



Insights from Lupulin Exchange Data

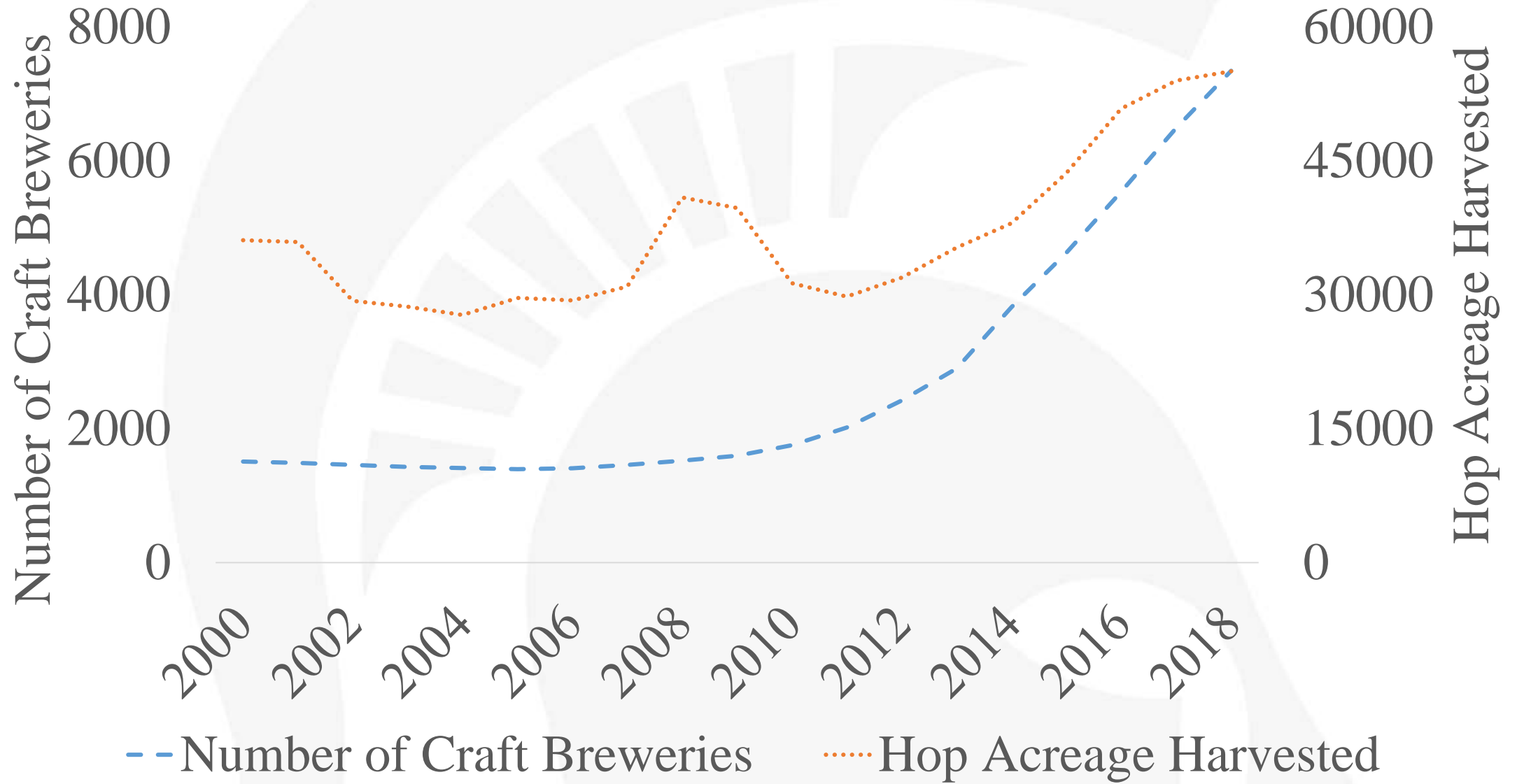
Trey Malone

 @DrTreyMalone

Assistant Professor

Department of Agricultural, Food, and Resource Economics
Michigan State University







Lupulin Exchange data analysis is our next step

- Surveying breweries is all fine and good, but **price and quantity data** is the gold standard of market analysis
- This kind of analysis has never been done for hops
 - In large part because hop prices are harder to track down and are way too volatile
 - Also because the “market” hasn’t been thick enough
 - Most importantly, hops haven’t historically moved through a traditional marketplace like a lot of other crops do...



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 - Most importantly, hops haven’t historically moved through a traditional marketplace like a lot of other crops do... **Until now**



BROKERS & GROWERS HELP COMMUNITY



BUY ▾ **SELL** ▾ **DATA & TOOLS** ▾

FIND HOPS



Search for Varieties You Need, Listed by Other Commercial Brewers, Hop Brokers, and Growers

🔍 Cascade, East Kent Golding, Hallertau, etc.

