

Category Study

# How Craft Beer Brands Can Leverage Data to Improve Sales

Quad 



# Craft Beer

## Purchases & Packaging

# Package InSight

by Quad



What makes a shopper reach into a cooler or shelf to grab YOUR brand? Many talented marketing professionals out there think they know. **But do they really?**

Data replaces question marks with answers by observing—and more importantly, measuring—how shoppers shop with unique eye-tracking technology. This avoids the unreliability of consumers recalling why they made their choices, instead **providing quantitative data specific to a product category.**



# Questions Answered

## Our 5 Areas of Focus

The influences of packaging on:

- ① Time to Find
- ② Total Attention
- ③ Packaging Preference
- ④ Sales
- ⑤ Sustainability

And those answers lead us to the most important category study outcome — **insights into how brands can use packaging to improve sales.**

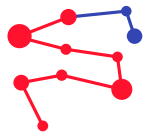


# How We Find the Answers

Eye-tracking technology captures non-conscious decision-making. That makes it more reliable than conventional focus group research, in which participants are susceptible to trying to please the interviewer or falling into groupthink — feeling compelled to agree with others in the room.

Rather than just asking consumers why they purchased a specific brand, we watch and measure what they do in the store. Then we aggregate that information across a statistically significant data set.

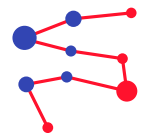
Here are the key metrics that correlate to visual interest and impact purchase intent.



## Total Fixation Duration (TFD)

The time, in seconds, spent on average by participants fixating on this item.

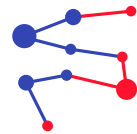
*The higher the number, the better the package performed.*



## Fixation Count (FC)

The total number of times a participant's scan of the planogram crossed into a particular area of interest.

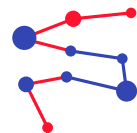
*The higher the number, the better the package performed.*



## Time to First Fixation (TTFF)

The time, in seconds, from when a product first enters a participant's field of view until they fixate on it.

*The lower the number, the better the package performed.*



## Purchase Decision (PD)

Measures how many participants chose to buy the item.

*The higher the number, the better the package performed.*



# Craft Beer in the Spotlight

For our study, we recruited qualified, demographically balanced people to shop in a convenience store for an upcoming party.

**100** Shoppers

**120** SKUs

## Shopping List

- Bag of Chips
- Pack of Gum
- 4 or 6 Pack of Craft Beer
- 
- 

To avoid potential bias, we provide a list of 3-4 items so they'll shop naturally rather than try to pick "correct" products.



# Regional Focus

In 2021, overall U.S. beer sales volume rose only 1% but craft brewer sales volume grew

**8%**

Retail dollars sales of craft brews jumped 21% last year, to

**\$26.8 bn**

This represents just under 27% of the

**\$100 bn**

**U.S. beer market.**



**While this study was conducted in the Southeast, our findings apply to any region.**

**Brands may change, but packaging styles remain fairly constant nationally.**

According to the Brewers Association, a trade group representing nearly 6,000 U.S. craft brewers.

Findings

# The Influence of Packaging on a Brand Billboard



# Craft Beer Packaging Options

The leading beer packaging options are a paperboard “wrap” for cans or hard plastic, solidly colored can carrier handles called PakTech. Less common are Hi-Cones, linked clear plastic rings; polyethylene plastic films known as Poly; and cardboard bottle carriers.

We stocked the shelves with all of these packaging types.

## Here’s the breakdown:

Packaging Type	SKUs	Percentage
PakTech	64	53%
Wrap	38	32%
Hi-Cone	8	7%
Bottle Pack	8	7%
Poly	2	2%

PakTech



Wrap

Hi-Cone



Bottle Pack

Poly



# Time to Find & Total Attention



## Time to Find

Participants saw brands in PakTech rings and wraps fastest, suggesting they presented more effective brand billboards.

