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Entrepreneurial processes in the microbrewing industry.

A comparison between Italy and France

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“There is a driving force more powerful than steam, electricity and atomic energy: the will”

Albert Einstein

Abstract

This dissertation is the final result of both a previous interest emerged during a project work developed for the class of “International Management” and the research conducted in Rennes (France), during the Erasmus Program. It presents an analysis of the venturing process of a microbrewery, proposing a comparison between French and Italian examples. Providing a framework with the current and emergent theories about entrepreneurship, the study shows the processes characterizing the emergent phase of a microbrewery. Moreover, the attention is focused on the stakeholders involved, together with other context’s implications which legitimize the entire business.

Key words: Entrepreneurship, venture, bricolage, microbreweries, networks

Résumé

Ce mémoire est le résultat final d'un intérêt précédent émergé d'un projet développé pendant le cours d' "International Management" et après ma recherche conduite à Rennes (France), pendant le Programme Erasmus. On présente une analyse du processus de « venture » d'une microbrasserie, en proposant une comparaison entre les exemples français et italiens. En fournissant un cadre entre les théories actuelles et celles émergentes sur l'entrepreneuriat, l'étude montre les processus qui caractérisent la phase d'émergence d'une microbrasserie. L'attention sera portée sur les différentes parties prenantes et les contextes légitimant l'existence de l'entreprise.

Mots-clés: Entrepreneuriat, venture, bricolage, microbrasseries, des réseaux

Riassunto

La tesi è il risultato finale sia di un interesse emerso precedentemente durante un progetto sviluppato per il corso “International Management” sia a seguito della ricerca che ho svolto durante il programma di Erasmus a Rennes (Francia). Presenta un’analisi dei processi di “venture” di un microbirrificio, presentando un paragone tra casi francesi ed italiani. Proponendo un confronto tra le teorie attuali e passate sull’imprenditorialità, lo studio mostra i processi caratterizzanti la fase emergente di un microbirrificio. Inoltre, l’attenzione è focalizzata sugli stakeholders coinvolti, insieme alle implicazioni contestuali che, insieme, legittimano l’intero business.

Parole chiave: Imprenditorialità, venture, bricolage, microbirrifici, networks

To my parents, who never stopped believing in me

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INTRODUCTION

This dissertation presents an international comparative analysis between Italian and French microbreweries. In particular the attention is focused on the Brittany, a region situated to the north-west of France, and the Veneto, set to the north-east of Italy. Both countries are usually linked to other productions, however the phenomenon of microbreweries is spreading out, deserving of economists' attention.

After joining a project work for the class of International Management I started to be more and more interested in this topic: me and my colleagues interviewed some breweries situated to the north-east of Italy, collecting interesting data about the phenomenon of Italian microbreweries. Thus, after winning the Erasmus scholarship to spend a period in France, I proposed to my supervisor, Professor Vladi Finotto, to do the dissertation research abroad. I would like to compare French microbreweries with Italian ones. The really adventure started in Brittany, when I organized a team for visiting every brewery.

Thus, I scheduled the same interview to some Breton brewers and, once came back to Italy, I started to write my dissertation.

The first chapter will provide an economical and historical background of beer industry, moving from the industrial beer market to the craft one. In the last few decades the worldwide globalization phenomenon has offered to consumers lots of standardized products: globally the beer market has become increasingly concentrated, belonging to an oligopoly of multinational firms. Now, the new demand trend is changing and consumers are looking for other tastes. The revival of microbreweries dates back to the 80s in the US: a new generation of small scale brewers started a "beer revolution", producing a different beer, both in taste and in quality.

The second one will deal with entrepreneurial theories: today the vast field of entrepreneurship is at the center of an open debate, especially as concerns the emergent phase of a business activity; in particular I will focus attention on the relationships with

social contexts which influence and legitimize the entrepreneurial activity. We assist to a new generation of entrepreneurs who, in order to transform their passion into a business, creates their own market with resources “at hand”.

Finally the third chapter will provide, after a brief presentation of each microbrewery, a comparison between the cases interviewed: through a qualitative methodology proposed by Gioia and Chittipeddi in 1991, I will explain common points and differences in order to find 2 possible models of development.

CHAPTER 1

BEER MARKET: AN HISTORICAL-ECONOMIC BACKGROUND

1. The case

"Why have you decided to open a microbrewery?" This was one of the questions I asked the brewers interviewed during my research. I collected several different answers, but all shared a common goal, felt by all small brewers: to turn a life-long passion into a real job. In addition to that, I have noticed that many spoke about "real beer" or the "desire to educate people about other tastes", rebelling against the standardized beer they used to find in the supermarkets: I was dealing with artisans, who did not care about quantities but quality; the research for the best raw materials becomes fundamental as well as the recipe, which is invented and tested firstly by the master brewers.

In the last few decades the worldwide globalization phenomenon has offered to consumers lots of standardized and industrialized products. Now, the new demand trend is made up of consumers who are aware of this homogenization and are looking for genuine, craft, personalized and high quality products.

Before delving deeper into this topic, a general historical and economic review of the beer economy is required, together with an explanation of the difference between industrial and craft beer, in order to understand the current phenomenon of "the revival of microbreweries": if people are speaking about "real beer" this means that they miss a product made and sold before the industrialization of the market. Thus understanding the crucial points in the history of beer could shed light on the present because sometimes "the present contains nothing more than the past, and what is found in the effect is already in the cause" (Bergson 1907).

2. Beer: a time line

Actually, beer was never really invented: it was not an intended creation. The beverage was born out of a spontaneous process of fermentation, derived from sugars contained in almost every cereal under particular conditions; beer was supposedly created for the first time by a woman, who had left some bread or shredded wheat in a wet place, in

order, probably, to conserve the cereals for longer, causing therefore all the ingredients to ferment: a beverage made up of cereals, barley and water and nothing more. We could divide the historical review of beer into 4 periods: ancient times, middle-ages, modern times and contemporary.

2.1 Ancient times

Defined as "any sort of maltose-based alcoholic beverage…a fermented drink made essentially from malted cereal, water and yeast" (Nelson 2005), beer has a long history dating from the first civilizations; in fact barley was one of the first cereals to be cultivated and the activities of agriculture and cultivation have marked the passage from nomadic to sedentary people. Hence, beer is one of the oldest beverages ever produced, dating back to at least the 5th Millennium B.C.

The Sumerians, who lived in Mesopotamia, around 4000 B.C., were considered the first brewers and the bakers were thought to be the brewers of this population; Mesopotamian beer production increased dramatically under the Babylonians, around 3000 B.C., because, this population introduced the code of Hammurabi[1] that is the ancient law which regulated both the production and the sale of beer. This code, with the articles 108, 109 and 110, dedicated to beer, condemned to death people who did not respect beer market rules: people could not open a tavern without authorization and, according to the first article, beer could not be sold, but only exchanged for barley or other cereals.

Afterwards, the Egyptians too were brewers in 1550 B.C., until the ascent of Greeks and Romans: the curious thing is that in many European regions now associated with wine, people drank beer for thousands of years (Poelmans and Swinnen 2011); then, after the advent of the Greeks and, finally, after the Roman conquest of Europe, wine consumption and, later, its production, spread over the continent (Poelmans and Swinnen 2011); Romans, who drank only wine, despised beer and its drinkers, who were called barbarians (Rabin and Forget 1998): although, even if it was considered the

[1] "The Code of Hammurabi is one of the earliest known law codes and was probably compiled at the start of the reign of the Babylonian king Hammurabi (1792–1750 B.C.); it is famous for demanding punishment to fit the crime with different treatment for each social class" definition founded on http://ancienthistory.about.com/od/law/g/021208Hammurabi.htm. For reading its articles see http://www.fordham.edu/halsall/ancient/hamcode.asp.

barbarians' beverage, people continued to produce it, especially in such territories where it was difficult to cultivate vines.

2.2 Middle-ages, monks and first innovation

"The church and the monasteries were…the birthplaces of brewing science" (Jackson 1996:1). Under Charlemagne's empire, they built many monasteries, especially in Southern Europe (Unger 2004): here, the warmer climate permitted the monks to grow grapes to produce wine (Colen and Swinnen 2011:2); later, monasteries were founded in Northern Europe and here, in contrast, the cold climate made monks shift from wine production to beer production (Jackson 1996). Beer was still made and sold on a domestic scale: beer brewed by the monks was for their own consumption or offered to poor pilgrims (Bickerdyke 1889); later they started to sell beer in "monastery pubs" or to offer it in "church ales", where peasants could drink beer for free (Rabin and Forget 1998).

Ever more powerful commercial corporations appeared and beer became one of the most famous economic strengths: the Crusaders brought spices from the Orient which were added to the brewing process, giving a better quality to the beer.

It was also a period of innovation: in 800 A.D. in some German monasteries they introduced hops; this was a real innovation because it could help to preserve beer longer, stopping its putrefaction, and permitting it to be transported over longer distances, improving, at the same time, commercial trades. Moreover, according to Behre (1983, 1999) the bitterness of hops balanced the sweetness of malt, thus it was an important discovery, which improved the beer's taste. This innovation did not spread rapidly, due to its impact on a local tax called "Gruytrecht": the right of "gruyt", which was the name under which people referred to all herbs used by medieval brewers in brewing[2]. This tax stated explicitly the amount of "gruyt" that could be added to the beer: a real form of taxation which obliged the brewer to buy a pre-determined quantity of herbs in addition to the quantity of cereals used in the brewing process; hence, hops, not being included in the herbs, represented a real threat to the Gruytrecht, since they were not taxed.

[2] For additional information, see http://www.germanbeerinstitute.com/Gruitbier.html

Anyway in Brittany and the Netherlands, hops were still prohibited for a long time, until the end of the 16th century; many brewers continued to add spices, especially in Belgium, where people still maintain this age old tradition today.

2.3 Modern Times

The 14th century was marked by the emergence of commercial breweries which contributed not only to the growth of trade, but also to the improvement in the quality of this beverage: this is important because competition among breweries started to be more and more relevant; in addition to that, both distribution and exports develop, together with the introduction of new government regulations (Poelmans and Swinnen 2011): the "Reinheisgebot"[3] in 1516 was one of the most famous brewing regulations, introduced in Munich Bavaria in 1487; according to this regulation breweries could use only barley, hops and pure water (Hackel-Stehr 1987): today there are still breweries which follow this rule, excluding weizen beer.

In the 18th century important innovations, such as the introduction of the thermometer, drastically changed the old medieval brewing methods, but the really crucial period for beer history was the industrial and scientific revolution, in the 19th century, which drastically changed the beer market: since the 80s a radical transformation, both scientific and technological, had taken place. First of all, a new fermentation process and an improvement in controlling the brewing process brought breweries "on the road to industrialization" (Teich 1990); secondly, the continued mechanization of the brewing process, the use of steam-engines (1769) and the invention of refrigeration (1876) permitted time and transportation costs to be reduced (Poelmans and Swinnen 2011) and also the brewing of beer during the summer (Meussdoerffer 2009); moreover the glass industry contributed to improving the transportation of beer, enabling, with glass bottles, the preservation of the beverage: in addition to that beer was lighter, due to a low fermentation process and the transparency of glass emphasized this aspect; finally the discovery of yeast made it possible to produce the pilsner beer throughout the entire year and at a lower cost.

[3] For additional information about this government regulation belonging to the German purity law, see http://beer.about.com/od/Germany/fl/Reinheitsgebot-German-Purity-Law.htm

2.4 Contemporary

From the end of Modern Times, the brewery has become an industrial firm which started to deal with strong competition, thus it had to improve its productivity and maintain low prices. Communication and methods of transportation improved trade and competition.

The first beer industry giants were born in the USA and then all over the world, causing the decrease of small breweries: for instance, at the end of the 19th century, there were more than 3.000 small breweries in Belgium, whereas in the USA more than 2.000, but less than 100 years later, the number dropped drastically to less than 100 in Belgium and several dozen in the USA. Anyway "the evolution in the twentieth century is characterized by both growth and decline" (Poelmans and Swinnen 2011): in particular beer production dropped in the 1915-1950 period.

In Europe it fell by 70% during WWI and, as a consequence, a lot of breweries were forced to close down (Patroons 1979). After the war the scarcity of raw materials forced breweries, which wanted to start up again, to carry on their activity with what they could find.

The impact of world wars was smaller in the USA: during the first one there was a decrease of only 10% in beer production, instead, a much more radical decline in American beer production was caused by government regulations such as the National prohibition: from 1920 to 1933 alcohol was banned; moreover during the dust bowl[4], grain became very expensive, so US breweries reacted by changing their ingredients, starting to use corn and rice: the beer produced was lighter and US breweries were also able to change consumers' preferences through mass-marketing. Strong growth was interrupted by WWII, but the recovery started soon after, during the 1950-1980 period: during the 20th century, a process of consolidation within the beer industry took place together with a new trend called the "microbrewery movement"; in fact, the early 80s are characterized by the "Renaissance" of the appreciation of beer's taste during which some "people started to show an interest in "older" beer styles such as porter, pale ales and brown cask ales, stout and bitters" (Poelmans and Swinnen 2011).

