

Fuller's and the Problem of Market Segmentation in the Beer Market

Dr Simone Santoni wrote this case to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

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The Decision

Sarah Mitchell, Head of Consumer Insights at Fuller, Smith & Turner P.L.C. (Fuller's), leaned back in her chair at the company's Chiswick Lane South headquarters. It was late September 2018, and the afternoon light poured across the Griffin Brewery—a site that had brewed beer since the seventeenth century. On Mitchell's desk sat a thick marketing report: months of survey data and focus group transcripts that were meant to clarify where Fuller's should focus its portfolio for the next decade.

"The traditional methods aren't cutting it anymore," Mitchell said to James Chen, Director of Digital Strategy. "We've spent six months and nearly £200,000 on research, and I still can't tell you which customer segments matter most."

Chen nodded. "Focus groups love London Pride's heritage, but purchasing data shows younger drinkers drifting to craft. What people say and where they put attention don't line up."

Fuller's problem reflected a broader shift in British brewing. For nearly two centuries, regional brewers understood their markets through interviews, focus groups, and surveys. Those tools worked when a few established brands served loyal, local drinkers. But craft beer, imports, and digital discovery shattered that stable landscape.

A beer enthusiast in Manchester might find a new Belgian-style IPA on Reddit, taste it at a pop-up, and discuss it on BeerAdvocate before Fuller's traditional research even noticed the trend.

"Maybe we're asking the wrong question," Chen suggested, pulling up BeerAdvocate on his laptop. "We keep probing what consumers say they like. We should watch what they actually pay attention to—and how that attention spreads."

BeerAdvocate, with 1.6 million members and nearly 9 million reviews, buzzed with conversations about styles, brewing techniques, and tasting notes. "There's behavioral data here," Chen continued. "Not survey claims, but traces of where attention goes—which styles people engage with, how interests cluster, and how they shift over time."

Mitchell leaned forward. "You're saying we can map attention itself?"

"Exactly. Instead of classifying by demographics, we can see how communities of interest form and evolve. That could reveal segments based on actual behavior, not stated preference."

The idea was compelling but a departure from Fuller's habits. The marketing team excelled at qualitative methods, and the board would need evidence that network analysis of online community data could generate actionable insight.

Three paths emerged. Fuller's could double down on enhanced traditional research. It could pilot a small network analysis using public BeerAdvocate data. Or it could build an integrated platform blending qualitative expertise with continuous attention analytics. The choice would shape not only Fuller's marketing strategy but potentially how the brewing industry understood its customers in a digital era.

Company Background

The Griffin Brewery Heritage

Fuller, Smith & Turner traces its origins to the late seventeenth century, when a brewhouse on the Thames in Chiswick began commercial operations. The formal partnership of the Fuller, Smith, and Turner families formed in 1845, cementing a brewery synonymous with London ale.

The Griffin Brewery—named for the mythical creature adopted as the company's emblem in 1816—kept faith with traditional cask production even as rivals embraced industrial keg brewing. Flagships such as London Pride (4.1% ABV best bitter), ESB (5.5% ABV extra special bitter), and Chiswick Bitter built Fuller's reputation as a guardian of British brewing heritage. Fuller's remains the only brewery to have won the Campaign for Real Ale's Champion Beer of Britain with three different beers.

By the early 2000s, Fuller's operated as a vertically integrated brewer and pub operator, combining the Griffin Brewery with a large estate of pubs and hotels across London and the South East. That structure offered brand control and customer proximity, but it also anchored Fuller's identity in tradition as the market evolved.

The Changing Competitive Landscape

Between 2000 and 2018, three forces reshaped British beer and squeezed regional brewers like Fuller's.

First, global consolidation created brewing giants with scale advantages in procurement, marketing, and distribution. AB InBev, Heineken, and Asahi could outspend and outpace mid-sized competitors.

Second, the craft explosion added thousands of microbreweries. UK brewery count jumped from roughly 500 to more than 2,000. Progressive Beer Duty made small producers tax-advantaged, and novelty, locality, and experimentation attracted drinkers seeking variety.

Third, consumer behavior shifted toward exploration. Rating platforms, specialty bottle shops, and craft-focused pubs offered an “endless aisle” that encouraged sampling over loyalty. A drinker who once ordered “a pint of Pride” now faced dozens of IPAs, lagers, sours, and stouts in the same venue.

Fuller's sat in the “squeezed middle”—too small to match global scale, too established to enjoy microbrewery tax relief and novelty. Its beers were respected yet at risk of being pigeonholed as traditional while the market rewarded the new and different.

The Consumer Research Challenge

Fuller's marketing team relied on focus groups and surveys, recruiting through panels and segmenting by demographics. Moderators explored brand perceptions, taste preferences, and purchase occasions. Surveys through pub networks and online panels added ratings on taste, value, and image. The outputs informed portfolio, advertising, and pricing decisions.

The limits of this toolkit became harder to ignore:

Cost and scalability. Focus groups require recruitment, facilities, and skilled moderation. A multi-segment study can cost £50,000–£100,000 and take months, making it slow and costly to track fast-moving trends or niche segments.

