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Mountain Man Brewing Company: Bringing the Brand to Light

It was February 20, 2006, in the New River coal region of West Virginia. Chris Prangel, a recent MBA graduate, had returned home a year earlier to manage the marketing operations of the Mountain Man Beer Company (MMBC), a family-owned business he stood to inherit in five years, when his father, Oscar Prangel, the president and owner, retired. Mountain Man brewed one beer, *Mountain Man Lager*, also known as "West Virginia's beer."

Due to changes in beer drinkers' preferences, the company was now experiencing declining sales for the first time in the company's history. In response, Chris wanted to launch *Mountain Man Light*, a "light beer" formulation of *Mountain Man Lager*, in the hope of attracting younger drinkers to the brand. Over the previous six years, light beer sales in the United States had been growing at a compound annual rate of 4%, while traditional premium beer sales had declined annually by the same percentage. Earlier that day, Chris met with a regional advertising agency about a marketing campaign to launch *Mountain Man Light*. Back in his office, he watched an agency videotape from a focus group. He observed a half-dozen participants, 21 to 55 years old, showing various reactions to proposals to extend the Mountain Man brand to a new light beer product.

- A man in his fifties leaned into the facilitator and declared, "*Mountain Man Light*? Come on, I'm not interested in light beer. Just don't mess with *Mountain Man Lager*."
- A man in his early thirties, dressed in jeans and a camouflage shirt, stared at a mock advertisement and shouted, "Fancy barbecue parties, with puppies running around.... What do they have to do with Mountain Man?"
- A man, in his mid-twenties and fashionably-dressed, said, "Sounds pretty corporate... I think the beer is too strong for me anyway. I'll leave it to these guys to drink."
- A woman in her early twenties wearing low-rise jeans and a trendy T-shirt commented, "Mountain Man is kind of 'retro cool.' I like light beer and Miller Lite is so passé. I would definitely try *Mountain Man Light*."

Heide Abelli prepared this case solely as a basis for class discussion, and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Heide Abelli is a former consultant with the Monitor Group, a strategy consulting firm based in Cambridge, MA, where she consulted to a variety of consumer products companies on marketing issues. The author thanks the following executives from the brewing Industry; their help was indispensable in refining the case: Brent Ryan of Newport Storm, Rob Schimony of Yuengling & Son, and Charlie Storey of Harpoon Brewery.

This case, though based on real events, is fictionalized, and any resemblance to actual persons or entities is coincidental. There are occasional references to actual companies in the narration.

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Chris switched off the videotape and glanced up at a photograph of his father with a group of rugged, middle-aged men from the Coal Miner's Union. Although Chris firmly believed that the window of opportunity for introducing *Mountain Man Light* was closing, Oscar had warned, "Look at what new product lines get you... 90% more products, 90% more chance you'll kill your core brand." Chris wondered how the men in the photograph would react to a billboard picture of yuppies consuming *Mountain Man Light.* Could Mountain Man command as much pride for the brand from his generation as it had from his father's? Moreover, could he reposition the brand to drive sales of *Mountain Man Light* to young people without eroding the core brand equity of *Mountain Man Lager*? As Chris prepared to discuss the brand extension with Oscar, he knew that whatever strategy Mountain Man pursued, it would have dramatic implications for the brand, the company, and his family.

Mountain Man: The Company and the Brand

Guntar Prangel founded the Mountain Man Beer Company (MMBC) in 1925. Mr. Prangel had reformulated an old family brew recipe using a meticulous selection of rare, Bavarian hops and unusual strains of barley, resulting in a flavorful, bitter-tasting beer which the Prangel family launched as *Mountain Man Lager.* By the 1960s, *Mountain Man Lager's* reputation as a quality beer was well entrenched throughout the East Central region of the United States.[1]

