



Corney Keg

Case Study: Turning a hobby into a successful business.



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Focus: Products for home brewing enthusiasts.

Greg Nimmo, founder of Corney Keg is a beer guy. He loves good beer and he's been brewing his own beer for many years. In pursuit of his sudsy passion he'd encountered numerous challenges along the way getting the materials he needed to perfect his craft.

In conversations with other beer aficionados, he realized that he wasn't the only one having problems. All of them seemed to be complaining about the same thing; bottling their beer. Bottling is a tedious process made more challenging when trying to bottle a large batch of brew.

Greg had heard that the Cornelius (Corney) Keg, a type of a metal container (keg) originally used by the soft drink industry to store fully made soda, could be used to easily and cost effectively keg beer. So, he tried it and it worked. It worked better than anything that he had tried before.

In the interest of advancing the art of home-brewing, he did some research and found a supplier of surplus Corney Kegs. Greg knew that he had something here. He would supply other home brewers with Corney Kegs and beer making materials and supplies. Corney Keg, the company, was born.

As with so many small businesses, the idea for Corney Keg came directly out of the opportunity to fill an unmet need in a particular market.

Today, Corney Keg is the leading supplier of Cornelius kegs, homebrew keg kits, keg sanitation supplies, CO² bottles and parts, keg fittings, hoses, faucets, towers, seals and lubricant for home brewers of beer.

Greg talks about his situation on the Internet when he first got started, "before Cazbah, I used a friend of ours, who had done some other website work for me in my main business. Basically, he got us configured, got the website up and that was it. At that point we were on our own as-far-as the Web marketing, SEO, all that good stuff."

Greg goes on to talk about transitioning his beer brewing hobby into a viable business, "we were originally thinking this was just going to be more or less a hobby. That it would just be a little something to do on the side. A way to generate some beer money or play money." That's what he thought...

Things certainly have changed for Greg. He talks about how his situation went from hobby to viable business, "the situation has changed in the sense that our sales have really taken off. We have literally turned into a viable business. This is no hobby anymore, and we actually have a lot of options now related to how we want to grow and how far we want to take this thing. It's been pretty exciting."

As Greg mentioned, the sales really took off. He had struck a nerve with the home brewing community and was now in a position to exploit the niche he had identified.

Greg goes on to talk about just how fast the sales grew after signing on with Cazbah, "To give you an idea how fast things took off, we started full-time in March of 2010. That first month, we did more in online sales than we had done in any of the previous months. We have grown every single month since then. To give you an idea, **our first full month with Cazbah was around \$5,000 in sales, and our last month just topped \$25,000 in sales.**"

Turning a hobby into a business, by filling an unmet need, is how many small businesses start.

The Cazbah Solution

Greg knew that Corney Keg had real potential to become a viable Internet, eCommerce business. What he needed now was a website business partner who he could work with that could handle all of the Web related aspects of this new online venture, that he couldn't.

Cazbah designed and built Greg's new dynamic website and took care of all of the Internet marketing related activities, an area that he admits he's no expert in:

- **Dynamic eCommerce website.** Cazbah built Corney Keg's website with growth in mind. Website content and navigation was specifically geared towards Greg's target market, the home-brewing enthusiast. Giving them the ability to find exactly what they were looking for, in as few clicks as possible, was the highest priority. Equally important was getting those same website visitors to put those products in their shopping cart and process the order.

Cazbah built Corney Keg's eCommerce catalog in order to give website visitors easy access to all of the home brewing products they were interested in. Additionally, suggestions for other products they might be interested in were automatically provided. Order processing was done securely (of course) and customers were notified of the encryption provided to secure their order.

He said, "You've got the cost of bringing the customer to the website, which is a one-time cost. Once that cost is fulfilled, the more stuff you can get in their cart, the more profitable you're going to be."

