

# INNOVATION — IS IT BROAD ENOUGH?

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When I started at The Scandinavian School of Brewing almost 10 years ago, the beer section in the supermarkets was completely dominated by a relatively narrow range of similar beers from a handful of larger Danish breweries. Today, the beer sections have grown considerably and

are now holding, besides a not quite as narrow range of similar beers from the larger Danish breweries, also an often very hefty range of beers from Danish micro breweries as well as imported beers. No one will probably refute that from a consumer point of view the supply situation has significantly improved.

Despite the dramatically increased visibility of beer in the stores, beer sales in Denmark are falling every year. In the ten years that have passed since I started at SSB, beer consumption has dropped by 25-30 per cent according to Statistics Denmark, while wine sales have risen about 10 per cent or more in the same period.

What has gone wrong?

There is no doubt that product innovation within parts of the beer industry has been enormous in this millennium. The small brewers are experimenting with and producing of raw materials that were not dreamed of 10 years ago and also the processes are subject to violent innovative initiatives. You can now get beer that, in style, is more reminiscent of wine (which according to the above statistics may not be a bad marketing gimmick at all) and beer stored in wooden barrels with a noble past from the spirits industry.

In parallel, the big breweries (to which I belonged) spent the first 10 years of the new millennium focusing on optimising and streamlining processes through endless rows of Best

Practice and Process/Business Excellence programmes. Every stone in all supply chain segments were turned in order to cut costs and maximise profit margins. Innovative programmes that have probably also resulted in the using of new raw materials at the breweries – inexpensive extract containing raw materials to replace expensive malt. Perhaps supplemented with a chat with the talented ‘ex-brew masters’ at Novozymes which we read about in the editorial of last issue of SBR.

Today, we have uniform, inexpensive beers from the larger breweries and we have the broad selection of high-priced specialty beers from the micros. Why is it not good enough? Why are beer sales continuing a free fall?

Is it possible that we have all focused too exclusively on innovation in taste, flavour and economy? These parameters are of course important, but not necessarily the only ones being relevant in our efforts in persuading Mr and Mrs Denmark to buy our products. Maybe there is more to it than just taste, smell and money. Where in Denmark do we for instance encounter the rituals that elsewhere in the world are linked to beer?

When I at age 17 was first acquainted with draught Guinness in a pub in Ireland, I was hooked on the spot. Not in the beer as such, but in the ritual of the barman pouring what looked like brown foam into the glass, putting it aside and turning his attention to other clients while nitrogen bubbles slowly separated from the black beer in the unique way that is characteristic of Guinness and which I will always love to observe. After a minute or two the barman resumed the filling, and the scene was repeated.

I love this ritual – the time it takes and the appearance of the bubbles separating from the beer in a way that makes it look like the bubbles are actually going down and the beer going up. And in addition to this, I could make a sign in the fresh foam – a sign which appeared just as clearly when the glass was emptied of the black liquid and only the foam crown was left on the bottom.

These two experiences at age 17 that have nothing to do with beer taste or flavour are the reason that I today only rarely pass by a tap with Guinness without having a pint – regardless that →

the beer itself is not the greatest experience and despite the fact that I have never since seen quite the same ability of the foam to wear my sign from top to bottom. The little things I get besides the beer itself are important to me, and I would collect them happily if they were presented to me, and they would make me a loyal consumer and ambassador.

Could you imagine that innovation in the areas around taste and aroma could open people's eyes? That we could do things to give consumers truly unique experiences that they would need to have repeated every now and then?

Another thing is the communication between breweries and consumers. As a consumer, I feel that the beer commercials which reach me through TV at the moment are only talking to the boy in me. I know that at age 45 and with three kids, I do not belong to the target group that the big breweries want to reach. But is it just me who feel that the commercials, by reminding me of all the things I am no more, exclude me from the community of beer drinkers? Maybe they are right that beer is for young men with massive bolts of lightning spouting out their asses? Maybe a glass of wine (or a pot of tea) is more suitable for people that, like me, even on a good day can only offer a little thunder? Am I in this way being commercialised out of my beer consumption?

I can understand why it is important to talk directly to the young men, but I fail to understand why it is impossible and unattractive to have a parallel communication to other groups of the population. I fear that we are losing consumers which, like me, feel excluded from the young, the funny and continuously partying society of beer drinkers, and we certainly do nothing to convince people that are not drinking beer today that there actually are great experiences to obtain in our beloved products.

I urge the brewers in Denmark to allow their innovative skills to extend beyond the work taking place in their breweries. Can you present beer that holds more than just the beer itself – beer that offers associated experiences, different and/or surprising arguments why it is all right to enjoy a beer now and then, initiatives or gimmicks that make a particular product stand out on the shelves and signal that here we have a product that is unique and not just another 'me too IPA'? And maybe more important – can you find ways to communicate to all groups of people that we actually do have something to offer them? Something that holds unique experiences not only in taste and flavour.

Karsten Laurents

