



nøgne ø

BACHELOR OF **INTERNATIONAL MARKETING**

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This paper is done as a part of the undergraduate program at BI Norwegian Business School.
This does not entail that BI Norwegian Business School has cleared the methods applied, the
results presented, or the conclusions drawn.

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Sincerely,

Hanne Sofie Nordhagen

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Executive summary

Nøgne Ø is Norway's largest craft beer brewery and exports to 37 different countries, where the United States is the biggest export market. However, they have a small market share relative to their competitors.

In collaboration with our client we came up with a thesis purpose:

“The purpose of this thesis is to build a marketing plan with core initiatives for Nøgne Ø to grow in the US market, more specifically: in New York City.”

Our secondary research gave us an insight into the consumer behavior and the craft beer industry. The industry reports showed us that the craft beer market has had a steady growth in the last 6 years. We used this as a basis for our qualitative research.

After analyzing the market, we came up with three key competitors for Nøgne Ø. They are Mikkeller, Boston Beer Company, and Brooklyn Brewery.

We identified Nøgne Ø's target market as craft beer drinkers between the age of 25-44, finished college or more, and have an annual household income above \$90,000. We have chosen to call this target segment “Connoisseurs”.

In our qualitative research, we conducted three in-depth interviews, ethnographic research at three locations and taste testing at a craft beer bar. We wanted to further understand the supply chain dynamics, get an insight into the industry, and increase our understanding of the craft beer market in New York.



Some of the key findings in the qualitative research are that there could be several improvements in the supply chain, which can be resolved by hiring a sales person specifically for the US market. The beer is considered to be of high quality and have good taste by the craft beer drinkers. We also found that even though seasonality beer is very popular among the consumers, the newest trend in the craft beer market is sour beer.

Our quantitative research consisted of an online survey through Qualtrics. We wanted to use a bigger sample size to confirm our observations in the qualitative research, as well as uncover new information about the consumer and where Nøgne Ø more effectively can reach their target market. In our quantitative research, we found that the average price that respondents are willing to pay is \$11. The beer style that is most popular among the respondents is semi-light beer, with 89% of our respondents said they liked this style. The top three social media platforms are Facebook, Instagram, and Twitter. The Connoisseurs mainly get information about craft beer through friends and family (84%). The most popular places to drink craft beer are in Manhattan and Brooklyn.

The promotions are split into two different segments, B2B promotions and B2C promotions. B2B promotions focuses mainly on supply chain communication and relationships to stimulate push action into the marketplace, while B2C focuses on Nøgne Ø's consumer target segments to create pull-action. All our promotions are heavily weighted on digital media and communication with the main purpose of increasing brand awareness, brand knowledge and ultimately improve distribution coverage and sales.

Financial calculations revealed the break even point estimate to be 44,136 units sold (liter). We expect the net profit to be negative in 2017 and 2018, while the marketing initiatives will take effect in 2019, where we see a positive net profit.



These are our final recommendations. Nøgne Ø should recruit a US marketing manager, as this will improve the communication within the supply chain. Our client should use country of origin as a selling point, as this will differentiate them from the competitors. They should also focus on getting into retail stores, such as Whole Foods and Trader Joe's, and activate social media to reach their target segment.



Purpose of thesis

”The purpose of this thesis is to build a marketing plan with core initiatives for Nøgne Ø to grow in the US market, more specifically; in New York City.”

Goals

Our client did not provide us with specific objectives, therefore we have set objectives we believe are achievable based on our research. Given below are objectives that have been identified in coherence with our bachelor thesis project.

Short term (2017)

- Increase sales revenue to 42.7% in 2017
- 70% of all customer will purchase Nøgne Ø at least three times this year
- Be in 8 new outlets in Manhattan and Brooklyn
 - Including one Whole Foods Market store in Manhattan

Long term (2020)

- Increase sales with 300% from 2017 to 2021
- 50% of all customers will purchase Nøgne Ø at least three times a year
- Be in 24 new outlets in Manhattan and Brooklyn
 - Including 5 Whole Foods Market stores and 2 Trader Joe's



Key challenges

One of the key challenges is that the craft beer market in New York City is very saturated.

Another key challenge is the communication between the producer, importer, distributor, and retailer. The US market requires that all beer must be sold by an importer to a distributor who sells those beverages to a retailer, which imposed a significant challenge with communication and marketing.



1.0 Introduction



Photo 1: The Nøgne Ø brewery

1.1 Company background and history

Nøgne Ø is Norway's largest craft beer brewery which was founded in 2002 by Gunnar Wiig and Kjetil Jikiun. The name "Nøgne Ø" is directly translated to "The barren isle", which is a poetic term used by a famous Norwegian poet to describe any of the countless stark, barren outcroppings that are visible in the rough sea of Norway's southern coast.

As of 2015, the brewery has 26 employees in total, all located in Norway. Furthermore, Nøgne Ø makes more than 30 different styles of ales and exports to 37 different countries. Their products were first imported into the US in 2005 by Shelton Brothers and have since then shown modest growth at best, but the US still stands as Nøgne Ø's largest export market. ¹

In 2015, there were in total 22 craft beer stores, bars, restaurants, and hotels that received craft beer from Nøgne Ø in New York City, according to Remarkable Liquids distribution report of 2015. ²

Vision

"To create fantastic full bodied and hand-crafted beers. Knowledge, quality and a constant search for new flavors makes us one of the World's leading craft breweries."

Mission

Their mission is to bring diversity and innovation into the commercial brewing of real ale.

Nøgne Ø's subtitle is "The Uncompromising Brewery", implying that they want to craft ale of highest quality, personality, and individuality. As the founders themselves describe it:

"We only use ingredients of the highest quality in order to make beers of uncompromising quality."

¹ <http://www.nogne-o.com/about/>

² Appendix 1: Remarkable Liquids – Distribution list 2015



1.2 Product portfolio



Foto: Tor Jessen/Nøgne Ø

Figure 1: Illustration of Nøgne Ø's products

As of May 2016, Nøgne Ø's product line consists of 19 year-round beers, 9 seasonal, and 37 speciality beers. They have also had 54 international collaborations with other breweries, which are limited edition brews.³

Diversity is a key word when describing Nøgne Ø's products. When making the different types of beer, the focus lies on creating complex, fruity and full bodied craft beers. Our client has provided us with information that they export 18 different types of beer in the New York City, which we have listed below.⁴

³ <http://www.nogne-o.com/our-beers/>

⁴ Appendix 2: Nøgne Ø sales to Shelton Brothers



Style:	Type:
Dark	# 100 Special Holiday Ale Winter Ale/God Jul Peculiar Yule/Underlig Jul Porter Imperial Stout Imperial Brown Ale Brown Ale Dark Horizon series Pumpkin Ale
Sour	Tindved
Semi-light	#500 Tiger Tripel Saison Two Captains IPA India-style Saison Pale Ale IPA
Light	N/A



We have divided the portfolio into four different categories based on different types of craft beer that Nøgne Ø ships to New York. We chose to do this because we further want to measure consumer preferences regarding the beers that Nøgne Ø offers in the market in New York City.

**We acknowledge that the product portfolio may have been changed during the writing of our thesis paper. We have later on received information from the importer regarding the final product in the US market in 2015.*

Top 10 beers of Nøgne Ø in 2015:

Product name	Total sales	Total sales in %
1. Special Holiday Ale	NOK 84,807 / \$10,508	10.6%
2. Two Captains IPA	NOK 74,232 / \$9,199	9.3%
3. Porter	NOK 52,650 / \$6,524	6.6%
4. Tindved	NOK 46,850 / \$5,805	5.9%
5. # 100	NOK 38,340 / \$7,751	4.8%
6. Imperial Stout	NOK 37,980 / \$4,706	4.8%
7. Tiger Tripel	NOK 36,720 / \$4,550	4.6%
8. India Saison	NOK 36,180 / \$4,483	4.5%
9. Sparkling Sake	NOK 33,984 / \$4,211	4.3%
10. Junmai Shu Sake	NOK 24,300 / \$3,011	3.0%

The top 10 selling beers of Nøgne Ø in 2015 accounted for 58.4 % of their total sales revenue.



1.3 Current situation

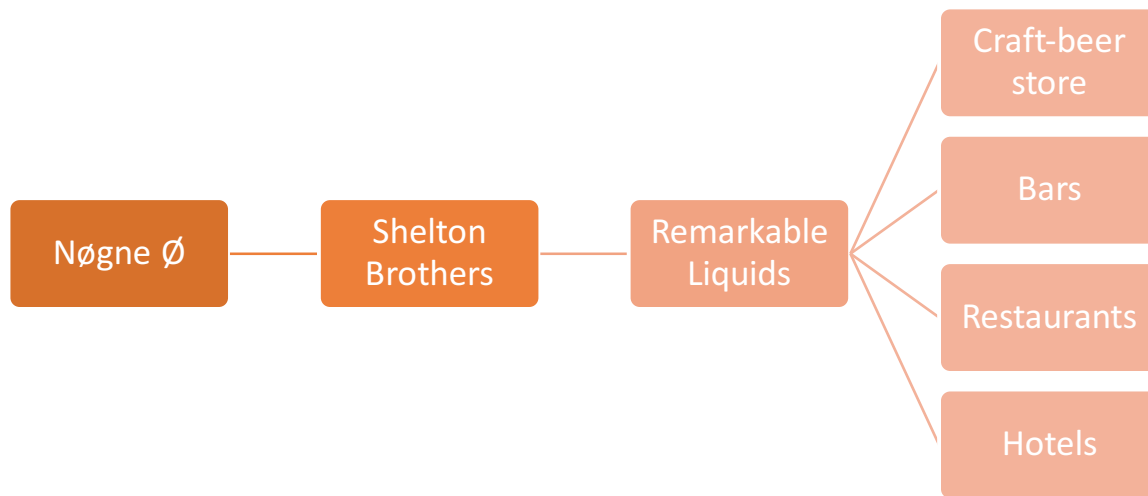


Figure 2: Supply chain and retail outlets

Nøgne Ø is imported by Shelton Brothers and distributed in New York City by Remarkable Liquids. They do not do any extensive marketing in the US market and they almost exclusively communicate with the importer. Their products are currently distributed to craft-beer specific stores, bars, restaurants, and hotels as you can see in Figure 2.

US sales numbers

In 2015, Nøgne Ø delivered craft beer to 22 outlets in New York City. The total volume exported to Shelton Brothers was 21,451 liters, totaling a revenue of 799.000 NOK, or approximately \$99,014 USD, which is a 59% growth from 2014. Their market share in New York City is approximately 0.0000044%. The average price for Nøgne Ø's products is \$8 in retail stores, and up to \$18 in restaurants.

2.0 Industry overview

2.1 The craft beer industry

The definition of a craft brewery is that it is small, independent and traditional. Craft breweries are limited to an annual production of maximum 6 million barrels to fall under the category “craft brewery”. An important criterion is that at least 50% of the beer volume is either all malt beers or beers which use adjuncts to enhance flavor, rather than lightening it.

US: Sales volume growth for craft beer was 12.8% in 2015, compared to the overall growth in the beer industry which had a 0.2% decline. Retail dollar value from craft breweries in 2015 was \$22.3 billion, compared to \$19.6 billion in 2014. Imported beer has grown by 6.2% from 2014 to 2015.⁵

New York: The craft beer industry in New York grew 59% from 2013 to 2014⁶, with a total economic impact estimated to be \$3.5 billion. Although the overall beer market shows a decline, the craft beer market has had an unprecedented growth every year from 2010 to 2015, and industry experts are forecasting more growth in the coming years.

⁵ https://www.brewersassociation.org/wp-content/uploads/2009/08/Sales_2015_v2.jpg

⁶ <https://www.governor.ny.gov/news/governor-cuomo-announces-59-growth-ny-craft-beer-industry-one-year>



2.2 Perceptual map

The perceptual map consists of "taste perception" on the x-axis and "brand perception" on the y-axis. The x-axis indicates what type of product the consumers perceive the brand to be offering, while the y-axis indicates who the consumer believes are the brand's target market and the brand's identity in terms of youthfulness and purpose.



Figure 3: We believe this is Nøgne Ø's current position.

As illustrated in Figure 3, Nøgne Ø is positioned close to the middle and is surrounded by competitors. The brands towards "light and refreshing tastes" are not craft beer companies



(Heineken and Carlsberg). We have chosen to put them on the map to give a better understanding of the beer market as a whole. Boston Beer Company (Samuel Adams) and Guinness are positioned towards more “mature and health” which means their target market is older than Nøgne Ø’s and are not direct competitors, even though they have some similar products.

According to our research, the Connoisseurs are young adults and enjoys both semi-light craft beers (89%) and dark craft beers (82%). We suggest that Nøgne Ø should reposition themselves more towards “Youthful and pleasure” and “Heavy and flavorful taste”, as you can see in Figure 3.1.

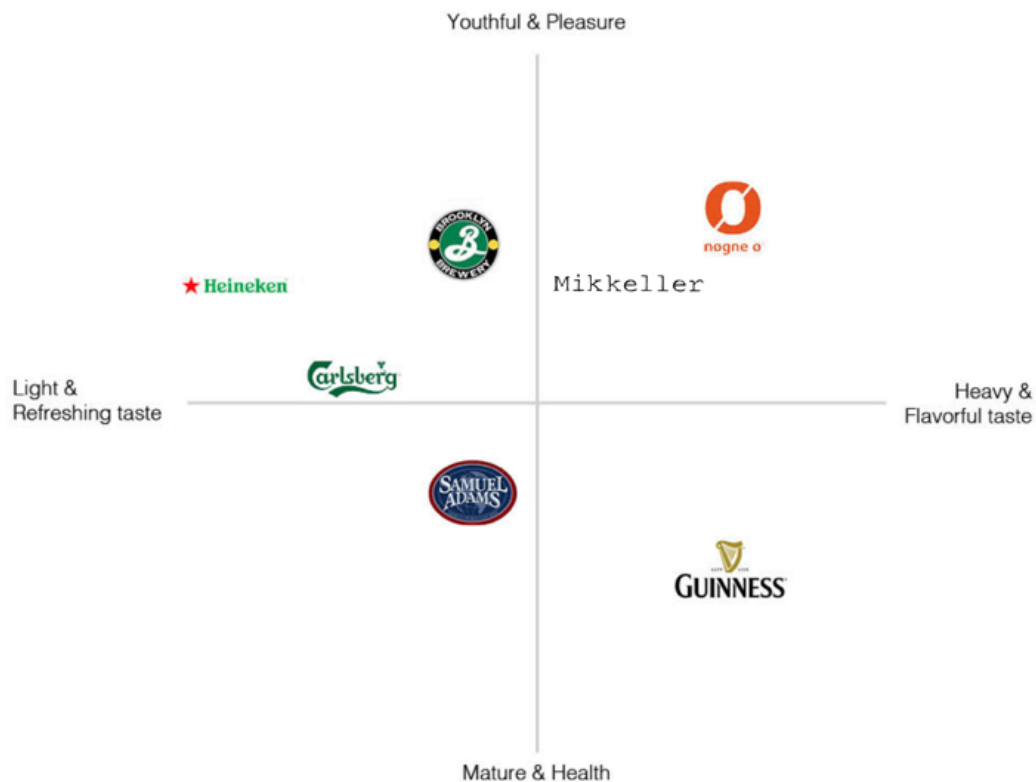


Figure 3.1: Nøgne Ø should move further up the right quadrant



The brand is repositioned further up on the right quadrant between “Heavy and Flavorful taste” and “Youthful and Pleasure”, away from the majority of competitors. The perceptual map also illustrates Mikkeller's close proximity to Nøgne Ø. Mikkeller is Scandinavian, have very similar products, and have the same importer as our client, therefore we consider Mikkeller as Nøgne Ø's main competitor.

2.3 Brand positioning statement

To the **craft beer enthusiast**, **Nøgne Ø** is the brand of **Norwegian craft beer** that offers **myriad flavors and full bodied taste experiences** because **our all natural beer ingredients are second to none**.

Target group

The target group is the Connoisseur. Based on Simmons database we found 50% of craft beer drinkers to be between the age of 25 and 44.

Frame of reference

Nøgne Ø is a Norwegian brand that produces craft beer.

(i.e. excluding light beers or other alcoholic beverages)

Benefit

Nøgne Ø offers a saturated product portfolio with a variety of taste experiences.