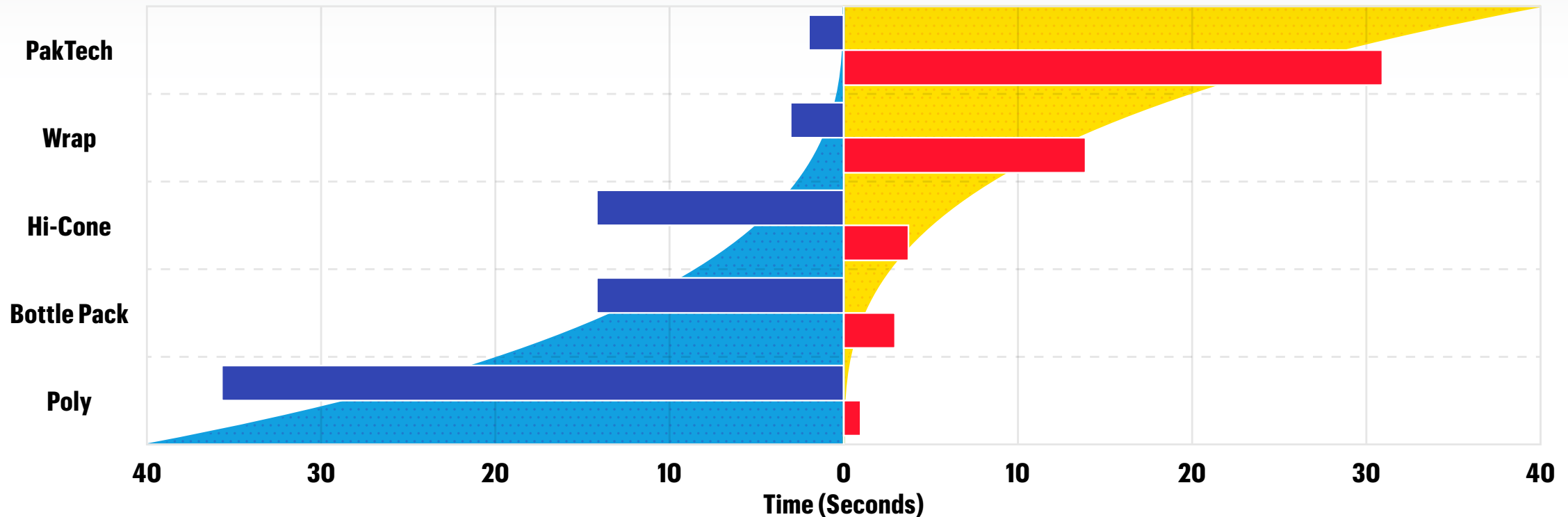
The smaller the bar, the better the package performed.



## Total Attention

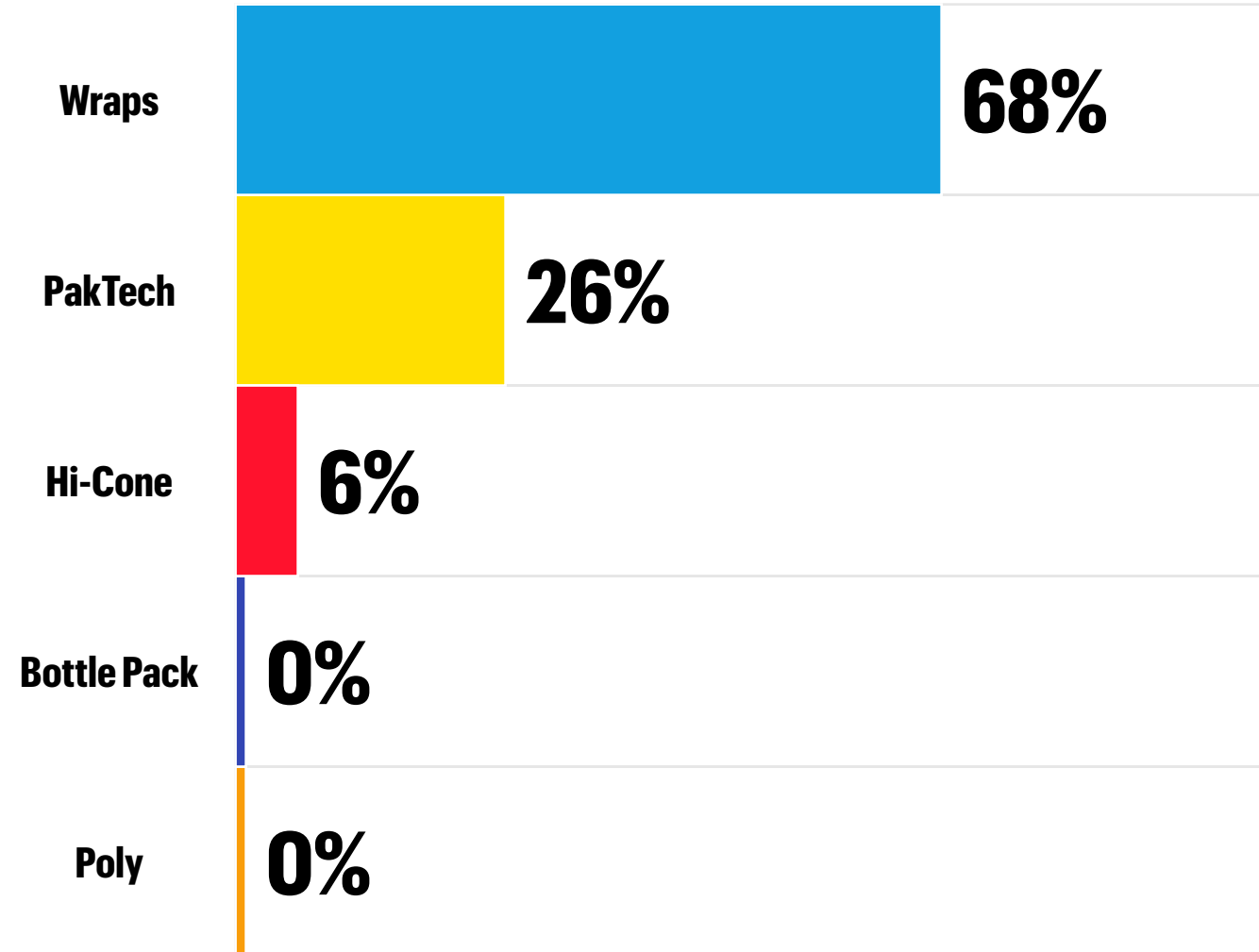
Participants looked at brands in PakTech holders with bright, simple graphics the longest.

