

'Gansett Eyes 25 Percent Growth in 2015

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When Yuengling announced it would be launching into Massachusetts and Rhode Island earlier this year, Narragansett Beer president Mark Hellendrung expected sales to take a hit.

The question was whether it would sink the brand. Hellendrung feared that sales of his company's flagship lager – which makes up about 75 percent of 'Gansett's total production – would decline, and that New England beer drinkers would abandon it in favor of a [Yuengling varietal](#) that had been absent from the Massachusetts market for more than 20 years.

After all, D.G. Yuengling, the 185-year-old Pennsylvania brewery currently ranked as the second-largest craft beer maker in the country by the Brewers Association, was predicted to steamroll into a Massachusetts marketplace that hadn't seen the company's products since 1992. [Millions of dollars](#) were being invested into rollout initiatives — one that included a lavish, pre-prohibition-style kickoff party at Boston's Seaport World Trade Center for local restaurateurs, retailers and media members.

The result? Yuengling reportedly snatched a nine share of Massachusetts' beer sales during the March rollout phase, according to Hellendrung. In an email to Brewbound, Yuengling COO Dave Casinelli confirmed the figure and even mentioned that in some markets, the brand was "running double-digits" during the first several weeks of the launch.

But while growth might have slowed, Hellendrung believes Narragansett has managed to "weather the storm," he told Brewbound.

"We were actually one of the few suppliers that was up through that period," he said. "We took our lumps like everybody and lost some handles, but we are coming through that now."

Sales of Narragansett are up 25 percent year-to-date and Hellendrung expects total production to be near 83,000 barrels.

Helping to mask any softness in the off-premise retail environment that may have resulted from the Yuengling push was the successful summertime introduction of Del's Shandy, a blend of Narragansett Beer and Del's Lemonade.

"That was a big piece of the success," he said. "I think our fans are pretty rabid about the brand and the mashups that we have brought to market."

Another one of those mashups, [Autocrat Coffee Milk Stout](#), launched earlier this month.

But Hellendrung, not content to rest on his laurels, is now eyeing market opportunities in Chattanooga, Tenn., and Portland, Ore., where Narragansett has signed distribution agreements with Carter Distributing and Maletis Beverage, respectively.





Mark Hellendrung at the 2014 Brewbound Session

The decision to broaden the footprint was done with the customer in mind, Hellendrung said.

"Portland really aligns with where we see our consumer, which is basically a craft drinker when they want a domestic lager," he said.

In Chattanooga, Narragansett saw that locals were discussing the brand on Twitter and also identified a significant retail opportunity with Publix, a popular supermarket chain in the Southeast.

"A fan had started tweeting about us, a few bars chimed in, and it really grew from there," he said. "And as we grow and expand, it becomes incumbent on us to develop a chain strategy. So when we think about new markets, that becomes a determining factor."

Filling out its small but growing footprint in the south will not only help develop the company's presence on-premise, but perhaps also in grocery chains like Publix, where 'Gansett hopes to make it into spring sets in 2015.

Narragansett is currently sold in just 14 states but Hellendrung expects that to change in 2015.

"We are probably a little different from a lot of breweries in that we don't have capacity constraints," he said, referring to the company's contract production arrangement with North American Breweries in Rochester, New York. "That allows us to be somewhat patient and strategic, but also go where we want to go, when we want to go."

"We will start picking off new markets throughout next year," he added.