[4] The Dust Bowl was the name given to an area of the Great Plains (southwestern Kansas, Oklahoma panhandle, Texas panhandle, northeastern New Mexico, and southeastern Colorado) and refers to an ecological disaster during the 30s, the years of the Great Depression. For additional information see http://history1900s.about.com/od/1930s/a/Dust-Bowl.htm

Today, the brewing industry is a global business, consisting of several dominant multinational companies and many thousands of smaller producers ranging from brewpubs to local microbreweries.

3. Global Beer Industry

According to data published by the last available Barth report[5] (2013/2014), in 2013 worldwide beer production rose by an annual growth rate of +0,6%, that means an increase of 11 million hl, which has pushed the total output to 1.973 billion hl: in general, the global beer market has slowly grown between 2007 and 2013, showing only a contraction due to the economic crisis in 2009.

The report shows that the five most important beer-producing nations are China, the USA, Brazil, Russia and Germany. In recent times beer consumption per capita has dropped in nations long renowned for beer, while it has risen in emerging countries (Colen and Swinnen 2011).

3.1 An increasingly concentrated market

The beer industry has historically seen few companies which have a substantial international presence, because ten years ago the worldwide beer market was highly fragmented: back in 2000, the top 10 breweries accounted for less than 40% of global beer sales. By 2012, after a decade of intense cross-border merger activity, the top ten reached almost 60% of share: according to Goldman Sachs analysts, "the global beer industry has undergone a steady process of consolidation[6]" in order to reach 2 important goals:

- ✓ To save costs, exploiting cost-cutting opportunities and standardization advantages;
- ✓ To conquer and reach new markets, especially attractive emerging countries (Boesler 2014).

[5] The Barth-Haas Group is the world's largest supplier of hop products and services. For additional information see http://www.barthhaasgroup.com/en/

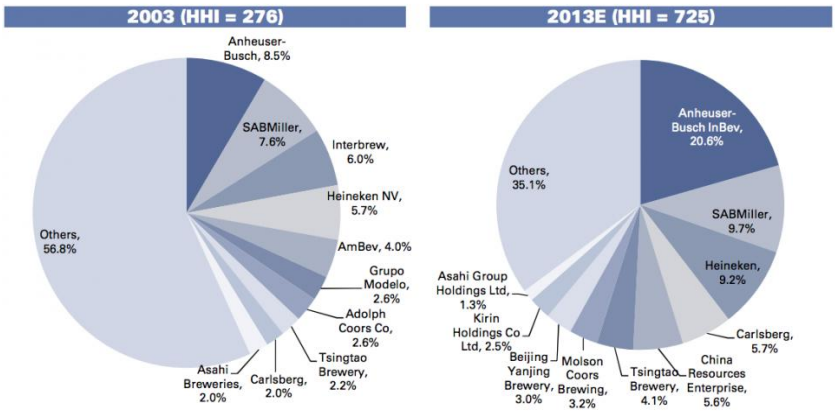
[6] "How The Global Beer Industry Has Consolidated Over The Last 10 Years In Two Charts" by Matthew Boesler. Business Insider, 14th February 2014. http://www.businessinsider.com/global-beer-industry-consolidation-2014-2

Thus, when we go to some supermarkets and we notice lots of brands of beer, thinking they come from many different brewing firms, actually we are facing a concentrated oligopoly of multinational firms.

Globally and across the EU (including the UK), the beer market has become increasingly concentrated: the process developed initially mostly in Western Europe[7] and North America[8], instead, more recently, it has included brewing companies of the emerging markets of Eastern Europe[9].

Looking at the graphs below[10], prepared by Goldman Sachs analysts, the process of consolidation, begun in 2003, is clear: the first one shows how the global beer industry was really fragmented (Boesler 2014). For instance, in 2003, Anheuser-Busch's market share was 8,5% and it was the global leader in the beer industry: after its merger with InBev in 2008, the resulting new global leader reached a market share of 20,6%. Today AB InBev is the world leader brewing company: it has got Budweiser, Beck's, Stella Artois, Hoegaarden, Leffe and more than 70 different local brands.

Graph 1: Global Beer Industry Consolidation, 2003-2013



Source: Boesler 2014

[7] Western Europe comprises Austria, Belgium, Denmark, France, Finland, Germany, Greece, Italy, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom (Marketline)
[8] North America consists of Canada, Mexico, and the United States (Marketline)
[9] Eastern Europe comprises the Czech Republic, Hungary, Poland, Romania, Russia, and Turkey (Marketline)
[10] HHI means Herfindahl-Hirschman Index and "it is the sum of the squares of the market shares of all of the firms in the industry" (Pepall, Richards, Norman 2008)

Since 2003 beer industry consolidation continues (SABMiller Investors 2014[11]), in fact:

- ✓ In 2012, Heineken completed the acquisition of Asia Pacific Breweries and Molson Coors has acquired StarBev;
- ✓ In 2013, AB InBev successfully acquired Grupo Modelo, thus now, for instance, it has got the famous brand Corona and other local brands;
- ✓ In 2013, in China: Chongqing was taken over completely by Carlsberg, China Resources Snow Breweries[12] acquired Kingway Brewery and AB InBev acquired Siping Ginsber brewery on spring 2014.

These companies, throughout these strategies, pursue important goals: first of all, controlling Asia Pacific Breweries, Heineken has Tiger Beer and Bintang Lager, two very popular and lucrative brands set in Southeast Asian markets, together with more than 30 brew firms located in 14 countries, among which China: in this way the Dutch Brewer could exploit the growth of developing Asian markets[13]; secondly, with its last acquisition, Molson Coors has reached Central and Eastern Europe emerging area, strategic for historical tendencies, pre-crisis growth rates and per-capita consumption trends[14]; thirdly the combined company resulting from the completed acquisition of Grupo Modelo allows AB InBev to exploit GM brands' popularity in both U.S. and in Mexico: nowadays Mexico is the world's fourth most profitable country for the beer industry, thus a great opportunity for growth for AB InBev[15] which, through the selling of its brands, could conquer the Latin market; finally, according to the precedent CR Snow & Kingway Brewery Sign Transaction Agreement[16], the combination could improve CR Snow's leading presence in China's beer market, which today represents the world's largest beer producer; in addition to that, with Carlsberg and AB InBev's last acquisitions, China is highly consolidated: CRB, Tsingtao, AB InBev China,

[11] http://www.sabmiller.com/investors
[12] Joint venture between China Resources Enterprise and SABMiller
[13] For additional information see the article "Heineken Wins Asian Brewer for $4,6 Billion" of Neil Gough, New York Times, 28th September 2012 http://dealbook.nytimes.com/2012/09/28/heineken-wins-asian-brewer-for-4-6-billion/?_php=true&_type=blogs&_r=0
[14] "Molson Coors Taps Eastern Europe" by John Kell. The Wall Street Journal, 3rd April 2013. http://online.wsj.com/news/articles/SB10001424052702303816504577321311641791118
[15] "Anheuser-Busch InBev Completes Combination with Grupo Modelo". Announces Settlement of Tender Offer, Brussels 4th June 2013. http://www.ab-inbev.com/press_releases/hugin_pdf%5C565242.pdf
[16] See all report here http://www.cre.com.hk/press/e-20130205R.pdf

Yanjing and Carlsberg are 5 brewer groups which represent, all together, a market share of 68%[17].

The process of consolidation has improved efficiency and control globally, without losing local flexibility (SABMiller Investors 2014), but:

- ✓ Industry consolidation has left many companies with fragmented IT and back-office systems;
- ✓ SABMiller, Heineken and Carlsberg are still carrying on operations in order to save and cut costs.

The latest news[18] is that AB InBev is going to expand its group further, almost reaching the monopoly in beer: nowadays it is the leading player in the global beer market and it wants to acquire SABMiller, which is the second brewer group worldwide. This possible merger involves 2 great leaders and almost 1 billion dollars of savings which could derive from this "marriage". What could this move suggest? First of all for AB InBev this acquisition could be a great opportunity because it will permit them to enter the African market, already conquered by SABMiller. Secondly, the new company could have a great advantage: combining the two market shares of AB InBev and SABMiller, respectively of 20% and 14%, the competitive advantage is clear, but according to Morningstar analysts, not necessarily greater; this is because both groups have different products in terms of the sale price: AB InBev has high-level brands, whereas SABMiller's brands belong to a lower price segment. Finally if this transaction occurs, it could be negative for the other companies which belong to the top 10 brewers groups, especially for Heineken and Carlsberg: the merger will extend AB InBev's cost advantage, thus increasing its purchasing power[19].

3.2 Trends and developments

The global beer market developed modestly between 2007 and 2013, successfully overcoming the contraction in 2009: moreover, according to the data published by

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[17] Barth report 2013/2014

[18] "Anheuser-Bush Inbev e SabMiller, nozze felici?" by Marco Caprotti. Morningstar news, 3rd July 2014. http://www.trend-online.com/prp/anheuser-bush-inbev-sabmiller/

[19] "AB InBev-SABMiller Merger Would Be Negative for Heineken" by Philip Gorham. Morningstar news, 3rd July 2014.http://www.morningstar.co.uk/uk/news/126254/ab-inbev-sabmiller-merger-would-be-negative-for-heineken.aspx#sthash.qgcBDZ9Q.dpuf

Marketline[20] (August 2013), the market is expected to expand until 2017. Looking at the output values published by the Barth Report, in 2013 beer production rose by 11 million hl, thus an increase of +0,6% worldwide; actually it is a slight rise in comparison with what happened the year before, equal to +1,7%: this result is due to a general drop in European beer production by -3,2% which has reduced the production rate from 551 million hl to 533 million hl; nor does America show better results, but if we split the value into the North, the Central (together with the Caribbean) and the South America we notice a decrease in production concentrated especially in the north: this means that the beer market is growing positively in Central America and Latin countries, as already anticipated before speaking about Mexico; in Africa beer output has increased but by a smaller rate, compared to 2012, instead in Asia and in Australia/Oceania an important growth rate of +2,8% and +0,7% respectively is recorded: this is quite interesting, especially for the second area, where, the year before, beer production was dropping by -0,6%.

We could match trends and development of global beer industry by geographic segmentation, thus considering the macro-areas Europe, America, Asia-Pacific[21] and Africa. In conformity with the last report published by SABMiller, developing countries remain the real engine of global beer production: high volumes are recorded both in Asia and South America, whereas consumption in West Europe is dropping (SABMiller 2014).

3.2.1 Europe

As far as the European situation is concerned a decrease in beer production is clear: in 2013 Germany was the leading brewer country, even if it reported a drop in production of -253.000 hl. It has surpassed Russia, which was the undisputed first brewer country from 2007: in fact, from 2012, the Russian production trend has drastically dropped from 97,6 million hl to 88,6 million hl.

[20] MarketLine is an Informa Business, one of the most prolific publishers of global business information today; it includes Company reports, Industry Profiles, Country Profiles and Financial deals activity for companies and industries. For additional information see http://www.marketresearch.com/MarketLine-v3883/

[21] Asia-Pacific comprises Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam (Marketline).

Considering the first 10 brewer countries, Poland is the country which drives the European beer-production development: from 2011 we see a great growth, with an increase of +1,8 million hl recorded in 2012, to reach, in 2013, an output of 39.560.000 hl.

Table 1: Global beer output development 2012/2013

	2012 (HL)	2013 (HL)	up/down	2012 +/- % rel.	2013 +/- % rel.
EUROPEAN UNION	388.669.000	383.830.000	*down*	0,5%	-1,2%
REST OF EUROPE	162.380.000	149.595.000	*down*	-0,3%	-7,9%
EUROPE TOTAL	**551.049.000**	**533.425.000**	***down***	**0,3%**	**-3,2%**
NORTH AMERICA	332.126.000	325.760.000	*down*	1,4%	-1,9%
CENTRAL AMERICA/CARIBBEAN	16.871.000	17.205.000	*up*	5,3%	2,0%
SOUTH AMERICA	223.175.000	230.910.000	*up*	0,6%	3,5%
AMERICA TOTAL	**572.172.000**	**573.875.000**	***up***	**1,2%**	**0,3%**
ASIA	**692.101.000**	**711.426.000**	***up***	**1,8%**	**2,8%**
AFRICA	**125.061.000**	**132.506.000**	***up***	**11,3%**	**6,0%**
AUSTRALIA/OCEANIA	**21.591.000**	**21.740.000**	***up***	**-0,6%**	**0,7%**
WORLD TOTAL	**1.961.974.000**	**1.972.972.000**	***up***	**1,7%**	**0,6%**

Source: Barth Report 2013/2014. Author's elaboration

Eastern Europe[22] countries' beer production stopped due to the economic crisis, even if they were, initially, the principal drivers of beer market. Canadean's[23] researchers are considering a possible recovery within 2016 for Eastern Europe's beer markets, in contrast, for Western Europe[24], they are estimating small losses (Annuario Birritalia[25] 2013/2014). According to Kirin Beer University Report, published on 8th January 2014, in 2012 annual consumption has decreased by -0,5% from 2011: Poland still drove beer consumption, with an increase of +5,3% from 2011, whereas, both Germany and UK have recorded decreases of, respectively, -1,6% and -3,7%[26]. Eastern Europe's per capita consumptions are lower than those which happen in Western Europe, but forecasts show a possible conjunction between East and West (Annuario Birritalia 2013/2014).

