

# **Microbreweries and Place Marketing - Madison, WI**

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## **Abstract**

Microbreweries have established themselves as providers of unique, high-quality beer in what has become a flourishing niche in the beer market. Over the course of recent decades they have set themselves apart from the mass-produced beers of large brewing corporations. Incorporating the concepts of economies of scale, niche consumption and resource partitioning, cultural capital, and neolocalism, we research and analyze the marketing tactics of three microbreweries in Madison, Wisconsin. Our research team attempts to draw conclusions about their use of geographic principles. Capital Brewery, Ale Asylum, and Karben4 produce very specialized beers, and in turn have created distinct brands for themselves. In this way, they stand out in the highly competitive niche that microbreweries occupy. Capital Brewery maintains a traditional image rooted in place-marketing concepts related to Madison and the state of Wisconsin at large. Ale Asylum and Karben4 use edgier and more contemporary attention-grabbing images to appeal to younger demographics of beer consumers.

## **Introduction**

Throughout the past few decades, microbreweries have grown in number and popularity. So too has place marketing gained popularity in advertising. Place marketing is the practice of using characteristics of an area to sell an idea. It has “become a strategy increasingly used to manage perceptions about regions,” and the products that intrinsically relate to them (Eshuis, Braun, and Klijn 2013, 507). Place marketing has become common in the United States over the past three decades, and we are interested in how microbreweries utilize this concept to brand their products as local in order to appeal to consumers (Eshuis, Braun, and Klijn 2013, 507). We want to know what are the place marketing strategies employed by microbreweries in Madison, WI?

## **A History of Brewing**

Wisconsin has a particularly rich brewing history since its establishment in 1848. This is a result of the strong German immigrant influence dating back to the mid-19<sup>th</sup> century. In 1819 there were just 132 breweries in the United States, and by 1873 there were upwards of 4,131 (Shears 2014, 47). This period aligns with the arrival of millions of German immigrants in

America and the settling of many of those immigrants in Wisconsin. Some of these immigrants included the modern founders of commercial breweries such as Pabst, Miller, Schlitz, and Blatz. Many of these breweries were founded in Milwaukee (Dillivan 2012, 7). However, these early breweries were typically small and distribution remained limited to neighboring towns.

Distribution was limited by packaging availability, as well as the lack of proper refrigeration and storage techniques (Shears 2014, 45). Brewing technology wasn't capable of producing large scale quantities of a single brew while retaining consistent taste between batches. Therefore, it was necessary for these brewers to remain local.

As technology improved and the market became more crowded, competition increased among brewers. As a result, breweries looked to establish deals with local pubs that would exclusively sell their beer. Breweries would send "drummers" or beer sales-collectors to a local establishment, and advertise their brewery to regional pubs. They would advertise by distributing ornaments such as serving trays, glassware or tin wall signs. All of the items added to the nostalgic character of the pubs themselves (Drager-Speltz 2012, 18). These traditional German breweries created reliable local networks by sourcing ingredients from neighboring areas as well as distributing their beer to pubs in the vicinity of their breweries.

In 1920, the brewing industry witnessed a tremendous decline in production due to the passage of the 18<sup>th</sup> amendment, which prohibited the sale and consumption of alcohol. Some breweries were able to withstand Prohibition by selling other goods like ice cream and products referred to as, 'near beer'. Near beers were drinks that tasted like beer but had little to no alcohol. The breweries that made this transition survived and now include some of the large scale

commercial breweries found in Milwaukee. However, many small-scale breweries were forced to shut down, including those that brewed traditional Germany-style beers. (Dillivan 2012, 8).

In the journal, *Local to National and Back Again: Beer, Wisconsin and Scale*, Andrew Shears explains that by 1983 there were only 80 breweries in the US. Six of those breweries controlled nearly 92% of the beer market (2014, 46). Following the legalization of home brewing in 1979, a window of opportunity appeared for small scale brewing (Shears 2014, 13). During the mid-1980's, a number of independent craft breweries surged onto the market as a result of growing popularity for home brewing. It was difficult at first for small craft brewers to enter the beer market due to the lack of distribution networks and marketing potential, due to a lack of economies of scale. However, these microbrewers eventually achieved success by producing a product that tasted very different than the American style lagers offered by commercial breweries.

#### **Site Setting: Microbreweries in Madison, Wisconsin**

Our research is focused on the greater area of Madison, WI and specifically includes the following breweries: Karben4, Capital Brewery, and Ale Asylum. All of these breweries have small levels of production, producing under 60,000 barrels per year, which allows them to receive an excise tax break following the protocol of statute H.R. 1337 drafted during President Jimmy Carter's administration (Homebrewers Association Official Website 2014). The three breweries are geographically distributed across both east and west Madison. We suspected that these breweries relied heavily on place marketing techniques by appealing to local traditions; whether it is drawing from community events, local history or even cultural heritage. Of the three breweries, Capital Brewery is the oldest and was founded in 1984 during the initial

comeback of the microbrewing industry. The other two breweries, Karben4 and Ale Asylum, were both established within the last decade. We were interested in finding differences among the three breweries given the different times of their founding.

Capital Brewery is a staple in the microbrewing industry, having brewed in Madison since 1986 and won over 200 awards since. Currently, Capital distributes in the following states: Wisconsin, Minnesota, Illinois, Iowa and Florida (Official Capital Brewing Company Web 2014). While the brewery began with just a light pilsner and a classic dark beer, it has since introduced a series of IPA's under the direction of brewmaster Brian Destree. Capital's ability to adjust to market changes has allowed it to distinguish itself as a diverse microbrewery. One such adaptation included the introduction of the first canned craft brew -the Wisconsin Amber- in 1997 (Capital Brewing Company Web 2014). Although Capital Brewery is now located on Terrace Avenue in Middleton, WI, the close proximity to the Wisconsin Capitol building is integral to the brewery's initiative to 'stay local'. The founder, Ed Janus, appealed to the local charm and nostalgia of key geographic features in the Madison area such as the capitol building itself and lakes, Monona and Mendota. According to Cyndi Pisani, the director of marketing and special events at Capital Brewery, the brewery has been involved with community sponsorships, charity donations, and hosting local organizational outings in their Biergarten. Capital Brewing Company is a mainstay in the microbrewing industry and Madison, and so our research team tried to uncover the marketing strategies they've employed to stay successful.

Karben4 is the most recent microbrewery we studied, having just been founded in 2012. The brewery is located on Kinsman Boulevard on the east side of Madison. Karben4 prides itself on its traditional English-style malts infused with subtle hints of flavorings harvested from local

producers. Brewmaster Ryan Koga has created dozens of beers such as the Night Call Smoked Porter, Tokyo Sauna Pale Ale, Block Party Amber Ale, Lady Luck Irish Red, Undercover Session Ale and other seasonal craft beers (Official Website of Karben4 2014). The current Karben4 brewery is located in the former Ale Asylum facility. Passionate beer advocate and connoisseur “Big Beard Blogger” notes in a post: because Ale Asylum was looking to relocate and expand its brewery, Karben4 purchased both the building and the brewing equipment from the owners of Ale Asylum (Big Beard Blogger 2013). Ryan Koga teamed up with the other co-owners, Zak Koga and Alex Evans, and decided on the name ‘Karben4’ because it was unique and would generate curiosity about the brand in a market that is becoming increasingly competitive. Karben4 wanted to be able to define their brand and not succumb to the naturalization of being just another craft brewery in a rapidly expanding industry (Big Beard Blogger 2013). In early 2013 Ryan Koga explained in an interview that, until consumers understand Karben4’s products and what niche they fill in the market, Karben4 would be keeping production limited to their tap room (Big Beard Blogger 2013).

Last on our list of microbreweries is Ale Asylum. Founded in 2004, Ale Asylum has the largest brewery, both in terms of venue size and brewing capacity. After experiencing rapid growth, Ale Asylum moved locations to Pankratz Street in 2012 from their former location (currently Karben4) on Kinsman Boulevard. Under the direction of Brewmaster Dean Coffey, the transition included an \$8 million expansion of the brewery from 8,000 square feet to 45,000 square feet (Ale Asylum Official Website 2014). Additionally noted on Ale Asylum’s website is the fact that the expansion allowed the microbrewery to increase annual output from 11,000 barrels to upwards of 50,000 barrels per year. Additionally, the brewery acquired a 3,500 square

foot storage cooler that is nearly six times larger than its previous one (Ale Asylum Official Website 2014). The purchase of bigger fermentation tanks allows for seasonal beers to be available longer, which enables Ale Asylum to take more time for testing and innovating new varieties (Ale Asylum Official Website 2014).

