MOTHER EARTH BREWING

KINSTON, NC

MARKETING 3832

TEAM 4

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1.Executive Summary

Mother Earth Brewing (MEB) is a microbrewery that was founded in the summer of 2008 by Stephen Hill and Trent Mooring. This father and son-in-law duo, from Kinston, North Carolina, founded MEB with a distinct focus on environmentally sustainable crafting practices. Located in downtown Kinston, the brewery offers an array of hand-crafted beers that range from India pale ales, premium lagers, Kolsch and Belgian style ales.

In addition, its taproom and beer garden are key neighborhood attractions that keep customers engaged and coming back for more. The leading marketing problems are low brand awareness and limited distribution of its products outside of Eastern North Carolina. MEB's target market to achieve its expansion goals are white females ages 35 to 44 with an income range between $45,000 to $65,000. Research shows this consumer segment accounts for a growing percentage of craft beer sales and are environmentally conscious consumers (Watermark Design, 2016).

The marketing strategy necessary to achieve the company's vision of statewide expansion includes improving social media engagement, sponsorship presence at local festivals throughout the state, and marketing messaging that emphasizes its green practices and commitment to the environment. The primary marketing objective is to expand distribution of MEB's flagship beers statewide into taprooms, restaurants, bottle shops, and grocery stores across the state.

At the end of MEB's first year in operation, as with all brand-new businesses, the brewery was simply looking to break-even. It is common for first-year businesses to suffer substantial losses and meeting the break-even point is an extraordinary accomplishment. MEB total break-even sales target for this year is $1,771,125. This would equate to 372,869 units sold. Total funding needed to implement this plan is $144,899.

2. Internal Analysis

2.1 Company Profile

Take the goodness of garden-grown products, the warmth of small-town life, the earthy ethic of rock 'n roll, and a deep respect for a time-honored craft and you have Mother Earth Brewing (MEB). Born in the summer of 2008, Mother Earth is the dream-child of Stephen Hill and Trent Mooring, a father and son-in-law duo from Kinston, North Carolina. Kinston is a quaint southern town in the heart of the old tobacco belt. Trent and Stephen discovered a common love for hand-crafted beers when Trent married Stephen's daughter. One beer led to another, and they decided to collaborate to create a microbrewery around their mutual passion for quality craft beer. As a microbrewery, MEB produces less than 15,000 barrels of beer per year and sells at least 75 percent of its beer off-site. Its market distinctive is a focus on locally sourced ingredients and sustainable practices (Mother Earth Brewing, 2021). MEB boasts a significant audience of fans that comprise both genders across all ages. The popularity of MEB beers can be attributed to the few craft options presented to connoisseurs in the Southeast. The current target market consists of local beer enthusiasts between the ages of 35-44 who reside within a 40-mile radius of MEB. The popularity of craft beer among college students presents a growth opportunity to expand to retailers near local college campuses within and outside the current radius. The essence of gatherings around Mother Earth beers is to celebrate nature by toasting to uniquely crafted beers. For, everyone is assured to savor each precious moment. The brewery is home to an array of beers that range from Indian pale ales, premium lagers, Kolsch-style ales, and Belgian-style ale.

2.2 Mission

The MEB mission is to make the world a better place one beer at a time by demonstrating a daily operational commitment to quality craftsmanship, civic responsibility, and environmental stewardship.

2.3 Vision

Mother Earth Brewing is the leader in sustainable craft brewing practices, first, in the Southeast, then world-renowned. MEB is the life of the party and the toast of the town across the globe. In addition, MEB serves as a master teacher and mentor of sustainable practices to the industry. The strategy to deliver on this vision rests upon three strategic pillars: distribution, relationships, and community. Cultivating strategic distribution partnerships will enable MEB to expand its market share across the entire Southeast region.

2.4 Marketing Problem

Mother Earth Brewing has been a local landmark and popular gathering place for beer enthusiasts since opening its doors in 2008. Since then, the company has grown a local cult following with its taproom and a respectable social media following of 12,500 Instagram, 18,000 Twitter, and 21,600 Facebook followers. However, to achieve the company's phase one vision of statewide market expansion, MEB must improve social media engagement and strategic retail partnerships to increase brand awareness, presence, and sales outside of Eastern North Carolina.

In addition, a survey of their social media accounts reveals an urgent need to improve engagement and conversion. According to Phlanx, MEB's average social media engagement across the three platforms cited above is below 1% (Phlanx, 2021). Also, with over ten years in operation, they have not broken at least 50,000 followers.

3. External Analysis

3.1 Sociocultural

Beer is the third most popular drink consumed across the world, falling just behind tea and coffee (Samuel, 2021). "Three-quarters of the United States population is over the age of 21, and the beer industry sells over $110 billion worth of beer to these individuals each year. The craft beer industry in the United States is booming, and by 2017, there were over 5,600 different brewing facilities or locations in the United States." (Hayes, 2019). Alcohol has played a central role in almost all human cultures since 4,000 BC, contributing to the development of agriculture and presenting social opportunities for togetherness and camaraderie. (Social Issues Research Centre, n.d.). "Changing lifestyles, increasing consumption rate of alcoholic drinks, rapid urbanization, high disposable incomes, and popularity of beer among the young population" are driving forces for the beer industry's continued success. (Mordor Intelligence, n.d.). And while the beer business booms, the consistent voice of opposition is ever-present.

Along with the tobacco and firearms industries, the beer business finds itself amid the constant scrutiny of the public and private sectors, as well as the persistent target of hundreds of various third-party organizations and special interest groups. Public opinion and government sanctions are a constant reminder of the regulation and standardization that have both served their respective communities and plagued the beer industry since prohibition in the early 1900s. The two most popular and vocal critical groups can typically be attributed to the moral or religious and the health-conscious (Frue, 2018).

While alcohol is prominently featured in some religions, like Christianity and Judaism, as a ceremonial cornerstone, it is feverishly condemned in others where it serves as a symbol of excess and confusion due to its psychotropic effects. Even accepting religions usually hold some stipulation or general moral standard for the use and consumption of alcohol. Christianity only permits the consumption of alcohol during convivial events, while excess enjoyment is viewed as gluttonous and selfish

(Alimentarium, n.d.). It is also common to find abstention from alcohol to be a strong showing of faith across many belief systems.

Regarding one's health, studies have shown beer and alcohol to negatively affect the body in several ways, including severe damage to the liver and greatly interfering with your body's blood sugar levels. Beer can also be easy to abuse and lead to an increased risk of depression and/or death. However, beer serves as a substantial source of fiber and can also greatly boost your immune system (Raman, 2020). Addiction and irresponsibility have proven to be extremely harmful to those around consumers as well, as drunk driving has accounted for more than 10,000 deaths every year between 2009 – 2018 (National Highway Traffic Safety Administration, n.d.).

The extensive creativity of craft brewing has produced several healthier alternatives to the typical calorie-laden beers, such as light beers, hard seltzers, and ciders that have found considerable success and popularity across the United States (Gould, 2019). For those consumers who do not find light beers as a comparable alternative, wine has become a popular choice also (Frue, 2018).

3.2 Demographic

While most people may visualize a young, white, bearded adult male when thinking of the stereotypical beer drinker, demographics are certainly shifting. Between 2015 and 2018, female beer consumers have taken an additional two percent leap in the overall beer consumer statistics, while the entire industry grew by a total of five percent. This means that nearly half of the overall growth in the craft beer industry during this span was composed of the female demographic (Watermark Design, 2016). "Women in founding, brewing, and marketing positions are also on the rise, as institutions such as Pink Boots Society promote inclusiveness in the industry." (Watson, 2018).