Stated versus revealed preferences. Respondents often give socially desirable answers. A drinker may claim to support local breweries yet regularly buy the lowest-priced supermarket option. Traditional methods capture claims, not behavior.

Retrospective rather than prospective insight. Surveys excel at reactions to current products but lag on emerging trends. By the time a new style appears in survey data, it may already command attention.

Limited visibility into attention. Traditional tools ask what consumers like or dislike. They are weak at showing what consumers notice, discuss, and share. Attention—where curiosity and conversation flow—may be a better leading indicator than preference alone.

The Digital Beer Community

BeerAdvocate: An Overview

BeerAdvocate, founded in 1996 by Jason and Todd Alström, grew from a review database into one of the world's largest beer communities. By 2018 it was a peer to RateBeer, with strong U.S. craft representation and meaningful international participation.

Forums, ratings, event listings, and educational content made BeerAdvocate a constant stream of discussion on styles, techniques, and industry news. The platform's design encouraged community building: users followed one another, referenced prior threads, and built reputations through consistent participation.

Several traits made BeerAdvocate valuable for research:

Self-selected engagement. Users participate voluntarily, revealing genuine interest rather than incentivized responses.

Style-based organization. Discussions cluster around styles (IPA, Stout, Belgian Tripel, etc.), showing how consumers mentally map the category.

Behavioral traces over time. Persistent posts and replies reveal how attention shifts and how interests spread through social ties.

Community structure. The networked nature of the forums creates identifiable clusters and bridges that shape how ideas and tastes move.

Understanding Attention Networks

Viewing BeerAdvocate data through a network lens reframes segmentation. Instead of classifying people by demographics or stated attitudes, network analysis reveals how attention is allocated and shared.

A two-mode network representation is useful. One set of nodes is users; the other is beer styles. An edge links a user to a style when that user posts in threads about that style. Projecting this network onto users alone creates a one-mode user-to-user network: two users connect when they participate in the same style discussions. Clusters in this projected network indicate communities of shared attention.

Dr. Emily Rodriguez, a computational social scientist advising Fuller's, explained: "Traditional segmentation asks, 'What kind of person drinks London Pride?' Network analysis asks, 'How is attention organized, and where does London Pride sit within that map?' The second question surfaces which attention communities Fuller's already reaches, which it might reach, and where new interests might pull drinkers away."

The network approach offers:

Community detection. Algorithms can surface natural clusters without predefining segment counts or traits.

Bridging and brokerage. Users whose attention spans multiple communities—"taste brokers"—can signal emerging cross-over trends.

Structural roles. Users can be classified by position: core versus peripheral, connectors versus specialists, and how their engagement influences others.

The Strategic Options

As Mitchell and Chen prepared for the board, three options crystallized, each with different costs, timelines, and change implications.

Option 1: Enhanced Traditional Research

This option would deepen the tools Fuller's already uses rather than change course. Enhancements could include:

- Expanding the annual tracking study from 2,000 to 5,000 respondents
- Using choice-based conjoint to quantify trade-offs among attributes
- Running mobile ethnography so participants log consumption moments in real time
- Partnering with pub chains to link surveys with point-of-sale data

Advantages: builds on familiar capabilities, requires minimal organizational change, and produces outputs that fit existing brand planning. Limitations: it still measures preference rather than attention, remains costly to repeat, and offers limited visibility into emerging niches.

Estimated cost: £ 150,000–£ 200,000 annually. Timeline: operational within six months.

Option 2: Network Analysis Pilot

This option would test the value of attention analytics through a focused pilot using public BeerAdvocate data. Three phases:

Phase 1: Data collection and network construction (two months). Gather user participation in style threads and build the two-mode user–style network on a defined time window and representative user sample.

Phase 2: Network analysis and community detection (two months). Project onto users, calculate network metrics (degree, betweenness, clustering), and apply community detection to surface natural segments.

Phase 3: Insight development and validation (two months). Characterize communities by attention patterns and validate with market data and the commercial team's judgment.

Advantages: lower risk, contained spend, and capability-building. Risks: a small pilot may yield limited strategic insight; six months may still feel slow; results depend on data quality and analytical assumptions.

Estimated cost: £ 75,000–£ 100,000. Timeline: six months to preliminary findings.

Option 3: Integrated Research Platform

The most ambitious path would blend traditional qualitative research with ongoing attention analytics, creating a standing capability rather than a one-off project. Components could include:

- Continuous monitoring of BeerAdvocate and other beer communities
- Quarterly network updates to track attention shifts
- Integrating network insights with brand tracking studies
- Attention dashboards for brand managers
- Training and potential hiring for network analysis skills

Advantages: positions Fuller's at the forefront of digital market research, enables trend tracking and early opportunity spotting, and embeds behavioral insight into planning. Costs and change demands are substantial: building infrastructure, new skills, and new processes. Returns are uncertain and require board commitment.