## **Theories and Key Concepts**

### **Creating Place**

Kevin Lapoint, editor of the journal *Microbrews in the US: Marketing in the Industry*, illustrates how microbreweries can employ unorthodox marketing techniques within the community to create a sense of place. Breweries also develop unique brands for themselves by employing said techniques. These tactics include the sponsorship of events such as races, concerts, charity fundraisers or taste testings at festivals (Lapoint 2012, 17). It is common for microbrewers to support local farmers by purchasing ingredients such as malts, hops or specialty flavorings like honey and nuts. This reinvestment into the local community creates a network of support, and sense of belonging that can be implemented into the marketing strategies of microbreweries (Lapoint 2012, 61). Another aspect of creating place mentioned by Lapoint is the creation of brewpubs. At these venues, beer is produced and sold on site. Often beer is served at a tasting bar or sit down restaurant. These are spaces that commonly produce a unique atmosphere at the brewery for consumers. Through the use of specific architectural styles, decor, and symbolism, breweries often make reference to local traditions in order to create a sense of place. This allows consumers to gather with others to connect and familiarize themselves with both the product and the brewery (Lapoint 2012, 7). While on our tours of Madison's

microbreweries, we identified architectural features and determined what is unique to each microbrewery, as well as analyzed how they implemented place marketing strategies.

Microbreweries around the country began to see their popularity and commercial success increase as they created their own senses of place within their communities. In turn, the questions of how and where to distribute beer became an issue for these microbreweries in the face of their growing popularity and the resulting increase in demand. The completion of the United States interstate system answered this question, and allowed for expedited distribution for breweries (Wesson and De Figureirido 2001, 385). However, most microbreweries remained regional because they lacked the economies of scale and brand credibility to distribute nationally. Staying local enabled microbreweries to avoid competing with larger scale commercial breweries, as well as other microbreweries that have already capitalized on different regional markets. A microbrewery will identify with a particular niche and determine how widely to distribute once an equilibrium is discovered between market aspects and market focus. (Wesson and De Figureirido 2001, 381). This is a concept called resource partition theory and will be addressed later. Among these marketing strategies is the initiative to create a clear sense of place in addition to defining how broadly to distribute. A microbrewery then successfully markets their own 'place' and establishes themselves within the beer industry.

### **Effects of Microbrewing on Commercial Breweries**

It is worth noting that the microbrewing industry is a small but profitable market. It serves consumers who desire a high quality product, who may seek unique cultural experiences, or simply have an allegiance to a brewery. By catering to specific, dedicated consumers, microbreweries are able to charge higher prices for their beers. John Melia explains, although the

microbrewing industry consists of only 5% of the total beer market (Shears 2014, 55), large commercial breweries located in Milwaukee and St. Louis such as Miller, Coors, and Anheuser-Busch want a stake in the market. In order to compete with the increased demand for microbrewers, the “big three” started importing foreign beers. Commercial brewers could then produce light beer at the same rate while providing beer connoisseurs with a taste of something different, inserting themselves into the specialty beer market and increasing their profits (Melia 2007, 47). However, the process of importing foreign beers was expensive and these commercial brewers wanted a product they could call their own. Thus, imports ceased and they developed new strategies.

One of these strategies was the adoption of beers under a different label. For example, Coors bought the rights to a red ale recipe and branded it as George Killians. By creating a new label and advertising *George Killians* as an independent beer, not associated with a commercial brewery, Coors tried to work its way into the microbrewery market. Coors also developed *Blue Moon* and advertises it as a sophisticated Belgian white beer. In reality it is brewed in the United States (Melia 2007, 56). These campaigns were highly successful because they uses marketing tactics such as the illustration of the high quality of the beer, which appeals to consumers of craft beer, all the while reducing production costs.

Anheuser-Busch took a slightly different approach with their Michelob production line, which created an entire brand within the company itself. Anheuser-Busch first began to produce *Michelob Amber Bock* before moving on to the *Honey Lager*, the *Hefeweizen*, and many others. While there have been numerous products in the Michelob line contributing to Anheuser-Busch’s success, a large part of it is due to the economies of scale that Anheuser-Busch had at its

disposal. Anheuser-Busch had the means to distribute on a national scale as well as a huge marketing network to publicize their product (Melia 2007, 50). The brewery established a large marketing campaign for Michelob that flooded the market. As a result, Michelob was greeted by many lower end specialty beer consumers.

Meanwhile, Miller Brewing Company took a different approach in their attempt to enter the microbrewery market. Miller tried to apply a concept called “phantom tactics” to gain entry to this niche market. They invested in establishing a secondary brewery by the name of Plank Road Brewery in 1993, and under this pseudonym created another line of beer (Melia 2007, 53). This strategy was implemented in an effort to isolate their new product from the cheap or low quality reputation of Miller’s light beers. Overall, Miller’s attempt to enter the craft beer market was not successful. Their first release was a beer called *Icehouse*, with *Red Dog* following shortly thereafter. As Melia points out, *Icehouse* didn’t have the quality or unique flavor expected from a true craft beer and *Red Dog* was too expensive relative to other products available on the market (2007, 54). While Miller flooded the market with advertising, and the establishment of lower prices was enough to sustain Plank Road Brewery for nearly a decade, the phantom brewery closed in 2001 (Melia 2007, 55). The growing concern to fill the niche market of craft beer by these commercial breweries clearly depicts the growing popularity of microbreweries, and as suggested by Melia, these commercial brewers can be successful in rebranding themselves. However, there are many obstacles for a commercial brewery to enter into the unique, place-based microbrewery market.

## **Economies of Scale**

Central to our project on microbreweries is the concept of economies of scale. In order to understand the history of brewing in the United States, there has to be an examination of the practices of successful breweries, large and small. Economies of scale is a concept that suggests that a firm or industry increasing its output results in a decrease in cost per item of output, due to the ability of the firm to apply their fixed costs to a greater output level (Carroll and Swaminathan 2000, 730). This theory is very evident in the brewing industry and works well to explain the consolidation of breweries that took place in the middle of the 20th century. The fact that breweries with significant infrastructure are able to sell their beers at a lower cost per item is a truism that still applies today, even in light of the microbrew revolution.

It is useful to look back in history and examine how breweries took advantage of economies of scale. During the last couple decades of the 19th century, a significant number of small scale breweries operated in the United States. Breweries were established in many communities and largely remained in local distribution networks. As previously mentioned, one of the factors that made it hard to transport beer was the lack of a means of refrigeration to bring beer from the brewery to their community or homes. Fred Miller was one of the first to successfully began bottling his beer, and from there others emulated Miller's techniques (Apps 1992, 113). The development of this bottling process largely solved the container problem, but that was just one of the issues facing small breweries at the time.

Once the beers were bottled, breweries needed a good way to transport the product. In the late 19th century, the main mode of transportation across cities and regions involved horses and carriages, making it difficult for brewers to distribute their beers across long distances. In the

beginning of the 20th century however, brewers were able to capitalize on the rise of the automobile for distribution. Buying a fleet of trucks to transport large quantities of beer was troublesome for some, but the brewers that could afford to purchase trucks profited greatly because they were able to reach different markets and sell their beers to new audiences.

Transportation is a large reason why some breweries outperformed others and became successful. Hence, this process reinforced the concept of economies of scale because once breweries purchased the capital to transport beer, they were able to reach a greater range of markets (Apps 1992, 115).

Though there was still one crucial problem facing breweries in the beginning of the 20th century. Breweries could bottle and transport beer, but they couldn't keep it cold the whole time. The investment in refrigeration techniques that took place reinforces the significance of economies of scale, because small breweries could not afford to do so and thus fell behind. The rise of commercial refrigeration is yet another benchmark for separating the successful breweries from the uncompetitive ones.

A final example of economies of scale is the use of advertising by large breweries. Advertising via newspaper, radio, and television was on the rise in the country, and breweries took advantage of this to spread their message about their products. Jerry Apps highlights the importance of advertising for microbreweries in his book called *Breweries of Wisconsin*. Apps argues that Miller Brewing Company was the king of advertising. By creating phrases such as, "It's Miller Time" and "Made the American Way", Miller was able to promote their beers in ways smaller breweries could not (Apps 1992, 120). Advertising served as a positive feedback loop to enable breweries to reach new markets with their products.

It is important to note that there were some factors contributing to a delay in large brewery expansion, including cultural preferences and legal barriers. One example is the Volstead Act-commonly known as Prohibition- which made sale and consumption of alcohol illegal. However, in constructing the whole picture, it becomes apparent that transportation, bottling, advertising, and refrigeration led to a great expansion and large scale merging of breweries in the middle of the 20th century. In the latter half of the century, there were very few microbreweries left. According to Wes Flack, in the year 1982 there were only 82 breweries in the entire United States. Flack maintains that there was a 100-year decline of microbreweries in the 20th century until the recent reinvigoration of the niche in the 1980's (1997, 42).

### **Resource Partition Theory**

Microbreweries were on the rise in the United States by the end of the 1980s, even though it seemed to many (including those in the brewing industry) that economies of scale was the sole determinant of success for the brewing industry in the United States. However, this concept didn't account for the upwards trend of the microbrewing industry even as the large-scale breweries continued to increase their output. This led to many scholars examining the brewing industry through the lens of the resource partitioning theory. Resource partition theory applies to unique industries and only in select circumstances. It states that as market concentration rises, specialist firms emerge in spaces where the diversity of resources demanded is not met by generalist firms (Carroll and Swaminathan 2000, 720). For our purposes, diversity of resources means a variety of beers and breweries. Generalist firms would be represented by large scale breweries (MillerCoors, Pabst, etc.) and specialist firms would be microbreweries.

