2014
American Homebrewers Association Industry Workshop

Agenda

9:00 Introduction

9:10 State of the Homebrew Industry

9:45 Break

10:00 Social Media Best Practices

11:00 Recruit & Retain New Soldiers in Your Homebrewing Army

12:00 Homebrew Expo & Social Club

Antitrust Guidelines for Meetings

We cannot discuss any of the following topics:

- Prices, pricing procedures, margins, what constitutes a fair profit level, changes in or stabilization of prices, terms or conditions of sale.
- Pricing practices of any industry member.
- Forecasts of price increases or decreases.
- Specific credit terms, discounts, rebates, freight allowances, profits, profit margins or costs, market shares, allocation of markets, any limitation on sales, sales territories or distribution practices.
- Selection, rejection, boycott, refusal to deal with, or termination of any suppliers or customers.

AHA Governing Committee Industry Subcommittee

Chair: Jake Keeler, AHA GC Chair

Reed Antis, Saratoga Zymurgist

John Blichmann, Blichmann Engineering

Juno Choi, BSG HandCraft

Justin Crossley, AHA GC, The Brewing Network

Michael Dawson, Wyeast

Chris Farley, Northern Brewer

Gary Glass, AHA

Chris Graham, MoreBeer!

Duke Geren, FH Steinbart

Chris Opela, BrewMaster

Steve Parr, AHA

Larry Clouser, BrewCraft

Brad Smith, BeerSmith

Brian Wright, LD Carlson

What is the Industry Sub-Committee?

Committee's function

The Industry Subcommittee was formed during the National Homebrewers Conference of 2010.

The committee’s primary goals are to foster better communication between the AHA and industry entities, as well as provide resources, assistance, and guidance to the AHA based on concerns brought forward by said members of the homebrewing industry.

2013/2014 Activities

1. Expanded programming for the Industry Workshop (formally called Retailers Roundtable).

2. Review and develop questions for the annual industry survey

3. Exploring the idea of creating an industry trade organization of some kind - perhaps through the AHA.

2014 Industry Overview

2014 AHA Homebrew Supply Shop Survey

408 shops—48% increase from 2013

Shops from 48 states participated (ND & SC)

Revenue 2013 & 2012

	% ∆ Gross Revenue 2013	% ∆ Gross Revenue 2012*	% ∆ Gross Revenue Q4 2013
All Shops	10.4%	26.2%	13.1%
Not Primarily Homebrew	10.4%	5.6%	2.5%
Primarily Homebrew	10.5%	28.7%	13.8%
Homebrew-70% online	13.8%	21.9%	7.9%
Homebrew-70% online; 5+ yrs	5.6%	21.9%	3.2%

* 2012 figures are from last year's survey

Analysis of Gross Revenue

54% ≥ 10% growth in 2013 (57% in 2012)

34% ≥ 20% growth in 2013 (40% in 2012)

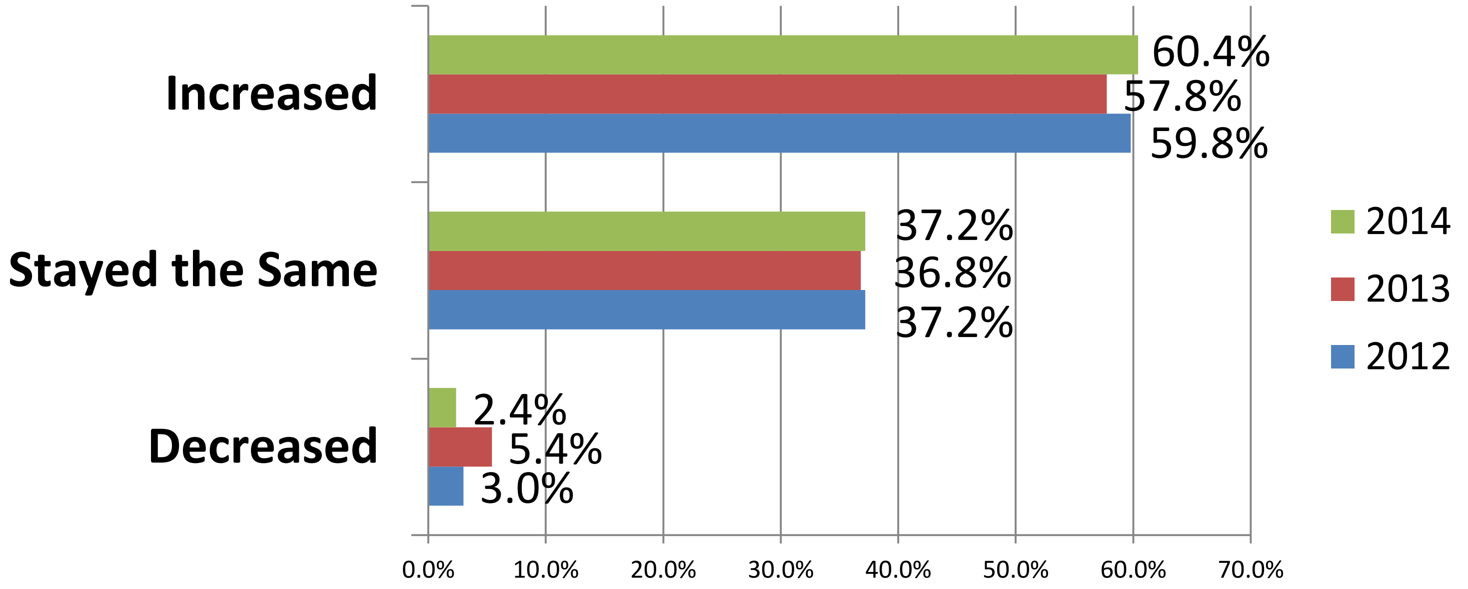
17% experienced a decline in 2013 (18% in 2012)

