



Pour On More Profit

The Guide to Launching
Your Craft Beverage
Merchandise Program

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Hi, We're Millcraft

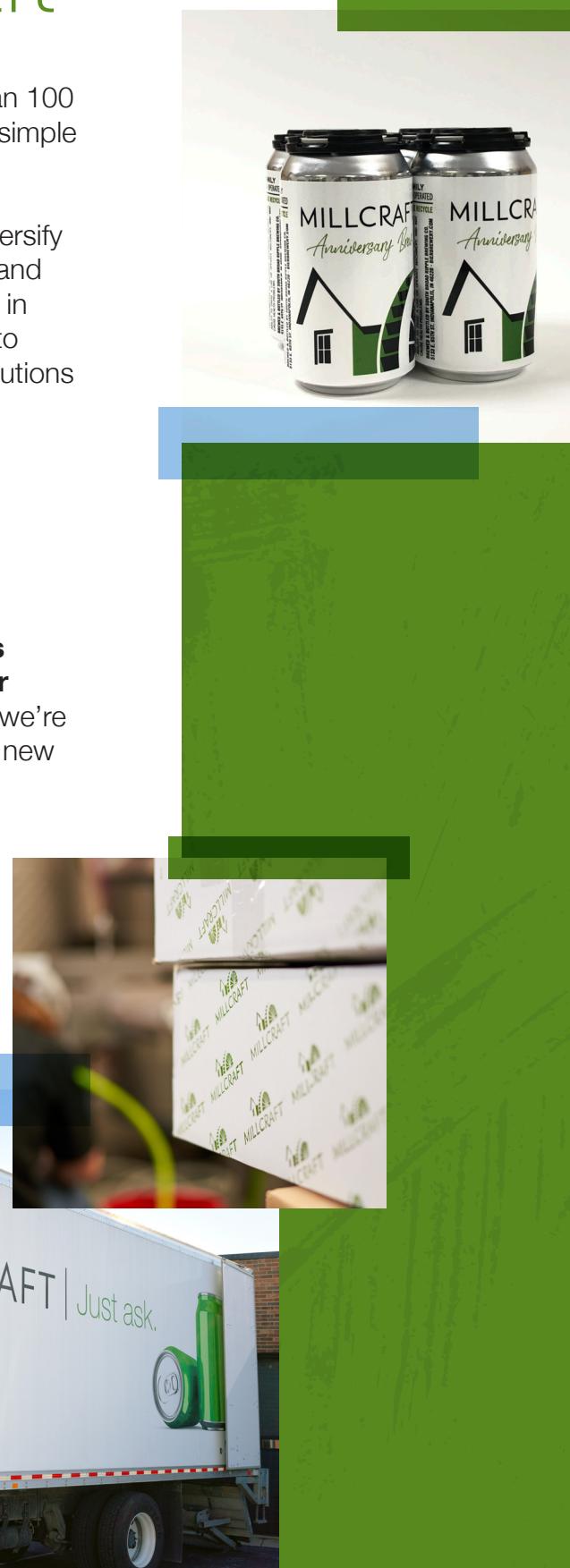
Millcraft is a time-honored, legacy company with more than 100 years of experience in the print market. We're rooted in a simple philosophy: honor the customer relationship.

As our customers' needs evolve, Millcraft continues to diversify and grow as a vibrant company, adding to our resources and infrastructure to best help our customers. With specialists in nearly every aspect of the supply chain, we've been able to amass experience and hire industry experts to provide solutions within:

- » Paper
- » Wide Format Printing
- » Apparel
- » Craft Beverage

Millcraft is well positioned to support our customers and guide you through growing and diversifying your businesses. We believe in innovation and evolution, and we're committed to fresh solutions for clients and implementing new technologies.

True to our founding philosophy, we honor the customer relationship. Our Millcraft team operates as an extension of your business, and we are proud to be known as a trusted partner. When you have questions, we have answers...*Just ask.*



Why We Made This Guide

YOUR CRAFT IS OUR PASSION

With more than 100 years of experience and our team of experts in the craft beverage industry including beer, cider, spirits, and wine, **Millcraft created this guide with one purpose in mind: to help you succeed in your craft beverage business.** As John Liberty, Account Manager Millcraft Beverage Solutions says, “In today’s market, we understand that brewers are trying to find ways to grow, stay visible, and to thrive.”

