

The Cool Lure of ALUMINUM...



Wouldn't it be great if you could put your beer in a package that simply would not break, no matter how many times it was dropped, no matter how many potholes the truck hit, no matter how many times it got nudged by the forklift? A package like that would let people take your beer to beaches, on boats, poolside, on mountain trails, in stadiums and concert halls—all the places glass isn't allowed.

It would be great if you could take an unbreakable package like that and run it on your existing filler, without having to buy new equipment and train your people to use it.

If you're looking for an unbreakable, easy-to-fill package, why not make it a perfect light barrier, too, and have it weigh less than half of your current packaging?

And while you're daydreaming, why not use a package that protects your brand in such a great-looking way that the package's great recyclability rarely becomes an issue, because people think they look so cool that they actually don't

BOTTLES

BY LEW BRYSON



throw away the empties, a package that becomes a tiny billboard for your beer, a real part of your marketing program?

Step right up, folks, and feast your eyes on the aluminum bottle! You may be thinking, "The aluminum bottle? That's just a gimmick!"

The pullover bottle cap—that was a gimmick. Hempen Ale was a gimmick. Maybe you're saying, "But how can this be an innovation when it looks like the old conetop cans, just a metal body with a bottle cap from 70 years ago?" That's mighty smart of you to remember the conetops, but the aluminum bottle is seamless! It is punched by a powerful press from a single puck of light, aviation-grade aluminum, and perfectly formed into a bottle of your design.

The aluminum bottle almost seems too good to be true. But some breweries, big and small, are finding out that it's very good indeed, so much so that demand is for now, outstripping supply. Take a look at how it got started, why it's been a success and what the future holds.

Blue Sky Thinking

The first brewery to take the aluminum step in the United States, and almost the first in the world, was Big Sky Brewing of Missoula, Mont.

"We got our first sample bottle in 1999," said Big Sky co-founder Bjorn Nabozney. "We knew it was something we were interested in. We don't recycle glass in Montana, but it's a very outdoorsy state, and we needed a package that was appropriate. We were delayed by building our new plant, but we did our first aluminum bottling in early June 2003." Big Sky is bottling its Moose Drool Brown and Scapegoat Pale in aluminum.

Nabozney said that someone at Heineken caught wind of what Big Sky was doing with its Spanish supplier and managed to get the Heineken H2 bottle out a week or so earlier. Heineken did a limited release in the United States but has focused on Europe, where the H2 has been successful.

A small but growing number of craft brewers, faced with the same issue of outdoor activities that don't go hand-in-hand with glass, are choosing to go with cans, a proven and popular package. Why not Big Sky? "Simple," said Nabozney. "We could run a bottle down our bottling line. We didn't have to buy any new equipment. And the perception of inferior quality for cans didn't feel good. We wanted something completely unique."

The aluminum bottle is unique in its collection of advantages. Punched from an

aluminum puck, its walls are three times thicker than a can, and it truly is almost unbreakable. "If you smack a full one against your desk, you'd put a dent in it," said Ed Delia, a spokesman for CCL Container, an Ontario-based firm that manufactures the bottles. "Probably put a dent in your desk, too. But you wouldn't puncture the bottle." That eliminates losses from breakage at all points in the chain between brewer and customer.



That same strength gives the aluminum bottle something Ed Martin, vice president of sales and marketing at CCL Container, called end-use rigidity. "Once a can or a PET bottle is opened, it's no longer rigid," he said.

"The pressure that made them rigid is gone. The aluminum bottle still has that rigidity, and that's perceived value."

It also eliminates possible breakage in the outdoors, as Big Sky wanted. They're in fast company: that was one of the big attractions for giant Anheuser-Busch, too. The aluminum bottle was "practical for those attending outdoor drinking occasions where non-breakable containers are important," said Marlene Coulis, A-B's vice president for brand management.

It's not just outdoors, either. "This packaging provides an advantage for dance clubs," Coulis continued, "because managers, bartenders and wait staff don't have to worry about bottles possibly breaking on the dance floor or pouring bottled beer into plastic cups."

Not Just Strong

Even though it's much stronger than a glass bottle (or an easily sheared or punctured aluminum can, for that matter), the aluminum bottle is still much lighter than glass. That means a lot of savings on transport in days where fuel costs are more of an issue than ever.

"You can put more on the pallet, and put more on a truck," said Tony Ferraro, vice president of sales and marketing at Pittsburgh Brewing, where sales of Iron City and IC Light in aluminum bottles are one of the few bright spots these days. "If you're paying \$1,000 per truckload, you're getting 390 cases more on a truck than with glass bottles, and still staying within weight. Glass is 49 cases per pallet; these can go to 64."

What about for the consumer? The aluminum bottle gets beer cold faster than the glass bottle—a lot faster. (Despite what you may have heard, it's not true that they also keep the beer cold longer; blame thermodynamics.) There's a flavor advantage over cans if you're stuck without a glass for pouring. Aluminum bottles are coated with inert film inside and out, and that's what the beer—and your lips—touch. No seams, no lips, no pop-top hole. And no worry about hygiene: the bottle cap covers pretty much everything you'll touch if you drink out of the bottle.