Mountain Man Lager was a legacy brew in a mature business. By 2005 Mountain Man was generating revenues just over $50 million and selling over 520,000 barrels[2] of *Mountain Man Lager* beer primarily to distributors in Illinois, Indiana, Michigan, Ohio, and its native West Virginia. (See **Exhibit 1** for MMBC income statement.) It had held the top market position among lagers in West Virginia for almost 50 years and had respectable market share for an old school, regional brewery in most of the states where the beer was distributed. To accentuate the beer's dark color, it was packaged in a brown bottle, with its original 1925 design of a crew of coal miners printed on the front. *Mountain Man Lager* was priced similarly to premium domestic brands such as Miller and Budweiser and below specialty brands such as Sam Adams. Its price was typically $2.25 for a 12-ounce serving of draft beer in a bar and $4.99 for a six-pack in a local convenience store.

Brand played a critical role in the beer-purchasing decision. When selecting beer, consumers considered several factors: taste; price; the occasion being celebrated; perceived quality; brand image; tradition; and local authenticity. MMBC relied on its history and its status as an independent, family-owned brewery to create an aura of authenticity and to position the beer with its core drinkers—blue-collar, middle-to-lower income men over age 45. (**Exhibit 2** provides profiles of the average *Mountain Man Lager* consumer in contrast to average profiles of premium-beer and light-beer drinkers.) In a recent study in West Virginia, this audience had rated *Mountain Man Lager* as the best-known regional beer, with an unaided response rate of 67% from the state's adult population. In 2005, Mountain Man Lager won "Best Beer in West Virginia" for its eighth year straight (it also won "Best Beer in Indiana") and was selected as "America's Championship Lager" at the American Beer Championship.

Brand awareness was one cornerstone of the brand's success with blue-collar consumers. Market research showed that Mountain Man was as recognizable a brand among working-class males in the East Central region as Chevrolet and John Deere. The other cornerstones were the perception of

[1] The East Central beer region of the United States consisted of seven states: Illinois, Indiana, Kentucky, Michigan, Ohio, West Virginia, and Wisconsin.

[2] One beer barrel = 31 U.S. gallons = 2 "half-barrel" (15.5 gallon) kegs = 13.78 cases (of 24 12-ounce bottles).

quality in *Mountain Man Lager* and the brand loyalty it cultivated. There were ranges of subjective attributes that defined the quality of Mountain Man, like its smoothness, percentage of water content, and "drinkability"—but it was *Mountain Man Lager's* distinctively bitter flavor and slightly higher-than-average alcohol content that uniquely contributed to the company's brand equity. One participant in the recent focus group seemed to have spoken for many customers: "My dad drank Mountain Man just like my granddad did. They both felt it was as good a beer as you could get anywhere."

Over the years, MMBC had invested in a number of branding activities to build "brand equity" with core consumers. Mountain Man's distributors also handled Anheuser Busch and numerous specialty beer products. Because these distributors tended to focus on servicing their main customer, they would not reliably strive to build Mountain Man's brand. MMBC therefore established its own small sales force, which didn't just help push the brand; it proselytized, focusing on one ultimate objective: getting off-premise locations (like liquor stores or supermarkets) to embrace Mountain Man. Blue-collar males purchased 60% of the beer they drank at off-premise locations. Mountain Man sold 70% of its beer for off-premise (liquor stores) consumption, consistent with average industry sales through this channel.

Mountain Man's Competition

The competition in the U.S. beer market fell into four categories: Major and second-tier domestic producers, import beer companies, and specialty brewers.

Major domestic producers consisted of a handful of companies who competed on the basis of economies of scale in production and advertising. This highly concentrated segment of the market was dominated by three companies: Anheuser Busch, Miller Brewing Company, and Adolf Coors Company. Together, these companies accounted for 74% of 2005 beer shipments in Mountain Man's region.