In order to understand how resource partition theory works in practice, it's useful to look

at the types of beer that generalist firms produced. This provides a good understanding about why consumers seek a recourse from generalist, large scale breweries. According to Schnell and Reese, “The beers brewed by the microbrewers have more distinctive flavors than the lagers brewed by Budweiser, Coors, or Miller. They are instead a diverse array of ales that can be found nowhere else, creating a truly local experience.” (2003, 51) This gives a key insight into how large scale breweries can keep expanding while microbreweries do the same. These two facets of the market cater to different tastes and different expectations for consumption by the drinker.

At this point, it is relevant to comment on where microbreweries are not located in the United States. James Baginski and Thomas Bell conducted a comprehensive study of the southern United States and determined it as an environment for potential microbrewery growth. They found that the southern region of the U.S. lacked microbreweries in a concentration that existed in every other region of the country. What they found was that there were certain cultural traits about the southern U.S. that didn’t align with the rest of the country for microbrewery growth. “The level of craft brewing success in southern MSAs appears to be less closely associated with distinct, measurable characteristics of place than is the case when MSAs from other regions of the country are considered.” (Baginski and Bell 2011, 165)

### **Niche Consumption and Cultural Capital**

Why then, are certain areas more perceptive to the microbrew revolution? One explanation is that microbrews and microbreweries offer a cultural experience that is unrivaled by mainstream breweries. The concept called ‘niche consumption’ falls within the theory of resource partitioning, and it entails the idea that people will seek out experiences that are unique, or that are in direct opposition to common experiences. Often times, the perception of the

experience is worth much more than the actual experience itself. In the case of drinking microbrews, it is the idea of drinking a specialized beer, rather than the ingredients or taste, that appeals to consumers. While taste and type of beer play a part, they are less important than undertaking the performative action of consuming a microbrew because consumers can promote their social status or identity by doing so.

There are two different explanations for the rise in the number of microbreweries, a new market segment in a mature industry. Niche formation “derives its explanatory power from factors that are exogenous to the industry, such as changes in consumer taste or basic technology,” (Swaminathan 1998, 401). Changes in these factors create demand for new products and services, and entrepreneurs recognize that this demand is unmet and capitalize on this by founding new organizations. Resource partitioning, on the other hand, “relies on structural changes within an industry that lead to the fragmenting of the industry into generalist and specialist niches,” (Swaminathan, 1998 401). These generalist organizations, such as the large multinational breweries, focus on standardizing their product, leaving room for microbreweries to find success within their specialist niche.

Niche markets “involve the provision of a product to a small, often specialized, market segment. The target segment has unique needs and is willing to pay to have them met,” (Bastian et al 1999, 553). Microbreweries fit this categorization, as they are local organizations that have smaller consumer bases, and our research focused on their marketing methods and the way they incorporate the unique qualities of their place in them.

“ This emphasis on conspicuous consumption is not lost... to link the production of beer to craft beer culture as a form of cultural capital. Those who can “taste the difference” recognize

taste in a symbolic sense, differentiating craft brews as a premium product versus the mass produced commercial brews as boringly mainstream.” (Mathews and Picton 2014, 339) In our research, we examined the idea of niche consumption and cultural capital by attempting to ascertain what strategies the microbreweries use to emphasize the selective qualities of their products.

### **Neolocalism**

Neolocalism is defined in our literature as “the conscious attempt of individuals and groups to establish, rebuild, and cultivate local ties, local identities, and increasingly, local economies,” (Schnell 2013, 56). This definition of the concept was very useful in guiding our research of the three microbreweries in Madison. The ideas described are exactly the types of concepts we expected such specialized businesses to utilize in their marketing while establishing their own sense of place. The rise in the number of microbreweries in the past few decades is identified as an early harbinger of neolocalism. The fact that these businesses were an early cause, and response to this concept is incorporated into our research on how these current establishments relate to this concept (Schnell 2013, 57). Schnell argues that the number of microbreweries has expanded over the past twenty-five years, even as per capita alcohol consumption has declined, because consumers are attracted to the exclusive nature of the product that microbreweries produce (2013, 57). As people began to think that the large, multinational breweries had lost their identity, they placed more value on consuming a unique product that identified itself and its place (Maier 2013, 135). Microbreweries produce beer that is not widely available in areas far from where they are located, and make use of idiosyncratic beer names and imagery for the labels in order to “market place,” (Schnell 2013, 57). There are many examples

of microbreweries from Maine, Kansas, Utah, Pennsylvania, and even Wisconsin, that make use of local imagery in their labeling as a means of establishing their own sense of place within their communities (lobsters for Maine, Arches National Park in Utah, etc.) (Schnell 2013, 57-58).

This concept influenced some of the goals we set for our research, as well as the assumptions we made about some of the results we anticipated from our research.

Schnell argues that microbreweries are evidence that more and more Americans feel that they lack local connections in their communities in their daily lives. As a result, this belief contributed to the rise of neolocal thinking and living (Schnell 2013, 57). Neolocalism built upon eight views of what it means to be local in the face of a globalized world. The first of which, local as non-global, explains that people began to negatively perceive the global nature of the economy and desired personal rather than “faceless” corporate interactions with their communities (Schnell 2013, 66). This relates to the second view, local as transparent, as people valued knowing exactly where their food, for example, came from rather than consuming from very long supply chains. The third view, local as non-corporate, explains that people began to disfavor the globalized world due to their perception that the system often favors large corporations over individuals, communities, and countries (Schnell 2013, 67). The fourth view, local as unique, is very much related to Schnell’s discussion of microbreweries establishing themselves as unique businesses with unique products that are members of the community. People began to place greater value on unique products in the face of a world that homogenized products found worldwide (Schnell 2013, 67). The fifth view, local as environmentally responsible, appealed to citizens that placed special emphasis on environmental protection. Locally sourced products are seen as requiring fewer fossil fuels and other damaging inputs to

the environment, and this was something that many people placed great value on when choosing how to live their lives (Schnell 2013, 67). The sixth view, local as empowered and self-sufficient, gained prominence as a result of people's desire to be in charge of their own economic destiny. When consumers are reliant on multinational corporations, their interests may not be taken into account, whereas if they consume on a local level and put money into local businesses, they are seen as taking more personal control over their choices (Schnell 2013, 68). The seventh view, local as community building, is a view that helped these neolocal communities establish effective means for running businesses and other services. If consumers are more engaged with and invested in their communities, there is likely to be more success on a community level (Schnell 2013, 68). Finally, the eighth view of local, that of local as authentic, is very important to microbreweries. Microbreweries market their products as unique and of a higher quality than the mass-produced variety. It is made by people in a place that is real to the members of the community, and this is very important to them when it comes to marketing their product (Schnell 2013, 68-69).

### **Methodologies**

Our primary research for this project was split into three different methods. First, we conducted an interview with Cyndi Pisani, the Marketing and Special Events Director for Capital Brewery. In our interview, we asked questions about how the brewery promotes their locality and what the aspects of Madison are that make microbreweries successful. When possible we tried to engage the interviewee in conversations about where they source their ingredients from, but that conversation was secondary to our main focus. We also asked about the built environment of their breweries and how those environments aid their marketing.

Secondly, we conducted tours at each of the breweries in our research scope. On these tours, we specifically examined the built environment of the breweries. By built environment we mean the buildings, landscapes, and furnishings of each venue. According to Mathews and Picton's account of Canadian breweries, "The use of old industrial locations as on-site brewery stores emphasizes the importance of place and aesthetics at the point of sale to build a unique consumer experience." (2014, 342) Our research team attempted to discover themes like these in the built environments of the microbreweries we are studying.

We tried to determine links between that environment as well as people's reactions and relationships to it. Our research team discovered concepts and themes that occur between the three selected microbreweries as well. Besides looking at the physical sites of the breweries, we also paid attention to the way the tours progress and what the tour guides highlight or gloss over. One of our focuses was on the ways breweries highlight Madison's past and how they invoke the community of Madison as it is imagined today. This includes discussion about the individual breweries history. In order to document these experiences, we used photography to capture the aesthetics of the brewery's built environment. By implementing this technique to collect primary data we were able to "determine how different sites were woven into the material and imaginative of memory" where upon we can critically analyze the landscapes we encounter (Phillips et al 2012, 120).

"Under the barrage of signs (advertising), Lefebvre argues, we are often unable to articulate our feelings, and this hesitance leads to alienation and anxiety. In an apparent contradiction, advertising provides momentary gratification for the alienated spirit because it stimulates desire..." (Aitkin et al. 2013, 258). With this understanding our research team looked

to implement another method of data collection which included the process of visual imagery analysis. For this we examined beer labels from the three breweries. We initially looked at what is on the labels and how the symbols and images evoke a sense of cultural capital or niche consumption. Our research team also be looked at logos and analyzed how those logos capitalize on a place, whether it is Madison’s built environment or the Madison community. After that we tried to establish connections between the beer labels and different elements of the Madison community. Our research team compared the labels with each of the other breweries in our sample.

