



BUILDING A RESEARCH NETWORK FOR COLORADO BREWERS AND DISTILLERS

HOSTED BY

COLORADO STATE UNIVERSITY

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COLLEGE OF AGRICULTURAL SCIENCES | DEPARTMENT OF FOOD SCIENCE AND HUMAN NUTRITION
DEPARTMENT OF AGRICULTURAL RESOURCE ECONOMICS | VICE PRESIDENT FOR RESEARCH

BUILDING THE COLORADO BRAND

Breakout Session Summary

Highlights

- Diversity, quality and the adventurous spirit make the Colorado Brand unique.
- What is the scope of Colorado Brand and who is it targeting?
- Can Colorado Liquid Arts producers leverage Colorado ingredients to differentiate their products?
- How do we incentivize using Colorado ingredients and will consumers value local sourcing?

Priorities and research questions for the foundation of a public/private partnership

- What is the current level of recognition of the Colorado Brand for beer? how does it differ from wine and spirits?
- How far (across states in the US) has the recognition of the Colorado Brand reached?
- What do consumers outside of Colorado recognize and associate with Colorado beer?
- Is it possible to build a Colorado Brand based on product diversity, with consistent high quality? what are the mechanisms? Is there a marketable quality (either in uniqueness or overall quality) found in raw materials grown in CO for beer and spirits?

Discussion transcript

The Colorado Brand session opened with Marco Costanigro discussing the importance of location with agricultural products in the context of his experience studying the wine market. He described how location is useful when marketing products, can be used as an indicator of quality with collective brands, and can simplify information, and therefore choices, for consumers. This leads to several questions, such as “How do we build the Colorado Brand outward from the state,” “How do we build the Brand within the state,” and “what action items can we look toward?”

Participants were asked what other topics or questions were missing. They related the importance of not assuming consumers know what to look for or know enough about their products to recognize certain forms of differentiation. Also discussed was the heterogeneity of producers under the umbrella of Liquid Arts and how this might complicate creating a unified brand. For example, branding that benefits brewers may not benefit distillers. Incentivizing the use of local Colorado inputs and the formation of partnerships along the Liquid Arts supply chain, along with how this would benefit suppliers of these inputs, was also recognized as worth further exploration.

Several important topics were proposed and discussed over the course of the breakout session. The first of these topics is the identification and assessment of the quality of Colorado inputs and their sources. Within this topic, producers wanted to know how various inputs change the flavor of their product and whether these inputs can be leveraged. Related to this question is how can brewers obtain fruit in a form ready for use. Currently, the only options are fresh or frozen. The final point under this issue is how can Colorado-sourced inputs be tied to the concurrent goals of sustainability and stewardship?

While these issues are interesting to think about, the underlying question is what do consumers value? It would not make sense to differentiate using Colorado ingredients if

consumers are not willing to pay a premium for them. For example, do consumers care if producers use Colorado water or Palisade peaches? If so, how far from the source of these ingredients will consumers be willing to pay a premium? Can consumers be taught to care via an information campaign or will they just accept that the attribute is important and buy into it? Also needed is objective evidence that Colorado ingredients are actually better than the alternatives. Becca Jablonski in DARE at CSU has performed research that attempts to develop an objective measure for what consumers perceive as better, whether its local, organic, or some other label. This could potentially be done for consumers of Colorado Liquid Arts products. Liquid Arts producers creating a Colorado Brand could also capitalize on the national shift in preferences towards natural, organic, and local by framing their products in this context with a uniquely Colorado twist, such as the adventurous spirit.

The second topic addressed was the scope and organization of the Colorado Brand. Questions within this topic include “who is the Brand for,” “is there a one size fits all for Liquid Arts,” “who is in charge of pushing the Brand,” and “who is the target audience; Colorado consumers, tourists, consumers out-of-state, or some combination of these consumers?” From these questions, session participants concluded that what sets Colorado apart is not a single style or product, but rather the diversity of quality products available from Colorado Liquid Arts producers, which is also indicative of the Colorado adventurous spirit. Stemming from this discussion on product diversity, participants were curious about how this impacts on-premise vs off-premise sales and the potential for Colorado diversity 12 packs. For this product, several breweries would contribute one of their beers to create a single product unified under a single theme related to Colorado.

When discussing the Colorado Brand, it is important to know how consumers outside of the state perceive Colorado. These perceptions likely can't be changed, but they can be used as a source of differentiation from products from

other states. For example, Colorado is perceived as having high quality water. It is also important to realize that the Colorado Brand is broader than defining an ingredient, but rather it is creating an experience for the consumer. This experience needs to be effectively marketed and related to the allure of Colorado. This is because consumers may not understand or care about the science behind the Liquid Arts, thus the Colorado Brand needs something higher level revolving around the experience attributes of Liquid Arts products.

The final topic brought up was how to connect different producers along the Colorado supply chain under the Colorado Brand and whether consumers will understand and value these attributes. A potential way to incentivize sourcing from Colorado suppliers would be to create a gauge that measures how much of a product is locally sourced (e.g. a C that fills up the higher the percentage of ingredients are Colorado-sourced). With regards to consumers, there was disagreement on whether consumers can be persuaded to value this attribute or whether producers need to learn what is valued by consumers and cater to their preferences.



Dotocracy results: 25 session participants, 145 votes

Overview of topic priority

Topic	Rank	
	Academic	Industry
Organization and scope	3	4
Existing models as a template	2	2
What do consumers value and recognize	1	1
Colorado ingredients	4	3

Detailed topic breakdown

Organization and scope

- One for all
- Collaborative spirit
- In-state vs out-of-state
- Collective marketing with quality control
- Allowing and encouraging diversity

	Academic	Industry	Total
Breakout session votes	10	13	23
Percent	7%	9%	16%
Plenary session votes	0	1	24

Existing models as a template

- Success stories
- Value of experience
- Connect with tourism
- Comparable industries
- Agritourism and heritage

	Academic	Industry	Total
Breakout session votes	13	19	32
Percent	9%	13%	22%
Plenary session votes	2	5	39

What do consumers value and recognize

- Elevator pitch
- Consumer recognition (Colorado lifestyle, natural vs organic vs local, style, experience, adventure)

	Academic	Industry	Total
Breakout session votes	29	37	66
Percent	20%	26%	46%
Plenary session votes	0	1	67

Colorado ingredients

- Tests on yield and quality
- Sensory and testable differential
- Water quality
- Does Colorado have a comparative advantage producing certain fruits and grain?
- Count me in: Chris Schooley, Alex Leedy, Kelley Freeman

	Academic	Industry	Total
Breakout session votes	7	17	24
Percent	5%	12%	17%
Plenary session votes	0	4	28



Breakout session participants and contact information

Name	Affiliation	email
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