Second-tier domestic producers consisted of medium-sized competitors, such as Pabst Brewing Company and Genessee which, similar to the major domestic producers, sold their beers nationally to distributors and retailers. In addition, there were smaller, regional players that produced between 15,000 and two million barrels of beer per year and generally limited distribution to areas surrounding their plants, selling their beer to regional distributors and retailers. By November 2005, there were roughly 30 regional breweries in the United States. These companies followed the same product and marketing strategy as the major domestic producers, but lacked the financial and marketing resources to defend their brands as aggressively. The second-tier domestic producers accounted for 12.5% of beer shipments in the East Central region in 2005.

Import beer companies from Germany (Beck's, for example), Holland (Heineken), Canada (Molson), and Mexico (Corona) traditionally served the needs of sophisticated beer drinkers who desired more flavorful, bitter-tasting beer products. They operated at a distinct disadvantage relative to domestic competitors due to higher shipping costs, weaker distribution networks, an inability to control product freshness, and margin reduction due to weakening of the U.S. dollar. In 2005, import companies controlled about 12% of the region's market.

The craft beer industry was divided into four markets: brewpubs, microbreweries, contract breweries, and regional craft breweries. They all brewed beer using traditional malt ingredients, were independently owned, and by definition produced less than two million barrels annually. *Brewpubs* were restaurant/bar establishments with over 25% of their beer products brewed and consumed on site. In 2005, more than 980 brewpubs operated in the United States, accounting for

10% of the craft brew volume. *Microbreweries* traditionally operated in limited distribution networks and produced less than 15,000 barrels a year. In 2005, the 380 U.S. microbreweries accounted for 12% of the craft beer volume. *Contract breweries*, breweries that manufactured beer for client firms, accounted for 16% of the craft beer volume. Finally, almost 50 U.S. *regional craft brewers* (such as Sam Adams, Sierra Nevada, and Harpoon), producing more than 15,000 barrels annually, accounted for the remaining 62% of the market. In the East Central region, all craft brewers together controlled 1.5% of the total beer market. (See **Exhibit 3** for competitive market shares by brewer type in the East Central region.)

The Situation at Mountain Man in 2005

The United States was the largest beer-consuming market in the world, with over $75 billion in annual sales in 2005. Since 2001, U.S. per capita beer consumption had declined by 2.3%, largely due to competition from wine and spirits-based drinks, an increase in the federal excise tax, initiatives encouraging moderation and personal responsibility, and increasing health concerns.

Of total U.S. beer sales, 18.3% took place in the East Central region. (See **Exhibit 4** for East Central beer consumption overall and by state.) Although imports and craft beers didn't have quite the stronghold in the "heartland" states (where MMBC sold its beer) as they did in other parts of the country, even there, both categories were beginning to take hold. Some states in the region, including West Virginia, had become particularly competitive; the state had recently repealed arcane laws that had sharply limited the promotion of beer in retail establishments, and as a result, retail stores began selling beer at deep discounts. Distributors became more discriminating about which smaller brands they would continue to carry, paying more attention to turnover and margins, and dropping brands that contributed little to the bottom line. Large national brewers, who maintained economies of scale in brewing, transportation, and marketing, put great pressure on the smaller, regional breweries like Mountain Man.

This pressure, combined with a glut of product, led to the closing of many independent breweries in the East Central region over the past 40 years. Breweries that once reigned supreme across the region had disappeared, taking with them the loyal allegiance of their communities. MMBC's survival was in large part due to the fact that it served a large enough market with a very strong brand, and it therefore could continue to compete against national players with deep pockets such as Anheuser Busch, the company's most significant competitor. There were only four breweries left in West Virginia by 2005, and Mountain Man's 2005 revenues were down 2% relative to the prior fiscal year. Even though the company was still profitable in spite of the sales decline, the prospect of continued downward pressure on revenue would challenge the company's ability to remain profitable. Facing an aging demographic in the shrinking premium segment of the beer market, the company struggled to maintain a steady share of its market segment against the large domestic brewers, which were spending heavily to maintain their own sales levels in the premium segment.