Current Landscape:

The current reality is that **the craft beverage industry faces challenges.** As the U.S. craft spirits market reached \$7.9 billion in sales in 2022, growing at an annual rate of 5.3%, according to the Brewers Association – competition within the industry continues to grow, affecting taproom traffic.

With economic downturns affecting consumer spending and sales, and the rise of alternative beverage categories like ready-to-drink (RTD) segments, Liberty says, “The good ole days of simply being able to brew good beer or make good wine and have that be enough to sustain your business are kind of gone.”





Need to Diversify:

In today's tight market and competitive landscape, with newer, trendier competitors continuing to arise, smaller breweries and even well-established craft beverage brands are struggling to remain relevant. It's important to explore diverse revenue streams and to consider the **strategic advantage of diversifying as a way to enhance profitability, reduce risk, and ensure long-term sustainability.**

According to Harvard Business Review, companies that diversify their income streams tend to be more resilient against market fluctuations. Diversified companies reported a 33% higher revenue growth and a 20% increase in profit margins compared to those focused on a single product or service line over a five-year period.

\$100K Opportunity:

Millcraft understands our craft beverage customers, and we know your passion for crafting quality beverages and welcoming people into your business. We recognize some of you have never considered merchandising, yet we find that ears perk up when Millcraft asks: How would you like to add another \$100,000 GP to your bottom line this year?

Pulling double-duty in terms of revenue and marketing, merchandise can be a lucrative source of extra profit while also promoting brand awareness for breweries and craft beverage businesses. Merchandise can be sold with few restrictions and at potentially higher profit margins than beverages.

Now You \$ee It: Merchandising as a Revenue Stream

Merchandising is the activity of promoting the sale of merchandise, which can be defined as any product that has a company logo, slogan, or any other element that is part of the brand identity and is used to promote the brand; all considered branded merchandise.

Merchandise for craft beverage businesses includes anything from **branded tote bags and apparel/wearables like t-shirts, hats, and hoodies to branded glassware, reusable water bottles, coasters and accessories like phone gadgets, bottle openers, keychains, etc.**

Almost 9 in 10 Americans, or 89%, own at least one branded merchandise item.

— Advertising Specialty Institute

Pour On Popular Merch



T-Shirts

The T-Shirt market in the United States is a multibillion dollar market and expected to grow by 3.68% from 2024 to 2028, resulting in a market volume of approximately \$6.16 billion by 2028. (Statistica) According to the Advertising Speciality Institute, **80% of Americans own T-shirts with a company logo or a slogan.**



Tote Bags

Bag it up at your craft beverage business, because **73% of Americans own branded bags.** According to ASI, popular merch also includes headwear which can be found in approximately 67% of American homes.



Stickers

Considered a cost-effective merchandise option for craft beverage brands, stickers offer a unique marketing opportunity — **stickers allow customers to showcase their brand loyalty on personal items**, an indirect form of advertising that customers are receptive to.



One Beer vs One Year: Expand Your Brand Experience

One visit, one drink, “Yes, that place was great, what was their name again?” Or one visit, one drink – plus one branded merchandise item – and they’ll not only remember your business, they’ll go out into the world and market it for you. **Benefits of merchandising expand beyond your beverage, your brewery, and beyond direct profit.**

For every dollar spent, T-shirts generate 3,400 impressions.
— OAAA



EXPAND: VISIBILITY

Every branded merchandise item sold or given away **becomes like a billboard for your craft beverage business**. According to ASI, consumers keep promotional products for about one year and hold onto purchased branded merchandise even longer. Your merchandise reminds your customers about the cool experience they’ve had with your brand while simultaneously sharing your brand with others.

For every dollar spent, outerwear generates around 6,100 impressions; T-shirts and headwear generate 3,400 impressions each; and bags on average generate 3,300. (Outdoor Advertising Association of America)



EXPAND: REACH



When customers use or wear your merchandise in public spaces or on social media, it acts as **free advertising that extends your brand's reach beyond your traditional marketing channels**. Coupled with strategic product placement, your branded merchandise has the capacity to reach and attract a continual slew of new customers.

