



## Taking on a craft beer-centric strategy

BY MICHAEL KUDERKA

Independent stores and large chains alike are increasing their customer base and expanding their beer business by embracing a craft beer-centric selling strategy. For these retailers it isn't about having a few isolated craft beer isles - it is about allowing craft beer to dictate how they sell beer.

"Once we have allocated sufficient space to craft beer, we then allocate space for imports and finally for the premium and budget categories," as quoted by Justin Cody, Beer Category Manager, Spec's Wines, Spirits, and Fine Foods, "Retailer Profile: Spec's Speaks on Beer Trends," *Beer Business Daily*, August 31, 2011. That's a major departure from a time when floor and beer cases were jammed with countless lagers and light lagers. Limited growth and lower margins are leading retailers to collapse the space set aside for those selections and lean heavily on the depth and diversity of craft beers.

Craft beer-centric retailers tell us they would rather fill and refill the premium and budget doors and shelves than miss out on the customers being attracted by their beefed up craft beer selection.

### Stepping up to craft beer

Beyond increasing floor space and shelf space, these retailers are adopting selling approaches that actively promote craft beer. So, what are they doing that's different?

- The neon signage over the store is being updated or expanded to promote Liquors, Fine Wine, and Craft Beer.

- Beer tastings have become weekly scheduled events, and not just to celebrate Craft Beer Week.

- Tastings include cooking with beer demos and pairing beer styles with glassware.

- The staff hand sells their craft brands, which means the staff is spending more time on the floor interacting with the customer in the beer isle.

- This also means that these stores have made a commitment to beer training and to making beer expertise a priority.

- "Build your own six pack", growler stations, and a large variety of "ready-to-go" kegs are being promoted.

- Selling beer and food pairings that offer suggestions for entrées, desserts, and cheeses.

- Investing in Point of Sale (POS) to increase the amount of time a customer spends in the beer section which increases the number of bottles purchased.

- Display an inventory that supports small local breweries as well as limited edition and collaboration brands.

### Out-of-the-box

This month's Out-of-the-Box submission was sent in by Matt Nutt, one of the managers at BevMo in Temecula, California. Just north of Escondido, the home of Stone Brewing, and San Diego home to Ballast Point, Lost Abbey, Port Brewing, Mission

Brewing, AleSmith and Karl Strauss (to name a few), Matt has seen the tremendous growth of craft beer first hand.

What Matt enjoys about selling craft beer is that even though every beer drinker has a slightly different pallet, as a category craft beer offers a style, or has a flavor, for just about every beer consumer.

With the abundance of talented brewers in the area, Matt's store focuses on local breweries which allows BevMo to capitalize on the local fan base cultivated by these breweries and their brands.

Providing a broad selection of beer is key, so the BevMo in Temecula tries to keep the "12 oz. singles" selection as large as possible. Matt explains, "I've had customers come in that have been drinking silver bullets for 25 years wanting to try something new. I take them straight to the 12 oz. singles section," and introduce them to a whole new world of beer.

The strategy is to use the draw of the creativity of the local breweries, and the consumers' quest to try something new, and "offer customers the opportunity to try something different without buying an entire 6-pack which some are extremely expensive."

Also, many of the local California brewers offer their brands in 22 oz. bottles, so BevMo has been expanding their bombers into whatever extra space they can find. Matt estimates that about 80% of the time new seasonals are sold in a 22 oz. configuration and this section really adds to the variety they are able to offer.