Beer was not subject to sharp fluctuations in demand during economic downturns. Changes in volume were driven primarily by changes in consumer segments. Most industry observers agreed that the key consumer segment for beer companies was younger drinkers, 21–27 years of age. This group represented the "first-time drinker demographic" that had not yet established loyalty to any particular brand of beer. The segment represented about 13% of the adult population in 2005, but accounted for more than 27% of total beer consumption and was growing. In addition, this age group spent twice as much per capita on alcoholic beverages than consumers over 35 years of age and was forecasted to grow by nearly four million by the year 2010.

Another significant trend was growth in the "light" beer category which had been steadily gaining in market share and accounted for 50.4% of volume sales in 2005, compared with 29.8% in 2001. (See **Exhibit 5** for a breakdown of the East Central regional market by type of beer, and **Exhibit 6** for light beer market shares in the region.) In fact, younger consumers preferred light beer to other categories. They also typically consumed in quantity. However, they tended to buy mainstream brands. A consumer study revealed that while Mountain Man rated high in terms of awareness with the younger, light-beer drinking segment of the market, *Mountain Man Lager* tracked very low as a purchasing preference—as did other lagers and fuller-flavor brews.

Industry observers believed new products introduced beer drinkers to both styles of beer while simultaneously keeping them in the "brand" family. Product line extensions leveraging the core brand name often helped brewers obtain greater shelf space for products and created greater product focus among distributors and retailers. Mountain Man was now alone among the major and regional beer companies in not having expanded its product line beyond its flagship lager product.

In light of these developments, Mountain Man engaged a market research firm to evaluate its single-brand product strategy and brand extension opportunities. The study yielded three interesting findings:

1. *Mountain Man Lager* was known as "West Virginia's Beer." Authenticity, quality, and a unique West Virginia "toughness" were core attributes of the brand. Younger beer drinkers were well aware of the brand, yet perceived the beer as "strong" and a "working man's" beer largely consumed by the "swing" and baby boomer generations. Because younger beer drinkers held "anti-big-business" values, they did show some appreciation for the brand's association with an independent brewery.

2. Traditional advertising was not as effective as grass-roots marketing[3] in building beer brand awareness in certain states in the East Central region, such as West Virginia and Kentucky. Mountain Man had always relied on grass-roots marketing to spread its beer quality message by word of mouth. In contrast, national beer brands used lifestyle advertisements to reach young drinkers. Broadcast spending for beer ads topped $700 million annually, representing over 70% of total advertising expenditures on alcohol. (See **Exhibit 7** for U.S. advertising spending on beer.)

3. A small percentage of MMBC's blue-collar customers accounted for a large percentage of sales, and those customers tended to be very loyal to *Mountain Man Lager*. In fact, the sole brand loyalty rate[4] for *Mountain Man Lager* was 53%, which was higher than the rates of competitive product (i.e., 42% for Budweiser and 36% for Bud Light.) The non-loyal *Mountain Man Lager* customers occasionally spread their consumption across up to five other beer brands.

The Challenges Ahead at Mountain Man

Chris Prangel pondered the findings of the study. To him it was clear that product preferences in the beer market were changing, and that a light beer product was strategically important to MMBC's

[3] Grass-roots marketing campaigns typically involve local marketing activities that concentrate on getting as close and personally relevant to individual customers as possible.