[22] Eastern Europe comprises the Czech Republic, Hungary, Poland, Romania, Russia, and Turkey (Marketline).
[23] Canadean is the industry leading consumer market research company, specialized in beverage trends. For additional information see http://www.canadean.com/.
[24] Western Europe comprises Austria, Belgium, Denmark, France, Finland, Germany, Greece, Italy, Ireland, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom (Marketline).
[25] Data published by http://www.beverfood.com/, specialized in beverage industry.
[26] For additional information see http://www.kirinholdings.co.jp/english/news/2014/0108_01.html

3.2.2 Americas

According to the last Barth report, in 2013 beer production recorded a slight increase of merely +1,7 million hl. In order to understand in which part of the continent the problem arises, the figure must be split into the north, the centre (together with the Caribbean) and the south area, as there are notable differences within the continent. Compared to the year before, in 2013 the northern area was hit by a considerable drop in production: the year before, all areas were showing positive value trends, in fact from 2011 to 2012 a general increase of +5,8 million hl was recorded in the whole continent. Anyway, now North America's beer production has diminished by -6,37 million hl and this has contributed to the general weak production trend. In the Centre the situation is better even if the growth rate is smaller compared to that of 2012, instead South America[27] is driving the entire beer industry: Brazil, Columbia, Venezuela, Argentina and Peru show positive growth rates for beer-production development. Thus, if during the period 2011/2012 a significant drop of -2,0 million hl was recorded due to the great fall in Venezuela[28], from 2012 this country has been registering a great recovery which has contributed to the positive results for the whole of the south.

As concerns consumption trends, in general, the beer market in America could be split, again, in 2 faces: to the north, there is a mature market, while, to the south, consumption has overtaken that achieved in the north. In fact, a strong increase in beer consumption is expected to be gained mostly in Brazil (Annuario Birritalia 2013/2014), due to the increase in people's incomes. According to the Brewers Association, US sales in 2013 have recorded a drop of -1,9%, but, this data is especially due to a decrease in consumption of industrial beer, because craft beers sales have risen by +17,2%.

3.2.3 Asia-Pacific

Beer is one of the most sold alcoholic beverages in the Asia Pacific region: the industry is developing fast, for both social and economical reasons: the population is growing, families' incomes are rising and people are showing interest in new flavors. Thus the demand for beer is expected to skyrocket every year between 2011 and 2016: according to Euromonitor forecasts beer consumption will grow by 4,8%.

[27] South America comprises Argentina, Brazil, Colombia, and Venezuela (Marketline).
[28] Barth report 2011/2012

In Asia both production and consumption of beer are growing faster rather than in the other continents. Today, the world's largest producer of beer is China with its 506,5 million hectoliters achieved in 2013, thus outstripping the U.S, which was the major producer until 2000; according to the Barth Report, in 2013 China was the country with the highest growth in output: from 2012 to 2013 the production trend has increased by +16,3 million hl, thus the major part of Asian production development (+19,3 million hl from 2012) takes place in China. The rest comes from Vietnam, South Korea and India whereas Thailand, which was leading the development the year before, has shown a drop in production equal to -600.000 hl.

Asia is consolidating its global leadership with more than 711 million hl produced in 2013 (36% worldwide)[29] and beer is becoming a very popular beverage: for example in Thailand, one of the biggest consumers of alcohol, beer has become so famous that it represents the new alternative to the traditional beverage "Mekong whisky"[30]. In just 2 decades, consumption of beer in China has zoomed: since 2003 China, according to Kirin Beer University Report (2014), is the largest beer-consuming country, even if, in 2012, there was a slight decrease of -1,2% compared to the year before; Taken as a whole, in 2011, 61 billion liters/year of beer were consumed in Asia[31], thus the continent has overtaken both Europe and America since 2007. Although this value, in terms of per capita consumption recorded in 2012, were still low: this trend comes up against the predominantly Islamic religion, less oriented to alcoholic beverages, but in other areas, where there is no religious influence, consumption trend is rising; thus, in Asia, per capita consumption is still far from that achieved in Europe: according to Euromonitor's analysts, the Czech Republic is the first drinking nation with 174 liters/year drunk in 2011, followed by 8 European countries; the first Asian country we find in the Euromonitor's list is Japan, only at the 41st place with 64 liters/year consumed.

[29] Barth Report 2013/2014

[30] "Beer in Asia: The drink of economic growth" by Saira Syed. BBC News, Singapore 5th September 2012. http://www.bbc.com/news/magazine-19488060

[31] "Beer in Asia: The drink of economic growth" by Saira Syed. BBC News, Singapore 5th September 2012. http://www.bbc.com/news/magazine-19488060

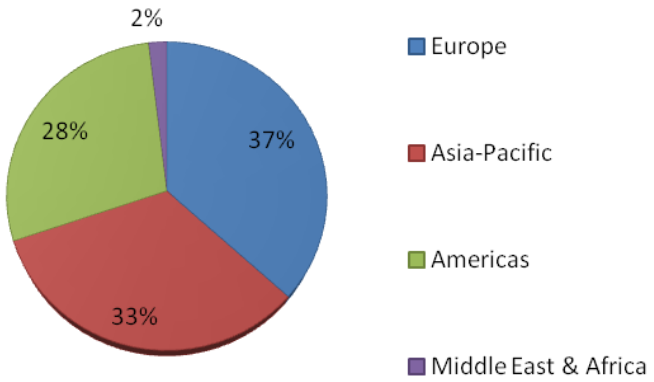
3.2.4 Africa

Since 2002 Africa has been maintaining a vigorous growth in beer production. In 2013 the annual growth production rate is still positive but it is halved, compared to the year before: the total output rose by +7,4 million hl, reaching a value of 132.506.000 hl. This value is pushed especially by Nigeria, Angola, Cameroon and Zaire, with respectively an increase of +2,5, +1,0, +0,6 and +1,0 million hl.

Consumption trend is rising and, according to Canadean's researchers, the volume of beer sales will grow by +4,6% between 2012 and 2016: thus, whereas North America and Western Europe's consumption trends will drop by -0,6% and -0,5%, in the black continent beer consumption will rise[32].

Some brewing groups, like SABMiller, are trying to expand their share in Africa, selling cheaper beer or stipulating taxation agreements with local governments in order to reduce beer prices and sell more, especially to the lower price segment: for example, seven years ago SABMiller launched Eagle in Uganda, a light cheap beer which pushed beer sales (in volume) to almost 3 million hl.

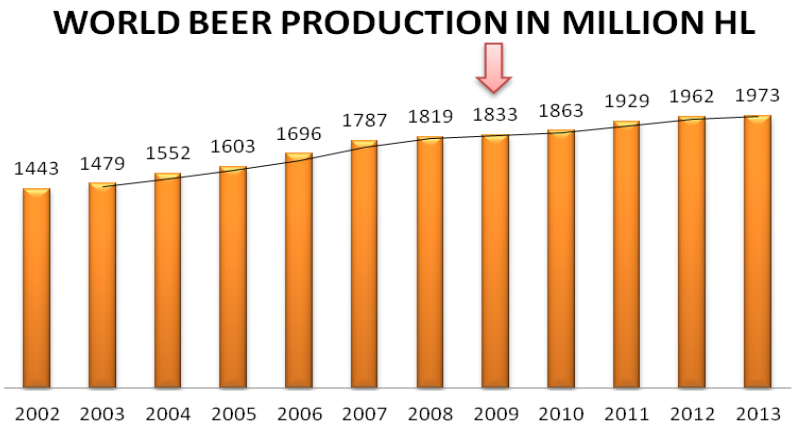
Graph 2: Global beer market geographical segmentation: % share, by value, 2012



Source: Marketline Industry Profile 2013. Author's elaboration

[32] "L'Africa va a tutta birra" by Paul Sonne, Devon Maylie and Drew Hinshaw. Milano Finanza Editori S.p.A., 23th March 2013.

Graph 3: Evolution of total world production of beer in hl 2002-2013



Source: Barth Report 2013/2014. Author's elaboration

3.3 Principal brands

In conformity with the data collected by the Barth report, today Anheuser-Busch InBev is the leading player in the global beer market, with 20,2% share of the market's volume achieved in 2013.

There are almost 4.000 industrial breweries worldwide, 2.000 of which are in Europe where Germany has more than 1.300 units; moreover there are several thousands of microbreweries: in U.S. the total number is nearly 2.000[33]. The global competitive market has shifted from an highly fragmented situation to a very concentrated one. The first 10 producers represent 2/3 of the total global production, in particular the first four breweries (Ab InBev, SABMiller, Heineken and Carlsberg) absorb around 45% of total production.

[33] Data published by http://www.beverfood.com/ and available here: http://www.foodexecutive.com/en/marketing/item/510-the-major-brewing-groups-in-the-world-in-2012.html

Table 2: First 10 largest brewing groups worldwide – 31.12.2013

Brewery	**Country**	**Brands** (**onyl most known brands, for the others, please see the website of the company)	**Production vol.2012 in mill hl.**	**Percentage of world beer**
1_ Anheuser-Busch InBev	Belgium	*Bud Light, Bud, Brahma, Skol, Stella Artois, Beck's, Corona…*	**399**	**20,2%**
2_ SABMiller (*not including the 57,4 mill. hl from the shareholding in CRS Breweries)	United Kingdom	*Miller, Pilsner, Urquell Peroni, Nastro Azzurro, Grolsch, Castle…*	**187,4**	**9,5%**
3_ Heineken	Netherlands	*Heineken, Amstel, Sol, Birra Moretti, Foster, Cruzcampo, Zipfer…*	**178,3**	**9,0%**
4_Carslberg	Denmark	*Carlsberg, Tuborg, Baltika, Kronenbourg, Holsten, Poretti…*	**119,7**	**6,1%**
China Resource Brewery	China	*Snow*	117,1	5,9%
Tsingtao Brewery Group	China	*Tsingtao*	78,3	4,0%
Molson-Coors	USA/Canada	*Coors, Molson, Carling, Caffreys*	59,7	3,0%
Beijing Yanjing	China	*Yanjing*	57,1	2,9%
Kirin	Japan	*Kirin, XXX Gols, Steinlager, San Miguel, Pale Pilsen*	49,3	2,5%
BGI/Groupe Castel	France	*BGI*	28,4	1,4%

Source: Barth Report 2012/2013, Author's elaboration

3.4 National Focus

3.4.1 Italian beer industry

Until the mid-1800s, beer was consumed only by few people: Italy was essentially considered a nation tied to wine consumption. Thus beer referred to a niche production which appeared in some little artisan workshops, with discontinuous production and local employment. Beers of high quality were imported from Northern Europe, especially from Austria.

Production, consumption, exports, and imports have slowly grown since 2002: according to the last available data published by Marketline, after years of decline, the Italian market rapidly grew in 2010, doubling its performance, gaining, in 2012, significant results. In particular, the best performances have been recorded in the export sector, which has rapidly grown from 2007, even if a small decrease was registered in 2012.

According to the last report of Assobirra, 2012 was a stable year with both an increase in the production (+0,5%) and in the occupation rate (+4,4%): firms are investing in new beer startups which develop at an increasing pace; the decline in sales, during the first semester of 2013, was worrying, bur the export rate has started to grow up again. In 2013, according to the Barth report, Italy's beer production dropped by -0,10 million hl, but forecasts say that the market value is expected to grow further.

We could analyze trends and developments according to:

- *Production*: there are 12 industrial plants (90% of total beer production), which belong to 5 groups: Peroni SABMiller (3), Heineken (4), Carlsberg (1), Birra Castello (2), and Forst (2); in addition there are HTS Theresianer, Amarcord, Birrificio Antoniano, Baladin and Drive Beer considered (non micro) craft breweries, which represent the 6% of the total production; the rest of production is represented by microbreweries, which are more than 600. In addition there are other 2 industrial plants which are malt-houses. The production trend was characterized by a slow growth between 2001 and 2010, interrupted by the economic crisis in 2009: in 2012 the Italian beer industry achieved a significant growth rate, begun in 2010, reaching good results. Anyway in 2013 the Italy's

beer production has dropped passing from 12,8 to 12,7 million hl: this data, published by the Barth group does not include microbreweries production, but we could estimate it considering both the number of microbreweries and their size. Among 600 microbreweries, there are:

- 1/3 up to 400 hl/year;
- 1/3 up to 600/700 hl/year;
- 1/3 over 700 hl/year[34].

We could estimate a range of production between 400.000 and 500.000 hl, which pushes the total amount of beer production to almost 13,2 million hl[35]. Even if there is a small decrease compared to 2012, Italy is still at the 12th/ place among 43 European Producers. Two glasses of beer in 3 are both consumed and produced in Italy. The last available Assobirra report shows that production of malt has reached a good result, with a positive increase of +3,8% compared to 2012: among the 14 industrial plants two are malt-houses and the rise in malt production is totally taken by industrial plants, rather than by microbreweries[36].