Because

Nøgne Ø uses natural beer ingredients that are of highest quality.



3.0 Research

3.1 Qualitative research

We wanted to get an overview of the forces and the dynamics in the supply chain and how it works. We also wanted to obtain industry knowledge and a top-down perspective on the New York craft-beer market and their customers. We also wanted to get insight into the customer buyer-process.

The purpose of our qualitative research was to collect information from both the B2B and B2C-market. Therefore, we had to study each level to be able to find out how Nøgne Ø can increase their sales in New York City and how they more effectively can reach their target audience.

3.1.1 Research methods

We have used three separate research methods in our Qualitative research. These are in-depth interviews, ethnographic research, and taste tests. The different research methods have made it possible for us to look at the different aspects of the craft beer market, and also helped us in gaining knowledge related to distributors and end consumers.

3.1.1.2 In-depth interviews

We conducted three different in-depth interviews, with the main purpose of further understanding the supply chain dynamics and the craft beer market in New York City. We started by interviewing B.R. Rolya, who is the Sales Manager for Nøgne Ø's importer, Shelton Brothers. The second in-depth interview was with Shelton Brother's International Manager, Christian Gregory. Third, we interviewed Patrick Donagher, who is the bar owner at The Jeffrey, which is



a popular craft beer bar located on the Upper East Side, Manhattan. Donagher gave us insight into his buyer process, and he also talked about his experiences with customer preferences, and how he views Nøgne Ø's growth opportunities in New York City. Question guides for in-depth interviews can be viewed in Appendix 3.⁷

B.R. Rolya – Sales Manager, Shelton Brothers

B.R. Rolya, who works as the Sales Manager for Nøgne Ø's importer Shelton Brothers, is an award-winning homebrewer and nationally ranked beer judge. Since she knows the craft-beer market and the brand Nøgne Ø very well, she provided our team with useful information regarding today's craft beer market in New York City, and also more about the craft beer trends in general.

B.R. Rolya believes that Nøgne Ø is a strong craft beer brand and has good growth opportunities in New York City. Nøgne Ø has a wide product portfolio, both when it comes to year-round beers and seasonal beers. However, she believes a more focused product portfolio will strengthen the brand image.

According to B.R. Rolya, the trends show that the US market want more of sour beers. Therefore, she thinks that Nøgne Ø should emphasize their specialty, seasonal and sour beers while still offering some of their regular products. Since the market always wants something new and rare, Rolya believes that Nøgne Ø can increase their brand awareness among potential customers by

⁷ Appendix 3: In-depth interview guide



introducing new flavors and ingredients. While the specialty beer spark interest in the beer among experienced drinkers, the more regular beers will apply to the wider group of beer drinkers.

Furthermore, the fact that Nøgne Ø is Norwegian and also uses the native language in their brand name makes the brand more authentic and unique, compared to American craft beer brands.

Therefore, B.R. Rolya thinks that Nøgne Ø should use their Norwegian heritage and culture in their marketing efforts. In addition to this, she thinks that Nøgne Ø has an interesting history, in terms of how they started up as a home-brewery. She believes that this can be a good selling point in the US market.

As the interest for craft beer steadily increases in the US market, and more specifically in New York City, B.R. Rolya points out that it is of high significance for Nøgne Ø to ship their beer more frequently to the different bars, retail stores, craft beer stores, and hotels. Here, she specifies that small orders should be taken every second month and larger orders every sixth month.

Furthermore, more consistent contact with their B2B customers and distributor sales force will help them in increasing their sales and market share. The communication between Nøgne Ø and Shelton Brothers should be improved.

Shelton Brothers changed distributor for the New York market in 2015. This is one of the main reasons the export decreased by 50 % in 2014.

In conclusion, even though it is hard to predict the craft beer market, B.R. Rolya thinks that Nøgne Ø understands the evolving market and that they can grow in the market by constantly shipping and pushing their beer.



Christian Gregory - Importer, Shelton Brothers

Christian Gregory has worked for Shelton Brothers for seven years. He met the people behind Nøgne Ø at a beer festival and has ever since developed a good relationship with them. Since Gregory works with smaller breweries, he has knowledge of how Nøgne Ø can increase their sales in New York City. In addition to this, he provided our team with more in-depth information about the supply-chain and the import process.

Even though Nøgne Ø has many strengths as a craft beer brand, there are also some challenges that the brewery faces. To be more specific, these challenges are highly related to the distribution and the marketing aspect of the business.

First, when it comes to the import process, there are compliance issues with labels, volume, alcohol regulations in the US and formula approval. This results in additional packaging modifications and processing time when introducing new brews to the US market.

As of now, Shelton Brothers orders one container every second or third month from Nøgne Ø. The shipments depend on the seasonal sales, but normally the importer receives five or six containers yearly. With regards to the growing craft beer market in New York City, Nøgne Ø should be more volume-focused. Therefore, Gregory thinks that Nøgne Ø should have a goal in increasing sales with 25-30 % annually the next years.

Since craft beer drinker's perceptions continually change, it is of great importance to understand the trends in the market. Furthermore, compared to other craft beer brands, Gregory believes that Nøgne Ø will have a good position in the future. By this, he means that Nøgne Ø has several competitive advantages and that the brewery stands out in the market. Therefore, he believes that Nøgne Ø can experience steady growth in New York City. The brewery has a wide product



portfolio, and because of Nøgne Ø's focus on creating high-quality beers, people are willing to pay a higher price. With that said, Gregory does not think that Nøgne Ø needs to change their pricing strategy.

When it comes to the target market and customer segmentation, Christian Gregory believes that it is important for Nøgne Ø to focus on beers that appeal to the “beer geeks”. As of now, sour and more specialty beers are very popular. He views Nøgne Ø's Porter as the flagship in the U.S.

In order to succeed as an exclusive brand in New York City, it is important to be consistent in where the consumers can buy the beer. People who are really interested in beer tend to go to specific craft beer bars, as well as stores. Going into retail and grocery stores is a way to increase volume sales. However, here it is important to be careful since the brand also can lose its “exclusive” brand image by doing so. This is something that should be taken into consideration.

In summary, with increased focus on marketing, Christian Gregory believes that Nøgne Ø has the ability to reach a broader group of customers as well as strengthening their position in the market.

Patrick Donagher - Bar owner, The Jeffrey

Patrick Donagher is the bar owner at the popular craft beer bar “The Jeffrey” located on the Upper East Side, Manhattan. With a genuine interest in craft beer, he is familiar with different types of beers from many different countries - including Norway. More importantly, he knows what the craft beer drinkers are looking for.

The craft beer market in the U.S. is always looking for something new and rare. Donagher is therefore always searching for new beers from different countries. He points out that Shelton Brothers brings the best European beers into the bar. The brand Nøgne Ø has been in stock in the



bar for about ten years, and the sales indicate that the customers are very satisfied with the brand. The Porter and the IPA tend to be very popular among the bar customers. Even though many of the customers at the bar are not very familiar with Nøgne Ø, some customers have asked specifically for the brand, especially when it is on draft.

Donagher believes that focusing more on the local ingredients in the products, and varieties of the beers that they offer can have a positive effect for Nøgne Ø's sales numbers. The trends also show that the customers are getting increasingly more interested in the nationality of the beers, the history of the breweries and where they come from.

It is critical to follow the trends in the market. Right now, the trend is changing, and the craft beer drinkers tend to want juicier and sweeter beers. People are starting to experiment a little more with sour beers, and seasonal beers tend to sell well.

Patrick Donagher believes that Nøgne Ø can improve their sales by reaching out to more bars, and also by focusing more on marketing. He believes Nøgne Ø should have a sales person in the US, representing the brewery.

Donagher elaborates that the use of social media has grown rapidly within the craft beer industry. There is strong competition in the market. Therefore, it gets even more important to expose the brand on different social media channels. Especially Twitter is very popular in the beer market. By exposing the brand on different platforms, Nøgne Ø has good opportunities to increase brand awareness in the market.



3.1.1.3 Ethnographic Research

We chose to conduct ethnographic research to obtain further insight into the consumer buyer process in craft beer bars. We wanted to get a first-hand look at how the customers order craft beer. Our observations took place at three different bars, The Jeffrey, The Irish American Pub and One Mile House Bar. We had 60 observations in total, which was placed into four different categories; Ordering from the menu, asking the bartender, being influenced by friends/family or top of mind order.

3.1.1.4 Taste tests



Photo 2: Marianne and Charlotte showcasing the beer

We chose to conduct taste tests at a craft beer bar to get more insight into the consumer habits and preferences. Prior to this, we prepared a set of questions which we could register into a

survey that we had on our handheld devices. We tested with four of Nøgne Ø's craft beer types; Porter, IPA, Kriek of Telemark and Saison. We asked a set of questions that concerned their perception of taste and the brand. Additionally, we registered purchasing habits and general demographics. Full question guide can be viewed in Appendix 4.⁸

During the taste test, we gathered a few respondents (1-2) and introduced the different beer styles, and their taste characteristics. We gave them one beer sample, then asked a few questions about their experience, before providing them with water and/or crackers. We then proceeded to the next beer sample.

Our respondents consisted of 23 males (64 %) and 13 females (36 %). As suggested in secondary data, about 30% of craft beer drinkers are female, which is represented in our sample base.

3.1.2 Key insights

By using these different qualitative research methods, we were provided with insight into the craft beer market in New York City. This includes insights into consumer habits and behavior, as well as their preferences of beer and perception of Nøgne Ø. Given below are the key insights from the qualitative studies.

⁸ Appendix 4: Taste-testing question guide



In-depth interviews

These are the key findings from our in-depth interviews ranked by importance.

1. Key persons in the supply-chain perceive Nøgne Ø to offer high-quality beer.
2. Nøgne Ø's interaction with the supply chain is not optimal, as they only briefly communicate with the importer by e-mail.
3. Nøgne Ø's revenue decrease in 2014, was partly due to a distributor change, which resulted in the need to re-license the distribution rights, leading to weakened distribution coverage.
4. Nøgne Ø should focus their product portfolio, and customize it for the US market by focusing on a few beers to push in the market, rather than the whole portfolio.
5. Shelton Brothers regularly has the opportunity to organize events with the distributor's sales force. The events include beer tasting and handing out information about different brand and products.
6. Sour beers are trending in New York. IPA's are getting more regular. The specialty and seasonal beers that Nøgne Ø offers should be marketed towards the "beer geeks".

In summary, the three in-depth interviews provided us with insight into the supply-chain dynamics and the craft beer market in New York City in general. Since all the three interviewees both know the brand Nøgne Ø very well, and also have good knowledge about the trends in the market, they could give us their view of how they believe that Nøgne Ø can succeed in New York City.



Ethnographic research - Observations

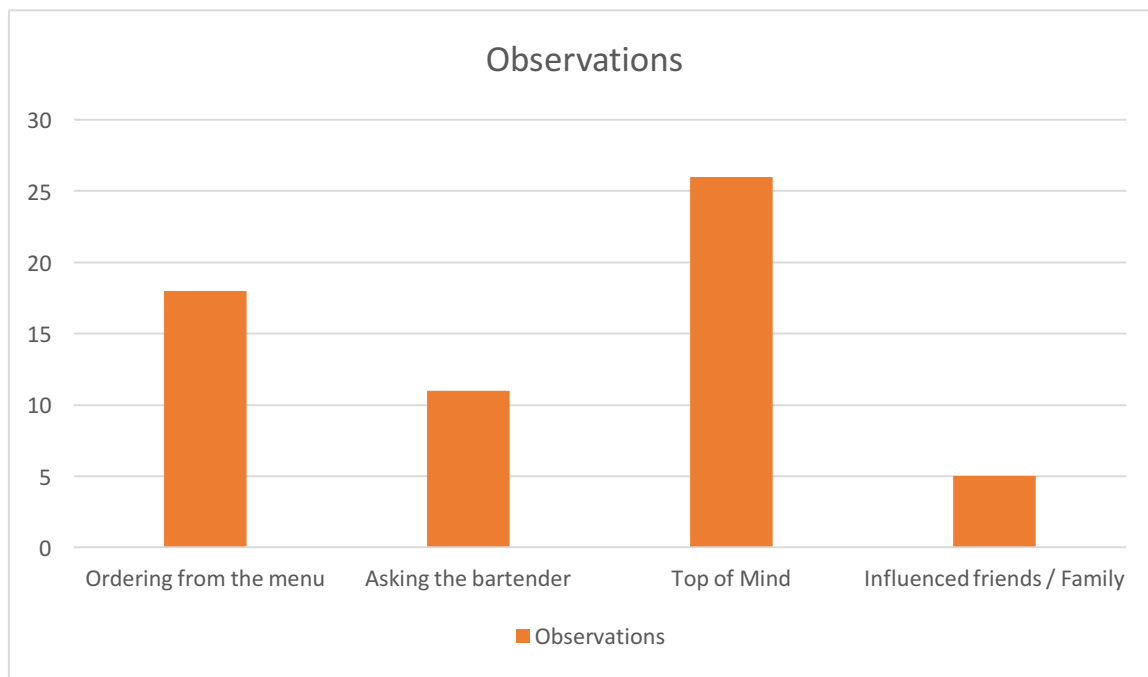


Figure 4: Observations

The observations show that the majority of craft-beer drinkers order beer based on “*top of mind*”. This means that the consumers already know what they are getting. The second largest group are “*ordering from the menu*”. These are consumers who are looking for something new and are more experimental in their purchasing habits.

In conclusion, the ethnographic research provided us with further insight into the consumer buyer process. Since the results from the observations show that the majority of the craft beer drinkers order their craft beer based on “*top of mind*”, it can be helpful for Nøgne Ø to increase the brand awareness among craft beer drinkers. This is something that the brewery should take into consideration when the goal is to increase the sales in New York City.

Taste tests

The majority of the craft beer drinkers we interacted with cares about the country of origin.

Therefore, Nøgne Ø should emphasize their Norwegian culture in their marketing.

1. When we asked if they normally knew about the nationality of the beer they consumed, 72% answered yes.
2. When talking to the respondents we discovered that most of them seek out to try new brands, and they try between 10-20 new brands a month.
3. Craft beer drinkers most often buy their beer either at a bar or in grocery stores. The most popular store to buy craft beer is Whole Foods.
4. Based on the taste tests, Porter was a clear winner in taste. We also saw that the females seemed to like the Kriek of Telemark, which is a fruity sour beer that can be related to wine in taste.
5. 56% were willing to pay \$10-\$15 for a bottle. This is within the price range that Nøgne Ø is sold for. 28% answered that they were willing to pay a maximum of \$10 for a bottle.

The taste tests provided us with knowledge regarding the craft beer consumer's preferences and their habits. Here, we found that it can be reasonable for Nøgne Ø to focus more on the Norwegian heritage as a selling point. Furthermore, we found that the four beer types that were used in the taste testing were viewed as being high quality beer.



3.2 Quantitative studies

3.2.1 Research methods

Our quantitative research consisted of an online survey through Qualtrics. The questions were based on our findings in the qualitative studies. In order to get respondents, we bought a panel from Qualtrics where we requested specific characteristics of our respondents. We requested that these respondents had to be between the age of 21-45, have an income over \$70,000, and reside in New York City. We obtained 100 respondents on this survey, which makes the sample size big enough to generalize. The survey questions can be viewed in Appendix 5.⁹

3.2.2 Key insights

We used IBM SPSS as an analytical tool to analyse our data. In addition, we used Qualtrics' online tool for more basic frequency viewing. Full SPSS analysis can be viewed Appendix 6.¹⁰

⁹ Appendix 5: Quantitative survey question guide

¹⁰ Appendix 6: Quantitative survey analysis



Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-25	3	3.0	3.0	3.0
	26-29	11	10.9	10.9	13.9
	30-35	57	56.4	56.4	70.3
	36-39	18	17.8	17.8	88.1
	40-45	11	10.9	10.9	99.0
	What is your age?	1	1.0	1.0	100.0
	Total	101	100.0	100.0	

What is your gender?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	67	67.0	67.0	67.0
	Female	33	33.0	33.0	100.0
	Total	100	100.0	100.0	

Occupation Title

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Professional (Doctor, Architect, Lawyer)	32	32.0	32.0	32.0
	Managerial (CEO, Assistant Manager)	37	37.0	37.0	69.0
	Skilled (White Collar)	16	16.0	16.0	85.0
	Unskilled (Blue Collar)	3	3.0	3.0	88.0
	Retired	1	1.0	1.0	89.0
	Other	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

What is your total annual household income?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	\$70,000 - \$79,999	16	16.0	16.0	16.0
	\$80,000 - \$89,999	5	5.0	5.0	21.0
	\$90,000 - \$99,999	22	22.0	22.0	43.0
	\$100,000 - \$149,999	34	34.0	34.0	77.0
	More than \$150,000	23	23.0	23.0	100.0
	Total	100	100.0	100.0	



Respondent Profile - Demographics

The respondents consisted of 33 females and 67 males. This matches and confirms the findings in our secondary data, where 33% of the craft beer drinkers were female, 85% of the respondents are between 30-45 years old. The majority of the respondents (37%) have a managerial occupation, where nearly 70% are either professionals or managers. The majority of the respondents (34%) have a household income between \$100,000 - \$149,999. Nearly 80% have a total annual household income over \$90,000. 23% make more than \$150,000 and 82% of our respondents graduated college.