The larger the bar, the better the package performed.



# Consumer Preference

Which packaging type would you be most likely to choose?



Some brands only offer their products in one type of packaging. But when craft beer brands use multiple packaging options, shoppers had a definite preference:

**Wraps**



**INSIGHT**











When given the choice of buying the same beer in either a Wrap, PakTech or Hi-Cone — shoppers chose Wraps almost 3 to 1 over PakTech and 11 to 1 over HiCone.

# Packaging Preference

## TOP TEN **120 SKUs TOTAL**

### Longest Engagement











Looked at longest, higher number = better performing

Rank	Brand	SKU	Seconds
01	Southern Range	 Tiny Ass Umbrella	0.930
02	Kite Hill Brewing	 Tigertown Lager	0.895
03	Collective Arts	 Complementary Colors	0.876
04	Southern Range	 Ice Cube's A Pimp	0.824
05	Edmund's Oast	 Sour Cranberry Lime	0.781
06	Southern Range	 Deranged Red	0.776
07	Edmund's Oast	 Bound by Time	0.766
08	Scofflaw	 Dirty Beaches	0.739
09	Legal Remedy	 Pro Bono Vanilla Porter	0.670
10	Sycamore Brewing	 Slurricane	0.652

## TOP TEN **120 SKUs TOTAL**

### Fastest Found

Looked at first, lower number = better performing

Rank	Brand	SKU	Seconds
01	Scofflaw	 Basement	23.93
02	Oskar Blues	 Dale's Pale Ale	25.00
03	Westbrook	 Gose	26.15
04	Sierra Nevada	 Pale Ale	26.42
05	Scofflaw	 Dirty Beaches	27.24
06	Oskar Blues	 Mama's Little Yella Pils	27.37
07	Southern Range	 Carolina Pilsner	28.12
08	Oskar Blues	 Western Mutant IPA	28.69
09	Stone Brewing	 Tangerine Express Hazy IPA	29.20
10	Sierra Nevada	 Sunny Little Thing	29.26

