

*The Journal of
Nagasaki University of Foreign Studies
No. 20 2016*

**Vertically Integrated Branding:
A Study of the American Shipping Brewers, 1875-1900**

Dawson R. Lewis III

垂直統合に通じてブランド構築：
アメリカの全国の供給網でありビール醸造、1875-1900、の検討

ルイス ドーソン

長崎外大論叢

第20号
(別冊)

長崎外国語大学
2016年12月

Vertically Integrated Branding: A Study of the American Shipping Brewers, 1875-1900

Dawson R. Lewis III

垂直統合に通じてブランド構築：
アメリカの全国の供給網でありビール醸造、1875-1900、の検討

ルイス ドーソン

Abstract

Until the last quarter of the nineteenth century, technological and scientific barriers had protected American brewers from distant competitors. The first national shipping brewers upended that paradigm by introducing growth models which necessitated foreign market penetration. Though they were neither the first nor necessarily the largest mass-producing brewers for much of the period, the modern brewing industry reflects these early models and for good reason.

The shipping brewers' phenomenal success relied heavily on vertical integration with which they exploited economies of scale, secured supply chains, and penetrated new markets. Most importantly, their newly established firms along the production path also served as marketing platforms from which the brewers developed and disseminated their brand "personalities." Every step, from production to transportation to distribution, demonstrated the symbiotic nature of the shipping brewers' brand building approach. Their capital intensive production methods allowed brewers to operate on thinner margins while also lending the shipping brewers a "mass production mystique." Their railroad companies not only provided access to far-flung locales, they also served as mobile billboards. Their tied-house saloons not only ensured steady sales but also linked their brands to luxury and refinement in an age when Americans were increasingly seeking validation in consumer goods. Ultimately, the more and better beer they could produce, the more effective were their advertisements—and vice versa. This dynamic explains how a handful of mid-sized breweries of mid-sized American cities came to dominate the industry by the end of the century.

概要

19世紀の最後の四半世紀までは、アメリカのビール醸造業者は技術的、科学的な障壁によって遠方の競合他社から保護されていた。初めて全国出荷を果たした醸造業者は、外国市場へ参入することが必要な成長モデルを導入することによって、そのパラダイムを逆転させた。現代の醸造業者は最初の、もしくは当時の多くの間最大規模の大量生産業者ではなかったのであるが、良い理由があってこれらの初期モデルを反映した。

全国展開する醸造業者の驚異的な成功は、彼らの経済規模、安定サプライチェーン、および参入した新たな市場を活用した垂直統合に大きく依存していた。最も重要なのは、彼らが新たに設立した企業はまた、生産経路に沿って、商業的な基盤として働いたことであり、そこから自分たちのブランド

を開発し、ブランドの「個性」を普及させたことである。製造から輸送、配送へのすべてのステップは、全国展開する醸造業者のブランド構築のアプローチの象徴的な性質を明らかにした。彼らの資本集約的な製造方法はまた、より薄利で運営することを可能にし、「大量生産の神秘性」を与えた。彼らの経営する鉄道会社は、遠く離れた場所へのアクセスを提供するだけでなく、広告宣伝車を務めていた。彼らの直営パブは、着実に売上を確保しただけでなく、アメリカ人がその眼鏡にかなう商品をより強く求めていた時代に、自社のブランドに豪華さと洗練された感じを与えた。究極的には、彼らがより多くより良いビールを作ることが出来れば、広告はより効果的になり、その逆もまた真であった。この動きは、中規模アメリカの都市の一握りの中規模ビール醸造所が、とどのようにして今世紀末までに、業界を支配するようになったかの説明となる。

Keywords: Vertical integration, advertising, branding, brewing industry

キーワード: 垂直統合、広告、ブランディング、醸造業

Introduction

Sometime circa 1840, an unknown immigrant shuffled from a passenger ship with a strain of bottom-fermenting yeast that would ultimately produce one of America's most popular beverages, lager beer.¹ By 1900, Americans were consuming a staggering 16 gallons of beer per capita, a 370% rise from the 3.4 gallons in 1865. Accordingly, annual beer production swelled from 3.7 to 33.6 million barrels, elevating the brewing industry from its humble origins as a disparate scattering of small, local firms to the sixth largest industry in the nation.² Meanwhile, the number of breweries plummeted from its peak of 4,131 in 1873 to 1,816 in 1900.³ A new breed of national shipping brewers altered the industry's paradigm by combining modern scientific techniques, industrial technology, and revolutionary growth models with advertising. At the forefront of this pack were such familiar names as Schlitz, Pabst, and Anheuser-Busch, who were each churning out around one million barrels of lager beer annually by the turn of the century.