Search

View All Hops

211

varieties

2,636

listings

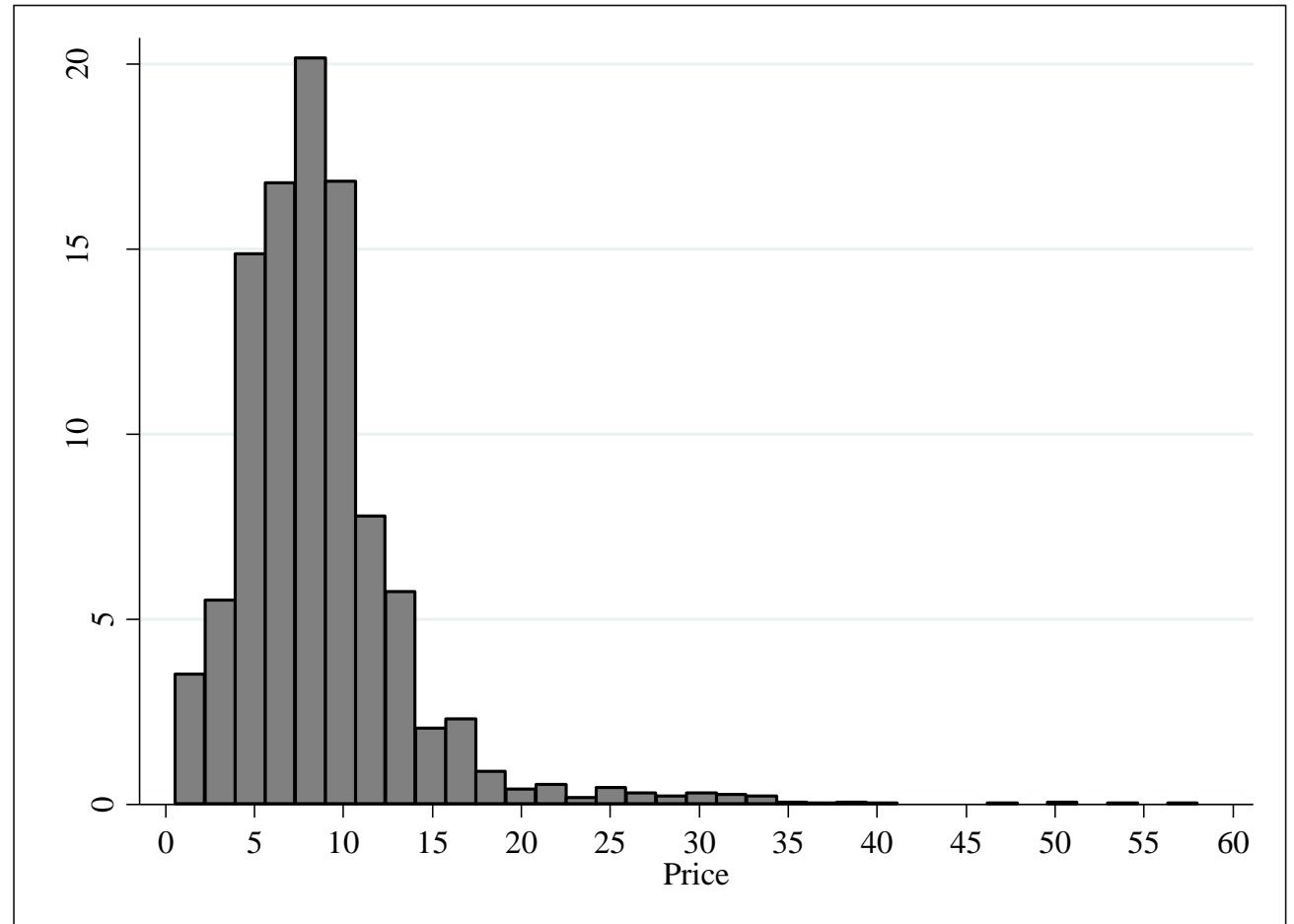
1.2 M

pounds for sale

4.5 M

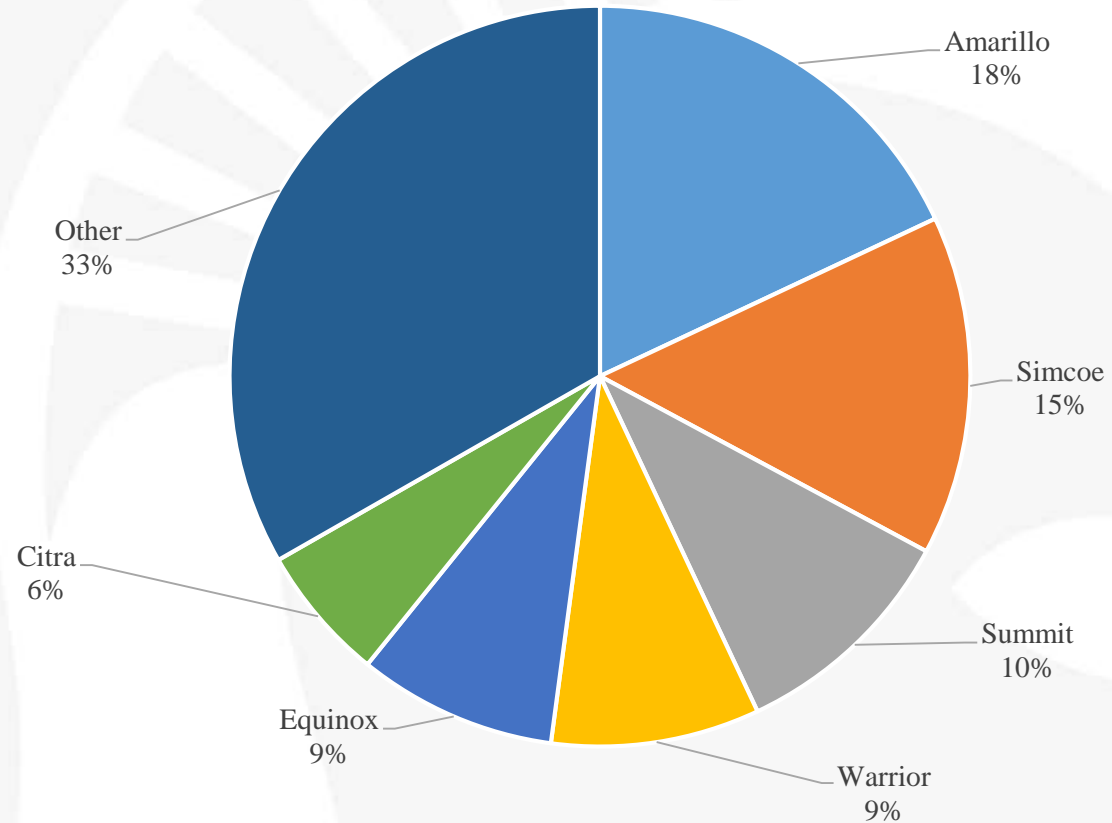
pounds sold

- Used machine learning to “scrape” the data from Lupulin Exchange
 - August 2019
 - 2,554 listings
- Price distribution of hops/lb



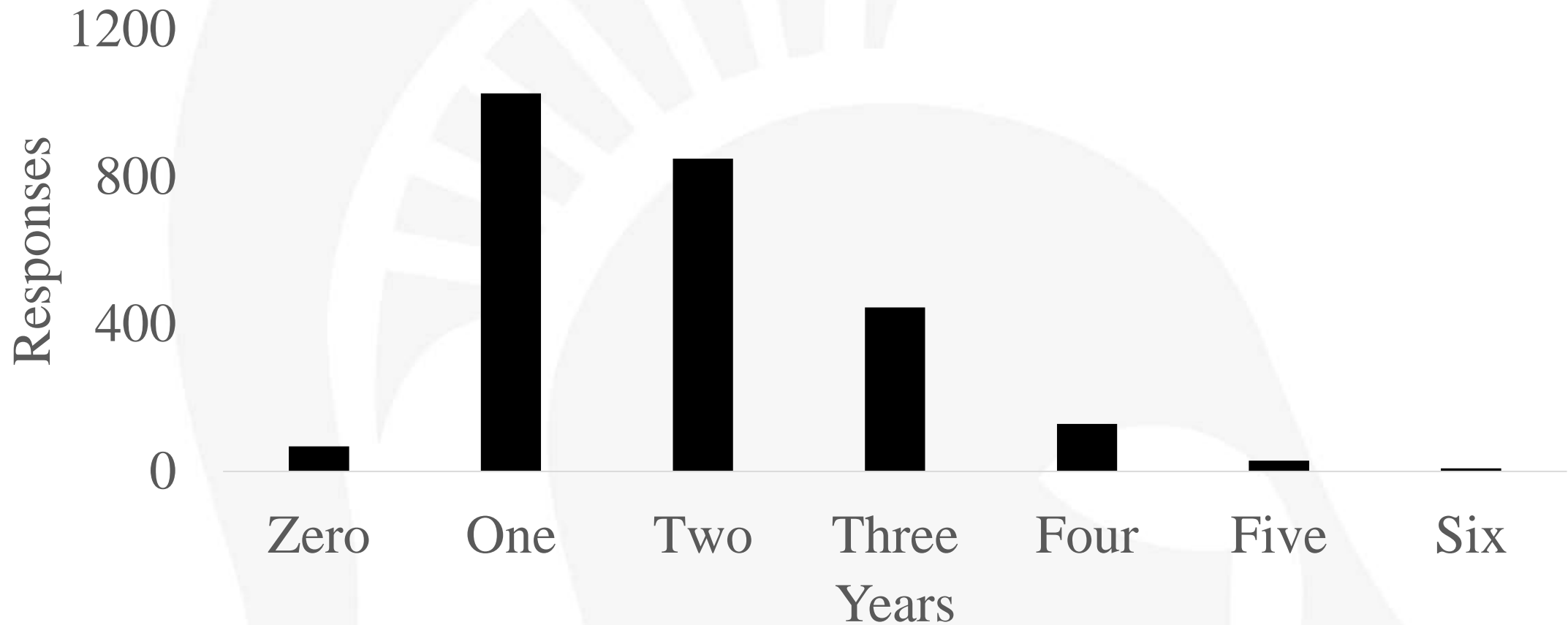


Share of proprietary hops





Age of listing, August 2019





Jesse Pappas <jesse.pappas@gmail.com>

To Malone, Trey

Cc Sirrine, J; Lizotte, Erin

Reply Reply All Forward

Fri 2/14/2020 5:03 PM

Flag for follow up. Completed on Friday, February 14, 2020.
You replied to this message on 2/14/2020 11:36 PM.

