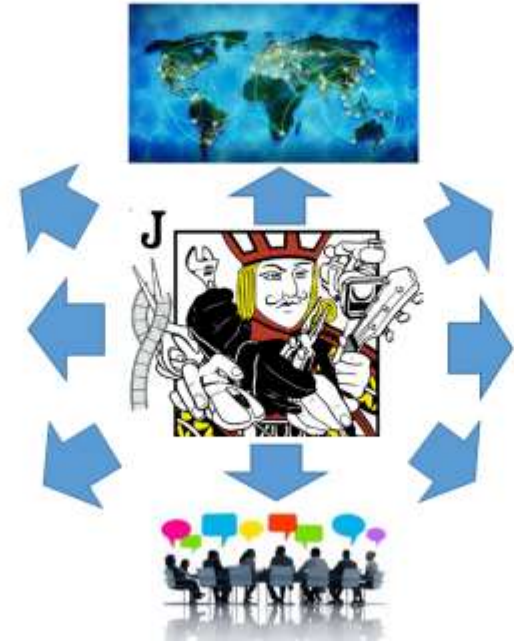
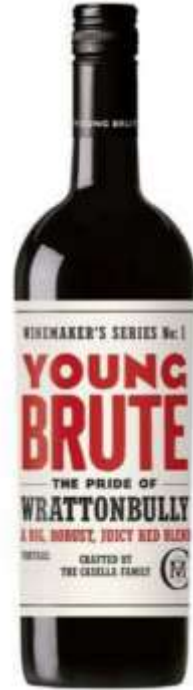


Learnings from [yellow tail] category extensions

Stuart Marsh







POP QUIZ



HOTSHOT



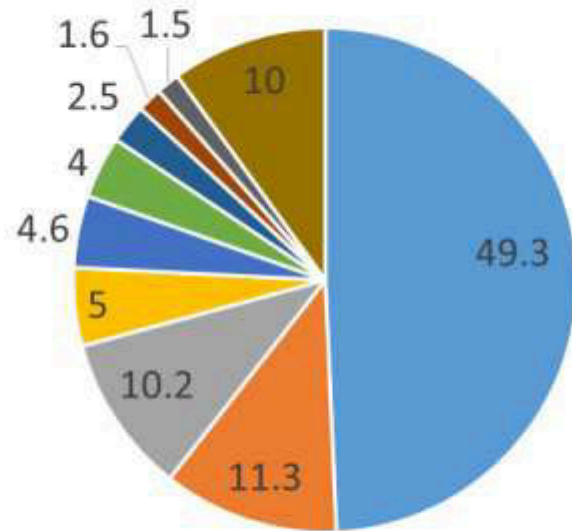
Can you name any of the top 10
selling craft beers in the USA?



- 1 **D. G. Yuengling & Son, Inc** *Pottsville, PA*
- 2 **Boston Beer Co,** *Boston, MA*
- 3 **Sierra Nevada Brewing Co,** *Chico, CA*
- 4 **New Belgium Brewing Co,** *Fort Collins, CO*
- 5 **Duvel Moortgat,** *Paso Robles, CA*
Kansas City, MO / Cooperstown, NY
- 6 **Gambrinus,** *San Antonio, TX / Berkeley, CA / Portland, OR*
- 7 **Bell's Brewery, Inc,** *Comstock, MI*
- 8 **Stone Brewing Co,** *Escondido, CA*
- 9 **CANarchy,** *Longmont, CO / Tampa, FL*
Salt Lake City, UT / Comstock Park, MI
- 10 **Deschutes Brewery,** *Bend, OR*