Industry Background, 1875-1900

Much ink has been spilled in an attempt to explain the shipping brewers' rise to dominance, but no research has adequately reconciled their success with their relative price disadvantage vis-a-vis local brewers. Raw material and transaction costs remained high. The economies of scale on which the shipping brewers operated never offset the costs of transportation and distribution. To be sure, historians have demonstrated that a number of factors contributed to industry consolidation in general and the shipping brewers' success in particular but each argument confronts significant conflicting evidence.

Favorable interstate trade laws and municipal and state license fees tended to favor the shipping brewers. Their control of the industry's political interest group, the United States Brewers' Association (USBA), lent them the ears of federal representatives, who ensured that interstate trade remained open and unhindered.⁴ Shipping and local brewers alike invested in saloons, known as "tied-houses," to secure local

customer bases, but high license fees, which could exceed \$1000 per year, placed that investment out of reach for many small firms. However, even after capital-flush British syndicates entered the fray, purchasing and merging several small breweries into massive combines, the domestic shipping brewers retained their dominance and generally convinced the syndicates to abandon the industry by the early twentieth century.⁵

The shipping brewers also exercised cut-throat business tactics. Their superior reserve capital permitted them to sacrifice short-term profits for long-term gains by lowering prices prohibitively until smaller breweries went bankrupt and sacrificed their local markets.⁶ However, densely populated urban markets were the greatest prizes and those areas' breweries, such as New York City's Ehret Brewery, one of the nation's largest, often flourished in spite of confining sales to their local markets where the fiercest price wars raged. Thus, both situations illustrate that the shipping brewers' principal asset was not simply superior capital.

Science and technology certainly figure heavily in their success. The American shipping brewers were the first and most extensive adopters of the nineteenth century's technological and scientific developments. In some ways they also extracted more benefits from modern industrialization than other industries. While processes such as pasteurization and artificial refrigeration are commonplace today, they initially generated fierce backlashes from the general public and members of the scientific community. The shipping brewers, nevertheless, plowed vast sums into the untested technologies in hopes of gaining or maintaining an edge in the marketplace. They exploited the rapidly expanding railroad networks and fledgling refrigeration technology to penetrate markets at the farthest reaches of the continent. In an age when local brewers' primitive methods resulted in beer whose very potability relied as much on serendipity as science, the shipping brewers' adoption of pasteurization and yeast cultivation techniques allowed them to truly standardize beer production. Industry-specific innovations also found their way into the breweries, reducing the need for manual labor and committing the brewing process to the unflinching hand of the machine. The combination of these capital-intensive scientific and technological improvements ensured quality, quantity, efficiency, and uniformity. The shipping brewers were not just mass producers, they were mass producers of superior beer.⁷

Anheuser-Busch, Schlitz, and Pabst's repeated victories at international beer competitions attests to the high quality of their beer. Recent research, though, casts doubt on the relevance of beer quality on consumer preference. Two researchers at the Stockholm School of Economics, Johan Almenberg, Anna Dreber, and writer, Robin Goldstein, recently conducted a study which found that beer drinkers could not distinguish between their preferred brand of lager beer and another in a blind taste test. In other words, as the study's title indicates, "hide the label, hide the difference."⁸

Moreover, the economies of scale on which the shipping brewers operated could not offset steep transportation and distribution costs.⁹ Unlike the price of manufactured goods, that of agricultural products does not fall when purchased in bulk. In fact, the opposite is often true. Neither were transportation costs lower for the shipping brewers. As long as the smaller breweries could meet the mandatory minimum weight requirements, their fees were likely no different. Lastly, in the competitive atmosphere of the late nineteenth century, independent saloon operators wielded significant leverage during price negotiations,

regardless of the brewery's production capacity.

In order to reduce transaction costs and streamline production, the shipping brewers integrated vertically. Rather than contracting operations to other firms, they absorbed the entire chain of production—establishing their own bottling plants, ice depots, railway lines, and even drinking establishments. Vertical integration reduced, both, their exposure to price gouging from railway companies and saloon operators as well as the uncertainty associated with broad, time-crucial, technologically sophisticated operations.¹⁰ Furthermore, as “first movers,” or industry pioneers, of vertical integration, they could settle into their sprawling production systems before rivals emerged. In contrast, latecomers endured the additional task of “debugging” their operations in the presence of “first movers,” who had already perfected theirs. Primacy gave “first movers” the power not only to set the industry standards, but to continue raising them. As latecomers fumbled their way toward an efficient vertically integrated system of production, the shipping brewers retained their competitive advantage by extending existing technologies.¹¹

This growth model proved wildly successful and inimical to the local brewers. Owing to economies of scale, the shipping brewers could operate on thin margins but only by securing substantial customer bases, which they seized from local brewers. Local brewers, on the other hand, survived on low overhead and geographic monopolies. The invasion of the shipping brewers, therefore, ignited a fury of competition that sent beer prices spiraling downward for the last quarter of the century. Though the price wars that ensued were mutually destructive, local brewers absorbed the brunt of the fallout. By raising the industry's minimum efficient scale, the shipping brewers converted the isolated markets that had previously insulated local brewers from competition into vices that ultimately squeezed many into insolvency.¹² Still, the shipping brewers could never reduce transaction costs enough to compete with the urban local brewers' prices yet their profits ascended to unprecedented heights.