While the vast growth across the craft beer industry can mostly be attributed to the rise in population, we can also see an influence from the Hispanic/Latino market as well. "By 2019, Hispanic beer spending is projected to grow 31 percent" (Watermark Design, 2016). In total, though, the industry has not seen much movement in the divide between Caucasian markets and other races/ethnicities, as the percentage of Caucasian consumers fell less than one percent and the non-white demographic rose by less than one percent (Watson, 2018) in 2018. This appears to be a major gap in marketing approaches and possibly a larger opportunity to appeal to and influence the minority beer drinker.

The largest changes to the beer consumer market are currently driven by age and the rapid increase of legal beer drinkers (individuals 21 or older in the United States). "58 percent of craft beer drinkers are younger than 35" (Watermark Design, 2016) and the 21 and older United States population has risen by roughly 2.5 million every year since 2015 (Watson, 2018). However, despite the steady incline of available beer consumers, Nielsen reported, "beer share loss totaled 2.1% among Millennials, 4.7% among Gen X, and 2.7% among Baby Boomers" (Brager, 2017). The younger generations are splitting their alcohol budgets across more varieties of alcoholic products, including wine and spirits. This places greater stress on craft beer brewers to think creatively and provide the utmost quality beer and/or unique experience possible.

Not surprisingly, regional cultures and lifestyles also heavily influence the beer consumer market. In the United States specifically, "Consumers in Milwaukee are twenty-four percent more likely to drink a beer than an average person (in the United States)" (Brager, 2017). In addition to the Milwaukee, Wisconsin market, the Albany and Buffalo, New York markets were the only other regions in the United States found to have more than fifty percent of legal-age consumers consuming at least one beer in a 30-day period, with a handful of other markets above forty-nine percent. All these markets were in the northern portion of the country (save for El Paso, Texas), but ranged between either coast.

The one demographic area that has not changed over the last several years, has been the median household income for beer consumers. Just over 40% of all beer consumers in 2017 have annual household income of $75,000 or more (Beverage Industry, 2017), where that number is now at 51% in 2020 (Conway, Share of Weekly Craft Beer Drinkers by Income, 2020). Considering the recent economic state of the United States (i.e., unemployment and declining sales due to the global pandemic), it seems logical that those with higher incomes would comprise more of the overall beer consumer statistics, and that this disparity will eventually normalize.

3.3 Competition

"In 50 years, when beer historians look back at craft beer in 2019, they'll find a few big themes: competition, independence and celebrating the roots of this incredible craft brewing community" (Baker, 2019). This simple quote highlights two main components of the beer industry today, the very tight-knit community and its heavy competitive nature. There are thousands of websites, publications, and organizations dedicated to the promotion and advancement of the art and the various products available to consumers. “Thus, consumers have a wide variety of beer brands to choose from.” (Study Corgi, 2020). This leaves vulnerability in any one brewer’s market share, as the constant threat of new entrants and new products steadily climbs. Between 2015 and 2019, there have been an incredible 1,896 breweries registered (open locations paying taxes) with the Alcohol and Tobacco Tax and Trade Bureau (Alcohol and Tobacco Tax and Trade Bureau, 2021), while nearly 13,000 brewery business plans have been permitted. That’s nearly 500 new breweries opening every year over than timespan in the United States. This is dizzying growth for an industry that sported just 49 breweries in 1983 (America's Beer Distributors, n.d.). North Carolina alone, is home to more than 200 breweries and has many more awaiting approved applications for opening (Stoller, 2019).

Additionally, a hallmark of craft beer and craft brewers is innovation (Brewer's Association, n.d.). It varies greatly, but for every one of these new craft breweries, we are seeing at least 5 new beer products for consumers to try. This competitive market also drives quality as much as it does quantity. With so many options available, the industry has quickly become a buyer’s market. “Consumers can easily differentiate the qualities of beer…A beer company must create an original beverage. It requires strong flavor qualities, affordable prices…firms need to establish a strong brand in the beer market. A product must be of high quality and provide customers with a vast spectrum of tastes and flavors.” (Study Corgi, 2020). Most (or more likely, all) brewers offer seasonal and limited-time offerings to satiate consumer’s demand for new beer as much as the yearning for new experiences.

This ever-growing competition for customers is only the beginning. Craft brewers are also known for their lofty ambitions and competitive spirit within their own communities. This competitive edge runs high across the United States and is benchmarked with several local and national beer competitions running annually through various locales. Home Brew competitions litter North Carolina, while the U.S. Open Beer Championship and America Homebrew Competitions highlight the best brewers in America. For a more global footprint, the World Beer Cup features the best beers from around the world (Beverage Trade Network, n.d.).

3.4 Regulatory

The beer industry has been regulated by the Alcohol and Tobacco Tax and Trade Bureau (TTB) since 2002, where it was formed from the division of the then-governing Bureau of Alcohol, Tobacco, and Firearms which oversaw the industry since 1968. The TTB is responsible for administering and regulating the operations of distilleries, wineries, and breweries, including the review of new brewery applications, tax collection, labeling/advertising approval, and personal homebrewing (Apex Publishers, n.d.). The TTB features an extensive rulebook of over 300 regulations, covering everything from production to tax. In addition to the TTB, the Food and Drug Administration's recent Food Safety Modernization Act (FSMA) was signed in 2011 (finalized in 2016) as a "comprehensive top-to-bottom overhaul of the United States food safety regulatory framework" (Safe Food Alliance, n.d.), requiring all consumable-sale facilities to establish and implement a food safety system that includes a hazard analysis and risk-based preventive controls. "Although beer is an intrinsically safe product, it may, nonetheless, be contaminated at various stages of the brewing process"

(HPS, 2017). This new legislation now forces all breweries to develop and invest in written food-safety plans, monitoring, verification, and recall plans, where they were exempt from such regulations in years past. Outside of Federal regulations, all registered establishments attempting to sell alcoholic beverages must also be permitted through the state in which they operate, through the Alcoholic Beverage Commission (ABC).

As with any controlled substance, taxation is a formidable expense on breweries; “taxes are the single most expensive ingredient in beer, costing more than the labor and raw materials combined” (Loughead, 2018). Excise tax across the United States, typically ranges between $0.11 to $0.58 per gallon, with North Carolina sporting the sixth-highest tax rate at $0.62. However, with recent legislation, including the Tax Cuts and Jobs Act of 2017 and Taxpayer Certainty and Disaster Tax Act of 2020, “99% of U.S. breweries’ excise tax payments were reduced by 50%” (Beer Institute, n.d.). The passing of these recent federal relief laws was highlighted by complete bipartisan support; a sign that the benefits of the beer industry on each individual state are both noted and accepted at the highest levels of government.

“In all cultures, drinking is a rule-governed activity, hedged about with self-imposed norms and regulations concerning who may drink how much of what, when, how, in what contexts, with what effects” (Social Issues Research Centre, n.d.). Underage drinking and drunk driving are massive issues in the United States. “People ages 12 to 20 drink 4 percent of all alcohol consumed in the United States” (National Institute on Alcohol Abuse and Alcoholism, 2021), and drunk driving accounts for more than 10,000 deaths a year (National Highway Traffic Safety Administration, n.d.).

Violating either of these laws is basis for harsh punishment, including heavy monetary fines, loss of license, and significant jail time (McCurley, n.d.). And, as the beer market surges and breweries across the United States continue to swell, the regulation can only be expected to become tighter and more stringent.

3.5 Economic

Fortunately, the United States (as well as the world) is finally beginning to recover from the COVID-19 global pandemic. In 2020, The United States lost just over 568,000 jobs and nearly $20 billion in sales across the beer industry, with North Carolina suffering just under 13,000 job losses and over $309 million in sales (Beer Institute, n.d.). Through the first quarter of 2021, government assistance payments and tax reduction programs have greatly benefited all individuals, businesses, and the national economy, in conjunction with the decreasing COVID-19 infection rate and release of vaccinations. The 2021 United States Gross Domestic Product (GDP) has increased by 6.4% to $20.81 trillion from 2020 (U.S. Bureau of Economic Analysis, 2021). As of February 2021, unemployment has plummeted to 6.1% (from 14.7% in April 2020) across the United States and down to 5.6% (from 12.5% in April 2020) in North Carolina (State of North Carolina, 2021).

