

Craft Beer Distribution: Quality, Consistency, and Why Distribute?

by Laura Lodge, Distribution Insight

In any industry that is showing exponential growth, it is absolutely critical that you carefully plan and execute your business strategy in order to maximize your success. There is too much competition that will capitalize on your mistakes and use your errors as their growth opportunity.

The craft beer industry is no different, and although craft brewers get along quite well on the brewing level and support each other, the distribution tier is where push comes to shove. As a craft brewer, you need to learn as much as you can, plan as much as you can, and carefully execute each step to prepare for distribution. Set yourself up for success.

First, take a good hard look at the products that you are brewing. Making one good beer is not enough. You need to have developed a product line that is outstanding. When pitching your brewery to anyone, including a distributor, you need to lead with quality. Take the time to bring your beers to events, community functions, to brewing competitions, places where there are knowledgeable people to taste and offer their feedback. Dial it in; make sure there are no off-flavors or problems with carbonation and packaging.

Next, brew that same product many, many times. The consistency from batch to batch needs to be absolute, because the end customer wants to enjoy the same beer over and over again without fail. If you are brewing specialty products, you still need to consistently maintain your high standards of quality from batch to batch with no issues in production. Distributors will lose confidence in your products quickly if this consistency is not maintained, and distributors without confidence do not sell much beer.

Once you are sure that your quality and consistency are solid, consider self-distribution if it is allowed legally in your area. Self-distributing is a good idea for many reasons, such as:

- a. You & your staff will always be the best sales team for your own brand. It's your dream, your passion, and you know your products better than anyone else ever will.
- b. Your community is invested in your success. They know you personally, work with and live with your friends and family, understand your dream, and are benefitting from the jobs that you have created with your small business.

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- c. Brand recognition has to begin somewhere, and having recognition and sales established before you search for a distributor helps to show the quality of your brand.
- d. You get 100% of the profit margin! Price your products at the price you would like to see on the shelf, at the same price point as those brands that you respect and would like to compete with. Never undercut your competition. Keep the quality image and build your financial strength.
- e. Test your products' quality and consistency in the market where you can easily fix mistakes. Test out new products. Tweak recipes. Do it all with the people who know and love you before you branch out to those who don't.
- f. Learn what it's like to be a distributor, even on a small scale. Look at the market from a distribution perspective, and think about what it would be like to do this on a large scale. The more you understand about the distribution mission, the better partner you will be able to be when you have a distributor handling your brand.

If and when you decide to self-distribute, set yourself specific goals or situations that would necessitate the transition from self-distributing to finding a distribution partner. It is wise to determine how much time, energy, expense, staffing, trucks, etc. you are willing to invest in advance. Once you hit this pre-determined level, you can consider continuing to self-distribute in a specific area or getting out of it altogether.



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As the author of Distribution Insight for the Craft Brewer, Laura shares her experience with distribution on the Western Slope of Colorado for the benefit of brewers everywhere. A veteran of the craft beer industry, she is also the Owner of Customized Craft Beer Programs, designing events, resort retail programs, and educational programs based on craft beer.