

New Belgium Brewing: Brand Building Through Advertising and Public Relations¹

The idea for the New Belgium Brewing Company began with a bicycling trip through Belgium. Belgium is arguably the home of some of the world's finest ales, some of which have been brewed for centuries in that country's monasteries and small artisanal breweries. As Jeff Lebesch, an American electrical engineer by trade and a home brewer by hobby, cruised around that country on his fat-tired mountain bike, he wondered if he could produce such high-quality beers back home in Colorado. After acquiring the special strain of yeast used to brew Belgian-style ales, Lebesch returned home and began to experiment in his Colorado basement. When his beers earned thumbs up from friends, Lebesch decided to market them.

The New Belgium Brewing Company opened for business in 1991 as a tiny basement operation in Lebesch's home in Fort Collins. Lebesch's wife, Kim Jordan, handled all the marketing, sales and deliveries from her station wagon. New Belgium beers quickly developed a small but devoted customer base, first in Fort Collins and then throughout Colorado. The brewery soon outgrew the couple's basement and moved into an old railroad depot before settling into its present custom-built facility in 1995. The company's standard line has grown to include Sunshine Wheat, Blue Paddle Pilsner, Abbey Ale, Trippel Ale, 1554 Black Ale, and the original Fat Tire Amber Ale, still the firm's bestseller. Today, New Belgium Brewing is America's third largest craft brewer, with Sam Adams number one and Sierra Nevada number two. The craft beer market is about 3% of the total market in the United States.

When a company has grown as rapidly as New Belgium Brewing, the tendency is not to mess with a good thing. This applies to the beer portfolio, the culture, and the marketing process. For many years, the brewer, best known for Fat Tire Amber Ale, thrived on word of mouth communication to sell the brand. In fact, for the first four years of its existence, New Belgium's marketing consisted of traveling to beer festivals and handing out free samples. Relational marketing, done barstool to barstool, launched the advent of its Ranger Team—a sales staff who acts as brand stewards throughout territories of distribution.

When Greg Owsley was hired as Marketing Director in 1996, New Belgium became more focused and proactive in its marketing efforts. Festivals and sponsorships coupled with print media in alternative weeklies increased brand sales to over 100,000 barrels annually by 1998. Owsley and his team introduced signature New Belgium events like the multi-city philanthropic bike festival, Tour de Fat. They launched an educational "Beerstream" in the form of a traveling slide show and beer tasting in an old Airstream trailer. New Belgium developed engaging contests like "What's Your Folly?" which invites consumers to pitch their Beerdream (an adventure enhanced by New Belgium beers) to win immortal fame on a New Belgium postcoaster (mailable postcard and coaster). "The Worthy Endeavor" is a web-based contest in which applicants can win a trip to the Crested Butte Al Johnson Uphill Downhill. All of the events, sponsorships, and interactive games have been bolstered by strategic purchase of print media advertising.

In 2003, as New Belgium expanded into northern California, it became evident that new avenues would have to be considered to effectively reach the increasingly far-flung consumer base. For

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the first time, New Belgium looked to a more formalized and systematic approach to analyzing its audience. A consulting firm conducted research in Colorado and in other markets, and suggested a mindshare approach to branding. However, Marketing Director Owsley rejected the consulting firm's suggestion and continued researching branding's foremost progressive thinkers, eventually coming across the works of Douglas Holt.

DEVELOPING A BRAND MANIFESTO

Dr. Holt, then of Harvard Business School and currently with Oxford, is the leading proponent of "cultural branding"—a philosophy of branding that tries to speak to tensions within society. Owsley contacted Holt after reading some of his published work online. The two agreed to meet and Holt was hired as a consultant to New Belgium in September 2003. Holt came to New Belgium on several occasions to study the brand and immerse himself in the brewery's unique culture. This process led to the creation of a brand manifesto—a 70-page document co-authored over many months by Owsley and Holt describing the brand's attributes, character, cultural relevancy, and potential. This opened the door to a relationship with Amalgamated Inc., a young upstart advertising agency in New York. In discussing the brand with the agency, New Belgium's creative team collaborated with Amalgamated to flesh out the brand's cultural contributions and what should be communicated.

SELECTING MEDIA

Working with the manifesto as a guide, Amalgamated explored a wide breadth of possibilities within a somewhat restrictive budget. Underwriting of NPR, production of radio shorts, television, and theatrical screenings were all thrown into the mix. Television, with its low cost per viewer and wide reach, quickly rose as the preferred option. It also seemed more authentic to embrace the medium where consumers expected to see advertising interwoven with entertainment.