# Sales Impact & Influence

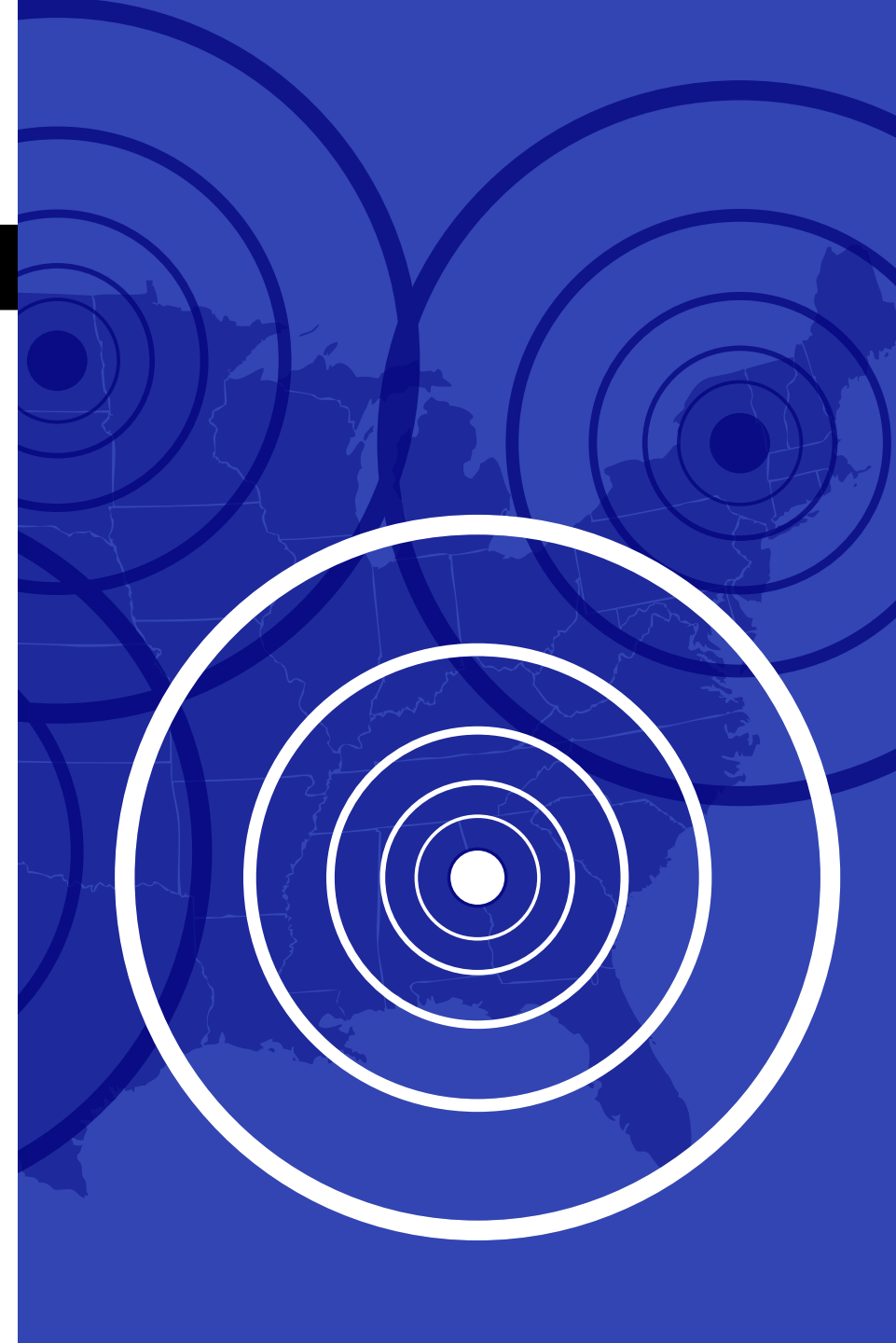
**TOP TEN** 120 SKUs  
TOTAL

While visual interest is a useful indicator, it's not 100% predictive of purchase decisions.

## Purchase Decision (PD)

How many participants chose to buy the item | Higher number = better performing

Rank	Brand	Purchases
01	Edmund's Oast	14
02	Sierra Nevada	9
03	13 Stripes	8
04	Collective Arts	7
05	Southern Range	7
06	Stone Brewing	5
07	Birds Fly South	4
08	Scofflaw	4
09	Thomas Creek	4
10	Brewery 85	3