- *Consumption*: This variable has shown a positive trend during recent years, with per capita consumption reaching almost 30 liters per year: according to data provided by the last Report of Assobirra, the decline in sales during the first semester of 2013, which corresponds to a negative slope of -3%, has been followed by an increase in consumption of +3%. In 2012 the per capita consumption of beer in Europe, including Switzerland and Norway, decreased to 71,5 liters, which means, in percentage, -4,2%: Italy, even if it is at the last rank in terms of consumption, has reduced its gap for the 4th consecutive year, compared to the European average. One of the causes of the decline in sales concerns the weather: usually during summer people drink more beer than during cold and bad weather, but it is also true that, as the President of Assobirra, Alberto Frausin, has explained, neither the sultry heat nor the

[34] Data estimated during an interview with Fabio De Filippi, business partner of Uberti S.r.l., Venezia, Italy
[35] Microbreweries included
[36] Malteria Saplo and Agroalimentare sud. Up to the 50s, almost all breweries had their own malt-house. The former provides only Peroni Group, instead the latter gives malt to other industrial breweries and the craft brewery Baladin

humidity invite people to drink it; another reason derives from the introduction of the tax, introduced on 1 January 2014, on alcohol consumption: as far beer is concerned, the excise tax is increased reaching 2,70 euro/grade/hl[37]. Thus beer's price is high and this does not invite people to buy one. Beer is consumed mostly at home, and this could represent a real threat for bar and pubs.

- *Imports and Exports*: Between 2001 and 2011 imports have constantly grown, with the exception for the years 2008 and 2009, and an inverse trend registered in 2012, when, according to Beverfood, imports declined reaching 6,1 million hl; anyway, according to the last Assobirra report, imports has flourished again with an increase of +0,3% in 2013. Since 2012, exports are declining: in 2013 they dropped by -3,3% compared to the year before.
  The most significant countries of origin for beer imports are Germany (52,06%), the Netherlands (9,71%) and Belgium (7,42%), while the majority of Italian beer exports are represented by the UK (52,25%), the U.S.(10,93%) and South Africa (10,29%).

According to Marketline report, Heineken N.V. is the leading player in Italian beer market with a market volume share of 31,5%, followed by SABMiller, which accounts for a further 21,4%.
Italian beer industry could be assumed to be still a growing sector, and the positive trends, that characterized the last few years, even if they are quite modest, show that it is little by little gaining success: in 2017, the Italian beer market is expected to reach a volume of 17,64 million hl and a value of $ 14.975,7 million. In 2012 Italian market value was $ 12.431,2 million, value which may be split into (Marketline) sales of:

- ✓ Standard lager, that is the largest segment beer with $ 6.737,5 million, thus 54,2% of total value;
- ✓ Premium lager, the second largest with $ 3.995,9 million, thus 32,1% of total value;

[37] "Accise, Iva, Irpef e registro: tutti i rincari delle tasse già previsti che scatteranno dalle prossime settimane" by Alberto Magnani e Giovanni Parente. Il sole 24 ore, 7th August 2014. http://www.ilsole24ore.com/art/notizie/2013-09-16/accise-birra-080430.shtml

- ✓ Specialty beer with $ 991,8, thus 8,0% of total value;
- ✓ Ales, stouts and bitters with $ 631,6 million, thus 5,1% of total value;
- ✓ Low/no alcohol with $ 74,3 million, thus 0,6% of total value.

3.4.2 The French beer industry

France, a country well-known for its ancient tradition of wine production and famed cuisine, is renewing its brewing tradition, which dates back to the Gauls, thus around the 6th century. Two regions dominate the beer market, both of them located in the north: Nord-Pas de Calais and Alsace; they are followed by the Lorraine, the Ardenne, Picardy and Brittany. In conformity with the data published by "la moisson des brasseurs", on their web-site[38], today France holds:

- ✓ 1st place in the World for malt exports;
- ✓ 2nd place in the World for barley exports, but, according to the association "Brasseur de France[39]", holds the 1st place in Europe for barley production;
- ✓ 3rd place in the EU in terms of number of firms, with 550 French breweries;
- ✓ 26th place in the EU among beer consumer countries.

Anyway, in 2013 France has lost a place as European producer, compared to the year before, passing from the 8th to 9th position (Barth report 2013/2014): We could analyze, as for Italy, trends and developments according to:

- *Production*: in conformity with the data published by Marketline, beer production grew from 2008 to 2012 by an annual compound growth rate of +0,8%, reaching, in 2012, a volume of almost 20 million hl which, anyway, it dropped by -1,2 million in 2013[40].

  Other data, given by the association Brasseurs de France, show that 28% of the volume produced in 2012 in France was exported, essentially, in Europe; in 2013 there were 19 "Grandes Brasseries", thus industrial breweries, 57 "Brasseries Artisanales", which are the (non micro) craft breweries and 345 "microbrasseries" (microbreweries): this last data includes 163 "picobrasseries"

[38] For additional information see the official website: http://www.lamoissondesbrasseurs.com/presentation/
[39] For additional information see the official website: http://www.brasseurs-de-france.com/
[40] Barth Report 2013/2014

with less than 100 hl produced par year and, for the 25%, breweries with complementary activities. Forecasts say that production will achieve 18,8 million hl in 2014, thus an increase of +4%[41].

France, as already anticipated before, is also very famous for barley and malt production: according to the most updated data, the country produced 3,6 million tons of barley in 2012, cultivated on 1,6 million hectares, and 1,4 million tons of malt; France occupies a modest place for hop production too, with 580 tons produced in 2012.

Table 3: Breweries and production in France

TYPOLOGY	Number of breweries		Volume (hl)	
	2012	*2013*	*2012*	*2013*
Grandes Brasseries (Industrial Breweries)	18	**19**	19 551 000	17 940 000
Brasseries Artisanales (Craft breweries)	50	**57**	119 200	**133 000**
Microbrasseries (Microbreweries)	293	**345**	53 900	**60 000**
Brasseries CHR (Ho.Re.Ca)	69	**76**	51 800	50 000
Fermes Brasseries (Farm breweries)	54	**62**	16 000	**20 200**
Brasserie Pédagogiques (Didactic breweries)	19	**21**	3 400	**4 000**
	503	580	19 795 300	18 207 200

Source: "Brasseur de France" (http://www.brasseur-de-france.com/) and Dutin 2013. Author's elaboration

- *Consumption*: Beer sales present a quite stable trend, with a light "seesaw" effect. For instance sales dropped from 2006 to 2010, then growing again reaching, in 2013, a value of consumption volume of almost 19 million hl; in general, market consumption volumes, according to Marketline report, increased with an annual compound growth rate of +0,8% between 2008 and 2012, but since 2013 the production rate has been dropping: forecasts show that the market volume is expected to fall again by the end of 2017 (-0,5%/year from 2012 to

[41] In France they distinguish craft breweries from microbreweries, saying that the former produce until 10.000 hl/year, instead the latter's limit is equal to 1.000 hl/year. Thus be careful: in Italy microbreweries are those entities which produce less than 10.000 hl/year, even if there is no official definition. In this dissertation I am considering all breweries which produce less than 10.000 hl/year, because the research is focused on "entrepreneurial processes in microbrewing industry". For additional information about French breweries classification see http://www.lexpress.fr/tendances/vin-et-alcool/les-microbrasseries-se-multiplient-en-france_1259365.html

2017). With an annual consumption per capita of 30 liters/year, France is one of the weakest consumer countries in Europe; again, one of the reasons for which people drink less beer is due to the adverse weather, but maybe the principal trigger is represented by the increase in excise duty of 160%, thus an increase by +2,6% from the 1st January 2013: this has caused an increase in price on average by 14% in supermarkets and a drop in consumed volumes by -2,6%, to 19,4 million hl. At the same time, the French beer market grow thanks to an increase in specialty beer consumption and beer is more consumed at home, rather than at bars or restaurants.

- *Imports and exports*: according to Customs statistics in 2012, French beer exports have grown reaching a value of 5,15 million hl, thus an increase by +27,5% from 2011; imports trend has reached important results too, with an increase, compared to 2011, of +7,2%: imports in 2012 account for 7,4 million hl. France, as already said, is the first country for barley production in Europe and the first exporter worldwide for malt, thus both productions are important to sustain and improve the French economy.

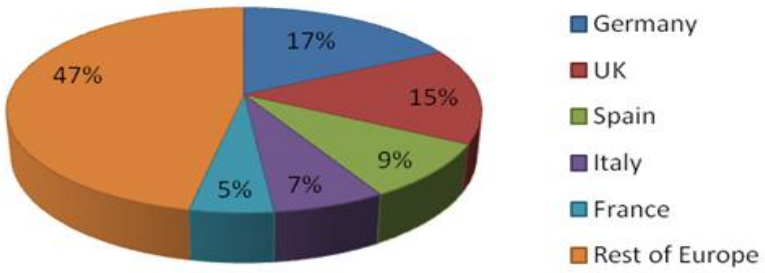
Heineken and Kronenbourg, which is the French brand of the Dutch brewing company Carlsberg, are the most famous beers consumed by French people: they are fighting to surpass each other in order to gain more market share; according to the report published by Marketline, actually Carlsberg surpasses by 0,2 percentage points the market volume share of its competitor Heineken, generating 33,5% of share. French beer market had total revenues of $ 9.243 in 2012, a result which may be split into:

- ✓ $ 3.243 million, from sales of premium lager, 35,1% of the market's overall value;
- ✓ $ 3.030,5 million, from sales of specialty beer, 32,8% of the market's aggregate value;
- ✓ $ 2.307 million, from sales of standard lager, 25,0% of the market's aggregate value;

- ✓ $ 365,7 million, from sales of the ales, stouts and bitters, 4,0% of the market's aggregate value;
- ✓ $ 296,7 million, from sales of low/no-alcohol beers, 3,2% of the market's aggregate value.

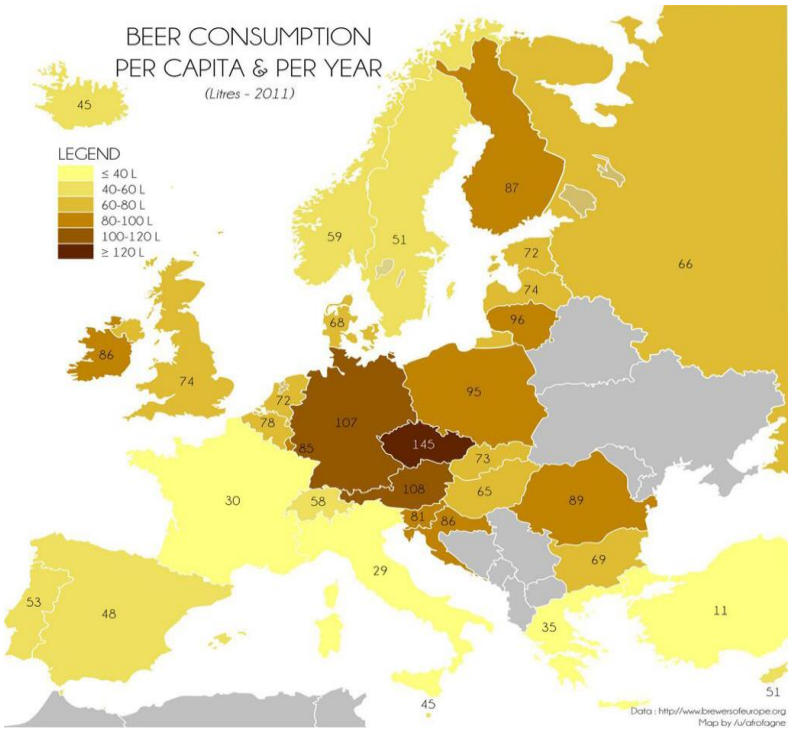
Market performance is expected to rise, reaching a value of $11.609,6 million by the end of 2017, thus, for the five-year period 2012-2017, market value is predicted to grow by an annual rate of +4,7%.

Graph 4: Europe beer market geography segmentation: % share, by value, 2012



Source: Marketline Industry Profile 2013. Author's elaboration

Graph 5: Beer consumption per capite and per year



Source: http://www.linkiesta.it/classifica-birra-europa

4. Microbreweries : the revival

A phenomenon deserving of economists' attention, the revival of microbreweries dates back to the 80s, even if the origin of this term was born in the late 70s, when Bill Urquhart founded his Litchborough Brewery in the Northamptonshire, UK. From that moment many beer lovers started to attend courses there in order to start their own activity, hence the phenomenon spread out, from UK all over the world: a new generation of small scale brewers decided to produce a beer which was different both in taste and in quality compared to the industrial one. This attitude was so relevant that Michael Jackson, one of the most famous authors of books about beer, in 1977 published one of the first beer guides, entitled "The World Guide to Beer", because he was inspired by the "beer revolution".

The real movement of microbreweries started in the US, during the 80s: the first microbrewery was born in Sonoma, California, in 1976, but its activity didn't last long.

Both in Europe and in America, the idea of producing artisan beer on a small scale became a new attitude (Michael Jackson 1988).

