

Beer-By-Numbers



It may seem a bit late to review the numbers from 2007, but with sales figures not available until late February, this is the first chance we've had to talk about the growth trends in beer. For the second straight year, the U.S. craft beer segment has produced double-digit growth, significantly outpacing both imports and non-craft domestic beer brands by posting sales from independent craft brewers that were up 12 percent by volume and 16 percent in dollars between 2006 and 2007.

Perhaps what is most remarkable about the continued growth generated by craft beer is that this success is being produced by craft beer on its own.

Over the last five years, craft brands have been delivering consistent growth numbers despite in comparison the minimal to declining growth performances from Non-Craft Domestics and Imports. I have said this before, and it deserves repeating: Craft beer is not a fad.

Looking at the **Top 15 Beer Brands for 2007** (derived from the IRI supermarket data), it is clear that all of the leading brands are either lagers or light lagers, and that they are posting small to declining percentages of growth.

Looking at the **Top 15 Craft Brands for 2007** (also derived from the IRI supermarket data), it is apparent that the top craft brands comprise of various year-round and seasonal styles and that, although craft brewers' share of the beer category is only 3.8 percent of production and 5.9 percent of retail sales, this segment is, by far, generating the most opportunity for you to increase your beer sales and bring in new and returning customers.

If we dig a little deeper into the numbers, it becomes apparent that U.S. beer consumers are slowly discovering the depth and diversity of domestic beer

and that the over-saturation of lagers and light lagers (imported or domestic), which had threaten to turn beer into a flat commodity market, is not the future of American brews at all.

In fact the future of American beer can be found in promoting the wide variety of beer flavors and beer styles available throughout the country. By challenging how consumers think about beer, we gain new consumers ready to re-discover beer.

And looking ahead, it will not just be the smaller craft brewers selling the diversity of beer. Be prepared to hear a lot more noise and promotion about a wide range of beer styles, as the big brewers begin diversifying their established brands and working to expand the beer market.

Anheuser-Busch has expanded its Michelob line by introducing Michelob Porter, Michelob Bavarian-Style Wheat, Michelob Celebrate Vanilla Oak, Michelob Celebrate Chocolate, Michelob Marzen and Michelob Pale Ale.

Miller has also begun to capitalize on the growth trends in beer by offering Miller Lite as a Miller Lite Amber, Miller Lite Blonde and Miller Lite Wheat.

What craft beer best offers is a wide variety of beer styles and brands, and their continued growth has consumers raising a glass and taking notice.



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The Top 15 Beer Brands Account for 63.0% of the Total Beer Dollar Sales

Brand	Dollars (MM)	% Change +/- YA
Bud Light	\$1,279.20	3.2
Miller Lite	\$671.1	3.4
Budweiser	\$636.2	(3.7)
Coors Light	\$584.0	4.9
Corona Extra	\$427.1	(1.1)
Heineken	\$276.8	5.5
Natural Light	\$258.7	2.4
Michelob Ultra Light	\$194.4	2.9
Busch Light	\$194	3.4
Miller High Life	\$159	2.1
Busch	\$146.5	0.3
Miller Genuine Draft	\$141.3	(7.4)
Corona Light	\$122.9	7.4
Budweiser Select	\$96.8	(17.5)
Keystone Light	\$92.9	11.3

(Total US - Food)

Top 15 Craft Brands Account for 51.4% of Segment's Dollar Sales

Brand	Dollars (MM)	% Change +/- YA
Sierra Nevada Pale Ale	\$50.5	5.2
Samuel Adams Boston Lager	\$49.9	10.8
Samuel Adams Seasonal	\$39.2	35.8
New Belgium Fat Tire Amber Ale	\$25.1	11.8
Samuel Adams Light	\$22.5	13.9
Shiner Bock	\$19.1	8.5
Widmer Hefeweizen	\$17.4	3.1
Samuel Adams Variety Pack	\$14.7	53.9
Redhook ESB	\$10.8	(0.8)
Pyramid Hefe Weizen Ale	\$10.1	10.6
Deschutes Mirror Pond Pale Ale	\$8.9	5.2
Sierra Nevada Seasonal	\$7.7	45.0
Alaskan Amber	\$7.7	3.2
New Belgium Seasonal	\$6.2	31.7
Deschutes Black Butte Porter	\$5.9	8.3

(Total US - Food)

Make Room for Beer (and Food)



Matching beer with food might be the ultimate “point-of-purchase” initiative for selling beer. Pairing your best food with your best beer works well to motivate your customers to move up to better beers with better margins for you, as well as allowing consumers to consider combinations that they would have never discovered on their own.

