



BEER.COM

Diversifying its Business Model

HIGHLIGHTS

SOLUTION:

Consumer Marketing Portal

PRODUCT:

BEA WebLogic Portal™ 8.1,
BEA WebLogic Workshop™ 8.1

INDUSTRY:

Communications/Media

PARTNER:

Fatwire

PROBLEM

Beer.com was a relatively static magazine-style site with interesting content and fun visual elements, but there was no interactivity, presenting little opportunity for revenue generation. The site needed to attract new visitors by offering a Web experience that was differentiated from other portals adopting a lifestyle outlook.

SOLUTION

The new Beer.com is a dynamic, personalized Web destination with an identity and brand that stand out from the crowd, and a flexible technology foundation that is reducing overhead and creating new business opportunities.

RESULTS

Beer.com now has a multi-dimensional business model that derives revenue from content sponsorships, e-commerce, advertising, and product licensing. 82 percent of its visitors now come to the site at least five days per week. Traffic is up 30 percent since the migration to BEA WebLogic Portal 8.1.

CUSTOMER BRIEF

Beer.com is an online destination dedicated to beer and the lifestyle that surrounds it. With US and Canadian sites, Beer.com's loyal audience is passionate about beer. The site has tapped into this charged-up and lucrative market by using clever, sexy, and unique content, promotions and partnerships centered around the preoccupations of many young adults: music, sports, fun, romance, and of course, beer.

BUSINESS PROCESS CHALLENGE

Beer.com was originally a static content site. The site had limited functionality, no personalization, and content that was updated only once a month. In short, it was not a compelling, interactive site capable of generating substantial revenue. Site viewership was flat, and the business model was limited to the sale of traditional banner ads. The challenge was to transform Beer.com from a "curiosity" into a real business, with diversified revenue streams and high growth potential.

To address that challenge, the company put together an ambitious plan predicated on making Beer.com a dynamic portal for beer lovers and the beer lifestyle. Bringing such a plan to life would mean making the site more innovative and fun, and adding unique resources and content that could attract repeat visitors and increase the average amount of time spent on the site.

From a technical standpoint, such change would require a complete overhaul of the Beer.com

technical infrastructure. The existing infrastructure lacked the massive scalability needed for a consumer portal. It did not offer campaign management, and integration with third-party applications and data sources required expensive, customized connections that were developed in-house.

“We essentially had to throw out what we had and start from scratch,” said Paul MacLaren, director of Beer.com. “The infrastructure we inherited was never intended to power such a robust site, nor was it designed to support an operation of the scale that we envisioned. We were looking for a business platform that would break down all the barriers to implementing the creative ideas and new features that would enable the sight to really take off.”

SOLUTION

Beer.com’s first step was to evaluate potential software platforms for the new site. The company considered a number of offerings, including IBM WebSphere and Sun ONE, before selecting BEA WebLogic Portal 8.1.

“Our decision was based on a number of factors,” said Guy Brancato, vice president, Client & Consumer Solutions, D3 Management. “From a business perspective, we wanted to reduce risk. So we looked at market leadership, vendor viability, and each vendor’s strategic commitment to their product. On the technical side, we wanted scalability and reliability, we demanded support for open standards to maximize flexibility and keep costs in check, and we wanted built-in support for out-of-the-box portal functionality. We knew that we

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Phase one of the new Beer.com was designed and implemented on BEA WebLogic Portal 8.1 in just 60 days. The site is now a true one-of-a-kind portal. Beer.com has an intelligent and irreverent “voice with an edge.” It has cultivated a loyal, fun-loving community that is passionate about beer and all that beer entails. The site focuses on topics that are top of mind for millions of people: beer, music, fun, and games, entertainment, sports, and social interaction.

Although beer is not sold on the site, visitors to Beer.com are treated to all kinds of other beer-related content, including:

- > **Beer Finder**—detailed reviews of more 1,000 beers sold in Canada and the United States
- > **Beer.com Store**—merchandise with the Beer.com logo for beer enthusiasts, golfers, music lovers, and pub goers
- > **Fun & Games**—bar jokes, streaming video of popular beer commercials, and funny news items
- > **Beer Mail**—free email service
- > **Sports**—a combination of funny, original sports-related content and real-world sports news
- > **Meet Market**—a virtual meeting place where people can interact
- > **Entertainment**—articles about pop culture along with reviews of movies, music, and television programs
- > **Pub Club**—premium editorial and multimedia content
- > **Beer Life**—a section of the Web site that includes reader polls, reviews of cars and gadgets, tips for improving one’s social life, and much more

The portal was built with BEA WebLogic Workshop™, an integrated development environment that simplifies and automates Java development. D3 Management taking on the implementation of Beer.com had been primarily a Microsoft shop in the past. Despite having no prior experience with BEA WebLogic Workshop, D3’s development team was able to get up and running very fast.