Advertising and Branding

Only customer-based brand equity explains how the shipping brewers continued seizing market share in spite of their higher prices, but brand equity implies advertising, which, along with brands themselves, was only in its infancy in the nineteenth century.¹³ Precisely when modern advertising arose remains a point of contention that stems from historians' differing interpretations. Those of the Chandlerian school frame advertising within the structural and strategic reorganization of management, which places modern advertising squarely in the twentieth century. Brewing historians, likewise, only obliquely refer to the effects of early advertising and, in any case, devote most of their attention to conventional advertising media, such as newspapers, radio, and television, which again would relegate beer advertising to the twentieth century.¹⁴ Others view advertising through a wider lens, capturing not only print advertising, but also branding, packaging, trademarks, architecture, and any other vehicle by which producers communicate with consumers. Mondschein flatly states, “Without advertising, businesses would have no way of getting the word out about their products. Thus, advertising is as old as economic activity itself.”¹⁵ To wit, as long as the company successfully generates awareness about its brand, it has satisfied the primary purpose of

advertising. This more liberal interpretation provides a framework for understanding how the shipping brewers built their brands without the extensive aid of formal ad agencies or in-house ad departments.

Meanwhile, nineteenth century consumer society was ripe for advertising. Never in history had consumers enjoyed such choice and wealth. Veblenesque theories posit that a vast culture of conspicuous consumption arose, with “material objects called upon to testify to the individual’s worth.”¹⁶ Brands, in turn, became a useful metric for determining the relative value of material objects. Widespread brand recognition implied brand approval. Price, a function of supply and demand, determined the brand’s rank vis-a-vis competitors. The system, though certainly imperfect, offered consumers a rudimentary personal value system. By purchasing highly esteemed brand name products, consumers conspicuously expressed their own respective (or desired) rank in society.¹⁷ Jackson Lears similarly argues, “The recurring motif in the cultural history of American advertising could be characterized as the attempt to conjure up the magic of self-transformation through purchase.”¹⁸ From Medieval Europe to modern America, people have handed over their hard-earned money to seers and magicians to procure cures, treasure, or simply weather forecasts, each of which could improve “one’s material lot in life.”¹⁹ Advertisements for nineteenth century elixirs promised to boost health just as advertisements for fashion, tobacco, or alcoholic beverages promised to boost social status.

Although the shipping brewers invested relatively little in conventional advertising, they developed and disseminated their brand personalities through more unconventional, unfiltered, and perhaps even unintentional advertising that, nonetheless, exploited consumers’ desires for social status and metamorphosis. An unexamined aspect of vertical integration lies at the heart of the shipping brewers’ brand building success. The following section will explore vertical integration’s roles as, both, a growth model and a brand building approach. The monolithic breweries, necessary for achieving economies of scale, also exploited the “mass production mystique.”²⁰ Mechanical production and sterilization processes, essential for long-distance transport, also de-legitimized less technologically sophisticated breweries. Their railway companies, established to avoid price gouging and beer spoilage, became roving billboards for their products.²¹ Strategically located, luxurious saloons ensured a steady stream of demand while also capitalizing on consumer materialism. Indeed, nearly every link along the vertically integrated chain of production accomplished a complementary advertising function.

Refrigerated Railroad Cars

From the Civil War to the end of the century, the country’s railroad network averaged more than 8,000 miles of growth per year.²² By 1900, nearly 200,000 miles crisscrossed the American landscape.²³ The vast majority of these tracks wound across the South and Midwest, drastically reducing transportation costs and making long-distance shipping economically viable for firms within these formerly isolated states. However, beer spoiling en route to its destination remained a problem for brewers. Joel Tiffany patented the first refrigerated railroad car (“reefer”) in 1867, but railroad companies refused to invest in the smaller, messier, more costly, and more complicated refrigerated railroad cars since they already owned fleets perfectly

suitable for standard stock.²⁴ In the 1870s, therefore, shipping brewers forward integrated into transportation, founding their own railway lines and refrigerator car companies.²⁵

Before brewers began investing in railway cars and trunk lines, no evidence suggests they had anticipated the advertising dividends they would reap from the endeavors; nevertheless, their transportation strategies became marketing coups. The first to use the railroads as advertising platforms were, fittingly, performers. Some of the most famous showmen of the late nineteenth century, “Buffalo Bill” Cody and P.T. Barnum and James Bailey, learned to use their mode of transportation as a mode of advertising. Theirs cars were emblazoned with such elaborate advertising that the cars themselves occasionally eclipsed the main attractions. In April 1875, the Los Angeles Examiner records that the public came out specifically to view Barnum and Bailey’s extravagantly painted railroad cars. Well into the twentieth century railroads were still capturing the imagination of a public whose patronage financed the careers of several prominent train photographers.