The beer industry is a huge (and still growing) market, with the United States alone reaching sales of about $110 billion (Frue, 2018). However, the market is also very saturated. It can be broken into three segments: national brewers, regional, and microbrewers. The national brewers typically have long-standing histories in the business and devout consumer bases. Regional brands tend to be more specific to their country or state, and rarely look to expand beyond their loyal customer base. Microbrewers are the smallest of the segments and are simple local brands that are typically unknown outside of their immediate city or community. In all, there are roughly 6,300 breweries operating across the United States, directly employing an incredible 70,000 people. The beer industry greatly affects and benefits the distribution and farming industries as well, supporting about 2.1 million American jobs overall (Pomranz, Beer Brewing Industry Job Statistics, 2019).

Entrepreneurs are intrigued by this massive market and the high potential for profit, but startup costs are quite hefty, and the product requires vast inputs. Investments in machinery and other production equipment, governmental requirements and fees, labor force, and distribution channels all come at a steep price (Study Corgi, 2020). In 2021, average startup costs for a *small* brewery are estimated at $750,000 and $1.5 million for a mid-sized operation (Cost Aide, n.d.). These exorbitant initial expenses typically discourage the less fortunate or less driven business venturers.

3.6 Technological

Brewing beer is a relatively simple process, in theory, as it is basically the mixing of malted grain with hops and then fermenting that mix with lager or ale yeasts until maturation (Naglich, n.d.). Humans have been brewing beer for millions of years as one of the first fermentation processes known to man (Rue, 2018), and even some of those rudimentary concepts and methods still thrive in traditional beer brewing today. However, today's brewing equipment and various methods to produce unique beers would astonish the earliest brewers, looking completely foreign to even those in the mid-

20th century. Microbrew systems did not actually exist in the United States until the 1980s, and even those systems were modified assembly of the few pieces of brewing equipment available at the time. Brewing technology today allows the “smallest breweries across the world to compete ferociously with powerful corporate interests” (Rue, 2018). Advances in technology can be attributed to the growth and the heavy competitiveness throughout the industry.

One of the largest factors in the advancement of brewing technology has been automation, as it has increased quality, consistency, and shelf stability in beer products across the world. Automation has allowed for properly milled malt and precise mash temperatures, producing more “complex, malty beer products, like Oktoberfest or porter” (Didora, 2018). Another huge innovation for the beer industry involves the actual hops used for brewing. New technologies used for hop preservation and the focus on refrigeration have led to several innovations with individual brewers across the world. Several of the most well-known brewers have developed their own proprietary processes to define their brands, such as the Samuel Adams Hop Pellet and Dogfish Head Brewing Company’s extensive 120-minute boiling processes. Some concepts, such as The Randall, which is a bar-top device akin to a skinny Brita water pitcher attached to a tap line, hold hops or botanicals that are infused with the beer while it is poured from the tap directly to your pint (Didora, 2018).

Advancements in robotics and laboratory analyses have also contributed to more quality products, as canning has been introduced and is applied with meticulous detail. Devices introduced in 2012, like the c-TPO created to measure dissolved oxygen and carbon dioxide, improved product quality within can and bottle packaging (Didora, 2018). Popular beer brands such as Guinness have revolutionized the entire canning process with offerings such as the Nitrogen Can, where their products are filled with nitrogen to ensure a fresher, colder, and more enjoyable beer. The combination of mathematics and precision tools allow brewers to alter brewing recipes and methods at every step of the process in their pursuit of perfection and differentiation. This precise experimentation will undoubtedly lead to the “next big thing” in brewing.

The beer industry is also making major strides in the “green” and conservation initiatives. Many businesses look to conserve energy through renewable energy resources such as solar power, improve upon good manufacturing processes, and reduce their environmental footprint through more efficient farming and brewing methodologies. But, despite this increased awareness and the substantial improvements therein, water consumption and wastewater disposal continue to be major concerns for the industry. “Every gallon of beer produced requires five to six gallons of water” and can be even more impactful for the industry’s most popular darling, the Indian Pale Ale (HPS, 2017). To solve for this problem and to decrease waste, increasingly more breweries across the United States are now looking to implement new pigging (or liquid product recovery) technology, which is a simple tool used with complex piping systems to reclaim liquids while reducing waste and improving efficiency throughout the manufacturing and production processes (HPS, 2017). These types of innovations will hopefully reduce beer brewer’s environmental footprint and promote awareness across the globe.

4. Market Segmentation

4.1 Market Segment 1

Mother Earth Brewing operates a taproom and beer garden in downtown Kinston, NC, so the first market segment is aimed at black or African American males ages 35 to 44 living in Kinston with an income range of $30,000 to $45,000 that enjoy craft beers. According to U.S. Census data from 2019, Kinston has a population of roughly 20,000 of which 66% are Black or African American (United States Census Bureau, 2019). A recent report from Statistica about the weekly craft beer drinker in the US by age in 2019 shows that "the age group of craft beer drinkers most likely to drink craft beer weekly in the United States were 35 to 44-year-olds" and "52 percent of craft beer drinkers within that age range stated that they drank the beverage weekly" (Conway, 2020). Statistics show only 17.6% of individuals aged 25 and above in Kinston hold a bachelor's degree or higher and the average median household income in 2019 was $33,066, so MEB must be sure not to alienate blue collar workers and find ways to attract this population to their taproom (United States Census Bureau, 2019).

This market segment's need for a neighborhood watering hole and nightlife can be fulfilled by MEB as they are one of only a handful of such businesses in Kinston, NC. Of this market segment, MEB is one of only two breweries in Kinston and is the more established brewery founded in 2008 compared to their competitor, Big Game Brewing, which looks to have been founded only about two and a half years ago (Big Game Brewing, n.d.). This market segment is more inclined to frequent social media such as Facebook, Instagram, Snapchat, Twitter and TikTok as a main source of media consumption as supported by a study in 2020 by Statistica showing the age group of 35 to 49 spent an average of 258 minutes per day on apps on a smartphone (Statistica, 2021). Hobbies in the area include fishing, boating, hunting, and supporting the local sports clubs such as the Down East Wood Ducks minor league baseball team (Visit

Kinston, n.d.). Research conducted by Statistica shows that The Fresh Prince of Bel-Air, The Simpsons, Jeopardy, America's Funniest Home Videos and Friends are among millennials' favorite TV shows as of April 2018 (Statistica, 2018). Kinston is home to a radio station broadcasting under WELS and WEQR callsigns offering three different formats: Classic hits ('60s, '70s and '80s), contemporary Christian gospel and today's hits (Fisher, 2013).

4.2 Market Segment 2

The second market segment for MEB targets white females ages 35 to 44 in the state of North Carolina with an income range of $45,000 to $65,000 that enjoy craft beer. Census data shows the median household income for the state of North Carolina in 2019 was $54,602 (over $20,000 higher than Kinston) which means consumers in other parts of the state have more discretionary income to spend on craft beer (United States Census, 2019). Census data also show that North Carolina is made up of 70.6% white or Caucasian people with women accounting for 51.4% of North Carolina's population (United States Census, 2019). The workforce in North Carolina is also mostly blue collar with around 31.3% of adults ages 25 or older holding a bachelor's degree.

