

Fundamentals of Building a Cider Brand



AGENDA

- Introduction
- Defining Marketing
- Brand Constraints – Strengths & Weaknesses
- Understanding your Opportunity Market
- Defining your Target Consumer
- The 4 Principles of Marketing
 - Product
 - Price
 - Place
 - Promotion



Breanne Heuss

Position: Director of Marketing – Sonoma Craft

Brands: Golden State Cider & Seismic Brewing Company

Experience:

- 12+ years in brand marketing across multiple bev alc industries: wine, cider & beer
- Specialize in building brands within emerging categories including no/lo alc
- Current American Cider Association Board Member

Personal:

- Have a one-year-old son, Harrison. Currently at home with my partner, Matt, and my rescue dog, Cooper.
- Born and raised in California. Currently residing in Santa Rosa, California (Sonoma County)



SONOMA CRAFT
CIDER - BEER - SPIRITS



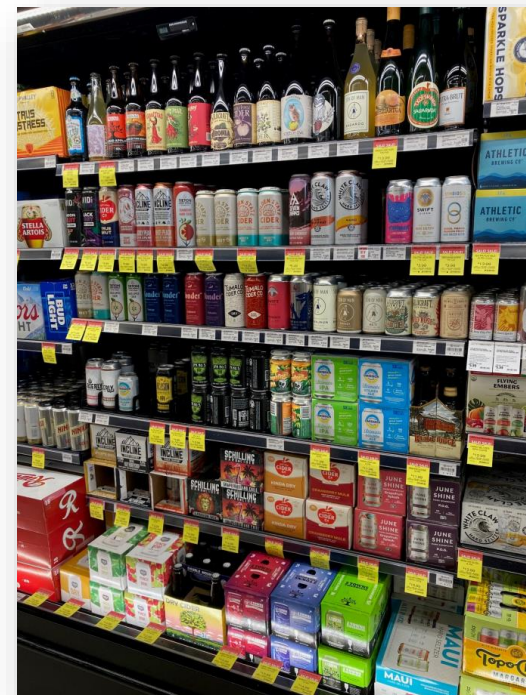
SEISMIC
BREWING COMPANY

What is Marketing?

Definition: The activity of promoting and selling products or services.

Goal: To turn a prospective/target consumer into a happy and loyal customer.

Today we will discuss the necessary marketing elements to take your dream of owning a cider brand and making it a reality in today's marketplace.



Understanding Your Strengths & Weaknesses

Every company has strengths and weaknesses. Understanding these strengths and weaknesses will help you build a strong brand that is manageable for the short term. The goal would be to overcome some of the weaknesses as you continue to grow.

A few questions to ask yourself...

- Are you starting from nothing?
- Do you have an apple orchard that you are sourcing from?
- Does that apple farm specialize in a specific type of apple?
- Do you have access to production facilities or money to invest?
- Do you have any monetary limitations?
- Do you only have access to data?
- Do you have any special skills you can bring to the brand?



Define Your Opportunity Market

Where are you hoping to launch your new brand or product?

- Local Market
- Regional Market
- National Market

Is there anything special about that region?

- Is there a high concentration of colleges?
- Are there more affluent neighborhoods in the area?
- Is there a focus on outdoor activities?

What type of accounts are available in the market you're looking to gain distribution in?

- Do you have a physical location that will be your main selling channel?
- Do you want to focus on DTC (direct-to-consumer) sales?
- Do you live in an area where on-premise is king?
- Do you want to target small craft accounts or larger chain accounts?



Who is your Target Consumer?

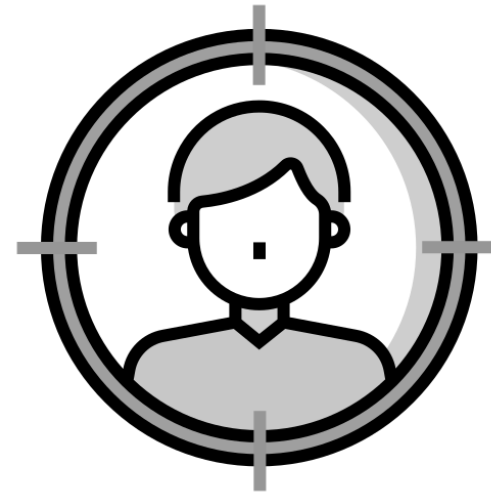
A Target Consumer is a particular group of consumers at which a product is aimed to service.

Answers from your strengths/weaknesses as a brand or company and defining your opportunity market will help you define your target consumer.

- Based on the questions so far, is there a segment of consumers that is currently under-served in the target market, or can you provide a product that meets their needs better than any product currently available in the marketplace?