The brewers’ refrigerator cars, reputedly the “most glamorous freight car in America,” were richly decorated with signs, pictures, logos, and advertising slogans. Anheuser-Busch eventually accumulated a fleet of 850 cars, a veritable transcontinental parade of advertising. By the turn of the century, brewers, such as Pabst, Schlitz, and Lemp had also established their own companies with similarly large fleets of mobile billboards.²⁶ Schlitz was particularly adept at utilizing the railroad for advertising campaigns. As congratulations for Admiral Dewey’s victory at the Battle of Manila in 1898, Schlitz shipped 3,600 bottles of beer to the American soldiers via multiple railway routes with massive banners in order to maximize publicity.²⁷ Additionally, until the Interstate Commerce Commission intervened in the 1930s, the shipping brewers could transport a rival brewery’s beer within a car that advertised the shipping brewer’s products. As modest breweries could not afford their own reefers, they had to rent cars, often from the shipping brewers, who were happy to accept payment for unoccupied cars and free advertising.²⁸

Brewery as Advertising

Although the Populist and Progressive Movements indicate that not all Americans were content with urban development, the late nineteenth century American zeitgeist was decidedly pro-industrialization. The literature, art, and architecture illustrate that mass production was not only celebrated for what it could accomplish, but for what it was, a symbol of superiority. Accordingly, consumers were attracted to mass produced goods and the progress they represented. Companies with massive industrial complexes capitalized on the “mass production mystique,” essentially the virtue of being really, really big.

The mass-producers and especially the shipping brewers all used their modern, monolithic breweries as a selling point. An 1894 New Mexico newspaper advertisement boasts that Anheuser-Busch is the “largest brewery in the world,” implying that by virtue of being the biggest, it was also the best. Another circa 1892 advertisement features a bustling city beneath a fuliginous canopy of smog issuing from the brewery’s towering smokestacks. Today, such an image might reasonably accompany a public service announcement or a documentary about industrial waste, but during this period, industrialization was synonymous with

quality, if not necessarily quality of life. The ubiquity of these images and the praise commonly expressed in print suggest that industrial settings were universally appealing.

The best funded breweries also nurtured their brand identities by embellishing their breweries' facades with architectural flourishes and stamping them with their trademarks. Ornate breweries captured the admiration of local papers, journals, and artists, who praised and reproduced images of the breweries in the press. In this manner, breweries also became a point of pride for local inhabitants. In the United States, the expansion of a local brewery often heralded industrialization of the area in general, thus, linking the beer's brand identity with progress. Unlike their British counterparts, American breweries tended to lean more towards function than form but still capped the behemoth industrial structures with cathedral-like towers and spires. As some of the nation's first examples of architectural mastery on an industrial scale, Anheuser-Busch, Pabst, Schlitz, Blatz, and Lemp breweries have all earned recognition by the National Register of Historic Places.²⁹

Contemporary popular culture also indicates that industrial capacity was celebrated for its own sake. During the second half of the 1800s, before anyone had thought to resurrect the Olympic Games, the largest international events were the World's Fairs, which featured the technological, industrial, and scientific marvels of the day. These expositions were held in the world's leading cities, and if the cities were not leading, hosting an exposition was meant to address that shortcoming. The fairs were some of the very few occasions when nations around the world could gather peacefully and compete for national or imperial honor without bloodshed.³⁰ As such, they "were regarded by contemporaries as historic events that had an enormous international impact."³¹

At the 1893 World's Fair in Chicago, Schlitz reportedly spent \$20,000 on its massive Pavilion, whose very structural design featured industrial equipment. It was comprised of two massive beer tuns, which patrons could enter to view the brewery's exhibition. Within the beer tuns were bottles of various Schlitz beers, large paintings of the firm's departments, and photographs of the brewery. In other words, Schlitz used industrial equipment to draw spectators into an exhibit that featured more industrial equipment. Contemporary newspaper coverage of the brewers' pavilions suggests this was a rewarding tactic.³²

Production as Advertising

The shipping brewers were winning in terms of flavor, but price remained an obstacle that even economies of scale could not traverse. Since the shipping brewers could not cease investing in capital intensive brewing and sterilization techniques without also abandoning long-distance shipping, they did the next best thing—they put production to work as an advertising tool.