To this end, Rao (2008, et. al. 2000, 2006) has called these pioneers "market rebels": they are people who are so committed to a cause that they challenge existing norms in order to pursue their cause. They organize a collective action, bucking conventional wisdom, without minding about costs and efforts required.

First of all, in order to understand Rao's theory, we have to find a "hot cause" (Rao, 2008) which could be understood looking at the American beer history. In particular, two were the crucial points which legitimized this movement:

- ✓ The end, in 1933, of the government regulation which banned alcohol consumption that was the Volstead Act, a nationwide prohibition regulation;
- ✓ The legalization of homebrewing, February 1st 1979.

Between these 2 periods, only 300 brewers were running their activity because more than 800 were forced to close for the Prohibition amendment: in addition to that, the recovery was really hard in the 30s due to the dust bowl which damaged the agriculture. Thus, between 1933 and 1982, the number of breweries dropped from 700 to 50, but, at the same time, thanks to the legalization of homebrewing in 1979, there were some signals of "revival": this involved especially small breweries, in fact, in 1982, 6 new microbreweries emerged.

From 1979, home-brewers started their own activity, rebelling against standardized lager and light beers sold everywhere: "the industrial beer" was the hot cause of this movement, needed by home brewers and beer enthusiasts.

In 2013, according to the Brewers Association[42]'s statistics, the number of US craft-breweries was 2.768, among which 1.412 are microbreweries; moreover, the number of brewpubs (1.237 in 2013) and regional craft-breweries (119 in 2013) is rising too, while that of non-craft breweries remained stable or lower.

4.1 Strategy and goals

Microbreweries adopt another kind of strategy, based on assumptions completely different from the industrial ones. They follow a differentiation strategy, based on a

[42] American association born in 1942: its aim is to promote the American craft beer movement. For additional information see http://www.brewersassociation.org/

product which presents characteristics of uniqueness: in order to reach this goal, they combine traditional brewing styles with unique formulas (Kleban and Nickerson 2011) invented, and created by their brew-masters; furthermore, not only is the product different, but also all the organizational structures and marketing strategies: from their origins till today, microbreweries are mostly horizontally differentiated, having limited number of substitutes (Kleban and Nickerson 2011), and they are locally involved, looking for ingredients of their own area.

Thus, these small breweries do not pursue quantity, but quality: saving costs and reaching economies of scale are not the major goals, it is more important to give their consumers the possibility to learn other tastes in order to a real "taste revolution" (Kleban and Nickerson, 2011) experience.

Table 4: US breweries

	2012	2013	% Change
CRAFT	**2.401**	**2.768**	**15,30%**
Regional Craft Breweries	97	119	22,60%
Microbreweries	1.149	1.412	22,80%
Brewpubs	1.155	1.237	7,10%
LARGE NON-CRAFT	**23**	**23**	**no change**
OTHER NON-CRAFT	**32**	**31**	**-3,10%**
TOTAL U.S. Breweries	**2.456**	**2.822**	**14,90%**

Source: Brewers Association: http://www.brewersassociation.org/statistics/number-of-breweries/ Author's elaboration

Graph 6: U.S. beer sales 2013

Source: Brewers Association: http://www.brewersassociation.org/statistics/national-beer-sales-production-data/

The motivations and the reasons behind the decision to begin to brew are interesting too: according to the cases, the most part of microbrewers start at home, with resources "at hand"; they read books, surf on the net and attend internships in order to learn something more about craft beer: they invent their own recipes, moved by passion and desire of changing beer. We can say that an artisan makes a product which he/she likes, selling it according to his/her own preferences and tastes, whereas an industrial producer tries to understand what customers like and makes something which could fit their tastes.

Image 1: Home-brewing kit

Source: http://www.mr-malt.it/

Today consumers are aware of the craft beer phenomenon: culture is evolving and people know that there are several beers, different methods and styles. Consumes are changing: consumers are curious to taste and to know beer. These behaviors shed light on an important consequence: some industrial breweries are changing their marketing strategy, in order to attract and not lose consumers. We assist to marketing campaigns such as "our new craft line" or "our new non-filtered beer", with advertising which insists on both history and tradition of the brewery. For example Poretti brewery, which belongs to Carlsberg Italia S.p.a., has presented its last beer "7 luppoli" (7 hops) suggesting which dish to pair with: it wants to enter the craft-market. Even if they want to introduce a craft line, it is only a marketing strategy: industrials will not change their production process; if you buy two blonde beers of the same microbrewery they will have different flavors: this confirms the absence of both additives and preservatives in the craft production, which permit an industrial company to produce in large quantities with the same flavor. Thus, clearly, even if industrial breweries want to enter the craft market, they will always pursue other goals: quantity over quality, economies of scale and high-performance sales. Poretti's craft strategy is just one example: in Ireland, Guiness is launching, for the middle of September 2014, "West Indian Porter" and

"Dublin Porter": the former caramel flavored, the latter with notes of toffee and chocolate. Another clear example of "craft strategy", autographed Guiness[43].

Image 2: "7 Luppoli Non Filtrata La Fiorita"

Source:Poretti by Carlsberg Italia S.p.a. http://www.birrificioporetti.it/

4.2 Craft beer and industrial beer

"What is the difference between craft and industrial beer?" I started all interviews with this question, always collecting different definitions and opinions. This is because there is no official definition of craft beer, thus, the first approach underlies the contrast between a craft approach and an industrial one.

The Italian association Unionbirrai[44] provides a definition of craft beer starting from the term "small brewery": this one produces less than 10.000 hl of beer per year. According to the American Breweries Association, which distinguishes between small, independent and traditional craft-breweries, a small brewery has an "annual production of 6 million barrels of beer or less".

In addition to this lack of an official definition, all beer lovers and brewers have their own one, thus there are those who insists on the absence of huge machines and those

[43] "Guinness is going "craft", launching two new beers" by Kristin Hunt. 09/04/2014. Thrillist. http://www.thrillist.com/drink/nation/guinness-west-indies-porter-and-dublin-porter

[44]It is the Italian association which promotes the craft beer movement in Italy. For additional information see http://index.unionbirrai.it/

who focus attention on the number of workers employed; who speak about the addition of local ingredients and who refer to volumes of production.
In general the common shared idea concerns a different production process:

- ✓ First of all, the absence of pasteurization: as already said before, pasteurization represented an important discovery, one among the more important triggers of the industrialization of beer production;
- ✓ Secondly, most craft-beers are not filtered;
- ✓ Thirdly, in every craft-beer no additives or preservatives are added;
- ✓ Lastly, the term "craft" indicates that no huge machines are used during the production process, but there is a strong human component in every part of the work.

A crucial point concerns the taste: the pasteurization phase was an important innovation because it permitted a longer preservation of the beer, which had to be transported around countries even for many kilometers, stopping the yeast growth after beer is bottled[45]; anyway, this process gives all industrial beers a similar taste, thus beer loses much of its original aroma. Furthermore, clearly there is an initial filtration phase at the very beginning of the production process, but, for the rest, it is absent: thus its absence allows all components to be kept. These are important in order to preserve the organoleptic profile, rich in flavors and aroma. This is why in many bottles of craft-beer it is written "taste in evolution": without these preservatives, the taste changes.

4.3 National Focus

Before going deeper into the topic, a brief clarification is required. Let me restate that no official definition of "craft beer" exists, neither in Italy nor in France. Moreover in both Countries the term microbrewery includes different kind of breweries.
In Italy, microbreweries producing less than or equal to 10.000 hl/year could be a:

- Microbrewery, small brewery which produces a limited quantity of beer, without serving it: brewers usually sell beer directly at the production place or to other distributors;

[45] For additional information about pasteurization see:
http://www.micromatic.com/Templates/static/images/1753/Pasteurization%20and%20Draft%20Beer.pdf

- Brewpub, which is a brewery with a bar inside: normally beer is served only at the restaurant-pub;
- Beer-firm (gipsy brewery), a term used to indicate an "itinerant brewery" which includes all beer producers who do not have their own equipment[46].

In France[47], they used to classify breweries with different production limits. Thus, under 10.000 hl/year of production we could find:

- Brasseries artisanales (less than 10.000 hl/year)
- Microbrasseries (less than 1.000 hl/year):
    - Picobrasseries
    - Fermes brasseries
    - Brasseries Pédagogiques
    - Brew pub

The research is focused on entrepreneurial processes of microbrasseries and contexts which influence micro processes characterizing entrepreneurial action, thus I am going to consider all breweries with a production less or equal to 10.000 hl/year.

4.3.1 Italy case

The microbrewery phenomenon arrived in Italy in 1996, influenced by what happened in other countries and thanks to new laws that allowed homebrewing[48]: from that moment people could produce beer at home without paying taxes.

"Craft beer is Teo's fault[49]": one of the most important Italian pioneer was Teo Musso, founder of Baladin Brewery in 1996. He started brewing in 1986 in the Langhe, an area in the province of Cuneo, located to the north-west of Italy; this area was famous for wine, cheese and white truffles, not for beer. Actually Teo Musso began a real challenge to its Italian origins, because there was not a culture of beer, but, after 10 years, his choice became a real opportunity which opened the door to the future of Italian craft

[46] http://www.microbirrifici.org/Beer_Firm_news.aspx
[47] "Les microbrasseries se multiplient en France" by Frédéric Crouzet. L'express.fr, Tendances//Vins et Alcools: 04/07/2013
[48] Decreto Legislativo 26/10/1995, n. 504
[49] Original title "Baladin. La birra artigianale è tutta colpa di Teo", by Teo Musso and Marco Drago. Feltrinelli 2013

brewing. We could say that he has created the Italian craft beer market, selling his first beers “Isaac” and “Super Baladin” in 1997.

Teo Musso’s notoriety is also due to the invention of the most famous object for Italian craft beer: together with Kuaska (Lorenzo Dabove), a famous Italian beer taster, he created the famous beer glass called TEKU[50], for tasting sessions; its name derives from the two initial letters of both the founders’ names. The glass became well known and appreciated in the entire craft beer sector, thus something very soon changed: from a glass just for tasting sessions it started to be used in Italian and international brewpubs and sometimes in the industrial beer sector, becoming the symbol of Italian craft beer. It is important to underline that, instead of what happened with industrial beers, the glass started to be considered a really important element in tasting and discovering all the characteristics of beer: its shape and its size contribute to what some brewers call “taste experience”.

The phenomenon of craft beer spread all around Italy, thanks also to a sort of open-source for beer which was created by the same brewers who started to share their brewing experience: new microbreweries and brewpubs were opened and more people turned their passion for brewing into a real job. Many microbreweries started to show their own creativity throughout their beers: some brewers tried to add some local products to the brewing process, such as Trevisan radicchio or chestnuts.

Currently, there are more than 600 microbreweries in Italy: we could not match exactly the number because the phenomenon is still developing.

[50] For additional information see http://www.baladin.it/it/productdisplay/teku

Image 3: Mapping Italian breweries

Source: http://www.microbirrifici.org/beer_italy_maps.aspx

4.3.2 France case

French beer culture is more and more developed: the number of microbreweries in France has been multiplying for last 10 years and French consumers are showing interest in craft-beers to try other taste experiences.

During the early 80s, French breweries were passing through a period of crisis and they were actually disappearing, but then, since 1995, a new wave of microbreweries and brewpubs has come out: in 2010 there were already 334 microbreweries. Actually Breton breweries represent the origins of the renaissance of craft beer in France: the more famous are Brasserie Coreff, Lancelot and Britt, born, respectively, in 1985, 1990 and 1998. Robert Dutin, author of the "Guide de brasseurs et bières de France" (2014) and of some directories of French breweries (since 2008), explained that all over France many microbreweries opened and forecasts show that the number is rising.

It seems difficult to understand and believe in this growth, because global consumption is dropping: Pascal Chèvremont, of the association "Brasseur de France" has showed

that, since 1976, a drop by -1% in sales has been continuing. Data show that French people drink 30 liters/year per capita, thus France is the 26th consumer Country in 28 countries of EU.

Although the French craft beer market is growing and beer is becoming something more refined, according to consumers' perception: as Robert Dutin has explained, French people are not consuming much beer, they are simply consuming well.