The state of North Carolina is an emerging leader in the craft beer industry which makes it a great target market for MEB to expand its efforts. According to *NC Beer Guys,* in 2012 there were less than fifty craft breweries in the state of North Carolina; but fast-forward to 2019 and the population has grown to over three hundred craft breweries (Biehl, 2019). North Carolinians are seeking innovative, thoughtfully crafted beers that are locally sourced and produced. The largest cities in North Carolina are Charlotte and Raleigh and provide many destinations such as professional sports teams like the Carolina Panthers, Charlotte Hornets and Carolina Hurricanes. A growing trend of axe-throwing for entertainment has emerged over the past several years which strategically open their businesses near breweries to draw on their customer base. According to a Nielsen rating conducted in April of 2021, the highest-rated radio station in North Carolina with a score of 11.3 in January of 2021 is WUNC-FM, the University of North Carolina-run NPR talk radio station. According to a recent article by *Variety*, the most-watched show in North Carolina over the past year throughout the Coronavirus shelter-in-place mandates was Friends (Murphy, 2020). North Carolina's favorite pandemic television show falls in line with the findings for the entire country, which also seemed to be binge-watching Friends as well.

4.3 Target Market

Of the two markets identified, the primary target market for MEB will be focused on females between the ages of 35 and 44 with an income range of $45,000 to $65,000 that purchase organic products. The vision of the company is to expand its high-quality, carefully crafted, and environmentally friendly beers to the broader state-wide market. According to the North Carolina Craft Brewers Guild, "North Carolina boasts the largest number of craft breweries in the American South, with more than 340 breweries and brewpubs" (North Carolina Craft Brewers Guild, 2021), so expanding the reach of MEB to customers who are receptive to great beer in the state is a no-brainer.

5. Marketing Strategy

5.1 SWOT Analysis

Strengths	**Opportunities**
Leading Environmental Responsibility Award-Winning Brews & Competent Leadership Brand Loyalty and Natural Ambassadors (Taproom)	Untapped Demographics (gender and ethnicity) New Drinking Trends
Brand Awareness Limited Product Selection Eco-Friendly Overhead	Health-Conscious Public View Immense (and still growing) Competitive Landscape
Weaknesses	**Threats**

5.1.1.1 Strengths

Being awarded the gold certification in the LEED (Leadership in Energy and Environmental Design) program which is, “the most widely used green building rating system in the world,” (Council, 2021) one of MEB’s leading strengths is its obvious commitment to environmental consciousness and responsibility. It is a key differentiator. From the sustainable building structure to the fixture nuances, to the local sourcing of ingredients, to the employee buy-in adopting lifestyle choices consistent with the Mother Earth ethos (i.e., biking to work) environmental responsibility is more than just a single characteristic of the company, it is a core competency that can be seen and tasted in each brew (Mother Earth Brewing, 2021). It is the proud brand distinctive that attracts and keeps customers who share this same commitment to the environment coming back for more.

An observation of notable breweries, operating in nearby Eastern North Carolina (e.g., Local Oak Brewery and Nauti Dog Brewery located in Winterville, NC and Uptown Brewery located in Greenville, NC), supports this conclusion finding none boasting of such an environmental commitment. As mentioned in section, 5.4, this is a clear local competitive advantage.

Another strength is its award-winning brews and a solid business leadership team. With the growing competitive landscape of craft breweries across the nation, you cannot survive over 10 years selling poor craft beer and incompetent leadership. According to product clarity leader, Unleashed, the American bar and nightclub market is valued at $24 billion (about $74 per person in the US) with average profit margins of 6% with over 59,000 businesses in this industry (Melanie, 2020). This statistic quantifies how highly saturated and competitive it is. MEB has not only survived in the ever-changing industry landscape, but it has also thrived due to quality products and sound leadership.

Finally, local brand recognition which has translated into customer loyalty and a powerful sense of community are strengths cultivated by MEB's popular green-conscious, solar-powered taproom. The taproom and drinks-only beer garden are MEB's main attractions which cultivates the kind of community where everybody knows your name. Community is a valuable characteristic of the craft brewing industry and MEB shines in having cultivated a strong community. For, wherever a brewery can offer unique social experiences to make fun and memorable connections around beer-drinking, an army of brand ambassadors are built.

5.1.1.2 Weaknesses

While MEB has earned local brand recognition and loyalty, its vision is to expand and take market share outside of Eastern North Carolina. Therefore, a leading weakness is its failure to optimize the current social media following by developing engagement strategies that will stimulate growth in revenue and market share. The second weakness is limited product variety or selection. Currently, there are five year-round craft varieties. In addition, consumer habits are changing in the craft beer industry. According to Nielsen, there was a 4.6% decrease in sales, in part, due to changing consumer habits and the target market demanding healthier options such as low-calorie beers, seltzers, wine, and spirits.

Finally, as the adage goes, one's biggest strength can also become one's biggest weakness. The investment to maintain an environmentally sustainable infrastructure and practices is expensive. With already slim margins, this company commitment is a constant internal problem to be mitigated. It is an overhead expense competitors do not have that reduces MEB's profit margins. While craft breweries in the United States have increased by 159%, sales are decreasing (Lundin, 2020).

5.1.1.3 Opportunities

While the traditional beer drinker has always been perceived and marketed to as young to middle-aged white adult males, times are certainly "a-changing'." Female consumers comprised nearly half of the beer industry's growth between 2015 to 2018. Hispanic/Latino markets are seeing large growth in beer spending across the country as well, with an expected increase of 31 percent by 2019 (Watermark Design, 2016). The general market, however, still heavily favors non-Hispanic whites at 85.5% (Watson, 2018). This is a staggering discrepancy and one that the craft beer industry should certainly focus efforts towards. In MEB's immediate community, whites only comprise 29% of the overall population (United States Census Bureau, 2019), so MEB already has a robust market to target in its close vicinity. In targeting its brand towards the non-white demographic in Kinston, North Carolina and across other distribution channels, the beer industry could help identify successful marketing campaigns, beer varieties, and general approaches to the minority market across North Carolina and the Southeastern United States, where non-white ethnicities account for just under 42% of the total population (Statistical Atlas, n.d.).

Another potential opportunity for the craft beer industry is with its selection of beers, wines, and spirits. Currently, MEB offers just five beer choices year-round, while all its attempts at spirits and wines have been “retired” and new selections have not been offered in some time. The evolved beer-drinking consumer yearns for more. More choices, more flavors, and broader selection across the board. Kenny Gould of hopculture.com wrote, “Breweries brewing only beer is a thing of the past. These days the cool kid taprooms fill their taps with excellent beer alongside bubbly hard seltzers, craft coffee beans, fruity kombucha flavors, and most likely, a few non-alcoholic or low-cal drinking options” (Gould, 2019). Today’s beer consumers are flocking to hard seltzers, ciders, and low-calorie drink options. Brewers across the country must offer more than just beer to resonate with the Millennial and Generation Z demographics, the most common target market consumers.

5.1.1.4 Threats

As with any industry, there is always some assortment of external threat to businesses and their market share. The beer industry is no different. And while threats have somewhat shifted through the beer industry’s nearly five centuries through

American history, consumer interests and/or technological advances have always driven the market and goals of brewers across the country.

Today, “more than one-third of adults in the United States are obese” (Holland, 2020). Every state in the country sports an obesity rate over 20 percent, where less than 20 years ago, no state had obesity rates above 15 percent. These statistics are quite concerning, causing “a hyper sense of concern about what is being ingested nowadays, which is being seen across the food and beverage industries” (Cappiello, 2019). Consumers want healthier choices, organic ingredients, and alcohol that fits this new lifestyle. Generation Z (the demographic cohort following Millennials (Georgiev, 2017)), which is the beer market’s chief target along with the Millennial generation, say, “they drank less because of health and hangover-related concerns… Generation Z marks a turning point, being the first generation to prefer spirits to beer” (Taylor, 2018). The next generation of beer drinkers wants spiked seltzer, low alcohol volume, and non-alcoholic drinks in pursuit of healthier consumption (Cappiello, 2019). According to Nielsen, domestic beer sales slipped 4.6 percent in 2019 (Valinsky, 2019); beer brewers must find, offer, and promote healthier alternative drinking options to stay relevant.