Advertising research suggests that shipping brewers benefited more from quality-related advertisements than smaller brewers simply because the former's claims were true. Until brewers adopted mechanical and scientific production methods, the same brewery's beer could vary significantly between one batch and another. That assumes, of course, the beer was ever drinkable in the first place, a dubious proposition at best considering the era's weak understanding of microorganisms. Orth and De Marchi have discovered that

advertising which corresponds to the actual experiential attributes of the product positively influences purchase intentions while also strengthening the assessments of post-experiential consumers. On the other hand, when experiences contradict the experientially directed advertising claims, consumers are even more inclined to dislike the product.³³ In other words, shipping brewers benefited most from advertising because their beer ads accurately reflected the beer they produced. Likewise, a brewery that consistently produced what it advertised not only earned repeat business, but shined in comparison to the breweries who could not match their advertising claims.

The shipping brewers also stoked existing public fear of unclean water and “adulterated” food stuffs with their sterilization-themed ads, successfully setting new standards by which consumers judged beer—not just premium beer, all beer. Most breweries, however, could not afford to keep pace with such investments and, thus, lost further ground to the shipping brewers in the game of quality assurance. The shipping brewers’ print advertisements waxed rhapsodic about the production process. One Schlitz ad reads, “We filter the beer before we bottle it. After it is bottled and sealed, we sterilize it—sterilize every bottle.”³⁴ Another even more idiosyncratic advertisement lists the filtering, refrigerating, sterilizing processes, and boasts that it spent “fortunes on cleanliness.”³⁵ Implicit, of course, is the accusation that smaller brewers could not afford to provide clean beer.

The same advertisement also mentions “biliousness.” This was an affliction that the shipping brewers essentially invented as a fear tactic. Brewers warned that “green beer,” or beer that had not been aged and refrigerated properly could cause gastric problems—never mind that ale, porter, stout, and other varieties of beer ferment at higher temperatures for shorter periods. Another advertisement, featuring a fictional conversation between a patient and his doctor lists the harmful contaminants that may be present in impure beer. Then, the doctor, as doctors are wont to do, describes the sterilization procedures that Schlitz beer undergoes to eliminate impurities and, of course, the chance of biliousness. The sheer volume of these purity-themed advertisements suggests that the brewers were alleviating common fears, even those that they had, themselves, invented.

Tied-House Saloons as Advertising

The previously discussed marketing and advertising tactics helped spread brand awareness, educated consumers, and helped develop the shipping brewers’ brand personality as modern, productive, efficient, consistent, clean firms. Nevertheless, the point of sale remained the brewers’ primary connection with customers. The shipping brewers best exhibited their casual grandeur through the tied-house saloon’s architecture and interior decor. Daniel Pope asserted that patrons were less concerned about the beer than the atmosphere. Webster adds that the perceived value of a particular item does not derive from only the brand or item itself, but also the setting in which it is purchased. Consumers are more likely to inflate an item’s worth if the surrounding environment includes “an assortment of merchandise [and] attractive displays.” This was important to the shipping brewers because their beers were indeed more expensive than most local brands. For this same reason, Joseph Pine and James Gilmore, find that customers around the

world are willing to spend \$5 for a cup of Starbucks coffee.³⁶ The chain cafe provides its customers with a more fulfilling experience. Likewise, the shipping brewers' conveniently located, luxurious tied houses offered its drinkers better beer in a better environment than most other saloons.

The saloon, particularly the western variety with its swinging double doors, survives as an American cultural icon. However, even the coarse and unseemly saloons western film directors have tried to portray cannot match the reality of some of the worst nineteenth century establishments:

Some saloons were crude shacks where a bar was nothing more than a wooden plank atop a few empty beer barrels...others had not seen a mop in some time. Peeling paint, chipping wood, and rundown tables and chairs provided more evidence of a lack of upkeep. Behind the bar, sullied beer mugs and shot glasses waited for another customer in front of a streaked, cloudy mirror.³⁷

Ade adds that the exterior was often adorned by a gilded beer sign and the interior as having only a brass foot-rail for rest along a "long lengthwise bar counter," a saloon innovation. There was generally sawdust on the floor (good for absorbing spills, beer, blood, or fixings), a large mirror, prizefighter photos, pictures of large, half-naked ladies, and an "array of 'grape beverages,' like champagne, wine, brandy and assorted liquors, which grew dusty cause nobody drank them."³⁸

Sismondo explains that public drinking establishments were not just dingy, they were also often dangerous. Although famous saloon shootouts have imprinted this fact in our collective memory, most threats were far less romantic. The barrel-house, for example, was a drinking establishment in which patrons could expect to be drugged, robbed, stripped, beaten, then, for good measure, arrested by corrupt police officers.⁶ Therefore, nineteenth century saloon patrons could risk filthy glasses, the stink of fresh urine, and blood-strewn floors at best, and a mugging at worst.

