The Stout Challenger

Murphy's, Guinness, and the economics of the relisting

A choice-based study of 260 Wetherspoons draft drinkers across Great Britain

June 2026

Background

Murphy's Irish Stout, the Cork-brewed dark beer first produced in 1856, is back on the Wetherspoons bar. From 11 May 2026 the chain began relisting Murphy's across its roughly 800 pubs, with full availability by the end of June. The stout had been stocked in Wetherspoons but was dropped in 2014 following a dispute with Heineken. It returns at an average price of £2.99 a pint, which places it clearly below Guinness, the category's dominant stout, at roughly £3.50 to £5.94 across sites.

That price gap is the heart of the question. Wetherspoons trades on being a value-led proposition, so a value stout arriving on its bars is as much a signal of how squeezed the drinker has become as it is a range decision. With Murphy's now listed below Guinness in the same venues, does Guinness face a genuine value challenger, or does the relisting simply broaden the category? This study quantifies the commercial reality behind the headlines, then reads it through the eyes of the three businesses with a stake in the outcome: Wetherspoons the retailer, Heineken as Murphy's owner, and Diageo as the owner of Guinness.

Key questions to answer in this paper:

Will Murphy's drive value growth for Wetherspoons?

Should Guinness react investing in price?

Has Wetherspoons secured the right investment to compensate for the margin dilution?

Executive summary

- **Murphy's grows the stout category but shrinks total draft value.** Stout occasions rise and stout revenue climbs about 13% in London, yet total draft revenue slips about 1.7% because Murphy's pulls drinkers out of higher-priced lager into a cheaper pint. The category gets bigger in volume while the till take edges down. This is the finding to model before treating the relisting as accretive.
- **Murphy's lands as a credible value stout.** In London it settles at a stable 7.8% of draft occasions and grows the total stout category by 5.2 points, a strong result for a single new value line.
- **Lager is the largest source of Murphy's volume, ahead of Guinness.** Lager cedes the most share when Murphy's enters, and Guinness is only the second-largest source, so Murphy's mainly expands the stout category rather than dislodging Guinness.
- **For Wetherspoons, the case is category growth, not leverage or margin.** Stout grows in both units and value, but the leverage over Diageo is limited, and because volume shifts out of higher-margin lager into a cheaper, costlier-to-serve stout, the likely direction on blended margin is down, not up.
- **For Heineken, the relisting works, and Murphy's looks underpriced.** Its revenue holds or rises across the tested range and peaks at the top price, so Murphy's could have carried £4.49 or potentially above in London with more revenue per serve and minimal loss of competitive impact.
- **For Diageo, the loss is real but contained, and best defended away from price.** Guinness cedes about 2.6 points of London share and roughly a tenth of its draft revenue. A price cut wins share back from the wider range, but barely dislodges Murphy's, so the defense is loyalty, ritual and format, not a price war.

What we tested

We ran a choice-based experiment with 260 Wetherspoons customers across Great Britain, all of whom had bought an alcoholic drink there in the past six months. We varied price across sixteen draft products spanning stout, ale and lager, each tested at six price points calibrated to each of the regions in Great Britain. Each respondent was presented with a series of 12 scenarios in which they picked a single pint from five options, with the ability to select "none of these" should prices or products fail to meet the needs of the respondent.

These 3120 choices taken inform our algorithm which predicts how customers will react at the bar should range or prices change.

Illustrative choice card as shown to respondents

The brand Murphy's is up against

Murphy's brand indexes at 47 against Guinness at 100, below every mainstream lager too. Murphy's arrives as a value challenger, not a brand challenger. Murphy's earns its place on the bar through price, so the question for Wetherspoons is what that value play actually delivers.

