



# SIX BEER INDUSTRY TRENDS TO WATCH IN 2021

**BREWERIES WERE FORCED TO ADAPT IN 2020. WHICH PIVOTS ARE POISED TO BECOME PERMANENT FIXTURES ON THE BREWING LANDSCAPE?**

BY JOSHUA M. BERNSTEIN

**C**onfronted with shuttered taprooms and closed bars, restaurants, and stadiums, breweries made many devastating choices last year. Some were forced to dump draft beer or ship off IPAs and pilsners to distilleries that created hand sanitizer.

But those economically destabilizing first months led to a wellspring of adaptation and creativity. Breweries found innovative ways to connect with customers and place cold beer in palms. “It’s always been said that beer is recession-proof, and now we’ve proven that it’s pandemic-proof,” says Ryan Bandy, sales director for Indeed Brewing in Minneapolis.

As we say good riddance to 2020, here are six trends that will have staying power in the new year.

## **1 DRAFT BEER STAYS FLAT AS BREWERIES TURN TO CANS AND... BOTTLES?**

Draft beer is dependent upon on-premise, and this channel could take many years to recover. “We’re going to be extremely challenged for a long time on-premise,” says Jack Hendler, a founder of Jack’s Abby, a lager-driven brewery in Framingham, Massachusetts. The brewery is focusing on packaged beer, primarily cans, as it focuses on off-premise sales. “You’re going to see long-term shifts that draft sales will be converted to can sales,” he says.

Restaurants and bars are rightfully wary about taking on draft beer, which can molder in tap lines left fallow by closures. Paused and reduced indoor dining capacity

in New York City has caused a “serious uptick in sales and requests for canned beers,” says Kyle Hurst, the president and a founder of Queens’ Big aLICE Brewing.

ABOVE: From QR codes to payment systems, digital options are more important than ever. // Nonalcoholic brews continue to gain share. BELOW: DuClaw is among many brewers returning to glass as the aluminum supply for cans grows tighter.



PHOTOGRAPHY COURTESY OF LAGUNITAS BREWING // ARRIVED // DUCRAW BREWING

The 2021 challenge will be sourcing enough cans. “Many breweries that were not packaging at all are now canning to meet consumer demands,” says Shawnee Adelson, the executive director at the Colorado Brewers Guild. This has led to a 2020 shortage of roughly 10 billion cans, according to Ball Corp., the global leader in can manufacturing. The shortage should lessen by the end of 2021, when can makers will expand capacity. Until then, breweries are returning to bottles, including Colorado’s Left Hand Brewing and Odell Brewing and Baltimore’s DuClaw Brewing. It temporarily shifted three core brands back into bottle format as it deals with an uncertain supply chain.

Smart breweries will stay nimble. “We are continuing with production mostly as planned, while leaving the option open to put certain brands into bottles if the can supply starts to dry up,” says director of brewery operations Chris Wood.

**2 OUTDOOR SPACES REMAIN ESSENTIAL TO TAPROOM SUCCESS**

As governments closed and reduced capacity of brewpubs and taprooms, breweries created outdoor seating. This year, Jester King, a farmhouse brewery outside Austin, Texas, turned its 165-acre ranch into a nature preserve, and Solemn Oath Brewery in Naperville, Illinois, retrofitted its parking lot as a 4,200-square-foot beer garden.

Breweries in hot climates responded with misters and fans, while breweries in cold climates invested in heaters

Solemn Oath in Illinois optimized its parking lot, turning it into a beer garden.



**“You’re going to see community beer gardens open in a big way, and that may presage a return to lighter pilsner-type beers that people can enjoy outside.”**

- Garrett Oliver, Brooklyn Brewery

and other shelter structures. Solemn Oath transformed its beer garden into a wintery wonderland filled with mulch, trees, and geodesic domes. Since June, the brewery has invested about \$60,000 in outdoor operations, viewing the cold-weather move “as much a service to our community as it is a lifeboat for our brewery,” says John Barley, the brewery’s president. Though early, the ROI “already checks out,” he says.

For the foreseeable future, an “outdoor component will become critical” to financial success, says Pete Ternes, a founder of Chicago brewpub Bungalow By Middle Brow, which has a large patio. “Who knows when something like this will happen again, or when COVID will end?”

Brooklyn Brewery brewmaster Garrett Oliver also sees the importance of the outdoors. “I think you’re going to see community beer gardens open in a big way, and that may presage a return to lighter pilsner-type beers that people can enjoy outside for a long time,” Oliver says.

**3 12-PACK SALES CONTINUE TO GROW**

The pandemic caused a widespread consumer shift to buying in bulk—in toilet paper and beer alike. Drinkers increasingly bought 12-packs of beer, returning to trusted lagers and IPAs. People don’t buy 12-packs of new beers for trial and experimentation, says Bandy of Indeed. “If people buy a 12-pack, it’s something they



Great Lakes Brewing is hip to easy-to-carry 12-packs.

like at all times of day and occasions.”

Twelve-packs remain the most popular beer size sold on Drizly, accounting for 42 percent of overall beer sales in 2020. In particular, sales of canned 12-packs have increased nearly 15 percent through November, according to Nielsen.