Attributes / Taste regression

We wanted to test whether the respondents who liked dark beer were influenced by the attributes preferred. We ran a regression analysis using dark beer as independent variables and general attributes and attributes identified with Nøgne Ø as the dependent variable. Our findings were that “*logo*” and “*trendiness*” were significant attributes. Here, 15% of the variance were explained by the regression analysis.

Retail stores

In order to figure out what retail stores Nøgne Ø should sell their beer, we asked the respondents where they usually buy their craft beer. From the results, we can see that the majority of the respondents buy craft beer at Whole Foods, which therefore is ranked as the most popular store. Furthermore, the results from the survey also show that Trader Joe’s is ranked as the second most popular retail store.



Willing to Pay

We asked the respondents what price they were willing to pay for a regular 0.5 liter (16 oz.) bottle of Nøgne Ø beer, where we had inserted a picture. The results show that 41% were willing to pay between \$11-\$25 with \$11 being the average.

Beer style

The beer style that was most popular was the semi-light beer with 89% of the respondents answering that they *liked it a lot* or *liked it somewhat*. When it comes to the dark craft beers, 82% of the respondents either *like it somewhat* or *like it a lot*.

Alcohol consumption

We also asked how often they drink, where 64% said they consume alcohol at least 2-6 times a week, and nearly 1 in 5 of the respondents drinks alcohol daily. Since there are significant differences between the heavy drinkers and the light drinkers that should be taken into consideration, we ran an independent samples t-test. Here, we compared drinking habits, willingness to pay, what attributes that the consumers focus on, and what styles of beers they prefer.

Those we refer to as “heavy drinkers” consume craft beer twice as often as those who we refer to as “light drinkers”. To be more specific, light drinkers consume craft beer 2-3 times a week, or less than once a week. Heavy drinkers, on the other hand, consume craft beer 3-6 times a week, or daily. The results show that heavy drinkers are willing to pay \$13 for a bottle of Nøgne Ø while the light drinkers are willing to pay \$9.



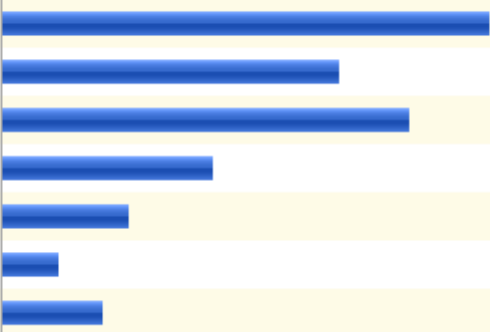
Drinker preferences

When it comes to what styles of beers the respondents prefer, we found that heavy drinkers prefer dark and sour beers. The results regarding the light drinkers were not significant measurable.

When it comes to attributes, the higher percentage of alcohol is more important for heavy drinkers compared to the light drinkers.

Social media

The three biggest social media platforms the respondents use are Facebook, Instagram, and Twitter. 97% say that they use Facebook.








#	Answer		Response	%
1	Facebook		97	97%
2	Twitter		67	67%
3	Instagram		81	81%
4	Snapchat		42	42%
5	Pinterest		25	25%
6	Vine		11	11%
7	Tumblr		20	20%

Source of information

84% of the respondents said they got information about craft beer from their friends and family.






57% said they got information from the bartender and 54% said they found it through social media platforms.



#	Answer		Response	%
1	Friends and family		84	84%
2	Newspapers and magazines		44	44%
3	Social media platforms		54	54%
4	Bartender		57	57%
5	Blogs/company websites		38	38%
6	Online forums		35	35%
7	Trade shows/beer festivals		23	23%

Food and refreshments

We asked what they usually drink when eating and 72% answered *wine*, 69% said *beer*, and 68% said *craft beer*.









#	Answer		Response	%
1	Water		67	67%
2	Soda		39	39%
3	Wine		72	72%
4	Beer		69	69%
5	Craft beer		68	68%

Drinking locations

We wanted to figure out where they consume the craft beer, as it would be interesting to us to know where to push Nøgne Ø's products. 25.5% answered that they consumed craft beer in Brooklyn, and over 50% of the respondents drink craft beer in either Brooklyn or Manhattan.

Associations with Norway

To find out how to position and market Nøgne Ø we wanted to see what kind of associations the respondents had of Norway. 73% said *beautiful nature* and 49% said *winter*.

#	Answer		Response	%
1	Beautiful nature		73	73%
2	Wealth		47	47%
3	Expensive		28	28%
4	Countryside		41	41%
5	Vikings		59	59%
6	Winter		49	49%
7	Purity		31	31%
8	Seafood		24	24%

Beer style / locations

We also ran a regression analysis on whether the style of beer can be predicted based on where they drink. Our findings were that 8% of the variance is explained in terms of what style of beer they drink and where they drink. Dark beer and sour beer is consumed mostly in Uptown Manhattan while semi light and light beer cannot be predicted.

4.0 Customer segmentation

The primary target market is based on the data obtained through our qualitative and quantitative data. The segmentation is divided into two groups, primary and secondary targets. The primary target group is already craft beer drinkers while the secondary target group is prospective customers who are subject to convert into target group.

4.1 The Connoisseur¹¹

Age: 25-44

The Connoisseurs are consumers with an interest in the culinary experience of craft-beer. They generally do not consume with volume in mind and are not price sensitive. The Connoisseur wants to taste different types of beer and have experience with many craft brews. They take pride in their knowledge with craft beers and show interest in the brewing processes and brand history. The rationale is given below.

Rationale:

According to the Simmons database, those who drink the most craft beer are aged 25-44 (as of 2012). Nøgne Ø's potential customers are calculated by using the New York population of 2014 (census.gov), and using the percentage of craft-beer drinkers (Simmons Oneview) in 2012. In

¹¹ Mickle, Mickle, T. (2016, April 7). Upstarts take over Samuel Adams. The Wall Street Journal, pp B1, B7.T. (2016, April 7). Upstarts take over Samuel Adams. The Wall Street Journal, pp B1, B7.



reference to our qualitative and quantitative research, we can confirm the primary target group's demographics, as well as add the implication of curiosity towards craft brews and brands.

Potential customers: $5,355,346 * 0,2 = 1,071,069$ // 2014

By looking at the demographics of both primary and secondary data, we saw that they were highly educated and had a household income above \$90,000.

After we looked at the general demographics, we wanted to take a look at the psychological traits of the target segment. We chose to use the VALS-Framework.



VALS-Framework¹²

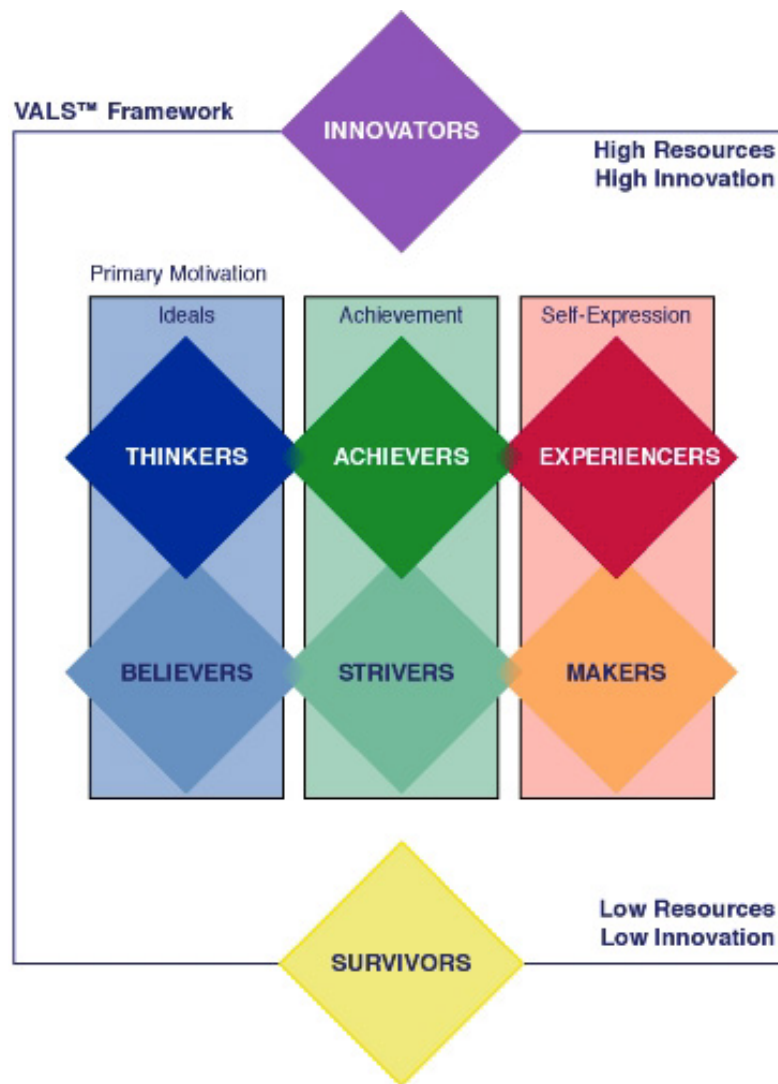


Figure 5: VALS Framework

We have used the Value-And-Lifestyle System Framework to more specifically get an overview of psychological traits that drive consumer behavior. The combination of motivations and resources determines how a person will express himself or herself in the marketplace as a consumer.

¹² <http://www.strategicbusinessinsights.com/vals/ustypes/experiencers.shtml>

By using the VALS framework we are provided with a fresh consumer perspective based on rich, customized consumer profiles or personas. This makes it possible to customize distinctive communication styles that best fit the target market.

During our observations and interaction with the consumers during our qualitative research, we have found that the psychographic profile of those we encountered match the “Experiencers” in the VALS-Framework.

Experiencers

As a consumer group, “Experiencers” have high resources and a self-expression motivation.

There are some typical characteristics that can be associated with members of this group. Firstly, they typically want everything. What this means, is that they are first in and out of trend adoption. They go against the current mainstream and are up on the latest fashions. Furthermore, Experiencers are sensation seeking. They love physical activity, and they are also very spontaneous. However, they see themselves as very sociable and believe that friends are extremely important. In addition to this, Experiencers are described as having heightened sense of visual stimulation.



4.2 Prospects

Age: 21-50

Prospects are currently the majority of beer consumers. They may have tried different craft beers, but are not experienced with the subject. The Prospect may not have much specific knowledge about the brewing process or brands. These customers are subject to becoming craft-beer customers. They are more price sensitive than The Connoisseur and tend to stick with brands they are familiar with but are open to trying new beers.



5.0 Supply chain



Figure 6: Supply Chain

Our qualitative research uncovered that Nøgne Ø's supply chain consist of four links because of the three-tier system that breweries are required to go through here in the US. We have provided information and the functions of each link.

5.1 Producer

The first link in the supply chain is the producer, Nøgne Ø. The brewery is located in Norway, and they ship beer out of their production facilities, with the exception of collaboration brews.

The producer doesn't have any direct contact with neither the distributor nor the retailer. All communication from Nøgne Ø to the US market is done through the importer, Shelton Brothers. Based on the trade markup for restaurants and bars we have found that Nøgne Ø gets \$2.6 for every liter sold, and \$2.2 for every bottle sold to retail and grocery stores.

5.2 Importer

The second link is the importer Shelton Brothers. They are located in Connecticut, and is the link that orders and receives the beer from Norway.

Shelton Brothers communicate with both the producer and the distributor but have no direct contact with the retailer. Shelton Brothers' Sales Managers communicate with the distributor and have meetings with the distributor sales force where they give out information about the products.

Based on the trade markup for restaurants and bars Shelton Brothers get \$1.2 for every liter sold, and \$0.86 for every bottle sold to retail and grocery stores.

5.3 Distributor

The third link in the supply chain is the distributor, Remarkable Liquids. Remarkable Liquids have the responsibility to distribute the different products all over the New York region. They have a sales force that travels to retailers to promote and push products. Remarkable Liquids is also responsible for logistics tied to distribution. Remarkable Liquids is in direct contact with both the retailer and the importer.

Based on the trade markup for restaurants and bars Remarkable Liquids get \$2.3 for every liter sold and \$1.7 for every bottle sold to retail and grocery stores.



5.4 Retailer

The fourth and last link are the trade retailers. These include grocery stores, bars, restaurants, hotels, and craft beer stores. This link is where customers will find the products. The retailers have direct contact with consumers and have the possibility to influence their purchases.

Based on the trade markup for restaurants and bars, they get \$6.9 per liter sold and retail and grocery stores get \$2 per bottle sold.

5.5 Conclusion

In conclusion after conducting the qualitative research and through an interview with the Import Manager, Christian Gregory in Shelton Brothers, we discovered that Shelton Brothers avails of lower margins so the producer will get more in return, but the distributor has a lot of power and tends to have highest margins throughout the supply chain.

The communication between the different links is a challenge and remains a big problem. The producer has no insight in what the distributor is doing to push their products out on the market, all their information comes from the importer. We have addressed this weakness and problem in the supply chain as something we will take into further consideration later on in our thesis.



6.0 SWOT analysis

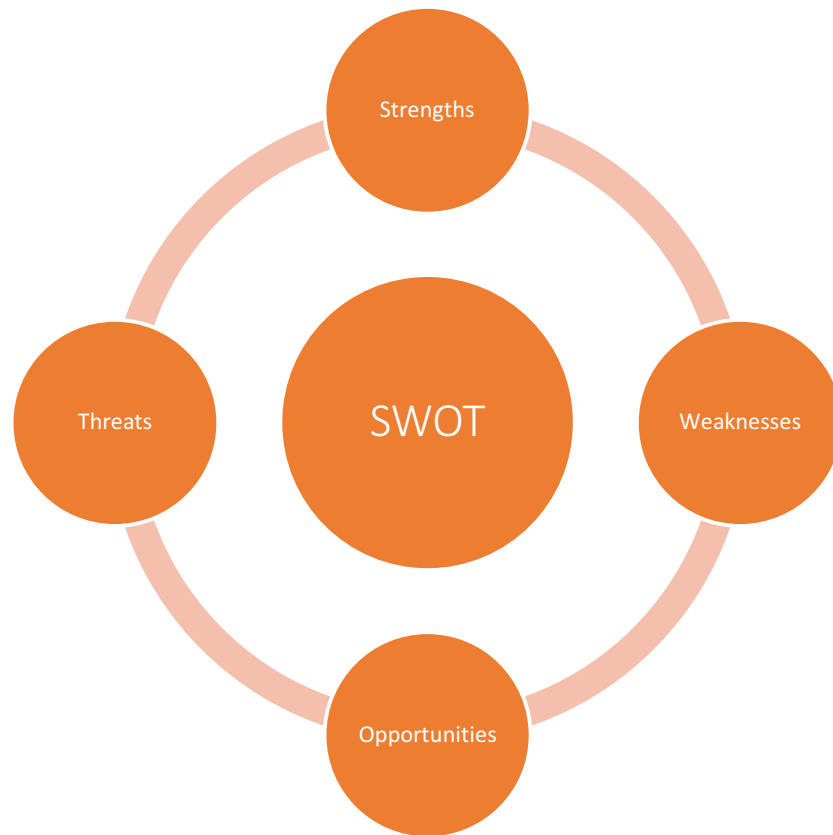


Figure 7: SWOT-analysis framework

Strengths (*Capitalize*)

- Wide product portfolio
- Worldwide partnerships and collaborations
- Diversified geographical distribution
- Country of origin
- Simple, minimalistic logo
- Web-responsive website (optimized for all platforms)
- Europe's first Sake brewery
- Food-pairing is encouraged (emphasized online)

Weaknesses *(Improve)*

- Lack of brand awareness in US market
- Product difficult to locate (Lack of distribution)
- Lack of direct salesforce
- Small marketing budget compared to competitors
- Brand name has pronunciation difficulties in English
- Sales force not pushing

Opportunities *(Take advantage of)*

- Capitalizing on food / beer relations
- Craft beer is a growing market
- New generation appreciate minimalistic (modern) appearance and packaging
- Few Norwegian beers in market
- Distinctive country of origin may initiate product trial
- Introduce Sake
- Competitors show weaker than optimal user engagement on online platforms.
- Hansa Borg network and contacts

Threats *(Neutralize)*

- Import-beer competitor entry
- Craft-beer becoming “standard”
- Large-scale marketing campaigns by competitors



Summary and implications

Nøgne Ø should capitalize on their wide product portfolio and utilize their partnerships and collaborations in the US market. There are not many Norwegian beers on the market, which gives our client a point of differentiation.