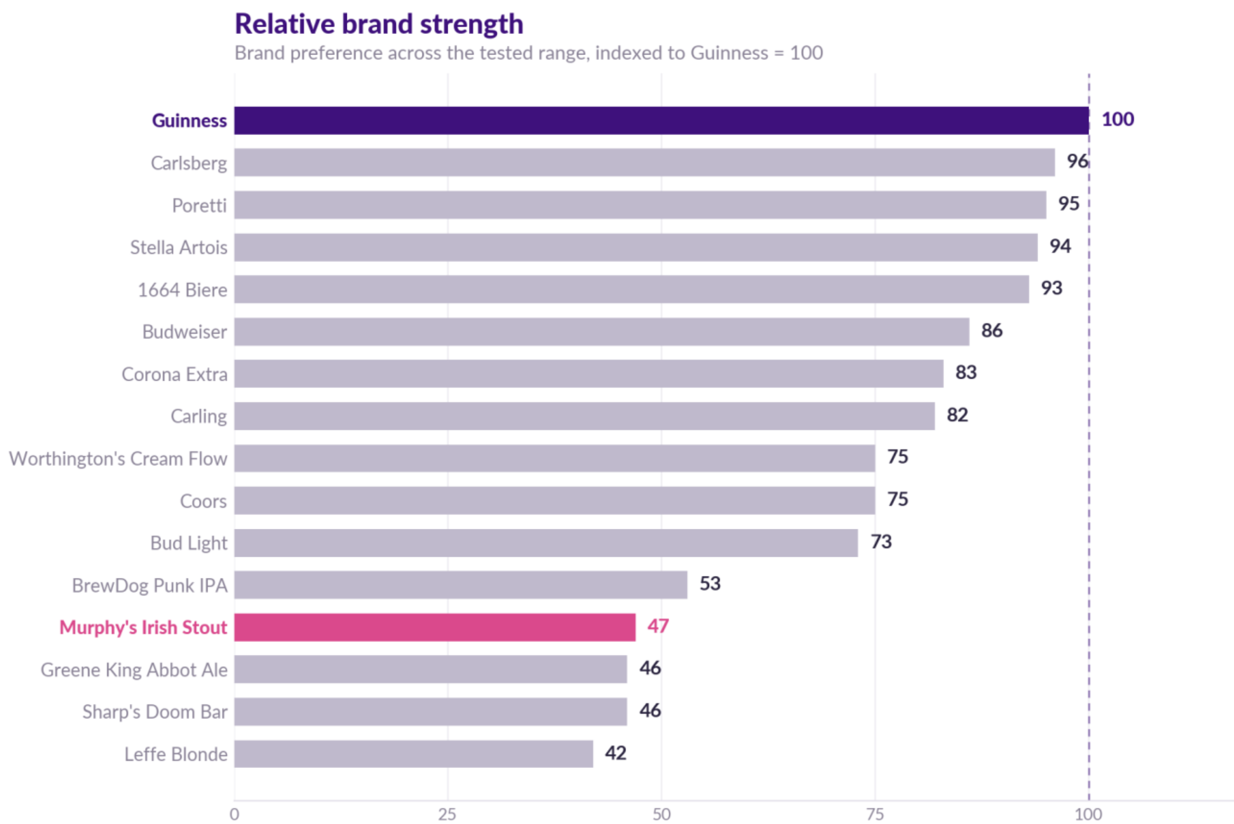

Figure 1. Relative brand strength, indexed to Guinness = 100. Murphy's enters among the weakest lines on the bar, below Guinness and every mainstream lager.

Why would Wetherspoons reintroduce Murphy’s?

Murphy's is a value stout landing below Guinness in a chain built on the cheapest pint. There are three reasons a retailer might want it on the bar: leverage to negotiate better terms with Guinness, category growth, and margin. The study lets us score each against the evidence.

1. Leverage over Guinness? Limited.

Murphy's is largely incremental to the stout category. Of its 7.8% of London volume when introduced, switching from Guinness is the single largest individual-line source at 2.6 points, but that is only about a third of Murphy's total; the rest is assembled from across the lager and ale range in small pieces, with no single line giving up more than about 60 bps, plus roughly 40 bps from drinkers who would otherwise have bought nothing. Figure 2 traces this split brand by brand. Guinness itself cedes only about 2.6 points with its regulars staying loyal. As a negotiating stick against Diageo, the threat proved much stronger than the actual relisting.