The shipping brewers' tied houses were quite different. First of all, the exterior of the tied-house was often quite striking. While Amy Mittelman's assertion that saloons were public eyesores may have been generally true, the shipping brewers' tied-house saloons suggest otherwise as several Gothic corner-lot establishments have been granted landmark status.⁷ Weary workers returning to their cramped apartments could easily identify the elaborate facades of the brewer's tied-house saloons from several directions. Since prices were generally low, especially in metropolitan areas, customers could choose establishments based on the quality of the environment rather than the cost of the drinks.

Once inside a shipping brewer's tied-house, the customers were relieved of the necessity of balancing their dirty mugs, containing questionable beer, atop empty beer barrels. The shipping brewers could afford to furnish bars with the finest decor. One Anheuser-Busch tied house saloon records the fixtures it rented from the brewery at \$75 a month:

One back bar with mirror, one front bar and workboard, one cigar case, one bottle case, one front partition and doors, one ice box in saloon, one lunch counter, one wire partition, nine tables, thirty-six chairs, one steam table, two swinging doors, one cash register No. 274473, two card machines, one bath tub and washstands, one furnace, one gas stove, one kitchen range, all gas and electric fixtures, four electric fans, all glassware and bar fixtures and implements, all kitchen furniture, fixtures and cooking utensils, all dishes, and cutlery and all other articles belonging to the saloon and lunch business at

premises below described.³⁹

By the early 1890s brewers in Chicago “were renting \$210,565 worth of fixtures to several thousand saloons.”⁴ In light of the growing prohibitionist movement, the national shippers refrained from advertising their saloons, but the reverse was certainly not true. Breweries literally surrounded bar patrons with advertising that ranged from the cork screws to the chairs to the paintings on the walls.

The architecture and interior design of the shipping brewers’ tied houses contributed to their “brand personality.” By serving their beers in finer establishments, they were associating their brands with better taste and higher class. Though historians continue to wrangle over the benefits and pitfalls of the tied-house system, there is no doubt that the saloon provided the shipping brewers with an excellent brand building platform. While many saloons during this period were filthy and dangerous, the shipping brewers erected welcoming, beautifully designed, well-furnished, marketing shrines and, moreover, served superior beer.

Conclusion

The shipping brewers of the nineteenth century did not pioneer mass production though they certainly improved upon it. They did not invent vertical integration though few if any industries employed that growth model more extensively than the brewers. Even as invested in advertising as they were, the brewers did nothing particularly novel with the period’s conventional advertising. Their dynamism lied in the manner in which they combined each to develop brand personalities that connoted taste, modernity, efficiency, quality, quantity, and, above all, supremacy.

With remarkable efficiency, the brewers satisfied multiple ends with each integrated production point. Their forward and backward integration into transportation protected them from the railroad companies’ tendency to price gouge while also providing mobile advertising space. Their massive breweries allowed them to survive on thinner margins while also wrapping the brewers in the “mass production mystique.” Their highly mechanized and sterile production processes guaranteed that their beer would not spoil while en route to distant markets while also capitalizing on consumer fears of unsanitary and adulterated beverages. The shipping brewers’ forward integration into sales, namely, the tied-house system undercut saloonkeepers’ negotiating power and guaranteed retail outlets. Meanwhile, their elegant tied-houses visibly set the shipping brewers apart from the second and third-tier breweries. As many contemporaries recognized at the time and many scholars since, the Industrial Revolution gave birth to a generation of consumers who needed more from purchases than merely material gain. Whether it was political participation, social advancement, self-transformation, or just comfort, the shipping brewers’ tied houses offered elements of each, all the while, exposing customers to the marketing gardens perched behind the swinging double doors.

Future research would do well to recognize that advertising has existed for as long as products have been bartered, bought, and sold. The shipping brewers reaped success by promoting their success and the means by which they achieved it. Though many of these pioneers have since disappeared or faded into the background of a world dominated by multinational brewing concerns, their dynamism launched the brewing

industry as we know it today.