[4] The sole brand loyalty rate refers to the percentage of brand users who are loyal to a particular brand and not interested in experimenting with other brands / products.

future. First, light beer was a newer, fast-growing product category and the only beer category demonstrating consistent growth. Moreover, a light beer would help MMBC gain share in on-premise locations: restaurants and bars. Light beers appealed to younger drinkers overall, and to women, both groups that frequented these locations. Market research indicated that Mountain Man's core customers did not state a brand preference in restaurants and bars. Chris believed Mountain Man's brand recognition could translate into a meaningful share of the local light beer market and hoped that in turn, *Mountain Man Light's* popularity could boost the sales of *Mountain Man Lager.*

Others on the MMBC management team did not share Chris's enthusiasm for launching *Mountain Man Light.* Stretching the brand to target younger drinkers who consumed light beer had dramatic branding implications, not to mention competitive ones. Younger drinkers mirrored the target market for the large national and regional brands. In addition, Oscar Prangel was concerned that launching *Mountain Man Light* would alienate the core customer base and ultimately erode and dilute the Mountain Man brand equity. He was also worried that *Mountain Man Light* might cannibalize the sales of *Mountain Man Lager* because of a fear that retailers would not grant Mountain Man incremental shelf space and therefore would substitute cases of light product for the lager product.

In his last lecture, Oscar had said, "Chris, value is achieved by focusing on what you do best, not by attaching your brand to every conceivable version of a product. Another product line will just add to our cost structure—more inventory, more packaging, more SG&A. We won't sell more barrels; we'll just reduce our profit. Then there's the real risk that *Mountain Man Light* might just end up hurting the sales of *Mountain Man Lager*; I reckon we could count on at least 5% but it might be 20% or higher. Look at how many light beers there are, with millions of dollars invested by their brands. Have they increased the total sales of beer?" To address his father's concerns, sales of *Mountain Man Light* would have to compensate for this potential loss of lager product revenue. However, while Chris understood his father's concerns, he believed that there was a chance that the launch of *Mountain Man Light* might just give *Mountain Man Lager* a lift. He had replied to his father, "This is our chance to play in the light beer sandbox but stay true to the Mountain Man brand by playing on the strengths of our core product."

Chris also wondered if MMBC could afford to launch *Mountain Man Light.* Although the launch of *Mountain Man Light* would not require capital expenditures in plant and equipment in the short term due to existing excess capacity in Mountain Man's facility, launching a new product was an expensive endeavor for a lean company not used to making these kinds of investments. While this was not the launch of a new national beer brand, which Chris knew cost between $10 million and $20 million in TV advertising alone, it wasn't cheap to launch a new product on a regional basis either. The advertising agency estimated that creating a brand awareness level of 60% for *Mountain Man Light* in the East Central region would cost at least $750,000 in an intensive six-month advertising campaign. This would be on top of the $900,000 in annual, incremental SG&A costs that Chris projected the new product would require, based on the need for a *Mountain Man Light* product manager, an addition to the sales staff, and ongoing marketing expenditures. Although MMBC's variable cost per barrel of its lager beer was $66.93, it would cost $4.69 more per barrel to produce *Mountain Man Light.* Because Mountain Man would receive the same price per barrel for both products, the contribution margin for *Mountain Man Light* would be lower than the contribution margin of *Mountain Man Lager.* Chris knew that, given Mountain Man's CFO's conservative stance regarding investment, he would have to convince the senior management team that the *Mountain Man Light* product would generate a profit within two years, selling enough barrels to cover both the associated launch marketing and incremental SG&A expenses and make up for the negative impact on overall profitability resulting from potential lost *Mountain Man Lager* sales. His estimates regarding barrel sales would need to make sense in terms of market share in the very competitive light beer segment. Chris recalled the risks expressed by John Fader, the vice president of sales:

"*Mountain Man Light* will never achieve the volume of larger light beer brands like Miller Lite or Coors Light; those brewers sustain distribution and support advertising in ways we can't. What's more, the big companies are constantly throwing new products bearing the established brand name into the marketplace. *Mountain Man Light* would get lost in that sea of new-product introductions. You'd be doing well if you grabbed a quarter point of market share. We won't get our retailers to give us more facings,[5] so *Mountain Man Light* would just replace facings we have earned for *Mountain Man Lager*. The light beer would only draw time, resources, and attention away from our lager—our bread and butter. Boosting sales of our core brand even slightly means more than what we will get in the light beer segment. It's a pipedream, Chris."

