

Crafting Success:

*Lessons Learned From An Evolving
US Beer Market*

CBCTEC - June 11, 2024



AGENDA

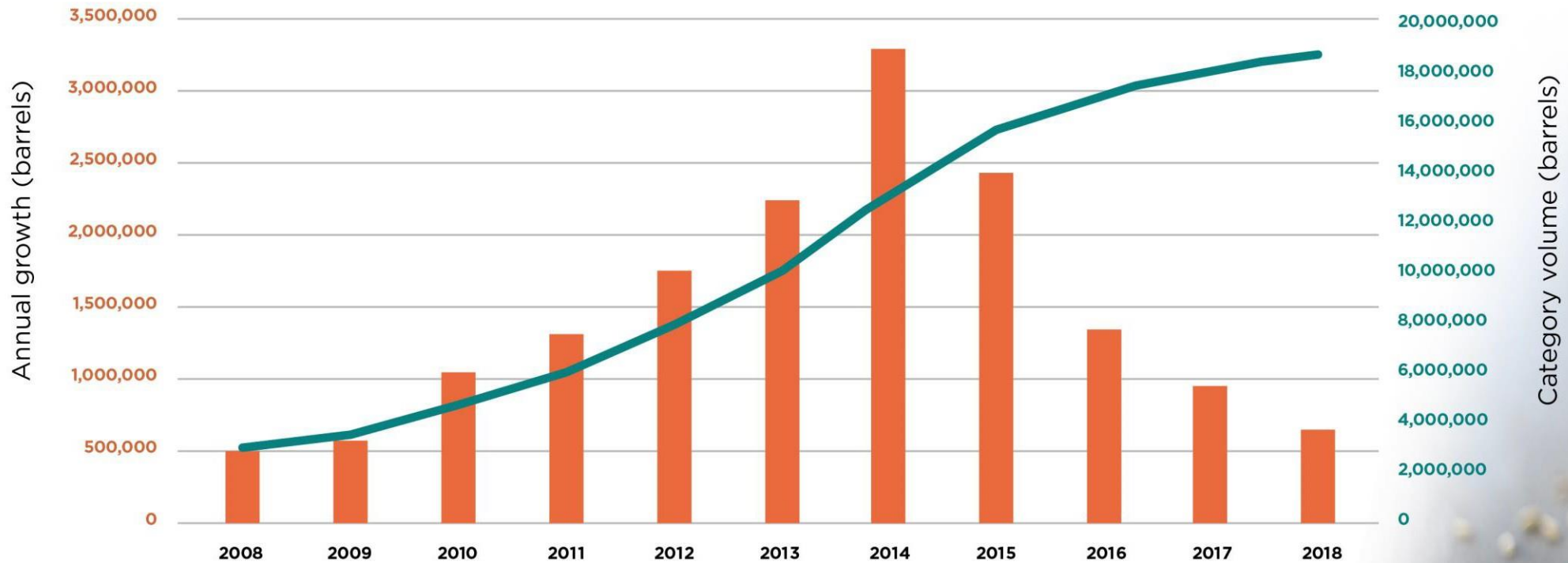
- US Craft Beer Industry Update
- What is growth? And where do I find it?
- Innovation
- Strategies for Success