### Visual Analysis of Neolocalism Example



The two images above, the New Glarus Brewing Company Logo and the New Glarus Spotted Cow beer bottle, are great examples of some of the features of neolocal place marketing that we looked for in our research. While we are not studying the New Glarus brewery for our research, we are using them as an example because they effectively capture the essence of our

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<sup>1</sup> Image sources:

Left: <http://beerservedrare.files.wordpress.com/2014/08/new-glarus-logo-2.jpg>

Right: [http://thebeeralliance.files.wordpress.com/2013/09/img\\_0838.jpg](http://thebeeralliance.files.wordpress.com/2013/09/img_0838.jpg)

visual analysis-based research. The New Glarus Logo on the left bears the phrase “Drink Indigenous,” and this is likely to appeal to those who believe they are indigenous to the state of Wisconsin. Whether this is thought of as a reference to the Native American heritage of the state and its continued significance seen in the names of many towns and cities, or an appeal to Wisconsin citizens that were born and raised here is a matter of perception. However, the inclusion of that phrase is clearly intentional. In our analysis of the beer labels from the microbreweries we are studying, we will research the etymology of any significant words that appear on labels to provide as much depth to the research as possible.

The more interesting aspect of the logo, however, is the outline of the state of Wisconsin and the fingerprint that is superimposed within in. No two fingerprints are alike so this is a conscious effort on the part of the brewery to brand themselves as unique. This means unique to their community, and unique to the state of Wisconsin, giving the company a very personal touch. The bottle on the right is the New Glarus Spotted Cow beer, and this label is a clear reference to dairy farming heritage of Wisconsin. This industry is still one of the most significant cultural aspects of the state, and New Glarus is able to utilize that in marketing their beer as local to this community and a worthy product to consume. This form of analysis is exactly what we hoped to employ with products from the three microbreweries in Madison that we are researching.

### **Project Goals**

We had several goals in mind that guided our research into these three Madison microbreweries. Our first goal was to determine how the microbreweries we selected utilize their local identity when marketing their products to consumers within the community. What we mean

by this is, essentially, how do the microbreweries appeal to members of the Madison community's sense of place? Madison is a very cosmopolitan city with many physical and cultural aspects that are of great significance to its residents. We were interested in learning how the microbreweries capitalize on these important aspects of the city in order to brand themselves as local and appeal to consumers within the community.

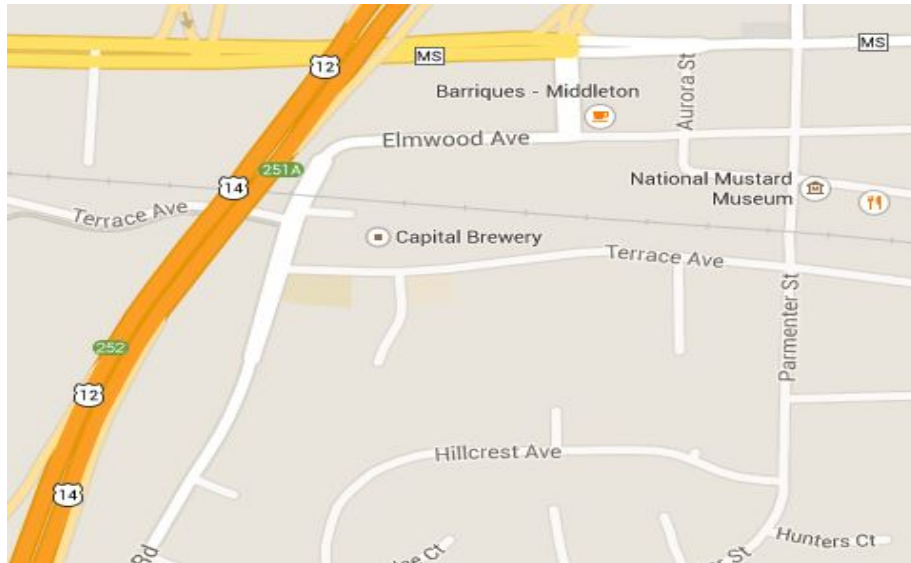
Our second goal was to learn how these microbreweries incorporate their architectural features in the marketing of their products. Essentially, how do they use their built environments to appeal to consumers? Microbreweries are very specialized businesses that occupy a unique niche within a larger industry. As a result many are designed with a specific aesthetic in mind that will appeal to their target demographic, whatever that may be. One example that comes to mind, while not a brewery, is Der Rathskeller in the University of Wisconsin-Madison's Memorial Union facility. This on-campus restaurant is a popular place for students to gather and study, but the large selection of tap beers makes it a popular place to gather over a few drinks for the greater Madison community. The Rathskeller facility has a very traditional German design to it with illustrations of German folk tales decorating the walls accompanied by a uniquely German décor that adds to the ambiance. The design of the Rathskeller using this aesthetic was likely done in an attempt to brand the facility as traditionally German in order to appeal to the German heritage of many citizens of Wisconsin. This created a firm sense of place within the community for people to gather and form attachments to. This has clearly worked, because whenever one frequents the Rathskeller and its accompanying terrace today, one is confronted by social gatherings of members of the community of all ages and demographics. From college students enjoying a study break, to families gathering for a meal, to alumni reuniting over a

drink, the Rathskeller and terrace have forged a sense of place within the community, and their built environment has likely contributed to this. Similarly, we wanted to find out if and how the microbreweries we are studying have formed their own senses of place in the community, and turned that into place marketing. Rather, what sort of features of their facility do the microbreweries emphasize on their public tours? What do they fail to mention? How does the public and their consumers respond to this? These are just some of the questions we considered in regards to their built environments.

Finally, our third goal was to learn how these three microbreweries are able to distinguish themselves from the rest, in a crowded niche market within the brewing industry. Across the United States, and even in Madison alone, there is a plethora of choice when it comes to microbrews. At liquor stores there are dozens of different and unique beer bottles inside the cooler. With this in mind, we wanted to learn about the specific place marketing tactics that Ale Asylum, Capital Brewery, and Karben4 utilize in order to separate themselves from the others within the beer coolers. We determined whether they accomplish creating unique visual advertisements in the form of beer-bottle label designs or other forms of media advertisements in our interview and visual marketing analysis. We hoped to learn a lot more about the successful and unsuccessful marketing strategies that are utilized within the microbrewing field.

## Project Results

### Capital Brewery



# Capital Brewery: Selling Local

1. Stars and Forest - Reminiscent of "Up North" Wisconsin. Connection to the land.
2. Wisconsin State of Mind - Brand's the beer as belonging to Wisconsinites.
3. Supper Club - Capital's most popular beer. Fashioned after the Fish Fry tradition.
4. Camper - Denotes traveling with family.
5. 1950's Car - Connotes traditional values rooted in the past.

**SUSTAINABILITY SERIES:**  
BEERS AND PARTNER ORGANIZATIONS

- LOST OWL LAGER - WISCONSIN DNR
- GRIZZLY GROWLER - HENRY VILAS ZOO
- WHISTLING WOODIE - DUCKS UNLIMITED
- DRIFTLESS ALE - TROUT UNLIMITED & DRIFTLESS LAND CONSERVANCY

**Etymologies:**  
 Capital - capitellum, and capitulum, a small head, the head, top, or capital of a column  
 Capitol - capitolium, temple of Jupiter Optimus Maximus on the Capitoline Hill in ancient Rome.

Capital Brewery first opened its doors in 1984. In terms of microbreweries, Capital brewery is old. Obviously, Capital has built a brand for themselves and we wanted to know how they've done that. Our research team traveled to Capital Brewery for a behind the scenes tour and interview. We were fortunate to be able to interview Cyndi Pisani, the Marketing and Special Events Director for Capital Brewery.



(Capital Brewery's main bar. Behind the bar is a glass window with a view of the fermentation tanks.) (Photo: K. Zickert)

The first theme that emerged from the interview was the idea of connecting with Madison's sense of identity. Cyndi acknowledged that Capital Brewery used a few physical characteristics of Madison in their marketing such as featuring the Capitol on their labels, etc. However, the main focus of our discussion was about Capital Brewery's ability to create a tradition of involvement in local events as well as at local businesses. According to Cyndi, "We [Capital Brewery], prefer to be more grassroots in our advertising." As an example of this, she highlighted Capital's establishment of a "Sustainability Series". The sustainability series is a set

of four beers (currently), aimed at connecting with Madison's green movement. It all started a few years ago with a lost owl. The owl took shelter at Capital Brewery and as a result received a large amount of press coverage and attention. In response, Capital Brewery produced a beer called, *Lost Owl Lager*. For our purposes, this is telling, because microbreweries often utilize local stories or myths to advertise their practices. In addition, Capital also produces beers named *Driftless Ale*, *Whistling Woody*, and the *Grizzly Growler*. A portion of the proceeds from these beers go to the associated partner organizations including; the Driftless Land Conservancy, Trout Unlimited, and the Henry Vilas Zoo respectively. Capital brewery has utilized these local connections to market their beer.