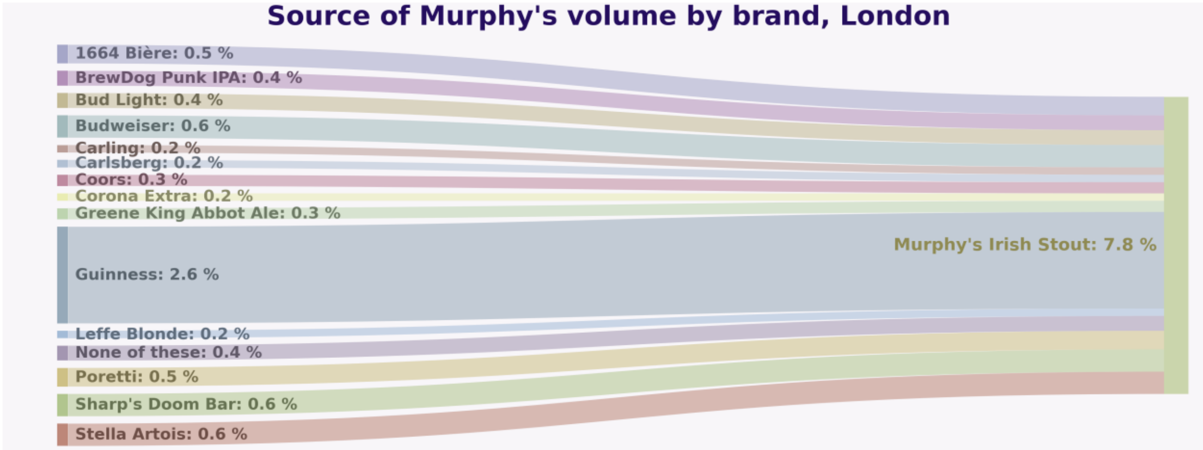

Figure 2. Source of Murphy's volume by brand, London

2. Grow the category? Yes.

This is the real, evidenced win. Adding Murphy's lifts the total stout category from 20.7% to 25.9% of London draft occasions, a gain of 5.2 points. It is genuine expansion rather than reshuffling: stout gains more than Guinness gives up. Value grows too, with stout revenue up about 13% in London. Figure 3 shows the before-and-after mix.

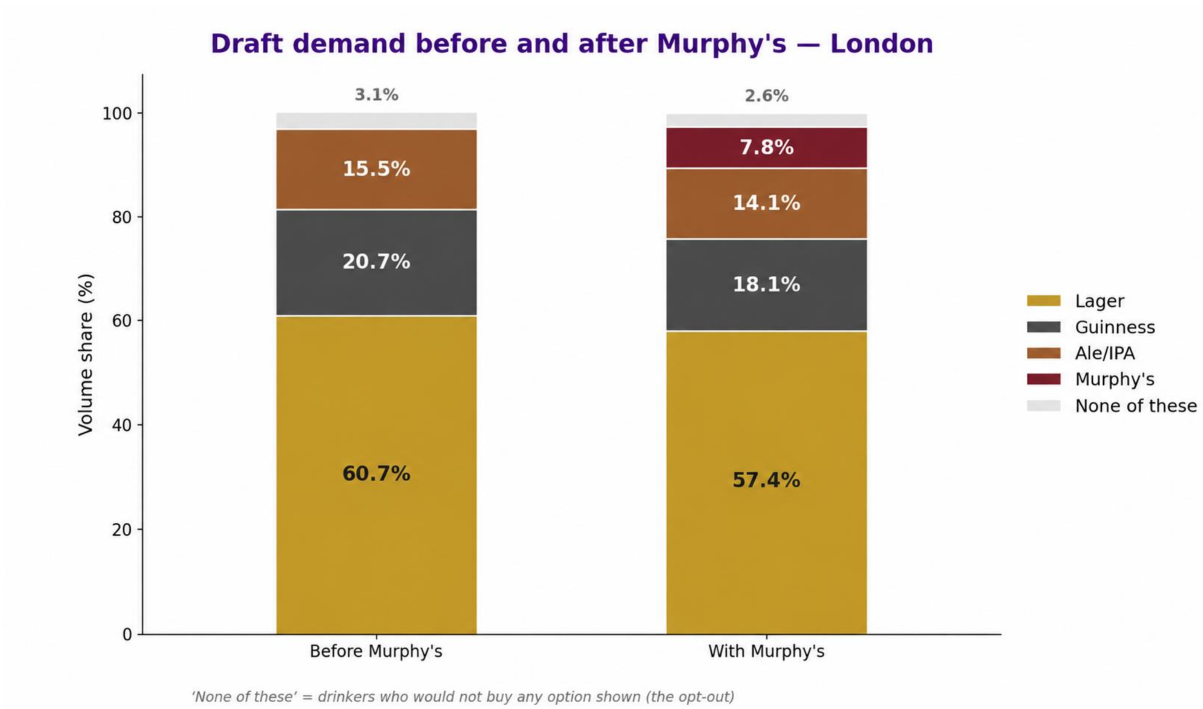

Figure 3. Draft demand by category before and after Murphy's is added, London

3. Improve margin? Probably not.

Here the direction runs against Wetherspoons. Murphy's grows stout mostly by moving occasions out of lager, which is higher-margin, faster-pouring and cheaper to serve, into stout, which typically carries a lower cash margin and higher cost to serve: tighter wholesale pricing in a

Guinness-dominated category, a slower two-part pour, higher waste from head collapse, gas cost from nitrogenation (infusing the beer with nitrogen instead of CO_2), and slower keg turnover. Murphy's has launched at the value end of the market, near £3.99 in London and £2.99 in the rest of GB. The model measures revenue rather than margin, and already shows total draft revenue softening by about 1.7% in London as the mix shifts toward a cheaper line. Blended margin will take a hit because Murphy's draws its share disproportionately from higher-margin lager.