Years in Business

- Average: 10 years
- Median: 5 years
- 37% open ≤ 3 years (43% in 2013 survey)
- 7% open ≤ 1 year (7% in 2013 survey)

Number of Shops In Area

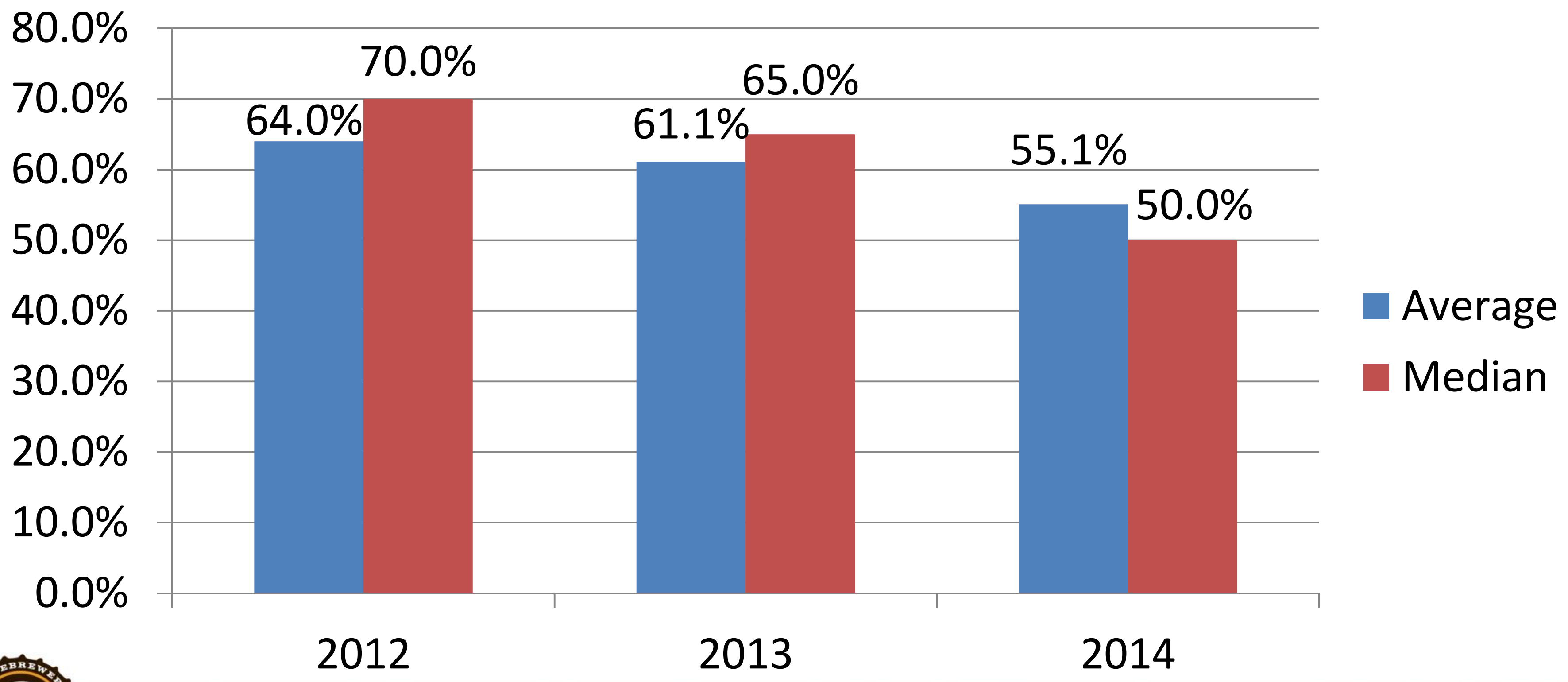
How has the number of home beer and wine retailers in your area changed over the last year?



