Infusion Brewing Company

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**Executive Summary**

Infusion Brewing Company is one of Omaha's biggest and most popular craft breweries. The initial release of their Vanilla Bean Blonde ale put them on the map for Omaha craft beer scene, becoming an instant fan favorite. Since then, the Benson brewery has expanded to three taprooms and two production lines and still room to grow.

In this plan are recommendations on how to maintain the sustainable growth Infusion has enjoyed over the years while being able to open itself to new markets geographically and demographically while further forging its commitment and partnership to the city and institutions in it. Further, it will be discussed plans to develop a craft alternative to attract light beer drinkers, partnering with Union Omaha to develop a team beer and listing beers for purchase on the beer purchasing service Tavour.

**Situation Analysis**

**Internal Environment**

The craft beer industry in Omaha, Nebraska, and the United States as a whole, has exploded within the last twenty years with no signs of slowing down. In 2020, craft beer sales made up roughly 13.1% of alcohol sales resulting in over $26.8 billion for the industry (Brewers Association, 2022). Infusion Brewing Company has not been around as long as others in the area, but finds itself toward the top of beer lovers' list, boasting a score of 3.71 on Untappd and featured on beer blogs and magazines top breweries in Omaha.

Infusion Brewing has continued its plan for sustainable growth and increasing its production with goals to expand beyond the local markets. Currently Infusion operates out of three taprooms in the Omaha area with the original taproom in the heart of Benson, their second location in Southwest Omaha and most recently opening a taproom in Little Bohemia out of the old Bohemian Café building. Their Benson and Southwest locations are also home to their breweries and production lines that will make over 20 different beers and seltzers served on tap throughout the metro and available in stores. Infusion Brewing can also be found in 128 bars and restaurants in the Omaha area, 51 bars and restaurants in the Lincoln metro and eight other establishments in Southeast Nebraska (Infusion, 2022).

Infusion Brewing is a frequent participant in metro beer festivals such as the Omaha Beer Festival and Ultimate Beer Fest while hosting their own events. Most recently the Southwest location hosts a weekly Trucks and Tunes event where a local food truck will serve food and a local musician plays. Throughout the year they will host an event centered around their staple beer, Vanilla Bean Blonde, called Beanfest. During this event they will debut different variations of Vanilla Bean Blonde. Some past flavors include Irish Cream, Blueberry Waffle and Smores. Seasonal releases also include Pumpkin and Christmas Cookie.

These are consistent with their goals as it continues to grow their consumer base, build their brand and reputation while partnering with other businesses within the community. This sustainable approach can facilitate the growth needed to branch out to other markets in other states as well as growing their base within the Omaha and Lincoln areas.

Infusion has been able to navigate the difficult aspects of the pandemic and inflation concerns that are present due to the availability of their products in stores while utilizing curbside pickup options for products at taprooms. The cost of production has gone up, but has not impacted prices greatly and has not deterred consumers.

**Customer Environment**

The current and potential customers for Infusion are broad, in a sense. Craft beer drinkers ages 21 and up is a general market. These consumers tend to be in the middle class living in the Omaha metro, commonly in the suburbs and popular neighborhoods with the company being more popular with beer drinkers between the ages of 25 to 45.

With the diversity of their base, Infusion Brewing strives to produce products that following consumer trends like the rise in popularity for IPAs and seltzers, as well as providing unique and enticing flavors like Wrestle Daddy IPA and el Squatcho Mexican Lager. They will also produce beers for cultural events like Oktoberfest and Czech Fest. Infusion does a great job providing options that can fit most consumers tastes and is becoming a fixture in coolers at parties, BBQs and gatherings around the metro.

Infusion Brewing is widely available either through their taprooms or at grocery and liquor stores. Grocery and liquor stores will be limited in their product offerings with a focus on staple flavors and a seasonal or promotional flavor at that time while taprooms will have greater access to their tap list with options to buy by the can, six-pack or filling a 32oz growler.