Merchandise also provides your business the opportunity for cross-promotions, both within your brand's existing product lines – think “Buy One Get One” – and with external partners. For example, limited-edition merchandise tied to special beverage releases or collaborations with local artists and businesses can create buzz and drive sales.

EXPAND: LOYALTY

Branded merchandise fosters a sense of community and brand loyalty among customers that is hard to quantify, but powerful. Consumers who choose craft brands over industry giants statistically value high-quality products and want to support small and local businesses.

It's these same consumers who are likely to go the extra mile to advocate for companies that they like by purchasing merchandise items that identify them as being part of that brand's culture. Fans of the craft beverage brands are likely to purchase items that allow them to **showcase their affinity for your brand, thereby reinforcing their connection and loyalty**.



Beer Shirts Are the New Band Shirt

Diversifying your craft beverage business and adding a lucrative revenue stream that also provides essentially free marketing and advertising is exciting – **branded merchandising opens doors to many opportunities.**

Take notes, for example, from One Well Brewing in Kalamazoo, Michigan who sells merchandise alongside their craft beverages. They recently launched a social media campaign titled, “Where In the World is One Well?” As Liberty says,

“One Well Brewing is talking right to their fan base, while promoting social sharing and their merchandise, saying essentially ‘Show us your pride in One Well.’”

“Maybe their fans will be on vacation when they post,” Liberty continues, “or having fun on a road trip or at the beach, and hundreds of their friends will see them and feel like, ‘I want to be on vacation, that beach trip looks carefree and fun’ and they’ll associate those feelings with One Well Brewing.”



Tap Into Strategic Merch Tips:

Build Culture

Choose merchandise that aligns with brand identity and target audience.

Don't Forget Fido

Offer a variety of merch to cater to different preferences.

Details Matter

Select high-quality, comfortable, stylish, memorable products.

Green is the New Black

Consider eco-friendly and sustainable materials for merchandise.

11 Ways to Make Merchandise Your Revenue Engine

1 Rep Your Brand

Have staff wear your merch – bonus points for sharing on social media! This visible sign of pride carries over to your guests.

4 Display It

Don't tuck it away at the back! Present merch as an interactive part of your brewery and culture. Consider a merch stand, keep organized, post prices clearly.

7 Cross-Promote

Collaborate with local artists and businesses, physically and on social media, on merch tied to special releases or events to reach multiple audiences and drive sales.

10 Engage Community

Eco-friendly merch, local support, giving back a portion of sales to community projects can enhance your brand – 75% of today's consumers value sustainable brands.

2 Suggest Merch

A recent study shows that guests purchase 9% of the time, but this jumps to 49% when brewery staff encourage guests to check out merch.

5 Limited Edition

Think targeted promotional campaigns. New small batch? Sell merch for a limited time that pairs perfectly with your limited release.

8 Free Reward

Incentivize guests to return by rewarding them with free swag after every 10 pints! Not technically free, as 10 purchases, but it feels free and they love it!

3 Merch on Menu

Guests choosing drink options will also see your merch, and possibly a QR code to your online shop, too. Every little reminder helps.

6 Giveaway!

Seems counterintuitive, but merch becomes billboards – and 85% of people remember companies that gave them merch. Free swag for the first five customers at your next event!

9 Outside the Beer

Not everyone drinks craft beverages, but everyone wears clothes. Think onesies for brew babies, leashes for loved dogs – spur of the moment items sell.

11 Enlist Expertise

If you want your merchandising to earn profit, promote your brand, forge collaborations, build culture, and expand your audience – enlist Millcraft.

Millcraft: Your One Stop Shop for Craft Beverage Success



Bring in Millcraft's experience and trusted expertise to guide the launch of your lucrative new merchandising vertical — and for every detail of your craft beverage packaging needs to strengthen your ultimate craft beverage success.

When you have questions, we have answers...Just ask.

Q What if we're interested in merchandising, but we aren't sure what we need or what will best serve our business?