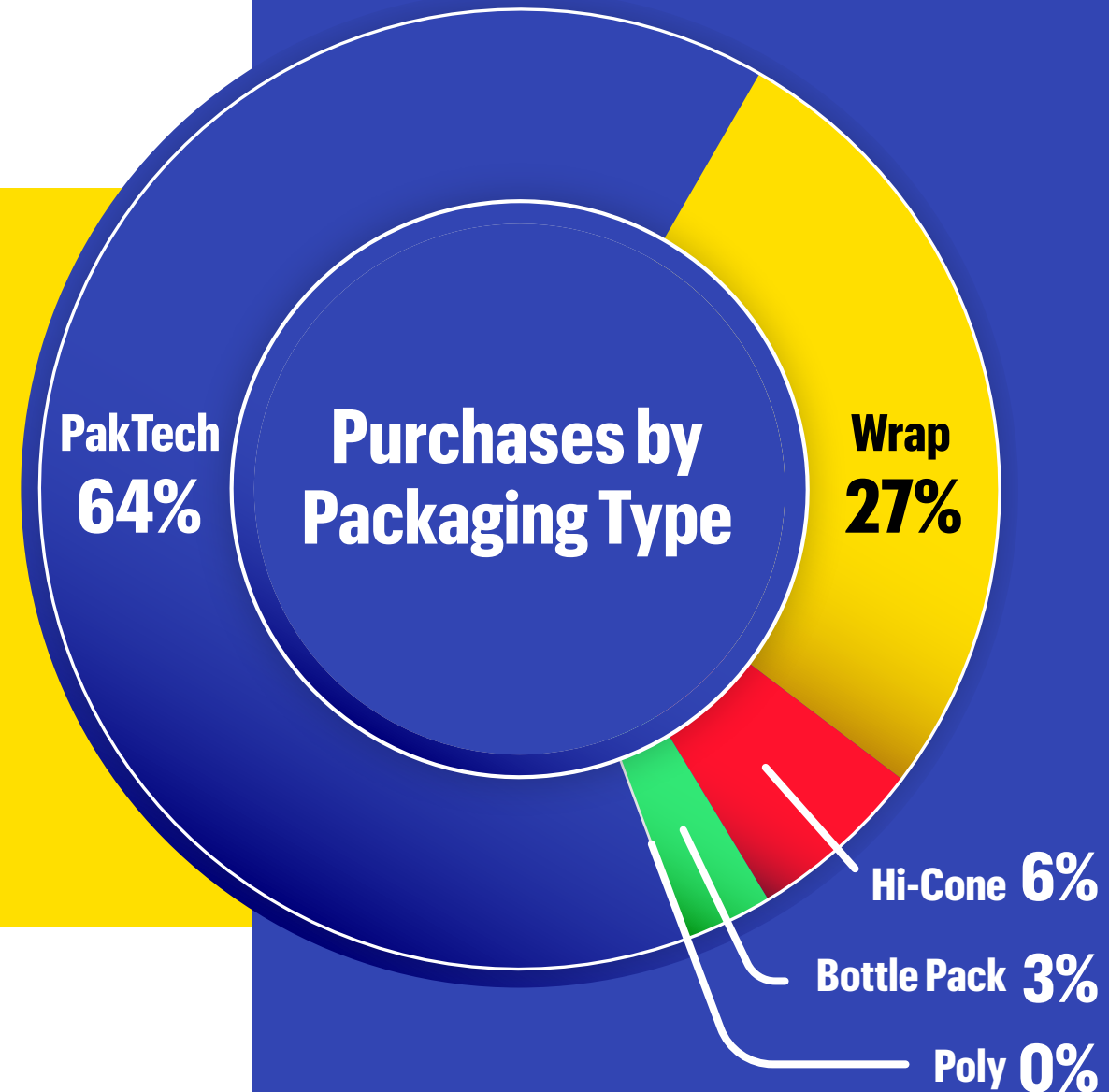
# Sales Impact & Influence

**98% of participants**  
said they intended to look around and  
make a buying decision at the cooler

Beer drinkers are passionate about their brands, but they are always looking for something interesting.

That highlights the importance of package type and design.

What the packaging says about a brewery—the beer's flavor profile, regionality and more—all figure into purchase decision.



# The Sustainability Factor

Sustainability is important to ALL of your customers.

Who expects retailers and brands to become more sustainable?

**73%** Baby Boomers

**79%** Millennials

**77%** Gen X

**76%** Gen Z



Between 76% and 88% of all generations are willing to spend 10% more for sustainable products, a dramatic increase from just two years ago.

Between 67% and 74% of each generation considers sustainable packaging to be important, also up sharply from two years ago.

Source: 2021 survey of consumers by analytics and research firm First Insight with the Wharton School at the University of Pennsylvania

## Is your packaging seen as sustainable?

Ask yourself these questions:

- Do consumers perceive your packaging as sustainable?
- How do you communicate your sustainable message?
- Are these two answers aligned?



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# Sustainability | Recycling

Despite consumer support for sustainability, our study found that recycling continues to confuse consumers.

