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# CASE STUDY

## BrewDog: business growth for Punks!

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*The Case Study section of the International Journal of Entrepreneurship and Innovation serves two purposes. First, the case studies presented are concerned with problematical issues that are pertinent to students of entrepreneurship. Thus they constitute appropriate teaching and learning vehicles on a variety of postgraduate and undergraduate programmes. Each case study is accompanied by a set of guidelines for the use of tutors. Second, it is envisaged that those engaged in entrepreneurial activities will find the cases both interesting and useful.*

**Abstract:** *This case study tells an atypical entrepreneurship story about two men and a dog. It explores the rapid growth of the phenomenon that is BrewDog plc – a company situated in the remote north-east of Scotland. What makes this case special is that the business, set up in 2007 by two university graduates in their early twenties with limited experience of the brewing industry, is now trading as a plc. From the outset they deliberately chose a strategy that flew in the face of accepted orthodoxy in the brewing industry. To industry experts, it made little sense because the remote Aberdeenshire town of Fraserburgh, with its peripheral location, would surely be the last place any rational individual would seek to start a new brewery. The story of how James Watt and Martin Dickie did so is uplifting and inspirational.*

**Keywords:** *entrepreneurial growth; entrepreneurial marketing; product personality; product traits*

‘I think advertising’s gone.’ This bold statement was uttered by Scottish entrepreneur Martin Dickie of the Fraserburgh-based brewing company BrewDog plc in response to an interview question from the authors asking him why BrewDog did not advertise in a conventional sense. Martin’s response was enlightening:

‘I think if a company can be creative and clever with their marketing you can get the advertising for free,

especially for young companies where it’s important to put your finances where it’s going to make the biggest effect.’

The answer is typical of his bold approach to business. Nevertheless, we are forced to ask ourselves whether there is such a thing as free marketing. Despite this protestation that marketing is dead, a perusal of some of BrewDog’s product imagery on the Google Images Website would suggest that BrewDog is indeed

adept at entrepreneurial advertising. The company boasts many award-winning beers such as its flagship products Punk IPA lager, Zeitgeist, Physics, Abstrakt, Paradox and the world’s strongest beer, Tactile Nuclear Penguin (32% proof).

This atypical case, initially about two men and a dog, explores the rapid growth of the phenomenon that is BrewDog plc – a company situated in the remote north-east of Scotland in Fraserburgh. Fraserburgh is not the exactly the edge of the known world, but it may as well be, and to illustrate our point we cite the words of James Cridland, a brewing industry commentator and blogger who remarked:

‘BrewDog hasn’t been going for long. They only started in April 2007 – in Aberdeenshire, of all places, not somewhere I’d have thought of as a beer Mecca.’

BrewDog was set up by university graduates James Watt and Martin Dickie, both intense young men in their twenties. What makes their success all the more startling is that in terms of management ability in the brewing industry they had limited experience. However, these intrepid entrepreneurs did have a taste for good beer. From the outset they deliberately chose a strategy that contravened accepted orthodoxy in the brewing industry. To industry experts, it made little sense because the Aberdeenshire town of Fraserburgh is surely the last place where any individual would seek to start a new brewery due to its geographical peripherality.

The aim of this case study is to challenge accepted wisdom in relation to the conventional growth models taught in business schools by highlighting the exciting and atypical growth rate achieved by these entrepreneurs who dared to challenge marketing convention (Chaston, 2003). Via this narration of a classic example of entrepreneurial marketing, we demonstrate that growth patterns in new small businesses need not necessarily follow a typical growth trajectory. The major objective of the case is to stimulate students’ interest in entrepreneurship and in particular to develop their entrepreneurial marketing muscle. In light of this article, we would expect students to learn to think

independently when analysing or planning expected growth trajectories for new small businesses.

## The start-up phase

Childhood friends James Watt and Martin Dickie grew up in the shadow of the fishing industry in the Scottish town of Fraserburgh. Indeed, James's father is skipper of his own fishing vessel. In more settled times, it would have been normal for James to have followed his father into the family business and to have one day 'skipped' his own crew.

Like typical teenagers everywhere, James and Martin developed a rebellious streak and, in expressing their individuality, acquired a liking for beer. Whilst they considered their futures, they went to university to complete their education. James studied business law and economics. Martin studied commercial brewing and distilling, which provided him with the background science he has been able to adapt to micro-brewing. Martin's abiding memory of university was of falling asleep in lectures about economics and failing that exam. Lectures on business growth models had a similar effect. However, it is James who is the self-taught business guru, and much of what he knows comes from reading sales and marketing books. In time, both graduated, but not before they had become connoisseurs of beer and real ale.