At the end of 2020, there were nearly 9,000 breweries open across the United States (Statista, n.d.). Despite the exorbitant startup costs, debilitating pandemic, and changes in consumer habits, breweries in the United States have increased by 159 percent since 2012 (Lundin, 2020). In addition to the overwhelming amount of small (craft) breweries dotting the landscape, brewers must also battle “Big Beer” and its 90 percent of the beer market share (America's Beer Distributors, n.d.). Technological advances and craft beer popularity continue to level the landscape, allowing small breweries to compete with larger, more wholesale brewers, but this is certainly an uphill battle. Finding shelf-space in stores, grabbing consumer attention, and remaining relevant are seemingly never-ending tasks, and hold the potential to only become more crowded as new distillers look to capture the public craze for low-calorie beers, seltzers, wine, and spirits.

5.1.2 Integration of SWOT Elements

The success MEB has enjoyed with award-winning craft beer should allow the brewery to venture into other alcohol markets with confidence. With MEB's current practices and beer offerings, the brewery already has a solid base product. The team can now apply those practices to hard seltzers, ciders, and/or low-calorie alcohol choices. Leveraging the team's 13-year experience should provide MEB with the knowledge and ability to make new libations easily. Interestingly, MEB will likely be constrained by its own strict environmental stance as it attempts to branch out into these new product offerings. Seltzers require carbon dioxide (CO_2) to create the highly coveted bubblies that everyone wants. "The beverage industry's supply of CO_2 is a byproduct of industrial operations such as natural gas- or coal-fired ammonia plants, large-scale ethanol production, *and even breweries*, what with all the fermentation going on there." (Fisk, 2016). Additionally, the extra packaging, equipment, and materials needed to make seltzers or ciders will only expand MEB's carbon footprint; the brewery will be forced to decide between its nature-friendly brand and meeting consumer demand.

MEB will also be vulnerable to the increasing competition across the beer industry. Big Beer and the constant threat of new craft breweries along the company's established distribution channels will continue to threaten expansion and growth. North Carolina is a top-20 state in terms of licensed breweries across the country (Postma, 2020). Additionally, per capita, Asheville, North Carolina is the second-most concentrated city of breweries in the country, and there are two more top-16 cities in South Carolina (Pomranz, These Cities Have the Most Breweries Per Capita, 2019). These already heavily populated channels will be difficult for Mother Earth to invade.

5.2 Product Life Cycle

The craft beer industry currently finds itself at a bit of an impasse. While new breweries are seemingly opening daily and new competitors continue to flood the market, annual sales are plateauing. "Last year, the craft beer category grew just 4% in the United States" (Swartz, 2019), and is expected to grow less than two percent between 2019 to 2025 (Sinha, 2018). The market is intensely competitive with various segments of the beer, wine, and spirits industries competing for market share and an ever-evolving consumer base expecting more variety and value than ever before. Additionally, the cultural shift towards a more health-conscious public and the clamor for hard ciders and seltzers certainly places the craft beer market in a precarious position. All these factors have forced brewers to focus promotional efforts on their own unique competitive advantages while painstakingly differentiating their product through quality, reliability, service, or redesign, a major indicator of the maturity stage in the product life cycle (The Product Lifecycle, 2019).

5.3 Product Position

Based on customer feedback, what is most important to customers when visiting a brewery is beer quality, variety, ambiance, and customer experience. Compared to competitors, Google reviews reveal customers raving about MEB’s beer taste quality, eco-friendly taproom ambiance, and customer service experience. While it is noted that MEB’s marketing problem is brand recognition and distribution expansion, their brand recognition is still stronger than these local competitors as evidenced by MEB’s presence in local retailers and the quality (and number) of Google reviews. While these competitors received positive reviews, as well, compared to MEB, they are relatively new to the market. Few craft aficionados know who these competitors are, but MEB has been in business since 2008 which supports its broader local brand recognition.

Positioning Statement: When the target market of 35 to 44-year-olds think of craft beer tasting in Eastern North Carolina, they will think of the Mother Earth Brewery's unique flavors, eco-friendly taprooms, and the exciting customer experience.

5.4 Competitive Advantage

Outside of its award-winning craft beer, MEB sports the most concentrated environmentally conscious and responsible establishment in the beer industry. From the construction of the taproom and beer garden to the focus on renewable resources, and each of the employee's commitment to conservation efforts, they embody the natural spirit of Mother Earth and seek every possible path in her preservation.

MEB's taproom was awarded gold certification in the LEED (Leadership in Energy and Environmental Design) program, "the most widely used green building rating system in the world." (Council, 2021) LEEDs buildings benefits include less pollution, water savings, and waste reduction, and MEB was the first production brewery to earn the award in the country (2013, after a nine-month observation). The taproom was completely reconstructed from reused brick, wood, metal, and steel from the original structure. Old blue jeans were used to insulate walls and soy-based spray foam to protect the second story. The paint used in the building are low-VOC (volatile organic compounds) and eco-carpet covers the floors in the administrative offices. The building is 100% solar-powered by a six-kilowatt solar array. MEB has specialty bamboo tap handles, eco faucets and toilet flush valves, and gathers rainwater with a 2,500-gallon cistern in the beer garden to water plants and pump gray water into the toilets, avoiding the need for fresh water (Mother Earth Brewing, 2021).

MEB also specializes in green brewing procedures. They locally farm their hops in the fresh Kinston, North Carolina soil, send spent grain to local farmers as top-quality animal feed, and donate used grain sacks to the North Carolina Forest Service to be used in their Tree Seedlings and Nursery Program in efforts to reseed forests. MEB is also proud that over 80% of their staff walks, bikes or skateboards to work, cutting down on greenhouse gas emissions. MEB is not just a brewery, they are Mother Earth enthusiasts and advocates (Mother Earth Brewing, 2021).

Mother Earth Brewing’s efforts have certainly cost the company heavier expense and longer workdays as it gradually realizes Trent and Steven’s vision for amazing craft beer in an eco-friendly environment. However, the brewery can now boast about its unprecedented environmental efforts which promotes the brand and draws the attention of nature-enthusiasts and pro-eco aficionados. The MEB brand is recognized across the country as a leading voice for eco-friendly brewing practices. Additionally, MEB’s practices also allow the brewery to re-use materials, harvest their own grains, and leverage natural powers to save on expenses like utilities and running water. Saving on these expenses allows Mother Earth Brewing to allocate funds to other business areas, such as marketing and distribution expansion.

5.5 Product Development Strategy

Mother Earth Brewing (MEB) is looking to solve two primary business problems, expanding its distribution channels for better market saturation, and diversifying its product selection for larger market share. To accomplish these two primary goals, MEB will use a combination of product development and product diversification as its current and immediate future product development strategy.

Product development will be critical to MEB's vision of expanding its product and brand awareness across North Carolina as it attempts to gather more recognition and market share within the state. MEB will be looking to gather new distribution partners and channels to sell its goods to more storefronts in more communities.

For MEB's second marketing goal, product diversification will be key as the brewery focuses on developing entirely new products for its existing markets and those new markets it is looking to expand into. MEB's new product offering will focus on current consumer trends as it looks to appease the growing demand for new product types which branches into other categorical industries. Higher focus should be placed on immediate beer choices, but must also extend into wines, spirits, and seltzers to meet growing consumer preferences.

6. Company Objectives

The Mother Earth Brewing Company (MEB) aims to commit to environmental conservation through sustainable brewing practices. The company was established in 2010 and aims to infiltrate deeper into the North Carolina beer market through its high-quality products (Mother Earth Brewing, 2021).