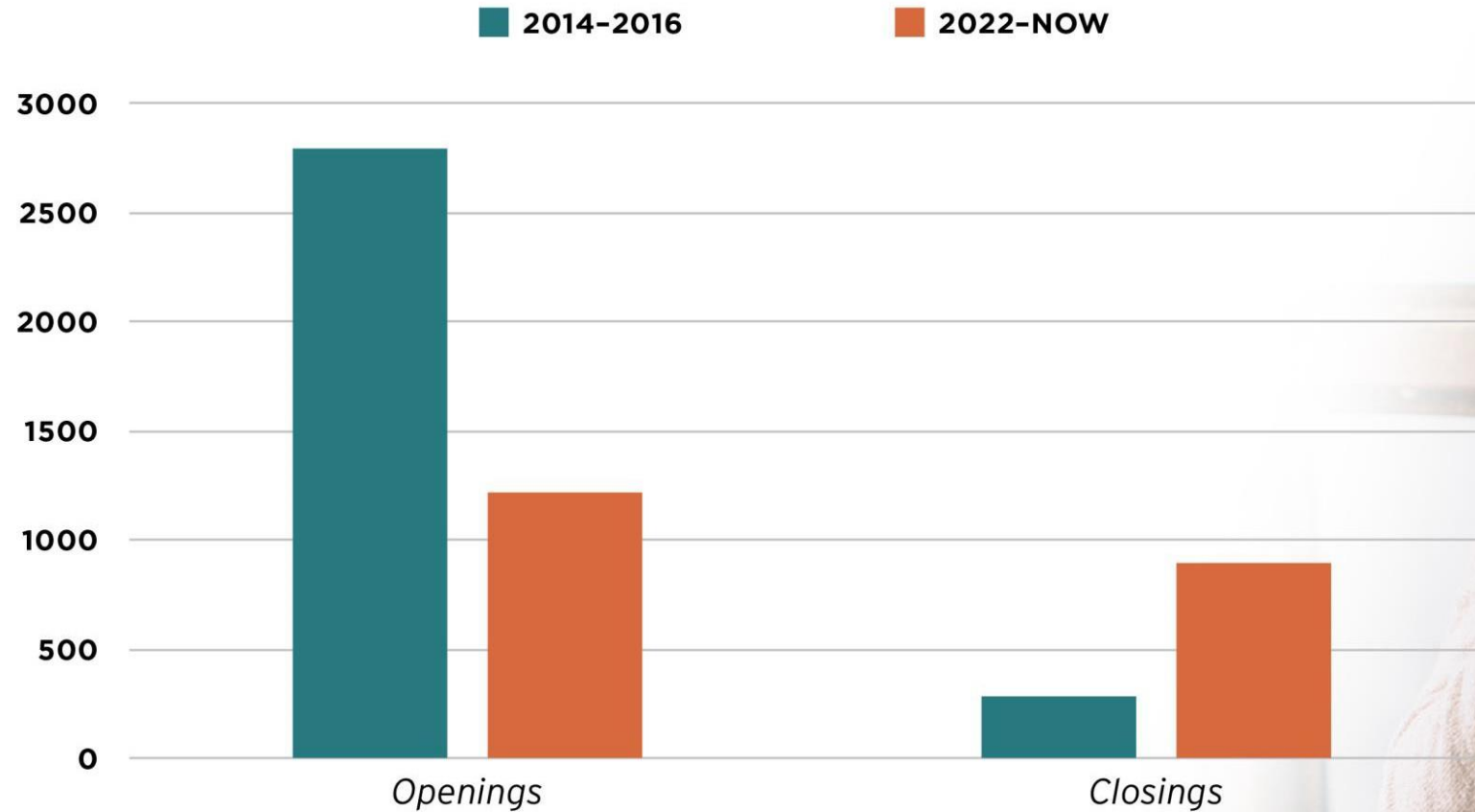
CHALLENGING LANDSCAPE

ERA OF RAPID ADOPTION > ERA OF INCREMENTAL GROWTH

Craft Growth 2008-2018

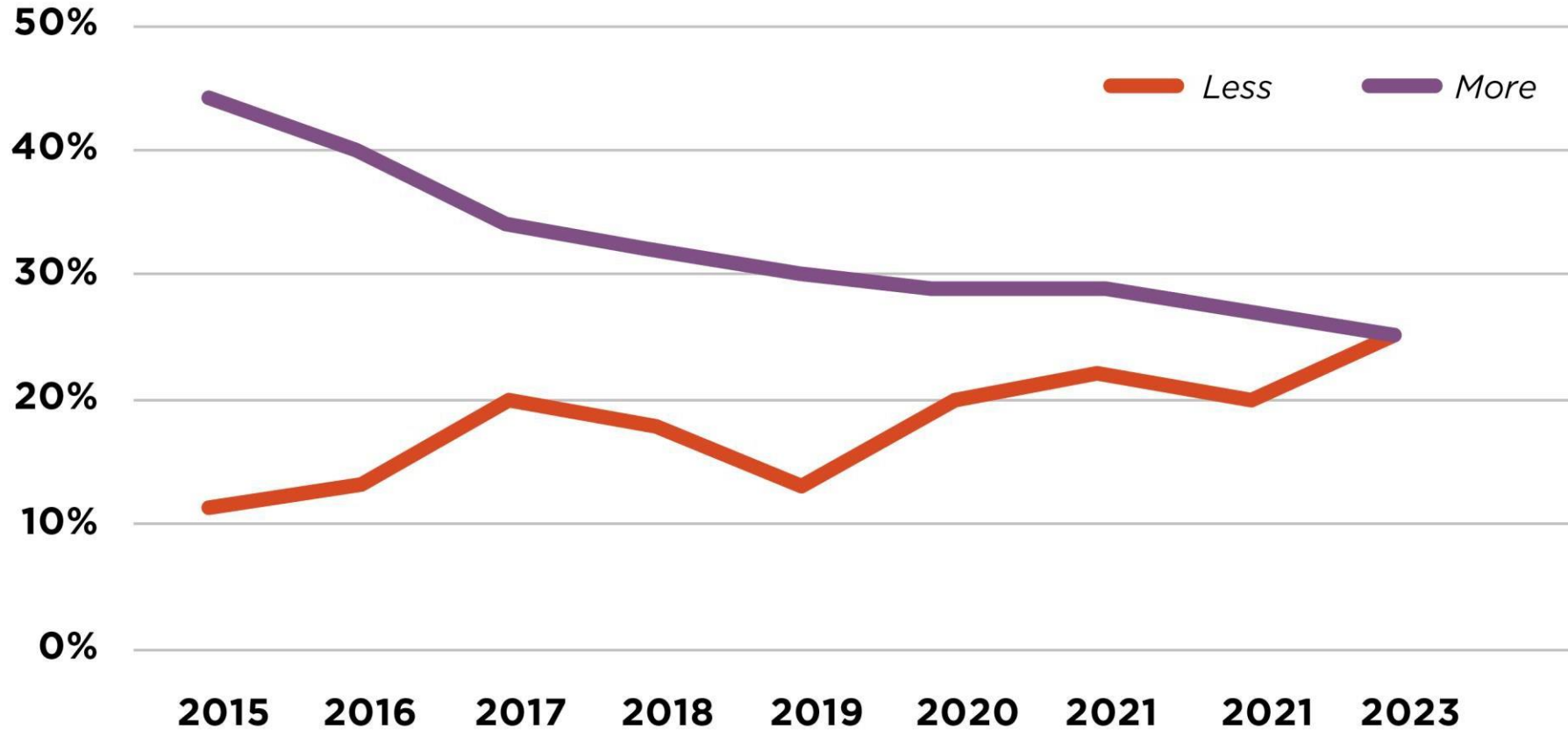


