



Product Diversity in Your Shop

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Contents

1. The Modern Homebrew Shop
 2. Store and Market Position Assessment
 3. Find The Need or Develop the Market
 4. Other Options and Considerations
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The Modern Homebrew Shop

★ Product diversity won't matter if your homebrew shop is currently missing the mark.

A modern approach to homebrew shops. It needs to:

1. Provide friendly and knowledgeable customer service.

- “They can just learn about it on online...”
 - Then they'll also shop and buy it online!



2. Provide a complete catalog of products for all brewers.

- Specializing in an area is fine, but if customers can use you as a one stop shop, they are more likely to go out of their way to use you.

3. Attract new customers other than the same old guys.

- It's harder to get these customers in a store (lighting, cleanliness, approach...)
- Your current customers won't be put out if their supply and service is the same or better. Avoid tunnel vision.



First Steps: Assess Your Store's Situation

Homebrew is declining in general globally. Do your sales need to as well?

Look at what you can do in your store first. Refresh? Reassess inventory?

Talk to your customers:

“Is there anything you couldn’t find today?”

Take the time, make a list!

If there’s one customer looking, there’s likely more.

Can’t find it through your distributor?

Let them know!

Who comes in to your shop that you aren’t currently servicing completely?

Who isn’t coming in that should be?



Ready to Diversify?

How to Determine the Best Fit

Market Needs vs. Your Skillset

Early Considerations

Space, Money, Time, Market Awareness

So, what opportunities are out there?

Other thoughts & strategies



New Avenues: Find the Need vs. Develop the Market

Find the Need

You understand your space in your home town or neighborhood better than anyone.

- What's missing in your neighborhood or city? What retail, or even service, gap can you fill?



Develop the Market

You understand your skillset better than anyone.

- What skill, talent, knowledge, or passion do you possess that isn't being put to use within your retail shop?
- Can you capitalize on it?

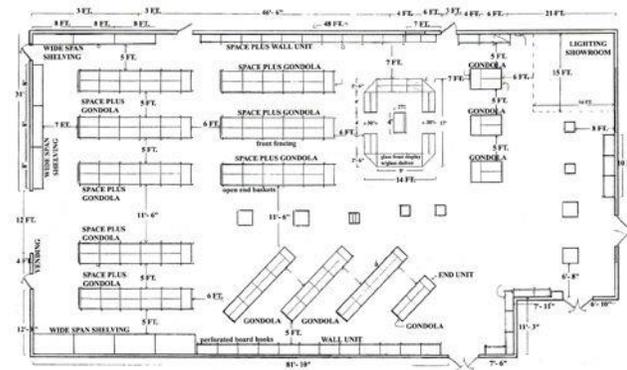


Early Considerations

Space:

Do you have what you need available in terms of space without compromising your core business?

- Think hard before you put your livelihood at risk eliminating something that is working for what looks like a better opportunity.
- Put a plan in place early for fit, look, feel, display, etc...



Early Considerations

Cash/Assets:

Are you in a good place financially to make this work?

- Approach any addition to your shop as a loss.
 - Can you handle that loss in your life?



What is the minimum investment you need to make to be successful?

- Stop yourself before it become bigger than expected.
- Think like a new business, and that profitability may take time (breakout financials.)



Early Considerations

Time:

Will you still have time to cover the additional product or service AND the current core of your business?

- What if it's successful?
- What sort of time is involved if it isn't to make it work?
- Can you afford to hire?



Early Considerations

Marketing & Education:

Will your customer base be ready to come in to purchase or use your service?

- How will they know about your new product or service?
- Will there be an advertising budget to get this project off the ground?
- Will it be a completely separate entity?
- Will your current customer base purchase these goods/services?



Easy Wins

Adding to the Core of your store:

Critical Categories:

- Home Brewing - Upgrades
- Winemaking – Regional Kits
- Home Distilling – Small Equipment

Complimentary Categories:

- Cheese making
- Soda/non-alcoholic beverage making
- Sausage and meat curing
- Coffee roasting



Easy Wins – Critical Categories

Home Brewing:

- Upgrades
- Sell an Experience
- Unique products – conversation starters

Winemaking:

- Regional & Seasonal
- Short course leading into season
- Winemaking club?

Home Distilling:

- Small items (tabletop water distiller)
- Consider your comfort level



Easy Wins – Complimentary Categories

Cheese Making:

- Soft cheese and cheese cultures
- Equipment: Presses, moulds (hard cheeses)

Soda Making:

- Herbs and spices
- Your own kits or syrup/flavor bases

Sausage & Meat Curing:

- Equipment: grinding and stuffing
- Sausage casings, seasonings

Coffee Roasting:

- Small home coffee roasters
- Green coffee beans



The Needs of Your Local Market

So, what's missing from your market related to your space?

This could be anything!

What compliments your current business and customers?

- **Reliable gas/co2 cylinder exchange**
 - Small tanks and large companies can make this tricky in some places
- **DIY/Makers**
 - Correlation of beer making to handmade > craft beer?
- **Taproom**
 - Keep it small (beer, wine, or cider?)
- **Bottle shop**
 - A lot to consider



The Needs of Your Local Market : Quite Specifically

What is completely missing from your area?

Things I've Seen:

- Mail drop-off services
- Commercial shared kitchen space
- Community education space
- Outdoor equipment
- Fishing and hunting equipment
- Meat processing
- Hardware store
- Garden center
- Trade & workwear
- Welding or electrical services
- Specialized groceries
- Specialized kitchen equipment
- Surfboard shop



Develop The Market

Anything you do will take some market development.

- But, what is it you believe can work? This matters.
- *Side note- brewing equipment rentals...thoughts?*

What's a passion? You don't have to be exclusive to the market!

- Beekeeping supplies
- Exercise equipment
- Computer repair
- Specialty cheeses
- Coffee shop



Develop The Market – How well does it fit?

Do you need to set up a separate business?

You might, and it might be beneficial.

Someone may struggle going to a homebrew shop for bee keeping supplies if the idea of homebrewing (and mead!) is foreign to them.

They need to trust you're an expert in both and can rely on you. Dilution is not the solution.

Computer repair? Definitely consider a second entity... and entrance?



Other Strategies Beyond Product Addition

Go into business with someone

- Focus on your core business while they focus on building theirs.
 - Let them open the brewery, or manage a separate entity.

Get out of an area of business to free yourself up to focus

- Don't force anything that hasn't worked given some time and energy.
- Get back to basics or try something new.

Classes

- You don't have to run them, find someone passionate!

Competitions

- Talk to the local club, make it store sponsored.



Summary

- First, look at your current catalog and determine the gaps, sometimes that's all customer needs (listen to them.)
- What are the most complimentary products you could add? Get comfortable with these products, and what that customer expects in a retail experience.
- What can you handle in terms of- space, time, money, as well as your own education, the customer's education, and the marketing efforts needed to be successful.
- What is the big opportunity? Work out how it looks financially in 3 years. Persuade and dissuade yourself.
- What can you bring to the market in terms of knowledge and skill and develop into a financial win? Where are your own core competencies? What can you bring now?
- Maybe there are other things to focus on beyond product diversity- education, competition, getting rid of offerings that are current time and money wastes...





Questions? Thanks!

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