be more attractive to potential consumers than photographs.
- Bold designs have the potential to be memorable, and a memorable package and/or brand will keep the craft beer in a consumers mind even when they are faced with other well known options.
- Utilize the brewery location in a prominent way to attract local consumers, or those who feel an allegiance to a certain geographic area.
References