Chris's Decision

Chris looked at some revenue and net profit projections he had developed to 2010 assuming that *Mountain Man Lager* lost 2% of its revenue base annually. He felt a knot in his stomach as he pondered the "status quo" strategy. He then examined the financial projections he had done a few weeks prior for the *Mountain Man Light* launch, which showed regional revenue growth of the light beer product at 4% annually and Mountain Man steadily growing its share of the regional light beer market by a quarter of a percent each year off of a 2006 base market share of 0.25%.[6]

However, before presenting a formal plan to launch *Mountain Man Light* to his father, Chris needed to think further, strategically and tactically, about marketing and distribution to a new customer segment. How would he address his father's concern that targeting this segment would alienate existing Mountain Man customers and erode core brand equity? What about his father's belief that the Mountain Man brand would never capture the same loyalty among younger beer drinkers that it had from blue-collar workers? Since MMBC did not have the resources to match the marketing efforts of the large, national, light beer brewers, Chris wondered how he would argue that Mountain Man *could* compete against deep-pocketed competitors for the segment. Was he overly optimistic in his projections of the percentage of the light beer market that *Mountain Man Light* could capture?

Chris thought back on what his father had recently said to him, "Chris, I try to keep in mind all the other regional breweries that have vanished over the past 30 or 40 years—Neuweiler, Horlacher, dozens and dozens of them—all gone. I've watched the giants in this business taken down by fatal decisions made at the top that irreversibly damaged the brand. In the '50s, Schlitz sold more barrels than any other brewer. You can't buy a Schlitz beer today. Mountain Man is still standing because we manufacture an exceptional beer with a great brand name, we've never lost sight of our core customer, and we've never been seduced by the other guy's market." Chris valued his father's words and he did not want to be the one to lead Mountain Man down the path to oblivion; however, Mountain Man's revenues were down, and Chris needed to help his father secure the company's future. He wondered if he was missing something or maybe if there were other options he needed to consider. The knot in his stomach tightened again. This was West Virginia's beer. It was the Prangel family beer. It was Chris's legacy staring him in the face.

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[5] Facings are spaces on the retail shelf, typically in coolers with glass doors.

[6] For purposes of financial analysis in this case, assume Mountain Man's discount rate for evaluating investment projects was 12%.

Exhibit 1 Mountain Man 2005 Income Statement

Net Revenues	$50,440,000	100.0%
COGS	34,803,600	69.0%
Gross Margin	15,636,400	31.0%
SG&A[a]	9,583,600	19.0%
Other Operating Expenses	1,412,320	2.8%
Operating Margin	4,640,480	9.2%
Other Income	151,320	0.3%
Net Income Before Taxes	4,791,800	9.5%
Provision for Income Taxes	1,677,130	3.3%
Net Income After Taxes	$ 3,114,670	6.2%

[a]Advertising expenses were $1.35 million annually or 2.7% of total revenues.
Advertising expenses included radio, print, and outdoor advertising, sponsorships, as well as costs to produce these media.

Exhibit 2 Profile of Beer Drinkers by Beer Type by Key Demographics, 2005

	Domestic Light Beer	**Domestic Premium Beer**	**Mountain Man Lager**
Gender			
Male	58%	68%	81%
Female	42%	32%	19%
Age			
21-24	9%	8%	2%
25-34	20%	20%	15%
35-44	24%	23%	19%
45-54	22%	23%	32%
55-64	14%	14%	19%
65+	12%	12%	13%
Household Income			
under $25k	14%	16%	20%
$25k-49.9k	25%	24%	27%
$50k-74.9k	21%	21%	25%
$75k-99.9k	16%	15%	15%
$100k+	24%	23%	13%

Source: First two columns of data extracted from Mintel/Simmons NCS 2005 report, figure 67

Exhibit 3 Competitive Market Shares in Barrels by Brewer

	East Central Region	
Anheuser-Busch	15,620,252	42.0%
Miller	8,553,948	23.0%
Coors	3,347,197	9.0%
Other 2nd tier Premium & Popular Brewers	4,648,885	12.5%
Craft/Specialty Brewers	557,866	1.5%
Imports	4,462,929	12.0%
Total	**37,191,077**	**100%**

Note: Sales in barrels of wholesale shipments.