The direction is clear. On the evidence here, margin is a headwind, not a tailwind, and it is the one thing to model before treating the relisting as margin-accretive.

For Heineken (Murphy's)

The relisting works, and the evidence suggests Murphy's is underpriced. Within the tested range, Murphy's is Heineken's only line, so there is effectively no self-cannibalization to weigh: every share point is competitive gain, about half from lager and a little over a third from Guinness. Crucially, share falls as price rises while revenue remains broadly stable. Across the tested ladder (Figure 4) Murphy's revenue holds or edges up, peaking at the top tested price of £4.49. Pricing lower does little: dropping to £2.49 only lifts Murphy's to its ceiling of 12.5% share with no gain in revenue. So Murphy's could have carried £4.49 in London, earning more per serve with minimal loss of competitive impact.

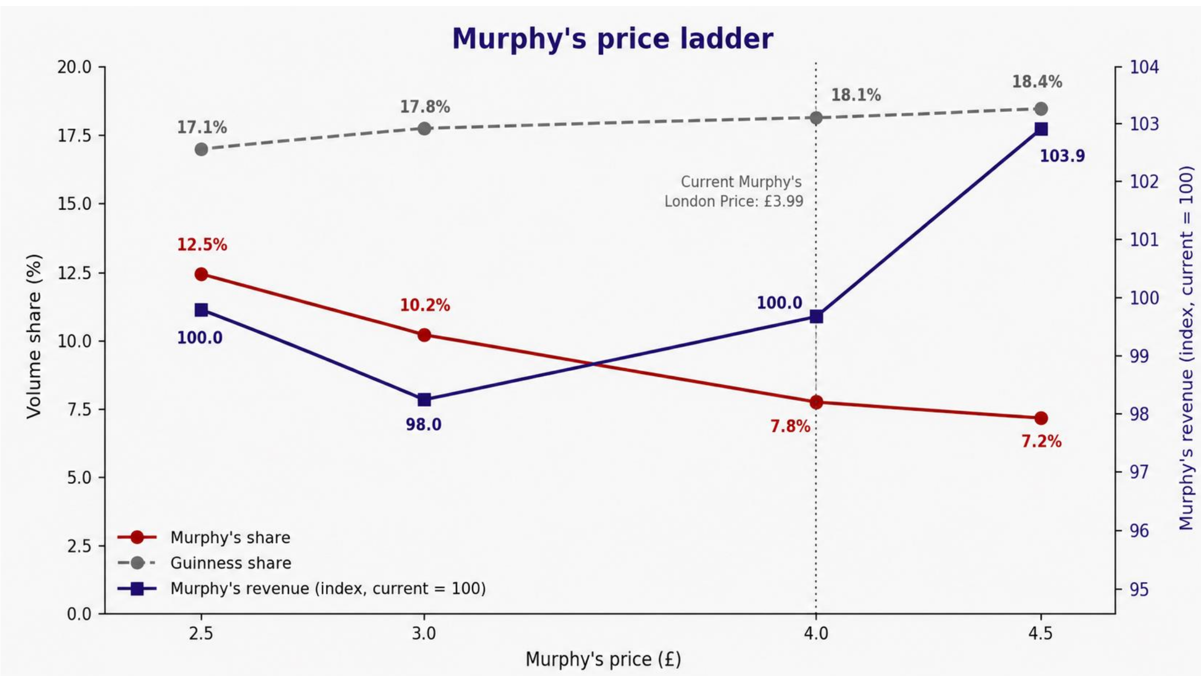

Figure 4. Murphy's price ladder, London: share falls with price while revenue holds

For Diageo (Guinness)

The loss is real but contained. At current prices Guinness gives up about 2.6 points of London share and roughly a tenth of its draft revenue. This is steady erosion, not collapse. A price cut is powerful for share but aimed at the wrong target: taking Guinness from £5.94 to £4.99 in London lifts its share from 18.1% to 24.0% and raises its revenue, yet barely moves Murphy's, which slips only from 7.8% to 7.3%. The volume a cut wins back comes mostly from the wider lager and ale range rather than from Murphy's, which stays sticky at around 7% throughout (Figure 5). So the stronger defense is away from price, through loyalty, ritual, quality cues and format. If a lower cash price is needed, a smaller serve between the half and full pint could reach a new price point while maintaining the full pint price point.