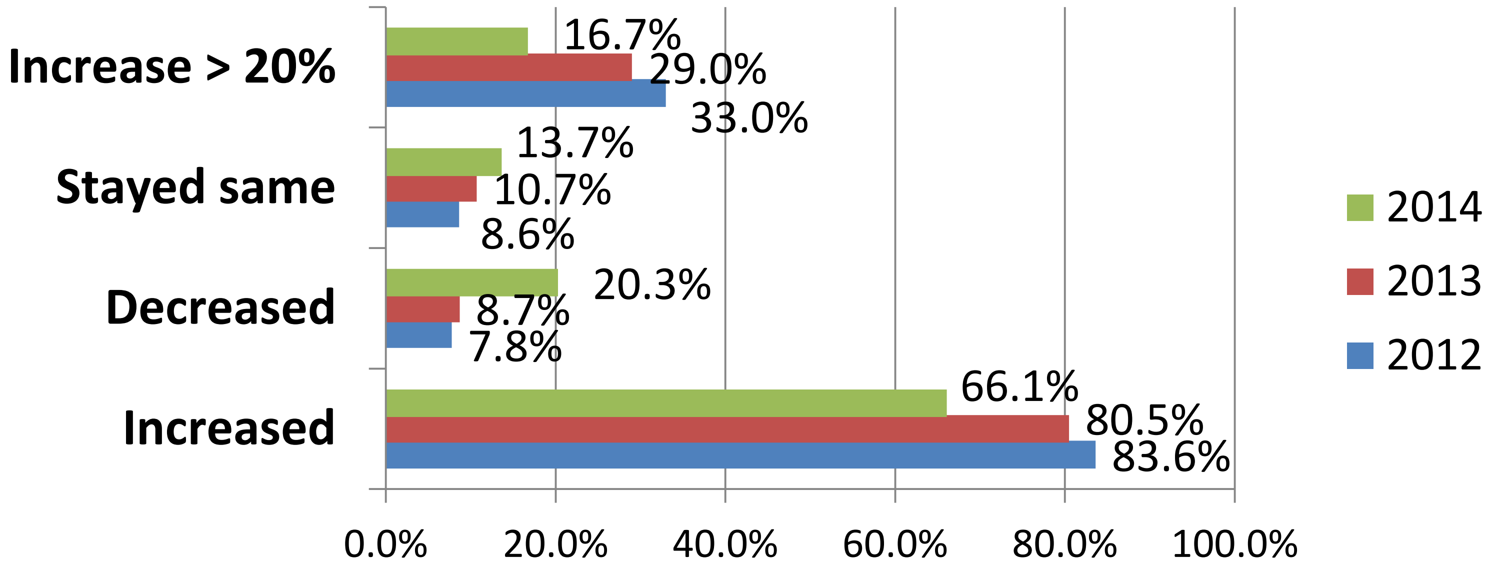
Customer Gender

Percentage of Female Customers		
	Average Response	
Year	Beer	Wine
2014	10.9%	25.7%
2013	11.1%	23.6%
2012	9.3%	24.1%
2011	11.7%	27.2%

