

THE SIZE OF THE PRIZE — QUALITY IN TRADE

It is possible for the brewery trade to ensure that a quality product stays a quality product in places that are generally out of the trade's control.

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We all know that a pub selling a good quality pint will sell more beer in a week than a pub that doesn't – it speaks for itself, but what is a good quality pint and how much more will someone actually sell?

Each brewer has specifications and measures coming out of their ears up to the point of the brewery gate, but what do we measure after that?

INVESTING IN QUALITY

In 2006, Coors focused its attentions to training its entire body of sales personnel in the art of measuring the quality of beer in glass at the point of dispense; and to provide another level of fault diagnosis at the sharp end of the business.

Each sales person was given four days of training which included: bar and cellar best practice, fault diagnosis, a Big Beer Day to understand the brewing process, a day about marketing, and a final day on how to relay the information to customers.

This was supported by adding software to the existing visit report, to enable the detail of every visit to be captured, and automatically download it to existing quality systems.

This provided the company with data to focus on the areas of biggest benefit, to both the brewer and the customer, and potentially where to invest in the future.

WHY?

In 2005, an on trade survey highlighted that as little as two in 10 pubs were serving a good quality pint. Something obviously needed doing!!

Firstly there was a need to properly define the perfect pint criteria in glass, including: temperature, clarity, nucleation rate for lager, head depth, head retention, etc.

Each of the attributes were given a numerical value, weighted dependant on importance, for example an acceptable taste scored a 1, unacceptable scored a 6, the higher the score the worse the pint fared, and a total score was given for each pint sampled, and detailed what exactly was good or bad. Therefore when a sample had been done and downloaded to the sales person's laptop, the degree of pass/fail was displayed immediately, which then stimulated a conversation between the sales person and the LHM (licensed house manager). If there was deemed to be a problem – e.g. poor head retention, some basic fault diagnosis could be undertaken and the issue could potentially be resolved without the need for the intervention of technical services or the brewery.

This extended the basic technical offering and showed that the sales force has a good understanding of beer and dispense, gave them another reason to walk in the door, and enabled them to solve basic issues, usually customer related quality issues, including: not cleaning lines effectively due to inferior detergent,

not switching off coolers during cleaning, using chilled cold water to clean, and more often glass washing related issues.

An account fulfilling these criteria provided a stimulus for conversation, enabling the sales person to share some good news with the licensee, complimenting them on keeping a good cellar and adhering to good practice: all people running pubs like to hear that they are serving ‘a good pint’.

If a particular account continued to make progress against these criteria, a certificate would be awarded to show that the account was pouring a ‘Perfect Pint’, and this could be displayed proudly behind the bar.

The impact on individual licensees was impressive; when a sales person took out his or her thermometer in front of consumers at the bar, this generated a lot of interest from around the bar, showing everyone that Coors really meant business when it came to quality. This process can clearly demonstrate the soft benefits to individuals of the importance of serving a good quality pint: the benefits of measurement show the company’s commitment to helping the consumer and investing in quality. But what does it mean in pounds, shillings and pence, both to the licensee and the brewer? →





CO₂ cling, as a result of a greasy film, leads to poor head retention



Fobbing waste as a result of poor practise can be up to £1500/year/tap



Milk residue from coffee cups contaminates glass washers leading to poor head retention

WHERE DO WE SPEND MONEY ON POOR OUTLET QUALITY AS A BREWER?

Brewery Returns – returns are part of any businesses' efforts to improve and provide vital quality performance information.

Returns in breweries take many forms as we're relying on performance in a place that is generally out of our control.

Major complaints in returns data include keg damage, delivered in error, ceased sale and overage, most of which is outlet related, but still costs the brewer hundreds of thousands of pounds in ullage processing costs, so a robust reverse logistics system and accountability is imperative.

Attention must be paid to returns that relate to quality, flat, palate, cloudy, etc.

Again a lot of these issues can be account driven, poor glass washing techniques, ineffective line cleaning, poor stock rotation and a general lack of licensee training, but this data is important and helps to focus the brewer in house, e.g. looking at gas control, and ensures that a sometimes internally looking group have a line of sight to the consumer.

UNNECESSARY COST

Sometimes a huge amount of capital and revenue could be thrown at a potential quality issue that seems to rearing its head in a particular account. This could be as drastic as replacing a python loom, remote cooler, taps, virtually a complete refit that runs into thousands, when a 2-hour training session from a qualified engineer to show a new licensee basic aspects of best practise would solve the ongoing issue.