“The learning curve is remarkably short; just a couple of days for many developers,” said Brancato. “Specific capabilities in BEA WebLogic Workshop, such as the bean builder and Java controls, are similar to wizards. They hide the complexity inherent in Web development, and made it possible for us to bring our new portal to market as quickly as we did. That rapid time to value translated directly into increased revenue for the business.”

Beer.com has also designed the portal to support a service-oriented architecture (SOA). In the future, all functionality will be delivered via modular services to maximize new business opportunities and provide a highly personalized user experience. The first of these services is Beer Finder. Beer.com is able to expose Beer Finder as a Web service to business partners who license the application for a fee and use it on their own Web sites.

“Since migrating to the BEA WebLogic Platform, we’ve been able to diversify our business substantially,” said MacLaren. “Instead of being limited by technology, we’re being empowered by it. BEA WebLogic Portal and BEA WebLogic Workshop allow us to implement ideas that we’ve been kicking around for a while but never had the tools to execute.”

The portal takes advantage of BEA’s user profiling and events to help Beer.com gather demographic information used to market services back to users through the site. Beer.com also utilizes the campaign manager features in BEA WebLogic Portal to enable more effective marketing initiatives and promotional programs.

Beer.com is running on two dual-processor V440 servers from Sun Microsystems. The database environment is Oracle 9i. The portal also utilizes content management technology from FatWire, a BEA Premier Partner.

RESULTS

“Our business has been strengthened dramatically over the past year,” said MacLaren. “We’ve evolved from a

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Paul MacLaren, Director, Beer.com

one-dimensional business model based solely on advertising, to a multi-dimensional business model that derives revenue from e-commerce, content sponsorships, advertising, and licensing agreements. BEA’s software made it possible for us to move Beer.com to where it needed to be in order to support our new business model.”

Jason McCann, managing editor of Beer.com, added, “The ease of use and flexibility of BEA WebLogic Portal make a big difference in the day-to-day operations of the site. We’re able to change content rapidly without massive amounts of effort. For example, there are lots of articles and studies coming out these days about low-carb beer. We’re able to modify our content layout very easily to highlight these items of interest. The process required to implement change on our old platform was much more cumbersome, which hindered our ability to capitalize on trends in the market.”

Beer.com delivers an average of 20 million page views per month, with 82 percent of its visitors coming back to the site at least five days per week. The average site visit is 20 minutes. Site traffic is up 30 percent in the year since BEA WebLogic Portal was adopted, and more than 140,000 visitors have subscribed to the site’s opt-in newsletter, a 40% increase from the year before.

And even with such rapid growth, the move to BEA has actually enabled Beer.com to reduce the number of processors required to support the site from twelve to four. That’s a direct cost savings of \$160,000.



“BEA’s architecture is much more efficient than that of our previous iPlanet platform,” said Brancato. “A quick anecdote exemplifies this perfectly. After the Super Bowl in 2004, there was buzz about a controversial beer commercial. After the commercial aired only once during the game, Beer.com was the only place where consumers could view it. We had 200,000 downloads in a matter of days. Site traffic jumped 600 percent. The BEA platform did not miss a beat. We didn’t have to do a thing other than reallocate memory to our JVM (Java virtual machine). Performance didn’t suffer in the least bit. That’s remarkable.”

MacLaren added, “The bottom line is that our business is in a much better situation since we moved to BEA. Strategically, we’re positioned for growth and we’re able to execute a much more aggressive business plan. Financially, we’ve reduced risk by diversifying our revenue streams and we’re seeing much stronger sales than we’ve seen in the past. In fact, we’ve signed up 15 new sponsors in the past 90 days for some new functionality we just launched on the site. And our site operations are more orderly and defined, which allows us to be more productive and pursue new ideas that we wouldn’t have had time to address in the past.”

ABOUT BEA

BEA Systems, Inc. (Nasdaq: BEAS) is a world leader in enterprise infrastructure software, helping enable companies to improve business responsiveness through service-oriented architecture (SOA), a software design approach that more closely aligns IT with business objectives. With 15,000 customers worldwide including the majority of the Fortune Global 500, BEA and its WebLogic® and Tuxedo® brands are among the most trusted names in business technology. Headquartered in San Jose, Calif., BEA has 75 offices in 36 countries. More information on BEA products and services is available at www.bea.com.

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October 2004 CCS0841E1004-1A

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