OPENINGS & CLOSINGS



DEMAND

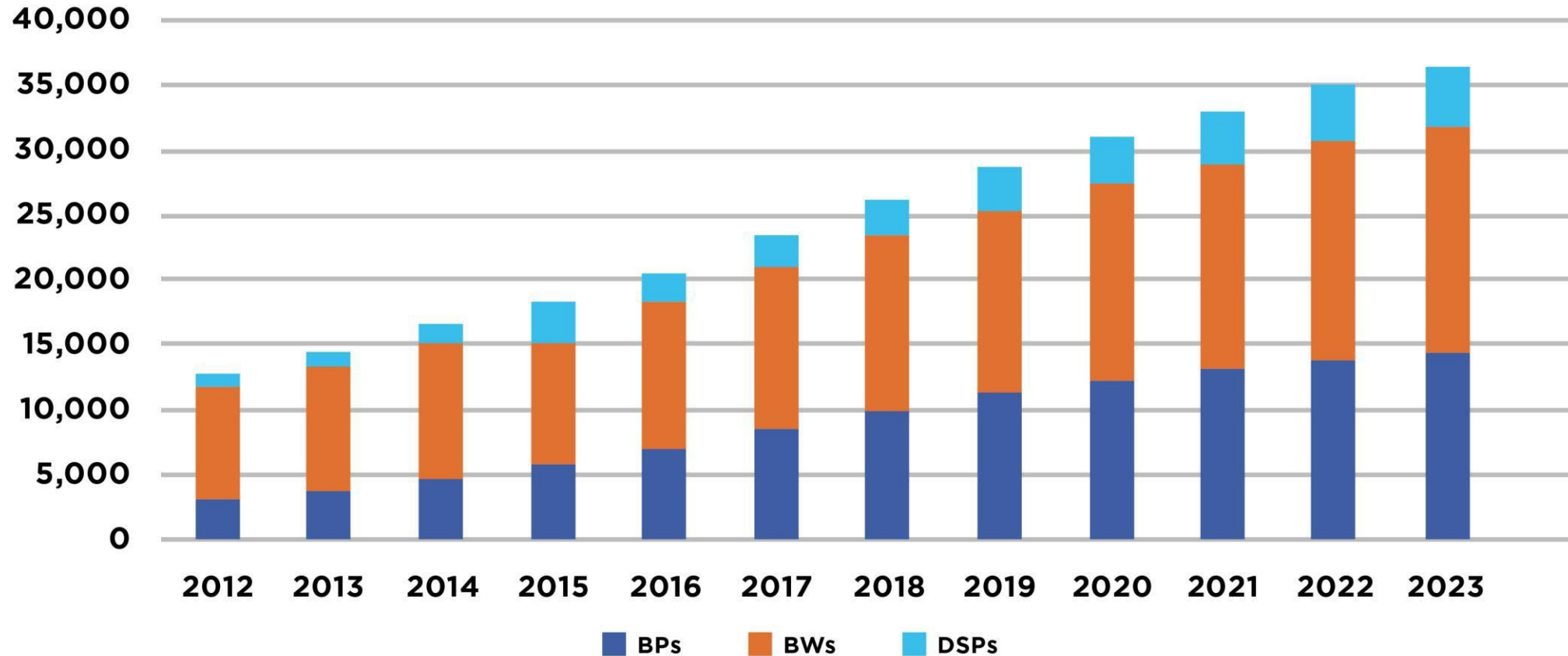
In general, would you say you are drinking more, less, or about the same amount of craft beer compared to a year ago?