MEB's break-even analysis will be based on operating costs, such as salary and wages, rent, water and electricity, and insurance, which will include an individual's health and functional wellness. These charges will be included in the total fixed costs.

As a result, the company will try to keep sales levels comfortably above the break-even point.

The company expects to increase its market share to six percent by December 2024 (Tremblay, 2004). In the specialized division, Mother Earth will compete against other microbreweries. The demand for micro-brewed products is increasing, putting domestic brewers at a disadvantage. According to statistical data, the domestic brewer's market share has decreased by 7% while the specialized market share has climbed by twelve percent. (Mother Earth Brewing, 2021). Due to the growing popularity of microbreweries, this decline in domestic consumption has been progressively increasing over the last ten years. This does not imply that beer consumption has grown or decreased; rather, it indicates that more beer drinkers switch their loyalties from large domestic brewers to specialty brewers. MEB will target consumers who seek higher quality and complete taste in their beer, as microbrewing has grown in popularity and market share.

Individuals aged 35 to 44 are expected to account for more than half of Mother Earth Brewing’s revenues (Tremblay, 2004). It will be easier and less expensive to sell beer to these groups because most of them will be familiar with craft-brewed beer and more likely to sample a new beer than those who have a strong commitment to domestic brews.

The company expects to capture two percent of the specialty division's market share in the year by December 2021. This would give the desired targeted market six percent of the market share. This is a conservative estimate, but it is a respectable one. MEB will have limited production and capability in the beginning. As a result, producing beer to satisfy more than six percent for any prospective market locations would be incredibly challenging. Mother Earth further forecasts that the beer market will grow at 1.5 percent per year through 2025. Therefore, it will forecast sales by considering the volume of beer drank in each possible market in 2000, the 1.5 percent increase in consumption, and the six percent market share (Mother Earth Brewing, 2021). The company is planning on extending its production line of nine beverages by December 2024. A line-extension plan entails introducing six new goods under the company's existing trademarks. The goal is to cater to various client needs or market groups while capitalizing on the original brand's widespread popularity. The production line expansion will help MEB achieve the six percent total market share and diversify risk.

7. Marketing Mix

7.1 Product

Mother Earth Brewing plans to make and sells a variety of goods. However, the focus is on two goods currently in production in this plan: Long Weekend and Endless River. Endless River is available in three different tastes: pineapple, apple, and lemon. Both goods are regularly tested at the National Food Laboratory to verify that they meet the required quality standards.

MEB creates products of exceptional quality and flavor. Long Weekend and Endless River are the two main product lines now produced by the company. Both have distinct characteristics that will help them succeed in the market. The company will also be on the lookout for technical advancements in the industry that will allow it to be the market leader and make quality beer on a budget.

MEB's beer has a superior flavor and texture, with no gritty solids and a smooth texture, despite its similar appearance to the only comparable product on the market (Mother Earth Brewing, 2021). Long Weekend, a pale ale with indigenous characteristics, will be one of the most unusual goods on the market. Long Weekend has not yet been registered, but it will be a good fit for its consumer. Manufacturing issues, prospect knowledge, industry standards, and regulatory controls are all likely to cause issues for the company. However, these issues should only persist during MEB's initial launch phase, and they should subside with time.

Endless River is a delightful beer that has the unique property of being alcoholic and non-alcoholic, depending on the fermentation period after manufacturing (Tremblay, 2004). It includes only traces of alcohol if taken fresh within the first week after manufacturing. As a result, the company can make a long-lasting Endless River that does not need to be refrigerated and offered in the store alongside soft drinks and other similar products. This implies it can be purchased by those who do not always have access to cooling or refrigeration and then consumed later. Furthermore, this product is accessible in three flavors that the market may find appealing.

Primary packaging will be used to protect and promote products while also attracting customers' attention. Filling 250ml cans, 300ml, 450ml, and one-liter beer bottles will occur in the production plant. Bottles of both beers are available in twelve-packs and six-packs.

Secondary packaging is used to carry wholesale units, such as cartons of 250ml packs of both beers. This level of packaging was created with retailers in mind rather than consumers in mind. It is not required to contain a warning or nutrition labeling, although it will almost certainly feature brand names and labeling. Individual products will be further protected while shipping by secondary packing. Crates will be used to transport the 300ml, 450ml, and one-liter bottles of beer.

Tertiary packing is developed primarily for transporting and managing big volumes efficiently. The boxes and crates will be stacked individually on wooden platforms (pallets) once the packaging into cartons and crates is complete. A forklift truck will simply move the pallets, and a compact forklift will transport them to the warehouse.

Market demand is the most significant component in producing future products. One of the company's competitive advantages will be its awareness of the needs of its target market segments. It is crucial to the company's efforts to develop the perfect items and improve their taste and packaging to expand its market reach. The company also wants to have a "core product engine", which will serve as the foundation for future items. This will be determined as the company decides on its key products. Mother Earth Brewing plans to grow its reach in the future by entering new markets and offering new products. The company will make every effort to guarantee that it works with existing products and assembly technologies.

MEB is concentrating on retaining existing consumers while also attracting new ones. As a result, the company is committed to keeping its unique brand and flavor. This will help in developing the brand. Changes in packaging offerings will occur regularly to keep the product appealing. The company plans to improve production efficiency to keep the price as stable as possible. To capture new customers, the company plans on introducing new varieties that are becoming popular to many customers. The product and its packaging are distinct and do not need to be improved above that of other companies. The product's high quality and competitive pricing should provide MEB an advantage over its competitors.

7.2 Price

MEB will adopt a penetration pricing plan to attract new customers as it expands to the state-wide market. The craft beer market is currently flooded with options from across the state, country, and world; therefore, MEB will utilize a competitive pricing point of $7.99 for six-packs of their flagship beers for the initial six months of expansion to the state-wide market to capture customers looking to give a local craft beer they may be unfamiliar with a try. Research shows that craft breweries routinely sell their beers at higher prices than macro brews such as Coors or Budweiser because “their customers expect to pay more for luxury goods” (Satran, 2014). In fact, sources indicate that the average price of a six-pack in the United States ranges between eight and twelve dollars depending on which source you trust (Jones, n.d.). MEB is currently selling six-packs of their flagship beers on its website for $10 which is the price-point that it will return to after the six-month penetration period concludes.

7.2.1 Break-even Analysis

Break-even analysis is the process of determining how many units of product must be sold for a company to cover its fixed and variable costs and obtain net-zero profit. The break-even point is an important accounting measure that all companies must ensure they are able to meet and exceed to stay profitable. The break-even point is calculated using the following formulas:

1. Break-Even Point (Units) = Fixed Costs ÷ (Selling Price per Unit – Variable Cost per Unit)

    372,869 Units = $708,450 ÷ ($4.80 - $2.90)

2. Break-Even Point (Dollars) = Fixed Costs ÷ Contribution Margin Ratio

    $1,771,125 = $708,450 ÷ 40%

<u>Variable Costs Per Six-Pack</u>

Grain	$1.17
Hops	$0.88
Yeast	$0.48
Miscellaneous	$0.22
Overhead	$0.15
Total	$2.90

<u>Annual Fixed Costs</u>

Rent/Mortgage	$30,000
Property Taxes	$12,450
Salaries	$600,000
Utilities	$60,000
Insurance	$6,000
Total	$708,450

7.2.2 Price Determination

Two types of price determination strategies must be utilized by MEB since it is selling its product to two different customers – distributors and patrons.

Distribution pricing will be based on a cost-plus system to ensure that the cost of production is being covered and a profit is being built into the price of the product that is being sold wholesale to the distributors who will add their own markup when selling to retailers. Pricing for distribution will be focused on making sure the bottom line is accounted for in each beer that is produced because the ingredients and production levels will vary which will affect the price point MEB is willing to sell its beer for. From an NBWA article: “according to the IRS, using data from 370 corporate tax returns, brewers had an average gross margin of 60 percent” which would place their price point for sales to distributors around $4.80 per six-pack of their flagships (America's Beer Distributors, n.d.).

