

Spaced for Beer

BY MICHAEL KUDERKA

The basics of retail space are simple: clearly define the size and location of each department, offer obstacle free traffic flow, maximize exposure and access to products, and create a convenient, comfortable shopping environment for customers.

In theory this all sounds good, but when you combine the boom in craft beer with 30 year old retail space designed to sell wine and liquor, many stores resort to ignoring all the basic rules of retailing. Instead they opt to retro-fit their floor space in a scramble to capitalize on the continuous growth of the craft beer segment (sales rose 7.2% in 2009).

Retailers who carefully planned out their wine space 20 years ago, investing in staff training and carefully labeling all of their shelving, are erecting craft beer racks wherever space will allow. Despite what was learned from selling fine wine, many stores have as few as one “beer expert” on staff, and most don’t offer consistent, complete Point-of Sale information for beer.

Don’t do this to your beer

We visit a number of retail stores across the country and see many retail no-no’s when it comes to selling beer. Remember, the value of beer is in its ability to turn quickly. Because beer generally moves quicker than wine or spirits, retailers should be realizing ROI (Return On Investment) more rapidly and therefore increasing cash flow.

Anything that doesn’t make beer easy to access or convenient to find works against the value of beer. Retailers who do not provide simple point-of-purchase information are potentially sabotaging their own business.

For example - and we see this a lot - displaying a quick turn item like beer on a 6 foot high shelf, with no signage, allowing the brand to become both out-of-date and dusty. This approach doesn’t let consumers conveniently find the product and is ultimately a waste of shelf space.

Retail space reality

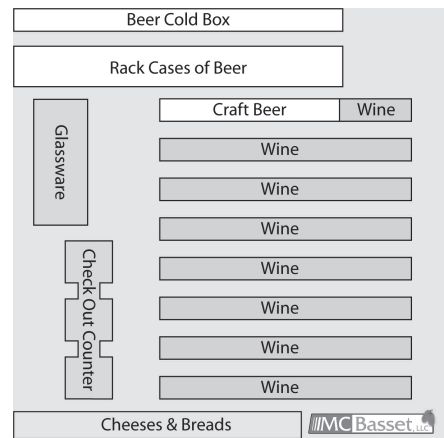
The next three case studies will give you better examples of why foregoing planning of an expanded craft beer section could be a bad idea. In all three cases, the retailers have recognized increased store traffic and greater consumer interest in craft beer and have taken steps to capture this business. Unfortunately, in all three instances, we think each store could have achieved greater success if they had stuck to the retail basics and thought about maximizing the beer purchasing experience.

Case A: How to hide that you sell beer

When we went into this store, we actually didn’t think that they even sold beer; it wasn’t in the name of their store and the inventory was well hidden.

Initially this local wine retail chain had a smaller beer selection which was limited to the Beer Cold Box pictured on the back wall. As beer became more popular, racks were placed in front of the Beer Cold Box, effectively blocking the existence of this section from just about any other part of the store.

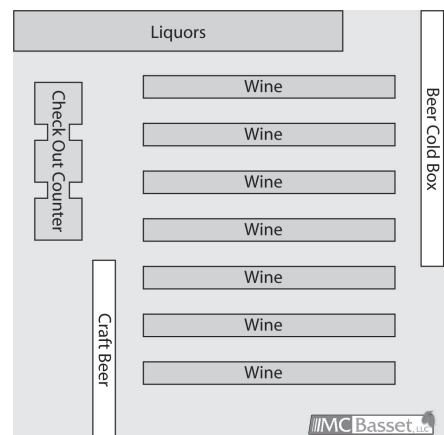
Seasonal case displays were added near the glassware area to help patrons discover the Beer Cold Box with some success. More recently a half aisle of craft beer was added near the wine, but this section faced the back of the store and isn’t easy to find.



Case B: Spreading out the beer selection

This second case is interesting because when we went into this store, there was no way to miss the long Beer Cold Box along the back wall. The problem was that the cold beer was not that interesting. It wasn’t until we were leaving in disappointment that we caught the large craft beer rack out of the corner of our eye in the back corner of the store.