Sounds good, Trey. Funding is always tricky, there's no way around that. To get the ball rolling, we'd be happy to go ahead and share the data necessary to support a hedonic price analysis based on flavor and aroma characteristics. This is a research outcome that we are both intrinsically interested in, so I don't think it should be dependent on funding. Let me know if your team is in a position to get rolling on that project relatively soon or if you have a different plan of action in mind.

Aroma Selector

Not sure what variety is right for you?

Click a hop characteristic to discover what flavor variety best meets your needs.



Fruity



Stone Fruit



Tropical Fruit



Citrus



Floral



Spicy



Tobacco/Earthy



Cedar



Herbal



Pine



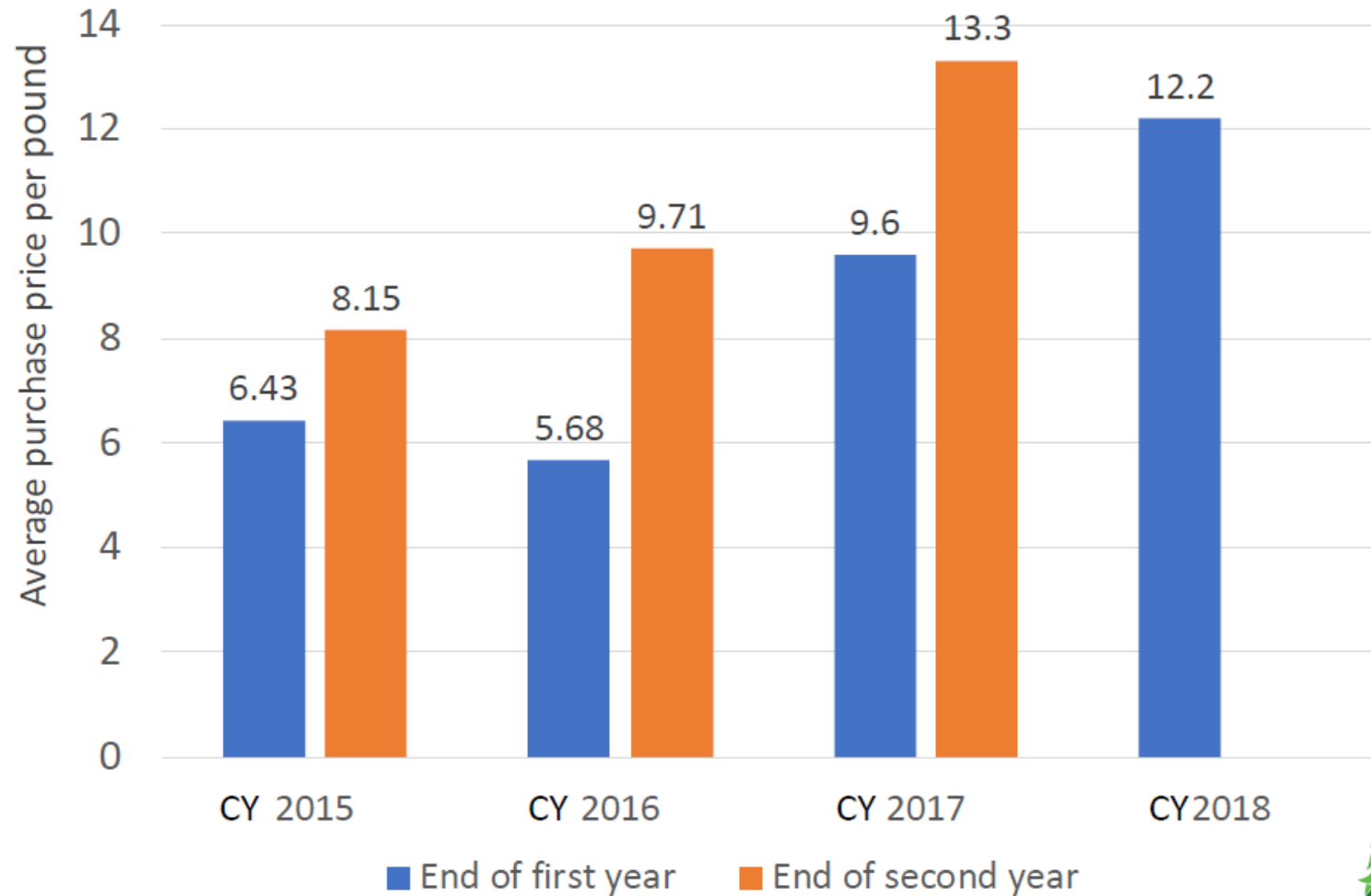
Grassy

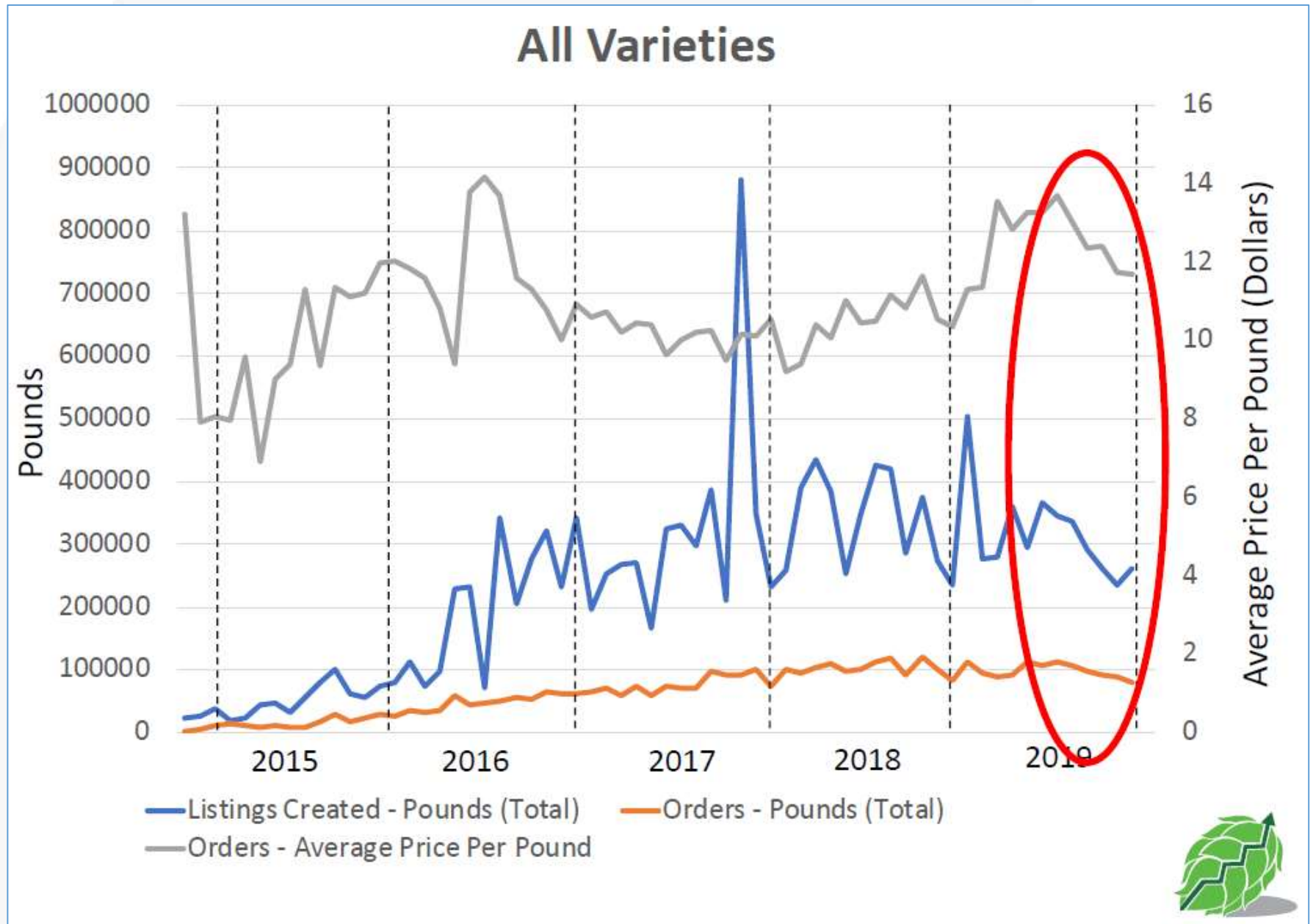


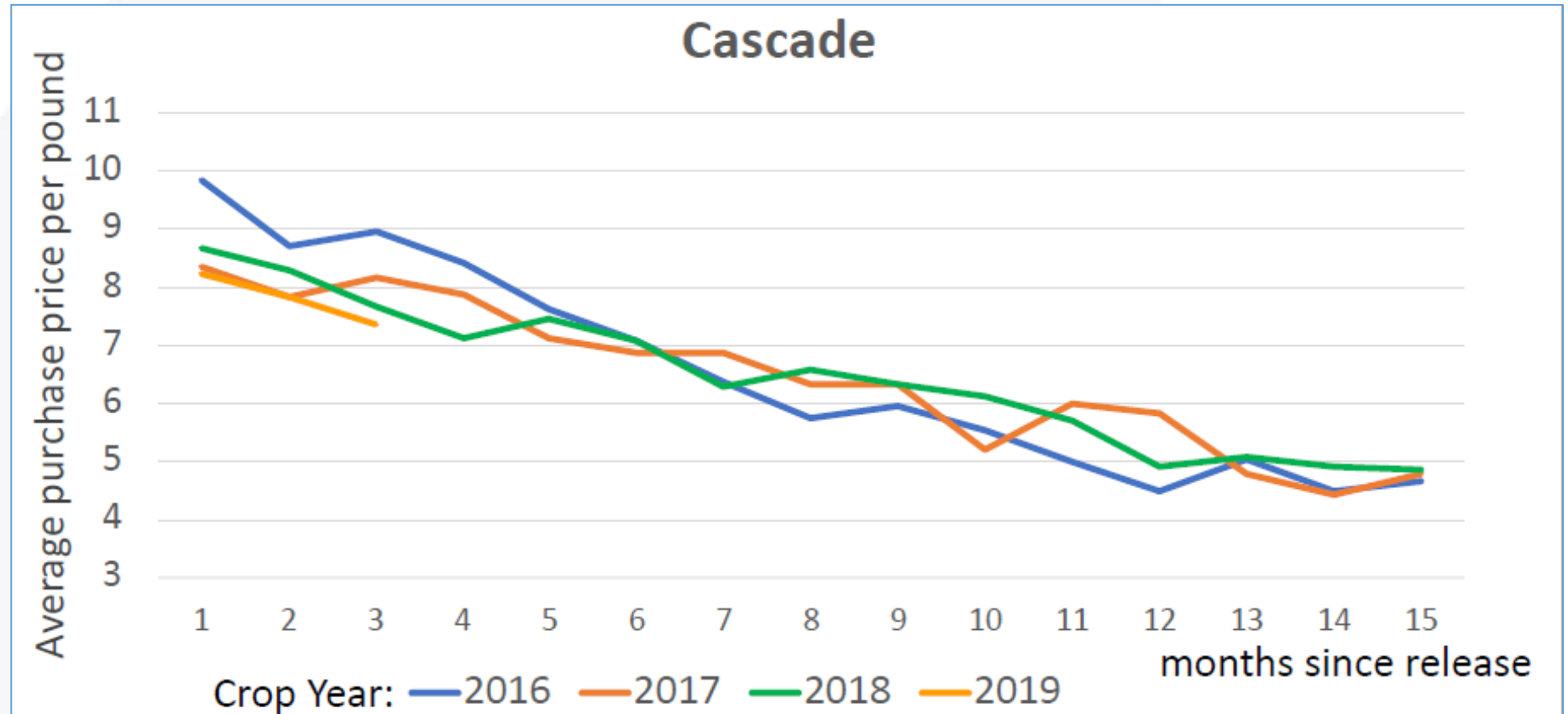
[View All](#)



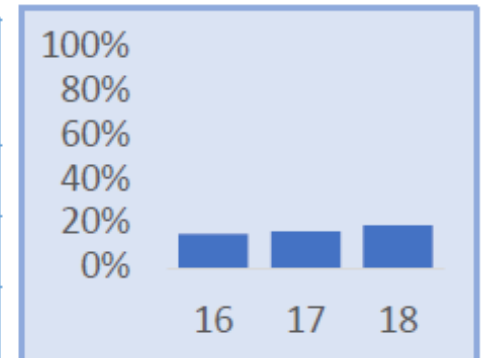
Average difference in purchase price for proprietary & public varieties at two points in time for four crop years