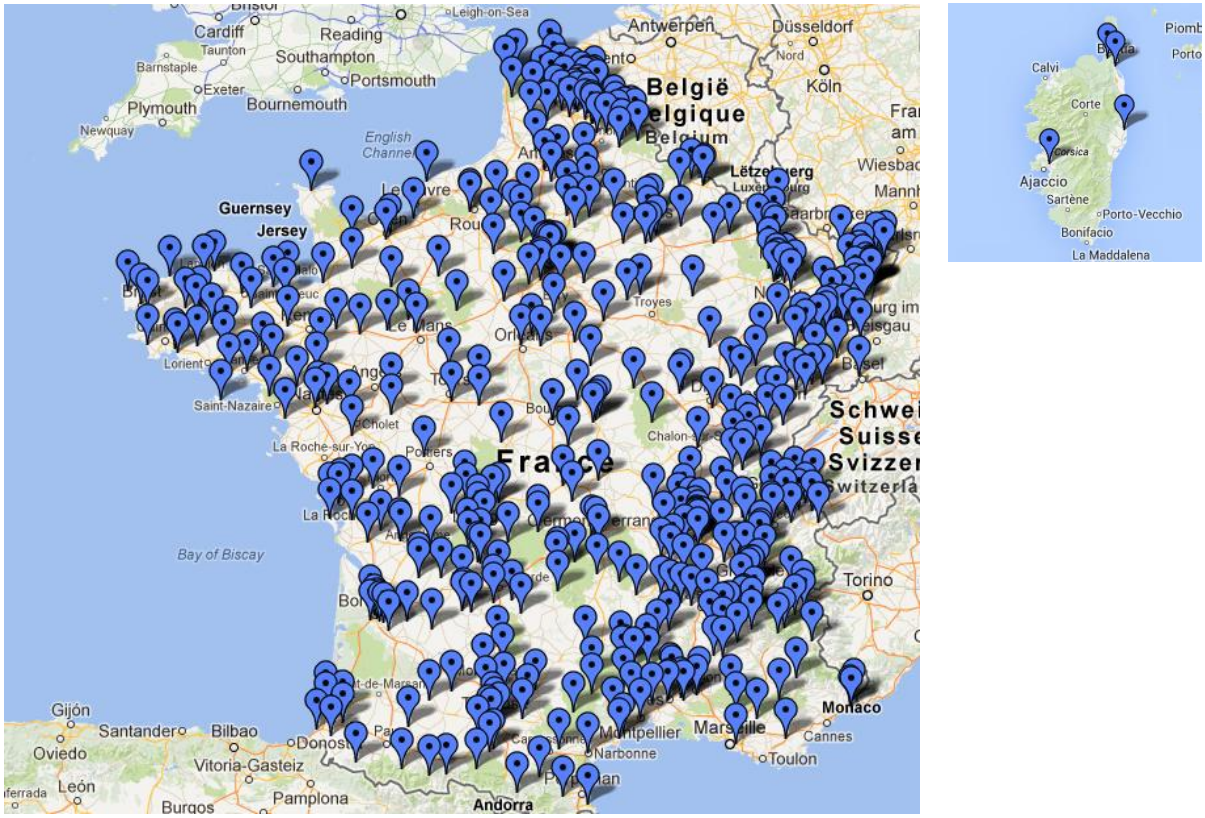
Finally from the 1st January, 2013, the increase in tax hit these microbreweries hard, because the French law had not distinguished between breweries' size, as instead, until 2012, it did[51]. Thus, all breweries with a production less than 200.000 hl are similarly hit by 3,60 euro/grade/hl: this is a problem as Pierre-Olivier Bergeron, of Brewers of Europe[52], has explained because this increase could stop microbreweries' development forcing them to close down. Moreover, beer is the alcoholic beverage most hit even if it represents only 16% of beverage market and this tax could make many workers to lose their jobs[53].

[51] Before the introduction of the tax, there were these categories:
1) up to 10.000 hl : 1,38 euro/grade/hl
2) from 10.000 hl 50.000 hl: 1,64 euro/grade/hl
3) from 50.000 hl to 200.000 hl: 2,07 euro/grade/hl
4) the rest: 2,75 euro/grade/hl
But now all breweries pay the same

[52] Association born in 1958 and based in Brussels: it is the voice of European brewing industry. For additional information see http://www.brewersofeurope.org/

[53] For additional information about tax: http://beerpulse.com/2012/12/french-parliament-approves-160-tax-hike-bill-damaging-countrys-beer-culture/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+beerpulse+%28Beerpulse.com%3A+%231+beer+news+website+in+the+world%29

Image 4: Mapping French breweries



Source: http://yves.bou.pagesperso-orange.fr/brasseries/cartegoogle1.htm

CHAPTER 2

ALTERNATIVE PERSPECTIVES IN ENTREPRENEURSHIP: NEW VENTURE CREATION

1. Introduction

This chapter reconsiders the concept of entrepreneurship and innovation in the creation of new ventures in order to fit the current phenomenon of the sudden rise of microbreweries.

The vast topic of entrepreneurship is at the center of an open debate, especially between two approaches: the rational and the creative. This is due to the fact that during last few decades many changes have happened in the market. The phenomenon of globalization has complicated our world: the introduction of new technologies has multiplied all entrepreneurial processes leading to more complications.

New theories are going to justify entrepreneurial processes entailed in the creation of new ventures as in the microbrewing industry, even if there is still limited theory about contexts in which this kind of business runs. In particular, empirical works and theories of entrepreneurship do not provide an analysis of the role of social mechanisms.

Let's start by asking: "why beer?"

We are totally immersed in a wave of words such as "start-up" and "innovation". How many times have we heard about start-up in a day? Several, and often in an improper and incomplete way: for this reason I will try to use this term the least possible. When a word becomes too ordinary, used in every context, this is the risk we run. Joking, I could say: it is the same situation as when we heard people (everyone) at the hair-dresser or at the pub who speak about "spread" hearsay. Often they really do not have a clear idea in mind. Today the term start-up has entered common usage: used actually more to indicate those ventures which deal with communication and technologies, rather than with traditional sectors such as automotive, fashion or food and beverage industry. It seems that "entrepreneurs in mature industries do not enjoy the privilege of having numerous alternative route to introduce novel business ideas and to convey them to the market…because they must come to terms with existing industry hierarchies and architectures" (Finotto 2013).

Actually, the term start-up is made up of "start" and "up": to start means to begin, and up means to grow and to develop. It refers to the beginning phase of a new enterprise. It is often linked to those ventures which deal with new products which do not yet have a market and the term is strictly correlated to innovation. Sometimes there are gaps in the market, imperfections or something that has to be changed. If a new product or invention is able to cover this gap, this is an innovation, which creates value for the consumers. For example, in 1943 Edwin Herbert Land's daughter, who was 3 years old, asked her father why, after her photo was taken, she could not look at it immediately. Her father, who was an American scientist and inventor, answered that nobody, until that moment, had invented any means of doing so. His daughter was perplexed though, and after that episode, Land went into his laboratory to study how to overcome this deficiency in the market. After 4 years, in 1947, he invented the first instant Polaroid camera[54]. This was a real innovation, not just for the immediate success it gained, but for covering what was lacking in the camera market. There are lots of important innovations which have characterized the history of consumerism and the economy. Today people tend to associate innovation with high-tech and fast growing industries (Sarkar and Costa 2008), as do empirical studies in the wide field of entrepreneurship, which rarely investigate the mature industries (Finotto 2013). Especially in already existing markets, individuals act in conformity to society's rules which "constrain creativity and innovation" (Meek et al. 2009).

The cases studied have shown that new business ideas could arise in these industries too. Thus, not only in new markets, but also in mature ones. Innovation could prevail in traditional industries, not only in IT sectors, even if traditional sectors are stopped by "factors of inertia and resistance to change" (Finotto 2013) such as cultural, economic and entrepreneurial commitments. These factors and behavior patterns have prevented the rise of new competencies for better fitting the context around them, more and more global and dynamic, which requires flexibility rather than commitments (Belletti, Cavaliere, Moliterni 2009).

Microbreweries produce craft beer, in a small scale and with other aims, as was already explained in the previous chapter. Beer has a long history and belongs to the mature

[54] For additional information about the history of Polaroid camera see http://www.polaroid.com/history

market of food and beverages, but today, given the boom of microbreweries, it deserves of economists' attention for their emergent phase.

Why does innovation have to be correlated only to information and communication technologies? There is innovation if it creates a recognized value. What emerged during my interviews is the presence of a network made up of "friends and family", predominantly in the emergent phase of the business idea. Social networks legitimize the brewer's desire to start his/her project. To this end, Sarasvathy (2001), with her theory of effectuation, speaks about "effectuators" such as self-selected stakeholders who really contribute to the business idea, especially in the initial phase of the project, sharing their knowledge and resources. The business idea acquires legitimacy, and initial uncertainties are abandoned in favor of the stakeholder's commitment.

Micro processes which characterizes small ventures, not dealing with high technologies, are influenced by contextual influences (Zahra, Wright and Abdelgawad 2014) which motivate people to embrace the challenges associated with the various activities correlated to the entrepreneurial engagement. In this sense, being part of communities and building alliances with close friends, represents a real pool of resources in the initial phase of the project.

Resources and cases show that microbreweries are creating jobs and satisfaction. Moved by a passion, people became brewers at home and then they started their own business, selling a product which risked acceptance because of the insistent presence of the industrial beer. Little technology is involved: they use pans and resources to hand together with passion, support and advice. The innovation lies in the way the venture starts and develops: what happens is something radically different from what classical theories have said for many years. No new product is invented: as was explained in the first chapter, beer has a long history and belongs to an old industry.

Italy is famous for the "made in Italy" products and industries, representing those mature markets it is most known for internationally: fashion, food, furniture and automation/mechanics. We could wait for another Mark Zuckerberg but, in the meanwhile, let's see how to innovate starting from our strengths.

2. The academic debate on entrepreneurship

Since the 70s, entrepreneurship has represented an open point of discussion: during those years the planning school was considered "the one best way" (Mintzberg 1994), thanks also to the proliferation of many consulting companies and strategic models, like the SWOT analysis (Ghemawat 2006). All was goal-oriented and very linear. Thus, for many years we have heard about strategy as something planned, and entrepreneurship was often defined denoting the entrepreneur's qualities rather than approaching it as a process (Steyaert 2007).

From the last decade, these theories have been carried on by those who adopt a "cognitive approach": some authors (Shane and Venkataraman 2000, Kirzner 1973) have insisted on connoting the entrepreneur's qualities, because opportunities can be recognized only by individuals particularly on the "alert", with a promptness propensity to risk.

2.1 Evolution of the planning school: The cognitive approach

Let's imagine a situation. Paolo Rossi lives in Jackson, Mississippi, and he is an Italian chef who loves cooking healthily and well. He has worked in many restaurants, both in Italy and abroad, and now he wants to open his own activity in Jackson, where he has been living for 3 years. He has already found the place where he can begin and the rent is not so expensive. His wife always eats fast, because she has not much time for lunch thus she often has a sandwich with her colleagues. Not only many people have lunch outside their home, but the obesity rate is not low. Paolo has an idea for his new activity: a fast food restaurant/dinner dedicated to pasta. He already has in mind the name "2 Spaghetti veloci", an Italian slogan in order to attract people. Pasta will be served in a little paper box and everyone can choose their sauce. Assuming that there is a market, he starts by analyzing the entire population, segmenting it on the basis of demographic variables, income level, marital status and job. He prepares a questionnaire, sending it through the more famous social networks and to the Universities and high schools of Jackson. Finally, thinking about his wife, he chooses as target segment "students and workers who often eat outside home", bored by sandwiches and traditional fast foods, with the aim of giving them a healthy, but fast solution. From this time Paolo starts his new business, planning marketing strategies in

order to attract customers: his intended strategy is going to be realized, everything according to plan[55].

According to Kotler (1991), this process is called Segmenting, Targeting and Positioning (STP) and actually it requires time, effort and costs, something that if we are operating in a big firm already started is not so important, because we are not alone. On the contrary, in this case, there is an entrepreneur who decides to open his own activity, with his money, efforts and time.

According to the cognitive school, opportunities happen: only people on the alert (Kirzner 1973) and with entrepreneurial qualities could recognize them (Shane and Venkataraman 2000). They are objective phenomena, but their recognition is subjective (Shane and Venkataraman 2000). Once discovered, the entrepreneur validates these opportunities, in terms of profit and value creation, and plans all the actions required to start the new venture (Liao and Gartner 2006): resource and capital procurement, infrastructure required, people involved and so on. For this approach discovering opportunities comes from an "exogenous shock" (Alvarez and Barney 2007): this arises from competitive imperfections present in the market (Kirzner 1973) and provokes a disequilibrium. Without disequilibrium, there is no reason to react, because in a situation of equilibrium no one has an interest in changing anything[56] (Kirzner 1973). Opportunities arise in a variety of forms (Shane and Venkataraman 2000): within an industry or company, especially in a product market (Venkataraman 1997) or outside, in its social and intellectual environment (Drucker 1985), thus from technological, regulatory, political and socio-demographical changes (Kirzner 1973).

In our example, Paolo notices that in his city many people eat outside their home and, with the current obesity rate in Mississippi at more than 30%[57], he sees in these socio-demographical dimensions an opportunity.

After recognizing an opportunity (many people, especially workers and university students, eat outside home) there is a validation process (feasibility study in terms of costs and resources and segmenting population) followed by the choice of a target group, founded after an opportune market research (e.g. questionnaire, online surveys)

[55] I was inspired by Sarasvathy's example "Curry in a Hurry" in **"**Causation and effectuation: Towards a theoretical shift from economic inevitability to entrepreneurial contingency" (2001). Academy of Management Review. 26(2): 243-288

[56] The exact quote is: "Without autonomous changes in consumer tastes, or in technological possibilities, or in the availability of resources, no one can have any interest in altering his plans (. . .) The market is in equilibrium"

[57] Data taken from http://www.fasinfat.org/states/ms/

to address the offer; then the entrepreneur organizes the resources needed in order to pursue the pre-determined goal. Moreover, throughout this linear process entrepreneurs attempt to predict the future, thus, if something goes wrong (e.g. most students and workers prefer eating sandwiches), they abandon the exploitation of opportunity or adapt their resources to the emerged problem (e.g. sandwiches with pasta's sauce), always looking for the pre-determined goal. The individual has to keep everything under control.