With the vast options available to the general beer drinking population, there can be a number of reasons potential customers do not choose Infusion. They may prefer other local breweries, other craft beers from outside Omaha that are available here or simply do not care for craft beer and prefer beers like Bud Light instead. The flavor variety for Vanilla Bean is the most likely way to reach these potential customers as well as continuing to host events like Trucks and Tunes.

**External Environment**

Omaha has a rich craft beer scene and while Infusion is a heavy hitter in it, competition is as stiff as it has ever been. The industry has some big names such as Lucky Bucket, Brickway, Zipline and Nebraska Brewing as well as some who are more recent but have made a name for themselves quickly like Kros Strain. Among these I would list Brickway, Nebraska Brewing Company and Kros Strain as the more direct competitors in terms of size, availability, popularity and brand recognition.

Brickway has an expanded offering as they distill their own whiskey, rum and other hard liquor. Nebraska Brewing Company has a significant name recognition as they also partner with the Omaha Storm Chasers. Kros Strain has seen success similarly to Infusion on the back of their nationally recognized beer, Fairy Nectar IPA.

These competitors operate in the same spaces as Infusion in that they attend the same beer festivals, host weekly events and are available in the same stores. Nebraska Brewing and Kros Strain are also part of the Exit 442 business community, referring to the interstate exit where a number of local breweries and distilleries are closely located.

Economic conditions are typically stable in the Omaha area, even in times of economic stress like recession or inflation. Consumers have generally kept a consistent buying trend that has facilitated the growth of Infusion and other breweries while creating an economic environment that can support entry of new breweries. With that said, materials needed to make their products is threatened. Between the impacts of climate change on barley production and the war in Ukraine and subsequent economic sanctions on Russia, the US Department of Agriculture estimates a decrease of 9.37% in global barley production at a time when domestic and global consumption continues to grow with global beer production reaching 1.82 billion hectoliters (Conway, 2021).

**SWOT Analysis**

**Strengths**

One of the biggest strengths for Infusion is their name recognition in the community. They are one of the largest breweries in terms of number of locations and production. This enables them to stay top of mind for customers when they are making a purchase or deciding where to go for a drink. Another is having a staple product with the Vanilla Bean Blonde. It has generated popularity, variations and events centered around releases. Other strengths include the strength of the local economy and industry as Omaha remains relatively insulated from economic hardships and the industry grows through the passion of brewers and consumers.

**Weaknesses**

One weakness is that they do not have options to satisfy potential customers who prefer light beers. The lagers and pilsners they produce still tend to be more intended for those who drink other varieties. Developing a substitute can help open the door for new customers. Another is staffing shortages. Like many in the service industry, despite rather strong economic conditions, the ability to acquire and retain staff has been challenging and comes at a higher cost for labor at a time when the cost of production is also increasing. One possible weakness is the dependence on the popularity of Vanilla Bean Blonde and its varietals. Other beers lack the recognition to help establish the company as more than the maker of Vanilla Bean to those not as knowledgeable about their products.

**Opportunities**

There are a number of opportunities for Infusion to grow their recognition and customer base. One can be to enter into beer contests. This can help to draw attention to the brewery from other breweries and consumers who may wish to do a collaboration or order from out of state which can help drive demand outside the Omaha metro. Another would be to feature beers on the craft beer service Tavour. This can allow Infusion to reach new consumers at a lower risk and can list beers that would be enticing like the orange creamsicle Vanilla Bean. Another opportunity would be to develop a new beer to appeal to light beer drinkers without sacrificing their current consumers. A light-bodied Pilsner would be most appealing and can provide them with another staple beer if they are able to attract this section of the beer market. One last opportunity can be to partner with a local sports team or institution as Nebraska Brewing has done with the Storm Chasers or Zipline has with the Henry Doorly Zoo. One to consider would be the USL team Union Omaha as they continue to play well and grow in popularity in Omaha.