References

- ¹ Terry Foster, *Pale Ale: History, Brewing Techniques, Recipes* (Boulder, CO: Brewers Publications, 1999), 83.
- ² Jack S. Blocker, *American Temperance Movements: Cycles of Reform* (Boston: Twayne Publishers, 1989), 39; William Knoedelseder, *Bitter Brew: the Rise and Fall of Anheuser-Busch and America's Kings of Beer* (New York: Harper Business, 2012) 16; United States Brewers Association, 1979 Brewers Almanac, Washington, DC: 12-13; Hugh F. Fox "The Prosperity of the Brewing Industry," *The Annals of the American Academy of Political and Social Science* 34, no. 3 (January 1909): 55, accessed October 28, 2016, <https://archive.org/details/jstor-1011525>.
- ³ <https://www.brewersassociation.org/statistics/number-of-breweries/>
- ⁴ Amy Mittelman, *Brewing Battles: A History of American Beer* (New York: Algora, 2008), 30-38.
- ⁵ Herbert Asbury, *The Great Illusion: An Informal History of Prohibition* (Garden City, NY: Doubleday, 1950); John P. Arnold and Frank Penman, *History of the Brewing Industry and Brewing Science in America, Prepared as Part of a Memorial to the Pioneers of American Brewing Science, Dr. John E. Siebel and Anton Schwarz* (Chicago, IL, 1933), 1760, accessed October 4, 2015, <https://babel.hathitrust.org/cgi/pt?id=mdp.39015005861607;view=1;up;seq=2>.
- ⁶ Maureen Ogle, *Ambitious Brew: the Story of American Beer* (Orlando: Harcourt, 2006), 256.
- ⁷ Charles W. Bamforth, *Beer: Tap into the Art and Science of Brewing* (New York: Oxford University Press, 2003); William Bostwick, *The Brewer's Tale: a History of the World According to Beer* (New York: W.W. Norton & Co., 2014); Martin Stack and Myles Gartland, "The Rise of Packaged Beer and the Reordering of the US Brewing Industry," *Journal of the Brewery History Society* no. 141: 104, accessed July 11, 2015, <http://breweryhistory.com/journal/archive/141/Stack.pdf>; K. Austin Kerr, "11: The American Brewing Industry, 1865-1920," in *The Dynamics of the International Brewing Industry since 1800*, ed. R. G. Wilson and T. R. Gourvish (New York: Routledge, 1998), 176-180.
- ⁸ Johan Almenberg, Anna Dreber and Robin Goldstein, "Hide the Label, Hide the Difference," *American Association of Wine Economists*, no. 65 (August 2014), accessed April 11, 2016, http://www.wine-economics.org/aaawe/wp-content/uploads/2014/08/AAWE_WP_165.pdf.
- ⁹ Thomas C. Cochran, *The Pabst Brewing Company: The History of an American Business* (New York: New York Univ. Press, 1948), 98.
- ¹⁰ Douglas Southgate and Lois Roberts, *Globalized Fruit, Local Entrepreneurs: How One Banana-Exporting Country Achieved Worldwide Reach* (Philadelphia, PA: University of Pennsylvania Press, 2016), 8-10.
- ¹¹ Milorad M. Novicevic et al., "Chandler and Technological Determinism in the Histories of Management," *Journal of Applied Management and Entrepreneurship* 14, no. 4 (2009), accessed December 1, 2015, <http://www.questia.com/read/1P3-1947056421/chandler-and-technological-determinism-in-the-histories>; Alfred D. Chandler, *The Visible Hand: the Managerial Revolution in American Business* (Cambridge, MA: Belknap Press, 1977), 34-36; Clayton M. Christensen, *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail* (Boston, MA: Harvard Business School Press, 1997), 157.
- ¹² Victor J. Tremblay and Carol Horton Tremblay, *The U.S. Brewing Industry: Data and Economic Analysis* (Cambridge, MA: MIT Press, 2005), 45.
- ¹³ While aggregate advertising expenditures climbed from \$200 million, in 1880, to \$500 million, in 1900, those numbers pale in comparison to the \$3 billion they would reach by 1920. Juliann Sivulka, *Soap, Sex, and Cigarettes: a Cultural History of American Advertising* (Belmont, CA: Wadsworth Pub. Co., 1998), 446.
- ¹⁴ Stanley Baron, *Brewed in America: A History of Beer and Ale in the United States* (Boston: Little Brown, 1962), 187.
- ¹⁵ Ken Mondschein, *Advertising, Sales, and Marketing* (New York, NY: Ferguson, 2009), ix.
- ¹⁶ Peter Berger and Thomas Luckmann, "Social Mobility and Personal Identity," *Archives Europeenne de Sociologies* 5 (1984): 339.
- ¹⁷ Michael Schudson, *Advertising, the Uneasy Persuasion: Its Dubious Impact on American Society* (New York: Basic Books, 1984), 157.
- ¹⁸ Jackson Lears, *Fables of Abundance: A Cultural History of Advertising in America* (New York: Basic Books, 1994), 42.
- ¹⁹ *Ibid.*, 44.
- ²⁰ James Sumner, "Status, Scale and Secret Ingredients: the Retrospective Invention of London Porter," *History and Technology* 24, no. 3 (2008): 294, accessed November 16, 2015, ProQuest ebrary.
- ²¹ Thomas C. Cochran, *The Pabst Brewing Company*, 77.
- ²² S. Mintz, "The United States Becomes a World Power Period: 1890-1920," *Digital History*, last modified 2016, accessed May 2, 2016, http://www.digitalhistory.uh.edu/disp_textbook.cfm?smtid=2&psid=3158.
- ²³ Ray Allen Billington, *Westward Expansion: a History of the American Frontier* (New York: Macmillan, 1967), 561-562.
- ²⁴ John Philip Jones and Jan Slater, *What's in a Name? Advertising and the Concept of Brands* (Armonk, NY: M.E. Sharpe, 2003), 20, accessed March 20, 2016, ProQuest ebrary.