It is a goal-driven model, very rational and linear. Sarasvathy (et al. 2000, 2001) calls it causation model, which derives from the STP process proposed by Kotler (1991): "take a particular effect as given and focus on selecting between means to create that effect" (Sarasvathy 2001).

3. Alternative paths to new venture creation: the constructionist approach

Recently, new alternatives have been developing: they deal with a more constructionist approach, rather than with plans.

First of all, this approach does not insist in connoting the entrepreneurial qualities: the entrepreneur is not the only dimension present in the entire process. Gartner (1988) has created a framework for describing the creation of new ventures showing that the individual(s) is only one dimension interacting with the other three: the environment, the organization and the process. As Sarasvathy pointed out during an interview of Big think, on the 26th June 2009: "Everybody can be an entrepreneur. Entrepreneurship is much more a way of looking at the world and solving problems in the world. Like the scientific way. Everybody can learn to be a scientist. Not everybody can become an Einstein, but, everybody can actually learn to become more scientific in their reasoning"[58]. For this reason, Steyaert (2007) invites us to approach entrepreneurship more with a verb rather than with a noun: "entrepreneuring" could help in understanding all the dynamics included in this open field. There are several definitions of entrepreneur, all different and incomplete. We cannot start all reasoning only from one dimension of the entire process.

Recently economists have been considering entrepreneurship and strategic management as two strictly correlated fields (Ireland 2007, 2008), especially speaking about the

[58] Big think Interview, 26/06/2009: http://bigthink.com/videos/big-think-interview-with-saras-sarasvathy

creation of new ventures. The cognitivists (Alvarez and Barney 2004, Shane and Venkataraman 2000, Shane 2000) have said that after recognizing the opportunities, the individual acts, validating them and scheduling all the resources and capital required to achieve and pursue the predetermined goal. To date this rational (Steyaert 2007), realist (Alvarez, Barney and Young 2010), cognitive approach is refused by other scholars, who propose a constructionist, creative approach, more dynamic, flexible and, in my opinion, more "entrepreneurial".

While both analysis and interpretations assumed for a long time an "one best way" (Mintzberg 1994), today there are more constructionist approaches. The planning school has long contributed to many management theories and continues to be an important branch in the literature, but some economists have noticed that new ventures have boomed, without following any pre-scheduled way of action, as rationalists say. This new approach criticizes the cognitive one with interesting theories, which will be presented through this paragraph.

Scholars have noticed that entrepreneurs act, moved by their own passion, ideas or by a "hot cause" (Rao 2008): they do not do prior market research, instead, through an iterative process of acting and readjusting, they create their opportunities, changing the market around them. Entrepreneurs hate doing market research and prefer working with things really under their control and to hand. During the last few decades, many of these nonconformists have been successful: they are curious, inclined to surprise and prefer chasing means rather than changing goals.

3.1 Opportunity formation

"Where do opportunities come from?" is one of the questions which stirs the field of entrepreneurship: it is still an open question which has contributed to a significant debate (Alvarez and Barney 2008) between the rational and the constructionist approach. For the former, opportunities are discovered, instead for the latter they are created.

According to the creative approach opportunities are neither outside the entrepreneur's control (exogeneous) nor "waiting to be discovered" (Shane and Venkataraman 2000): this is an assumption widely "untenable" (Finotto 2013). The individual decides to act and then an iterative process of action-reaction starts. Opportunities are not objective

phenomena: they are created as the result of the entrepreneur's efforts (Barreto 2012). Actions anticipate schemes and formulations. Entrepreneurs are "insurgents who refuse to think as bureaucrats" (Rao 2008). This process is also called enactment: "when people act, they bring events and structures into existence and set them in motion. People who act in organizations often produce structures, constraints, and opportunities that were not there before they took action" (Weick 1988). Thus, according to this approach the opportunity does not happen, but it is created by the entrepreneur (Barreto 2012); the individual acts, then awaits a response, then acts again and so on: an iterative process of action-reaction, during which the entrepreneur interacts with people, such as consumers or partners, and he/she readjusts the prior goals, starting a new action (Sarasvathy 2001). This is why it is a constructivist approach: this time the opportunity comes from an "endogenous shock" (Alvarez and Barney 2007). In addition to that, according to this approach, people of all levels are involved, unlike to what the rational theory says. More and more relevant information rises with each step, as a consequence of the frequent interactions with different people (Baker and Nelson 2005). In addition to that individuals have different capabilities in understanding and processing the information (Hayek 1949). All variations contribute to the opportunity formation which, at the end, could be completely different from that carried out by another entrepreneur who began from the same starting point: this is because opportunities are not objective phenomena, but subjective.

3.2 How to overcome resource constraints

Clearly "most entrepreneurs face substantial resource constraints" (Shepherd et al. 2000) and entrepreneurs' behavior and decisions are influenced by resource scarcity (Baker & Nelson, 2005).

Traditionally entrepreneurs start seeking resources they need or assume decisions which completely change the organization, adapting it to environment's challenges instead of arranging their resources to overcome constraints. In this way they completely ignore new opportunities and effects (Sarasvathy 2000) which could arise from the entrepreneurial process (Baker and Nelson 2005). For the rationalists, "acting as if" entrepreneurs were not constrained is seen as a foolish approach. In fact, according to this predominant point of view, it is not clear how some ventures succeed in

overcoming these constraints flourishing (Baker and Nelson 2005) and achieving success.

Thus the constructivists propose their own point of view, based on the theory of "bricolage": a French word which indicates those crafts-people who creatively use what they have "at hand" (Levi-Strauss 1967) to create new artifacts, sometimes using material left by other projects (Rogers 2012). It is like "creating something from nothing" (Baker and Nelson 2005), refusing to consider the environment's limitations and finding out all possible combination of resources. Since the 60s, we have already found a theory about recombination of the same resources with Edith Penrose (1959): clearly resources are given and probably many firms start with the same resources, but they can reach different results only by different combinations of the inputs; many scholars have spoken about "resource based view" theory but nobody, not even Edith Penrose, has given an example of how these combinations of resources could bring organizations to discover new opportunities.

When I think about recombination of resources I always call that episode which deals with the birth of the "chicken wings". On a Friday night in 1964, at the famous Anchor Bar Restaurant, in Buffalo, NY, a group of people arrived to have dinner, but the chef, Dominic Bellissimo, had only chicken wings in his kitchen, a part of the chicken that usually he used for the soup. Anyway his mother had the brilliant idea to fry them, together with a sauce. She had invented a dish which became part of the menu, exactly with what they have handy in order to prepare a dinner for a group of people who arrived without reservation. We all know Buffalo Wings, because, from that moment, the invention spread all over the world[59].

The dichotomy between optimization of resources and bricolage could be intended as the contraposition between structuring and bundling (Steffens et al. 2009): the environment is not so powerful, it is idiosyncratic to the uses firms make of it (Penrose 1959). People are not foolish if they employ the set of limited resources they have handy: they embrace the challenge, showing more risk propensity than the entrepreneurs who follow the cognitive theory. By applying combinations and resources at hand or which, at every step in the process, come to hand, entrepreneurs overcome problems and create new opportunities, effects or, in case of constraints, solutions (Buffalo Wings). In

[59] For additional information about the history of this famous dish, see http://anchorbar.com/original.php

few words, what often happens is a mobilization of extant resources "in order to generate options for future actions" (Finotto 2013)

"Do the doable" and "making do" are the new imperatives (Sarasvathy 2000, Baker and Nelson 2005): bricolage behaviors permit the market to be survival and overtake resource constraints.

3.3 A means-driven logic

In the second half of the 20th century, the rational decision model based on goal-driven behavior (Bird 1989) was questioned (Read and Sarasvathy 2005). According to the causation model (Sarasvathy 2001), the logic which characterizes this kind of behavior, the process starts from a goal. At every step, the entrepreneur considers how much could be gained, in terms of profit, and through a competitive analysis he/she identifies how to overcome possible constraints which could emerge during the process. The division of the process into formalized steps is thought to be an obvious way to control and predict the future, anticipating consequences (Mintzberg 1994). In fact, when Kaplan and Norton proposed the balance scorecard in 1992, it was a tool used to monitor a long term goal over the short term. It provided a balance between strategic and financial goals: clearly it solved many limits of both economical and financial accounting and, in addition to that, it provided measurable targets to guide the strategy implementation.

However constraints and losses could happen and traditionally rationalists react through adaptation, in order to reach their initial objective. Nevertheless adapting is the first solution for surviving, the entrepreneur abandons his prior idea of business, losing part of his/her identity.

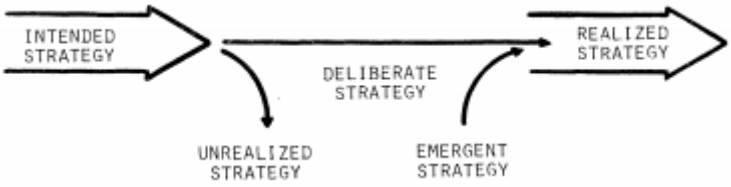
As Mintzberg pointed out (1994) "successful strategies are visions, not plans". Thus, a step further in the field of entrepreneurship was represented by the "strategic thinking": a more intuitive reasoning, based more on enthusiasm rather than programming; it consists in finding more alternatives rather than pursuing only one. The evolutionary approach is based on the "effectual entrepreneur".

The effectuation model goes in the opposite direction to the causation one (Sarasvathy 2001). It attempts to do a total inversion of the rational choice theory (Read and Sarasvathy 2005). It is not necessary to predict the future, and mobilize all resources in

order to control it: in fact, it is useless and, sometimes, a waste of time (Dew and Sarasvathy 2002; Dew, Read, Sarasvathy and Wiltbank 2008). Goals, or new effects, could emerge during all the process, sometimes by mistake or from the discovery of unexpected benefits of the resources at hand. For example, maybe not all people know how the famous "Post-it" brand has born: it was a discovery from a mistake. All started in 3M when, in 1968, a scientist, Dr. Spencer Silver, was researching adhesives stronger and tougher compared to what they were producing up till that moment, but he obtained something with another effect: it was semi-adhesive, peel and stick. He was required to find other kinds of adhesives and he continued to search for another useful application to what he has invented, without results. In 1974, his colleague, Art Fry, during his choir practices, noticed that this adhesive was fantastic in order to attach a little piece of paper as bookmark: it was an emergent strategy, which was developed, becoming a realized one[60].

The entrepreneur could exploit an "emergent strategy" (Mintzberg, Waters 1985) destined to be realized, even if totally different from the original one (to find a stronger adhesive). In a certain sense we could call "Buffalo Wings" an emergent strategy too, born from the need to prepare a dinner with the available resources "at hand".

Graph 7: Types of strategies



Source: Mintzberg and Waters 1985

This is why Sarasvathy proposes to begin from means rather than goals: a means-driven logic makes the entrepreneur think from where he/she really starts. Indeed the set of means proposed are three categories of questions concerning:

- "Who am I?"
- "What do I know?"

[60] For additional information about the story of Post-it see http://solutions.3mitalia.it/wps/portal/3M/it_IT/PostIt-EU-Global/PostIt/About-Post-it/Directory/

- “Whom do I know?”

How could we attempt to predict the future, in order to better control it, if we do not consider what actually we have in our hands? Traditionally those who follow plans are path dependent (Garud, Kumaraswamy and Karnøe 2010) who attempt to follow procedures and schemes already seen and tested. On the contrary what is required is not to be simply more practical, but creative and adventurous. Shaping the environment instead of adapting to it is the new rule.

Let’s recall the previous example of Paolo Rossi. According to an effectual approach, he does not act doing a market research and sending questionnaires. He knows that he is a chef who has left his job at one of the most important Italian restaurants in Jackson and now he wants to open his own activity. His wife thinks he is total fool, but she decides to help him, with money too. Paolo has $ 20.000 and much will to start. Jackson has many very competitive fast foods and many restaurants, of different ethnic cultures. Paolo has a friend who has a bar in the centre of the town: here people often have a sandwich after work with a beer. Thus he asks him if he could prepare something for 2 lunches a week for two months, in order to invite people to taste them.

Not much time is spent and if the project does not go well he does not lose much money and efforts.

Beginning with a set of means, rather than a goal, the entrepreneurs diverge from the cognitive path, based on past actions and behavior, and think more dynamically, enacting (Weick 1979) and re-inventing (Baker and Nelson 2005). For example, the successful entrepreneur recognizes the importance of building relationships with all the people who could be correlated to his/her organization: stakeholders reshape the environment (Read and Sarasvathy 2005), thus to establish partnerships with them and to be involved in communities which share the same interests could be considered a strength. This behavior is more useful than doing a competitive analysis. In addition, the causation logic attempts to organize all background resources in order to avoid uncertainties and unexpected contingencies, thus losses met during the process are seen as “misunderstanding of the market” (Kirzner 1973): whereas, the “effectual” entrepreneur learns from losses and manipulates uncertainty (Dew and Sarasvathy 2002), leveraging contingencies to create novelty and new effects. The entrepreneur

creates his/her path (Garud and Karnøe, 2001), refusing to follow a common set of decisions already used in the past.

