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Retailers at CiderCon 2023: ‘This is Cider’s Moment;’ Warn of ‘Intense’ Distribution Year

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Cider Retail

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Retailers' coldboxes are "a battlefield" – particularly in the increasingly crowded beyond beer space – but cider is primed to "thrive," according to Mary Guiver, Whole Foods Market's global principle category merchant for beer, during a retailer panel last week at CiderCon 2023 in Chicago.

Guiver shared the stage with Marc Venegoni, SpartanNash beer category manager, and Donn Bichsel Jr., co-founder of 3 Tier Beverages, a data analytics and consulting firm, to discuss opportunities for cider, and best practices for getting space at retailers.

In 2022, Whole Foods had to reevaluate its coldbox to make space for growing segments such as ready-to-drink cocktails (RTDs).

"We didn't want to touch craft beer," Guiver said. "It is a really important part of our identity, [and] we didn't want to touch imports, that was growing a ton last year. So coming into our spring resets, we really took a look at what we're calling 'beyond beer,' which includes non-alc ... and things like hard kombucha, hard seltzer and cider."

Hard seltzer and hard kombucha were "struggling" with year-over-year growth in 2022, and lost space at the supermarket chain as a result, but Whole Foods ended up giving "some space back to cider," with a focus on regional brands.

"What we decided to take a look at for cider was how we can rationalize some of those other beyond beer categories while making sure cider still had a home," Guiver said. "We were really dedicated to making sure we have the top of the market item or two to make sure those customers feel at home when they're walking into Whole Foods for the first time, [but] we're also really committed to local cider.

"We care a lot about the fact that there is a finite amount of space and cider is small – even beyond beer is still small in our stores compared to craft beer and import," she continued. "So it is a battlefield."

Cider is poised to have a "moment" in 2023, with the segment speaking to multiple bev-alc trends including flavor-forward and better-for-you offerings, Guiver said.

"Cider is uniquely positioned for consumers to get really excited this year," Guiver said. "It has a lot of things that all these other categories don't have."

SpartanNash views the opportunity for cider similarly. The segment is the No. 1 dollar growth bev-alc segment and No. 2 percentage growth segment at the Michigan-headquartered retailer, according to Venegoni.

"Now's the time to kind of step on that gas and really drive because there is share to be had as customers look for different options," Venegoni said.

Consistency, Transparency and Innovation Needed to Stand Out

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To be a part of the small coldbox space, having a product that “tastes great” is the first requirement, Guiver and Venegoni agreed. After that, cider producers need to make sure their products speak to consumers.

“How you can clearly define what your product is and how you can articulate that and the labeling is super important,” Venegoni said. “Don’t make it tough on your consumer to buy your product. Don’t make them read the label [and say] ‘Oh yeah, this is a cider,’ or ‘this is a craft beer.’”

“Anytime that you get a chance to point out any of your points of differentiation, you have to do it,” Bichsel said. “You need to make sure that you’re shouting that so people can pick it up easily.

“When we all started, and cider was having its big come out several years ago, there were more and more cideries being developed across the United States, there was room for everyone,” Bichsel continued. “But now, as things start to get squeezed down, you really need to show off what is your point of difference. Please don’t be afraid to do that on your packaging.”

Retailers advised cideries not only to be clear on packaging about what their product is, but what specific characteristics the product has that might attract cider consumers, or potential new consumers.

“If you’re not putting those metrics on your can like grams of sugar, calories, etc., you’re already alienating somebody who might be considering your product,” Guiver said. “Especially if the cider next to you does have that.”

“And that it’s gluten free,” Venegoni said. “Everybody in this room understands that [cider is gluten free]. A lot of consumers don’t. ... It’s a huge differentiating point between you and the rest of the coldbox.”

Regionality and sustainability are also increasingly important characteristics of cider that can be used to stand out not only to consumers, but to retailers making beer-buying decisions.

Beyond organic, Whole Foods now focuses on “better for me, better for we” products that speak to consumer desires’ for local, better-for-you, and more sustainable products.

“Identifying how critical you are in your community and coming with data that shows that you’re growing and outpacing your market” is important for prospective Whole Foods partners, Guiver said. “As a certified organic retailer, we still always tell people that organic is great, but we’re kind of moving past that.”

Once in the coldbox, consistency in product availability is vital to keep consumers and retailers happy, panelists said. Keeping flagship offerings in stock is vital at retail.

“There needs to be a No. 1 brand, a flagship, that carries the brand, that people can relate to when they walk in,” Venegoni said.

Innovation comes in when trying to hold consumer interest or attract new consumers, and the most effective way to provide innovation is with a year-round rotator series, the panelists said.

“Innovation is important, because as things start to lose velocity, you have to build in that space,” Venegoni said. “That’s what some of the big companies do really well, they hold their space on the shelf, they don’t lose it one year and then try to get it back. They’ll voluntarily say ‘We want to replace brand B with C,’ and they keep their space.”

“The flagship still has to be there, you still have to have that,” Guiver added. “You can’t just have a rotator series; people are gonna get a little bit of whiplash.”

2023 to be ‘Really Intense’ Year for Distribution

Panelists drove the point home several times that distribution partnerships are vital to creating and maintaining retailer relationships. All three encouraged producers to hold annual business plan meetings with their distributors and make sure there are no surprises down the road, such as brands being cut or distributors being acquired.

“2023 is going to be a really intense year for distribution in terms of how your distributor partners are starting to rationalize the categories they’re managing, the number of suppliers they are managing, the number of SKUs they’re managing,” Guiver said. “In addition to knowing what your distributor plan is, who your partners are, if they’re working with the retailer you’re talking to already etc., know what your distributors are up to this year.

“It is critical that you’re talking to your distributors about their 2023 intentions for your brands,” she continued. “Or if you’re looking for a new distributor, understanding how cider plays into their plan, and how your brand might fit that need that they’re looking for. Don’t underestimate what we’re facing in distribution. This year, it is going to be intense.”

“Don’t be afraid to go with the minor leagues,” Bichsel added. “Don’t be afraid to slow your growth and make sure you’ve got somebody that’s going to carry your SKUs. Trying to go to the big leagues right out of the gate is really difficult, because they’re going to have a lot of expectations.”

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