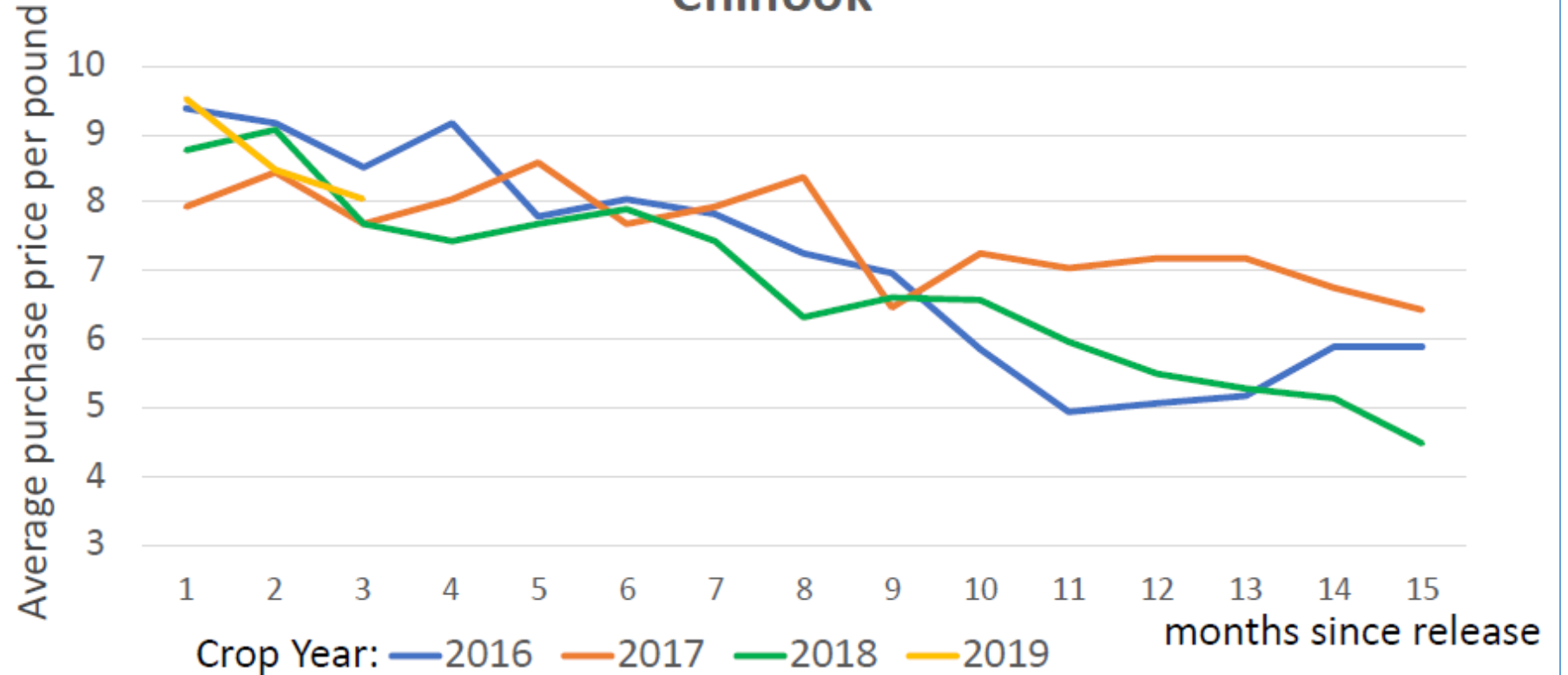


Crop Year	Pounds listed in 15 months	Pounds sold in 15 months	Percent sold in 15 months
2016	215767	34164	16%
2017	163255	27530	17%
2018	135685	26484	20%

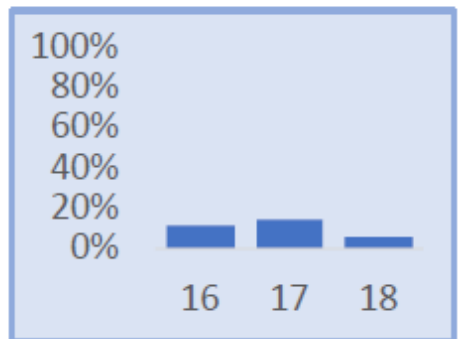




Chinook



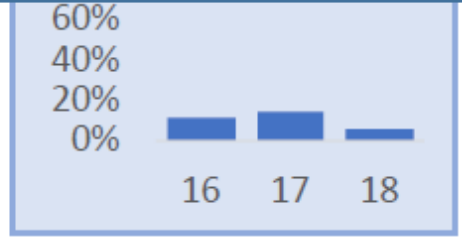
Crop Year	Pounds listed in 15 months	Pounds sold in 15 months	Percent sold in 15 months
2016	97067	10933	11%
2017	84396	11716	14%
2018	120977	6797	6%





For more of this, email
jesse@lupulinexchange.com
 (Rob and I have them, too)

Year	2016	2017	2018
2016	97067	84396	120977
2017	10933	11716	6797
2018	11%	14%	6%





Interactive Survey

1. Get out your cellphone
2. Text **TREYMALONE** to **37607**
3. Respond via text

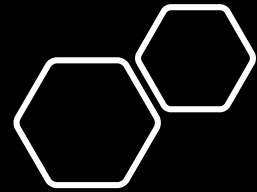
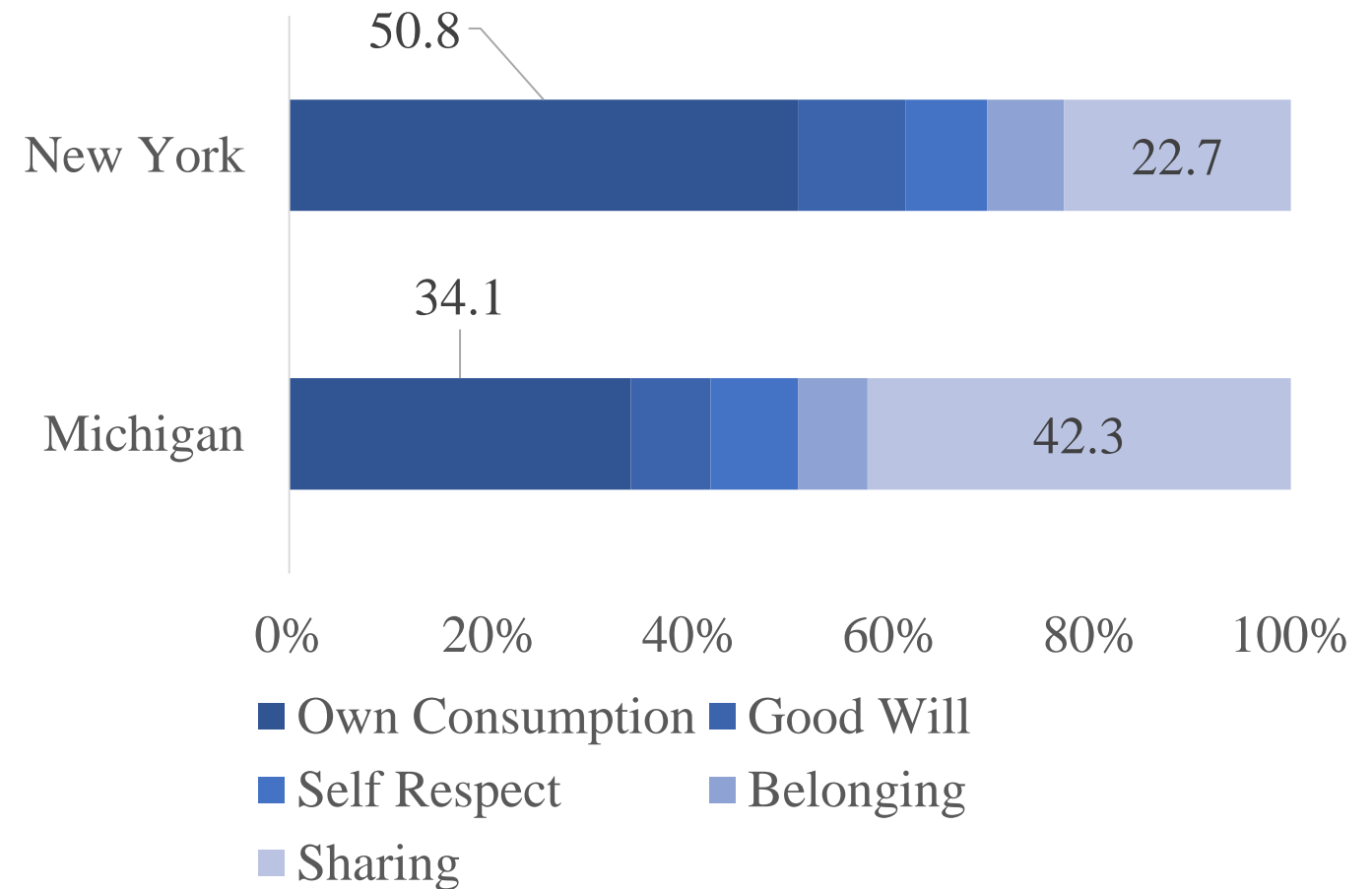


Activity not found

Make sure the URL is correct or see if the activity was deleted

Is “Localness” about Distance or Relationships? Evidence from Hard Cider

Jarrad Farris^a, Trey Malone^b, Lindon J. Robison^c and Nikki L. Rothwell^d



Limitations of hedonic price analysis

- This approach treats your hops as a **commodity**
 - Everyone can “grow” the same attributes
- There might be value in considering your hopyard as a “relational good”