Creating a television campaign for a craft brewer provided a litany of challenges and opportunities. The Big Three brewers—Anheuser Bush, Coors, and Miller—have long dominated mainstream televised beer advertising in the United States. Boston Brewing's foray into the medium several years back presented an interesting case study. The makers of Sam Adams started a campaign with founder Jim Koch delivering a folksy voice-over that positioned Sam Adams as a beer of the highest quality. Over time, this morphed into televised spots that looked more and more like the positioning of America's Big Three.

MESSAGE DEVELOPMENT

New Belgium understood at the inception that the power of television could work to bolster or undermine the brand with equal efficacy. If the spots did not ring true to the New Belgium character, there was a potential to alienate the core consumers who had helped build the company to this point. Within the ethos of New Belgium, Holt unearthed a mindset where a highly creative activity or avocation is pursued for the intrinsic value of doing it as well as performed in a balanced manner with nature. It is the cultural counterpoint to the Urban Professional. The mindset personified is the mountain local who eschews a high dollar job in Denver to pursue a simpler existence. It is the unsigned musician who writes songs just to entertain friends. It is the amateur bread maker who bakes experimental breads and then hand-delivers them on his bike. It is the juxtaposition of traditional American values that often compel workers into a position of compromising their true self in order to exist within a modern technopoly—those people who live their lives in a way that emphasizes experience for the sake of experience rather than for the sake of profit.

With these shared attributes in mind, the audience for New Belgium's commercials would likely be the professional who follows the traditional route of existing within a capitalist economy but still has artistic leanings and desires. These are the executives, lawyers, and accountants who live in Kansas or Missouri but come to Colorado for a ski week every year to indulge in the mountain lifestyle. These are folks who look at our mountain local and envy his dedication but could never fathom making that career sacrifice. The cultural tension then can be seen as the compromise between living the life one wants with balancing the economic needs of existing within a technopoly. New Belgium beers could be positioned as a manifestation of that lifestyle. It would be possible to pop a cap off a Fat Tire in Springfield, Missouri and travel metaphorically to the Colorado mountains and the mountain local's life.

With this understanding Amalgamated Creative Director, Jason Gaboriau, developed a series of storyboards for the commercials featuring the "Tinkerer," a character who discovers an old cruiser bike that has been customized, modernized, and ultimately left for scrap. The Tinkerer then proceeds to strip the cruiser bike back down to its bare elements. The original boards featured three complete narratives with a potential fourth when Amalgamated flew to New Belgium to present its material at the company's monthly all-staff meeting. True to a culture based on employee ownership and ownership mentality, the entire crew was offered the opportunity to weigh in on the storyboards.

The New Belgium team reacted positively to the presentation with the exception of Amalgamated's suggested tag line "Follow Your Folly... Ours is Beer." Several people suggested that "folly" had too negative a connotation or undermined the science and technology it took to produce such consistently high quality beers. The debate built steam over several weeks with creatives suggesting that a word like 'folly' had fallen so far from the vernacular that it was ripe for reinterpretation and a fresh new definition. Following one's folly also aptly alluded to the ideal of offbeat endeavors versus the traditional "follow the money" thinking that created the social tensions inherent to potential consumers' lives. After a healthy volley of e-mails from nearly every department at New Belgium, the creative team won out and "Follow Your Folly" became the campaign's tag.

At this stage in the process a search for the right director for the commercials ensued. Amalgamated reviewed dozens of highlight reels and passed the most likely fits along to New Belgium. Much of the work represented had great visual power with big budget, 70-millimeter sheen. The look and feel of such glossy and cinematic work was tempting, but in the end New Belgium went with Jake Scott who suggested shooting the spots on grittier 16-millimeter film stock and giving the work a timeless feel influenced by the photography of 60s documentarian William Eggleston. Scott flew to the brewery to learn about New Belgium and then jumped into a car and scouted locations throughout Colorado. He sent still photos from a variety of locales and ultimately the group committed to shooting in and around Hotchkiss and Paonia. After reviewing a tape of locals for potential casting shot outside bike shops in Fort Collins and Boulder, Colorado, Scott decided on Boulder craftsman Charles Srbecky to play the Tinkerer. Srbecky, formerly of the Czech Republic, was an atypical choice with tousled hair, weathered features, and a maturity not seen in contemporary U.S. beer advertising.

In September 2004, members of New Belgium, Amalgamated, and the production company RSA out of Los Angeles met in Hotchkiss and commenced shooting over a three-day period. Much of the talent and crew came from surrounding Colorado communities. The production quickly took on a collaborative and improvisational feel reflective of New Belgium's culture. While great attention was paid to fulfilling the promise of Gaboriau's boards, spontaneous opportunities were embraced as they arose. This led to no fewer than nine potential spots coming out of the three-day shoot.