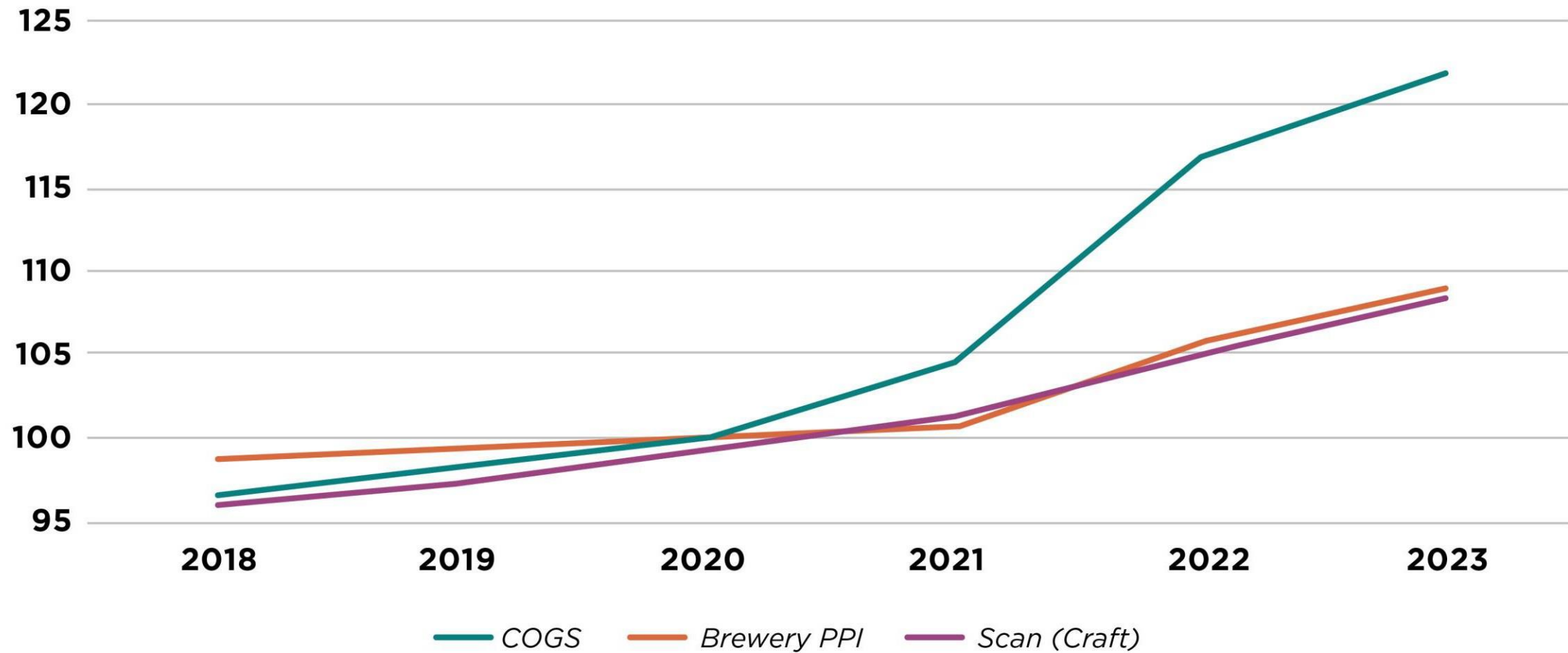
Source: Harris Poll, Various Years

COMPETITION & SUPPLY

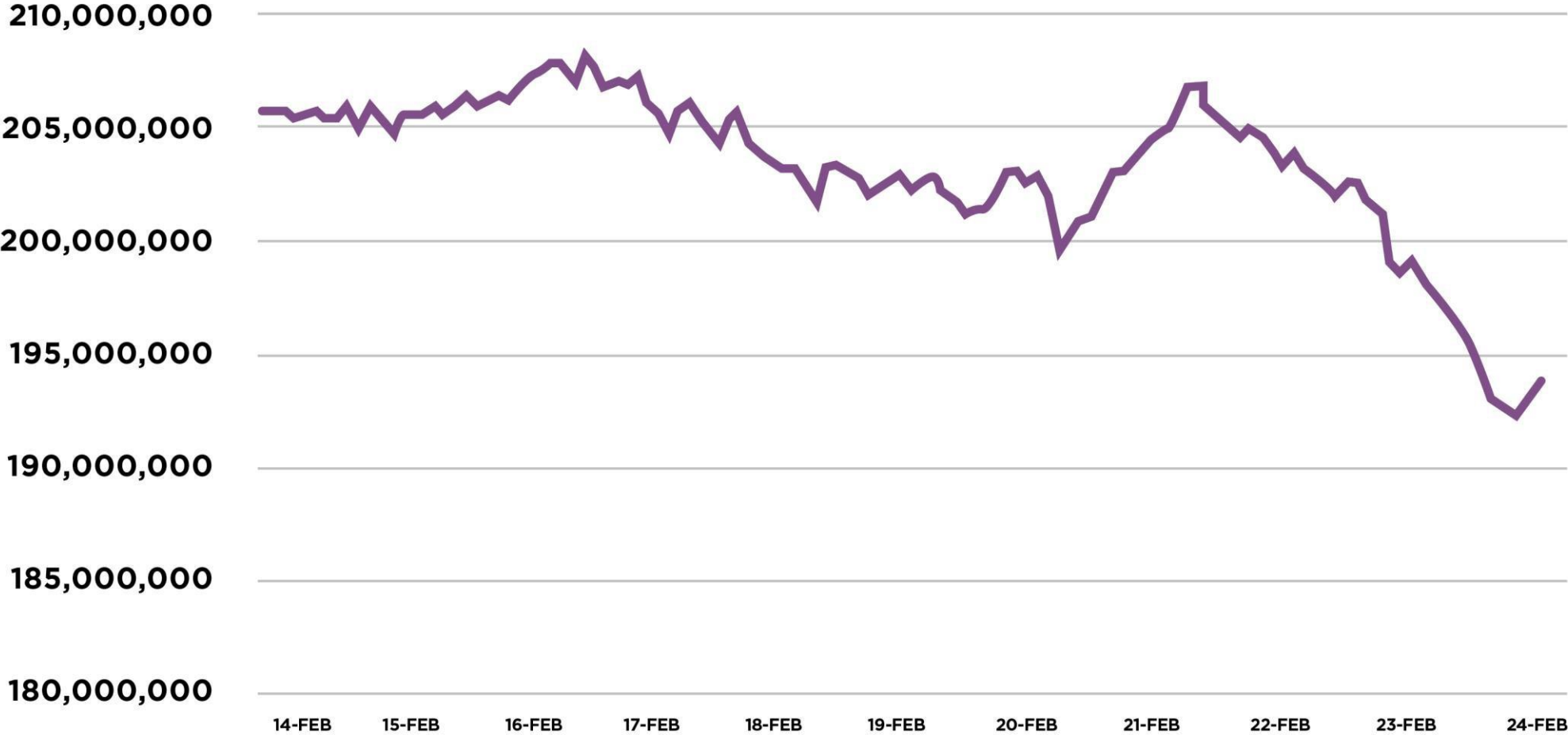
Total TTB Permits, 2012-2023



CRAFT COSTS > CRAFT PRICING



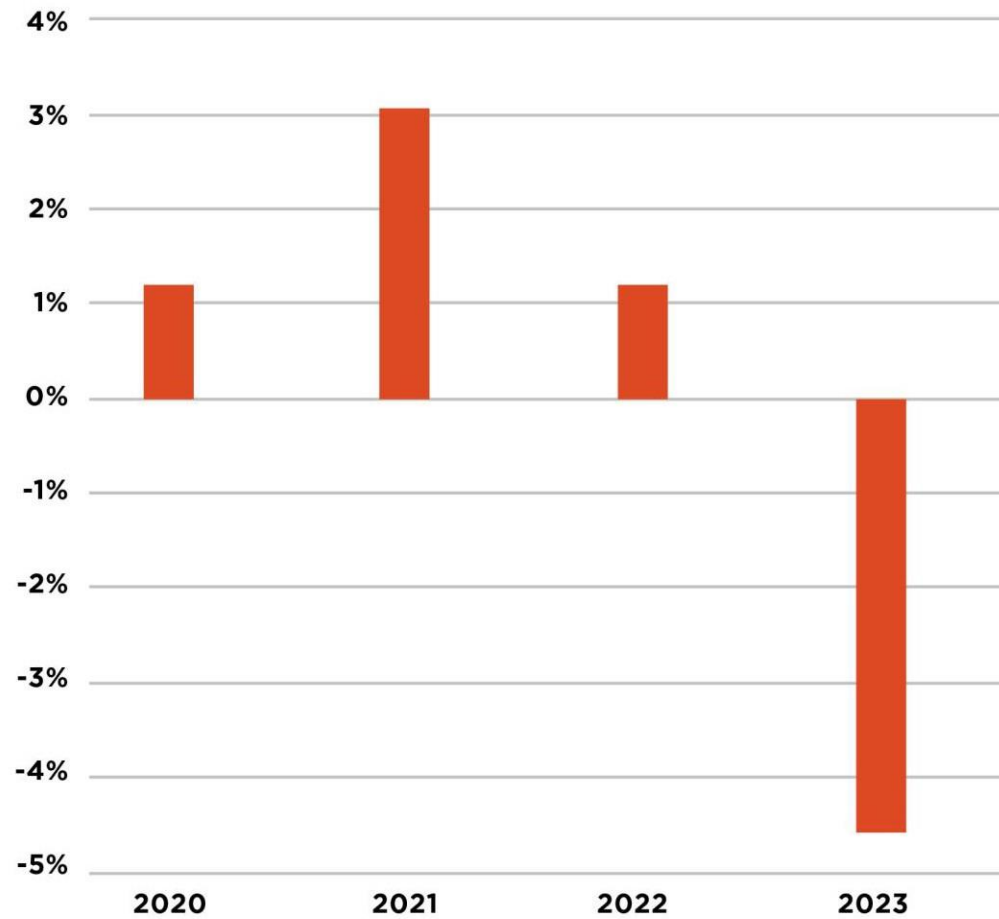
BEER, ROLLING 12-MONTH SHIPMENTS



Source: Beer Institute

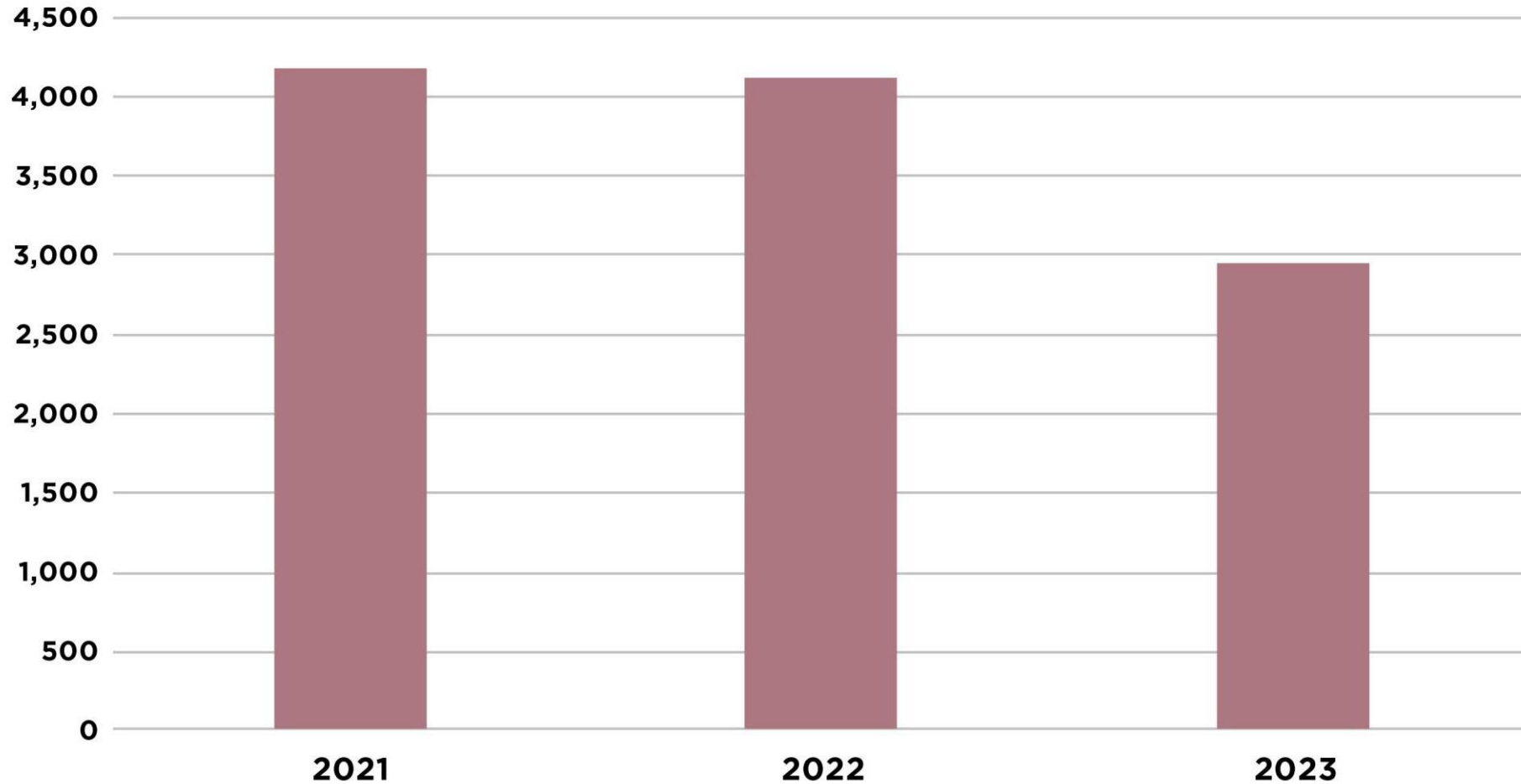


BEV ALC SHIPMENTS 2020-2023



Source: Jon Moramarco

TOTAL BEER - NEW BRANDS



Source: Bump Williams Consulting

CRAFT VOLUME AND DOLLAR SALES

-10%

**CRAFT
PRODUCTION**

30%

**DOLLAR
SALES**



A photograph of a blue flower in a white pot with a glass of beer in the background. The flower has two stems, each with a single blue flower. The glass is filled with a dark beer and has a white head of foam. The background is a blurred brown and green.

FINDING GROWTH

State of the Industry | Brewers Association



BRANDS CUSTOMERS AND OCCASIONS

- **Innovation is going to be hard in this environment**
 - *Fewer new brands*
 - *Crowded bev alc marketplace*
 - *Still need to do it*