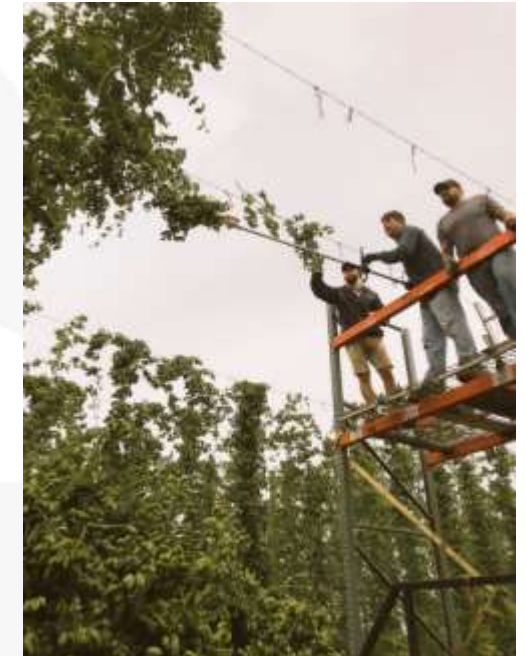


If you want to start using online tools,
focus on how to connect with buyers

buyers



growers

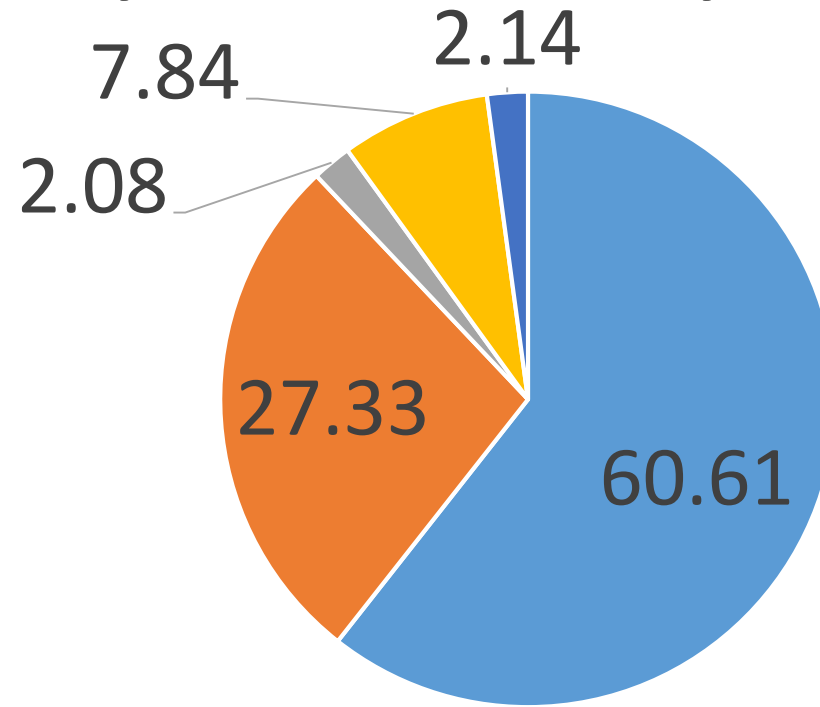




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How do you advertise your brewery?



- Social media
- Word of mouth
- Road signs
- Local newspaper
- Other



Online, we are all
more narcissistic and
craving authenticity.



RESEARCH ARTICLE



Disclosing information about the self is intrinsically rewarding

Diana I. Tamir and Jason P. Mitchell

PNAS
Proceedings of the
National Academy of Sciences
of the United States of America

Research: Talking about yourself can be rewarding and enrich your life

30-40% of personal conversation is spent talking about one's self



What percent of online conversation is spent talking about one's self?

Less than 25%

26-50%

51-75%

76-100%



RESEARCH ARTICLE



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In more than 80% of online posts, users are explicitly talking about themselves

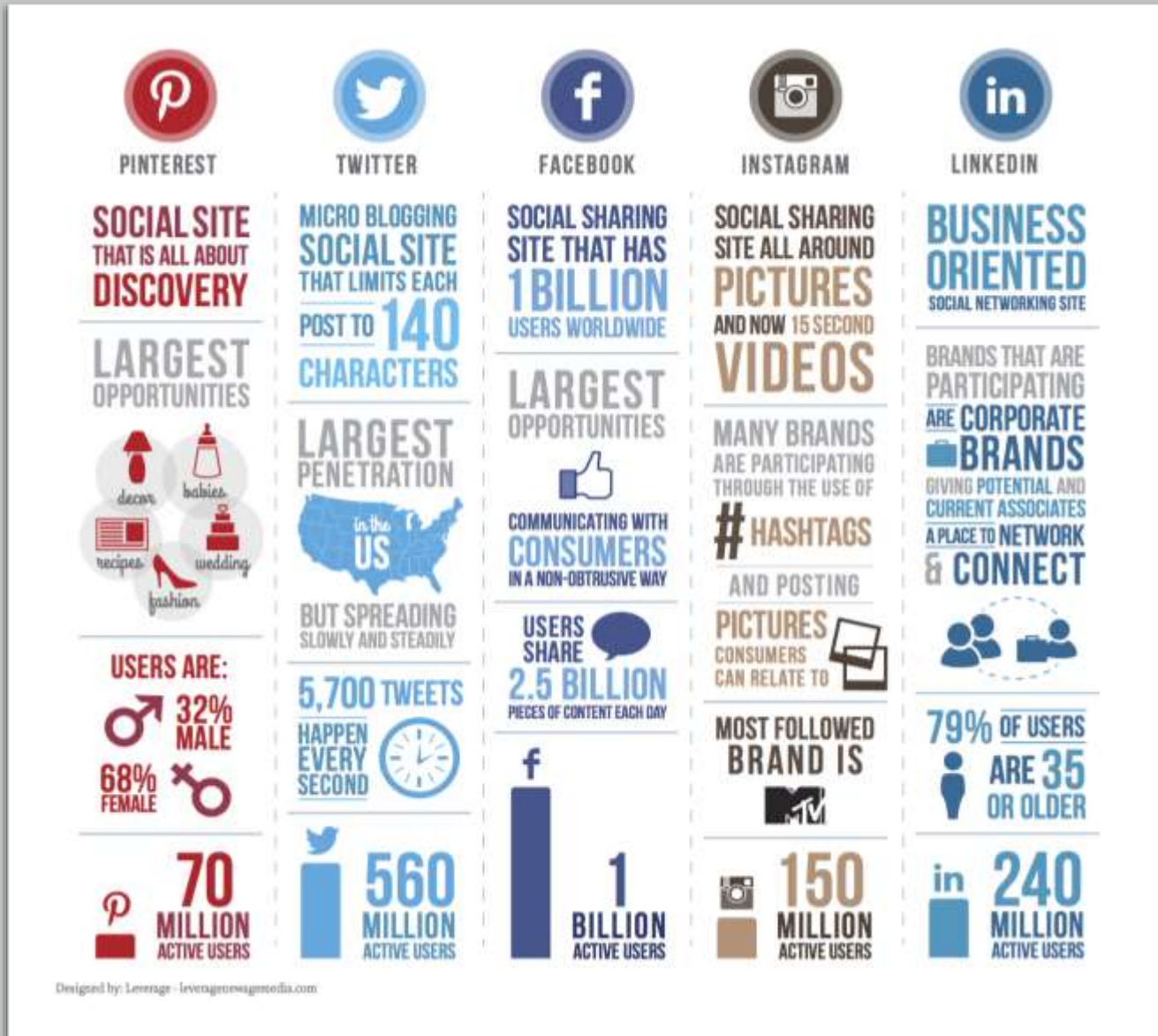


Top 10 Most Popular Stories on Facebook, 2014

1. He Saved 669 Children During the Holocaust...And He Doesn't Know They're Sitting Next to Him – LifeBuzz
2. What Animal Are You? – Quizony
3. How Observant Are You? – Playbuzz
4. Can We Guess Your Real Age? – Bitecharge
5. What State Do you Actually Belong In? – BuzzFeed
6. What Color Is Your Aura? – Quiz Social
7. How Old Are Your at Heart? – Bitecharge
8. How Old Do You Act? – Bitecharge
9. What Kind of Woman Are You? – Survley
10. How Did You Die in Your Past Life? - Playbuzz



Especially on social
media, you are in the
business of helping
your customers tell
their story.



