

'LOCAL' IS THE NEW BLACK!

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When something is totally trendy and in fashion, we in Denmark say that this thing is '...the new black' with reference to the fashion industry, in which the colour black always seems to be the fashionable colour while other colours, shapes, sizes, patterns and the like change with the wind. And although our industry is not as quickly changeable as the fashion industry – we tend, in general, to take much smaller and slower steps – we are also subject to the more general changes in the world surrounding us. We may not be subject to the same intense search for the next new thing, spearheaded by a large and influential group of media people and commentators, as the fashion industry is, but we must also adapt to those changes that fundamentally influence our consumers. As these consumers change their priorities also impacting their choice of beverages in general and of beer in particular, we as an industry – and as individual players in it – very clearly have to follow suit in order not to lose our markets entirely or lose shares of it to our competitors.

It would be very easy to list page after page of such changes in the history of beer and brewing created by changing consumer behaviour and preferences – an interesting parallel, by the way, to the article in this issue of the SBR by our friend Axel G. Kristiansen of the Scandinavian School of Brewing on how scientific and technological innovations have changed our

industry over the centuries – but let me here limit myself to mentioning only two of the very important such changes, to put things into perspective.

Firstly, the so-called 'lager revolution' that swept the world of beer from the mid-1800s and about a century onward. Given the opportunity to drink a bright, pale coloured and refreshing beer with an appealing balance of malt and hops from a glass, instead of a darker, heavier and mostly sweeter beer from a ceramic mug, the consumers reacted with an until that time unprecedented, fundamental shift of preferences that changed the brewing industry just as fundamentally.

Secondly – and interestingly almost just the opposite consumer reaction – I'll mention the craft beer revolution that started in the USA around thirty years ago and is still ongoing all over the Western world and, in general, in all mature beer markets. This current beer revolution is driven by the consumers' newly discovered interest in variety and bolder flavours in their beer. All of a sudden, nearly a century after having abandoned their original, local and geographically varied beer styles for the pale lager beer, a very significant proportion of the consumers became more than open to discovering and enjoying all the other beer styles offered to them – some totally shying away from the totally dominating lager, some 'just' choosing craft beer on special occasions as a supplement to daily drinking of their favourite lager brand.

Now, my observation is that extremely powerful trends are appearing on top of – or perhaps also to some extent in parallel to – the craft beer revolution, namely the trend towards local beer. As the affluent Western – and Western-minded in the exploding middle classes of countless other countries – consumers are becoming much more critical, individualistic and to some extent quality-conscious, they have begun to look for not just craft beer, but local craft beer.

Without going into the sociocultural science and philosophy behind this move, an area in which I'm no more of an expert than my readers, it is however very clear that the blind confidence in large brands and multinational companies along with the post-industrialization comfort consumers took in conforming

to the norm, doing what any other guy or girl up the street or at the next desk at work was doing, are things of the past. In all aspects of consumer behaviour these days – and absolutely most clearly expressed in the choice of foods and beverages – the modern consumer is willing, at least occasionally, to pay for extra perceived quality. And this perceived quality is expressed in a number of priorities that should apply to the goods bought: they should not be 'mere commodities' but specialized, they should be produced by a company that the consumer knows and can identify with, they must be healthy and environmentally sound – i.e. organic and with a low carbon footprint – they should preferably be different from what 'the next guy' is buying, they should preferably have a 'feel good' story attached and – if at all possible – it should be local! And the preference for 'local' is not only based on the fact that 'local' very often conforms well to many of the aforementioned priorities; it is a priority that goes way beyond that. Again, I rest my case insofar as socio-psychological explanations are concerned, just claiming that the 'feel good' factor in buying local is huge and deeply rooted. And, as far as I can see, it is growing at remarkable speed!

One highly remarkable indicator of the trend towards local is the US specialty beer market. In just over 5 years, the number of

breweries in the US has grown from 1,600 - 1,700 to now well over 3,200! No American today lives more than 50 miles from a brewery, and the demand for European craft beer in the US is nosediving as more and more US craft beer lovers find out that it makes more sense to buy a fresh, local beer right around the corner instead of spending three times the money on a tired and maybe even oxidized European copy.

Needless to say, this mega-trend is right up my own alley as far as the Nordic Beer project – I promise not to go there beyond this comment in this editorial! – is concerned, but I already now see myriads of examples of breweries large and small catering to the trend. Let me, in this case, just mention the new low-alcohol series called 'Nordic' from Carlsberg. And I can assure you that we've only seen the top of the iceberg! Excellent news for Scandinavian craft brewers, though perhaps a somewhat bigger challenge for the multinationals. But my advice is this: Find a way to adapt to the trend towards 'local', and do it quickly...

Drop me a line or two to let me know your views at anders@kissmeyer.dk.

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