

Selling beer: 2012 Tips and Trends

BY MICHAEL KUDERKA

As the beer market continues to evolve, and consumers continue to increase their loyalty to craft beer, many retailers have expanded the number of craft styles and brands they sell, as well as the overall space they dedicate to craft beer. In 2011, volume of craft beer grew 14 percent for the first six months, compared to a 9 percent growth in the first half of 2010¹.

This is a huge departure from a time when lagers and light lagers dictated what space was left for craft beer to fill; now the variety and profitability of craft beer is requiring stores to set aside a significant amount of space for these brands.

So how will you fill this space? First, after considering your local sales trends and your store's current customer base, below are a few tips based on national trends that may help.

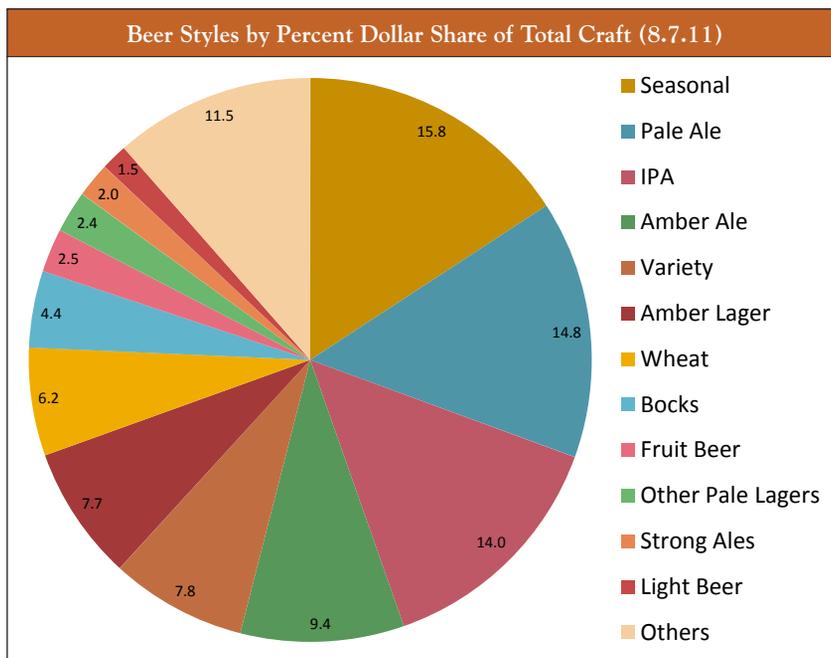
WHICH STYLES: THE HOPPIER THE BETTER

Although amber ales, amber lagers, and wheat beers remain in the top five of the best selling craft beer styles, hop focused styles like pale ales and IPAs have a commanding control over the number one and two dollar sales positions (excluding seasonal brands); IPAs specifically have enjoyed impressive growth over the last few years, increasing in dollars sales by over 42% (2010 vs. 2011). Tastings focused on IPAs and Pale Ales would be a great idea throughout 2012.

WHICH BRANDS: GO LOCAL

Home grown breweries continue to perform well in their local markets and regions. So, as local brewers expand distribution, and local brew pubs begin bottling their brands and offering retail availability, take advantage of their popularity. These brands have a built in fan base, and if you haven't carried them before, they have the benefit of being new.

Also, when placing these local brands on the shelves, think about displaying



National Data through 8.7.11 derived from Food, Drug, and C Stores, beer sales provided by SymphonyIRI Group, a Chicago-based market research firm.

only a few bottles at a time. These brands are terrific impulse buys, and consumers will scoop up a number of bottles if they believe the availability is limited. In New Jersey, we watched a consumer purchase twenty-five 22 oz. bottles of McNeill's Brewery's brands because he had previously never seen them available outside of Vermont. He didn't want to take the chance that he might not find them in New Jersey again, and we heard him reason with his wife on his cell phone that it was cheaper than driving to Vermont.

STOCKING & SELECTION: 22 OZ. BOTTLES, 4 PACKS, AND 1/6 KEGS

Tying up less space per brand and providing greater selection should be the goal. Dinner bottles (22 oz. and 750ml) are very popular, as are 4 Packs and single 12 oz. bottles. Customers who purchase these bottle sizes tend to stay and shop and purchase more than one brand at a time as each beer has something dif-

ferent to offer. The customers who buy 24 packs and cases don't stay and shop – they grab and go.

Also, find out how many of your customers own kegerators. Most of the stores we work with carry a large selection (50 to 150 -1/6 kegs) in their cold rooms. They actively promote what is in inventory on line and in their stores, and this tactic pulls in many new beer customers.

¹The Brewers Association, *Brewers Association Reports 2011 Mid-Year Growth for U.S. Craft Brewers*, August 8, 2011, <http://www.brewersassociation.org/pages/media/press-releases/show?title=brewers-association-reports-2011-mid-year-growth-for-u-s-craft-brewers>.

Michael Kuderka is the Managing Partner at MC Basset, LLC. The company designs beer selling solutions and training for on-and off-premise retailers. www.thebeerbible.com – Contact Michael at mkuderka@mcasset.com. © 2011 MC Basset LLC