To succeed Nøgne Ø needs to improve their brand awareness and increase their distribution coverage in New York. They need to allocate more money to marketing efforts and solve the issues regarding the sales force.

The market shows signs of rapid growth, and there are prospect customers who still have not converted into craft-beer drinkers. Nøgne Ø should try to win these consumers. Reaching out to new consumers through social media, we see an opportunity for Nøgne Ø to gain an upper hand over the competitors.

Imported beer is growing in the market, and Nøgne Ø needs to be careful not to drown in the market. Craft beer has become more and more standardized, so Nøgne Ø needs to obtain customers before the market matures. The many large-scale campaigns launched by big competitors means Nøgne Ø needs to focus their marketing efforts elsewhere, as they do not have the resources to take them head on.



7.0 Competitive analysis

7.1 Competitor landscape

The craft beer market in New York City is very saturated, with 208 craft beer breweries. There are both big players and small-scale breweries on the market, as well as an increase in imported beer.

7.2 Main competitors

Based on our research we have identified Mikkeller, Brooklyn Brewery, and Boston Beer Company as Nøgne Ø's main competitors.

Mikkeller is a Danish brewery imported by the same distributor as Nøgne Ø, Shelton Brothers. We address them as Nøgne Ø's most important competitor because they are similar to Nøgne Ø in terms of size and country of origin. Mikkeller exports their beer to 40 different countries. Mikkeller differentiates themselves from competitors by experimenting with a lot of special ingredients such as their beer called "Breakfast", which is a beer made of oatmeal stout brewed with coffee. This was their breakthrough product that made them go international.

Brooklyn Brewery and Boston Beer Company are both American breweries and large players in the craft beer market. Brooklyn Brewery is located in New York which makes them a big competitor for Nøgne Ø. Boston Beer Company, on the other hand, is the largest craft beer brewery in the US and is therefore also recognized as a competitor for Nøgne Ø.



7.2.1 Benchmarking

We chose to benchmark Samuel Adams and Brooklyn Brewery. Nøgne Ø's marketing activities will take place mainly in social media and digital platforms so this is where we focused our benchmarking. Full benchmarking data can be viewed in Appendix 7.¹³

Samuel Adams¹⁴

Samuel Adams has a good visual website which is easy to navigate, but is not web-responsive (all device friendly). They also have a blog, which they update about once a month. In Social Media, they are present on Facebook, Instagram, and Twitter but they have very low engagements on their posts.

Their largest social media platform is Facebook, with 1,035,206 page likes. They also have an online marketplace where it is possible to buy merchandise with the Samuel Adams logo printed on it.

Brooklyn Brewery¹⁵

Brooklyn Brewery uses their website as a hub where the consumer can be redirected to more information about the products and the brewery's actions and upcoming events. The website is very image-rich and has a young appeal, but is not web-responsive (all device friendly). They have implemented a blog, which is updated regularly. They also have an online marketplace with Brooklyn Brewery merchandise.

¹³ Appendix 7: Benchmarking

¹⁴ <https://www.samueladams.com/>

¹⁵ <http://www.brooklynbrewery.com/>



Brooklyn Brewery is highly active on Facebook, Instagram, and Twitter. They are also active on YouTube, Tumblr, and Pinterest, although these channel does not generate as much engagement. Their largest social media platform is Twitter with 124,000 followers.

7.2.2 Boston Beer Company¹⁶

Overview and profile

Net sales 2015:

- \$960 million

Employees:

- 1,429

Goal:

- The Boston Beer Company's business goal is to become the leading supplier in the craft beer- and hard cider categories by creating and offering high quality full flavored beers and hard ciders. With the support of a large, well-trained sales organization and world-class brewers, the company strives to achieve this goal. This is done by offering great beers and hard ciders and increasing brand availability and awareness through advertising, point-of-sale, promotional programs and educational programs.

¹⁶ <http://www.bostonbeer.com/phoenix.zhtml?c=69432&p=irol-overview>



Competitive advantage

As of now Boston Brewery is the market leader in the craft beer industry in the US market. They differentiate their product by using a traditional brewing process, the world's finest ingredients, and they also often use special brewing techniques to differentiate their beers. Their team have a high level of education and product knowledge and they have a large sales force compared to their competitors. They have established strong and loyal relationships with their distributor and their company is well promoted compared to any other in the craft beer market.

The brand is enhanced by Jim Koch's (co-founder and chairman) personality and clever commercials. Additionally, they attend festivals and competitions across the globe to elevate the image of their brand and in the past years, they have won more awards in international beer competitions than any other brewery in the world.

Boston Beer Company continually provide the market with new innovative beers to attract new customers with new tastes. They have done a collaborative effort with the world's oldest brewery, the Weihenstephan Institute in Germany. Collaborations like this keeps the brand alive and interesting.

Boston Beer Company have wide range in their product portfolio, which many are seasonal. This create demand and loyal customers, but it also presents a barrier to others entering the business since most new breweries will start with a lineup of a pale, red and dark beer, and then expand from there. Small brewers are quicker to try new flavors, promotions, and allows them to be



closer to, and in sync with, their customers compared to the bigger competitors of the industry. Jim Koch calls this the "The strength of the weak" and this keeps the really big breweries down to some degree.

Market position

In 2014 Boston Beer company had a market share of 19% in the US market.¹⁷ In 2015 they sold approximately 4.2 million barrels of its core brands and their net revenue for each barrel is \$226. They are positioned with a diverse portfolio of beers to accommodate drinkers seeking more traditional styles, today they offer 24 different styles of beer. They distribute to restaurants, bars, and stores.

One of their strengths is that they have the biggest market share amongst the craft beer segment. They are also the only craft beer brewery to advertise on national television, while this is a strength it could also be a weakness. Advertising on television dilutes the brand's unique image in the eyes of passionate craft beer drinkers. Another weakness is that there is high competition with other breweries to get distributors to push their products.

One of the threats is that there is a strong competition in the market with an increased popularity in home brewing. Even though the competition is strong, the craft beer market is expected to have great growth in the upcoming years.

¹⁷ <http://www.fool.com/investing/general/2015/01/02/will-boston-beer-dominate-this-330-million-market.aspx>



7.3 Porter's five forces

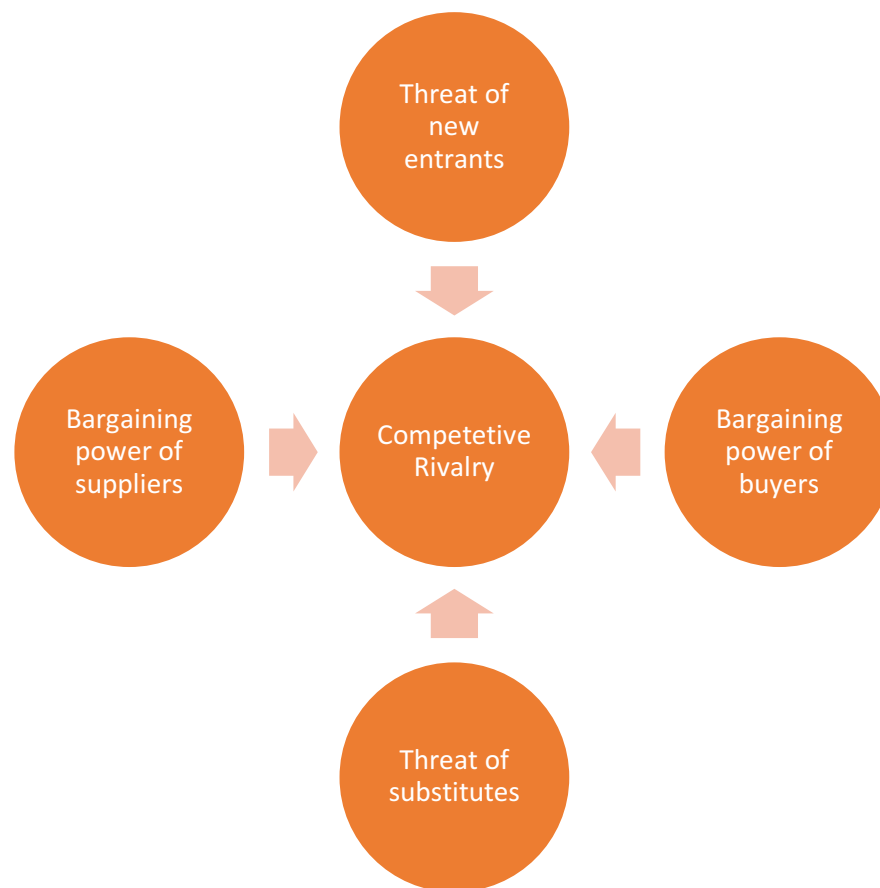


Figure 8: Porter's five forces

We have chosen to use Porter's five forces to get an overview and better understanding of where the power lies in the industry. Porter's five forces will also enable us to review the strengths of Nøgne Ø's market positioning.

7.3.1 Threats for new entry (high)

The entry barriers to the craft beer market are low, so the threats for new entry is high. Craft beer is easy to make, it is cheap to get started and fairly easy to get into the market economically.

7.3.2 Buyer power (medium / high)

Nøgne Ø includes only wholesalers in the US market such as Shelton Brothers. These wholesalers hold a certain degree of bargaining leverage because they could switch Nøgne Ø with other competitors. We conclude that buyer power is medium to high.

7.3.3 Threat of substitution (medium)

The threat of substitution is medium because we see that the craft beer drinkers second choice of beverage is wine. The alcoholic beverage market is saturated, which makes the threat of substitution medium.

7.3.4 Supplier power (low)

There's a lot of suppliers of malt, hops and other ingredients that are needed to produce craft beer. Nøgne Ø imports this from all around the world and they can easily change their supplier, therefore, we conclude that supplier power is low.

7.3.5 Competitive rivalry (medium / high)

In the New York market, Nøgne Ø is facing strong competition from big scale breweries such as Brooklyn Brewery and Boston Brewery and a lot of other small-scale breweries.



Both Brooklyn Brewery and Boston Brewery have larger resources and bigger budgets for marketing. This makes them able to be more present on the craft beer market, and to grow and gain more market share. Because of the difficulties of differentiation in the market, we see that competitive rivalry is medium to high.



8.0 Marketing Goals and objectives

After conducting our research, we landed on the following goals and objectives.

Sales objectives

2017: Increase sales revenue to \$168,300 (42.7%)

2018: Increase sales revenue to \$244,000 (45%)

Increase sales revenue the next three years from \$338,000 in 2016 to \$778,000 (230%)

Marketing objectives

2017: Instagram: 1,000 likes in average per picture and at least get a total of
15,000 followers

Facebook: Get a total of 50,000 likes

Twitter: Get a total of 25,000 followers

Website hits Average 700 readers per blogpost

Nøgne Ø's revenue for 2015 was \$99,014. We believe they are able to increase their sales revenue with nearly 20%. This number is based on our interview with Shelton Brothers and their enthusiastic attitude to the new distributor, Remarkable Liquids, that they believe will help Nøgne Ø increase sales. In 2017, our marketing plan will be activated and we believe this will boost Nøgne Ø's sales. We expect an increase in sales revenue by 42.7%.



9.0 Implementation of Marketing mix

8.1 Product

Nøgne Ø offers a wide range of products, but not all products are imported into the US market.

The product portfolio should include three categories. The rationale behind the product categories is that it is important for the brand to show a varied spectrum of products, as well as giving the consumer different styles to try. The three categories represent different tastes that target different segments within Nøgne Ø's target. The products are sold either in kegs (B2B) or in single large bottles (16 oz.) (B2C).

8.1.1 Lighter

Lighter craft beers are products that the new-comers will find comfortable trying. The intention with this category is to introduce craft-beer to prospect customers who are not yet used to craft-beer. These types of beer include, but are not limited to Pale Ales, Saison and other lighter form of crafts. The purpose is to introduce the consumer to the brand and craft-beer.

8.1.2 Richer

The richer category is heavier more flavorful craft-beers. These products provide the consumer with rich, flavorful tastes. This should be the biggest product range, where Nøgne Ø establishes their footprint in consumers' top of mind. This category includes Porters, Stouts, Brown Ales and similar.



8.1.3 Specialty

The specialty beer category consists of specialty and experimental brews. They may be limited edition brews and collaborations. The products are diversified and bring completely new tastes to the product range. This product line is for experienced craft drinkers who are looking for new and refreshing experiences. This category includes seasonal brews and experimental brews.

8.2 Pricing

The pricing strategy used is product line pricing where setting the price steps between various products in a product line are based on cost differences between the products, customer evaluations of different features, and competitors' prices. The product itself is not expensive to produce but is priced based on the difference in ingredients and alcohol level.

The products are perceived to have better quality than regular beer and are more exclusive, which also have an impact on the rather high sales price. Our qualitative research shows that the consumers are willing to pay between \$10-\$15 for a 0.5-liter bottle of craft beer. This is supported by our quantitative research where the results showed that 41% were willing to pay between \$11-\$25.

While product line pricing is Nøgne Ø's main pricing strategy, we also wish to implement market-penetration prices to Nøgne Ø's top ten products. This is mainly to provide incentives for Nøgne Ø's US partners to increase import volume, as well as giving the distributors volume sales-discounts to create more push-action into the market.



8.3 Promotion

Nøgne Ø is communicated as a Norwegian craft-beer brand with personality and passion. It is a modern company with traditional roots. Social Media (Twitter, Instagram, Facebook, blog) will be a big part of Nøgne Ø's promotion strategy, where content marketing will be the center of the strategy. The promotions are split into two different segments, B2B promotions and B2C promotions.

8.3.1 B2C promotions

B2C-promotions focuses on the consumers in the target market. Increasing brand awareness and recognition to generate leads and trial purchases, is the primary goal for these promotions. These promotions will create pull-actions from the consumers.

Social media

Social media will be a big part of Nøgne Ø's promotional strategy towards the New York market. Every channel should create a unified brand image across all channels, even though each platform will have content specific to channel.

It is important for the brand to be consistent in their engagement in social media, included below is the purpose of each platform and the suggested post frequency to maximize marketing ROI of each platform. It is important to monitor the activity and engagement of all channels, identifying the successful posts and adapt future communication based on the data collected.



Facebook

This channel is the most important channel for Nøgne Ø. According to the quantitative research, 97% of our respondents use Facebook.

Nøgne Ø's Facebook will function as a news-and-information feed. It will be the company's hub for publishing and sharing content related to the brand and the beer industry, including informing and linking to events, blog posts and news. Content will be viewed by both trade customers, partners, and consumers.

Post frequency: two times a week

Facebook-ads

Facebook has the option to show sponsored content and boosts existing posts to the desired target group, directly in their news feed. Target posts should include creative, and/or useful content with a simple call-to-action to bring users back to Nøgne Ø's website (or other desired destination).

We have created a target audience that matches Nøgne Ø's target customer segment.



Figure 9: Facebook custom audience

Interests: Brooklyn Brewery, RateBeer, Draft Magazine, The New York Times, The Economist, The Wall Street Journal, Beer Magazine, Shelton Brothers,

Facebook pixel:

Facebook pixel is a tool developed and delivered by Facebook which users can deploy on their own website, and thereby track and monitor the website visitors by connecting them to their own personal Facebook profiles.

By including a Facebook-pixel on Nøgne Ø's website they can track Facebook users who visit the website. This can be used to further develop target audience on Social Media.