On leaving university, James and Martin contemplated their future lives and, after much deliberation, decided to go into business together. But then there is nothing usual about these two friends. Over a beer, or two, James and Martin mulled over several business ideas and philosophically debated what two 'punks' from Fraserburgh could do that was different. They settled on what they knew best and had a passion for – *beer*. Both believed passionately that all the mainstream breweries sold bland beer that lacked character. As they *blethered* [talked] into the evening, a vision emerged and they began to daydream about brewing beer that young people everywhere would want to drink and would be prepared to pay a premium for. They came up with the name 'BrewDog' after James's dog 'Bracken', which accompanied them everywhere. If anyone doubts the deep intellect behind James's

and Martin's business philosophy they should peruse the BrewDog Website where they will encounter the following quotation from the writings of John Locke:

'If we will disbelieve everything because we cannot certainly know all things, we shall do much – what as wisely as he who would not use his legs, but not sit still and perish because he had no wings will fly.'

James and Martin came up with their own extremely profound, but risky business philosophy:

'BrewDog is about taking risks, breaking rules, upsetting trends and unsettling institutions. But first and foremost great tasting beer.'

Their decision to go into business was a bold one, because the brewing industry is very competitive and its history is one of corporate dominance. Breweries and pub chains dominate the marketplace and, as bulk buyers, the supermarkets have a stranglehold on the Scottish 'carry-out' market. Environmental, demographic and political changes have all had an effect on reducing the market share for the sale and consumption of alcohol. The smoking ban in licensed premises in the UK has seen a dramatic drop in customers since it became law in 2007, and according to the British Beer and Pub Association (BBPA) 1,409 pubs closed in 2007, which is seven times the closure rate of 2006 and 14 times that of 2005. So opening a pub and selling their brew did not appear to be a serious option. But Martin in particular was dismissive of the traditional marketing of so-called 'Real Ale' and the stereotype of beer drinkers as 'middle aged men with beer bellies and sandals'. They did not allow the prevailing attitude of doom and gloom to derail their dream of 'making their own space' by adopting a non-traditional marketing plan.

James and Martin threw themselves into research and drafted their own plan. They decided that a good place to start was the Nuremberg Beer Festival. Why not – it sounded like fun? They did have fun at the festival and, in Martin's words, they bought four brewing tanks without thinking, on the premise that 'they would

worry about paying for them when they got home'. This explanation does them little justice, because they negotiated a good deal with an Italian manufacturer, and the capacity of the tanks reveals that, even prior to brewing their first drop of beer, the budding entrepreneurs had ambition and the desire to compete in terms of volume.

Back home, James and Martin spent a few months ordering ingredients and finding money. They bought hops from New Zealand, America and the UK. The funding package included a £1,000 grant from Business Gateway, a £10,000 loan and £25,000 from the bank. They hired an industrial unit for £7,000 a year and installed the four shiny new copper tanks in the premises. They brewed their first batch of what was to be their flagship 'Punk LPA' beer in March 2007. They had reason to celebrate. In April 2007, BrewDog Ltd officially came into being. On their Website, [www.brewdog.com](http://www.brewdog.com), they described themselves as 'a rebellious little company in a sea of big beers'. This is the stuff of which legend is made, and in the telling we are privy to a great entrepreneurial story in the making. In many respects, it is an enacted story based on courting publicity, on marketing antics, on the development of entrepreneurial products and authoring product traits. Together, these facets combine to create a bespoke entrepreneurial marketing strategy.

## Marketing, marketing, marketing

The BrewDog Website is as progressive and avant-garde as its founders. As they proudly proclaim to prospective customers on their home page, 'beer was never meant to be bland, tasteless and apathetic'. Nor need marketing be bland. Via the use of a regularly updated news page and with blogging technology, they rapidly created a fan base of satisfied customers who could download BrewDog imagery and icons, access photographs of the business and view video clips, all whilst ordering their favourite beers online. It is a vicarious experience, cleverly constructed and marketed by James Watt, who hit on the idea of finding the most popular bloggers in target countries and sending them free

samples of the beers. The bloggers provided free marketing and, having built a following, it was easier to persuade marketers to stock their beers. Now exporting accounts for 80% of BrewDog sales. They also post videos on their Website to talk directly to customers and encourage them to join in the creative brewing process.