When asked whether they recycled different types of beer packaging:

40%

**recycle HiCone plastic rings, though it's unclear whether they are recyclable.**

*“The can is easy to recycle, the plastic less so. I avoid buying this type of plastic packaging because it creates a hazard for wildlife and because so many people toss it into a landfill.”*

49%

**recycle PakTechs made from HDPE (#2) plastic.**

*“I do not think of it as recyclable.”*

*“We hold onto some of these and when travelling or sharing random craft beers with friends, we will use one to hold them.”*

69%

**recycle paperboard wraps.**

*“Yes, because I know there is no question that it can be recycled.”*

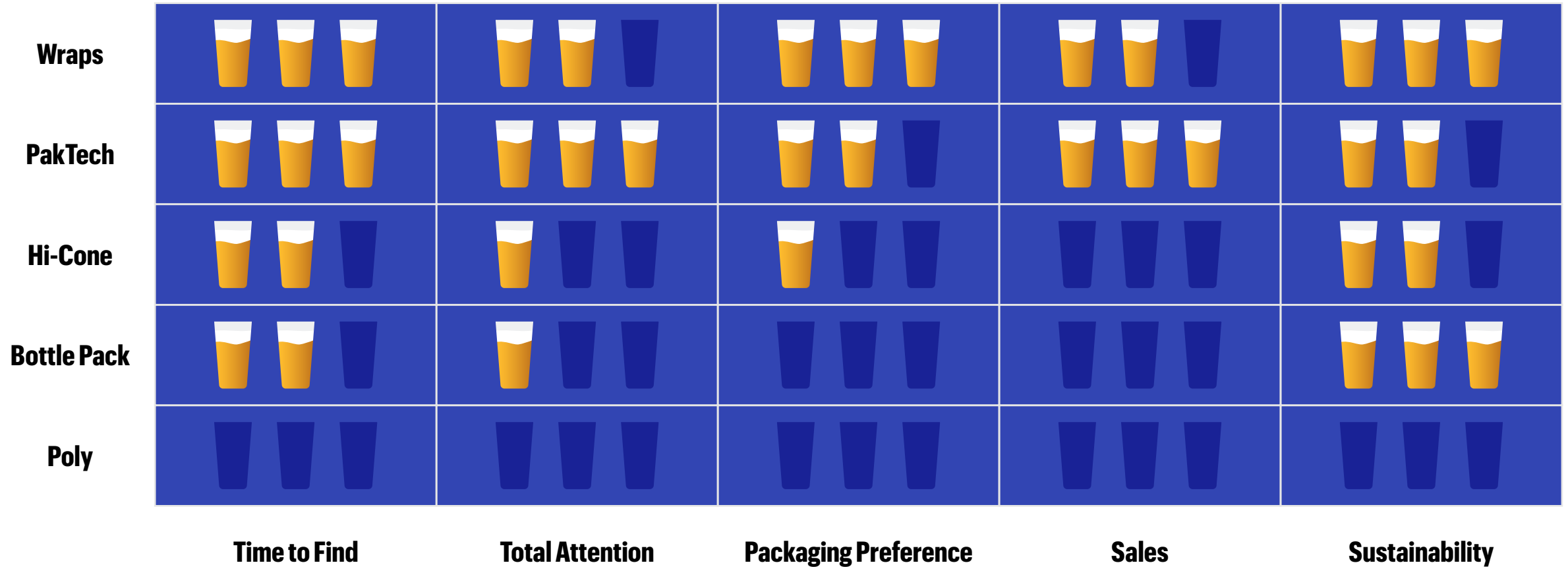
*“I recycle everything. This is very easy as you can cut up the box and crush the cans.”*

Conclusions

# Our Takeaways & Recommendations

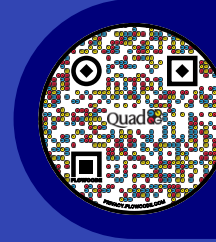


# What we learned from consumers



**Our goal is to help you strengthen your brand presence on shelf.**

Quad works with craft brewers to improve visual attention and satisfy consumer needs by creating alternative package designs in paperboard, then testing them against a baseline.



**To download this report and all the data used to create it, please visit [www.quad.com](http://www.quad.com)**

# Package InSight

by Quad

**Package InSight by Quad**, a trusted source of consumer research, uses the latest in biometric technology, such as mobile eye-tracking, facial coding and brain activation to study package performance, consumer attention and shelf impact. We use a strict methodology to provide marketers with the proprietary data they need to optimize ROI on brand creative. This complements Quad's measurement and analytics capabilities, giving brands and marketers an end-to-end view of the customer journey.

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