Twitter

Twitter is the channel for two-way communication and engagement with consumers, trade customers, competition, and partners. Twitter is frequently used in the US beer industry according to in-depth interviews, secondary- and quantitative research, and this helps increase awareness of the brand. Content will be viewed by both trade customers, partners, and consumers.

Post frequency: often (interactions)

Instagram

Instagram will deliver visual content to support other posts and/or happenings, news, and updates about Nøgne Ø and its people. Although closely linked to the other channels, Instagram will be one of the more informal channels, and its visual content will be used mainly to keep the brand in the evoked set.

Post frequency: two times a week

Blog

Nøgne Ø's blog will be the longer-format storytelling channel. It will act as the brand's content marketing function. Nøgne Ø will blog about their products, the process, brewing stories and what they are up to worldwide (travel blogging). The company will also publish content that is relevant and useful for the reader; a specific example is food pairing, or home brewing tips and tutorials.

Post frequency: two / three times a month



Content marketing

The main source of the content marketing strategy will be generated using the company's own blog. Identifying and locating other blogs and publishing platforms that are influential in the US beer market community is also important, and if possible, pitch in interviews and/or sending free products for review.

Example websites: www.draftmag.com, www.beerandbrewing.com, www.ratebeer.com

Lyft partnership

Lyft is a peer-to-peer driver service that launched in New York City in 2014. They have an app that connects drivers with cars with passengers that needs a ride. They are currently facing heavy competition from other similar companies like Uber and Gett, and are struggling to gain competitive advantages.

A partnership between Lyft and Nøgne Ø would consist of promotional discounts for a ride when buying Nøgne Ø. The customers can benefit from getting cheaper rides when drinking Nøgne Ø's beer. Similarly, Lyft will get more customers by becoming the preferred transportation option after a drink at the bar. Both partners will utilize their social media channels for promotion.

Nøgne Ø will distribute branded coasters that can be used to get discounts on Lyft rides.

(Discount codes)

Guerrilla bar-drinkers

To create word-of-mouth and increase brand awareness we want to hire a group of individuals to learn about the brand, order it, drink it, and discuss it at different bars in New York. The participants will be chosen from a Social Media campaign where people are able to apply for the



position online. The group will receive brief training and brand knowledge in New York by one of Nøgne Ø's representatives. The assignment will provide a limit of three free beers for each session.

8.3.2. B2B promotions

The main purpose of these promotions is to improve communication and interaction within the supply chain and influence the US Partners to generate push-action into the market. The main purpose of these promotions is to help increase Nøgne Ø's distribution coverage, as well as increasing brand awareness among industry professionals.

Newsletter

Newsletters (e-mail marketing) will be the primary driver for internal supply chain communication. The purpose is to establish and maintain a continuous form of interaction with the US partners, to inform them and keep them updated on the brewery's actions and products. It is important to have reliable and updated lists, as well as closely monitoring the engagement.

Volume sales discount promotions

These are promotions targeted towards the distributor and their sales force. Nøgne Ø will set a volume goal, or distribution coverage goal that the sales force will work towards. If they hit the desired goal, a percentage discount or margin increase will be issued on their next invoice or order.



Events and trade shows

Shelton Brothers and Remarkable Liquids are represented in several events and trade shows in the craft beer industry. Nøgne Ø should use these events to communicate with the industry and form relationships and networks that can later be used to increase distribution. In addition, Shelton Brothers host their own event, The Festival, where many industry professionals and enthusiasts attend. Producers get to talk about their creations and share their knowledge and stories. Nøgne Ø should work towards becoming one of the producers to present. The Festival is widely covered in a range of craft-beer related magazines, and will be good exposure for the brand.

8.4 Place

According to our quantitative research, we found out that most of our respondents report going to craft beer bars in the following areas, and therefore should be the focus for craft-beer bar distribution coverage, in this particular order.

1	Brooklyn
2	Uptown Manhattan
3	Midtown Manhattan
4	Downtown Manhattan
5	Staten Island



The research shows that Brooklyn is the most visited place to drink, with an average of 25.51%, compared to Uptown Manhattan with 20.64%. Staten Island was ranked fifth with 7.2%, therefore, they should focus mainly on Manhattan and Brooklyn.

When moving into retail and grocery stores, the brand will encounter a wider target market, and will have to heavily invest in B2C-promotion strategies. Nøgne Ø should avoid low-end markets such as Walmart and Target because they don't want to be associated with low quality.

Suggested grocery / retail stores

- Wholefoods
- Trader Joe's
- Morton Williams

According to our quantitative research, we see that Whole Foods is the most popular store to buy craft beer. Therefore, obtaining a deal with Whole Foods is important to increase bottle sales.

During our qualitative research, it was discovered that Whole Foods previously had Nøgne Ø in stock, but they went out of their stores when they changed distributor and had to re-license their products. Second priority would be restaurants and hotels, as well as some craft beer stores.



9.0 Finance

9.1 Five-year forecasted P&L statement

The five-year P&L statement are based on the assumption that we are launching our Marketing Plan in the beginning of 2017. The P&L statement can be viewed in Appendix 8.¹⁸

Total sales revenue

We expect a steady increase in Sales Revenue due to increased marketing efforts and portfolio development. The company revenue increase from 2014 to 2015 showed a growth of approximately 60% without further marketing initiatives. This is due to expansion of distributor network, and ultimately lead to greater sales. We expect the expansion to continue in 2016. Entering 2017, the Marketing Plan will be activated which will increase marketing spending by a substantial amount (budgeted to be 8% of projected sales) to increase their marketing efforts for the US market. In 2018 we have budgeted 10% of sales in marketing efforts, allocated to the Lyft promotion.

Sales projections

Since Nøgne Ø have over 40 products they export, we have grouped Nøgne Ø's top ten products in one category, and the remaining products in another.

¹⁸ Appendix 8: P&L Statement



For the top ten most popular products in the US, we predict an average increase of 50% in sales for 2017. For the other products, we estimate an increase of 30% in 2017. We will concentrate Nøgne Ø's marketing to the best-selling products because we believe they have potential in the US market. In 2018, we predict 50% growth for the top ten products each year, and 40% growth in 2019 for the remaining products while in 2018 we predict 35% growth for the remaining products, which will continue to grow with 15% in 2019.

In 2020 the top ten products will grow by 30%, while the remaining products will have a steady growth of 15%.

The sales numbers from base year, 2015, was sent to us from Nøgne Ø and are their actual numbers. This is the numbers we have based our other forecasts on. The company had a decrease in sales in 2013, but there has been a steady growth since. Therefore, we see this as a realistic forecast to grow Nøgne Ø's sales with an average of 33.13% per year.

We have not been given an exact price for shipping costs for Nøgne Ø, but we have calculated the budgeted shipping costs in 2017 to be 2% of the gross profit, which is \$3,379. We believe there will be an increase in shipping by 2% the next years because of the greater sales predictions.

Manufacturing and marketing costs

Nøgne Ø has not spent money on advertising and direct marketing in the US to date, due to a lack of commitment. As they sell more products we predict that they will spend more on marketing in their budget compared to the prior years.



In direct marketing, we have allocated \$13,515 in 2017 because of sales and marketing initiatives. Marketing expenses will be 8% of the sales revenue each year except for in year 2018, where we have used 10% of the sales revenue because of the Lyft promotion.

We have budgeted \$1,859 in R&D in 2017. We expect to use \$619 more each year on experimental brewing. Nøgne Ø is always experimenting with new flavors and types of beer to stay relevant on the market.

General and administrative

We have based the wages and salaries from the company's publicly reported wages from 2014, and adjusted them proportionally to the US market. The numbers are acquired by calculating the overall salary per liter produced, and thereby portioned the salary reflecting the production volume exported the US market.

In 2017, we are budgeting for hiring a US manager, which will bring the wages and salaries up to \$99,380. We believe this investment will increase sales in the next year, which shows on the net profit.

Since we predict that Nøgne Ø will put more effort in marketing and R&D, we have increased the general and administrative costs. This also explains why we have increased the telephone and travel expenses in the budget.

In 2017 and 2018 we expect the net profit to be negative because of high marketing and sales expenses. At the beginning of 2019, the net profit is positive, and we expect a steady growth in the next years, with a net profit of \$136,882 in 2020.



9.2 Breakeven analysis

Kegs:

Unit Price (per liter)	Reduction	Contribution margin	Contribution Margin %	Fixed costs	Variable Costs	Breakeven
\$ 4.60	0%	\$ 2.60	56.50%	114,754	\$ 2.00	44,136
\$ 4.37	5%	\$ 2.37	54.20%	114,754	\$ 2.00	48,419
\$ 4.14	10%	\$ 2.14	51.70%	114,754	\$ 2.00	53,623

In our breakeven-analysis, we used the average product export price. This is around \$4.6 per unit (liter). The variable costs for each unit are estimated to be around \$2 while fixed costs are estimated to be a total of \$114,754. The contribution margin for each unit is 50%, which results in a break-even point of 44,136 units sold.

According to the CVP-analysis (Cost-Volume-Profit), we can see that a price reduction will result in a breakeven-point that requires much higher sales. Although a 10% reduction only is a contribution margin reduction of \$0.23 per unit, it means Nøgne Ø have to sell 9,487 units (liters) more to break even.

Bottles:

Unit Price (per bottle)	Reduction	Contribution margin	Contribution Margin %	Fixed costs	Variable Costs	Breakeven
\$ 3.44	0%	\$ 2.44	65.10%	114,754	\$ 1.20	47,030
\$ 3.27	5%	\$ 2.07	63.30%	114,754	\$ 1.20	55,437
\$ 3.09	10%	\$ 1.89	61.20%	114,754	\$ 1.20	60,716

In our breakeven-analysis, we used the average product export price. This is around \$3.44 per unit (bottle). The variable costs for each unit are estimated to be around \$1.2 while fixed costs are estimated to be a total of \$114,754. The contribution margin for each unit is 65.1%, which results in a break-even point of 47,030 units sold.



According to the CVP-analysis (Cost-Volume-Profit), we can see that a price reduction will result in a breakeven-point that requires much higher sales. Although a 10% reduction only is a contribution margin reduction of \$0.35 per unit, it means Nøgne Ø have to sell 13,686 units (bottles) more to break even.



10. Activation plan

Activation plan

This activation plan will give an overview of a strategic schedule for launching different marketing mix elements. Intended start for implementing the marketing mix is 01.01.2017.

The activation plan will provide the managers with guidelines to when and where to launch different elements, and additionally provide reasoning for the actions.

Due to the majority of elements being dynamic (such as social media), we have chosen to only show bigger changes and events, and theme-alteration for content production.

Supplementary note

Social media themes and blog post are guidelines for the company to use in their channels. It is important that they are aware of industry changes and activity, and that they adapt to relevant situations that may occur. The topics listed are not final, but should be taken into consideration. Social media activity should not be limited to the activation plan, as each channel requires more consistent posting to be able to generate engagement.



Month	Social media-themes	B2B	Content marketing	Events
January	- Welcome to a new year. (winter beer)	- Initiate contact with Supply chain contacts Newsletter - Gather mailing lists	Blog - Happy new year Blog – The art of winter craft beer	
February	- Winter / Holiday beer - Valentine’s day beer	Newsletter - Gather mailing list. Newsletter - Send introduction-mail to partners	Blog – Food pairing: Valentines Day dish	Contact - Establish contacts. <i>(Focus on Remarkable Liquids sales-force.)</i>
March	- Introduce top 5 US-products. - New York Beer Festival	Newsletter – Product information, top selling products	Blog – New York beer festival	Event: New York beer festival
April		Newsletter – “It’s getting warmer” fruitier, crisper, brews.		
May	17 th of May - Norwegian Constitution day Campaign – Hashtag for Instagram; Summer and Nøgne Ø.	Newsletter – 17 th of May! (Something Norwegian) Price – Volume order discount week (May 10-17?)	Blog – 17th of May	Contact: Shelton Brothers regarding “The Festival 2017”
June	Campaign – Hashtag for Instagram; Summer and Nøgne Ø. (Re-post)	Newsletter – Summer brews	Blog – Travel Blog – Food pairing: Seafood	
July	Campaign – Hashtag for Instagram; Summer and Nøgne Ø. (Re-post)	Newsletter – Summer brews	Blog – Travel Food pairing: Barbeque	



August	Campaign – Hashtag for Instagram; Summer and Nøgne Ø. (Re-post)	Price – Volume order discount week. (End of summer)		
September		Newsletter - Holiday season - Halloween pumpkin ale - Winter beers		Event – Remarkable Liquids: “Beer night w/ Nøgne Ø”
October	- Happy Halloween (Pumpkin Ale?) - Guerilla Bar drinkers (job posting)	Newsletter – Winter holiday beer Newsletter: Guerilla Bar drinkers	Blog: Guerilla Bar drinkers (job posting)	Event – Shelton Brothers: “The Festival”
November	- “Winter is coming” - Announce Winter holiday beer	Newsletter – Winter holiday beer		Guerilla: Guerilla bar drinkers
December	- Winter holiday beer - Happy holidays - Happy New Year	Newsletter – Winter holiday beer Newsletter – “Happy holidays and happy new year to all our partners”	Blog – Festive beer types for Holidays Blog – The art of winter craft beer Blog – Thank you for 2017.	Guerilla: Guerilla bar drinkers



Channel	Post frequency
Facebook	2 times a week
Twitter	Often (At least daily)
Instagram	2 times a week
Blog	2-3 times a month

B2B activities are more specific in Q1/Q2 due to the focus on building a relationship with the supply chain partners. The key to this marketing plan is continuously improved communication with the US market.



11. Final recommendations

Recruit US Marketing Manager (USMM)

Recruiting a marketing manager with the purpose of nurturing and communicating with the US market is essential for the company to stimulate high growth within the market. This marketing plan revolves around continuous communication with the US partners, and it is important that this communication is not merely superficial and sporadic.

The USMM should be based in New York, with close communication with Nøgne Ø, Shelton Brothers, and Remarkable Liquids. The purpose is to stimulate push action into the market by closely communicating with the partners in the supply chain. The USMM will also act as a sales representative and generate pull-action by visiting different trade retailers and introduce product news and promote Nøgne Ø.

The USMM will also be accountable for handling and analyzing the channels used to communicate with the partners. This includes reporting back to Nøgne Ø and informing them about the performance and goals of the market demand. Alteration may have to be made to production quantities and detailed forecasts may be necessary to maximize profits.

Promotional content and social media activity need to be consistent and monitoring is important to be able to react and respond to any needs from both consumers and partners. Ultimately, the USMM will be the bridge between Nøgne Ø and the US marketplace.



Differentiate by using country of origin

We have found that Norwegian heritage and culture can work as a unique selling point due to the fact that country of origin is a variable that is interesting to Nøgne Ø's target market, and that this is a selling point that can differentiate Nøgne Ø from a very saturated market.

Get into retail stores

We recommend that Nøgne Ø should focus on getting into retail stores such as Whole Foods and Trader Joe's as our research indicates that this would reach Nøgne Ø's target market, the distribution should be focused to Manhattan and Brooklyn.

Focus on the target

Both our findings from the qualitative and the quantitative studies show that "The Connoisseur" is Nøgne Ø's target market. Therefore, we recommend that Nøgne Ø should focus on consumers aged 25-44, with an income above \$90,000, and have graduated college or more.

Activate social media

Through our research, we have discovered that the target market, and the beer industry in general, are very active on social media. Our quantitative research pointed to Facebook as the most used social media network with 97% stating that they are using the platform. In regards to Nøgne Ø as a small player, social network engagement can be a powerful driver in the company's marketing initiative, since it has the potential to reach many of the target customers, and at the same time be very cost effective.



Since the brewery is located in Norway, digital and social media is the most effective way for the consumers to reach and interact with Nøgne Ø. In addition, Social media also delivers advanced tracking and analytical tools for Nøgne Ø to further gain insight into their target market preferences and behavior, which can help the brewery to customize further marketing efforts for their target.

12. Conclusion

The research we have done in this thesis confirms that New York City is a market for Nøgne Ø to grow in. We have looked at both internal and external factors for the craft beer market in New York City and have identified core initiatives for a marketing plan built to stimulate growth.

We have identified and addressed several issues regarding internal communication within the supply chain and have proposed actions to improve the issues. We have also identified the target market, their behavior and preferences, and an effective way to reach them through marketing and advertising efforts.