Exhibit 4 Beer Consumption by State, 2000 to 2005 (shipments in barrels)

STATE	2000	2001	2002	2003	2004	2005
Illinois	9,038,323	9,165,381	9,268,188	9,108,157	9,032,851	9,063,267
Indiana	3,954,209	3,947,446	4,021,685	3,905,265	3,993,643	3,998,855
Kentucky	2,517,894	2,486,731	2,564,013	2,490,928	2,591,949	2,555,739
Michigan	6,761,561	6,695,665	6,854,064	6,774,702	6,746,578	6,700,174
Ohio	8,493,144	8,601,604	8,682,331	8,760,272	8,702,382	8,584,283
West Virginia	1,274,626	1,311,838	1,360,589	1,348,527	1,373,205	1,359,231
Wisconsin	4,741,019	4,784,791	4,890,122	4,855,313	4,877,662	4,929,529
East Central Region	**36,780,776**	**36,993,456**	**37,640,992**	**37,243,163**	**37,318,269**	**37,191,077**
TOTAL U.S.	**197,609,645**	**200,146,800**	**202,605,792**	**202,586,016**	**204,318,220**	**203,515,148**

Source: Beer Institute data.

Exhibit 5 Consumption by Type of Beer and by Origin/Packaging, 2005

A. Consumption by Type of Beer

	EAST CENTRAL REGION	% Total	6-year CAGR
Light Beer	18,744,303	50.4%	+4%
Premium Beer	7,326,642	19.7%	(4%)
Popular	4,351,356	11.7%	(5%)
Imported Premium	4,462,929	12.0%	+6%
Superpremium (craft and high-end domestics)	2,305,847	6.2%	+9%
Total Barrels	37,191,077	100.0%	

B. Consumption by Origin/Packaging

	EAST CENTRAL REGION	% Total
Imported	4,462,929	12.0%
Domestic - Packaged	29,618,974	79.6%
Domestic - Draught	3,109,174	8.4%
Total Barrels	37,191,077	100.0%

Exhibit 6 Light Beer Market Shares and Dominant Brands

A.

Light Beer Competitive Market Shares	
East Central Region	**2005 Market Share**
Anheuser-Busch	49%
Miller	24%
Coors	11%
Other brands	14%
Imports	2%
Total Light Beer	100%

B.

Leading Domestic Light Beer Brands	
East Central Region	**2005 Market Share**
Bud Light	32.9%
Miller Lite	17.8%
Coors Light	14.7%
Natural Light	9.8%
Busch Light	6.4%
Michelob Ultra	5.6%
Milwaukee's Best Light	3.4%
Other domestic brands	9.4%
Total	100%

C.

Leading Imported Light Beer Brands	
Brand	**2005 Market Share**
Corona Light	57%
Amstel Light	26%
Labatt Blue Light	15%
Other imported brands	2%
Total	100%

Note: Market share calculations based on wholesale barrel sales.

Exhibit 7 U.S. Beer Advertising Expenditures by Medium (in millions of dollars), 2005

Medium	2005
Network television	$382.3
Cable television	72.1
Spot television	144.3
Syndicated television	5.5
Spot radio	22.4
Network radio	1.2
Total Broadcast	**$627.8**
Magazines	23.2
Newspapers	6.6
Newspaper supplements	–
Outdoor	51.5
Total Print	**$81.3**
TOTAL	**$709.1**