Envision your target consumer

- Age
- Occupation
- Family Life
- HH Income
- Location
- Other Products/Brands Purchased
- Preferred Media Channels
- Hobbies/Leisure Activities



Answering all these questions will help you better understand what type of products and branding you should apply to your new business venture.



THE 4 P'S OF MARKETING



Product



Price



Place



Promotion

Marketing Principles: Product

Cider can be served in a variety of containers, pack sizes, and styles. How do you know what kind of product to make?

What style would your target consumer prefer?

- Sweet cider, dry cider, single-varietal cider, fruit-infused ciders, etc.

What format would your target consumer prefer?

- Are they adventurous? Are they social and love to host?

What type of messages about the product would they care about?

- Health-conscious consumers, Gluten-Free, Farming, Ingredients

What brand name would connect with your target consumer or speak to the product?

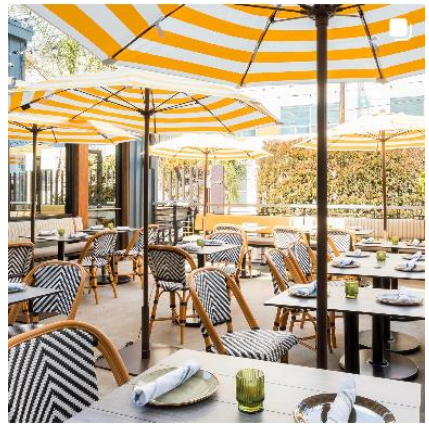
- Can you trademark the name?
- Is that name already being used?
- Is the name easy to remember or say?

What designs would attract your target consumers?

- Create mood boards to help you envision your brand look & feel.
- In retail follow the 10-foot and 10-inch rule: Your product should stand out at 10 feet and be interesting to the consumer at 10 inches.

Mood Board Example

Mid-Century Modernism • Palm Springs • Playful Sophistication



Marketing Principles: Product

Cider can be served in a variety of containers, pack sizes, and styles. How do you know what kind of product to make?

What style would your target consumer prefer?

- Sweet cider, dry cider, single-varietal cider, fruit-infused ciders, etc.

What format would your target consumer prefer?

- Are they adventurous? Are they social and love to host?

What type of messages about the product would they care about?

- Health-conscious consumers, Gluten-Free, Farming, Ingredients

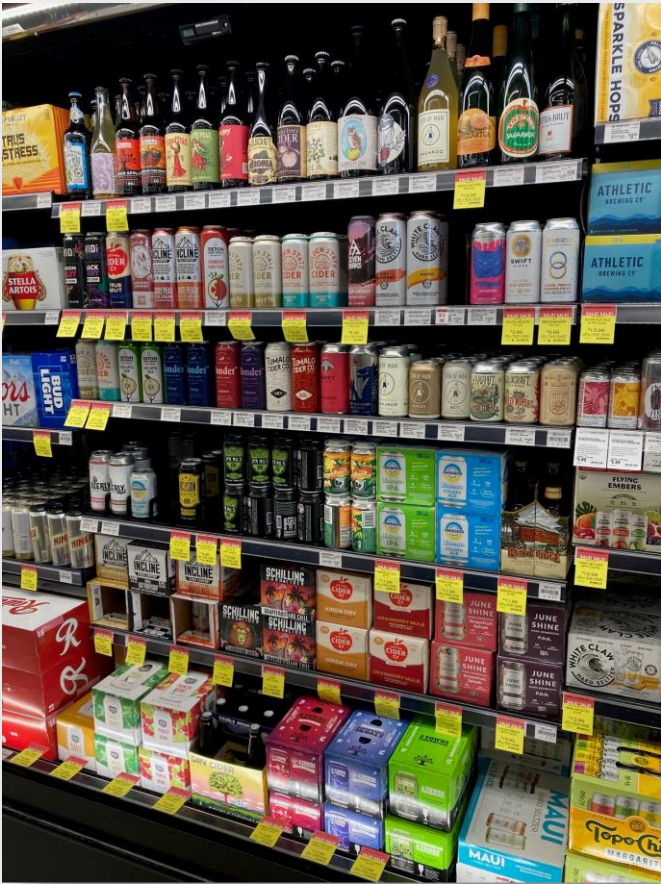
What brand name would connect with your target consumer or speak to the product?

- Can you trademark the name?
- Is that name already being used?
- Is the name easy to remember or say?

What designs would attract your target consumers?

- Create mood boards to help you envision your brand look & feel
- In retail follow the 10-foot and 10-inch rule: Your product should stand out at 10 feet and be interesting to the consumer at 10 inches.

The Cider/Beer Retail Landscape Today



Marketing Principles: Price

To determine price, you first need to understand what your product costs to produce.