The most prominent initiative is to employ an export manager stationed in the New York-area to generate both push and pull action, as well as acting as the bridge between Nøgne Ø and the US market.



Reference list

- ¹ ”Nøgne Ø website” <http://www.nogne-o.com/about/>
- ² Appendix 1: Remarkable Liquids – Distribution list 2015
- ³ ”Nøgne Ø website: Product Portfolio” <http://www.nogne-o.com/our-beers/>
- ⁴ Appendix 2: Nøgne Ø sales to Shelton Brothers
- ⁵ ”Brewers Association: 2015 Beer report” https://www.brewersassociation.org/wp-content/uploads/2009/08/Sales_2015_v2.jpg
- ⁶ ”Governor – New York Craft beer growth 2014”
<https://www.governor.ny.gov/news/governor-cuomo-announces-59-growth-ny-craft-beer-industry-one-year>
- ⁷ Appendix 3: In-depth interview guide
- ⁸ Appendix 4: Taste-testing question guide
- ⁹ Appendix 5: Quantitative survey question guide
- ¹⁰ Appendix 6: Quantitative survey analysis
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<http://www.strategicbusinessinsights.com/vals/ustypes/experiencers.shtml>
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- ¹⁵ ”Brooklyn Brewery website” <http://www.brooklynbrewery.com/>



- ¹⁶ "Boston Beer Website – Annual Report 2015"

<http://www.bostonbeer.com/phoenix.zhtml?c=69432&p=irol-overview>

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<http://www.fool.com/investing/general/2015/01/02/will-boston-beer-dominate-this-330-million-market.aspx>



Appendix 1: Distribution List 2015

	Memo	Name	Item
Astoria Bier & Cheese - Ditmars			
	Nogne-O - Winter Ale, 12/500	Astoria Bier & Cheese - Ditmars	05.BR.P.NO.G.WNT.12/500 (Nogne-O - Winter Ale, 12/500)
Total Astoria Bier & Cheese - Ditmars			
Astoria Bier and Cheese - Broadway			
	Nogne-O - Winter Ale, 12/500	Astoria Bier and Cheese - Broadway	05.BR.P.NO.G.WNT.12/500 (Nogne-O - Winter Ale, 12/500)
Total Astoria Bier and Cheese - Broadway			
Budin			
	Nogne-O - Tindved, 12/250	Budin	05.BR.P.NO.G.TVD.12/250 (Nogne-O - Tindved, 12/250)
Total Budin			
Gold Star Beer Counter			
	Nogne O - India Saison, 20L	Gold Star Beer Counter	05.BR.D.NO.G.IIS.20L (Nogne O - India Saison, 20L)
Total Gold Star Beer Counter			
The Black Sheep Ale House			
	Nogne-O/Terrapin - Imperial Rye Porter, 30L	The Black Sheep Ale House	05.BR.D.NO.G.IRP.30L (Nogne-O/Terrapin - Imperial Rye Porter, 30L)
	Nogne O - Winter Ale, 30L	The Black Sheep Ale House	05.BR.D.NO.G.WIN.30L (Nogne O - Winter Ale, 30L)
Total The Black Sheep Ale House			
The Owl Farm			
	Nogne-O/Terrapin - Imperial Rye Porter, 30L	The Owl Farm	05.BR.D.NO.G.IRP.30L (Nogne-O/Terrapin - Imperial Rye Porter, 30L)
Total The Owl Farm			
Gramercy Tavern			
	Nogne-O - Winter Ale, 12/500	Gramercy Tavern	05.BR.P.NO.G.WNT.12/500 (Nogne-O - Winter Ale, 12/500)
Total Gramercy Tavern			
Haymaker Bar & Kitchen			
	Nogne O - Imperial Stout, 20L	Haymaker Bar & Kitchen	05.BR.D.NO.G.IMS.20L (Nogne O - Imperial Stout, 20L)
	Nogne O - Winter Ale, 30L	Haymaker Bar & Kitchen	05.BR.D.NO.G.WIN.30L (Nogne O - Winter Ale, 30L)
	Nogne O - Winter Ale, 30L	Haymaker Bar & Kitchen	05.BR.D.NO.G.WIN.30L (Nogne O - Winter Ale, 30L)
Total Haymaker Bar & Kitchen			
Lions Beer Store			
	Nogne O - Two Captains Double IPA, 20L	Lions Beer Store	05.BR.D.NO.G.CAP.20L (Nogne O - Two Captains Double IPA, 20L)
	Nogne-O - Pale Ale, 12/500	Lions Beer Store	05.BR.P.NO.G.PAL.12/500 (Nogne-O - Pale Ale, 12/500)
	Nogne-O - Saison, 12/500	Lions Beer Store	05.BR.P.NO.G.SAS.12/500 (Nogne-O - Saison, 12/500)
	Nogne O - Tiger Triple, 20L	Lions Beer Store	05.BR.D.NO.G.TIT.20L (Nogne O - Tiger Triple, 20L)
	Nogne-O - Imperial Brown Ale, 12/500	Lions Beer Store	05.BR.P.NO.G.BRN.12/500 (Nogne-O - Imperial Brown Ale, 12/500)
	Nogne-O - Two Captains Double IPA, 12/500	Lions Beer Store	05.BR.P.NO.G.TCD.12/500 (Nogne-O - Two Captains Double IPA, 12/500)
	Norrebro - Little Korkny Ale (Vintage 2008), 9/600	Lions Beer Store	05.BR.P.NOR.LKA.9/600 (Norrebro - Little Korkny Ale (Vintage 2008), 9/600)
	Nogne O - Winter Ale, 30L	Lions Beer Store	05.BR.D.NO.G.WIN.30L (Nogne O - Winter Ale, 30L)
Total Lions Beer Store			
Milk and Hops 9th Ave			
	Nogne-O - Tindved, 12/250	Milk and Hops 9th Ave	05.BR.P.NO.G.TVD.12/250 (Nogne-O - Tindved, 12/250)
Total Milk and Hops 9th Ave			
Miso Hoppy			
	Norrebro - Little Korkny Ale (Vintage 2008), 9/600	Miso Hoppy	05.BR.P.NOR.LKA.9/600 (Norrebro - Little Korkny Ale (Vintage 2008), 9/600)
Total Miso Hoppy			
Smorgas Chef Park Ave			
	Nogne-O - Pale Ale, 12/500	Smorgas Chef Park Ave	05.BR.P.NO.G.PAL.12/500 (Nogne-O - Pale Ale, 12/500)
	Nogne-O - Saison, 12/500	Smorgas Chef Park Ave	05.BR.P.NO.G.SAS.12/500 (Nogne-O - Saison, 12/500)
	Nogne-O - Pale Ale, 12/500	Smorgas Chef Park Ave	05.BR.P.NO.G.PAL.12/500 (Nogne-O - Pale Ale, 12/500)
	Nogne-O - Saison, 12/500	Smorgas Chef Park Ave	05.BR.P.NO.G.SAS.12/500 (Nogne-O - Saison, 12/500)
Total Smorgas Chef Park Ave			
The NoMad Hotel			
	Nogne-O - Winter Ale, 12/500	The NoMad Hotel	05.BR.P.NO.G.WNT.12/500 (Nogne-O - Winter Ale, 12/500)
Total The NoMad Hotel			



Appendix 2: Nøgne Ø sales to Shelton Brothers 2015

Kunde	Vare	SALGSVERDI 2015	LITER 2015
100204 - Shelton Brothers	10036 - Imperial Rye Porter	456,00	12,00
100204 - Shelton Brothers	10038 - Gamle Rygene Brun	554,40	3,84
100204 - Shelton Brothers	10040 - Skog & Mark II	390,00	12,00
100204 - Shelton Brothers	10054 - Tindved	46 850,40	486,00
100204 - Shelton Brothers	10061 - Kriek of Telemark	-	-
100204 - Shelton Brothers	10067 - Vic Abstract IPA	502,50	4,80
100204 - Shelton Brothers	10068 - M.O.L.E. Russ. IS	475,20	12,00
100204 - Shelton Brothers	10069 - Imp.Stout BAwisky	645,00	4,80
100204 - Shelton Brothers	10070 - God Jul BA Whisky	361,80	2,88
100204 - Shelton Brothers	10071 - Quadrupel	717,00	4,80
100204 - Shelton Brothers	10072 - Saison Resèrve	972,00	8,64
100204 - Shelton Brothers	10073 - Dark Horizon 4.5	202,80	0,96
100204 - Shelton Brothers	10075 - Oud Bruin	501,60	3,84
100204 - Shelton Brothers	10088 - Imperial Aquavit Porter	-	-6,12
100204 - Shelton Brothers	10089 - Chaga Stout	-	-
100204 - Shelton Brothers	10090 - Imperial Koji Saison	-	-
100204 - Shelton Brothers	13001 - US Brown Ale 4,5% 50 cl	16 308,00	540,00
100204 - Shelton Brothers	13005 - US Saison 6,5% 50 cl	16 815,60	540,00
100204 - Shelton Brothers	13007 - US Porter 7,0% 50 cl	52 650,00	1 620,00
100204 - Shelton Brothers	13008 - US India Pale Ale 7,5% 50 cl	17 766,00	540,00
100204 - Shelton Brothers	13009 - US Imperial Stout 9,0% 50 cl	39 780,00	1 170,00
100204 - Shelton Brothers	13010 - US #100 10,0% 50 cl	38 340,00	1 080,00
100204 - Shelton Brothers	13020 - US Tiger Tripel 9,0% 50 cl	36 720,00	1 080,00
100204 - Shelton Brothers	13023 - US Two Captains IPA 8,5% 50 cl	37 692,00	1 080,00
100204 - Shelton Brothers	13027 - US Sunturnbrew	22 140,00	540,00
100204 - Shelton Brothers	13030 - US Special Holiday Ale 8,5%	84 807,00	2 238,00
100204 - Shelton Brothers	13032 - US India Saison 7,5% 50 cl	36 180,00	1 080,00
100204 - Shelton Brothers	13045 - US Pumpkin Ale 6,5% 50 cl	17 989,20	564,00
100204 - Shelton Brothers	22007 - Porter	15 630,00	600,00
100204 - Shelton Brothers	22009 - Imperial Stout	5 890,00	200,00
100204 - Shelton Brothers	22020 - Tiger Tripel	17 670,00	600,00
100204 - Shelton Brothers	22021 - Imperial Brown Ale	3 955,00	140,00
100204 - Shelton Brothers	22023 - Two Captains IPA	36 540,00	1 200,00
100204 - Shelton Brothers	22030 - Special Holiday Ale	18 924,00	600,00
100204 - Shelton Brothers	22032 - India Saison	18 300,00	600,00
100204 - Shelton Brothers	22036 - Imperial Rye Porter	18 910,00	610,00
100204 - Shelton Brothers	22038 - Gamle Rygene Brun	20 615,00	620,00
100204 - Shelton Brothers	22045 - Pumpkin Ale	17 856,00	600,00
100204 - Shelton Brothers	22061 - Kriek of Telemark	3 654,00	120,00
100204 - Shelton Brothers	22067 - Vic Abstract IPA	9 300,00	300,00
100204 - Shelton Brothers	22068 - M.O.L.E. Russ. IS	13 420,00	430,00
100204 - Shelton Brothers	22072 - Saison Resèrve	630,00	20,00
100204 - Shelton Brothers	22075 - Oud Bruin	19 530,00	620,00
100204 - Shelton Brothers	22083 - Tigris Obscura	4 460,00	100,00
100204 - Shelton Brothers	22084 - Wild Horizon - nå tom	1 240,00	40,00
100204 - Shelton Brothers	22085 - Aquavit Saison	3 680,00	80,00
100204 - Shelton Brothers	22089 - Chaga Stout	9 150,00	300,00
100204 - Shelton Brothers	50001 - Junmai-shu sake	11 400,00	300,00
100204 - Shelton Brothers	50008 - Sparkling sake	14 340,00	320,00
100204 - Shelton Brothers	60000 - Junmai - shu sake	24 300,00	189,00
100204 - Shelton Brothers	60008 - Sparkling sake	33 984,00	240,36



100204 - Shelton Brothers	80000 - Frakt	1 850,00	-
100204 - Shelton Brothers	90013 - Europall	4 000,00	-
100204 - Shelton Brothers	90023 - T-skjorter	-	-
100204 - Shelton Brothers	90030 - Coasters	-	-
Antall: 55	Antall: 55	799 044,50	21 451,80



Appendix 3: In-Depth Interview Guide

Importer (Shelton Brothers)

- Is it okay for you if we record this?
- How long have you been working for SB?
- How do you determine which brands to import?
- How did you get in contact with Nøgne Ø?
- How do you determine if/when you should import Nøgne Ø

How often do you import?/How do you order?

- Do you see any demand in the market for this particular brand?
- Do you know how well(if) Nøgne Ø sells at retailers?

who was your previous distributor in NY? union

- What happened?
- Has marketing changed? ----->Do Shelton Brothers push brands out to retailers- or do retailers ask for specific brands?

What brand do you import/sell the most?

Was that how you got in contact with Nøgne Ø?

- How is the import-trend with Nøgne Ø?
 - Nøgne Ø has halved their export to the US market (from 2013-2014), do you know why?
- Nøgne Ø addressed a communication problem with Shelton Brothers, what do you know about this?
 - How do you think this should be resolved?
- How do you think volume can be increased?

How many brands do you currently have?



Distribution (Shelton Brothers) B.R. Rolya

- We read that you are an award-winning home brewer and a nationally-ranked beer judge. How did you get into the beer business?
- What's your favorite beer?
- How did you get in contact with Shelton Brothers?
- For how long have you been the sales manager at Shelton Brothers?
- Nøgne Ø only sales bottles of 0,5l, but as we noticed its most common to buy 0,33l in six packs. How does this effect Nøgne Ø and do you think they should change the size of their bottles?
- How do the customers place an order?
 - How often?
 - How long time from order till they receive the product?
- How do you decide which brands you send out, and the quantity?
 - Orders?
 - Pushing products?
- How do you communicate with the customers in general?
 - Mail?
 - In-store?
- You represent a lot of different producers, how are you pushing their products to restaurants/grocery stores/bars?
- What do you think of Nøgne Ø's beer?
 - Do you have a favorite?
 - Which types of Nøgne Ø do you think will be the best for the American market?
 - Do they have to come up with a new type?
 - Who do you think are the strongest competitors?
 - Do you think Nøgne can grow in this market?
- Since you're an expert in the field, where do you think Nøgne Ø should be sold? How do you think they can succeed in the US market?



- Do you have any say in this?
- How do you think the craft beer market will develop over the next years? (Other importers)
 - “Do Nøgne Ø have a chance of surviving?”
- We have visited some bars/restaurants that supposedly should sell Nøgne Ø but for some reason they don’t have it in their stock. Do you know why? (Logistics/Distribution problem?)
- How is your communication with Nøgne Ø?

Nøgne Ø addressed a communication problem with Shelton Brothers, what do you know about this?

Bar owner (The Jeffrey) Patrick Donagher

- Do you currently have Nøgne Ø in stock?
 - If so, what kind?
- What others brands do you have from Scandinavia?
- How long have you been a customer of Shelton Brother?
 - Do they provide you with other Scandinavian beers?
- Do people mostly know the brand name of the beer they are ordering?
 - Can people pronounce the name Nøgne Ø when ordering it?
 - Is that a popular brand at this bar?
 - And are they specifically asking for that brand?
- What type of craft beer produced by Nøgne Ø do you sell most of?
- How often do you change the inventory?
- Are Nøgne Ø currently doing any marketing initiatives towards you?
 - If so, what are they?
 - What initiatives do other brands do?
 - Are the customers interested in the country of origin?
- What are the trends within craft beer right now?
- What are the normal price range for a craft beer at a bar?
 - Kegs?
 - Bottle?
- How are the margins in the supply chain?



Appendix 4: Taste Testing Question Guide

Nøgne Ø

Q1 How do you like the taste of these craft beers?

	Dislike a great deal (1)	Dislike somewhat (2)	Neither like nor dislike (3)	Like somewhat (4)	Like a great deal (5)
IPA (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Porter (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Saison (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telemark (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q2 Gender?

- ☐ Male (1)
- ☐ Female (2)

Q3 Which one is your favorite in taste?

- _____ IPA (1)
- _____ Porter (2)
- _____ Saison (3)
- _____ Telemark (4)



Q4 Do you often try new craft beer brands?