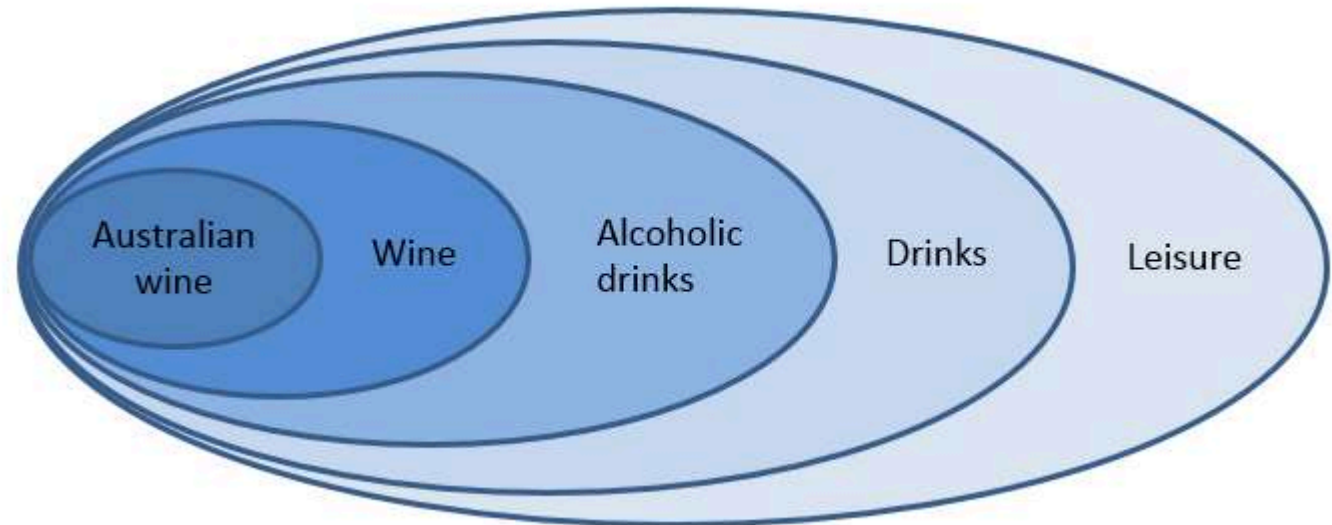
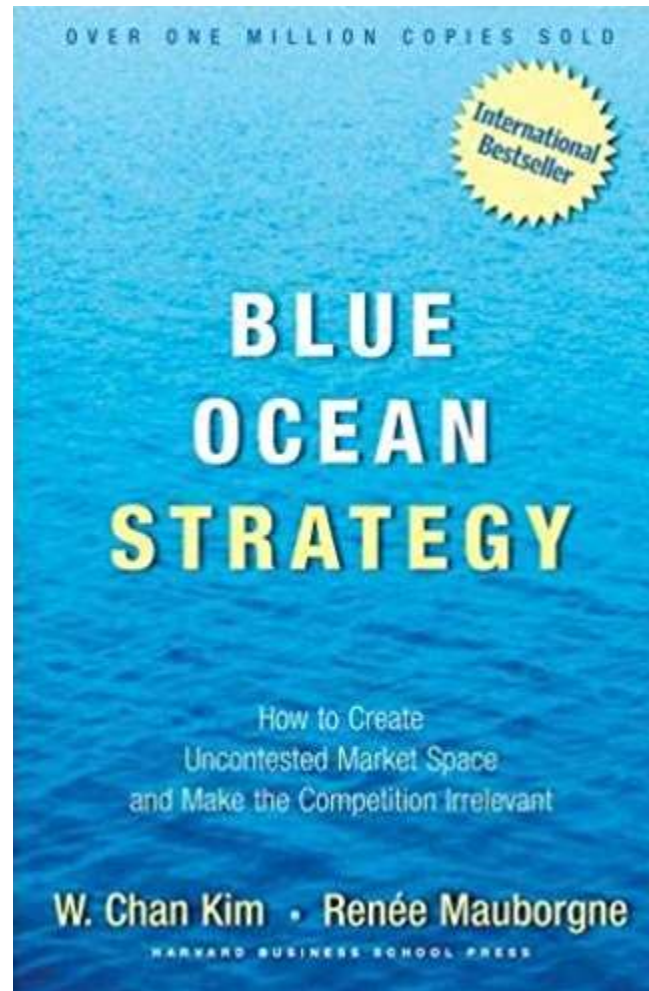
[yellow tail] is a powerhouse wine brand