Estimated cost: £ 300,000–£ 400,000 in year one; £ 150,000–£ 200,000 annually thereafter. Timeline: 12–18 months to full capability.

The Decision Point

Evening settled over the Griffin Brewery as Mitchell reviewed the options. Outside her window, the wisteria planted in 1816 wrapped the brick, a reminder of Fuller's roots.

"We sell heritage and craftsmanship," Chen said, packing up. "But discovery is digital. Our research approach has to honor both."

Mitchell nodded. "The board wants returns from the pub estate. Every pound on research competes with that. We need to show why attention data matters now."

Beer enthusiasts were logging into BeerAdvocate, rating beers, and debating styles. Their posts formed an evolving map of what captured attention. The question for Fuller's was whether to invest in reading that map—and whether the company was ready to act on what it revealed.

Exhibits

Exhibit 1: UK Beer Market Structure, 2018

Segment	Market Share (%)	Growth 2013–2018 (%)
Global Brewers (AB InBev, Heineken, Carlsberg)	58.2	+2.3
Regional/National Brewers (Fuller’s, Marston’s, Greene King)	18.5	-4.1
Craft/Microbreweries (2,000+ breweries)	8.7	+147.2
Imports	14.6	+12.8

Note: Regional brewers face a classic “squeezed middle”: global players defend share with scale, while craft brewers capture outsized growth.

Exhibit 2: Traditional vs. Network-Based Segmentation

Dimension	Traditional Segmentation	Attention Network Analysis
Data Source	Surveys, focus groups, panels	Online community behavioral traces
Unit of Analysis	Individual stated preferences	Patterns of attention allocation
Segment Basis	Demographics, attitudes, occasions	Community structure, attention clustering
Temporal View	Point-in-time snapshots	Longitudinal evolution
Cost Structure	High per-study cost	Higher setup, lower marginal cost
Bias Profile	Social desirability, recall errors	Selection (engaged users)
Discovery	Tests hypotheses	Reveals emergent patterns

Note: Traditional methods offer representativeness and familiarity; network analysis offers behavioral validity and early sight of emergent communities.

Exhibit 3: Two-Mode Network Representation

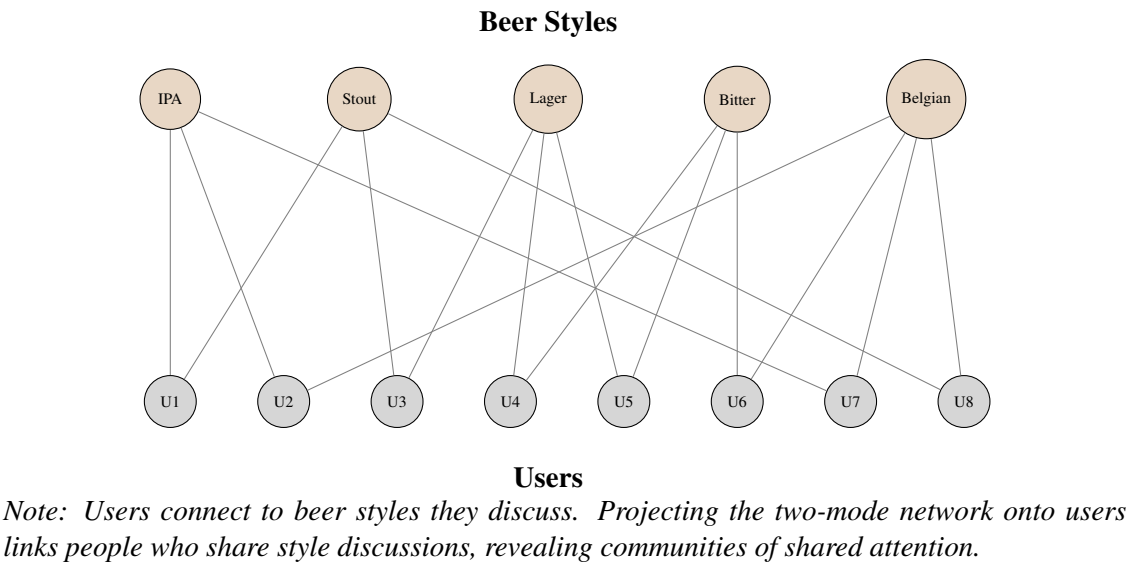


Exhibit 4: Strategic Options Comparison

Criteria	Option 1: Enhanced Traditional	Option 2: Network Pilot	Option 3: Integrated Platform
Upfront Cost	£ 150K–200K	£ 75K–100K	£ 300K–400K
Annual Cost	£ 150K–200K	N/A (one-time)	£ 150K–200K
Timeline	6 months	6 months	12–18 months
Risk Level	Low	Medium	High
Capability Building	Incremental	Limited	Substantial
Insight Type	Stated preferences	Attention patterns	Both
Competitive Differentiation	Low	Medium	High

Note: Option 1 offers continuity, Option 2 tests behavioral insight at low risk, and Option 3 embeds a new capability with the greatest potential upside.