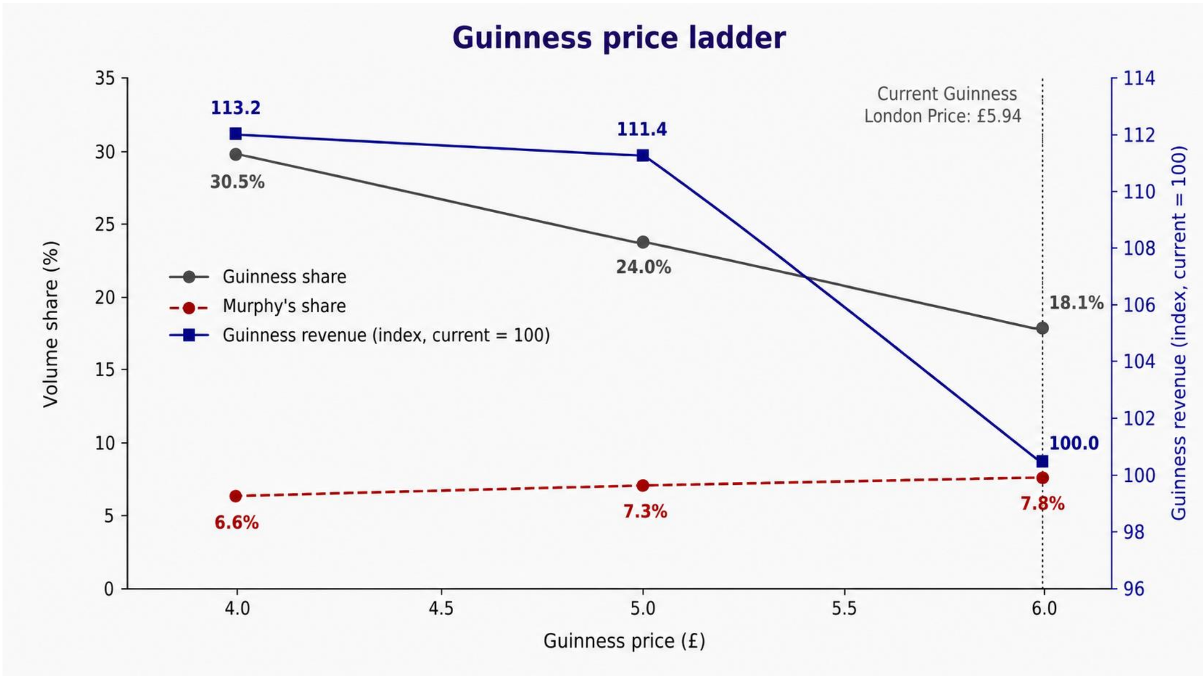

Figure 5. Guinness price ladder, London: cutting price recovers share from the wider range, with limited impact to Murphy's

A note on novelty

A choice study captures a single stated decision, so it reads trial intent rather than repeat in this instance. Murphy's benefits here from being new to the bar. Converting trial into durable volume depends on the stout delivering on taste, pour and consistency.

Conclusion

Murphy's re-enters the Wetherspoons draft range as a genuine value option rather than a niche curiosity, settling at about 7.8% of draft occasions and growing the stout category by 5.2 points mostly at lager's expense. For Wetherspoons the honest scorecard is category growth yes, leverage over Diageo limited, and margin most likely a headwind rather than a help. For Heineken the relisting works and, on the evidence here, was priced below where it could have sat. For Diageo the loss is contained and best answered through loyalty, ritual and format rather than a price war. The relisting becomes clearly additive only if Murphy’s pulls in extra visits, or converts occasions that would not otherwise have included a pint at all.

Talk to EPIC

Choice-based research turns complex range, pricing and packaging decisions into clear commercial direction. It shows what customers will choose, what they will pay for, and how different configurations affect demand, revenue and cannibalization. EPIC can help you move from opinion to evidence, and evidence to action.

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