% Of Purchases That Include Malt Extract

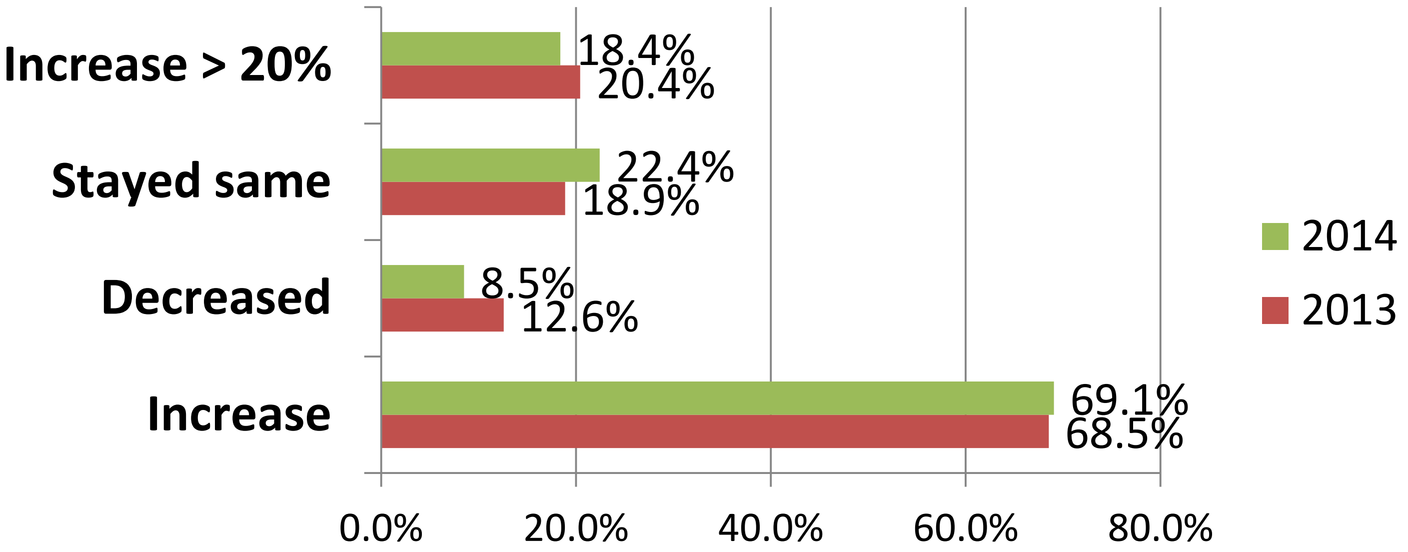


Beginner Beer Equipment Kit Sales



	2014	2013	2012
Average	23.7%	23.1%	16.4%
Median	15.0%	18.0%	10.00%

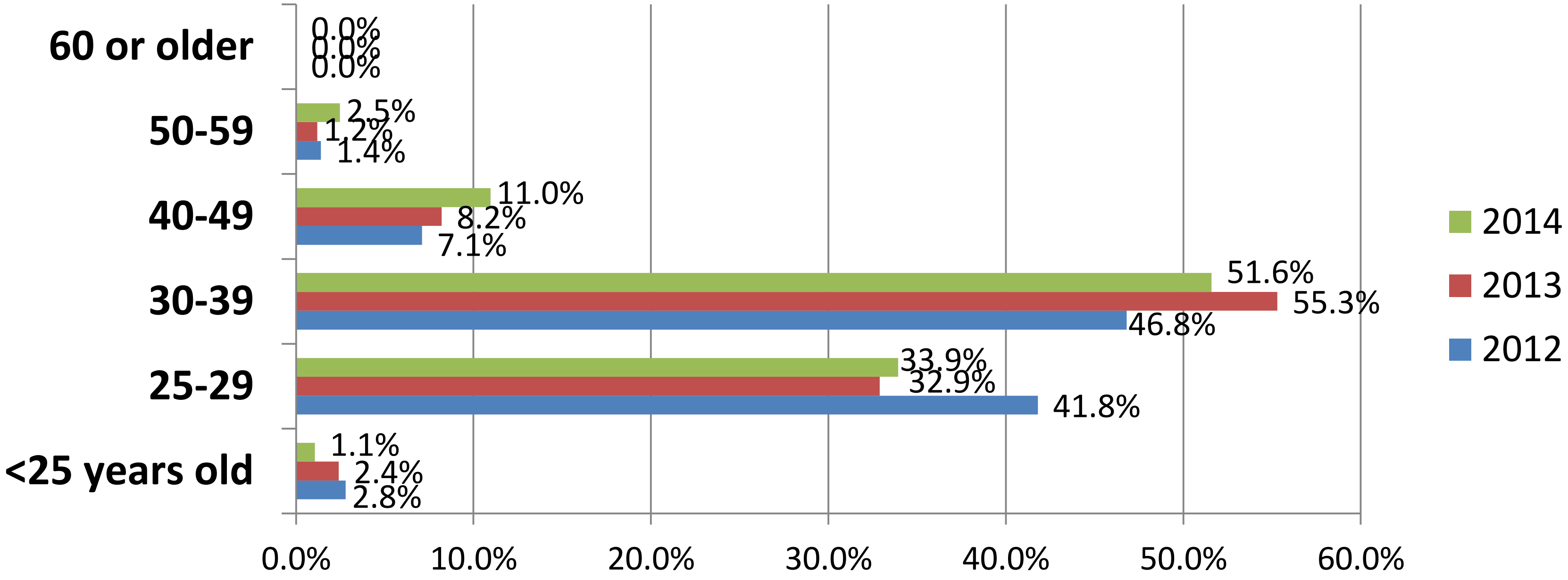
Beginner Wine Equipment Kit Sales