[yellow tail] share of Australian wine category in USA



■ [yellow tail] ■ Franzia ■ Lindemans ■ Fish eye ■ Jacobs Creek
■ Corbett Canyon ■ Foxhorn ■ The Little Penguin ■ 19 Crimes ■ Everyone else





52%

23%_D

29%

28%

16%

4%

**Mass Craft
Concept (C)**

Purchase Interest

- I definitely would buy it (5)
- I probably would buy it (4)
- I might or might not buy it (3)
- I probably would not buy it (2)
- I definitely would not buy it (1)



Size of the Opportunity - Conservatively

We have assumed that [yellow tail] beer would be in the 400k bbls range when national. We believe that this could be a conservative assumption given the strength of the brand and the relative size of other regional craft beers







**A WHOLE NEW WAVE
OF CRAFT BEER**

**[yellow tail] CRAFT BEER
NEVER BITTER**

Enjoy waves of smooth refreshing taste without the bitter bite. **NEW** [yellow tail] craft beer, uniquely brewed with Australian Galaxy hops.

Please enjoy responsibly. Imported by Deutsch Family Wine & Spirits, White Plains, NY.
Product photography has been digitally altered.





2 test markets

On & off prem

ATL advertising

In store sampling

Launched Feb 2016

6 Months later we were a top 20 craft beer

But we decided not to pursue the opportunity further

Incredibly complicated
route to market



Needed to establish a
team of 20+ people to
manage



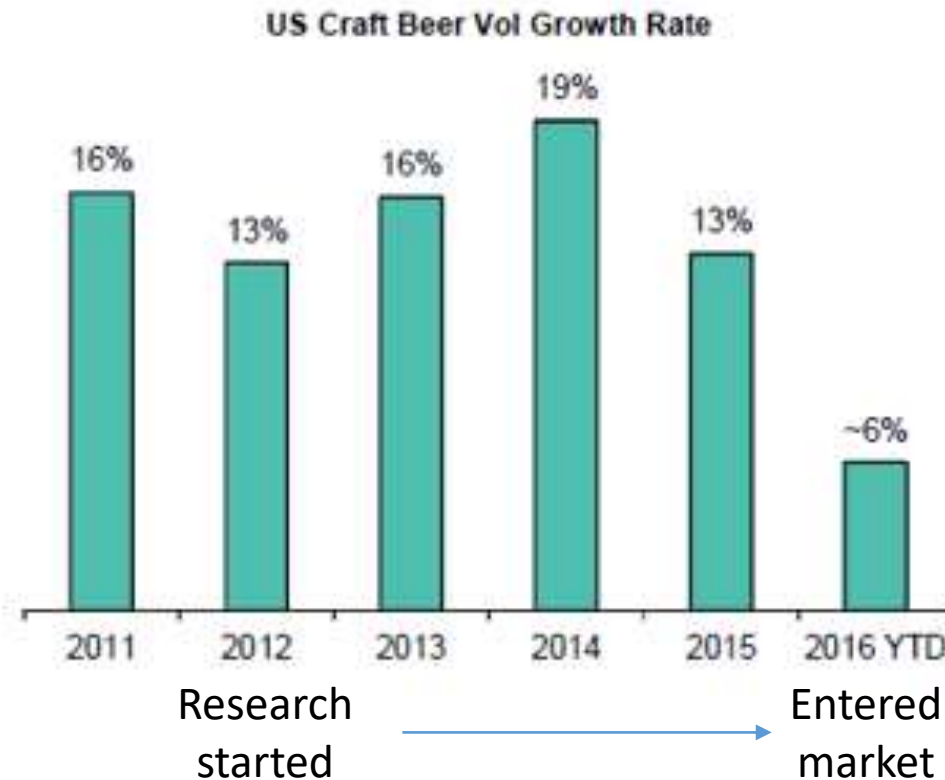
Required a multi million
dollar investment over
5+ years