As of late, pairing beer and food has been getting a lot of press, and the truth is that the carbonation in beer makes it perfect for opening up the palate, which can allow your customers to more fully experience the flavor of the great food on your menu.

Additionally, beer is recognized for complementing spicy food, particularly when you are cooking with beer as it can be a great flavor-enhancing ingredient. So your chef may want to consider adding a little beer from your menu to a few of the house specialties.



Pairing beer and food isn't just a tactic for on-premise stores. Off-premise retailers are very often located next to Chinese food, Italian food and Mexican food restaurants. Sit down with your neighbors and match their best food with your best beer and promote the combinations together for take-out or in BYOB (Bring Your Own Bottle) establishments.

In addition to creating a menu that displays beer and food selections for on-premise stores, hosting a beer dinner is another perfect way to showcase your best meals and your best beer.

Following along with the year-end theme, the best Christmas gift that I received were two tickets from my Uncle Fred for a “beer dinner.” I have been to beer tastings in many formats (brewery tours, beer fests, beer tastings on-premise, and beer tastings off-premise and at conventions) but I had never attended a dinner specifically created for pairing various beer styles with food.

Not only did I also have a great time, but I was able to discover some fantastic new brews and am now convinced that there isn't a better venue for helping on-

and off-premise customers to trade-up to better beer or to learn how to match beer styles with anything from appetizers to desserts.

Allentown Beer Works, which is a Pennsylvania brew pub located very close to where I live in New Jersey, hosted this beer and food tasting event. The brew pub is located on the street level; however, the owners utilized the upper floors of their building to host banquet-type events. As a result, the event felt special and was located away from the normal buzz of the brew works. I would say that this is not a prerequisite for hosting this type of function, but it definitely helped facilitate the education that came with the beer and food.

A few things to note about this din-

ner: Each course was paired with both a complementing and contrasting beer selection. Another interesting approach was that for each course, one beer was provided by the Brew Works (brewed in-house) and the other was provided by a local distributor. It was a great way to promote the brew pub and locally distributed brands. The dinner also incorporated a “Four Corners of America” theme, so when planning a “beer dinner” look to different holidays or food themes for your inspiration.

Tips for hosting this type of event include reaching out to your distributor or local brewer or brewery representative to help organize and sponsor the event.

- ▶ Begin the evening with a quick explanation of the theme and steps for tasting and appreciating beer.
- ▶ Begin each course with a short explanation of the rationale for the beer pairing and beer style selection.
- ▶ Courses do not need to be overwhelming in size, and a beer tasting doesn't require anything larger than the typical 3 oz tasting glass.
- ▶ Promoting the event around a holiday that can be linked to gifting will increase turnout (example: Father's Day in June might be a great time to try this out).
- ▶ Pricing: My uncle paid \$75 per person including tax and tip.

—**Michael Kuderka**



Available Resources:

There are a number of resources available for matching beer with food. Almost every brewer has brand-specific recommendations on their website. The Boston Beer Company has done a particularly good job of matching and cross-referencing great food with its beer brands. You can check these out at www.samueladams.com.

If you are looking for a broader resource, the Brewer's Association has developed a pamphlet that provides a nice background on matching beer with food and also offers an extremely useful chart that matches a variety of popular beer styles with entrées, cheeses and desserts. You may order copies by going to:

www.store.beertown.org/shopdisplayproducts.asp?id=15&cat=General+Interest.

Ariston Business Concepts offers another neat tool that matches branded beer with food. This tool is called the BeerWheel and you may e-mail creator Don Apostolos at dapostolos@optonline.net.

One last great resource for matching beer with food, or a general beer education, can be found at www.herestobeer.com. Anheuser-Busch cannot get enough credit for the quality and resources on this site. The Beer Connoisseur course is fun, interactive and packed with important beer and food suggestions and recipes.