	2014	2013
Average	21.4%	15.3%
Median	10.0%	8.0%

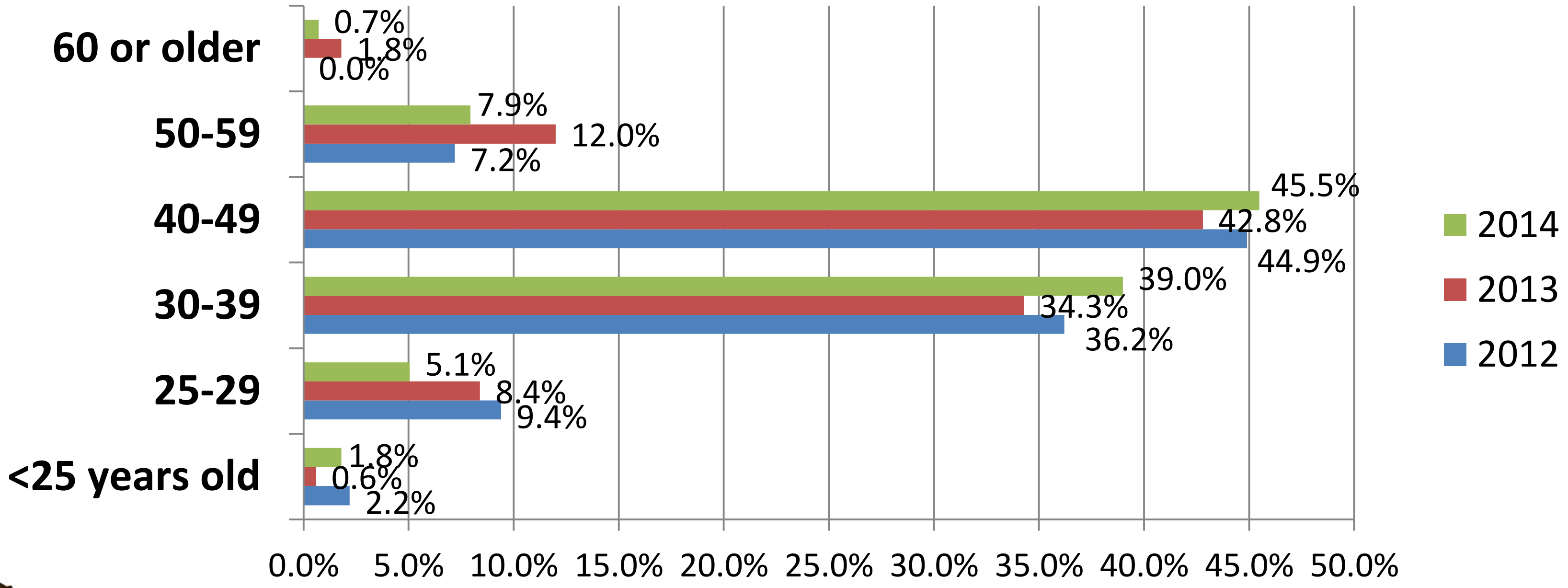
Beginner Kit Sales Cont'd

Among the customers who buy beginner **homebrew** kits at your shop, please estimate what would be the most common age group



