

# BeerSense:

## Expanding Your Beer Horizons

### Product Overview & Need

BeerSense is an advertising service that provides breweries and distributors a unique marketing opportunity at the point of sale.

The core technology is a recommendation service that takes consumer's past beer preferences and suggests new beers based on their taste profiles.

The problem facing consumers is that the proliferation of brands and styles in the craft beer segment has left them confused when making purchase decisions. With over 1,500 breweries in the U.S. today, vague descriptions of each beer on the label, and confusing beer aisles within the retail environment, consumers face a daunting decision. BeerSense helps consumers make smarter purchases by reducing the variety at retail to the lowest common denominator, taste.

### Value Proposition

*To Consumers:*

- **Purchase With Confidence:** Reduces risk of dissatisfaction
- **Efficiency:** Allows for searching and comparing across brands
- **Educational:** Creates taste awareness useful in many settings

*To Retailers:*

- **Trade-Up Consumers:** Demand driver for higher ticket, higher margin products
- **Traffic Generation:** Unique shopping experience that drives traffic into store
- **Higher Customer Satisfaction:** Customers find the beers they like and are happier with their purchases

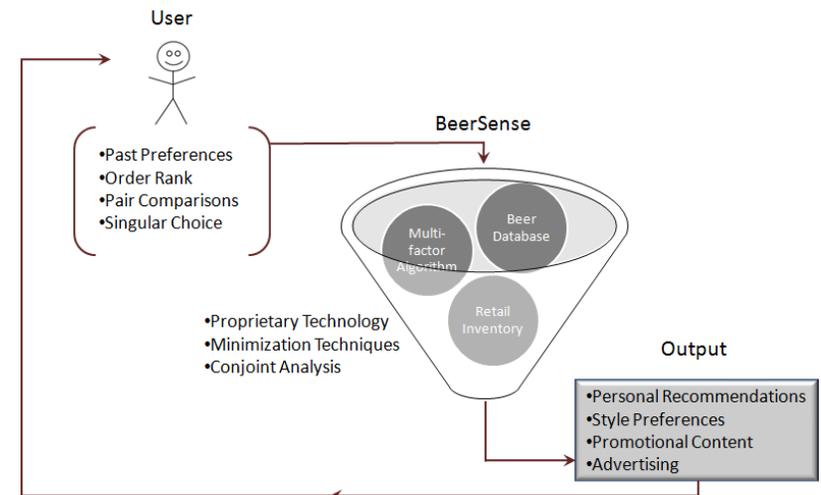
*To Distributors:*

- **Increase Sell-Through:** Demand driver targeting motivated buyers
- **Efficient Marketing Tool:** Generate trial of products without in-store events
- **Organic Sales Pitch:** Efficient means of creating inbound brand interest and awareness

### Market & Opportunity

Distributors are the key source of revenue from this service. Advertising for the US Beer Distribution industry is a \$550M market.

Today, distributors are being pressured as industry sales growth has turned negative the past two years and the mass breweries have consolidated. Craft beer, while a niche segment today, represents their only growth opportunity. The segment has grown 10% during '08 and the first half of '09 and the gross profit per case is 2x that of mass beer. However, craft beer marketing has historically followed a "feet on the street" sales model that is too labor-intensive for large distributors. BeerSense offers a low-cost, high-impact method of advertising, essentially a substitute for in-store sampling and promotional events.



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