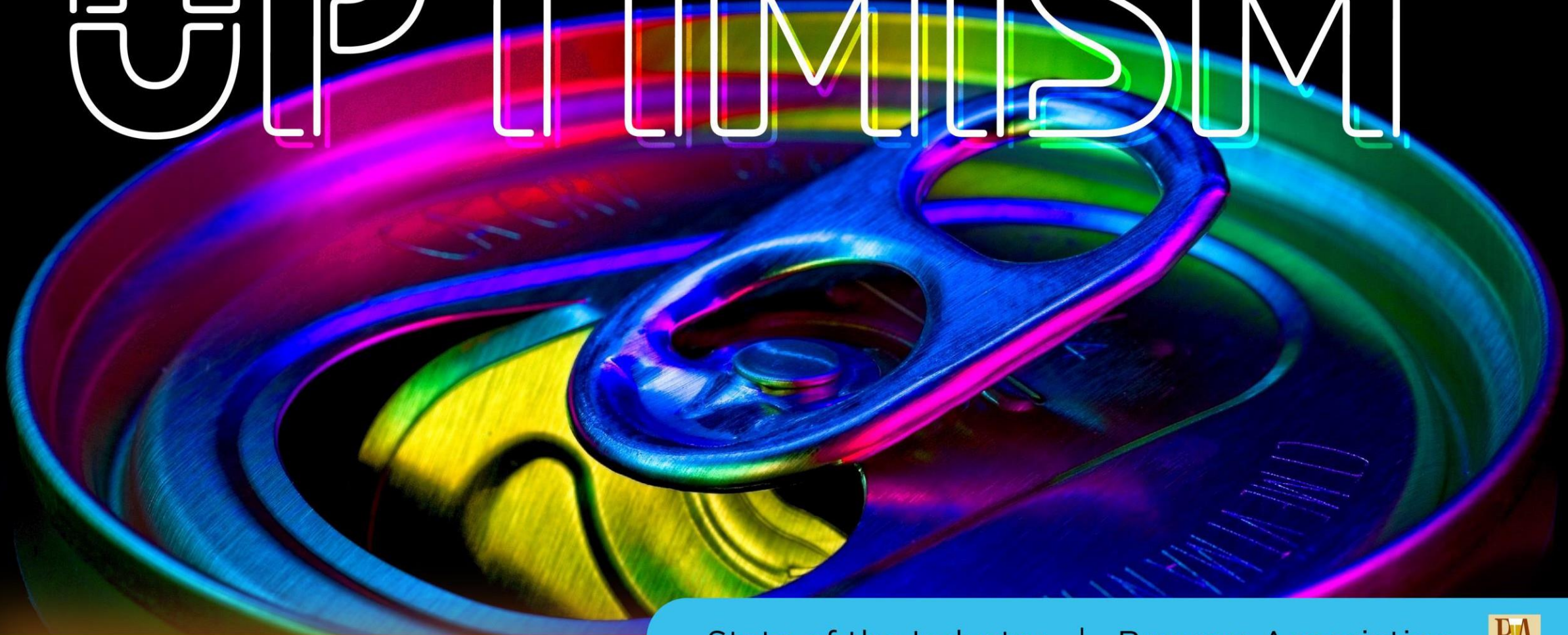
INNOVATION

**“If an idea seems new
to the individual,
it is an innovation.”**

- Everett Rogers

REASONS FOR

OPTIMISM



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FIND WAYS TO

STAND OUT

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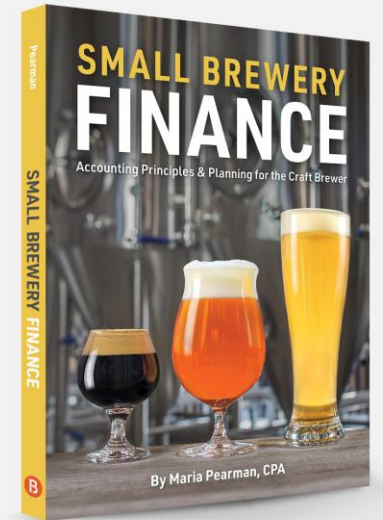


Strategies

- 1. Financial Management and Cash Flow**
- 2. Diversification of Revenue Streams**
- 3. Customer Focus, Marketing, Branding**
- 4. Innovation & Adaptation**

Financial Management & Cash Flow Optimization

- Cycles come and go. Similar slowdown in 1990s
- Strategic positioning for growth & investment when growth returns.
- Revenue/Profit in the bank, not volume. Don't let volume define the story.
- Where can you increase focus to improve?
 - Inventory Management,
 - Cost Control Measures,
 - Forecasting,
 - Budgeting,
 - Financial Performance monitoring



APRIL 21-24, 2024

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**Financial Planning +
Leadership Bootcamp**

Audra Gaiziunas

Owner of Brewed for Her Ledger, LLC



Revenue Diversification



Weathering shifts in customer preferences in products and channels.



Incremental purchases



What does your brand stand for? Do other opportunities make sense?



Utilizing existing assets

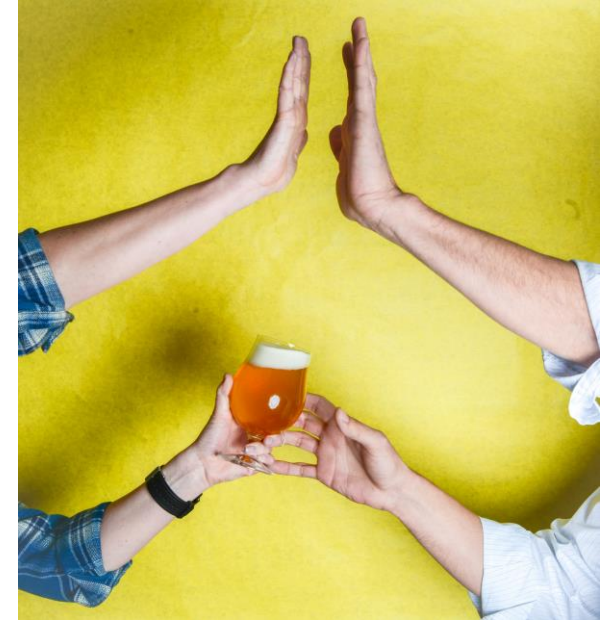


Exploring other channels:

- Taproom
- DTC
- Ecommerce
- Contract Brewing

Innovation & Adaption

- Where consumer trends meet brewery brand and go-to-market strategy
- Isn't just in product, but also business process.
- Challenges as opportunities. We have more tools than ever.
- What can you learn from outside your brewery?