Patron pricing will be at a higher markup since patrons are coming to the taproom for fresh and exclusive beer offerings and to enjoy an experience rather than looking for the best deal available. An article from Craft Brewing Business suggests setting a price point for flagships that will stay mostly stationary and charge a premium for specialty beers that are in limited production since they are in higher demand and shorter supply (Farmand, 2014). The flagships for MEB are Long Weekend India Pale Ale, Endless River Kolsch-style Ale, and Weeping Willow Wit Belgian-style Wit Ale which are all being sold in the MEB taproom for $5.50 for a 16-ounce pour. Specialty beers such as Ragnarök Honey Mead, Renewable Rye IPA and Stone Fruit American

IPA sell for $7.50 for 16-ounces due to higher costs associated with creating specialty batches and limited supply (Mother Earth Brewing, 2021). Of the two price determination strategies, direct sales to consumers at the taproom will garner much higher profit ratios than sales to distributors but will have substantially less sales volume than state-wide distribution.

7.3 Place

Primary distribution channel efforts for MEB will be focused on beverage distributors in the state to support the goal of expansion state-wide to get their products in brick-and-mortar stores, restaurants, and taprooms. As of March 1st, 2021, MEB has new distribution partners that include Carolina Premium Beverage, Coastal Beverage Company, Harris Beverages, Healy Wholesale, RH Barringer Distributing, and Skyland Distributing (Brewbound, 2021). These strategic partnerships with beverage distributors will allow MEB to enter grocery stores and bottle shops throughout the state as well as expand their keg, bottle and can sales to more restaurants and taprooms statewide. With 500 Food Lion locations and over 150 Harris Teeter locations in North Carolina, these grocers will offer the best retail venues for MEB's expansion efforts (Scrape Hero, n.d.). Total Wine & More is a wine & beer "superstore" with twelve locations in North Carolina that offer large retail alcohol inventories that will also be targeted by MEB for retail expansion (Total Wine & More, n.d.). According to an article posted by Link Business, North Carolina is home to over 18,000 "eating and drinking establishments" which will provide ample opportunity for MEB to sell its beer via kegs, bottles, and cans (Link Business, n.d.).

Finally, MEB operates a taproom in downtown Kinston, NC where it sells its beer directly to customers. The taproom operates seven days a week and always has MEB's flagship beers on tap "as well as a number of limited release and experimental batches that are exclusive to [its] Tap Room" (Mother Earth Brewing, 2021). The exclusive and experimental beer offerings are a draw to bring customers to the taproom to try beers they won't find anywhere else and provides the best mark-up ratio for the brewery fetching between $3 and $8.50 for 16-ounce pours (Mother Earth Brewing, 2021).

7.4 Promotion

7.4.1 Promotional Message & Appeal

"Peace, Love & Beer" is the slogan of Mother Earth Brewing (Mother Earth Brewing, 2021). MEB's focus will be on "green" appeal (environmentally friendly marketing tactics aimed at eco-conscious consumers) because it is at the very core of MEB's mission. A market research study conducted in the United States concluded that "67% of surveyed respondents claimed they were considering a shift toward buying more eco-labeled offerings" (Kristensson, 2014). Furthermore, the target market audience for MEB is millennials which is a growing segment of the pool of eco-conscious customers because "brands that establish a reputation for environmental stewardship among today's youngest consumers have an opportunity to not only grow market share but build loyalty among the power-spending millennials of tomorrow" (Hasanaj, 2017).

7.4.2 Promotional Strategy

Cause marketing will be used to further reinforce MEB's commitment to the environment and sustainability. During the initial six-month period, MEB will partner with Conserving Carolina, a North Carolina non-profit organization, to donate fifty cents of each purchase of a six-pack to support conservation and restoration efforts in the state. Conserving Carolina's mission is "to protect, restore, and inspire appreciation of the natural world" and is "leading some amazing conservation projects, from creating new parks, trails, and greenways; to protecting farms and rivers; to restoring woods, meadows, and wetlands; to engaging people in volunteer work, hikes, outings, field trips, speaker series, native plant gardening, and more" (Conserving Carolina, n.d.). Furthermore, MEB will hold a promotional campaign pledging to plant a tree for every six-pack it sells in the state on Earth Day. These tactics demonstrate MEB's intention of being good stewards of natural resources and giving back to the state in environmentally friendly ways.

The use of social media will be at the forefront of MEB's promotional strategy, focusing heavily on content posted to Facebook, Instagram, Twitter and TikTok since this form of media is most popular with MEB's target market. A campaign will be held to encourage customers to post pictures and videos of themselves enjoying MEB's beer in the great outdoors to create social buzz. The customer that gains the most engagement on MEB's social media platform from the community will be rewarded with a special limited production beer named in their honor and will be offered the opportunity to provide input on the style and flavor profile for the beer. This will create a unique opportunity to connect with consumers and drive users to MEB's social pages for a chance at this rare offer to make a name for themselves.

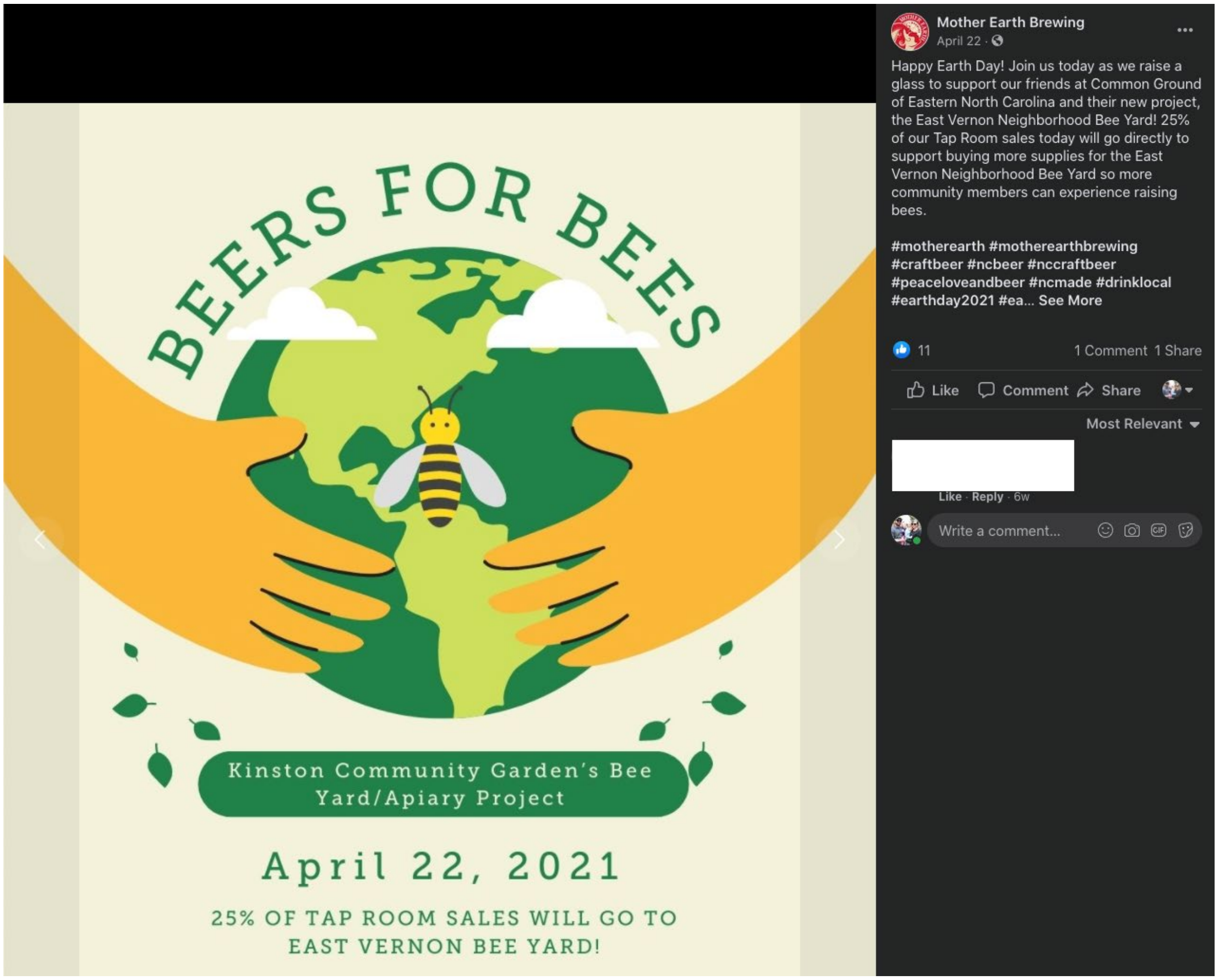
Sponsorships and mobile beer vending at music festivals across the state will provide exposure to the MEB brand and offer opportunities for high sales volumes. Major festivals from the western portion of the state to the coast will be targeted to provide ample opportunity for MEB to gain exposure to the market, such as Tuck Fest in Charlotte, MerleFest in Wilkesboro, Epicenter Festival in Rockingham, Hopscotch Music Festival in Raleigh, and Carolina Beach Music Festival in Carolina Beach, to name a few. The combination of these festivals will provide exposure to well over 200,000 festivalgoers as Epicenter Festival attracted 80,000 fans (Courtney, 2019), MerleFest attendance hovers around 75,000 annually (Woodward, 2019), Tuck Fest boasted over 48,000 attendees in 2019 (Tuck Fest, n.d.), and Hopscotch Music Festival attendance was around 25,000 in 2018 (Menconi, 2019).