Capital Brewery also connects with Wisconsin culture in a broader sense. Their most popular beer is Supper Club, which is a light beer focused on connecting with the Wisconsin tradition of attending Friday Fish Frys. According to Cyndi, most of the Capital Brewery clientele are older folks who've been buying Capital's beer since they opened. Cyndi says the brewery sees themselves as more 'conservative' than other breweries such as Ale Asylum. Capital enjoys the business of loyal customers who have been buying the beer for a long time. Curiously though, Cyndi also stressed that most of their marketing methods revolved around using the internet. She pointed out that print advertisements were more expensive and had less exposure than internet marketing.



(Poster advertising Capital Brewery's *Supper Club* beer) (Photo: K. Zickert)

The setting of this poster is meant to be that of the northwoods of Wisconsin. The image of the northwoods is related to tourist destinations such as Door County, while also displaying a connection to the land. Supper Clubs are a tradition for families across the state of Wisconsin, but each one also provides a distinct experience, unique to the place itself. These connections are further distinguished by featuring the bottle of *Supper Club* beer in the foreground. Cyndi shared with us in our interview that this is the most popular of Capital's brews due to its "ease of drinkability." For someone that may not know what they are looking for in a craft beer, *Supper Club* is a non-offensive, tasty beer. The name also relates back to the Wisconsin tradition of Friday night fish fries or a Sunday night supper with the family. The phrase "A Wisconsin State of Mind" depicts that Capital Brewery and the beer itself belongs to Wisconsinites - producing something local for consumers, while also providing others with a piece of Wisconsin. For instance, Capital also distributes in Iowa and Florida. Capital Brewery is intentionally selling the idea of Wisconsin to these other consumers. The 1950's-style car and airstream camper in the foreground denote traveling with the family, on a vacation up to Door County for example, and connote traditional family values rooted in the past.

After our interview, Cyndi escorted our research team on a behind the scenes tour of the brewery. Our goal was to pick up on the visual clues of the built environment in the Capital Brewery building. One theme that emerged right away was the connection with German heritage. The central focus of the tour was the Biergarten, which is a German style outdoor patio meant for beer consumption, but also provides a place for community gathering. Since many early Wisconsin settlers were of German ancestry, the concept of a Biergarten plays well with people

seeking a deeper cultural connection from their beers. In addition to the Biergarten, we discovered an old sign in Capital's basement advertising authentic German beer. Lastly, Capital Brewery established a mug club for frequent customers. Using German steins, the mug club is a way for customers to get their names etched on a mug while using the mug to drink beer on repeat occasions. Tellingly, the picture of the mugs features two Wisconsin license plates with names of Capital beers spelled out.



(Capital Brewery Biergarten) (Photo: K. Zickert)

The Biergarten is a very popular summer destination for beer drinkers. Utilizing the German heritage of Wisconsin, Capital Brewery effectively promotes the idea of place marketing.



(Capital Brewery sign appealing to the tradition of German heritage in WI) (Photo: K. Zickert)



(Mug club with traditional German steins at Capital Brewery) (Photo; K. Zickert)

Capital Brewery has a promotion for loyal customers. If you buy a stein, your name is inscribed on the face of it and hung up. With this mug you receive discounted prices on their weekly ‘mug club’ nights. The *Supper Club* and *Mutiny- IPA* license plate is another example of displaying that the beer and brewery belongs to Wisconsin. Furthermore, the phrase “America’s Dairyland” is replaced with the slogan “America’s Beerland”

Another feature of our Capital Brewery experience was learning about all of the awards the brewery has received. In the interview, Cyndi emphasized that the award winning ingredients and recipes helped make Capital a successful brewery. Without going into too much detail about sourcing, she mentioned that the wheat for the beer called Washington Island Wheat Ale comes from Washington Island, Wisconsin. She also mentioned that the fermentation tanks are from Wisconsin companies, but did not mention whether the brewery incorporated these facts into their marketing strategies.

In sum, Capital Brewery aligned well with many of the themes we discovered in our literature review. A notable exception to this is the fact that Capital Brewery doesn’t attract as many young people as we might have imagined. They indicated that the use of locality in their

marketing was intentional, but they were unaware of some of the Wisconsin/German cultural themes they were using.



(Just one wall of the 200+ awards Capital has attained since 1984) (Photo: K. Zickert)

Capital Brewery has earned the reputation of a premiere brewery since being established nearly 30 years ago. Most recently, Capital received the gold medal at the 2013 World Beer Championship for their beer- *Autumnal Fire*. This prestige provides free advertising for the brewery.

## Capital Brewery's Visual Label Analysis

### - *Washington Island Wheat Ale* -



(Photo: Google Images)

Pictured above is Capital Brewery's Washington Island Wheat Ale label. There are many telling features of the label but perhaps none is more prominent than the image of the Capitol building in the center. According to Aitken, metonyms and metaphors are often used to imply the "existence of codes in people's minds that enable them to make connection." (2005, 244) In this case, the Capitol and its association with Capital Brewery serve as reminders that the brewery is rooted in the community of Madison. Also present are the "Award Winning" and "America's #1 Rated Brewery" phrases. These exist to signal to the consumer that the beer they're about to buy is prestigious and selective. By advertising this, Capital Brewery is branding their product as unique and attempting to access a form of cultural capital that drinkers can tap into.

Through using this label, Capital Brewery is also trying to take advantage of neolocalism in their advertising. For example, Washington Island is in the state of Wisconsin and Capital is

attempting to draw a connection between it's beer and the state. The strands of wheat symbolize a connection with the land and a purity in the beer making process. Door County is a popular tourist destination and is associated with tourism and vacations in a cultural area. By drawing a rustic map of the island, Capital is attempting to tap into nostalgic notions of the past. Capital is branding their beer as local and straight from Wisconsin.

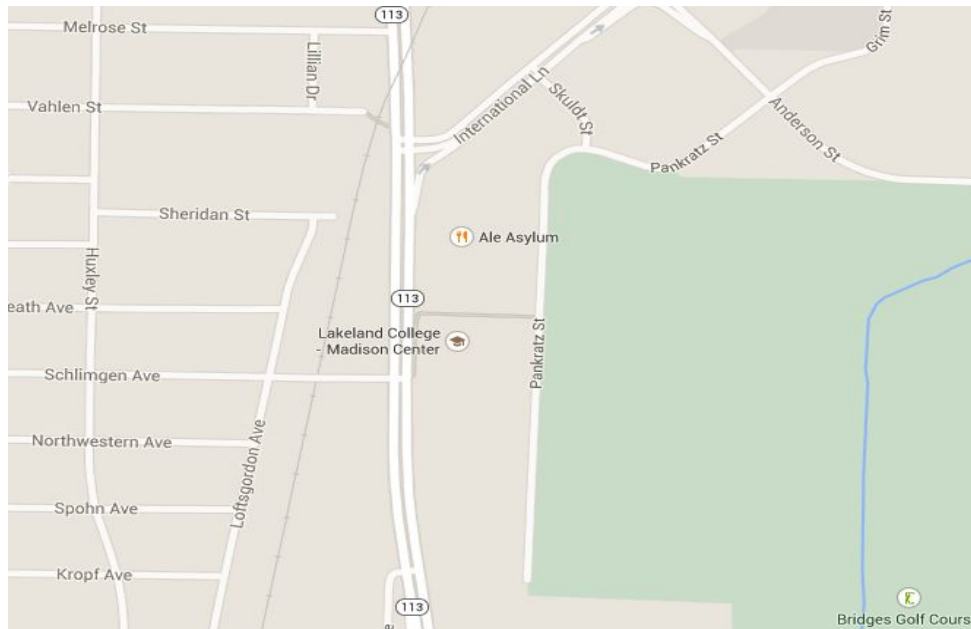
**- Wisconsin Amber -**



This label is from Capital Brewery's "flagship" beer, *Wisconsin Amber*. The capitol building is prominently centered in the label reminding consumers of the beer's origin: Madison, Wisconsin. Featured in the background is lake Mendota. Mendota is just part of what makes the isthmus of Madison unique to the city and the culture of Madison, but it nevertheless shares a story of the brewery's geographic locality. The lake summons feelings of nostalgia of the Memorial Union's Terrace during the warm summer months, where friends and family congregate for a beer and live music. The activities associate with Lake Mendota and specifically

the terrace have been a long-standing tradition of undergraduates and alumni of the university for many generations. A final touch to solidify this point is the phrase at the top of the label, “Beer for Badgers”, indicating this beer is not only produced in Madison, but it also belongs to Badger fans.