- **Search Engine Optimization (SEO).** Cazbah knew that when Greg's target customer went looking for a Corney Kegs or other beer making products on the Internet. They needed to be able to find them, quickly and easily.

Greg comments, "We wouldn't be where we are today if I had to learn SEO, or pay-per-click (a form of search engine advertising). I could do those things and I know enough to hurt myself, but not enough to really grow a business. That's where partnering with Cazbah really helps."

- **Analytics and reporting.** Having the data on how his website was performing was critical to Greg. As with all of their customers, Cazbah provides the analytical reports necessary so that Corney Keg has a complete understanding of all of the information on how the website is performing and how customers and website visitors are interacting with it.

Greg went on to say, "We're getting the data that we need to make the decisions on where to go next. It's important to understand that you don't have to be an expert in everything. Really, the only thing you have to be an expert on is your market. Understand your market, understand who you're selling to and then surround yourself with the people and the resources to get the job done."

- **Dedicated account management.** As Greg mentioned, he needed a business partner that was an expert in websites and Internet marketing, in order for him to focus on the things that we was good at. Cazbah provides

Make sure your customers can find what they are looking for in as few clicks as possible.

Greg with his own 'Internet Marketing expert,' in the person of his dedicated account manager.

Throughout the years, Greg's account manager has truly gotten to know his business and his customers, streamlining the marketing process further because his account manager has the business intelligence and knowledge to provide recommendations on how to market to his target customer. Advice that gets results!

Greg commented, "What Cazbah allows us to do is to focus on running the business. Everybody's got a skill set. Everybody is good at something. My partner and I are total opposites in what we do. He's a production, engineering kind of guy, I'm sales and marketing. That being said, I understand sales and marketing, but I don't understand the technicalities of internet marketing."

The Bottom Line

Greg started out thinking that Corney Keg was just going to be a way that he could generate some extra income to support his beer making hobby. He was pleasantly surprised when saw the initial sales results and started to realize the full potential of his new eCommerce website.

As he mentioned, the Corney Keg website caters to the home brewing enthusiasts. But that's not all. Greg talks about one of the surprises that he got after going online, "our website caters to the home-brewing niche market. But one of our biggest orders came from a company that makes energy drinks."

He went on to say, "the great thing about our web business and working with Cazbah is the fact that we can control it just like our growth. To be honest with you, I'm not sure we want to grow much more than where we're at right now, until we get some other things in-line."

Getting customers to add products to their order and getting as many products as possible in their shopping cart is a priority for Corney Keg. As Greg mentioned, the more products you get customers to add to their shopping cart, the more profitable you will be. The way he measures this is by tracking average order size.

Greg talks about the importance of tracking this metric, "average order size is important to us. It was especially important when we first got started. Increasing average order size is one of our goals. **When we first started, our average order size was roughly \$60 per order. This changes every month, but last month the average order size was \$140.** As we look at it over time, it definitely trends. We look at monthly sales and average order size is something we track. We are constantly looking for ways to increase it."

Increasing your average order size ensures growth and profitability.

Lessons Learned

Greg Nimmo entered into his relationship with Cazbah 6 years ago knowing full-well that he wasn't an expert in websites and Internet marketing. His partnership with Cazbah has allowed him to focus on running his business and doing the things that are most important for the growth of Corney Keg. He comments on his experience:

- "I would recommend Cazbah to anybody who has a good idea and wants to get a website up and get a viable Web business going."
- The Internet (and Cazbah) now provides a person, with a good idea or a good market or a good product, to get online and start a business at a very, very low startup cost."
- "If we would have tried to start Corney Keg with a brick and mortar retail store, we would have had to advertise in the beer brewing magazines, which is a more the traditional way to go to market. I'm not saying we couldn't have done it, but we wouldn't be making the money we're making now, right-off-the-bat."
- Unequivocally, Cazbah has delivered for us. I would recommend Cazbah, absolutely.

Getting a new business started, and generating sales, on the Web can be done very cost effectively with Cazbah.