- ²⁵ Linda Danes-Wingett, "The Ice Car Cometh: A History of the Railroad Refrigerator Car," *The San Joaquin Historian* 10, no. 6 (Winter 1996): 1,6-7, accessed March 2, 2016, <http://www.sanjoaquinhistory.org/documents/HistorianNS10-4.pdf>; Donald Roussin and Kevin Kious, "William J. Lemp: A Tale of Triumph and Tragedy in St. Louis, Missouri," Beerhistory.com, last updated April 1999, accessed February 16, 2016; Mike Reilley, "Refrigerator Cars (Reefers) History," *Sussex-Lisbon Area Historical Society, Inc.*, last updated January 15, 2000, accessed March 2, 2016, <http://www.slahs.org/history/brewery/schlitz/reefers.htm>; Lawrence O. Christensen, *Dictionary of Missouri Biography* (Columbia: University of Missouri Press, 1999), 479.
- ²⁶ Charles W. Carey, *American Inventors, Entrepreneurs, and Business Visionaries* (New York: Facts on File, 2002), 44.
- ²⁷ "Schlitz," *The Milwaukee Journal*, June 24, 1901, p. 5, accessed February 19, 2016, <https://news.google.com/newspapers?nid=1499&dat=19010624&id=RoIQAAAAIIBAJ&sjid=miAEAAAAIIBAJ&pg=3181,4798844&hl=en>.
- ²⁸ Interstate Commerce Commission in 1937, and thereafter cars so decorated could no longer be accepted for interchange between roads; see: Jeff Wilson, *The Model Railroader's Guide to Industries along the Tracks 2* (Waukesha, WI: Kalmbach Books, 2006), 42.
- ²⁹ National Register of Historic Places, <http://npgallery.nps.gov/>.
- ³⁰ Peter H. Hoffenberg, *An Empire on Display: English, Indian, and Australian Exhibitions from the Crystal Palace to the Great War* (Berkeley, CA: University of California Press, 2001), xiv.
- ³¹ Frank A. Cassell, "Milwaukee and the Columbian Exposition of 1893," in *Milwaukee Stories*, ed., Thomas J. Jablonsky (Milwaukee, WI, USA: Marquette University Press, 2005), 92.
- ³² Pabst Brewing Co., "Pabst Brewing Co.," *The Morning Call*, December 10, 1893, Page 7, Image 7, The morning call. (San Francisco [Calif.] 1878-1895, <http://chroniclingamerica.loc.gov/lccn/sn94052989/1893-12-10/ed-1/seq-7/#date1=1891&index=1&rows=20&words=exhibited+Pabst&searchType=basic&sequence=0&state=&date2=1894&proxtext=pabst+exhibition&y=10&x=16&dateFilterType=yearRange&page=1>
- ³³ Ulrich Orth and Renata De Marchi, "Understanding the Relationships Between Functional, Symbolic, and Experiential Brand Beliefs, Product Experiential Attributes, and Product Schema: Advertising-Trial Interactions Revisited," *The Journal of Marketing Theory and Practice* 15, no. 3 (January 2007): 219-233, accessed February 12, 2016, ProQuest ebrary.
- ³⁴ "Schlitz," print advertisement, *The San Francisco Call*, September 21, 1899, Page 9, Image 9, accessed May 2, 2016, <http://chroniclingamerica.loc.gov/lccn/sn85066387/1899-09-21/ed-1/seq-9/>.
- ³⁵ "Schlitz: A Doctor's Reasons," print advertisement, *Bisbee Daily Review*, July 25, 1903, accessed April 21, 2016, <http://chroniclingamerica.loc.gov/lccn/sn84024827/1903-07-25/ed-1/seq-7/>.
- ³⁶ B. Joseph Pine and James H. Gilmore, *The Experience Economy: Work Is Theatre & Every Business a Stage* (Boston: Harvard Business School Press, 1999), 2.
- ³⁷ Mark A. Noon, *Yuengling: a History of America's Oldest Brewery* (Jefferson, NC: McFarland & Co., 2005), 94.
- ³⁸ George Ade, *The Old-Time Saloon: Not Wet-Not Dry, Just History* (New York: R. Long & R.R. Smith, 1931), quoted in Christine Sismondo, *America Walks into a Bar* (Cary, GB: Oxford University Press, 2011).
- ³⁹ Perry Duis, *The Saloon: Public Drinking in Chicago and Boston, 1880-1920* (Urbana: University of Illinois Press, 1983), 26.