**Threats**

The major threats facing Infusion are due to inflation and supply concerns. This can lead to smaller production, higher costs and smaller revenues. Inflationary concerns are impacting them currently and can expect to continue for much of this year as factors contributing to it such as COVID, supply disruptions and cost of energy. Barley production is a concern that will be more impactful going into 2023 and is dependent on the war in Ukraine.

|  |  |
| --- | --- |
| Strengths   * Name recognition * Staple product with Vanilla Bean Blonde * Strength of local economy * Strength of local industry | Weaknesses   * Lack of options for light beer drinkers * Staffing shortages * Dependence on staple beer |
| Opportunities   * Entering beer contests * Listings on Tavour * Develop beer for light beer market * Partner with local sports team or institution | Threats   * Inflation driving up costs of production * Supply chain disruptions from war in Ukraine |

**Competitive Advantage**

Two of the biggest advantages would be to develop a beer that can appeal to light beer drinkers and partner with Union Omaha to develop a beer. When coupled with current strategies and practices, these can help to grow production locally that would be able to sustain expansion to new markets or through new mediums. Being able to appeal to light beer drinkers can limit their weakness in this regard, but the current threats are difficult for them to overcome. There is a chance that they will need to increase prices to meet the production needs. They may also need to do so in order to afford additional labor costs to cure their staff shortages. This would not limit their ability to serve customers, but it may limit how much customers are willing to purchase.

**Strategic Focus**

The overall focus of this plan is to diversify the product offerings that will open up new potential customers and create larger name recognition while driving sales. The three points of emphasis would be to develop a light beer alternative, partner with Union Omaha and begin listing on Tavour. Through these avenues Infusion will be able to grow their local market share while begin to attract customers from other parts of the country at a lower risk than other methods such as sales contracts in new markets.

**Marketing Goals and Objectives**

Marketing Goal A:

The primary goal is to develop a beer that can appeal to light beer drinkers as a way to expand local market share and develop a beer for Union Omaha to further grow name recognition

Objective 1:

Developing a light beer alternative will need to be a light-bodied Pilsner with a taste is not too floral or fruity, but has a body that will be satisfying to light beer and craft beer drinkers alike. The brewing team will need to determine what hops will be necessary to make the desired flavor and production would take several months to produce the beer. Once finished, success would be measured primarily from sales through grocery and liquor stores as well as keg sales to local bars and restaurants. Sales must consider where light beer sales are much more dominant as establishments in areas like Benson and Blackstone are less likely to be frequented by light beer drinkers and instead should put focus on sports bars.

Objective 2:

Developing a beer for Union Omaha would be in collaboration with sales, marketing and the brewing team as they would need to make the pitch to Union Omaha's marketing team to work on a flavor, label design and how to effectively market the new release in stores, taprooms and at the stadium. A West Coast Hazy IPA may be the most appealing to bridge a wide variety of drinkers’ preferences while being unique. Timeline and measurements of success will be similar to production of the light beer alternative.

Marketing Goal B:

The next goal is to expand national name recognition while limiting risk by listing certain products on Tavour.

Objective 1:

The marketing team must work to determine which flavors will generate appeal on the platform. Typically, these flavors by other breweries are unique local favorites. Seasonal variations of Vanilla Bean Blonde would be most ideal as they are unique, bring new consumers to the staple product and can open up to other demands. This timeline could be about two months to ramp up the production needed as well as getting the listing set up. Success will be determined through sales from each run on the platform.

**Marketing Strategy**

**Target Markets**

Light beer consumption has increased considerably for people ages 18-25 while remaining consistent for older generations (Allied Market Research, 2021) and in 2020, light beer accounted for 39.8% of total beer consumption in the United States (Conway, 2021). This is coupled with the fact that craft beer consumption among millennials has grown year over year since 2010 (Jones, 2018), the target markets will be Gen Z and millennials. These groups are less likely to have children and more likely to spend disposable income on beer at a sporting event or for parties, cookouts or nights out at bars. This does not suggest other age groups are incapable or less likely to have similar spending habits, merely they are more likely to have other priorities and may forgo craft beer purchases more often than younger generations.

**Product Strategy**

Can and bottle designs are going to be influential in driving consumer habits. For the light beer, it would be advantageous to create visual familiarity to popular brands' marketing as well as local interests. Busch Light has a hunting themed can art as well as a Midwest limited release corn art. Appealing to this imagery as well as tapping into the Huskers can help draw consumers' attention to a new beer in the section. For Union Omaha, the design will utilize their owl logo and their team colors. One benefit to this is the eye-grabbing neon green they have, but the designer will need to use it sparingly as to not be considered too bright or obnoxious for consumers.