- ☐ Yes (1)
- ☐ No (2)

Q5 How many new craft beer brands have you tried the last month?

- ☐ None (1)
- ☐ 1-2 (2)
- ☐ 3-4 (3)
- ☐ 5+ (4)
- ☐ Don't know (5)

Q6 How many beers do you drink in one sitting?

- ☐ 1-2 (1)
- ☐ 3-5 (2)
- ☐ 6+ (3)

Q7 Where do you buy craft beer? (You can answer multiple options)

- ☐ I don't buy craft beer (1)
- ☐ Bar (2)
- ☐ Restaurant (3)
- ☐ Grocery store (4)
- ☐ Craft beer store (5)

Q8 SHOW THE BOTTLE

Q9 How much are you willing to pay for this in a bar?

- ☐ Under 10 (1)
- ☐ 10-15 (2)
- ☐ 16-20 (3)
- ☐ 21+ (4)



Q10 Do you know where the beer you usually drink is from?

- ☐ Yes (1)
- ☐ No (2)

Q11 What is your age?

- ☐ 21-28 (1)
- ☐ 29-35 (2)
- ☐ 36-42 (3)
- ☐ 43-49 (4)
- ☐ 50+ (5)

Q12 In what income category are you at?

- ☐ (1)
- ☐ 10,000-50,000 (2)
- ☐ 50,000-80,000 (3)
- ☐ 80,000-100,000 (4)
- ☐ 100,000-150,000 (5)
- ☐ > 150,000 (6)

Q13 What is your level of education?

- ☐ Less than high school (1)
- ☐ High school graduate (2)
- ☐ Some college (3)
- ☐ Graduated college or more (4)



Q14 How interested are you in beer?

	1 (1)	2 (2)	3 (3)	4 (4)	5 (5)
Not Interested: Very interested (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Appendix 5: Quantitative Survey Question Guide

Craft Beer

Q21 Hi, we are a group of students at Pace University, New York working on our Bachelor's Thesis. We are studying the craft beer market in the New York metro area. According to brewer association.org craft beer market has increased by 17.6% in 2014. To this end, we are interested in learning about your brand preferences, attitudes, and purchase habits about craft beer. All responses will be held in strict confidence. This survey will take approximately 5 - 7 minutes to fill out.

Thank you in advance.

Q25 Screening questions.



Q12 What is your age?

- ☐ 21-25 (1)
- ☐ 26-29 (2)
- ☐ 30-35 (3)
- ☐ 36-39 (4)
- ☐ 40-45 (5)
- ☐ 46-49 (6)
- ☐ 50+ (7)

If 50+ Is Selected, Then Skip To End of Survey If 46-49 Is Selected, Then Skip To End of Survey

Q15 What is your total annual household income?

- ☐ Less than \$10,000 (1)
- ☐ \$10,000 - \$19,999 (2)
- ☐ \$20,000 - \$29,999 (3)
- ☐ \$30,000 - \$39,999 (4)
- ☐ \$40,000 - \$49,999 (5)
- ☐ \$50,000 - \$59,999 (6)
- ☐ \$60,000 - \$69,999 (7)
- ☐ \$70,000 - \$79,999 (8)
- ☐ \$80,000 - \$89,999 (9)
- ☐ \$90,000 - \$99,999 (10)
- ☐ \$100,000 - \$149,999 (11)
- ☐ More than \$150,000 (12)

If Less than \$10,000 Is Selected, Then Skip To End of Survey If \$10,000 - \$19,999 Is Selected, Then Skip To End of Survey If \$20,000 - \$29,999 Is Selected, Then Skip To End of Survey If \$30,000 - \$39,999 Is Selected, Then Skip To End of Survey If \$40,000 - \$49,999 Is Selected, Then Skip To End of Survey If \$50,000 - \$59,999 Is Selected, Then Skip To End of Survey If \$60,000 - \$69,999 Is Selected, Then Skip To End of Survey

Q31 Do you currently live in New York City?

- ☐ Yes (1)
- ☐ No (2)

If No Is Selected, Then Skip To End of Survey



Q33 Do you consume craft beer?

☐ Yes (1)

☐ No (2)

If No Is Selected, Then Skip To End of Survey

Q4 Given below are a list of activities you are likely to engage in your free time. Please check all that apply.

- ☐ Go to bars (1)
- ☐ Go to nightclubs (2)
- ☐ Go to cafes (3)
- ☐ Stay home (4)
- ☐ Visit friends and/or family (5)
- ☐ Go shopping (6)
- ☐ Travel (7)
- ☐ Go to the movies (8)
- ☐ Reading books/magazines (9)
- ☐ Working out (10)
- ☐ Eating out (restaurant) (11)
- ☐ Other (please specify) (12) _____

Q1 How often do you go out for dinner?

- ☐ Daily (1)
- ☐ 4-6 times a week (2)
- ☐ 2-3 times a week (3)
- ☐ Once a week (4)
- ☐ Less than once a week (5)

Q3 How often do you consume alcoholic beverages?

- ☐ Daily (1)
- ☐ 4-6 times a week (2)
- ☐ 2-3 times a week (3)
- ☐ Once a week (4)
- ☐ Less than once a week (5)



Q19 Now that you have told us how often you drink, please indicate the locations where you drink using the scale below. Total must equal 100%.

_____ Brooklyn (1)

_____ Uptown Manhattan (2)

_____ Midtown Manhattan (3)

_____ Downtown Manhattan (4)

_____ Queens (5)

_____ Staten Island (6)

_____ Bronx (7)

Q2 Which of the following beverages do you have with dinner? Check all that apply.

☐ Water (1)

☐ Soda (2)

☐ Wine (3)

☐ Beer (4)

☐ Craft beer (5)



Q5 Given below is a list of different craft beer styles. Using the scale given below, indicate how much you like or dislike each style.

	Dislike a lot (1)	Dislike somewhat (2)	Neither dislike nor like (3)	Like somewhat (4)	Like a lot (5)
Dark (e.g. Stout) (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sour (e.g. Fruit beer) (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Semi-light (e.g. Pale Ale) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Light (e.g. Pilsner) (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Q6 Given below is a list of different retail outlets to purchase craft beer. Please rank order the stores with 1 = most frequently visited and 6 = least frequently visited.

_____ Whole Foods (1)

_____ Trader Joe's (2)

_____ Food Emporium (3)

_____ Morton Williams (4)

_____ Supermarkets (e.g. Stop'n'shop, Pathmark) (5)

_____ Online (Freshdirect, Peapod) (6)

_____ Craft beer stores (e.g. Top Hops, Bierkraft) (7)



Q7 Given below are a list of attributes. Please indicate the degree of importance or unimportance you attach to each attribute when you buy craft beer.



	Extremely important (1)	Somewhat important (2)	Neither important nor unimportant (3)	Somewhat unimportant (4)	Extremely unimportant (5)
Price (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Size of bottle (16 oz.) (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Packaging (design) (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Taste (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trendy (contemporary) (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Country of origin (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High alcohol level (more than 5%) (8)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bitterness level (IBU) (9)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand name (10)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Q23 Given below is a list of places you can find information about craft beer. Please check all that apply.

- ☐ Friends and family (1)
- ☐ Newspapers and magazines (2)
- ☐ Social media platforms (3)
- ☐ Bartender (4)
- ☐ Blogs/company websites (5)
- ☐ Online forums (6)
- ☐ Trade shows/beer festivals (7)

Q22 Given below is a list of social media platforms. Please check all you use several times a week.

- ☐ Facebook (1)
- ☐ Twitter (2)
- ☐ Instagram (3)
- ☐ Snapchat (4)
- ☐ Pinterest (5)
- ☐ Vine (6)
- ☐ Tumblr (7)

Q24 So far we have asked you about your general habits, preferences and attitudes towards beer.

Now please tell us your preferences toward the Norwegian brand called Nøgne Ø.

Q29 Do you associate Norway with good beer?

- ☐ Yes (1)
- ☐ No (2)
- ☐ I don't know (3)



Q28 Given below is a list of words. Which of these do you associate with "Norway". Check all that apply.

- ☐ Beautiful nature (1)
- ☐ Wealth (2)
- ☐ Expensive (3)
- ☐ Countryside (4)
- ☐ Vikings (5)
- ☐ Winter (6)
- ☐ Purity (7)
- ☐ Seafood (8)

Q26



Q8 Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indicate your level of agreement or disagreement of each packaging characteristic. The packaging is....

	Strongly agree (1)	Agree (2)	Somewhat agree (3)	Neither agree nor disagree (4)	Somewhat disagree (5)	Disagree (6)	Strongly disagree (7)
Trendy (1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
A good size (2)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pricey (3)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reflecting Quality (4)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Appealing (5)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Simple, yet elegant (6)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Highly Recognizable (Logo) (7)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



Q9 How much would you be willing to pay for this beer? (Price stated in USD)

_____ (1)

Q35 Finally, please tell us a bit about yourself.

Q14 What is your gender?

- ☐ Male (1)
- ☐ Female (2)

Q17 What is your level of education?

- ☐ Less than high school (1)
- ☐ High school graduate (2)
- ☐ Some college (3)
- ☐ Graduated college or more (4)

Q16 Occupation Title

- ☐ Professional (Doctor, Architect, Lawyer) (1)
- ☐ Managerial (CEO, Assistant Manager) (2)
- ☐ Skilled (White Collar) (3)
- ☐ Unskilled (Blue Collar) (4)
- ☐ Retired (5)
- ☐ Student (6)
- ☐ Other (7) _____

Q34 What is your zip code?



Appendix 6: Quantitative Survey Analysis

How often do you go out for dinner and how often do you consume alcoholic beverages →

Crosstabs (Chi-square)

H1: There is a relationship between going out for dinner and alcoholic beverage consumption.

Chi-Square = 62,514, $P < 0,05$.

Conclusion: There is a relationship between going out for dinner and alcoholic beverage consumption.

**There is a moderate correlation (coefficient 0.491) between going out to dinner and alcoholic consumption.*

Regression:

Dependent variable: Dark (e.g. Stout)

Independent: How much would you be willing to pay(for a bottle of Nogne O)+Attributes(Nogne O)+Attributes (general)

Model 2: 15% of variance is explained by the regression analysis

Model 2: Very significant



Model 2 Variables: Logo + Trendyness (*dep: Dark*)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.837	.104		27.343	.000
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Trendy (contemporary)	.149	.043	.331	3.475	.001
2	(Constant)	2.702	.113		23.980	.000
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Trendy (contemporary)	.123	.043	.273	2.871	.005
	Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...- Highly Recognizable (Logo)	.085	.032	.253	2.663	.009

a. Dependent Variable: New_CB_Dark



Statistics

How much would you be willing to pay for this beer? (Price stated in USD)-

N	Valid	100
	Missing	0
Mean		10.8500
Median		9.0000
Sum		1085.00

**How much would you be willing to pay for this beer? (Price stated in USD)- **

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 2.00	3	3.0	3.0	3.0
3.00	9	9.0	9.0	12.0
4.00	9	9.0	9.0	21.0
5.00	5	5.0	5.0	26.0
6.00	8	8.0	8.0	34.0
7.00	7	7.0	7.0	41.0
8.00	6	6.0	6.0	47.0
9.00	5	5.0	5.0	52.0
10.00	5	5.0	5.0	57.0
11.00	2	2.0	2.0	59.0
12.00	2	2.0	2.0	61.0
13.00	2	2.0	2.0	63.0
14.00	3	3.0	3.0	66.0
15.00	8	8.0	8.0	74.0
16.00	4	4.0	4.0	78.0
17.00	4	4.0	4.0	82.0
18.00	3	3.0	3.0	85.0
19.00	2	2.0	2.0	87.0
20.00	5	5.0	5.0	92.0
21.00	1	1.0	1.0	93.0
23.00	1	1.0	1.0	94.0
24.00	1	1.0	1.0	95.0
25.00	5	5.0	5.0	100.0
Total	100	100.0	100.0	

41% are willing to pay between \$11-\$25. The average is \$11.



Frequency:

a. Respondent profile

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21-25	3	3.0	3.0	3.0
26-29	11	10.9	10.9	13.9
30-35	57	56.4	56.4	70.3
36-39	18	17.8	17.8	88.1
40-45	11	10.9	10.9	99.0
What is your age?	1	1.0	1.0	100.0
Total	101	100.0	100.0	

86 (85%) of the respondents are between 30-45 years old

What is your gender?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	67	67.0	67.0	67.0
Female	33	33.0	33.0	100.0
Total	100	100.0	100.0	

There are 33 female respondents and 67 male respondents. This confirms the findings in our secondary data, where 33% of the craft beer drinkers are female.

Occupation Title

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Professional (Doctor, Architect, Lawyer)	32	32.0	32.0	32.0
Managerial (CEO, Assistant Manager)	37	37.0	37.0	69.0
Skilled (White Collar)	16	16.0	16.0	85.0
Unskilled (Blue Collar)	3	3.0	3.0	88.0
Retired	1	1.0	1.0	89.0
Other	11	11.0	11.0	100.0
Total	100	100.0	100.0	

The majority of the respondents (37%) have a managerial occupation. Nearly 70% are either professionals or managers.



What is your total annual household income?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	\$70,000 - \$79,999	16	16.0	16.0	16.0
	\$80,000 - \$89,999	5	5.0	5.0	21.0
	\$90,000 - \$99,999	22	22.0	22.0	43.0
	\$100,000 - \$149,999	34	34.0	34.0	77.0
	More than \$150,000	23	23.0	23.0	100.0
	Total	100	100.0	100.0	

The majority of the respondents (34%) have a household income between \$100,000-\$149,999.

Nearly 80% have an total annual household income over \$90,000. Nearly 1 in 4 have made more than \$150,000

b. Craft beer styles

Statistics

		Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Dark (e.g. Stout)	Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Sour (e.g. Fruit beer)	Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Semi-light (e.g. Pale Ale)	Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Light (e.g. Pilsner)
N	Valid	100	100	100	100
	Missing	0	0	0	0
Mean		4.05	3.87	4.33	4.27
Median		4.00	4.00	4.50	4.00
Mode		4	4	5	5
Sum		405	387	433	427

Semi-Light beer is the most preferred craft beer among the respondents.

Dark: Among our respondents 82% either *like somewhat* or *like a lot*.



Semi-light: Among our respondents 89% either like somewhat or like a lot

c. Where they buy

Whole Foods are the most popular place to buy craft beer followed by Trader Joe's.

Statistics

		Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Whole Foods	Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Trader Joe's	Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Food Emporium	Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Morton Williams	Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Supermarket s (e.g. Stop'n'shop, Pathmark)	Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Online (Freshdirect, Peapod)	Given below is a list of different retail outlets to purchase craft beer. Please rank order the s...- Craft beer stores (e.g. Top Hops, Bierkraft)
N	Valid	89	89	89	89	89	89	89
	Missing	11	11	11	11	11	11	11
Mean		2.5955	3.3483	4.1011	4.5730	3.7303	5.3146	4.3371
Median		2.0000	3.0000	4.0000	5.0000	4.0000	6.0000	5.0000
Mode		1.00	2.00	4.00	6.00	5.00	7.00	7.00
Std. Deviation		1.77559	1.64525	1.60287	1.80207	1.81386	1.70957	2.39291
Sum		231.00	298.00	365.00	407.00	332.00	473.00	386.00

d. How often they drink?

How often do you consume alcoholic beverages?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Daily	19	19.0	19.0	19.0
4-6 times a week	30	30.0	30.0	49.0
2-3 times a week	34	34.0	34.0	83.0
Once a week	16	16.0	16.0	99.0
Less than once a week	1	1.0	1.0	100.0
Total	100	100.0	100.0	

64% consume alcohol at least 2-6 times a week. Nearly 1 in 5 consumer alcohol daily.



Statistics								
		Brooklyn	Uptown Manhattan	Midtown Manhattan	Downtown Manhattan	Queens	Staten Island	Bronx
N	Valid	100	100	100	100	100	100	100
	Missing	0	0	0	0	0	0	0
Mean		25.5100	20.6400	18.6100	15.3900	6.5700	7.2000	6.0800
Median		19.0000	18.0000	17.0000	12.5000	3.0000	1.5000	.0000
Mode		.00	.00	.00	.00	.00	.00	.00
Sum		2551.00	2064.00	1861.00	1539.00	657.00	720.00	608.00

The respondents consume craft beer mostly in Brooklyn (mean 25.51%).