Amalgamated returned to New York to begin post production of the spots with New Belgium's input. Choosing a musical bed quickly developed into the next creative challenge. Editors at Whitehouse Post in New York tried a variety of genres from progressive to country alternative and landed on an artist in the category of "Freak Folk" by the name of Devendra Banhart. Banhart's tunes added a haunting sense of cheerful nostalgia to the works. With the 16mm film stock giving a mid-70s feel buoyed by Banhart's acoustic tunes, the campaign took a far more muted and poignant tone than the ubiquitous mainstream beer advertising seen elsewhere. The New Belgium product appeared only in the final five seconds of film between the tag lines "Follow Your Folly... Ours is Beer." Quick to embrace the latent talents of their own crew, New Belgium allowed brewery co-workers to compose a reggae-like score for one of the fifteen-second spots—a playful little film called "Joust."

Even as New Belgium decided to speak to a wider audience through a new medium, the roots-style marketing that launched the company could not be abandoned. It became even more important to speak to the insiders who helped build the brand in the same authentic and personal tone they had come to know and embrace. Rather than redirect energies from event sponsorship to media, events became an even greater opportunity to maintain that vital dialogue. Rather than test the spots on focus groups, New Belgium turned to insiders in the bike community and friends of the brewery with some personal history and knowledge of the brand. The theory was that the medium of television would reach those faraway outposts where Ranger sales staff penetration was difficult and not cost effective. In mature markets, the personal touch would be redoubled. The spots first aired in Arizona in January 2005 with a summer campaign to follow throughout the rest of the western United States. After viewing the New Belgium spots at a brewing industry conference in March 2005, Miller SAB Vice President of Marketing, Bob Mikulay, had this to say:

At its heart, the basic proposition of beer has to be about fun. The small brewers have always done this well... often with great irreverence, quirkiness or just plain silliness... but always with a strong, instinctive understanding of the unique personality of their brands.

And we need them to keep it coming... and even step it up a bit. In fact, I was encouraged to see New Belgium actually taking their brand of fun into a television spot.

Now humility will probably prevent Kim [Kim Jordan, CEO of New Belgium] from saying this later... but I believe that's a truly great piece of advertising. Is there anybody who doesn't now have a very good idea about what Fat Tire is all about?

So the specialty and other small brewers are showing every sign that they are ready to fulfill their role in the industry better than ever.

In the end New Belgium's first television-based advertising campaign—approached with a great deal of inner reflection – mirrored well the craft brewer's personality. In a sea of loud, flashy beer advertising aimed seemingly at a youthful demographic, New Belgium positioned itself as whimsical, thoughtful, and reflective. The bicycling imagery shot in Colorado gave a palpable sense of place to the brand among viewers on the coast and in the Plains. The iconic cruiser bike itself harkened the idea of creative play. The act of rescuing the bike from bad technology and neglect can be read as metaphor for New Belgium's efforts to recycle and reuse materials to the point of 98% diversion of their waste stream. The Tinkerer himself pays homage to the bicycle tour New Belgium's founder Jeff Lebesch took through Belgium that inspired his homebrewing shift toward Belgian based beers. Even the texture of the film and the musical tone capture the ideals of whimsy and joy inherent to New Belgium's philosophy of brewing and quality of life. At a time when marketers are seeking ever more insidious means to cut through the clutter, New Belgium chose to redefine a category in a very traditional medium where ads are acceptable and the rare good ones can still be groundbreaking, thoughtful, and effective.

ISSUES FOR DISCUSSION²:

1. Rather than testing the television spots using focus groups, New Belgium instead tested these spots using insiders in the bike community and brewery friends who had a personal history and knowledge of the brand. Evaluate this decision not to use focus groups to test its television spots.
2. How does the use of 16 millimeter film and Freak Folk music relate to New Belgium's advertising objectives?
3. What are some of the benefits of New Belgium's decision to redouble its roots-based, personal touch marketing efforts aimed at its mature markets?
4. What roles did the advertising agency, New Belgium's leadership, and New Belgium's employees play in the development of the advertising campaign?
5. Who are the stakeholders that New Belgium is trying to reach with its public relations efforts? What is New Belgium trying to communicate through its public relations initiatives?

² Go to www.newbelgium.com and click on the television to see advertising spots. A video about the history of New Belgium Brewing can be accessed at <http://www.newbelgium.com/nbbhistory>.