You are in the business of helping brewers tell their story.



Your customer is
the hero of their
own story.

Be their Mister
Miyagi





Your customers are your biggest asset

- The “truth of the matter” doesn’t really matter: A customer who feels uncared for is uncared for
 - Rescue the lost ASAP
- **Engage and Reward loyalty**
 - Respond to comments ASAP
- Convey COMMUNITY
- Express gratitude
- Increase value proposition
 - Get brewers to bring you their people



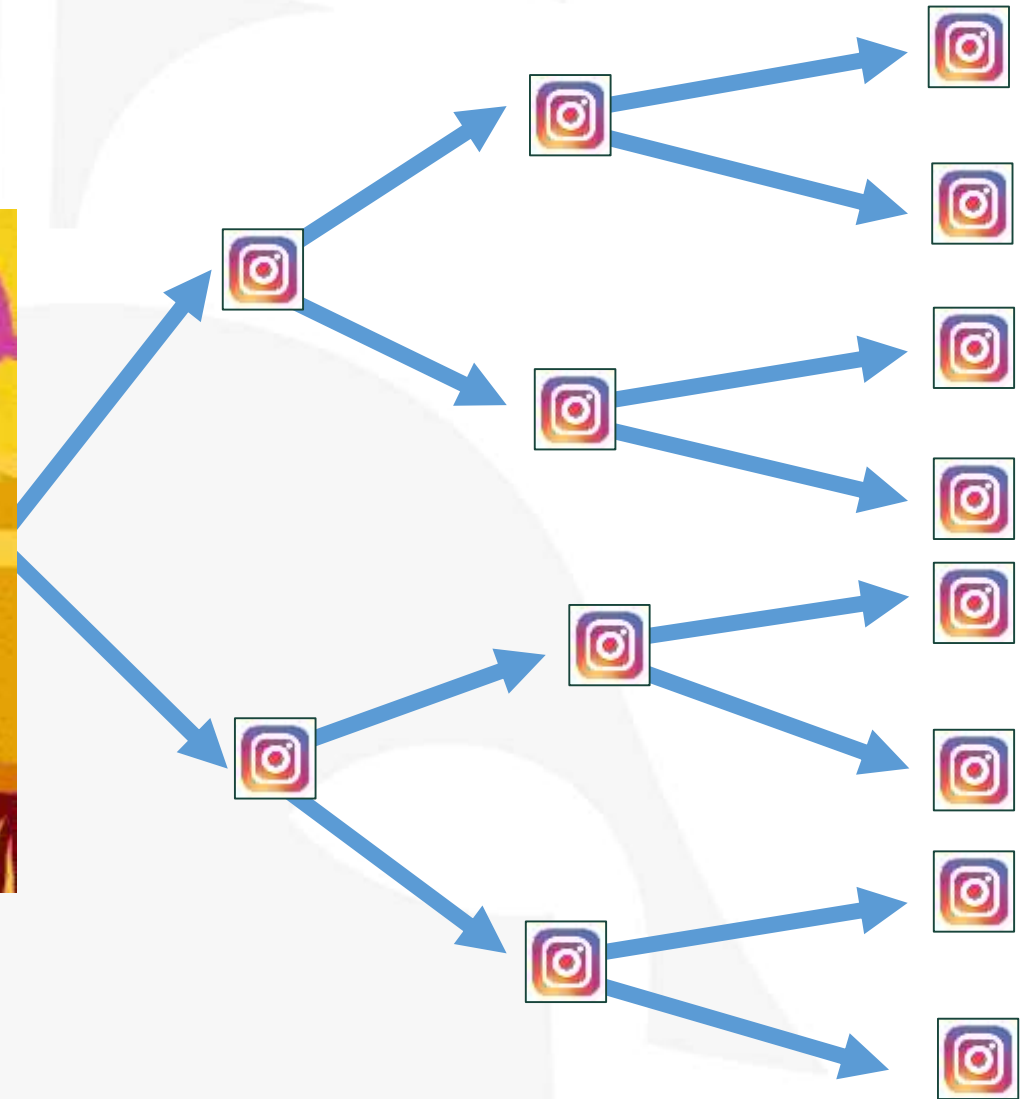
Attention: A Budget That Chooses to “Buy” Different Pieces of Information



Strategy: Reduce the cognitive effort for your buyers' attention whenever possible.