"The aluminum bottle has better barrier properties than PET bottles," said Martin. "They keep out ultraviolet light, and keep in carbonation. PET bottle barrier properties are only good for three or four weeks for beer. We think the aluminum bottle has the best shelf life."

Downside, Upside

There are some issues to be concerned about

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with the aluminum bottle. First, that incredible strength can actually be a problem. Recyclers have trouble crushing the bottles for shipment to smelters. And some hikers like the lightness and inert film and familiar shape...but prefer cans because they are even lighter, and because they can be crushed flat for the pack-out trip.

The two serious problems are cost and availability. The aluminum bottle costs about four times as much as a glass bottle, and uses three times as much aluminum as a can. In time, the cost will come down as manufacturing innovation and capacity increase. But for now, it's full price for aluminum bottles, because all the manufacturers are maxed out. "Supply is tight," admitted Nabozney. "It's a technology issue. Bottles can only be produced at 150 units a minute." For now, Big Sky only does special releases of aluminum bottles as it can get supply.

Availability will eventually be ironed out as more suppliers get into the market (Big Sky has dropped its Spanish supplier and has a Swiss supplier now) and faster manufacturing inevitably evolves. The higher price is just something that brewers, even big brewers like A-B, have to adapt to. The aluminum bottle has become a high-end, single-serve item. That's not a problem at all for Gregg Stacy, vice president of marketing at High Falls (formerly Genesee) Brewing in Rochester, N.Y., where the aluminum bottle is being used to jump-start sales of the established but lagging J.W. Dundee's line.

Dundee's Honey Brown Lager was a big regional success in the 1990s, but the brand declined. The brewery recently decided to aim the line in a more craft-brewing direction with the introduction of two regular line extensions, Dundee's Pale Ale and Amber Lager, and seasonals including a Pale Bock and IPA, and to flash up the intro a bit with an aluminum bottle.

"The bottles are more expensive," Stacy said, adding that the expense of the bottle was reflected directly in the sale price. "In bars they sell for about \$3.50 to \$4 a bottle. They're selling in supermarkets for \$1.50 a bottle. The overall package cost is higher, but it's worth it on our higher-end craft brands.

"We're looking at the single-serve sale in bars and restaurants," he continued. "People who haven't had the Pale Ale before will try it, and people who haven't had Honey Brown in a while will try it again, because the package is so attractive. We want to get back on-premises, and these are great to get us back in that venue. Some accounts are picking us up on draft for the first time in years because of the aluminum bottle sales."

Cold and Cool

Anheuser-Busch feels the same way, if for different reasons. They're at a size and in a position where the perceived rush to wine is a scary thing. The intangible "coolness" of the aluminum bottle could be very effective at solidifying their market, so they rolled out aluminum bottles in a big way in 2005. They developed 16-ounce aluminum bottles for Budweiser, Bud Light, Budweiser Select, Michelob, Michelob Light and Anheuser Select. The bottles are bold graphic statements, color-clad from cap to base.

"We're always looking at innovative ways to reach adult beer drinkers, whether through new products or inventive packaging," said Coulis. "It's important to keep beer fun, relevant and in step with the changing preferences of adults who enjoy beer. This was an ideal way for us to enhance the beer drinking experience. While we have no plans to abandon our glass bottles and aluminum cans, the aluminum bottle is an image enhancer over the more traditional packaging and the type of look contemporary adults want when out enjoying a beer with friends. The bottle looks and feels colder, and consumers tell us that's what they really like about it."

Ferraro and Pittsburgh Brewing found the same thing, and in a way that was even more valuable and important for them. "It's unique, cool and hip," Ferraro said, enthusiastically. "It's reached some of the younger demographics we can't really afford to advertise to. It's opened markets, in Texas with Iron City, and now that we have IC Light, it's opened that, too. And off-premises sales follow with the regular bottles and cans, because the aluminum is more expensive. But it's not about price, it's about quality. We're still seeing growth after 19 months."

The funny thing about the aluminum bottle is that people just love to look at them. Bars in Pittsburgh have gleaming empties of Iron City on every horizontal surface, empty Moose Drool bottles are advertised on eBay, and people will come over to your table to see your High Falls Pale Ale bottle.

That's a point Martin likes to hammer home. "It's a marketing tool, not a package in those cases," he said. "A brewery asks, 'Can I afford aluminum bottles?' It's not just packaging, it's part of your marketing budget! It's a great grade of aluminum to recycle, it's very pure, but people just don't throw them away."

Throw it all in the balance and have a look. The aluminum bottle is more expensive. But it will save you money over glass on breakage, on transport weight, on skunked returns. It plays well with your current bottling equipment. It gets you into venues you may never have approached before: golf courses, swimming pools, marinas, sports arenas. It carries on as a marketing tool long after glass bottles are just "dead soldiers."

What's the Future of the Aluminum Bottle?

"We'll continue to see more package developments," said Delia. "When the dust settles, the aluminum bottles will have a place. What that place is remains to be seen. People are still checking it out. There's been enough interest that it will be around. I can't tell you that 20 percent of America's beers will be in aluminum bottles in five years, but we'll see."

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