**Pricing Strategy**

Current strategies for other offerings will be consistent and recommended in regards to the Union Omaha beer. The light beer alternative is going to take more effort. To break into this target market, pricing is going to have to be consistent with competitors in the space. Craft beer drinkers are more accepting of spending $8-10 for a six-pack while light beer drinkers are more inclined to spend $5. Pricing must remain within a reasonable range with competitors or it will be passed over. It would be recommended that pricing does not exceed $1 per beer. To compete with the common bulk packaging like 24-packs or larger, it would be recommended to use a unique pricing and packaging approach such as a 25-pack for $25.

**Distribution Strategy**

Current processes would be appropriate in most cases. Production would not vary from other batches and the changes seen would be in distribution. The Union Omaha beer can appear on taps around the area alongside other Infusion beers, but Union bars and Werner Park would be necessary for the success of the beer at launch. For the light beer alternative, it will require entering new establishments such as sports bars and country bars like Rednecks and Bushwackers.

**Promotion Strategy**

The primary mediums for promotion of these beers will be through social media with primary focuses on Facebook and Instagram. Males and females ages 25-34 are the largest demographics of users on Facebook, making up a total of over 32% of users (Chaffey, 2022). Instagram also remains one of the most used platforms of both Gen Z and millennial target markets.

Infusion is currently very active on these platforms so when these products are preparing to launch, a detailed social media calendar and cross-posting with Union Omaha and new establishments will help drive reach for the new releases. Videos and images tend to have better performance than text and content must be engaging as well as entertaining to help remain top of mind for consumers come decision time.

**Marketing Implementation**

Infusion would need to hire an additional marketing teammate to help facilitate these projects, remain in communication with the appropriate vendors and partners to ensure a consistent message and enable a broad reach. An additional member to the production team will be needed to assist with increases in production for these two beers as well as Tavour listings. Communication with staff about the new releases and listings will be key to keep production on track with one of the biggest additions being with Tavour listings.

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| Specific activities | Person/department responsible | Required budget | Completion date |
| Product activities:   1. Develop new beers 2. Develop designs for can, bottle and packaging | Head brewer, brewing team  Marketing and design team | $70,000  $2,500 | Every two months  1 month, able to tease release ahead of time |
| Pricing activities:   1. Continue strategies for Union release 2. Develop strategy for light beer alternative | Head of finance, marketing | Pricing dependent on cost of production, desired profit margin to meet market price of competitors | No longer than a month |
| Distribution activities:   1. Continue current distribution strategies 2. Expanding vendor partnerships | Marketing and sales | $40,000 | 1 month |
| Promotion activities:   1. Grow social media 2. Cross-posting with partnered businesses | Marketing | $2,000 | Ongoing |

**Evaluation and Controls**

**Formal controls**

Before the plan can be implemented, the financial need to be adequately distributed to facilitate the production needs and for the development of small batches of test beers. It will also take the addition of these new employees and getting them up to speed on processes to be able to meet the demands of the plan.

Developing the right beers for these projects as we as appropriate relationships will benefit the implementation of the plan. Ensuring we use consistent language in marketing and refine our production process to continue to run error free while meeting demand is the bedrock to being successful. The major task will be to scale up most of the current processes to continue to achieve sustainable growth.

**Informal controls**

Employee buy-in will be a key to success with the plan and is not one of concern. Remaining dedicated to the team and keeping in communication with the needs of the project and their individual responsibilities will keep the team together. The partnership can build a sense of pride in the work put in by everyone and successes can be rewarded at the annual company get together and ideally increases in pay.

**Marketing audits**

The plan will be monitored through a series of measurements. For production, it would be monitoring production schedules, inventory levels and tracking shipments and costs. For marketing it will take weekly and monthly reviews of social media data points and tracking any trends to determine what is and isn't working.

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