Learning #1

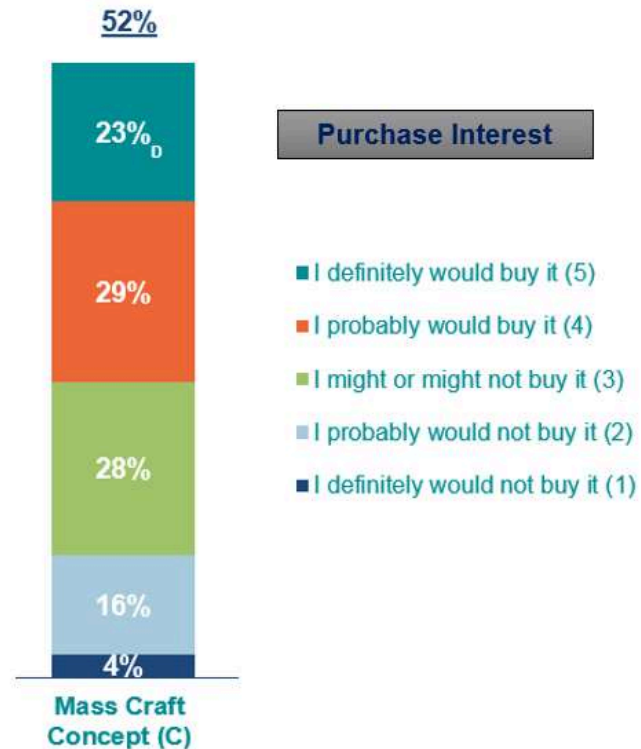
Speed to market is crucial. If you can see an opportunity – so can everyone else

Exhibit 5
Craft Beer has been growing very quickly as a segment, but has slowed substantially of late