The pair claim that their 'beers are in no way commercial or mainstream' and, despite the obvious rapid commercialization of the business, this does appear to be the case. But is it a clever illusion? In the process, they create their own myth and legend and thus their own 'BrewDog philosophy' with bold statements such as,

'We do not merely aspire to the proclaimed heady heights of conformity through neutrality and blandness ...we are unique and individual ...A beacon of non-conformity in an increasingly monotone corporate desert. We are proud to be an intrepid David in a desperate ocean of insipid Goliaths.'

In terms of company philosophy, BrewDog creates a sense of belonging in its staff, described on the Website as 'BrewDogs'. They want to make their beers completely unique, and if they '...ruffle a few feathers, defy a few industry conventions and cause a little controversy along the way it is all part of the fun'. One blogger and beer tourism aficionado on their Website certainly appeared to be having fun when he described BrewDog products as 'beer with balls'.

### *Publicity-based marketing, stunts and antics*

The BrewDog business philosophy is one of publicity-based marketing, which involves arranging stunts and capitalizing on the resultant antics. The short history of BrewDog is awash with examples of such proactive marketing strategies. These publicity events are stage-managed. They include 'Meet the Brewers Night', tutored tastings, the innovative use of social networking sites such as *Facebook* and *Twitter*, as well as forays into guerrilla marketing. Through these 'tongue-in-cheek' antics, BrewDog seeks to encourage a community of enthusiasts, enabling those who buy a

crate of beer access to the blogsite to post a comment. Industry blogger James Cridland describes it as a 'clever wheeze', which creates a community feel among Zeitgeist and BrewDog beer drinkers. This is clever use of the social media phenomenon. According to Cridland, BrewDog understands the Web completely, and he remarks that this type of marketing is:

'...perfect for the launch of any brand; and perfect for any radio station to learn from. Local interest from a competition; stories all over the place to ensure a good long lasting story: proper, sensible use of tools like *Twitter* and blogs to monitor what people are saying and reach out to their audience; and backed up by a solid product that doesn't look as if its been market-researched into bland oblivion.'

Cridland raves about Punk IPA and in particular about the fact that BrewDog has copyrighted its imaging on the bottle. Cridland 'bigs up' the appearance of James and Martin on the television programme *Oz and James Drink to Britain* and in particular how they arranged to meet James May and Oz Clark in a park and passed over their bottles in brown paper bags, deliberately rebelling against drinking laws. BrewDog is, after all, all about breaking rules.

In an interview with the authors, Martin Dickie remarked,

'The best publicity is probably in the Beer World from winning the World Beer Cup – it gives your brand a lot of credentials when you're speaking to exporters. We won a gold and a bronze at that [in 2008]. In the UK there were five medals for all the UK breweries. We were the only one to win two. When you're speaking to your exporters it's then a lot easier.'

'Meet the Brewers' nights are events staged in pubs, which stock BrewDog beers for the night or for a week. Another example of the BrewDog approach to publicity is its handling of criticism from the industry watchdog, the Portman Group, which censured a BrewDog product, Paradox Beer. Martin Dickie admits,

'We played a little bit on the back of that and tried to get a lot of exposure. We were in the paper a lot – Websites too. When we started in 2007 very few drinks companies knew who we were. There's not a drinks company in the world now who doesn't know who BrewDog is through some of our antics.'

In 2009, BrewDog appointed a respected industry marketing manager, Richard Mclelland, who is expanding into guerrilla marketing to target a desired audience of underground beer drinkers as a platform on which to build a natural distribution network. Richard was recruited for his expertise, but also because he is a young, focused individual with a similar mentality to that of James and Martin. He is described in a BrewDog posting as having '...his own particular brand of do or die marketing'. The posting describes the appointment as a new chapter in the development of BrewDog. This rapid commercial expansion has continued with the employment of Des Mulcahy as Operations Manager to spearhead their aggressive marketing plans.

As a result of several disappointments in using PR agents, James and Martin prefer to handle their own PR, particularly via blogging, which they find a cheap and effective strategy. They generate approximately 2,500 hits a day. BrewDog has a 'business-like philosophy' with regard to sales promotion material, and charges customers for items such as glasses and light shields for pubs on the principle that if things are free they devalue the brand, unless you have a £1 million marketing budget.

We argue that, collectively, these antics are narrative processes that are also embedded in the very products, designed to tell their own story. It could even be argued that the products themselves are entrepreneurial, as will be demonstrated in the next section.