“Success isn't built on being the first to have every great new idea. I find myself trying to be more open-minded than ever towards the innovations that I see others coming up with. Innovation exists in refining your own and others' ideas in these incremental and interstitial ways ”

– Ben Edmunds, Breakside Brewery, 2023 Russell Schehrer Award for Innovation

Customer Focus, Marketing, and Branding

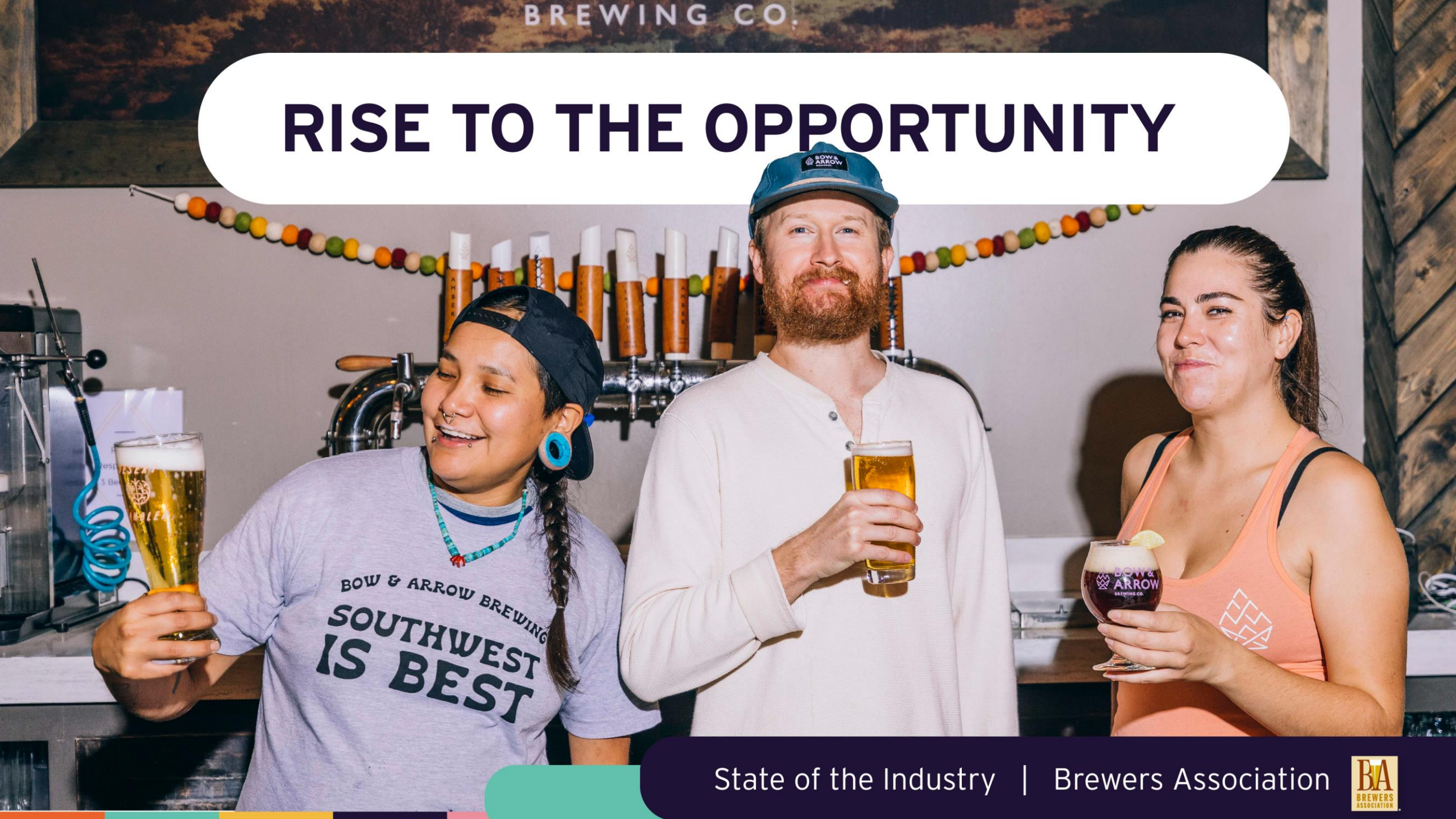
- There isn't one customer.
- Chasing trends vs. knowing what customers want.
 - Growth from brands vs. styles
- Know your community & the opportunities
- Understand barriers faced. Remove the ones you can.
- Branding:
 - How you differentiate
 - Growing importance in purchasing decisions
 - What does it stand for and how is that different than other offerings?



Hands, Fans, and Brands

<https://www.brewersassociation.org/playlist/diversity-best-practices/>

RISE TO THE OPPORTUNITY



THANK



YOU