



BUSINESS AND BEER





MOUNTAIN STATE BREWING CO.

Marketing Strategies & Challenges in the Craft Beer Industry



GREETINGS A.M.A!

Thank You for the Opportunity



Brian Arnett

CO-FOUNDER | BREWER



As true natives of West Virginia it had long been stepbrothers Brian Arnett & Willie Lehman's dream to bring high quality, hand-crafted beer back to their home state. In October of 2005 **Mountain State Brewing Co.** was founded in Thomas, WV on the basis of easy drinking, well-rounded session style ales.



MOUNTAIN STATE BREWING CO. - OUR STORY



THE BREWERY

Mountain State Brewing Co.



Largest Distributing Microbrewery in West Virginia

At over 3,000ft in elevation, Mountain State Brewing Co. sits at the top of the watershed allowing beer to be brewed with the purest water possible. Starting with just a 3-barrel brew system in 2005, the business has since established one of the largest distribution footprints in the state of West Virginia.



THE BUSINESSES

Mountain State Brewing Co. & Iron Horse Tavern



Restaurants & Brew Pubs

Supplemental to the brewery and distribution business based in Thomas WV, the **Mountain State Brewing Co.** brand includes a tap room and three full-scale restaurants and brew pubs in Morgantown, Deep Creek Lake, MD and the newest addition in Bridgeport, WV.



Gastropub & Craft Beer Concept

An alternative concept and sister operation **Iron Horse Tavern** was established in 2014 as a local gastropub and tavern focusing on elevated pub food and highlighting West Virginia craft beer. A second Iron Horse Tavern location opened in Morgantown at the University Town Centre in the summer of 2018.



THE BUSINESSES

Mountain State Brewing Co. & Iron Horse Tavern

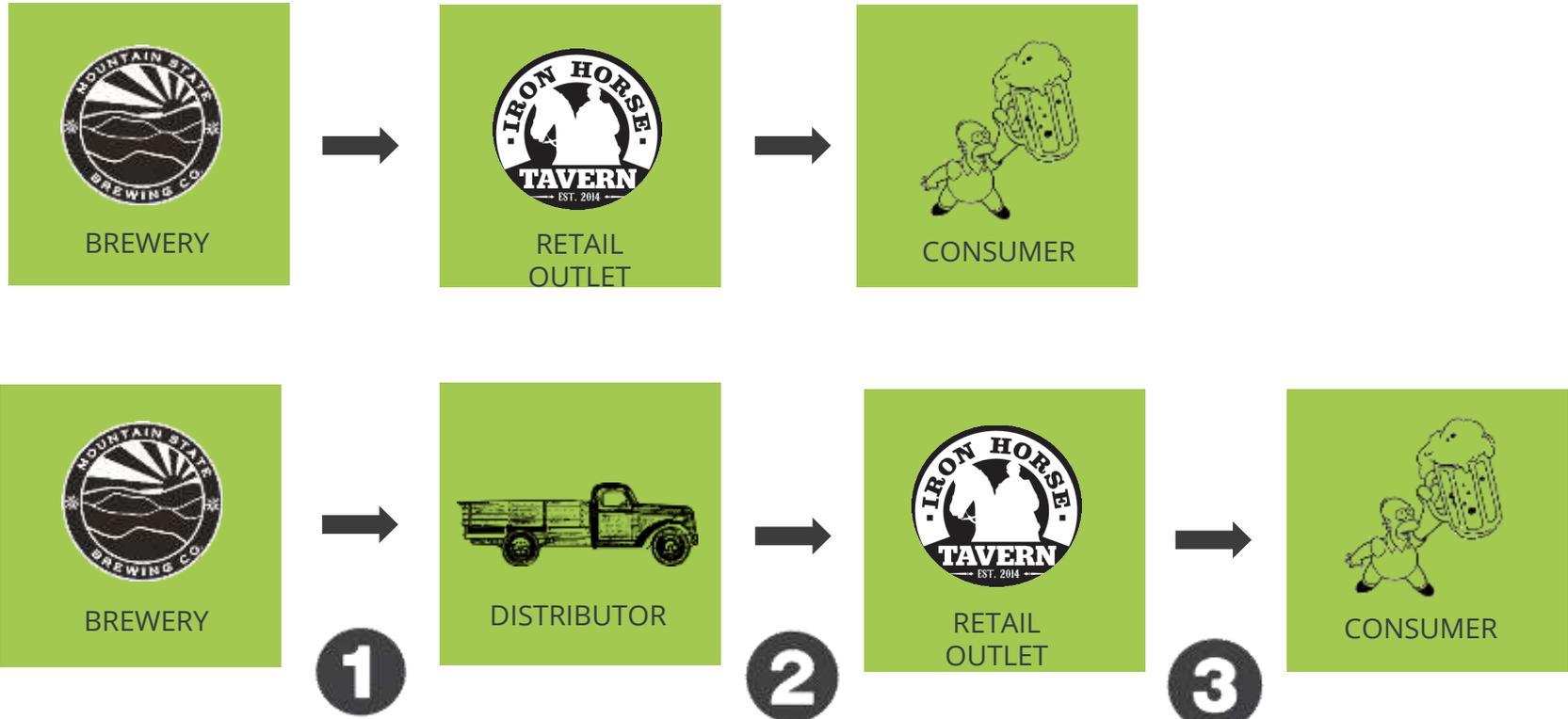


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DISTRIBUTION NETWORK

Self-Distribution vs. the Three Tier System



In the long run, it's advantageous for a larger brewery to utilize a good distributor with a solid network – **their marketing resources become yours!**



IN THE BEGINNING

Marketing Ourselves | Four Brands + Truck



Ahead Of The Curve

Starting off we had a unique competitive advantage – because there were no competitors. We were well ahead of the trend in West Virginia; brewed, kegged, and delivered beer ourselves to restaurants and bars around the state.