Remember there is no formal qualification required to run a pub to best practise, once a licensee has a license to sell, then they can run a pub, formal BBPA/BII courses are not a prerequisite and often people running pubs have had no training, which leaves the brewer with a quandary; should we provide this for free, would it benefit the industry in the long run, in terms of sales and getting people back into pubs?

THE BIGGEST CONTRIBUTORS TO FAILURE

Consumer surveys have been undertaken since the one mentioned above in 2005. Consumers thankfully reinforce what we already know – that people drink with their eyes first.

In a survey undertaken in 2006, the 'top 4' concerns for a consumer when assessing a perfect pint of lager were a failure to meet the following:

- Clean rim on the glass
- Head of around 10 mm
- 'Staying power' of the head
- Bubble formation and rise

Presentation characteristics account for 40 per cent of the failures of the 'perfect pint' criteria. We measure them as head at pour, head after 3 minutes, and nucleation.

The single biggest reason for this failure can be attributed to three basic elements:

- A less than perfectly-clean glass
- The wrong glass type
- A wet glass



In each case, either one or a combination of these factors causes the majority of the failures. In 2007, Coors concentrated their efforts on communication about ‘glass care in outlet’, and the importance of getting it right in terms of quality.

The majority of the failures when analysed further were down to presentation which included poor head retention, lack of nucleation, dirty glassware, and using inappropriate glassware.

RESULTS

RETURNS 2007			
	2006	2007	% CHANGE
TOTAL	30,448	25,996	-14.6
KEG DAMAGE	9,616	8,914	-14.8
QUALITY	4,546	2,744	-39

Brewery Returns

It is evident that the total amount of ullage returned reduced significantly, resulting in significant cost savings, these savings including reduced damage repair and logistics costs of returning and processing returns.

The impact of all the processes implemented to tackle outlet-related issues as opposed to accepting returns as brewery faults not only reduces the latter measure but also ensures beers are kept on sale, and that future issues from that account are immediately remedied.

Increasing training also means that customers are better prepared on the basic concepts of cellar and bar management.

In-house engineers are refreshed on basic fault diagnosis, and updated on procedures, e.g. the introduction and performance of nucleated glasses, and the issues relating to these specific glasses which are now commonplace with the use of tempered glass.

SIZE OF THE PRIZE – WASTAGE

Reducing returns significantly reduces cost to the brewer, and also in turn ensures that account-related issues are reduced as beer is kept on sale, and ultimately, if a perfect pint is being sold, sales are increased.

If an account is serving imperfect pints, potentially due to ineffective cleaning, more often than not, both fobbing

occurs and flavour are affected, resulting in increasing losses and declining sales.

Wastage is generally accepted in the ‘Profit through Quality’ manual as being as high as £1000 per tap/year where a licensee is filling one drip tray a day through that tap.

ASSESSING THE IMPACT OF QUALITY

– REAL LIFE

In order to further confirm the hypothesis that quality has a major financial impact, project was undertaken on a targeted account base, to assess the impact of quality with a study of twenty accounts in the North of the country. Each account received a half to full day’s one to one training of best practise in the bar and cellar, which included line cleaning instruction, glass care, hygiene, stock rotation, and a complete audit. Where training and advice was heeded, in every case, the outlet benefited from either improved sales, or sales being better than the regional and national decline at the time.

Two accounts in Middlesbrough had a combined rate of sales increase of 60 per cent; although such figures are extreme, the issues in the account were extreme, including beer looking like pea soup with similar head retention!!

The same two accounts also benefited from the elimination of wastage of around £60/week.

In terms of wastage, an extreme example was an account in Harrogate, losing around £600/week. Again, as a result of training and communication, after the six week assessment their losses had been eliminated, and rate of sale was up by four per cent.

Conversely, where training was ignored and practises remained unchanged, the outlets concerned saw either no change or the decline accelerated. The extremes include one account that closed completely, and three others seeing a worse ‘rate of sale’ decline than the regional average.

The above exercise was designed to measure more accurately specific accounts where training had been carried out, and assess the individual and collective impact with regard to sales and wastage. This was done so that the effect of quality could be assessed on its own merits without the effects of other features such as new shiny fonts, ‘extra cold’ installations, promotions and seasonality, which can all be a factor when doing a wider study.