A Contact Millcraft today! **We'll walk you through your best buying decisions based on your specific needs, budget, and goals.** Millcraft differs from competitors in our high-touch customer service. We develop relationships with our customers, and our team is available at every step to assist with installation, training, and support.

Millcraft has the capacity and experience to help you create and operate your business more successfully with seamless equipment integration. We provide a variety of printing equipment suited for craft beverage merchandising:

- » Mimaki Flatbed printers for high-quality, large-format printing on signs, banners, and coasters.
- » Epson Direct to Garment (DTG) printers for creating customized apparel directly onto fabric.
- » Epson Direct to Film (DTF) printers for producing vibrant and durable transfers for various merchandise items.

Ask Us About Our Equipment Leasing Options

Millcraft makes acquiring necessary equipment more accessible and financially feasible through flexible leasing plans. Our team of experts will not only introduce this new technology, but we'll guide you through operating your business with seamless equipment integration for greater business success.

Q

Do we have space? Does Millcraft help us map out a floor plan?

A

Millcraft will not only calibrate your optimal floor plan and workflow, but we'll also provide you an expertly calculated ROI budget down to ink and materials costs alongside equipment. Where others “drop ship”, or sell new equipment but the customer is left on their own to figure everything out, our Millcraft team acts as an extension of your business – we’re here for you and we’re involved at every step.

Millcraft assists with:

- » Selecting the right equipment based on business needs and budget
- » Expertly calculating ROI
- » Developing your streamlined, optimal floor plan
- » Providing training and support for operating all equipment



Q

How does Millcraft serve as a one stop shop for our merchandising and packaging process?

A



Whether you're a small neighborhood brewery or winery serving in your immediate footprint or you're a mid-sized company looking to expand throughout your state, neighboring states, or even nationally – Millcraft offers our craft beverage customers a comprehensive selection of equipment beyond printing to streamline your entire packaging and merchandising process:

- » **Wild Goose Canning Lines:** Automated canning systems for efficient and high-volume production.
- » **Mpac Switchback Carton Erector:** Automated equipment for forming and assembling cartons for packaged goods.
- » **PakTech Applicators:** Apply carrying handles and other attachments to cans and bottles with ease and efficiency.
- » **Pack Leader Labelers:** High-speed and accurate automatic labeling solutions for various packaging needs.
- » **E6PR Applicators:** Apply eco-friendly carrying rings to multi-pack cans for convenient handling.



Additional Support:

Millcraft also offers a wide range of:

- » **Cans:** Various sizes and styles to suit your beverage and branding needs.
- » **Printed & Sleeved Cans:** Enhance your brand presentation with eye-catching printed can sleeves.
- » **Can Ends:** Customizable can ends to showcase your brand logo and information.
- » **Case Trays:** Durable trays for transporting and protecting canned beverages.
- » **Shrink Film:** Secure and tamper-evident packaging solution for multipack cans and bottles.
- » **PackTech Handles:** Comfortable and convenient carrying handles for cans and bottles.
- » **Folding Cartons:** Customizable cardboard boxes for packaging merchandise or bottled beverages.
- » **Labels:** High-quality pressure-sensitive labels for branding and product information.
- » **Kegs:** Petainer kegs for draft beverages, compatible with steel keg lines.
- » **Cleaning and Safety Products:** Essential cleaning chemicals, ice melt, and safety gear to maintain a clean and safe brewing environment.



Pour On More Profit with Millcraft

Millcraft created this guide with one purpose in mind: to help you succeed in your craft beverage business. Our team of experts strategically assists craft beverage businesses in bringing your merchandising vision to life.

With our extensive selection of equipment, from Mimaki flatbeds for signage to Epson DTG and DTF printers for apparel, and comprehensive packaging solutions like Wild Goose canning lines and PakTech applicators, Millcraft caters to your diverse needs.

We go beyond just providing equipment by offering leasing options, streamlined workflow and budgeting, and comprehensive training to ensure your success. **By partnering with Millcraft, you gain access to a one stop shop for all your merchandising and packaging needs**, allowing you to focus on what matters most – crafting exceptional beverages and building your brand.



Get Started Today:

PackMyBev.com | justask@millcraft.com

