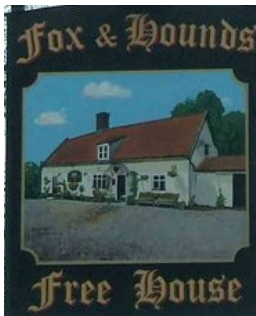


People buy Pubs, not Beer

It was the mid 1990s and the government had just changed the law in a way that, overnight, literally called into question the whole basis and tradition of the brewing industry.



For hundreds of years breweries had distributed their product – beer – through a vertically integrated structure in which they owned both the brewery and the outlets – their pubs. Though they also distributed to other outlets – free houses – their main barrelage went through their own tied pubs. The new law essentially gave them an option to own a brewery business or a pub business but they couldn't own both. (In fact, they could retain a small fraction of the pub estate if they chose to be a brewery).

Bass was the largest brewery and pub chain in the country. They decided to sell the brewing side of their business on. However, to maintain the profitability of the estate, they were forced to sell off thousands of their pubs.

In one of those great sweeping corporate redefinition processes, they concluded they were a “leisure-retail” business and started buying up hotel and restaurant chains, using the money from the sale of the breweries. But the big “core competence” of the new group was running pubs – or so they thought!

The truth was much harsher. Bass were brewers at heart and had never really bothered about customer focus at all. They had vast numbers of pubs in every geographical region. People rose through the ranks because of their expertise at operations - distributing the brewery product to the right place at the right time. Operationally, the game was a little bit like the Kevin Costner movie, “Field of Dreams” – build the field and the people will come or, in this case, build the pub and the people will come. And they pretty much did.



The problem was that to build profit Bass needed to find a way to make people come to their very limited number of pubs - and not to the pubs they had sold off. Their former estate was now their competitor and Bass did not know how to compete! They needed to change the rules of their business or fail. To their great good fortune, this was the point at which Bass turned to “Values” research and consultancy, in the shape of CDSM's Pat Dade.

Pat was certainly the person to go to if they were looking for a step change in the rules of their business. The first thing he helped them understand is that people never bought beer at all!

People bought pubs and the people in the pubs - the ambiance and the familiarity. “Local” had some bearing on it but people would not always choose the nearest pub.



The concept of the “big night out”, usually on the weekend but sometimes for special occasions during the week, was becoming more important as the general level of consumer discretionary spending increased. With these social and economic trends assimilated, the issue was transformed into the question, “How do we sell a pub to people?”

At this point everything turned on understanding Pioneers, Prospectors and Settlers. Bass had originally wanted to present their remaining pubs as “open for everyone” and hoped that enough people would come through the door to meet their profitability targets.

Through a series of workshops, working with data and a knowledge of the three Maslow Groups, Pat guided the concept development and design of a range of pubs targetted to very specific groups and not to “the whole market”. Bass came to understand that a pub that appealed to everyone was unlikely to get the loyalty of anyone. Each of the three Maslow Groups could be slightly satisfied by the lowest common denominator approach of the pub but would most likely go find another that felt “more like me” – “my kind of place”.

Based on this and an understanding of the values and leisure propensities of the three Maslow Groups, Bass developed branded chains of pubs. In the past, the brewery was the brand of all pub chains. The brand could not be separated from the kind of beer that was served in the establishment. The new branding was entirely people focused and was based on the “kind of people” at the venue. This had never been done in the brewing industry. This lack of direct customer focus was at the heart of their competitive difficulties.

The final outcome was that Pat helped them identify the geographical areas they should concentrate on. This meant fewer neighbourhood local and country pubs, and more emphasis on the “New High Streets” emerging from the slumps of the 70’s and 80’s. It meant creating pubs where formerly other shops and institutions had stood – banks into pubs, and so on. This eventually lead to a complete change in the nature of “going out to the pub” and the creation of new leisure sectors within city centres – for better or worse.

The big shift that had enabled this change to take place was the creation of pubs that became themed not on some bricks and mortar concept - like “Australian”, “Irish”, “Faux traditional”, etc. – but in the way that they appealed to one or other of the Maslow Groups.

ALL·BAR·ONE

“All-Bar-One” was conceptualized and designed to appeal to the Pioneers and the way they would use “an ideal pub”. There were plenty of tables and chairs that allowed conversation in a safe manner – not too close together and not too far apart. There were lots of communal tables for large groups to come in together and stay together. There was no music - the ambiance of conversation would supply the background. There were tables that were there not just to hold beer glasses and therefore be as small as possible to make room for standing drinkers – the place was designed for sitting and socializing. Wine was as

prominent as beer, and the beer was more interesting than that supplied by just one brewery. The walls were mostly covered with little bits of a lot of interesting stuff – more like a home than a designer interior. It was a place to feel comfortable, to meet and talk and drink - without being in a pub or wine bar.



“Edwards” was conceptualized and designed to appeal to the Prospectors and the opportunity for “something that can happen to change my life tonight”. It was a much more high energy place, based around music and plenty of “pulling opportunities”. This was not about finding a soul mate, rather it was about a bit of the other TONIGHT. Service was designed to be “fast and flirty” – eye contact at all times, even when clearing glasses off the tables, which were smaller and designed for the standing drinker, thus taller than in most pubs. The music volume gradually went up during the day, from light, low sounds in the afternoon to massive volume by nine at night. The uniforms of the serving staff were changed and the layout of the pub itself would change at set times during the day – chairs and tables in the early afternoon, taken away by late afternoon/early evening and more “standing” tables inserted. Finally, no tables at all but a dancing floor appeared about 8:30PM. Balconies were designed in, so that Prospectors could watch other Prospectors – the ideal night out for them – and lots of open space was planned in for this purpose. The use of mirrors increased the chance of seeing, even when there was no direct line of sight.

The purpose of these concepts was to create the pub that “was like me”. By the way, the Settler pub concept was very basic but allowed conversation rather than lots of “noisy music”. It was a “traditional pub” and was all about beer .



The branding was so successful that, when one Maslow Group went into the one not designed for them, they felt it immediately and left ... thus creating more space for the people that it was designed to appeal to! Tests were run in a range of regional city centres – Reading, Romford, Chelmsford, Solihull, Nottingham, Grimsby, etc. – where Bass owned pubs within short walking distance (less than 50 yards) or even next door to each other. The crowds exercised their choice to expectation – in terms of their values - to the extent that Edwards (the Prospector pub) began employing “greeters” at the door to tell people what to expect inside as they waited to get in. They could have gone to the All-Bar-One next door for a drink, but chose not to as it “wasn’t for them”. If ever there was proof that people buy pubs not beer, this was it.