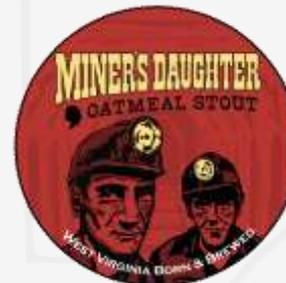
Market Apprehension

Retailers were hesitant at first. It was a new concept to most and being able to compete with the in-house big brands seemed unlikely. Whether customers would pay the premium price for the product and a consistent supply were valid concerns.



Our Story

Telling our story was – and still is – the strongest selling point in the market. Once we explained to customer who were were, where we were from and what we were doing, retailers were willing to give it a shot.



It Worked!

Craft beer in West Virginia began to gain some traction. We were able to provide a high quality product – consistently - and the MSBC story continued to be told around the state. We were **West Virginia Born & Brewed.**



DISTRIBUTION STRATEGY

Distributing in West Virginia, Virginia & Maryland



JEFFERSON
DISTRIBUTING



The AB Network

A large part of our distribution strategy is utilization of the AB Network. The majority of our distributors – in-state and out – are Budweiser wholesalers. This allows us to partner with the best in the business, while adding a strong local brand to their portfolio.

Market Timing

An advantage of being able to market ourselves to these wholesalers was being one of the first in the market. There weren't many other local brewery options for distributors who saw the craft beer movement coming.

Brand Recognition

Mountain State Brewing Co.'s existing reputation also made it easy to market to these distributors. They were aware of the success retailers were having and familiar with the strength of the growing trend and brand.

Tap Control

It's a distributor's goal to control all the taps in a market. Acquisition of the MSBC brand was a win-win for them.



BEYOND DISTRIBUTION

Maintaining the Brand in the Market

LOCAL vs CHAIN

Even today local, privately owned retailers are much more receptive to local craft beer brands than the big chain stores. Barriers to entry in chains can include anything from nationwide corporate policy to the continued unfamiliarity of the products by its usual clientele.

In either scenario, it becomes the joint responsibility of the brewery and distributor to continue to form new customer relationships and work together to maintain the brand's reputation and proliferation in the market.



Cheddar's
SCRATCH KITCHEN



Mario's
Fishbowl
Morgantown, WV
Bar & Grill



IRON HORSE
Tavern
EST. 2014



chili's



BLACK BEAR
MORGANTOWN, WV



Applebee's

BRAND RECOGNITION

West Virginia - The Strongest Brand!



FOUR FLAGSHIP BRANDS

WEST VIRGINIA BRANDED

COLD TRAIL BLONDE ALE

ALMOST HEAVEN AMBER ALE

SENECA INDIAN PALE ALE

MINER'S DAUGHTER OATMEAL STOUT

ENVIRONMENT & COMPETITION

Challenges With In-State Competition & Big Brands



West Virginia Breweries

Mountain State Brewing Co. started in 2005 - one of three in-state breweries at the time – and the only one distributing outside it's immediate region. Today there are in upwards of 28. Competition is at an all time high.

Big Brand Opposition

Five major beer makers produce over 50% of the world's beer supply. Pressure from the big name brands - and most recently - negative advertising campaigns are an ongoing factor.



BIG BRAND OPPOSITION



BUT SERIOUSLY...

Who drinks a “pumpkin peach” ale?

NOT DRIVING RECOMMENDED BECAUSE OF THE RISK OF DRUG
DEFECTS. (2) CONSUMPTION OF ALCOHOLIC BEVERAGES IMPAIRS YOUR ABILITY TO DRIVE
A CAR OR OPERATE MACHINERY, AND MAY CAUSE HEALTH PROBLEMS.



BELLSBEER.COM

NET CONTENTS 12 FL. OZ. (355 ML)

CT ME VT MA NY IA OR 5c
MI 10c REF / CA CASH REFUND



PUMPKIN PEACH ALE



Brewed and Bottled by Bell's Brewery, Inc., Comstock, MI 49053

CUSTOMER RECEPTION

In The End – It's What's Most Important

The Product Must Speak For Itself

Ultimately, it's about pleasing your customers with the product. Quality and consistency are always the key ingredients.



“ *Every time I come home to West Virginia for a visit, I pick up the “Almost Heaven” and take it back with me! It's a crisp, refreshing reminder of my home far away.*



“ *We had our wedding here and it was amazing. We couldn't have picked a better venue, great friends, great food and great beer!*

“ *Great place, loved the flight of 8 beers so we could try them all. .*



THANK YOU!

Questions?



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