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Craft beer or just crafty?

The Marketeer takes a look at the history, categorisation and potential future of the infamous world of craft beer

Over the last few years I have had the pleasure of working in the picturesque town of Bakewell in the Peak District with a company called Hartington's. They run a number of courses to educate, inform and amuse people with an interest in food and drink. The course I help them with is for individuals who have aspirations to set up their own microbrewery. These courses take attendees through the full brewing process together with the essential business and technical insights on setting up your own microbrewery.

Regardless of who is in the room, the two questions I always get asked are: "Is the craft beer market going to continue to grow? And: "In the future, will restaurants, pubs and bars still be as keen to stock craft beers as they are today?" The simple answers they all want to hear are "yes" and "yes", however, the reality is that both questions are far more complicated than they would appear on the surface.

Craft beer rising

The rise in the interest and popularity of what we know today as 'craft beer' has been steadily growing in this country over the last seven to 10 years. Most commentators would probably point to the US as its place of origin, although that somewhat disregards our own cask ale market, which has existed in the UK for centuries.

Unlike the UK, the US consumer had for decades been presented with very few differentiated products or brands. The popular image of beer in America was that of a mass-produced commodity with little or no character, tradition or culture mostly supplied by mega brewing corporations. As such, the market had been aching for change for a considerable period of time. This change came about through the growth of smaller independent brewers who began to brew beers using more traditional methods and with different ingredients.

Establishing craft beer in the US was never the overnight success that many would have you believe. Although it notionally began back in the early 1980s, tough market conditions meant that it wasn't until the mid-90s before craft beer in the US really came of age. As the number of craft brewers and the range of beers they produce continued to grow, a number of these brands began to find their way across the Pond. The increasing presence of these brands in the UK coincided with the introduction of progressive duty in the early 2000s. This provided a sliding scale of excise duty relief for those breweries under certain thresholds and, in particular, under 5,000 hls per year. This saw the number of breweries in the UK increase from less than 500 to nearly 2,000 by 2017.

Not surprisingly, based on what had occurred in the US, the industry and media alike quickly began to refer to this new generation of microbrewers as craft brewers. And almost by default the beers they produced, regardless of quality, ingredients or brewing style were all labelled as 'craft'.

What is a craft beer?

Talking with operators, bar staff and consumers alike, the one thing which is abundantly clear in the UK when it comes to craft beer is that everyone has their own definition or opinion on what it is. Or, in some cases, what it isn't!

This is in sharp contrast to the US, where the American Brewers Association have quite defined criteria for what constitutes a craft brewer. For example, they need to have an annual production of less than 6m (US) barrels. They should be less than 25% owned or controlled by an alcohol industry member who are not themselves a craft brewer. The majority of the alcohol volume in beers they brew should derive its flavour from traditional or innovative brewing ingredients and fermentation. So, by definition, flavoured malt beverages, which are quite popular in the US, are not included. Brewers in the US who meet these criteria by definition then produce craft beers.

Unfortunately or otherwise, there aren't similar criteria for what a craft brewer or craft beer is in this country. As Bob Pease, CEO of the American Brewers Association, says: "The cat is already out of the bag, and brewers haven't acted quickly enough to get a concrete definition for 'craft' products in the UK, meaning that it is now too late to do so."

What's in a name?

Of course, many of you will already be saying, "So what?" and I couldn't agree more. Ultimately, whether you are an operator or a customer, when stocking or buying beer there are some simple fundamentals we all should look for. The beer needs to be made from quality ingredients, consistent in look, taste and the experience it delivers. In today's world, having an engaging back story, heritage or reason to buy is also extremely important. Of course, what this means to individual operators and customers can vary quite considerably and can be influenced by trading style, outlet type or occasion.

In my view, the issue arises when individual beers don't deliver on any of these things and instead rely on being categorised as 'craft' so as to benefit from the umbrella effect of the wider category. That's not to say that every brewer who refers to their beers as craft is trying to pull the wool over your eyes, but it should be done for the right reasons. Used correctly the term 'craft' can be used as a simple short-cut to help would-be buyers understand where a particular beer sits versus other categories. Less helpful is when brewers/suppliers use the term to describe one of their beers simply to benefit from the current halo effect which the term has and its inference that because of this the beer in question will then sell in the same way as some of the existing brands with the same label.

The future

So what of the future? It is my belief that there will continue to be a demand for beers that use quality ingredients, are consistent in look and taste and have an engaging reason to buy. Whether in the years to come these are still labelled as craft beers may well be down to how diluted the term becomes from the inclusion of beers which simply don't meet the right standards or deliver against expectations. ☺

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