Over 50% of the respondents drink craft beer in either Brooklyn or Manhattan.

82% of our respondents graduated college.

Heavy drinkers vs. Light drinkers. Independent samples t-test.

How much would you be willing to pay for this beer?

Heavy \$13, Light \$9

How often do you go out for dinner?

Heavy drinkers go out more for dinner.

Those who are heavy consumers consume twice as often(3 vs.6) as those who are light drinkers.










Attributes: Alcohol percentage:
More important for heavy drinkers.
Heavy drinkers: Like dark and sour beer.








Associations to Norway:






- Beautiful nature 73 %,
- Wealth 47 %.
- Winter 49 %.

Social media

#	Answer		Response	%
1	Facebook		97	97%
2	Twitter		67	67%
3	Instagram		81	81%
4	Snapchat		42	42%
5	Pinterest		25	25%
6	Vine		11	11%
7	Tumblr		20	20%



#	Answer		Response	%
1	Friends and family		84	84%
2	Newspapers and magazines		44	44%
3	Social media platforms		54	54%
4	Bartender		57	57%
5	Blogs/company websites		38	38%
6	Online forums		35	35%
7	Trade shows/beer festivals		23	23%



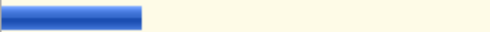



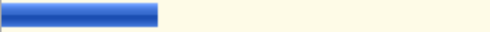

#	Answer		Response	%
1	Water		67	67%
2	Soda		39	39%
3	Wine		72	72%
4	Beer		69	69%
5	Craft beer		68	68%

Group Statistics

	consume_split	N	Mean	Std. Deviation	Std. Error Mean
How much would you be willing to pay for this beer? (Price stated in USD)- 	1.00	49	12.9184	7.06469	1.00924
	2.00	51	8.8627	5.48460	.76800
How often do you go out for dinner?	1.00	49	2.18	.808	.115
	2.00	51	3.25	.796	.111
How often do you consume alcoholic beverages?	1.00	49	1.61	.492	.070
	2.00	51	3.35	.522	.073
Given below is a list of different craft beer styles. Using the scale given below, indicate how m...- Dark (e.g. Stout)	1.00	49	4.33	.944	.135
	2.00	51	3.78	1.137	.159
Given below is a list of different craft beer styles. Using the scale given below, indicate how m...- Sour (e.g. Fruit beer)	1.00	49	4.04	.978	.140
	2.00	51	3.71	1.045	.146
Given below is a list of different craft beer styles. Using the scale given below, indicate how m...- Semi-light (e.g. Pale Ale)	1.00	49	4.33	.851	.122
	2.00	51	4.33	.816	.114
Given below is a list of different craft beer styles. Using the scale given below, indicate how m...- Light (e.g. Pilsner)	1.00	49	4.33	.922	.132
	2.00	51	4.22	.879	.123
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...- Trendy	1.00	49	2.12	1.409	.201
	2.00	51	2.59	1.403	.196
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...-A good size	1.00	49	1.78	1.212	.173
	2.00	51	2.06	1.121	.157
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...- Pricey	1.00	49	2.61	1.565	.224
	2.00	51	2.96	1.428	.200
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...- Reflecting Quality	1.00	49	2.10	1.195	.171
	2.00	51	2.37	1.264	.177



Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-High alcohol level (more than 5%)	1.00	49	1.71	.913	.130
	2.00	51	2.22	1.006	.141
Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Bitterness level (IBU)	1.00	49	1.94	1.049	.150
	2.00	51	2.18	.953	.133
Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Brand name	1.00	49	1.86	1.000	.143
	2.00	51	2.12	1.032	.145

#	Answer		Response	%
1	Beautiful nature		73	73%
2	Wealth		47	47%
3	Expensive		28	28%
4	Countryside		41	41%
5	Vikings		59	59%
6	Winter		49	49%
7	Purity		31	31%
8	Seafood		24	24%

Crosstabs:

Beer styles/where you drink.

Beer style: 1=dark, 2=Other

Brooklyn 1, Manhattan 2.



**Regression - Dark Beer (Dependent) Attributes General + Attributed Nøgne
(Independent)**

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.481	.504		10.884	.000
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Price	-.130	.121	-.130	-1.070	.288
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Size of bottle (16 oz.)	.007	.170	.006	.039	.969
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Packaging (design)	.055	.158	.053	.350	.727
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Taste	-.060	.179	-.052	-.333	.740
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Quality	.004	.183	.003	.021	.983
	Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Trendy (contemporary)	-.274	.157	-.276	-1.751	.084

Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...- Country of origin	.016	.153	.018	.105	.917
Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-High alcohol level (more than 5%)	-.228	.139	-.210	-1.638	.105
Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...- Bitterness level (IBU)	.089	.161	.083	.556	.580
Given below are a list of attributes. Please indicate the degree of importance or unimportance yo...-Brand name	.133	.151	.126	.885	.379
How much would you be willing to pay for this beer? (Price stated in USD)- 	-.007	.020	-.046	-.377	.707
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...- Trendy	.093	.129	.122	.718	.475
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...-A good size	-.052	.177	-.056	-.292	.771
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indic...- Pricey	-.014	.097	-.019	-.144	.886



Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indicate how much you agree or disagree with the following statement: Reflecting Quality	.189	.156	.216	1.208	.231
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indicate how much you agree or disagree with the following statement: Appealing	-.090	.159	-.112	-.565	.574
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indicate how much you agree or disagree with the following statement: Simple, yet elegant	-.197	.149	-.259	-1.319	.191
Given above is a picture of one Nogne O style of beer called India Pale Ale (16oz.). Please indicate how much you agree or disagree with the following statement: Highly Recognizable (Logo)	-.189	.136	-.253	-1.387	.169

a. Dependent Variable: Given below is a list of different craft beer styles. Using the scale given below, indicate how much you agree or disagree with the following statement:
Dark (e.g. Stout)

Regression - Dark Beer (Dependent) - Place (Independent)

Style of beer can be predicted based on where they drink. 8% of the variance is explained in terms of what style of beer they drink and where they drink. Dark and Uptown. Nøgne Ø should be pushing dark beer in Upper Manhattan.

		Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Dark (e.g. Stout)	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Brooklyn	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Uptown Manhattan	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Midtown Manhattan	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Downtown Manhattan	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Queens	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Staten Island	Now that you have told us how often you drink, please indicate the locations where you drink usin...-Bronx
Pearson Correlation	Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Dark (e.g. Stout) Now that you have told us how often you drink, please indicate the locations where you drink usin...-Brooklyn Now that you have told us how often you drink, please indicate the locations where you drink usin...-Uptown Manhattan Now that you have told us how often you drink, please indicate the locations where you drink usin...-Midtown Manhattan Now that you have told us how often you drink, please indicate the locations where you drink usin...-Downtown Manhattan Now that you have told us how often you drink, please indicate the locations where you drink usin...-Queens	1.000	.076	-.298	-.092	.155	.133	.047	.046
		.076	1.000	-.298	-.457	-.306	-.267	-.266	-.216
		-.298	-.298	1.000	.074	-.230	-.177	-.197	-.283
		-.092	-.457	.074	1.000	-.067	-.126	-.185	-.164
		.155	-.306	-.230	-.067	1.000	-.107	-.111	-.134
		.133	-.267	-.177	-.126	-.107	1.000	.287	.203
Sig. (1-tailed)	Given below is a list of different craft beer styles. Using the scale given below, indicate how m...-Dark (e.g. Stout) Now that you have told us how often you drink, please indicate the locations where you drink usin...-Brooklyn Now that you have told us how often you drink, please indicate the locations where you drink usin...-Uptown Manhattan	.	.227	.001	.181	.062	.094	.320	.325
		.227	.	.001	.000	.001	.004	.004	.015
		.001	.001	.	.234	.011	.039	.025	.002

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.298 ^a	.089	.079	1.033	.089	9.541	1	98	.003

a. Predictors: (Constant), Now that you have told us how often you drink, please indicate the locations where you drink usin...-Uptown Manhattan



Appendix 7: Benchmarking

Benchmark (Digital Benchmark): Brooklyn Brewery *Digital Media*

- Website
- Social Media

Markets

- Domestic
- Foreign

Distribution

- Channels / Coverage
- Partners

Brand Identity

- The brewery
- Communication-style
- External branding

Product portfolio

- Product-line
- Special brews
- Collaborations



Digital Media

Website

Brooklyn Brewery has a website in English. The website serves as a hub where consumers may visit to gather information about Brooklyn Brewery and their products.

These are the subpages:

Brewery

- Shares background information and history of the company.

Beers

- Product portfolio presented in categories. As well as a “food for your beer”, link.

Visit

- Presents directions, events and booking instructions for visiting the brewery.

Events

- List of upcoming events

Blog

- Blog-posts presented with images. Fairly* regular posts

*(*every three days on average?)*

Store

- Takes you to their web shop, where you can buy merchandise with the BB logo printed on it.



Social Media

Facebook

<https://www.facebook.com/thebrooklynbrewery/?fref=ts>

The Brooklyn Brewery has 69,380 likes and 92,813 check-ins. The page has a rating of 4.6/5 stars with 3,810 reviews. The page posts regularly, every 1-2 days. The posts are mostly links to third party pages with beer-related news. Some posts also link to other BB SoMe-accounts. Many posts include “tagging” other Facebook-pages. Posts show medium-low engagement with engagement ranging from 10-50 likes per posts.

Instagram

<https://www.instagram.com/brooklynbrewery/>

@brooklynbrewery has 3,233 posts and 84.800 followers. Posts tend to receive between 800 1500 likes per post. This represents roughly 0, 01% of their followers. Comments tend to be in the 10-25 comments per post range, but occasionally above 50.

Twitter

<https://twitter.com/brooklynbrewery>

@BrooklynBrewery has 19,900 tweets, and 124,000 followers. It seems the twitter account is actively communicating with other brands as well as consumers.



YouTube

<https://www.youtube.com/user/TheBrooklynBrewery>

Brooklyn Brewery has a YouTube account with a total of 36 987 views. They seem to post once every month (sometimes less), and the videos are used to present new brews and promoting upcoming events.

Tumblr

<http://brooklynbrewery.tumblr.com/>

Brooklyn Brewery is active on Tumblr, and posts regularly (every day). The Tumblr feed resembles a blog page with short posts and images.

Pinterest

<https://no.pinterest.com/brooklynbrewery/>

Brooklyn Brewery has around 2000 followers, but show very low engagement and activity.

Markets

Domestic

Brooklyn Brewery is brewed in Brooklyn, NY. They are present in 25 states in the US.

Foreign

Brooklyn Brewery is present in 20 countries around the world. Including Norway, Sweden and Denmark. Sweden is one of Brooklyn Brewery's biggest export markets.



Distribution

Channels / Coverage

Brooklyn Brewery is present in Bars, Restaurants and Stores.

Partners / Distributors (In New York City area)

Peerless Beverage, Boening Brothers, Oak Beverage, Drinx Unlimited

Brand Identity

The brewery

The Brooklyn Brewery is made up of a rich collection of characters from all over the world. In our Williamsburg home, these characters are dedicated to brewing and selling great beer and enriching the communities that we serve. Brooklyn Brewery opened in 1987.

Communication-style

Their communication style consists of “down-to-earth” style of communicating with their consumer. The company is portrayed as human, and their writing style is informal and has light humor in it.

External branding

Brooklyn Brewery sells branded merchandise such hats, sweaters, glassware and barware wall décor. They also have branded trucks and vans.



Product portfolio

Year-round

Lager, Saison, APA, IPA, Pilsner, Weisse

Seasonal

Ale, Lager, Pumpkin, Stout

Big bottles

(Belgian) Golden Ale, (Belgian) Dark Abby Ale, Saison

Quarterly experiments

Every quarter, BB brews an experimental beer, where they try “something new”.

Brewmaster’s reserve

Every four months or so, BB brews one-time creations. They are limited edition brews that are released into their “favorite” bars and restaurants.

Collaborations

Brooklyn Brewery has done many collaborations with other brands that are released under the above categories.



Benchmark (Marketing): Samuel Adams

Digital Media

Website

Samuel Adams has good visual website. It looks good and it is easy to orientate yourself on it.

These are the subpages:

Brewery and craft

- Shows brewery events and their own Samuel Adams Boston Lager pint glass.

Our Beers

- Product portfolio is presented in categories.

Food and Beer

- Presents what kind of food you can cook with Samuel Adams and what kind of food you can pair with it.

Events and Promotions

- Shows events and promotions they are doing

Blog

- Updated maximum once a month

Store

- Web shop, where you can buy merchandise with the Samuel Adams logo printed on it.



Social Media

Facebook

<https://www.facebook.com/SamuelAdams/?fref=ts>

Samuel has 1 035,206 likes and 114,413 check-ins. The page has a rating of 4.5/5 stars with 76,665 reviews. The page posts about every 5. Day. Their page has very low engagement, about 1 like per post. And their posts are mostly promoting events.

Instagram

@samueladamsbeer has 836 posts and 45,900 followers. Posts tend to receive between 1000-1500 likes per post. This represents roughly 0, 03% of their followers. Comments tend to be in the 10-60 comments per post.

Twitter

@samueladamsbeer has 37,969 tweets, and 73,996 followers. Here they are showing what they are doing and promote their beer.

Markets

Domestic

Samuel Adams is being brewed in Boston by Boston Brewery.

Foreign

*Boston Brewery exports to 30 different countries



Distribution

Channels/ Coverage

Restaurants, bars and stores

Partners (New York City Area)

Manhattan Beer Distributors

Boening Brothers

Union Beer Distributors

Brand Identity

The brewery

In April 1985, when Samuel Adams Boston Lager[®] made its debut in about 25 bars and restaurants in Boston, the company had no office, no computers, and no distributors.



Communication-style

“Down-to-earth” communication style

External branding

Samuel Adams sells merchandise such as, hats, t-shirts, can openers, sweaters etc. They are also branding on their trucks.

Product Portfolio

Product-line

Ale, IPA, Lager, Stout, Pilsner

They also have some seasonal beers

Special brews

Collaborations

Samuel Adams has done some collaborations, one of these is with the Germany company Weihenstephaner.



Appendix 8: P&L Analysis

Profit and Loss Statement

Nøgne Ø

Gross margin [L/J]	65,7%						
	2015	2016	2017	2018	2019	2020	

Sales Revenue (Top 10 products)

Top 10 Products	57 750	75 075	112 613	168 919	236 486	307 432	
Remaining products	41 264	43 327	56 325	76 039	87 445	100 562	
Total Sales Revenue [J]	99 014	118 402	168 938	244 958	323 931	407 994	

Cost of Sales

Shipping Cost	1 980	2 368	3 379	4 899	6 479	8 160	
Production Cost fixed	20 393	180 000	54 566	54 566	54 566	54 566	
Total Cost of Sales [K]	22 373	182 368	57 945	59 465	61 045	62 726	

Gross Profit [L=J-K]	76 641	-63 966	110 993	185 493	262 887	345 268	
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Operating Expenses

Sales and Marketing

Market Development Funds	2 478	6 196	13 515	24 496	25 915	32 640	
Total Sales and Marketing Expenses [M]	2 478	6 196	13 515	24 496	25 915	32 640	

Research and Development

Experimental brewing	1 239	1 239	1 859	2 478	3 097	3 716	
Total Research and Development Expenses	1 239	1 239	1 859	2 478	3 097	3 716	



Profit and Loss Statement
Nøgne Ø

Gross margin [L/J]	65,7%
---------------------------	--------------

General and Administrative

Wages and salaries	25 564	224 000	74 349	78 066	81 970	86 068
Outside services	9 913	7 435	9 913	9 913	9 913	9 913
Telephone	124	186	248	248	248	248
Travel expenses	7 435	9 913	14 870	14 870	14 870	14 870
Total General and Administrative Expense	43 036	241 534	99 380	103 097	107 001	111 099

Total Operating Expenses [P=M+N+O]	46 753	248 969	114 754	189 536	197 057	210 181
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Income from Operations [Q=L-P]	29 888	-312 935	-3 761	-4 044	65 830	135 087
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Europall	496	743	991	1 011	1 031	1 052
Shipping (Compensation)	223	247	371	495	619	743
Other Income [R]	719	990	1 362	1 506	1 650	1 795

Taxes

Total Taxes [S]	0	0				
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Net Profit [T=Q+R-S]	30 607	-311 945	-2 399	-2 538	67 480	136 882
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