

# THE NEW BREWER<sup>®</sup>

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## THE OTHER LONG TAIL

THE VALUE OF INFREQUENT CUSTOMERS



# COMMON

CREATING A BEER INDUSTRY  
MASTER PRODUCT CATALOG

# GROUND

BY BRIAN MULLALY

**T**he beer industry has never been more competitive. On one hand are large-scale brewers competing head-to-head nationally across hundreds of off-premise chain stores and thousands of on-premise bars and restaurants to maintain market share. At the same time, established and emerging craft brewers and importers are experiencing growth and aiming to acquire incremental share gains. These entities are competing daily for distribution, shelf space, display opportunities, and other advantages that will separate them from the pack.

But one aspect that all breweries share, regardless of size, is the need to communicate basic product attributes to their retail trading partners. An initiative being developed over the last 18 months aims

to simplify this often time-consuming and scattered process by creating an industry owned and operated master product catalog to benefit all trading partners.

The Beer Industry Electronic Commerce Coalition (BIECC), managed by the National Beer Wholesalers Association, is a working group of U.S. brewers, importers, and distributors that tackles ongoing issues and challenges within the three-tier system, with a focus on e-commerce related topics. With the creation of a master product catalog, the BIECC aims to provide basic product attribute data, e-commerce information, and a comprehensive graphics and images library to all retail trading partners in a uniform and efficient manner.

The goal is to build a standards-based database in which all brewers submit their



## COMMON GROUND

product information to one source location hosted by the BIECC. From there it will be distributed nationally to all retail trading and service providers who subscribe to the service. The retail partners will be instantly provided with all relevant product changes as well as new product introductions.

“With the Master Product Catalog, brewers will fill out a single form that provides the necessary product data that their partners can access, creating a one-stop shop for product-level data exchange for everyone in the three-tier system,” commented Justin Ainsworth, information systems manager at Sierra Nevada Brewing Company and a member of the BIECC.

The BIECC believes that existing data pools, consisting of online item catalogs maintained by various standards organizations, are not a feasible long-term option for craft brewers.

“Brewers exchange product information with their distribution and retail partners on a daily basis, even if they don’t realize it,” said Ainsworth. “Filling out paper forms or sending an email constitutes an exchange of data on a limited one-to-one level repeated with each partner. This repetitive process of data exchange creates opportunities for errors.”

Imagine the elimination of all product form spreadsheets or web portal submissions currently required by retailers and replicated by distributors. These could be a thing of the past with the widespread adoption of a master product catalog provided by the beer industry. The BIECC catalog, which would be optimized for beer with specific required data attributes, would be developed and funded by a partnership between the Beer Institute and the Brewers Association.

### PHASE 1: RETAILERS

Originally, the BIECC wanted to move quickly to solicit requests for proposals with software companies to begin developing the platform and bring it to production as soon as possible. But after further consideration, the group decided to conduct a preliminary study in which targeted national retailers were approached with the concept to discuss whether they were interested in participating in the master product catalog. This feasibility study entailed face-to-face meetings with a select group of retailers at their corporate headquarters. During these in-person meetings, brewers and retailers discussed the concept of the catalog and potential concerns.

The BIECC and retailer meetings began in early August and concluded in mid-November. The study exceeded its initial target goal and included these important retailers:



Buffalo Wild Wings was one of 14 retailers visited by the BIECC who expressed interest in the creation of a master product catalog.

- 7-Eleven
- Albertsons
- BevMo!
- Buffalo Wild Wings
- Costco
- Food Lion/Delhaize
- H-E-B
- Kroger
- Meijer
- Target
- Total Wine & More
- Walgreens
- Walmart

Brewery representatives from Anheuser-Busch InBev, Bell’s Brewery, MillerCoors, and Sierra Nevada attended all 14 retailer meetings. The solidarity of the breweries supporting this initiative was not lost on the retailers.

Dialogue around this topic was overwhelmingly positive. Although retailers experience their own unique challenges and struggles in the marketplace, there is common ground when it comes to basic item data and exchanging information. Because the process of submitting product information is not a competitive advantage among brewers, it makes complete sense for retailers to consume this data at a single-source location. The idea of having a centralized repository for beer item information was met with widespread enthusiasm. Every retailer showed interest in the project and welcomed the opportunity to re-engage when the BIECC is ready to transition to Phase 2.

### PHASE 2: LOGISTICS

Phase 2 moves into the technical aspects of the catalog, such as the final product attributes

## BENEFITS OF MASTER PRODUCT CATALOG

- Catalog stores all brewer product attributes
- All brewers use same system
- FREE access to retailers
- Consolidates three functions into one solution: Basic Product Attributes, E-commerce Data, and Graphics & Images Library
- One-source location for brewers, retailers, distributors, and solution providers
- One point of contact for all beer industry product information
- Standards-based system for data management
- Ability to sync, extract, and import data through various methods
- Lower labor costs and increased efficiency levels throughout organization
- Brewers own their product item data
- No competitive advantage for one brewer over another
- Brewery membership costs will be significantly less than other data pools
- Managed by not-for-profit beer industry group (BIECC)
- Supported by Brewers Association, Beer Institute, and NBWA
- Provides leadership and guidance from within the beer industry

## “The Master Product Catalog creates a one-stop shop for product-level data exchange for everyone in the three-tier system.”

—Justin Ainsworth,  
information systems manager,  
Sierra Nevada Brewing Company

that will be defined by the brewery members. This will consolidate duplicate attributes and use the most important item information for beer packages taken to market. This provides an opportunity for the beer industry to work with retail trading partners in acknowledging common attributes and making these a requirement for its brewery members to submit when uploading new product information. Additional unique product attributes at individual stores can still be available, but won't be a requirement for general submission.

Retailers identified as potential pilot program partners will be re-engaged in order to develop the method of automatic data synchronization under their existing infrastructure. Meeting with each retailer and their technology staff will be required to ensure that the beer catalog will have interoperability for their data systems. There may be 10 different methods (for example) to exchange data with 10 different retailers. Other elements of Phase 2 include identifying a software developer and the cost to build the system, and determining an ongoing operating budget to keep it running into the future. The master product catalog must also be built to GS1 standards, which is a research project in itself.

The conclusion of Phase 2, which is expected by approximately the end of September 2018, will report these findings. At that point, BIECC members will need to decide whether to move forward and agree to fund the development of this data pool. This includes aspects of operating costs and legal ownership by the BIECC with the Beer Institute, National Beer Wholesalers Association, and Brewers Association. Because all product data submitted and

maintained within this platform will be widely distributed, the brewing community will need to sign off on all release information. Furthermore, a fair pricing model will need to be established in order to provide resources to operate it.

The estimated timeline to build the master product catalog and move into production (Phase 3) is six to nine months after Phase 2 is complete.

While the initial centralized focus of the master product catalog is from the context of the brewers, there is tremendous value to all distributors who service these retailers and brewery trading partners. Distributors,

through their route accounting software (RAS) vendors, should be able to fully automate product information down the road.

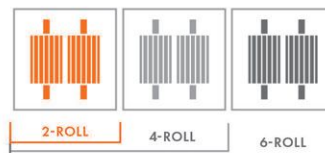
With 15 years of experience in the beer industry, Brian Mullaly is founder and CEO of Mullaly, LLC, a consulting firm in the Silicon Valley that leverages technology to support the three-tier system. He was previously the VP of technology and development for Elyxir Distributing, where he sat on several technology committees. He is a member of the Beer Industry Electronic Commerce Coalition. NB

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