### *Developing entrepreneurial products*

At the heart of the phenomenal success of the BrewDog brand is its range of 'highest quality traditional hand crafted ales', which have been created with 'contemporary innovative twists' as if they possessed their own unique personality. In this manner, the product itself

**Table 1. BrewDog product personality.**

Product	Product personality/narrated (paraphrased) sales pitches
<i>Hop Rocker Statuesque</i> 100% malt-based lager	Oblivious to accountant's interfering and conventional corporate wisdom, we do not cut corners like other lager producers and use malt substitutes... to keep our costs down.
<i>Punk IPA</i>	A beer of inherent contradiction – a heavyweight of the beer world, strikingly delicate with a white gold appearance. Don't be fooled, however, by this smooth medium-bodied ale. As it trickles down your throat, this wolf in sheep's clothing begins to grow teeth. The bite comes as the bitterness builds and endures, no matter how hard the malty sweetness of the alcohol tries to tame this ferocious beast.
<i>The Physycis</i>	A laid-back amber beer recreated using the finest coloured malts, which provide the complex sweet malt character that initially arouses the senses. Like a fine cheesecake, the biscuit base has a smooth and creamy layer that both satisfies and entices.
<i>Riptide</i>	A twisted merciless stout brewed in homage to the original BrewDog, it is the equivalent of the big, cute chocolate monster.
<i>Hardcore IPA India Pale Ale</i>	An explicit, Imperial Ale that rocks. A beer with a grandiloquent story to tell. Four hop cones willingly sacrificed themselves in the fiery cauldron that is our brew kettle to ensure your mouth is left feeling punished and puckering for more – 9,900,000,000 yeast cells frantically fermented their little hearts out as the sugars were magically turned into alcohol in the dark depths of our fermentation tanks.
<i>Paradox</i> whisky cask-aged imperial stout	A blend of two of Scotland's proudest heritages. A contemporary take on a traditional Scottish style of stout matured in wooden whisky casks. A unique and unrivalled experience for both beer and whisky lovers. Brewed in very small batches with each batch being bottled in a unique numbered, limited edition bottle. Each batch is brewed from a different whisky, making them collectors' items.

effectively becomes the entrepreneur with a story to tell and be told. Table 1 sets out the product personality and its storied existence. The narrative description in column two is abridged/paraphrased from the BrewDog Website. The table provides evidence of clever and entrepreneurial marketing and of innovation and quality.

### *Considering the notion of product traits*

Having products with a personality that help sell themselves is a marketer's dream, but that is clearly only part of a formula for growth. Entrepreneurial marketing lies behind the rapid growth of the BrewDog phenomenon, and it is necessary to appreciate the role of product character and personality, which we believe mirror those of the founding entrepreneurs. Indeed, among BrewDog's strengths is the difference in the traits and qualities of the two entrepreneurs. A quiet and reliable businessman, James works hard behind the scenes researching and setting up the marketing opportunities and building sales figures. James, as MD, takes care of the details, whilst Martin is the innovative craftsman brewer. A synergy arises between them as a result of their complementary skills. Martin, like many entrepreneurs, is a natural storyteller, as we found out when he presented his story at the Absoft Annual Lecture at The Robert Gordon

University, Aberdeen, in 2009.

Martin opened his talk with a description of his upbringing in Fraserburgh. Dressed in jeans and T-shirt, he set the scene by opening up a bottle of Punk IPA and, after a long swig, mesmerized the audience with his tale of two men and a dog against the world. This was no humble rendition of the entrepreneurial tale. Instead it was narrated as an adventure story enacted by him and his boyhood friends. Martin's storytelling repertoire knew no bounds as he used humour, jokes and expletives to tell it how it was. As this teaching case is about entrepreneurial growth, the stories and jokes have little place in this narrative. Suffice it to say that the casualness of the telling belied the astuteness and mental agility of Martin as an entrepreneur and serious player in the brewing industry. Martin is a gifted but controversial master orator who is not frightened to take risks and challenge convention. It is now necessary to reconsider the subject of entrepreneurial marketing.

### *Entrepreneurial marketing*

The confidence that James and Martin exhibit is palpable and is based on sound marketing. Rather than take on the small brewing companies, they decided to be 'giant-killers'. They made a decision to market their beer in the smaller size of bottle used by Budweiser, which supermarkets stock on their shelves. They

appreciated that if they marketed their beer in the larger bottle traditionally used for Real Ales they would be confining themselves to a niche market. They wanted to sell by volume, not price, and this is evidence of their apparent ambition to become players in the brewing industry. The potential competition was fierce, because in the UK there are approximately 600 brewers and 550 micro-breweries. As Martin explains, 'only 5% of pubs in Britain can stock independent beers' – such is the power of the large breweries. Being in business was not boring, and James and Martin had fun (usually over a beer) making up names for potential products and accompanying storylines. It is essential that their products should become talking points or, as stated, entrepreneurial products in their own right, in that they are recognized for being different. It is necessary to remember that entrepreneurial growth cannot always be mapped or modelled as conveniently and tidily as theorists would have us believe because of the issues of innovation and agency.