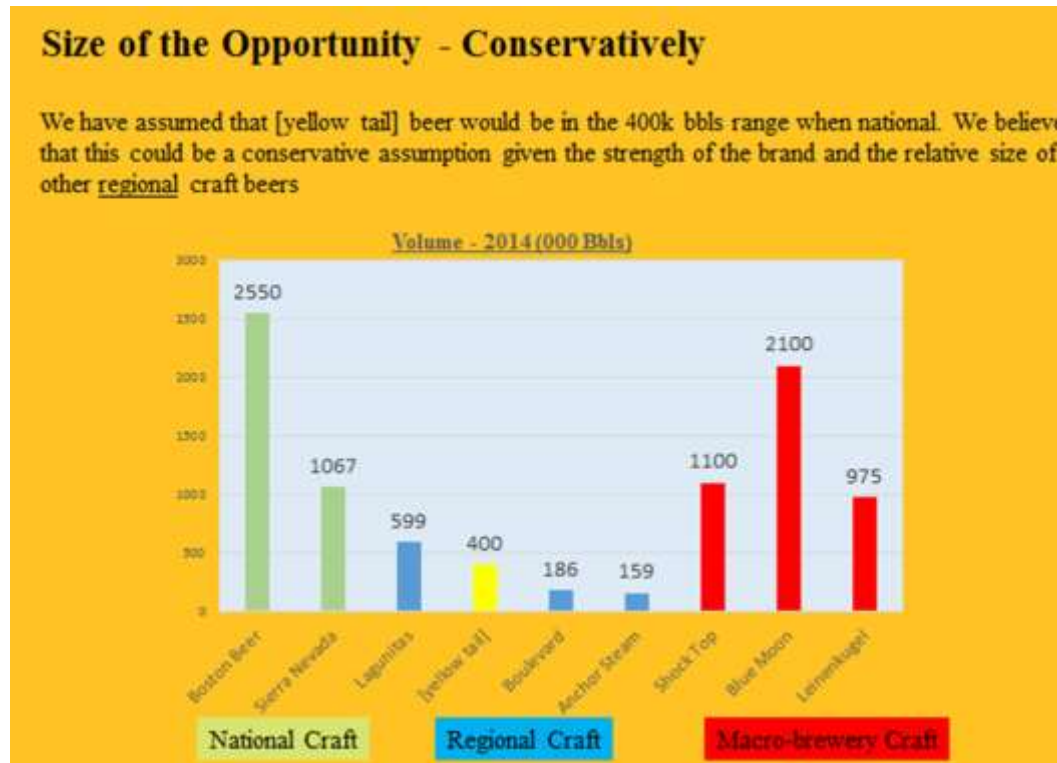
Learning #2

Highly engaged consumers often overstate their intentions in research



Learning #3

Set realistic goals – over selling a project puts high expectations on it



Learning #4

Stay true to who you are



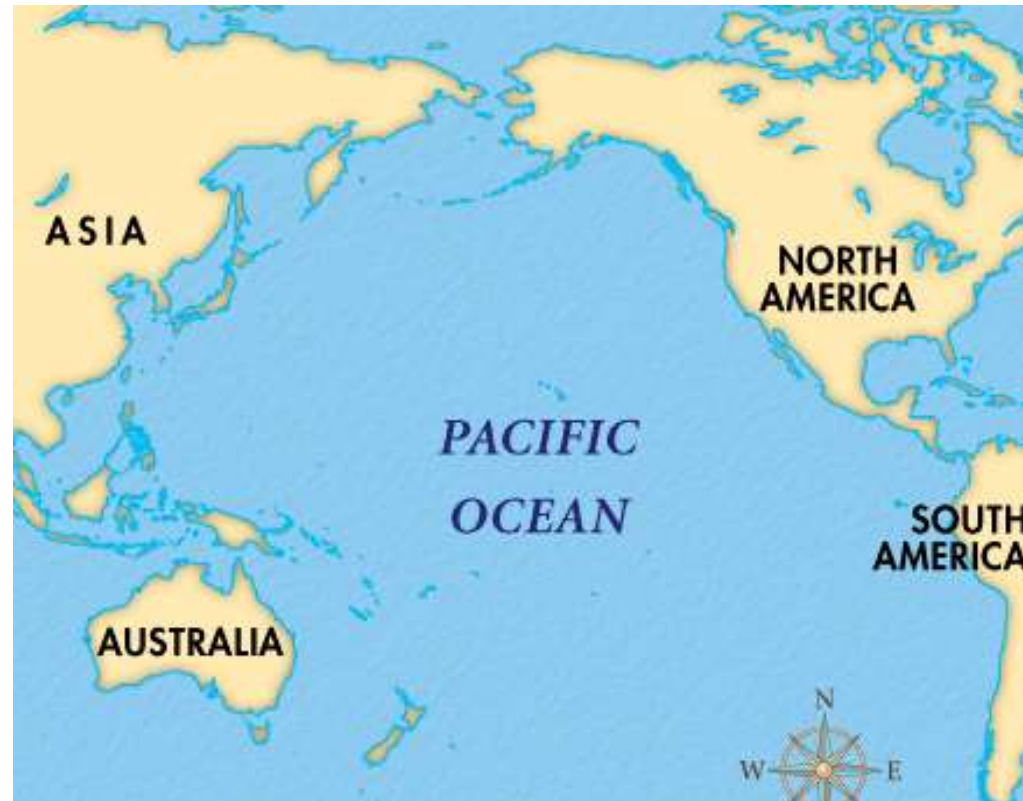
Learning #5

Option planning – understand the consequences of different outcomes



Learning #6

The tyranny of distance – disconnected from the market & time zones



Learning #7

Focus your resources – higher probability plays