## Ale Asylum



At Ale Asylum, we were able to take a guided tour from an employee of the brewery. Upon walking into Ale Asylum, we found that the built environment is trendy and modern, a characterization we expected given that the brewery was established in 2006. The dark lighting and hues of warm red and brown on the walls, tables, and bar provided an atmosphere reminiscent of a hip downtown restaurant, rather than a brewhouse or bar. Meanwhile, bright lighting spotlighted features such as canvas artwork, the tap list behind the bar, and the high table and barstool seating spaces. While we were able to see the holding tanks and workers of the brewery, it was not as prominently featured as in Capital Brewery -where directly behind the bar

one could view the holding tanks and barreling. This distinction between the two breweries' built environment has to do with their target demographic. Not to say Ale Asylum doesn't value the aesthetics of the brewing process, but the tap room retains the vibe of a restaurant rather than that of a brewery.



(Collage of beer labels of beers produced by Ale Asylum on a wall in their tap room) (Photo: K. Zickert)  
Ale Asylum's labels commonly feature edgy-punk inspired images such as demons or savage creatures, spikes, horns, and skulls



(List of available taps behind the bar) (Photo: K. Zickert)

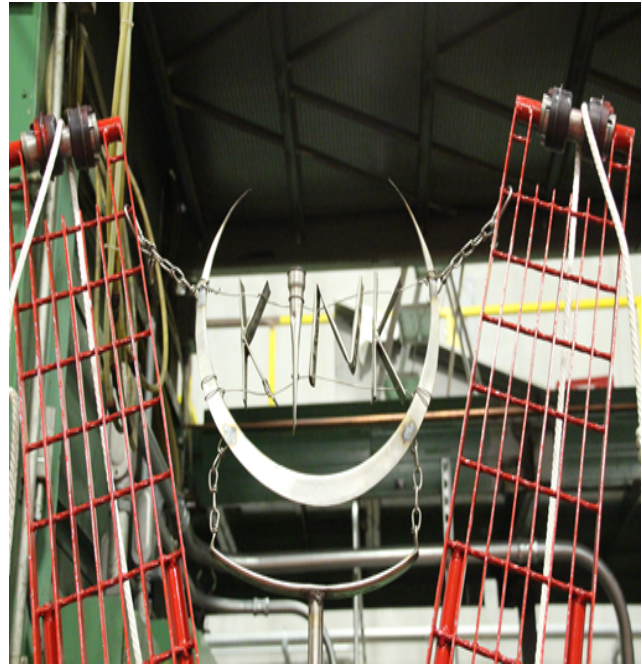
The signs that remain lit up are still available, and those that are not lit were recently available but ran out. This is an example of the dark ambiance of the venue and display of the “edgy” names of beers, e.g. *Gold Digger*, *Ambergeddon* and *Phantasm*.



(Canvas artwork Hanging Midway up the wall of the 30ft Ceilings) (Photo: K. Zickert)

The framing of beer labels such as *Bedlam* in the middle, and *Ballistic* on the far right at alternating heights, compliments the motif of modernity. Showcasing these labels acts as a talking piece for consumers and further provides a tactic of free marketing.

Ale Asylum provides the consumer with a cozy and modern experience, pairing this with their use of edgy and punk-inspired names and labels for their beer. Because Ale Asylum was founded in 2006, they don't have the same kind of brand recognition that Capital Brewery has. Therefore, they employ these edgy and hip formats to label their beers in order to appeal to a younger demographic which typically ranges between 25 and 35 years of age.



(A life-sized stretching torture rack as a means of advertising Ale Asylum's new product *Kink*-built from old brewery hardware) (Photos: K. Zickert)

This is an example of the unique marketing tactics Ale Asylum employs to appeal to the younger consumers of craft beer. We were under the impression that this was placed in this location during the tour, near the bottling line, as a marketing tool the tour guides could discuss.

Ale Asylum is most famously recognized for their product "Hopalicious", whereas Capital Brewery has a laundry list of high profile beers on the market. While this limited brand recognition can be attributed to the brewery being relatively new, it can also be credited to their minimal scale of geographic distribution. Currently, Ale Asylum only distributes to Wisconsin and Illinois. However, with the relatively recent expansion at their new location, Ale Asylum has dramatically increased production by acquiring larger holding and fermentation tanks. They now produce 17,000 barrels per year with the capacity to reach 50,000 barrels. As our tour guide explained, this expansion signifies their intention to expand their distribution to surrounding states such as Minnesota and Michigan. This future expansion explains Ale Asylum's intent to

not rely on place marketing tactics. The brewery recognizes that utilizing place marketing tactics like Capital Brewery might limit their ability to expand distribution, thus being confined to just the state of Wisconsin.



(Fermentation tanks in the new 45,000 square foot brewing space) (Photo: K. Zickert)

Sales employees of Ale Asylum offer free beer sampling at beer festivals and individual bars or restaurants. This tactic increases brand exposure to craft beer consumers and acts as a way to convince venue owners to supply Ale Asylum's beer. If bar owners believe that they can sell the beer, they arrange a contract deal to supply that brew and within a month or two Ale Asylum delivers the order. This type of 'road trip sales pitch' is not only traditional of small scale microbreweries, but evidently still common. As mentioned previously in our site setting, older breweries would send sales representatives to bars in an attempt to strike such a deal. These

tactics are still used and include free sampling of the beer itself, providing aluminum or light up bar-back signs, table coasters, and glassware.

Lastly, we explored how and if Ale Asylum sources ingredients from local farmers in their beer. We discovered that Ale Asylum imports their specialty hops and malts from Europe while receiving their grains from Minnesota. They import these products because they are thought to be “prestigious foreign ingredients” of a higher quality. This is somewhat similar to the initiatives the commercial “Big Three” brewers implemented while importing European beers in their effort to keep up with the new products of the market. However, this doesn’t allow for the interconnectedness of local business typical of many microbrewers. In this way, Ale Asylum represents an interesting dichotomy between two of our main themes guiding our research. By providing these prestigious foreign ingredients, Ale Asylum are creating cultural capital, or unique experiences for their consumers. Beer drinkers don’t have to travel to Europe to have a beer made from European malt, Ale Asylum imports it and will brew it for them here in the United States. On the other hand, the brewery purchased its fermentation and holding tanks from a neighboring Wisconsin industry. This process reduced shipping costs, and more importantly allows for quick shipment of replacement parts and rapid response for smaller maintenance repairs. This allows them to “keep their dollars in Wisconsin,” to quote the tour guide. This shows that they realize the importance of establishing themselves in the local community and building business relations, in the spirit of neolocalism, while staying committed to the idea of cultural capital and a unique and specialized experience for their consumers.

## Ale Asylum Visual Label Analysis

### - *Ambergeddon* -

Etymology of Asylum (noun): early 15c., earlier aisle (late 14c.), from Latin *asylum* “sanctuary”



(Photo: Ale Asylum Official Website 2014)

Etymology of Armageddon (noun): place of the great and final battle (early 19c.)

Ale Asylum has cleverly created a play on words by naming this particular beer *Ambergeddon*. This pun is consistent with the theme Ale Asylum creates while providing a ‘sanctuary’ or asylum for beer drinking juxtaposed by the darkness of a beer foreshadowing the apocalypse. Their website suggests that “The end is near for weak beer” because this particular beer is evaluated at 6.8% alcohol. This particular label has limited color which is atypical of many microbrewery labels, but this distinction effectively separates it from other products. The *Ambergeddon* label is consistent relative to other labels from Ale Asylum in that it displays grim imagery including the skull in the center -suggesting that death or an armageddon event may be near. The skull is also ‘book ended’ by dual six shooter revolvers.