### **Growth and growing pains**

Business is never just about fun. The intrepid duo managed to 'drum up sales' around a few local outlets, but despite these small successes, they had to face the sobering reality that they were selling little beer and were running out of money

fast. Indeed, they developed their own Website primarily because they did not have an advertising budget and certainly did not have enough money to take on the big boys. To date, they have maintained this in-house policy. Their proactive attitude to marketing eventually paid off when they managed to persuade the supermarket giant Tesco to place an order for 12,000 cases of Punk IPA. This deal has led to a standing order and to a national listing.

Simultaneously, they set out to make inroads into the American market because they appreciated that to grow as a company they would need to 'do volume' and that exporting was the key to their dreams of success, because being in a potential niche market they had to compete globally. By networking they persuaded an agent to place an order for 500 bottles (at £4 per bottle). As discussed above, they continued to create new products such as the award-winning 'Paradox' beer, a dark beer matured in wooden whisky casks. Scotland is famous for its whisky, so it seemed fitting that the strength of the beer was a whopping 12% by volume. As a result of this shrewd piece of business, they broke into the prestigious international whisky market and distribution channels, and their beer is sold alongside serious whisky brands. This is sound business because the beer is not price-sensitive. It proved a success at the Tokyo Trade Fair, thanks to its link with Scottish whisky. Paradox went on to become a gold medal winner in 2008.

However, there was a downside to this runaway success story, because the product came under intense criticism from the industry watchdog, the Portman Group, which branded BrewDog as irresponsible. The gist of the Portman Group's argument was that the high percentage by volume of alcohol and the way it was marketed would appeal to youths and, in particular, to under-age drinkers. The Group was obviously concerned that this would lead to heavy, irresponsible drinking and the social

consequences that can follow. Martin and James had to work hard to combat this peril, which could easily have seen them crashing out of business. The media and the Portman Group insinuated that the 12% beer would lead to an increase in under-age drinking. Martin and James were forced to put up a fight for their entrepreneurial existence – and fight they did. With hindsight, they realize that, had they lost the debate with the Portman Group, BrewDog could have been another depressing statistic in an accident-prone industry. Against the odds, they entered 2009 as giant-killers set to make a killing.

### Enter BrewDog the giant-killers?

In early 2009, BrewDog was ranked at number 32 amongst the top 100 brewers in the world by Trade Insiders. There are only three British breweries in the top 100, giving an indication of how successful the company is. James and Martin are now embarking on a number of collaboration brews with other top breweries, such as Mikkeller and the Stone Brewery in California, and are working on a new line of 'Killer Cask' ales. In the short time they have been in business they have come to understand that brand name is everything and are planning beyond their BrewDog experience: they have developed two new brands, 'Zeitgeist' and 'Abstrakt', the first concept beer brand in the world – not a bad outcome for two childhood friends from a small town at the edge of the world.

James Cridland, reviewing the Zeitgeist product, wrote that the beer had a 'slightly scary label' designed by a Scottish art student, Heather Brennan. The purple label was originally designed to be green, but an error at the printers led to the decision to print it in purple. At the time of writing, BrewDog has 13 staff members (two office-based and 11 production). In terms of growth, that is

good for such a young company, but the story does not end there.

In October 2009, BrewDog Ltd became BrewDog plc, attracting investment from American brewing industry entrepreneurs Keith Greggor and Tony Foglio. BrewDog also launched the innovative 'Equity for Punks' campaign by selling shares in the company online using the headline 'Love the beer, own the company'. This was the first time this method had been used in Europe. The future looks bright, with Richard Mclelland concentrating on UK sales, Martin concentrating on brewing, and James now free to focus solely on international sales, particularly in the USA and Japan. The better blend of staff in key areas has enabled the growing company to operate more effectively. As Martin reports:

'Before, when it was just James that we were sending here and there we weren't that bothered as we didn't have that much beer spare. Now we've got focused sales staff in set areas which I think makes a big difference. We are in weekly contact with each distributor and daily contact with others, depending on the customer. I think by getting staff in the right areas it's key to us to grow smoothly without having big problems.'

