

# Your Best Bud for Beer

*Bud Distributing Expands to market dominance, winning customers 'inch by inch.'*

By Amanda Baltazar



« KEY MEMBERS OF Bud Distributing include (l to r) Jeff Nate, owner/supervisor; Mike Nate, owner/supervisor; John "Buddy" Nate, owner, and Mark Nate, owner/supervisor.

**BW:** How has your product line-up changed in the 50+ years you've been in business?

**MN:** At the beginning we only sold Budweiser and Michelob. In the 1970s Anheuser-Busch launched Natural Light and Michelob Light and I remember in those days they said light beer was just a fad. By 2000 we had about a 70 percent market share. Since then we've taken on more products like Michelob Ultra, Bud Light Lime, Bud Light Wheat, Corona and Modelo brands and three years ago we picked up Hansen's Monster Energy drinks.

**B**egun by two generations of the Nate family—John and his son Buddy—in 1954, the Dowagiac, Mich., USA-based Bud Distributing (originally John Nate Beverage) struggled its way through over two decades until 1970. That year it purchased Diamond Lake Distributing and split into two divisions: wine and beer.

This was the turnaround point for Bud Distributing, its distribution doubling to 160,000 cases a year by just 1971. Six years later, Buddy's sons Mike and Jeff became active in the business and sales continued to rise. Last year, the company bought out nearby South End Beverage, which once again doubled the company's business to what it expects will be 1.2 million cases this year.

Today, the company remains an exclusive Anheuser-Busch wholesaler. Co-owner Mike Nate explains to *Beverage World* how this all came about.

**Beverage World:** How have you doubled business overnight with the South End Beverage purchase?

**Mike Nate:** We took on 12 employees from South End and it runs as a business within a business by my brother Jeff Nate and general manager John Kessman. We've taken two all-star teams and put them together to make one good, solid team.

**BW:** How has business been in the recession?

**MN:** So far we're flat for the year in a down market. In the past year Bud and Bud Light numbers have remained solid. I don't think people mind the little money it costs extra [for a Bud or Bud Light]; they still want a good beer and in spite of the economy, we've not seen a lot of down trends.

**BW:** What are your business challenges?

**MN:** The Indiana state line issues are a challenge because beer is less expensive down there and there's no deposit. But our motto is "inch by inch is a cinch; yard by yard is too hard." So we take it day by day, one account at a time. Also, the cold summer in Michigan this summer hurt business more than the economy and in cooler weather people go to on-premise locations more.

**BW:** How do you maintain good relationships with your customers?

**MN:** I think the No. 1 thing you can have is trust and you do that by being there day in and day out and earning respect. The customer is the reason we're in business so the customer has to be treated excellently. **BW**