*- Mercy -*



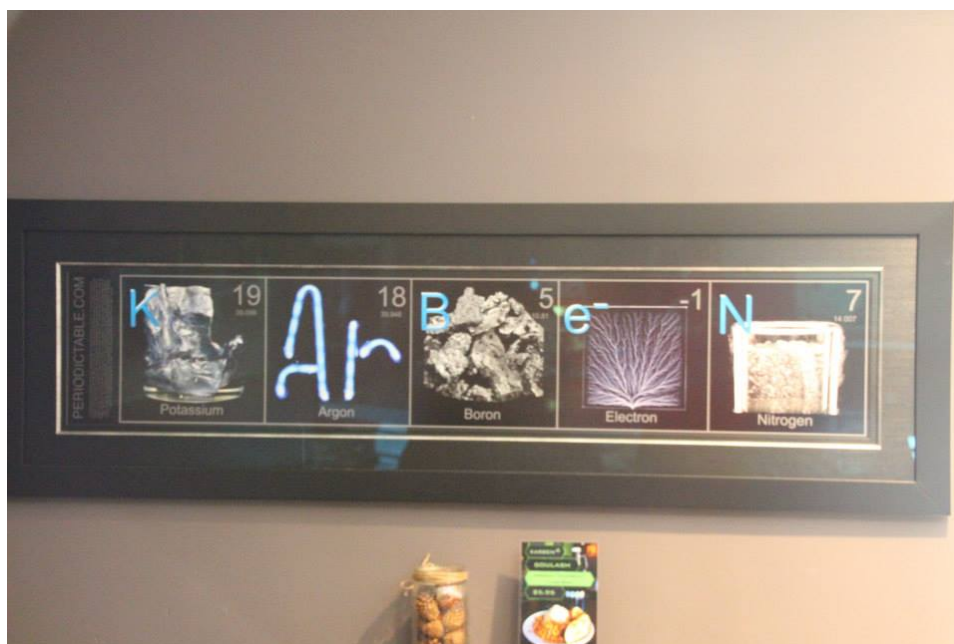
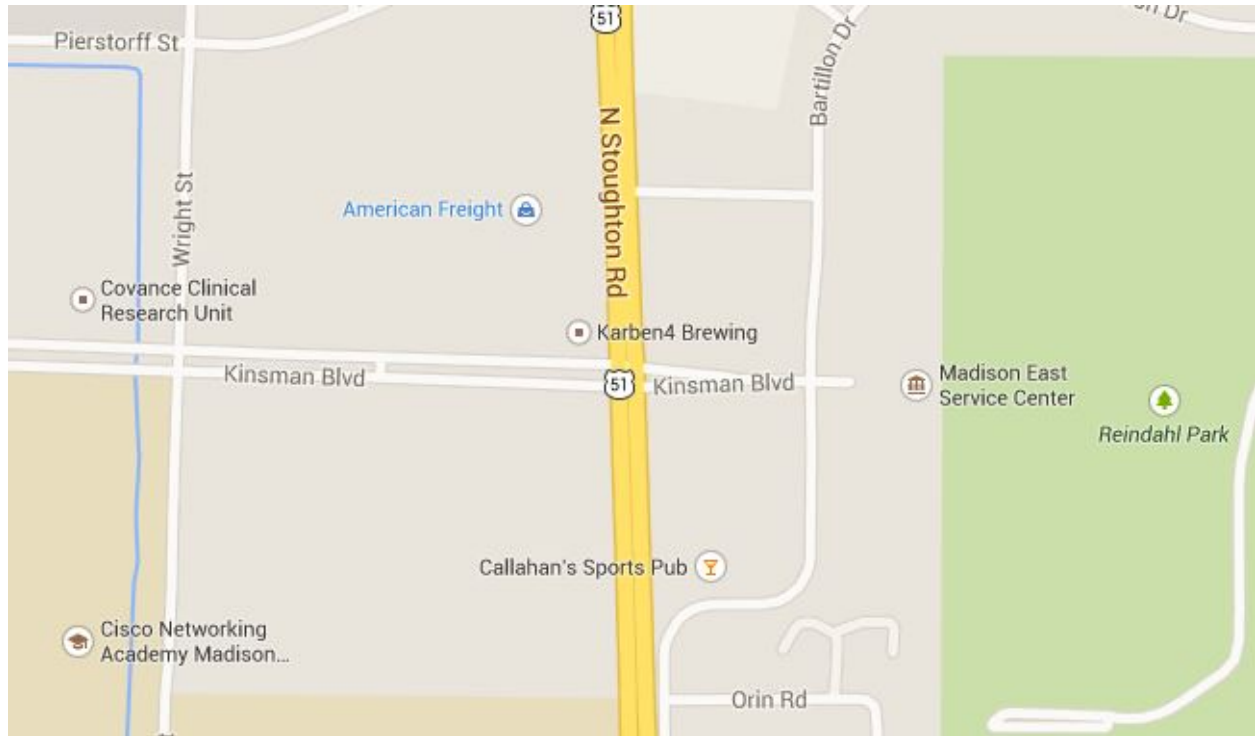
(Photo: Ale Asylum Official Website 2014)

Etymology of Mercy (noun): meaning “disposition to forgive or show compassion” is attested from early 13c.

According to information on Ale Asylum’s website, their “Mercy” beer is a Belgian-style Grand Cru containing 10% alcohol, making it one of the strongest beers they brew. Their motto for this particular beer is “Have mercy, or else,” and the accompanying label perfectly illustrates this statement. It is a simple label, with the only prominent imagery being the three threatening, demonic figures standing above the name. They are muscular and have their arms crossed, fists clenched as if ready to fight, perhaps indicating that the consumer will be begging for mercy after drinking this beer. Interpreted another way, the motto could be implying that these three figures will come after you if you do not have the mercy beer. In keeping with Ale Asylum’s established aesthetic, black is utilized as the main color, with splashes of blue and white providing contrast and forming the outlines of the figures on the label. The label is suitably grim

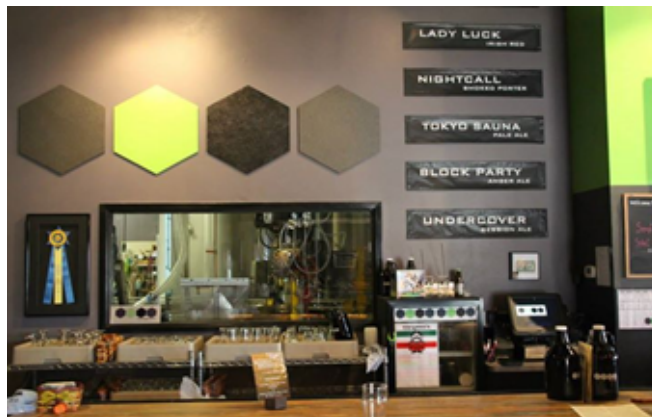
and foreboding, similar to the *Ambergeddon*, and promises to provide a unique drinking experience to the consumer.

## Karben4



(Wall art abiding by Karben4's pursuit to create a motif of chemistry) (Photo: K. Zickert)

Karben4 was recently established in 2012 which makes it the newest of the breweries we studied. As previously mentioned, Karben4 took over the former venue of the expanding brewery, Ale Asylum. The tap room at Karben4 is unlike that of Capital Brewery or Ale Asylum. Stainless steel fixtures, high ceilings, brightly painted walls, and open floor space provide a very modern atmosphere. Additionally, the space is very clean and brightly lit which felt similar to a laboratory, an image consistent with the chemistry behind brewing and the motif of the name and logo of Karben4. The modernity of the venue offered an upbeat, bustling, and happy atmosphere. The members of our tour group consisted of nearly 30 young, upper-class professionals, a typical demographic targeted by newer microbreweries such as Karben4. From this experience we were able to infer that Karben4 is a hip place for young people to gather for an afternoon of drinking while watching sports or throwing darts. Comparably, Capital Brewery is more of a traditional beer hall -a place for its older, dedicated consumers to play trivia or a place one may attend for a celebratory beer with family. While we had initially intended to conduct an interview with the marketing team at Karben4, they were very busy due to their bottling schedule.



(Upon walking into Karben4, this is the first site you see of the brewery) (Photo: K.Zickert)

Karben4's wood top bar, trade mark 4 hexagon logo, and tap list to the right. The window features the fermentation tanks in the 'back of the house' where the tour is conducted. While windows such as this are common in microbreweries, it is more prominently featured at Karben4 than at Ale Asylum.



Karben4 also prominently featured trendy, hip art and graffiti murals to add to it's sense of modern feng shui. Along the entirety of the tap room, art such as these three pieces trimmed the tops of the walls. (Photo: K.Zickert)



(This is a section of the graffiti street art that covered a 40 foot wall in the brewing space.) (Photo: K.Zickert)



(Karben4's outdoor biergarten-closed for the season) (Photo: K.Zickert)

The outdoor biergarten is a space reminiscent of the strong German heritage in the state of Wisconsin. This space allows for the brewery to host sampling events as they put a new brew on tap, or entertain private parties for those within the surrounding community. These events allow craft beer consumers to try a variety of beers here first before they go to a liquor store and have to purchase an entire six-pack of one individual type of beer. As a result of these events, Karben4 is effectively providing a place to congregate, enjoy others company and create a sense of community.



(Along our tour, we came across this aluminum sign. Upon further research, we found that *Simpsons Malt* is sourced from the United Kingdom) (Photo: K. Zickert)

<http://www.simpsonsmalt.co.uk/Home.aspx>

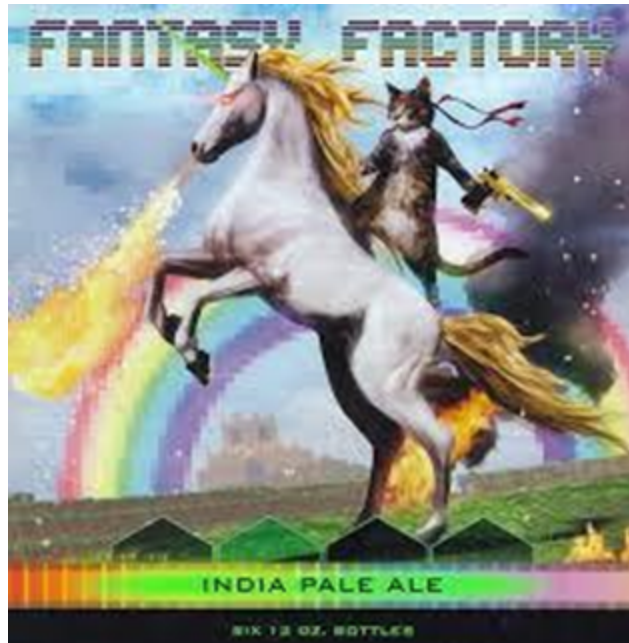
While many older or traditional microbreweries source their ingredients such as malts, hops, wheat, etc, from local farmers which helps create an interconnectedness of community business and relationships, much like Ale Asylum, Karben4 imports their malts from Europe. This is a result of attempting to differentiate themselves from the other market producers and offering their consumers with a higher quality product -as Simpsons Malt slogan suggests, “The Home of Good Malt”.