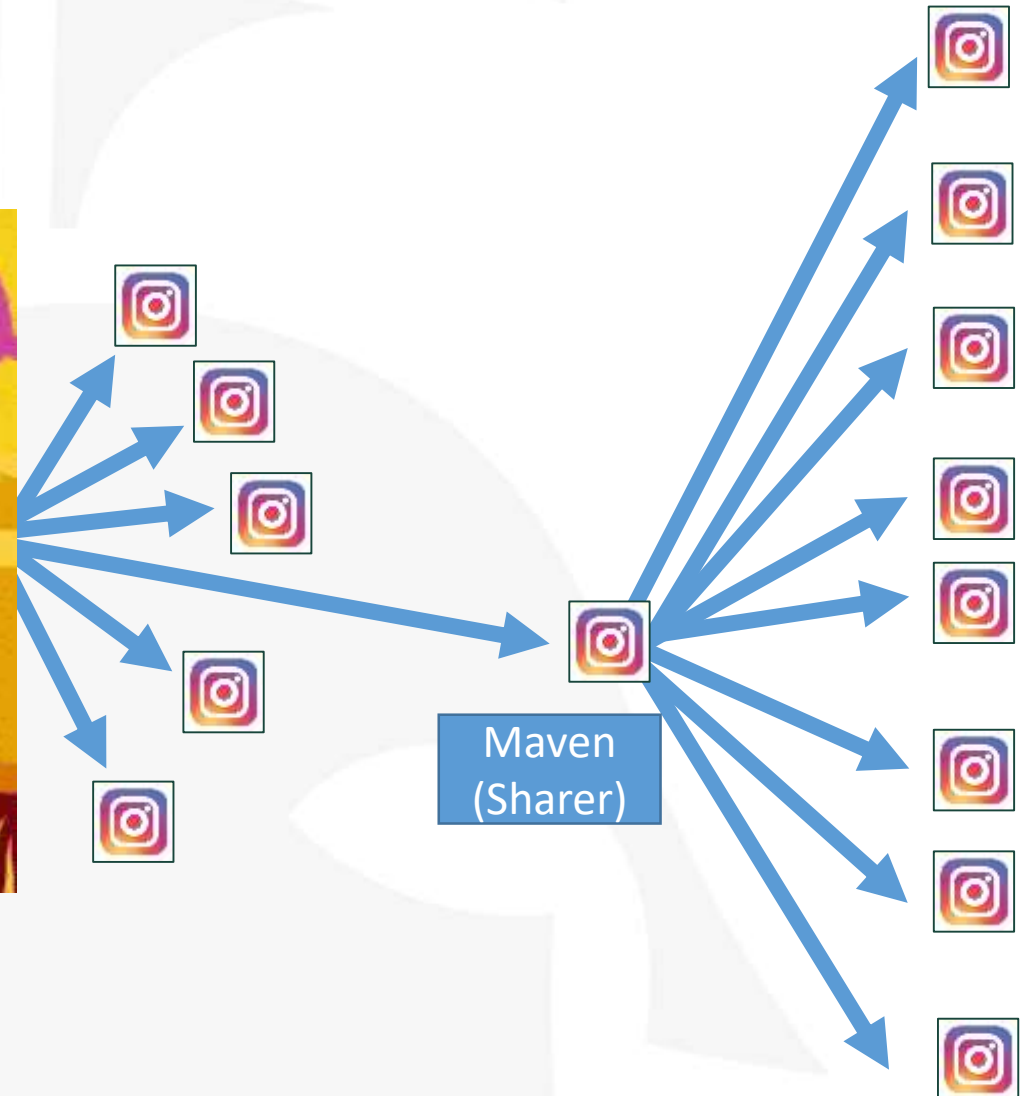


What most people think “viral” looks like





What “viral” really looks like





Example: Dog Star Hops



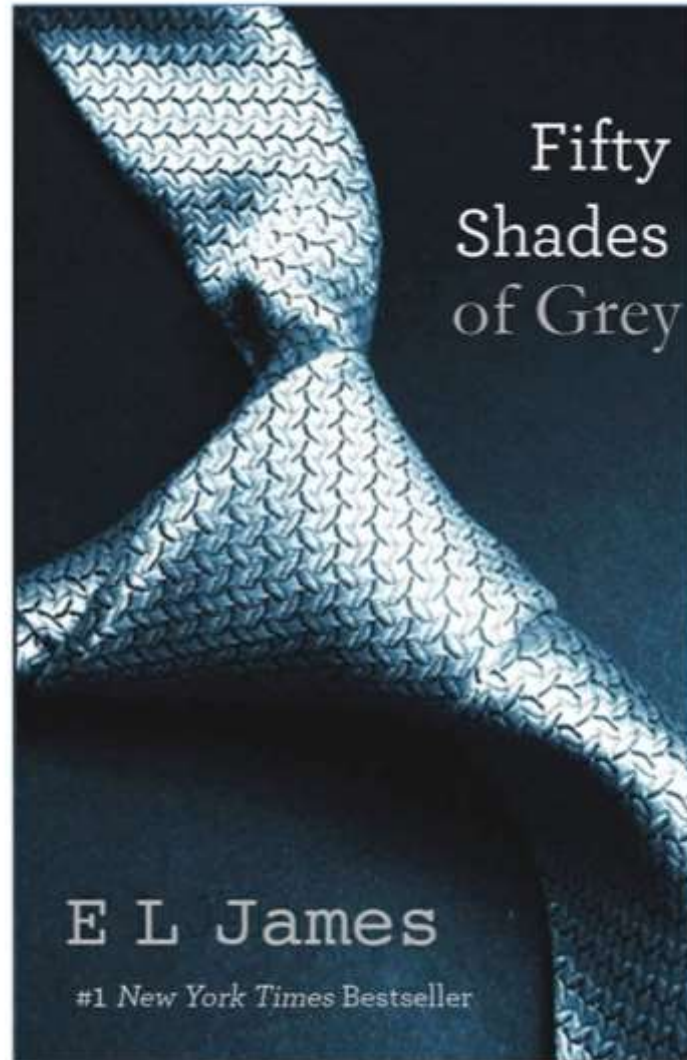
Lansing State Journal
PART OF THE USA TODAY NETWORK
Detroit Free Press
PART OF THE USA TODAY NETWORK





How to go “viral”:
Building your online
community

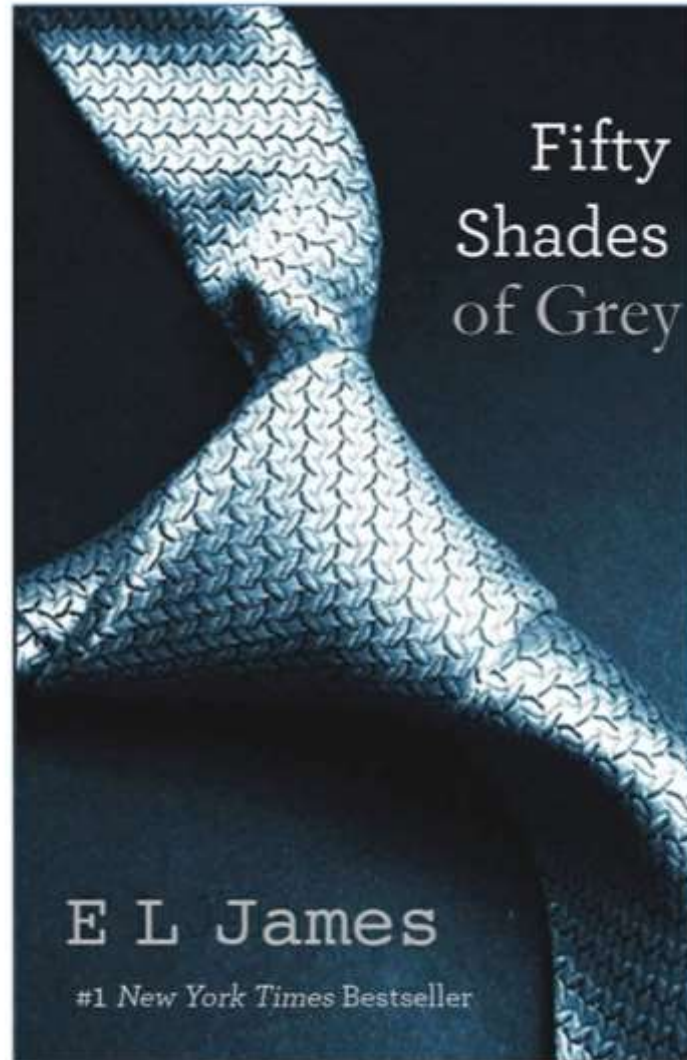
The world is full of
mini-cults. Tap
into them to
maximize your
message’s reach.





How to go “viral”:
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community

The world is full of
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message’s reach.



goodreads



FanFiction



Take Advantage of the
Mere Exposure Effect.



The Exposure Effect:

People tend to develop preferences for things just because they are familiar with those things.



How to find your mavens?



- Be **Strategic!**
- Define your market
 1. Geographic: **location**
 2. Demographic: **age, education, gender, marital status, income**
 3. Psychographic: **receptive to new products, values, drivers of behavior, attitudes, philosophy, mindset**



Maximize Exposure: Tell your story 1-2 times/day

- Holidays
- Your products
- Your chores
- New projects
- Your mistakes
- Your property, facilities
- Where to find you
- Educate customers
- Community events
- Seasonal activities/products
- Ask questions
- Promote other businesses
- Post photos from the farm
- Share agricultural messages
- Connect with agricultural pages
- Share farm facts on your page
- Post videos of your operations
- Advertise other businesses' events



Further Reading

← **Dr. Ariana Torres**
1,001 Tweets




Dr. Ariana Torres
@hortbizpurdue Follows you

Assistant Professor of both @PurdueHortLA @PurdueAgEcon | Economics, Marketing, Entrepreneurship, Specialty Crops | Tweets my own

📍 West Lafayette, IN 🌐 hort.purdue.edu/hortbusiness 🕒 Born August 10
📅 Joined August 2016

448 Following 528 Followers