Factors that go into production costs:

- Material Costs:
 - Cider production & packaging
- Transportation Costs
- Labor/Overhead Costs
- Taxes

Conduct market research to understand the competitive set and how they are priced within your market.

- Scan Data: Nielsen or Circana (IRI)
- If you don't have scan data, physically go to your local store, restaurant, or cideries to see how much your competitive set is selling for currently.
- If you aren't sure about the final packaging format, review costs by oz.

Price your product to be competitive in the market (not too high) but also ensure your profit margins are high enough to keep the business going and continue expansion to build the business.

Marketing Principles: Place

Where do you plan on selling your brand? Based on the target market exercise, what elements do you need to offer your product through that venue? Your desired place will drive your decisions for the best ways to promote the brand.

Types of Place:

Direct-to-Consumer:

Selling your brand through your own website, subscription/club service or physical location.



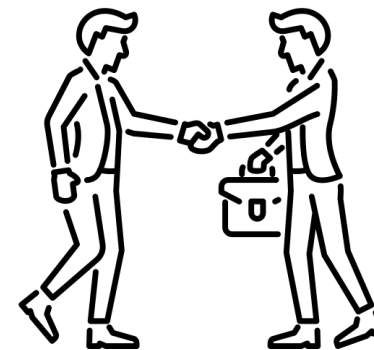
Direct-to-Retail:

Selling direct from a supplier to a retailer or account without the help of a distributor.



Wholesale:

Selling to a distributor that then sells directly to retailers both on and off-premise within the negotiated region.



Marketing Principles: Promotion

The actions and tactics used to help promote your product. These activities include sales, advertising, events, public relations, and more to attract your target consumer.

Promotions are often separated into in-store and out-of-store promotional activities.

In-Store:

Anything created for the consumer to see at the point of purchase within an on or off-premise account to help drive purchase conversion of your product/brand.

Out-of-Store:

Anything created for the consumer to see outside an account to help generate brand awareness or affinity. Effective out-of-store promotion will convert a target consumer to a purchaser.

Marketing Principles: Promotion

In-store Promotion:

- **Display Promotion:** Items that are included near your brand that help describe your mission, brand partnerships, or product quality to your target consumers.
 - Paper Point-of-Sale: paper elements included on the shelf or on the pack that talk about your brand.
 - Displays: Larger elements that are used to build multiple case displays of your brand or company brands.
 - Racks: Multi-layered display pieces that can be used to create a secondary purchase location for your brand.
 - LED's/Signage: Large light-up signs often used at independent retailer locations.

Consumers will spend 30 seconds or less reading your brand message.

Make it short, to the point, and impactful!



Marketing Principles: Promotion

In-store Promotion:

- **Pricing Promotion:** When a retailer puts your product on an ad or you provide a price reduction on your product. This activity is typically done within a specific key time period.
 - BOGO – Buy One Get One
 - Either “Buy one get one for free” or “Buy one get the 2nd % off”
 - Coupon Support
 - IRC – Instant redeemable coupon
 - MIR – Mail-in rebate
 - Regulated by the state – look at the law by state to understand what is legal



Marketing Principles: Promotion

Out-of-Store:

- Outdoor Advertising: Includes static billboards, digital billboards, vehicle advertising, sky advertising, outdoor signage and transit signage.



Marketing Principles: Promotion

Out-of-Store:

- Public Relations: Sharing your message about the brand with media contacts to help amplify your message.
 - Start small and build from there unless you have the means to hire a PR agency.
 - All about building relationships with the writers and/or media outlets.
 - Includes submissions for industry awards and scores/reviews.



Marketing Principles: Promotion

Out-of-Store:

- Sponsorships: Aligning your brand with another person or group that also aligns with your brand mission, to help communicate your point of difference to the consumer.
 - Non-Profits
 - Sports Teams
 - Celebrity Endorsement
 - Events
 - Festivals
 - Venues



Marketing Principles: Promotion

Out-of-Store Promotion:

- Digital Advertising: Connecting with target consumers through the ever-increasing digital landscape.



Typically, digital advertising will provide you with one of the most effective ways to reach your specific target consumer at a cost-effective price.

Key Takeaways

- **The more you understand your target consumer, the more you can tailor your marketing strategies to convert them into brand loyalists**
 - Spend time answering the upfront questions.
 - Do not market to yourself, unless you truly are the target consumer.
- **Create a brand that has a distinct point of difference from your competitive set**
 - Your defined point of difference will guide you when determining your brand messages.
 - Being liked by everyone, can mean you won't be loved by anyone.
- **Keep your message short and to the point**
 - Consumers will spend 30 seconds or less reading your brand message.
 - Think outside the box and take inspiration from other product categories.

Thank You