According to Martin, the company is still '... a little bit raw, a little bit rough around the edges and a bit naïve sometimes'. Having read their story, do you agree that advertising is dead? The million dollar question is whether this phenomenal growth could have happened without their skilful use of entrepreneurial and marketing tools.

### Reference

Chaston, I. (2003), *Entrepreneurial Marketing: Competing by Challenging Convention*, MacMillan Business, New York.

See overleaf for 'Teaching Note'

## Teaching Note

### 1. Learning outcomes

The principal topics of this teaching case relate to:

- demonstrating the flexibility of entrepreneurial growth in the context of universally accepted growth models as taught in business schools;
- highlighting the power of entrepreneurial marketing; and
- illustrating the power of narrative and storytelling as a heuristic device to bring cases to life in the classroom.

By engaging with this teaching case, students can teach themselves to deconstruct the impassioned narratives that entrepreneurs tell, which contain but often obfuscate the passion, emotion and meaning underpinning entrepreneurial ambition and growth. Extant models of growth are theoretically useful, but are often hopelessly artificial and unreal. This teaching case is therefore suited to undergraduate students who are maturing as scholars and have the ability to 'reflect critically' on the theories and models by which entrepreneurial growth is elucidated. Moreover, it is multifunctional, with applications in entrepreneurship, marketing and business communication courses.

#### *Entrepreneurial growth*

When attempting to teach students the nuances of entrepreneurial growth, it is common to begin their education in entrepreneurship by using the standard business growth models: for example, Greiner (1972); Churchill and Lewis (1983); Scott and Bruce (1987); and Burns (2001). From our experience at Aberdeen Business School, this is not always the best way to engage students with entrepreneurial ways. Granted, such theoretical modelling has its place, but it can make for quite dry tuition. These abstract models do not sit well with the romance of entrepreneurial narrative. We try to engage the minds of students with the philosophy of entrepreneurship and we do this by emphasizing three elements: theories, themes and stories.

#### *On the power of narrative as a pedagogy*

We believe that theories and the theoretical underpinning they instil in students are crucial to the development of the entrepreneurial mindset. These theories are made up from narrative themes and thus tell stories of and about entrepreneurs in an excellent way to illustrate entrepreneurial theories. We adopt this approach because many of our students choose to take entrepreneurship modules as an elective course. We thus have a short period of time to capture their imagination, so the standard academic approach of teaching the mechanics of entrepreneurial practice, such as how to draw up business plans, is not always viable.

Learning to tell credible stories of entrepreneurship is a skill that the busy lecturer must learn because our students tell us that they can engage with entrepreneurship through listening to stories that bring the subject to life. But it is not just a case of telling any old entrepreneurial story. Generally, the war stories of older and successful entrepreneurs do not resonate with our younger students. Students expect our stories to be relevant to them.

To overcome this, we arrange for younger entrepreneurs to provide an input as guest speakers in the belief that this will inspire the students to engage with the subject with greater passion. An annual event in our curriculum is the Absoft Entrepreneurship Lecture. The 2009 lecture was delivered by Martin Dickie. This showcase lecture was well received and engendered a genuine spirit of enterprise amongst many students with whom Martin's performance resonated.

We believe that our experience, and in particular the BrewDog story, will resonate with other students and is a worthy subject for a teaching case because it injects the romance of entrepreneurial narrative into teaching. The extrovert Martin and the introvert James are both excellent storytellers. Moreover, the fact that the company has its own aesthetically stunning Website, [www.brewdog.com](http://www.brewdog.com), is an added bonus because it enables students to engage with the BrewDog story as it develops and to update the case study themselves.

The BrewDog story is special in that it has so many potential uses. For example, it works when used as an introduction to the nuances of entrepreneurial growth models. With a little extra research by students, it could form an excellent case study of entrepreneurial marketing or leadership. Students could be asked to analyse the Website either for its aesthetic appeal or for the contribution the evolving narrative makes to the growth of the business.

#### *Suggested activities*

We therefore make the following suggestions for lecturers, tutors or facilitators:

- (1) We suggest that students are asked to read the case story and critique it with the intention of using it as a theory-building framework on which to build their knowledge of entrepreneurship theory. This could be done by asking students individually or in groups how the story as told by Martin and James fits in with our understanding of entrepreneurship. For example, do they believe that the story actually unfolded as told by Martin? If so, ask them to articulate why. What is it about the story that energizes them? If it does not, why not? Can they provide reasons for this? Would they be able to emulate the BrewDog crew?
- (2) Having considered this and formulated their answers, ask the students to research the company using the Website and/or records from Companies House, and use these to deconstruct the antics of the BrewDog crew. This exercise could either confirm or refute their original thesis and build a deeper understanding of the entrepreneurial process. The idea behind this activity is to identify how BrewDog as a business can continue trading in a volatile market. The answers lie in the figures.
- (3) How does the entrepreneurial trajectory of the BrewDog crew fit in with the standard business growth models as discussed in Burns (2001)? Also, why has non-traditional marketing worked for them?
- (4) The case story has flexibility and

longevity in that it can be used as a one-off case study or can be incorporated into a course so that students will develop an evolving understanding of the nuances of entrepreneurship as the start-up, marketing and strategy elements are played out as individual lectures and theories begin to stack up. Thus it has the potential to be used in different management and business enterprise modules across a business school.

- (5) The BrewDog teaching case could be used as a template to construct a bespoke case using an example of a local fast-growth new-start business with youth appeal. If the young entrepreneur was invited to present his or her business story, it would supplement the message of the BrewDog story. This works as a small group activity, with groups set the following tasks and questions:

- (a) Identify and list the individual entrepreneurial marketing strategies.
- (b) Discuss how they are entrepreneurial and identify potential risks.
- (c) Consider areas of crossover between marketing and growth issues.
- (d) Do you think that the rapid growth exhibited by this new company could have been sustained by traditional marketing methods and models of growth?
- (e) Do you agree with the initial statement that marketing is gone?
- (f) Can you think of ways in which you can adapt the lessons learned by BrewDog to help you develop your own entrepreneurial business plan?

Finally, another possible student activity is to compare the BrewDog strategy with other innovative brewing industry companies such as DarkStar (see [www.darkstarbrewing.co.uk](http://www.darkstarbrewing.co.uk)), which adopts a narrative-based approach to its marketing operation – which is written up as a loose-leaf diary.

These are just some of our thoughts and suggested questions. Obviously, if the case story is to be used for different

courses, the questions to be asked will vary according to the discipline in which it is being taught. The BrewDog Website itself includes numerous short *YouTube*-type presentations and films, and these can be used to energize students and provide a break from the monotony of PowerPoint presentations. The case study itself being lengthy means that it has limitations, and is better suited to third- and fourth-year undergraduate courses as well as MBA and postgraduate courses on which students will read extensively.

The power of the BrewDog story is that it does not fit the growth models we teach. The entrepreneurial elements that lead to growth are buried within the storylines and have to be patiently teased out and examined. The story is not a typical entrepreneur's account. We are held in thrall by the power of the stories, but as in life, we must look beyond them to extract details and facts. There is clearly a need to develop more sophisticated growth models.

## 2. Model answers

In this teaching case, we have resisted interjecting theory and providing model answers to the questions because we believe that the individual lectures and students would benefit from bringing course theory to bear on the case. Also, we believe that this narrative can be used to illustrate a wide variety of material currently taught in business schools. Instead, we will concentrate on the emerging theme of BrewDog's marketing communications.

So here we have a small start-up business with limited funds, trying to make its way and create awareness for its product range. It was ever thus!

What needs to be established is how can BrewDog make an impact, achieve a breakthrough and create a buzz about its portfolio of specialist beer brands? The answer is by being different, by sending a message that it is not frightened to break or change the rules and by touching a chord with the key audiences who will buy its products.

It should be added that those products are themselves key. Without a product range that lives up to expectations, then imagery and intelligent communications will not provide any long-term source of competitive advantage. The awards won,

however, are indicative of the quality on offer, and indeed can be featured on the Website and in themselves represent an outlet for PR activity. Reputations are based on products, not brand names or smart communications, even if the latter can build on what has already been achieved.

Today's environment for communications and media is more complicated, yet offers more opportunities than ever before. Strictly speaking, there is no such thing as 'free advertising' as James described it, so what is it that he means and what is he looking to do when he says you have to be creative and clever to achieve it?

The challenge is to come up with an integrated marketing communications programme year by year that suits the company's purpose and combines all or most of the elements of the marketing communications mix to derive maximum benefit. True, BrewDog will not have formally recognized this, and James and Martin probably have nothing written down, in common with most entrepreneurial businesses, but that does not mean that they will not have thought it through very carefully. Most importantly, they will know exactly and instinctively what they are doing and why – both tactically and strategically.