Each account was revisited to give feedback, and at the same time some testimonials were gained, as exemplified below:

‘Dart’s and Pool lads have said, “best pint of Carling and Stones in Hebburn.”’

‘We are actually selling some draught beer!’

‘Customers are saying it looks and tastes better.’

SIZE OF THE PRIZE – RATE OF SALE(ROS)

Our internal data has shown that those accounts that pass our gold standard test actually sell 13-18 per cent more beer in terms of weekly rate of sale than those that fail.

To achieve the gold standard isn’t rocket science, it’s all about getting the basics right, glass washing, line hygiene, cellar hygiene stock control etc, as described in the BBPA best practise guidelines.

This information was shared with Cask Marque who then undertook a similar exercise of ROS assessment for accounts

that had been through ABCQ training and found an increase in ROS of between 15-20 per cent.

CONCLUSION AND SUMMARY

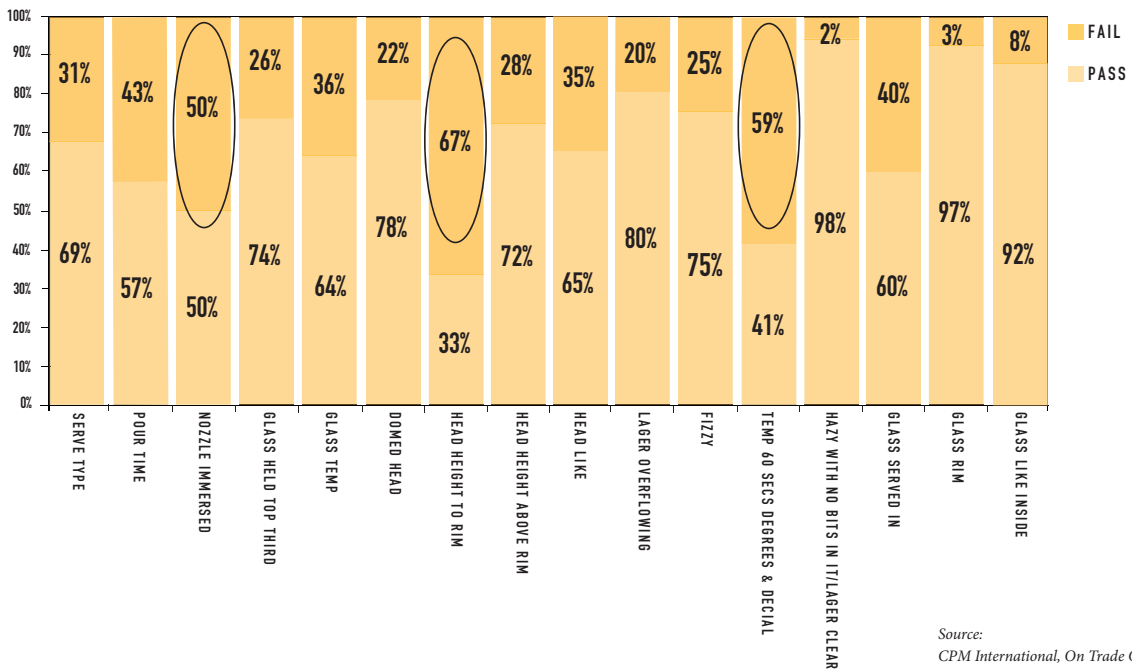
All data can be challenged, but this exercise proves that quality really does count, and can mean the difference in terms of profits not only for the brewer, but for the licensees.

If half of the accounts serving imperfect pints were converted to serving a great quality pint, and only increased at a rate of less than 13 per cent, the increase in account contribution and profit would still run into millions of pounds.

In the face of a really tough climate for the trade, a declining beer market, improved quality can clearly make a difference, if all the brewers made an effort to improve quality at the sharp end, this would have an impact on the beer category as a whole, as all brewers would benefit from each other, which can only be a good thing, overall, and facilitate as seen above from improved sales to a degree that is surprising, it’s a constant challenge but the prize is clearly worth it. ☺

WHICH OF THE KEY CRITERIA WERE PINTS OUT OF SPEC ON? TOTAL PINTS ORDERED

HEAD HEIGHT, TEMPERATURE OF THE LAGER & IMMERSION OF THE NOZZLE ARE THE KEY CRITERIA FOR WHICH OUTLETS ARE FAILING



Source: CPM International, On Trade Quality Audit 2007/8, Total sample, 1,086 outlets, 4,422 pints