7.4.3 Examples of Ads

Caption: “Welcome to Eastern North Carolina, where you’ll find free spirits, deep passions, beautiful land, and Kinston’s Mother Earth Brewing. We craft beer with artisanal devotion, and every bottle is brewed using sustainable practices. Because North Carolina isn’t just where we brew. It’s where we live.”

Product Spotlight: Long Weekend India Pale Ale. “Brewed for hopheads as well as ‘people who don’t like IPA,’ Long Weekend IPA is as accessible as it is exciting with huge, juicy fruit flavors.”

https://www.motherearthbrewing.com/



Caption: "Happy Earth Day! Join us today as we raise a glass to support our friends at Common Ground of Eastern North Carolina and their new project, the East Vernon Neighborhood Bee Yard! 25% of our Tap Room sales today will go directly to support buying more supplies for the East Vernon Neighborhood Bee Yard so more community members can experience raising bees." #motherearth #motherearthbrewing #craftbeer #ncbeer #nccraftbeer #peaceloveandbeer #ncmade #drinklocal #earthday2021 #earthday

https://www.facebook.com/MotherEarthBrewing/photos/10158107458728365

8. Resources Needed

The resources required by MEB to ensure the strategic marketing plan is successful are listed below. The figures are assumptions based on the costs of the various resources in the current market.

Resource	**Cost**
Personnel: additional marketers and distributors	$ 50,000
Brewing and supply equipment	$10,999
Information Technology (Machines and the Internet)	$15,000
Facilities (Storerooms, containers, and transportation)	$30,000
Extra benefits (Commissions and incentives for employees)	$8,900
Salary increases	$20,000
Training (New personnel)	$2000
Extra funding (miscellaneous)	$5000
New skills (benchmarking and research)	$3000
Total	$144,899

9. Projected Income Statement

Mother Earth Brewing
Income Statement

For the year that ended December 31st, 2020

Revenue

Gross Sales		$ 1,861,362.05	
Less:	Sales Returns and Allowan	$ 30,000.00	
	Net Sales		$ 1,831,362.05

Cost of Goods Sold

Beginning Inventory			
Add:	Purchases	$ 180,220.00	
	Direct Labor	$ 104,000.00	
	Overhead	$ 100,000.00	
	Inventory Available		$ 384,220.00
Less:	Ending Inventory	$ 10,000.00	
	Cost of Goods Sold		$ 374,220.00
	Gross Profit (Loss)		$ 1,457,142.05

Expenses

Rent		$ 30,000.00	
Property Taxes		$ 12,450.00	
Utilities		$ 60,000.00	
Salaries		$ 600,000.00	
Supplies		$ 6,000.00	
Marketing		$ 24,000.00	
Insurance		$ 12,000.00	
Repairs and Maintenance		$ 48,000.00	
Miscellaneous		$ 5,000.00	
Depreciation		$ 5,000.00	
Licenses and Fees		$ 300.00	
	Total Expenses		$ 802,750.00
	Net Operating Income		$ 654,392.05

Less Taxes

Income Tax Expense		$ 97,721.51	
	Total Income Tax Expense		$ 97,721.51
	Net Income (Loss)		$ 752,113.56

10. Evaluate and Monitor

MEB will work closely with the distributors identified in Section 7.3 to gauge progress and success levels of market penetration. Baseline metrics will be taken on MEB's market share in major cities such as Charlotte, Raleigh, Greensboro, Durham, Winston-Salem, Fayetteville, Cary, and Wilmington to compare with metrics gathered at the end of the six-month period to measure success and identify which cities saw the largest levels of success. The top three cities with highest growth levels will be evaluated in-depth to determine what strategies were applied that caused them to succeed at higher rates than other areas and those lessons learned will be applied to the distribution strategy statewide. If failure to successfully expand in cities is due to a specific distributor that can be quantified with data, that distributor's contract will be terminated, and its portion of the distribution will be reallocated to one of the other distributors that has shown success. A monthly report will be produced utilizing figures from distributors that will include sales figures, distribution levels, inventory levels and cost of business to monitor their efforts and contributions towards MEB's goal of state-wide distribution.

Statewide surveys will be conducted by a third-party vendor at the beginning of the six-month expansion efforts to gauge MEB's brand awareness in the state. The same survey will be conducted again at the end of the expansion timeframe to measure the success of the efforts surrounding increased distribution, social media marketing campaigns and presence at festivals. If brand awareness has not increased by at least five percent at the end of the six-month period, additional marketing methods will be introduced such as local TV and radio ads to attempt to capture additional customers in other mediums.

Lastly, social media analytics tools such as Sprout Social will be utilized to gather important metrics regarding MEB's social presence. Sprout Social will allow MEB to "quickly compare results across multiple networks at once" and "organize and share [MEB's] data with easy-to-understand, presentation-ready reports" (Barnhart, 2021). Furthermore, this tool will allow MEB to process and compare data regarding not only its own social media performance, but also the performance and activity of its major competitors all inside a dashboard which will allow MEB to benchmark itself against the rising competition. MEB will gain access to "valuable data related to audience demographics, industry influencers, campaign performance, share of voice and consumer sentiment" (Barnhart, 2021) that are invaluable in its efforts to grow as a household name in the craft beer industry in North Carolina.

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Contributions:

Group 4 assigned sections of the marketing plan out to each student and worked collaboratively via Zoom video chats. Everyone assisted in proofreading, editing, and finalizing this assignment.

Antony Wood: 1, 2, 3, 5.1 (External Analysis), 5.2, 5.4, 9

Latisha Grady: 1, 2, 5.1 (Internal Analysis), 5.3, 5.5

Rachel Kabeya: 1, 6, 7.1

Rion Holland: 1, 4, 7.2, 7.3, 7.4, 10