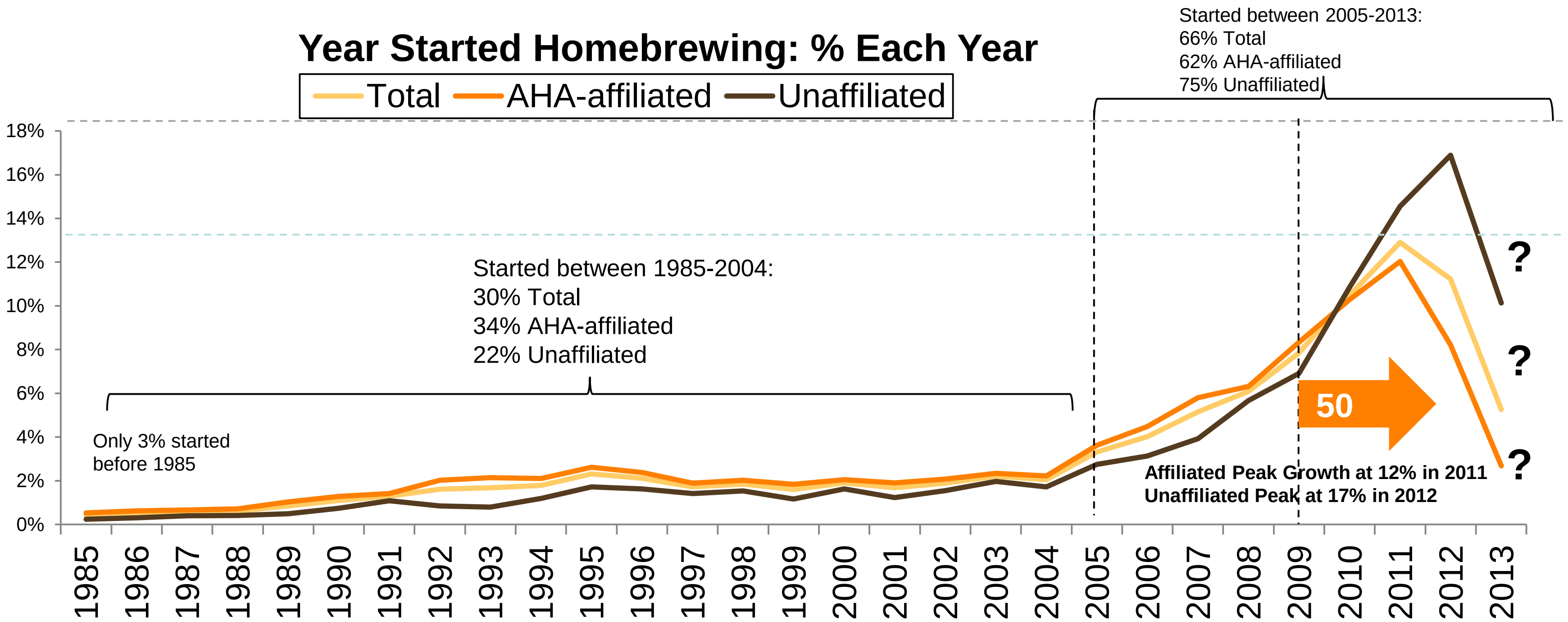
Beginner Kit Sales Cont'd

- Among the customers who buy beginner **winemaking** kits at your shop, please estimate what would be the most common age group for:



How Long Homebrewing

Two-thirds of Homebrewers started in the last 8 years, with over half starting between 2009 and 2013 (when 10% to 17% started each year).



Shopping Behavior

AVERAGE in P12M	Total
Local Stores in Person	
% Shopped Local Stores in Person	95%
# of Times	8.6
# of Different Stores Shopped	2.0
Online Stores	
% Shopped Online	79%
Times Shopped Online	5.4
# of Different Stores Shopped	2.7
Spending in P12M	
General supplies & ingredients	$459
Major equipment ($50+ per item)	$330
TOTAL SPEND	$789

Homebrewers shop a lot!

- Nearly all shop at 2 local stores in person (95%) an average of 8-9 times per year (or every 45 days).
- The majority (80%) also shop 3 online store websites an average of 5 times per year (about every 2 months).
- They are spending roughly $460 on general supplies and ingredients and $330 on major equipment - a total of nearly $800 per year.

Major Take Aways

- Overall revenue growth: 10.4% (20.1% in 2013 Survey)
- Most seeing slower growth in beginner beer kit sales
- Growth in new shops:

  37% open ≤ 3 years (43% in 2013 survey)

  7% open ≤ 1 year (7% in 2013 survey)

Potential Market Factors

- # of Shops
- Changes in brewing methods:
  - More all-grain
  - Smaller batch sizes
- Changes in frequency of brewing
- Changing demographic
- Economy

Social Media Best Practices

Tamre Mullins, Peloton Wealth Strategists

Recruit & Retain New Soldiers in Your Homebrewing Army

Scott Michaels, Bull City Homebrew

Homebrew Expo

12:00 p.m. – 5:00 p.m.

Industry Workshop badge grants access to this afternoon's session.

Thank you for coming!

HomebrewersAssociation.org