The starting point is a clear understanding of the target audiences they are looking to serve. As James says, 'We're not trying to be everything to everyone'. Instead, the objective is to identify groups of like-minded people through a process of segmentation. Most likely, the common bond will be an appreciation of high-quality beer. Indeed, the counter-argument to the criticism by the Portman Group and in the media about the alcoholic strength is that, at the prices charged for the beers, these are 'collectors' items'. Since when, for example, did binge drinkers decide to spend an evening consuming a high-strength, expensive 25-year-old single malt Scotch Whisky? It may be surmised too that the customers are young, predominantly male and upwardly mobile. They are people with an international outlook, explaining the great interest in BrewDog's products from abroad.

Significantly, this understanding has allowed James and Martin to adopt the unconventional shock tactics that they



have used and that so suit their personalities. The niche audiences to which the products appeal enjoy the nonconformist approach and the conflict with 'authority'. They are the first to appreciate that a craftsman, the small business, has to fight tooth and nail to gain a foothold in a market dominated by large multinationals. And it will suit their own self-images into the bargain. Although the dispute with the Portman Group and the negative headlines would understandably be a concern, as James points out, '... the people who were offended were not going to drink the beer in the first place'.

Advertising for a small business is always best avoided if it involves the mass media. There will be some justification for advertising in exhibition catalogues and even for an entry in the Yellow Pages, along with perhaps an ad on a Website for Real Ale buffs, but nothing mainstream. The best advertisement is the company's own Website, although the trick is to direct traffic towards this and to undertake activities that will attract attention.

The interactivity associated with the Website and its flexibility are its greatest strengths. Martin seems to suggest that BrewDog does not try to engage customers at this level, with no budget allocated to direct marketing, but the invitation to 'contact us' and the presence of an online shop are evidence enough that direct marketing activities are anything but neglected. Creating a database will further allow for regular contact with interested parties through newsletters regarding product launches, product availability, news and views, blogs and so on. Relationships are made in this way, which lead to greater loyalty, increased sales, viral messages being passed on and, best of all, customer advocacy.

The direct marketing activity is therefore closely linked to the company's use of new media, with sponsored blogs as well as BrewDog's own and involvement with social networking sites well to the fore.

Sales promotion is, quite understandably for a business seeking to establish a premium price positioning, far removed from regular price offers. The challenge

to the company will be to resist the temptation to bend to potential pressure from supermarket customers to 'do deals'. Instead, sampling is the main sales promotional activity, with 'Meet the Brewer' evenings and weekends linked to opportunities to taste the various products on offer (sensibly, in return for the promise of stocking the product!) Even trade giveaways are avoided, with branded merchandise simply sold at advantageous prices. Competitions are not unknown, but even here, there is a PR benefit involved and an astute link to cost saving, for example, by offering crates of beer in return for the best design of a new product line.

The company's branding and packaging strategy is, in fact, one of its most outstanding initiatives, with different and unusual names, plus garish packaging that stands out all adding to the nonconformist image that BrewDog has cultivated strongly in the early stages of its existence.

This controversial style and the founders' 'devil-may-care' attitude, showing minimal deference to industry insiders and calling a spade a 'bloody shovel' has raised more than a few eyebrows. James and Martin are not afraid to ruffle feathers. This shocking approach, however, has also been one of their trump cards, guaranteeing column inches in the press and broadcast airtime. A calculated risk says that the awareness stemming from such headlines more than outweighs any negatives. It links well to their avowed guerrilla marketing strategy, making the most from very little. It is clear to all that they rather enjoy the 'antics' they get up to and, with the age and stage they are at now, it is likely that we can look forward to more rather than less of them. Perhaps this also explains why traditional PR does not work for them. Most PR companies produce conventional ideas and campaigns, which may actually be counterproductive – such as linking the brand to football, a sport normally associated with beer drinking – which may be inappropriate for this particular business, given the positioning it seeks.

Yet again, why spend money on ideas from other people when your own are

better? Martin and James know their product best after all, and at this stage the size of the business does not prevent them from retaining control of the communications. Partnerships are not out of the question, however, and whether it is linking in with umbrella communications activity, such as international exhibitions set up in conjunction with Scottish trade bodies, or joint initiatives with the likes of Mikkeller and Cask Norway, these are clearly sought out and selectively pursued.

Above all, BrewDog has managed to achieve a point of difference, which allows a unique persuasive message to be delivered. It promotes a high-quality, high-price range positioned with a rebellious, almost 'bad boy' image that attracts attention and appeals to key target audiences. The branding is far removed from anything else that has gone before, and in itself stands out from the crowd and gets noticed. To date, it has consistently also drawn an emotional response from stakeholders and customers far and wide.

So we have the secret of their success. When all is said and done, it is not the size of the dog in the fight that matters, but the size of the fight in the dog.

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