

# Craft Brew News

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## *“Craft/Distrib Relationships Souring in Latest Tamarron; Top Challenges & Top Performers”*

By: Craft Brew News - Beer Insights

Amid tuffer mkt conditions, craft brewer relationships with distribs appear to be souring, Tamarron’s latest Craft Brewer Performance Survey suggests. An increasing number of distribs surveyed (21%) believe “current relationships” with their craft brewers is just “fair,” compared to just 11% of distribs in 2014. And majority of distribs surveyed believe “future relationships” will either stay the same (43%) or decline (28%), Tamarron highlights. Tho gotta note, nearly 80% of distribs surveyed currently rank relations “good” (49%), “very good” (27%) and “excellent” (3%). Total of 228 individual distribs were surveyed from across the county this yr, including 115 Bell’s distribs, as well as CANarchy (73), Stone (65), Dogfish (59), Rogue (49), Odell (39), Troegs (27), Great Lakes (25) and Allagash (19). Distribs were asked 55 questions grouped into 12 main categories, rating each question on scale from 1=Poor; 2=Fair; 3=Good; 4=Very Good; 5=Excellent. Survey scores both craft industry average and individual brewer performances.

Familiar set of top challenges within craft segment were identified by distribs: 1) “too many brewers/saturation”, 2) “SKU proliferation/complexity” and 3) “lack of brand loyalty/consumers only buying local.” Perhaps indicative of the number of legislative compromises across the county lately, 3-Tier challenges/threats such as Amazon, tasting rooms and direct shipping, scored lower than prior yrs; only a top-3 concern for 7% of distribs this yr. Notably, several top “suggested actions” for craft brewers revolve around SKU management, including “Prioritize SKUs based on local market,” “Focus on core brands/SKUs” “reduce underperformers, limit seasonals,” and more “targeted” innovations (specifically toward wine and spirits drinkers).

Craft industry consistently scores highest in customer service and packaging, each with “very good” ratings, but both were slightly down vs. 2018. Ordering/shipping (3.95) and Financial/Rev management (+0.08 to 3.76) were other top performing categories on avg. Natl accounts is only area where craft brewers overall score is under 3 (“good” rating), but also mark craft industry’s largest improvement areas, up ~0.2 pts vs. last yr. Some of the biggest declining areas of performance were in field sales interaction, execution and planning, as well as POS management, leadership and distrib relationship management.

**Odell, Allagash, Bell’s Top Performance Scores** Then too, among 9 individual craft brewers surveyed this yr (see above), Odell, Allagash and Bell’s scored highest performance ratings and saw performance score grow most of all. Indeed, Odell and Allagash scores crew 0.22 pts to 3.94 and 3.93 overall. And Bell’s performance grew 0.11 pts to 3.81. Craft industry avg performance rating was 3.52. Gotta note, performance scores not really correlated to sales growth in this survey, since both Odell and Allagash were flattish and Bell’s slowed to +3% growth in 2018. Remaining brewer performance scores were

unlabeled in this report. Yet in all but one company scored “good” rating (3) or better, ranging from 3.63 to 3.22. One co scored 2.75. Separately, among these 9 brewers, Allagash and Dogfish Head were only brewers to have “leadership” among their “top-3 functions”. Great Lakes were only brewer to score “finance/revenue management” among its top-3 functions. Two of the top performers, Allagash and Odell, as well as Troegs each had “Field Sales – Annual Planning” in their top-3. Each of the 9 brewers had customer service and/or packaging among their top-3 functions, and several had “ordering/shipments” in their top-3 as well.