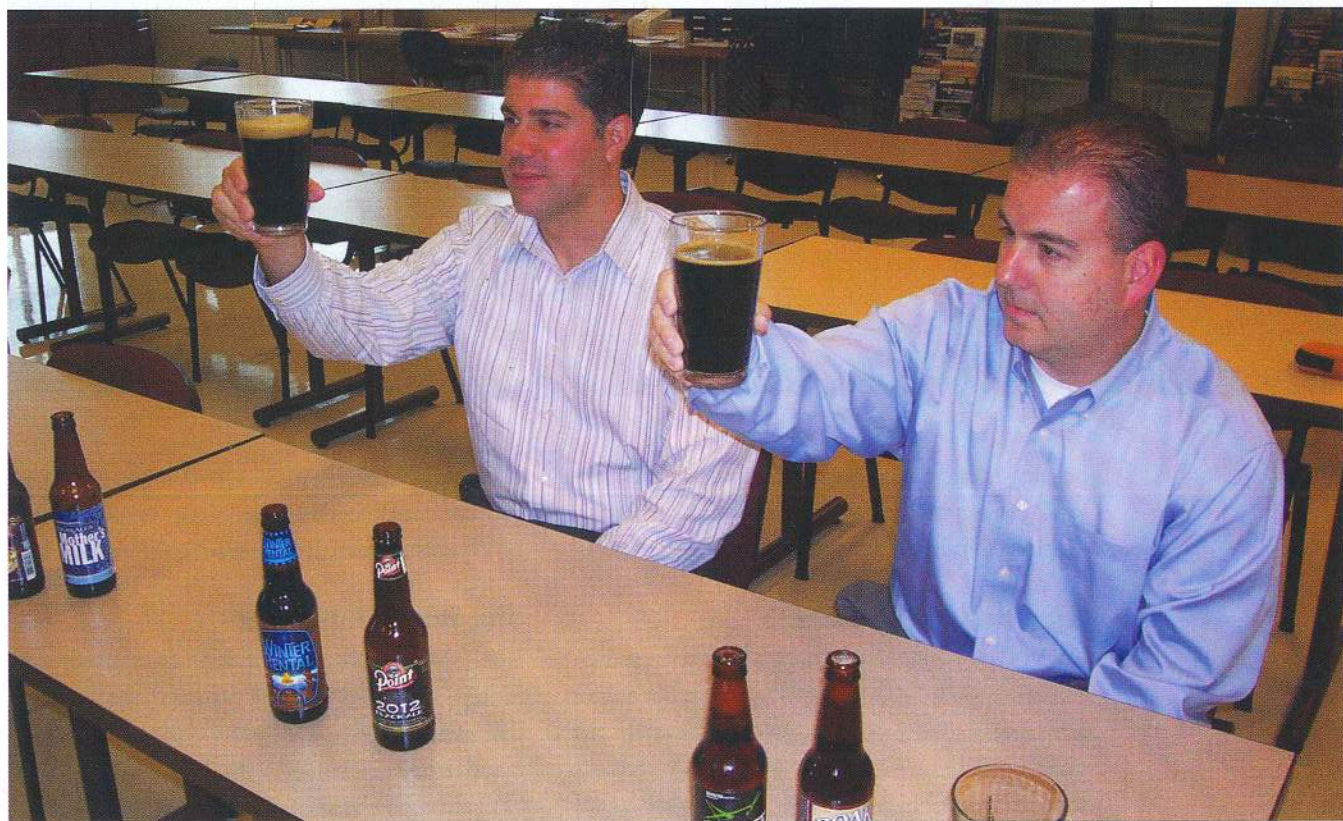


KOHLER DISTRIBUTING CO.

# Passion for its Craft

Kohler Distributing Co. is not only an advocate for quality beer – it serves a valuable sales tool for niche breweries, thanks to its craft and specialty beer division.



Other companies may scale back in times of economic instability, but Kohler Distributing Co. – a Hawthorne, N.J.-based beer and wine wholesaler that sells more than 6 million cases a year – has forged ahead, undertaking new initiatives over the past few years to maximize efficiency, drive growth and improve its bottom line.

“We show our partners our commitment to growth and to the well-being of our brands by investing in our people and resources,” says Frank Politano, vice president of sales and marketing. “We felt that by investing when times are tough, we would be more poised to compete when things do turn around.”