In this case, instead of disrupting any of the other retail space, this store created craft beer racks on the opposite side of the store. The challenge is that consumers could easily leave the store believing that this retailer had an awful selection of beer, which was not the case.

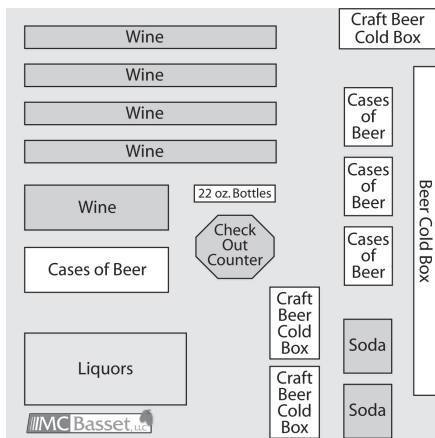


Case C: Beer, beer everywhere

Our final case is a great example of what happens to an older retail space when the business model changes. In

dated, smaller spaces it isn't easy to change shelving and traffic flow as in-store construction can significantly disrupt business.

In this case, the whole store is the beer section. Beer is in so many places throughout the store that a customer could easily miss the brands they are looking for or injure themselves tripping over cases of beer stacked in the middle of the aisles.



Final tips for a craft beer section

- Stick to the retail basics:
- * Clearly define the size and location of each department (Craft Beer, Beer, Wine, Liquor)
- * Keep the beer selection together (don't spread throughout the store)
- * Use beer shelf talkers or POS to increase turns
- * Offer an obstacle free traffic flow
- * Maximize exposure and access to products
- * Create a convenient, comfortable shopping environment for customers
- * Define the business objective for the space, and plan your display before you start stocking the shelves

E-mail me at mkuderka@mcbasset.com with your successful ideas for selling beer, along with your contact information. If we write about your program in our column we will send you a free copy of The 3rd Edition of The Essential Reference of Domestic Brewers and Their Bottled Brands. © 2010 MC Basset LLC

Let's Get Down

To the Nuts and Bolts **BY DAVID KRATT**

A friend of mine asked, "Who is the best bartender you've ever known?"

I told her, "That's a tough one; I've known so many good bartenders over the years."

I contemplated her question. A handful of bartenders came to mind but, for one reason or another, I mentally checked each one off my list. I said, "There are so many things you have to be good at." Then I realized that she wasn't asking if I knew the perfect bartender; just the best.

I still couldn't come up with just one bartender.

So I told her, "Tom Cruise in the movie Cocktail."

Nobody's the perfect bartender; not me, not you, not anyone on my list. We all have the right tools for the job having been bartending for a while, but we can always improve on the nuts and bolts of bartending. Here are four coffee cans – with labels – to help sort your nuts and bolts to becoming the best bartender ever:

Can #1 – the customers –

Put a bartender like the one in Cocktail on my list?

Sure, if I had a screw loose.

One bartender I used to work with had a coffee can overflowing with people skills. Quick as can be she is at your service with a smile and your drink. She tells a great story and has a cute sense of humor; but is a really good listener, as well. Regulars came in to see her. And new customers that visited our bar felt those I-don't-know-anybody feelings melt away quicker than the ice in their cocktail.

If she had a fault it was letting some of her other duties slide a bit. But, I didn't mind taking care of the more mundane chores, such as, washing glasses and attending to the service station, while she worked the bar and made great tips.

Can #2 – the boss –

Slack off when the boss isn't around? This would never cross the minds of any of the bartenders on my list. In fact, I've heard bosses say, "I never have to worry when I know (he/she) is working."

Do you instill that level of confidence in your boss?

Can #3 – fellow employees –

Customers and our boss thought he was the best bartender ever. We had a lot of fun working together and I learned a lot from him. Back then, in my mind, he was pretty close to being that perfect bartender. But I do remember one shortcoming. He was a little short, sometimes mean, to some of our coworkers and he was a little stingy with saying "please" and "thank you" to certain employees; such as, our dishwashers and bar backs.

In retrospect, I guess that bothered me.

Learning how not to be can also be tossed into that coffee can.

Can #4 – what matters most –

Which coffee cans of yours needs more filling?

In other words, you must decide how you can improve.

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