(Fermentation tanks from the brewing space at Karben4) (Photos: K. Zickert)

Although the brewery doesn't utilize local ingredients, after a bit of extra research we found that these brewing tanks were produced here in Wisconsin by *Quality Tank Solutions*. This is likely a result of Karben4 purchasing these relatively smaller tanks from the expanding Ale Asylum, whom we previously mentioned looked to “keep our dollars local”. Again, because these tanks are produced in the state of Wisconsin, if there were to be an issue regarding hardware malfunctioning or need of repair, it is cheaper and quicker to have these issues resolved.

## Karben4 Visual Label Analysis - *Fantasy Factory* -



(Photo: Google Images)

Karben4 only started bottling their *Fantasy Factory* beer as of November, 2014. As a result this is the only label they have produced. As one may notice, this label does not implement traditional place marketing strategies such as those employed by Capital Brewery. The hyper-stimulating visualization of a bandana-wearing cat holding a pistol, riding a unicorn with flames erupting from it's nostrils, and purposely pixelated rainbow in the background is appealing to younger craft beer drinkers from the millennial era. The use of pixelated imagery is atypical of other labels on the market, which are usually refined with clear and crisp imagery. This label was created in a direct attempt to grab consumers attention and create a sense of curiosity to try the beer. Unlike other breweries, Karben4 wants a beer consumer that isn't familiar with their product to question what a beer with that label may taste like and thus generate the initiative to purchase *Fantasy Factory*. Karben4 implements niche marketing tactics

to generate a buzz of curiosity as well as differentiate themselves in the rapidly expanding market.

### **Future Research**

Given the time constraints of only one semester to complete this project, we were limited in the amount of data we were able to collect and the resulting analyses. Future research on the topic of microbrewery place marketing in Madison could incorporate even more breweries in the scope of the study, such as the Vintage Brewing Company, Great Dane Pub & Brewing Company, One Barrel Brewing Company, Wisconsin Brewing Company, and many others. Our goal was to study four breweries this semester, and although we unfortunately had to remove Vintage Brewing Company from our plans, any future researcher would do well to visit as many as time allows. Increasing the scope of the study would enable any future researcher to draw conclusions that are reinforced by more evidence, thus increasing their validity.

Any further research would also do well to incorporate more interview data, as the bottling schedule of some of the breweries we studied made it difficult for their employees to find the time to speak with us. We are satisfied with the information we collected from other sources, such as tour guides at the breweries, but more interview data would lend greater insight from individuals directly involved in some of the marketing decisions these companies make.

As a result of this project, we discovered that all of the microbreweries in Madison do not rely on place marketing when it comes to selling their beer. Some certainly do, but there are also companies that adopt completely different strategies and brands in order to appeal to different demographics. While it seemed to us over the course of our research that both strategies were successful for their respective companies, further research into which specific marketing strategy

is more successful would be an interesting undertaking. Does Capital Brewery rule the city because of their traditional, nostalgia-inducing use of local imagery, or are the newer breweries succeeding with their modern imagery targeting younger consumers? This is an interesting question that could be addressed in the future. One could also take the questions we set out to answer, as well as the question stated previously, and utilize them in research elsewhere in the country. Microbreweries are very popular across most of the United States, and a study of place marketing tactics in another localized or much larger area in another region of the country could be interesting and valuable research.

## **Conclusions**

Microbreweries have cemented themselves as a fixture of the brewery industry. Though they don't have the competitive capital advantages that larger breweries have, they have unique products that provide a cultural niche for their drinkers. Capital Brewery, Ale Asylum, and Karben4 have all benefitted from the rise of microbrewery prominence during the past few decades. Capital has relied on selling the story of Madison and Wisconsin. They advertise place-based iconography and utilize community relationships. By doing this, Capital establishes roots in neolocal production and attracts consumers seeking a reprieve from homogenized commercial beers. On the other hand, Ale Asylum and Karben4 have attracted the business of young consumers through their use of unconventional imagery and advertising. They rely heavily upon providing a unique product for drinkers desiring to practice a new cultural expression. In sum, microbreweries successfully fill a niche in the beer market and capitalize on their uniqueness through a variety of advertising approaches.

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## Appendix

### Interview Questions

#### Madison Microbreweries and Place-marketing Strategies

Locality in this context is defined as how a brewery portrays a place or a sense of place to its end consumer.

1. In general, what are your most effective marketing strategies?
  - 1.1 In what ways does place marketing play/not play a role in your marketing strategies?
2. To what extent does the concept of locality influence your marketing strategies?
  - 2.1. (If the concept of locality is strongly used), what techniques are most effective to broadcast the locality of your brewery?
  - 2.2. (If the concept of locality is not strongly used), why did you decide not to emphasize the idea of locality in your marketing?

Ask about meaning and marketing purpose of specific symbols and keywords on specific labels (marketing person) ask about architectural elements, décor, and spaces (bier garten person)

3. Does your brewery use locally produced ingredients, and if so, how do you incorporate that into your marketing strategy?
4. What cultural aspects of the Madison community make it easy or difficult to market your beer?
5. How does the built environment of Madison enable or obstruct your marketing strategies?
6. To what extent do you think marketing your locality has affected (positively or negatively) the success of your brewery?

### Interview Results

-Capital Brewery-

#### **General Tactics:**

-Madison serves as the largest market because of the **proximity** to the Brewery and the **Biergarten**, wh which provides a venue for food catering, live music and other fundraising or taste testing events

-The goal of the tour is to get consumers to try the beer at the brewery firstT

- this allows for consumers to sample without having to feel obligated to invest in an entire 6 pack and also provides an atmosphere Capital to encourage friendly drinking
- Small ads are run in newspapers, radio and TV blasts are also sent but these are rather expensive.
- More efficient to make updates/posts on Facebook because it is free
- with 16,000 followers allows for important updates to be sent directly to those who are interested in the brewery. (Important role of social media)
- Hosting sampling/grand opening of a new beer on site creates excitement
- with over 200 awards, the prestige of the product is advertising enough

### **Locality:**

- Photos of beer taken by marketing team near geographic feature, e.g. the lake or the Capital
- Sponsor local companies and events
- New rebranding of the “All American IPA” with red, white, and blue labeling
- “Supper Club” (A common ‘place’ found throughout WI) is an entry level beer for new consumers of craft beer (easy to drink)
- Fermentation tanks from a WI industry, grains and hops provided by local (or at least WI farmers)

### **Sustainability Series:**

- “Lost Owl Lager (Trout Unlimited), Driftless Ale (Driftless Land Conservation), and “Grizzly Growler” (Madison Zoo) “Whistling Woody” (Du Unlimited)
  - a percentage of the profits goes back to these foundations
- This has opened the market to new consumers such as those more concerned with conservation or a specific program
- The previously mentioned organizations contract the production of the label (Capital does not create these labels)

### **Ale Asylum**

- Fits modern trend with edgy beer names, labels and known for their Hoppy beers, though only “Hopolicious” is widely recognized (Still establishing themselves in the market)
  - Appeals to the young 20’s craft beer drinkers
- Currently only distribute to WI and IL, but looking to expand to MN, MI
- This goes along with the relatively recent expansion of their new site to larger fermentation and holding tanks and 80,000 square feet to expand further
- Import Grains and Hops from European farmers (Germany, France and even MN)
- Holding tanks and plumbing manufactured in WI which allows for quick maintenance or repairs to transcend
- Similar to “olden times” Ale Asylum has a team that goes to bars and liquor stores providing samples in order to gain approval to sell at that location and then a settlement or contract is arranged for quantity/pr

### **Capital v. Ale Asylum:**

-Ale Asylum is the Hoppy brand known for “Hopalicious”

-Use of edgy marketing and naming in order to appeal to **younger craft drinkers**.

-Capital has several beers that are widely recognized (This establishes brand recognition) and because they have been brewing for nearly 30 years, they appeal to an older demographic, but working to reach younger market

-Capital is traditionalist while we are seeing that Karben4 and Ale Asylum are more **edgy, modern/trendy**

-Leaving behind the brown six-pack box and releasing more vibrantly colored packaging (Effort to keep up with the highly differentiated market)**ice**