In the wake of the economic downturn, Kohler Distributing shifted its business development focus to adding new and/or growing existing specialty beer brands, such as craft brews and niche imports, outside of its core beer portfolio. This has been a strategic

advantage for the company since “the growth of the craft segment has been the only growth in the beer business in the past few years,” Politano maintains.

## A Passion for Beer

Instead of assigning craft and specialty beers to its existing sales force – which already oversees a large portfolio of American staples such as Coors Light, Heineken and Corona – Kohler Distributing understood that specialty beers require special attention. “We realized that this segment requires a separate sales focus with people who are more knowledgeable about beer and how it’s made, the characteristics of it and what it pairs up with,” Politano says.

Three years ago, Kohler Distributing put a management team in place to oversee the craft and specialty beer division, and it continues to recruit “craft sales advocates” to represent their respective brands. “When we recruit new sales advocates, we look for



people who are passionate about craft beers,” Politano says. “Passion is a key word because that’s what this division is all about – having a passion for craft beer.”

### Knowledge is Power

Kohler Distributing avoids taking a hard-sell approach with its specialty beers because these brands require a formal education process to properly illustrate the distinct qualities of each brew. “We approach accounts showing interest in crafts,” says Tom Gibbons, craft division manager. “We bring samples and whatever pertinent information we have to present a story and spend quality time with the buyer to go over the unique factors of that particular product.”

Extensive in-house training procedures are necessary for Kohler Distributing to educate potential clients who will, in turn, pass this knowledge down to the consumer. “We do regular training on our craft and important specialty brands,” says Peter Damato, director of business development for Kohler Distributing’s craft division. “We sample all of our products with our sales team and give them the education and notes on the brands so it can help them in both on- and off-premise sales.”

About 60 percent of the company’s craft beer sales volume goes to off-premise locations such as liquor stores and other retailers. The remaining 40 percent goes to on-premise locations such as restaurants, bars and taverns. Import specialties are about 80 percent off premise and 20 percent on-premise. “Everyone knows that draft beer is prime real estate,” Gibbons

### Only the Finest

Kohler Distributing works with the following specialty and craft brewing companies:

- Blue Moon Brewing Co. – Golden, Colo.
- Belfast Bay Brewing Co. – Belfast, Maine
- BOAKS Beer – Pompton Lakes, N.J.
- East Coast Beer Co. – Point Pleasant, N.J.
- Cricket Hill Brewing Co. – Fairfield, N.J.
- Defiant Brewing Co. – Pearl River, N.Y.
- Doc’s Draft Hard Ciders – Warwick, N.Y.
- Erie Brewing Co. – Erie, Pa.
- Keegan Ales – Kingston, N.Y.
- Stevens Point Brewery – Stevens Point, Wis.
- Ruckus Brewing Co. – New York City
- Boston Beer Co. (Sam Adams) – Boston
- Sierra Nevada Brewing Co. – Chico, Calif.
- Stegmaier – Wilkes-Barre, Pa.
- Spoetzl Brewery (Shiner Beers) – Shiner, Texas

remarks. “We like to make sure that our customers and the consumers that live in our markets get the best beer they possibly can on a regular basis on tap.”

### The Brand Advocate

Kohler Distributing prides itself on being an advocate for top-quality brands and a partner to the breweries that produce them. “Our motto here is that we are brand builders, not brand collectors,” Politano asserts. “When we do take on a new brand, we see it as a potential for us to be a partner with our supplier to help build that brand. That’s everything from distributing, building displays and marketing the brand through social media or print advertising.”

Many of the craft breweries the company works with are small, niche players in the marketplace. As a result, they rely on the sales expertise of Kohler Distributing to promote their brands. The company hosts special events ranging from meeting the brewers to pairing specialty brews with gourmet food.

“We support these breweries whether it’s through point-of-sales or feet on the street,” Damato adds. “We know it’s an opportunity for the consumer to get into the craft segment one pint at a time, and quality is a big part of that. Draft beer quality is a very important aspect to craft brewers. It is the best impression a consumer will have when these beers are enjoyed on draft. Kohler has a dedicated draft team that ensures the product will be served at its highest quality with each pour.”

– Kathryn Jones