Breweries are betting big on the bulk format in 2021, as well. Industrial Arts, in Garnerville, New York, now offers its popular hazy IPA Wrench in 12-packs of cans, and Great Lakes Brewing, in Cleveland, Ohio, put its cultish Christmas Ale in canned 12-packs for the first time this fall. Schlafly Beer, in St. Louis, has expanded its offerings of 12-packs, says head of marketing Wil Rogers, catering to “consumers wanting to get the most bang for their buck and make a quick purchase when they’re in the beer aisle. I really think this is something that’s here to stay.”

**4 BARTENDERS AND BREWERIES GO DIGITAL**

Breweries and bars have swapped paper for digital menus via scannable QR codes, often linked to contactless ordering and payment systems. “Who knew that

Arryved Mobile is an app that lets customers start a tab and pay via their phones.



PHOTOGRAPHY COURTESY OF SOLEMN OATH // ARRYVED // GREAT LAKES

the QR code was going to be so popular in 2020?” says Adelson of the Colorado Brewers Guild.

Jeff Smith, a founder of LUKI Brewery in Arvada, Colorado, doesn't plan to revert to paper menus, which can be a pain to remove, update, and reprint. “Making it as easy as possible for your customer to consume your product will be the key to success in 2021,” he says.

Technology companies are also developing new digital tools. In June, BeerMenus launched QR Code Menus, since used by more than 800 businesses. The menus include beer descriptions, which “often increase check size by helping customers order faster,” says CEO Eric Stephens.

The Boulder, Colorado, software company Arryved, has more than doubled its customer base of taprooms, brewpubs, and other craft beverage businesses during the pandemic, and 100,000-plus customers have downloaded its app that lets customers start a tab and pay via phones. “Pandemic shutdowns and regulations have forced brewery owners to embrace technology in a manner that many had not previously considered,” says David Norman, the founder and CEO.

**5 SUBSCRIPTION SERVICES AND DTC ARE HERE TO STAY**

The pandemic accelerated the brewing industry's nascent trend toward ecommerce and home delivery, as breweries such as Brooklyn's Other Half and Boston's Trillium began bringing their cultish IPAs to customer's doorsteps for the first time.

Since January, Tavour, a platform to connect craft breweries with consumers, has started working with more than 115 new breweries, shipping their beer to 47 states. For Tavour, business has increased around 300 percent since February, and subscriptions have more than doubled.

Breweries, too, have seen success with subscription services launched during the pandemic. This summer, Threes Brewing



Craft brewers like Threes Brewing have improved customer loyalty and retention by offering creative subscription options.

in Brooklyn started offering a range of delivery subscriptions for customers, sweetening the deal with a 5 percent discount per case and letting customers renew every two, four, or six weeks.

“The people who already love Threes have a chance to replenish their favorites, while those new to the brand have a chance to try our beers for the first time,” says Joshua Stylman, CEO and a founder.

East Brother Beer Company in Richmond, California, launched its succinctly named Beer Box in November, a monthly shipment of two (\$20), four (\$40), or six (\$80) four-packs that lets customers customize selections. “The subscription box makes a ton of sense by allowing fans to put their East Brother beer on redial,” says Rob Lightner, a founder.

While breweries must contend with shipping restrictions, laws can change quickly. In 2020, New York State temporarily permitted breweries to ship to residents. Going forward, “the reduction or elimination of long-standing alcohol-related laws in the areas of to-go sales and shipping will continue to improve to the advantage of the consumer,” says Colin Jones, the CEO and a founder of WeldWerks Brewing, in Greeley, Colorado.

Urban South Brewery, which has locations in Houston and New Orleans, is avoiding the shipping issue completely, launching its 4-Pack of the Month Club in January as an in-person pick-up subscription. Customers pay \$175, then receive an insulated cup and a year of monthly four-packs that are redeemed in person at an Urban South.

**6 MORE NONALCOHOLIC AND CBD BEVERAGES**

This difficult year did not drive everyone to drink too much alcohol. The nonalcoholic sector thrived during the pandemic, “with more consumers second-guessing their normal drinking habits,” said Emree Woods, the founder of Atlanta's Rightside Brewing. The nonalcoholic beer brand launched in December with Citrus Wheat, followed by an IPA in January.

In particular, nonalcoholic IPAs are poised to break big as some of America's largest brewers enter the game. Lagunitas Brewing just released the pungent IPNA, while early next year Samuel Adams will offer Just the Haze, an alcohol-free riff on the hazy IPA, and Brooklyn Brewery will debut its Special Effects IPA.

Expect more nonalcoholic CBD beverages, too. Rogue Ales in Newport, Oregon, offers the Rogue Recreational CBD Seltzer Water, and Connecticut Valley Brewing makes CBD-infused sparkling water flavored with hops. Collective Arts Brewing, located outside Toronto, also created Collective Projects, a series of cocktail-inspired sparkling teas and juices infused with CBD. Feel free to crack a can at 9 am, says Collective Projects CEO Matt Johnston. “We wanted to create really innovative drinks that would fit in any part of the day.” ■

Collective Projects is a sparkling beverage that showcases hemp CBD in place of alcohol, and features unique artist collaborations for can designs.



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