Opportunities, firms and markets are human artifacts. Effectuation is a logic of design: instead of being blocked by the environment around them, adapting themselves to fit it, the successful entrepreneurs change it to fit their aims (Sternberg 2003).

4. Contexts

Alvarez and Barney (2013) have explained that the common starting point of both the discovery and the creative approaches concerns the source of opportunities, a question which highlights the debate with important implications characterizing the nature of both approaches. However, if opportunities are discovered or created is not so fundamental without contextualization. Klein (2008) says that opportunities are imagined, set in the mind of the entrepreneur: in addition to that, in order to imagine an opportunity, people based their reasoning on information they receive from society; given this, considering that information is perceived differently by people and distributed in different ways, opportunity is built in every mind variously. Thus, opportunities could be considered only "latent concepts" (Klein 2008) as far as entrepreneurial action is concerned.

Empirical works and theories miss deeply analyzing the contexts in which entrepreneurial action takes place together with their fundamental role in motivating people to embrace the entrepreneurial challenge (Zahra, Wright, Abdelgawad 2014). Contexts define boundaries of entrepreneurial action, be they institutional (political and economic rules), geographical, socio-spatial (cross cultural differences inside a community) or social (alliances and communities) (Welter 2010). A managerial concept which helps understanding variables around us is the PESTLE analysis: it is the evolution of the previous PEST analysis, used by many companies in order to define Political, Economical, Social, Technological, Legal and Environmental variables. It is a framework useful to classify information, which offers a description of both the constraints and the opportunities we could find in the external environment.

In addition to that in the environmental context market failures could represent source of opportunities, waiting to be exploited. If the entrepreneur decides to exploit an

opportunity which belongs to an existent market, he/she has to deal "with existing institutional arrangements" (Aldrich and Fiol 1994)

Studies highlight more processes rather than contexts in which they are entailed, even if in every context there are "multitude of variables likely to influence the outcomes" (Zahra, Wright, Abdelgawad 2014). Indeed, contexts influence the micro processes characterizing entrepreneurial action through different facets (Welter 2010) and variables.

We are particularly interested in understanding in which situations an individual feels legitimization to act. Previously, we have talked about opportunities: market failures could be considered sources of opportunities, ready to be exploited by an entrepreneur. Institutions, laws and "rules of the game" (Meek et al. 2009) are some of the boundaries in which a new business is set. Solving a market failure, new ventures offer products or services which have not received legitimacy yet from "existing institutional arrangements" (Aldrich and Fiol 1994) and industry architectures (Finotto 2013) and this could constrains a business idea; in this regard, when a phenomenon starts to be understood and known by public institutions, they could provide incentives for the creation of new businesses (Audretsch et al. 2007). For example, from 2013, it is possible registering an "innovative start-up" which deals with high technology at the company registration office, if it respects all requirements established by the law. They could receive tax breaks, exonerations, and other helps: the presence of a law which provides the source of resources legitimizes the entrepreneurs.

When, on the contrary, there are more constraints rather than "tax breaks" (Meek et al. 2009), which could encourage a new venture creation, where does the entrepreneur find "legitimacy" (Suchman 1995) for his/her strategy implementation?

Microbreweries, especially in Italy, do not receive funds by banks: the phenomenon is not understood and known yet, thus brewers have to search resources elsewhere.

4.1 The source of legitimacy

Case studies which deal with a venture's emergence show that social networks are "pools of resources" (Finotto 2013): especially in the emergent phase of the business idea, there are self-selected stakeholders (Sarasvathy 2001) who contribute to the emergence of the business idea. According to the effectual theory, these stakeholders

constitute a small group of “effectuators” who actively take part to the entrepreneur’s idea, reducing uncertainty in the early stages of venture’s creation. Self-stakeholder (Sarasvathy 2001), acquaintances (Evald, Klyver and Svendsen 2006), family, friends and “role models” (Meek et al. 2009), in a bricolage view (Baker and Nelson 2005), contribute to the business idea, with their commitment: they share values, aspirations and identities of an individual perceived as “legitimate”. Many times, the entrepreneur decides to exploit an opportunity if he/she is encouraged by supportiveness of a group or culture around him/her (Meek et al. 2009): a group could concern an organization, a club, or family and friends. Especially friends are termed by Kolvereid (1997) as “motivation to comply”: the entrepreneur cares about the opinions of people close to him/her and acts in conformity with “social norms”, unwritten rules which belong to a group (Meek et al. 2009, Kolvereid 1997, Packer 2008). To this end, there is widespread belief that social networks are influenced by pre-scheduled behaviors, estabilished by culture. Culture interferes on entrepreneurial activity and networking (Klyver and Foley 2012). It is “the collective programming of the mind that distinguishes the members of one group or people from another” (Hofstede 2001): a framework of shared concepts which concern values, verbal and non verbal communication, language, behavior, time and space orientation and other dimensions.

More research in these fields is required: data, numbers and statistics cannot give sufficient information about what really happens during the venturing process. There is information that data do not say. Thus, I interviewed some breweries in order to delve deeper into the investigation.

CHAPTER 3

THE STUDY: A COMPARISON BETWEEN FRENCH AND ITALIAN MICROBREWERIES

1. The aim of the research

The aim of the research is to understand the processes that characterize a microbrewery development. In particular I will focus my attention on people and their relationships with the contexts in which a brewery is run. In order to deal with this topic I chose 7 Italian microbreweries and 7 French microbreweries. The phenomenon is still young in Italy, being less than 20 years old, instead in France it has existed since 1985. It was curious to compare two countries often associated with wine: in particular we focused our analysis on the Veneto and the Brittany regions: the former long-renown for Prosecco DOPG wine and the latter for cider production.

2. The method

The analysis follows a method proposed for the first time by Gioia and Chittipeddi in 1991: this is known as Gioia method and it is based on a qualitative logic. Despite qualitative research has often been criticized for being incomplete, in order to study social implications which characterize a phenomenon's development we need to focus attention on means rather than only on numbers or statistics (Gioia et al. 2012). Assuming that the world is socially constructed (Gioia et al. 2012) we need concepts in order to identify and study constructs. Searching through specialized manuals, I chose some microbreweries according to 3 criteria and I scheduled an interview to each firm. The 3 criteria are "pioneers", "well-established breweries: more than 4 years of activity" and "one year of activity". The interview was very similar to a chitchat in order to let brewers talk about what they really care for, without feeling forced or obliged to answer in a right way. We need new tools of investigation and this methodology offers new sources. For each region, after collecting the more interesting brewers' quotes (1st terms of order), following the Gioia method, I found a second term of order for each group of sentences: finally I grouped the second terms order in 3 aggregate categories, trying to

find a general theory which could justify the emerged processes and contexts influencing the microbrewery development. Thus, at the end, I compared those 3 aggregate dimensions of Breton cases with those of Veneto's cases in order to indentify differences and similarities of the phenomenon.

3. Italian case studies: Veneto

3.1 The phenomenon

In Veneto the craft brewing renaissance began with Arte Birraia[61], Vecchio Birraio[62] and San Gabriel[63]. Then the phenomenon spread out through all the region with other interesting examples like 32 Via dei birrai[64], mostly known for its successful communication strategy, and many other young brewers, who started with the kit for brewing at home. Today there are almost 60 microbreweries and the phenomenon is expected to develop. Until the end of the 80s, there was a school in Pedavena[65], a town near Belluno, for master brewers: it is the only real proof of previous Italian beer tradition and its impact on worldwide brewing is impressive. A lot of brewmasters coming from Pedavena's school are teaching how to make beer helping many brewers to start.

[61] Arte Birraia is a microbrewery based in Seren Del Grappa, Belluno. It was founded in 1998, thus it is one of the pioneers of the microbrewery phenomenon in Veneto. I will present it as second case study. For additional information see http://www.artebirraia.it/home.html

[62] Vecchio Birraio is a brewpub based in Marsango, Padova. It was fonded in 1997 and it is one of the pioneers of the microbrewery phenomenon, both in Veneto and in Italy. I will present it as first case study. For additional information see http://www.vecchiobirraio.com/

[63] San Gabriel is a microbrewery founded in 1997 by Gabriele Tonon at Busco, near Ponte di Piave (Treviso, Italy). For additional information see http://www.sangabriel.it/

[64] 32 Via dei birrai is a well-established microbrewery based in Pederobba, Treviso. It was founded in 2006 and I will present it as third case study. For additional information see http://www.32viadeibirrai.it/

[65] The "Carlo Rizzarda" professional institute was the first and last technical school for brew masters. It was open in 1953 and closed in 1978. For additional information see http://www.birreriapedavena.info/?storia=en

Image 6: Veneto case studies

Source: www.microbirrifici.org

Image 4: Mapping Italian breweries, Veneto (Author's elaboration)

3.1.1 The pioneers

- **Vecchio Birraio**

Stefano Sausa: *"During the 90s, after participating in a fair in Nuremberg, I decided to run this activity for madness"*

Establishment and History

Vecchio Birraio was founded in 1997 in Marsango, Padova. The brew-master is Stefano Sausa: his family was employed in the beer market as distributor in 1946. It is a brewpub: one of the first 10 brewpubs in Italy, and one of the pioneers of the microbrewery movement in Veneto.

At the beginning they produced just three different beers, thanks to the experience of a master brewer from Czech Republic. Then, over the years, they were able to acquire all their knowledge about beer production: from 2002 to 2009, a food technologist, who studied Biotechnologies in Udine, worked on the brew. Finally, in 2009, Stefano decided to embrace the challenge alone, starting to brew beer personally. He was bored doing just the same 4 beers, thus, thanks also to Francesco, the other technician who works there, he continued to invent other recipes, increasing his brew to 17 different beers.

Their production shifted from 400 hl/year in 1997 to 800 hl/year today. On their website there is the technical description of 15 different types of beer: an important result, given that only Stefano and Francesco work in the brewery.

Stefano thinks that probably it could be interesting and easier just continuing to brew: they could save lots of efforts and time. However the success of the pub derives from brewing, thus, probably, the 2 activities are not dissociable.

They are not interested in selling to foreign countries: they are just focused on strengthening their image in Italy, mostly near their production area, creating more cooperation with other microbreweries.

Motivation

Stefano explained that it was “madness” thinking of opening a brewpub. His family, after visiting a fair of brew machines in Nuremberg in the early 90s, thought about this possibility of business. In addition, they visited breweries, thus, together with other partners they decided to try. But it was very expensive, thus they shelved their dream. In 1996 they found a place and they decided to open the brewpub. They went to Rimini to buy their first brew machine. For three years a master brewer from Czech Republic brewed for them, proposing 3 beers; then, another technician worked until 2009; finally Stefano thought he had acquired all the knowledge necessary to start brewing with his own recipes. Vecchio Birraio was one of the pioneers in both Italy and Veneto: the Sausas were wholesalers of beverages and none of them knew how to brew until opening the brewpub.

The Product

Every beer is produced following the tradition to which it belongs. Thus, the Pils, introduced by a master-brewer from Czech Republic, maintains the original tradition. Their beers are available in bottles or drafted. They also lend materials for drafting if anyone needs them for events.

They sell their beer only in their brewpub. They think that their winning formula is offering a good cuisine and a good beer. For every season they propose to their customers different combinations of seasonal beer with seasonal food, such as chestnut beer combined with pizzas, made with ingredients that best fit with that beer. They also try to capture the seasonality of beer, offering more alcoholic beer in winter and less alcoholic beer in summer.

Table 5: Beers proposed by Vecchio Birraio

Name	Type	Color	% alc.
Black Horse	Stout	black	6,5%
Old Eliot	Strong Ale	golden	6,5%
Red Moon	Red Ale	red	6,5%
Sausa Pils	Pils	blond	5,0%
Sausa Weizen	Lager Weizen	blond	5,0%
Al riso Melotti	Lager with rice	pale yellow	5,0%
Blanche de Marsango	Witbier	pale yellow	5,0%
Do Maroni	Special with chestnuts	old copper	5,6%
Matilda	Belgian Ale	amber	6,5%
Old Eliot Anniversary 80	American Pale Ale	amber	6,5%
Patavium Imperia Stout	Imperia Stout	chocolate	7,0%
Sausa 997	Light	straw-blond	3,5%
Unica Bock	Bock	golden	6,5%
Valsugana	Special	copper	5,2%
Volpe Rossa	South Pacific Pale Ale	red fox skin	6,0%

Source: http://www.vecchiobirraio.com/le-birre Author's elaboration

Suppliers, distribution and critical issues

They use German and Belgian malt. In Italy there are only 2 malt-houses which give all their malt to the industrial producers. In addition, Stefano is convinced that the malt he buys is better in quality.

They sell beer in their pub, but one of the lines ("Al riso Melotti") is sold at the rise mill Melotti.

They found difficulty communicating to consumers, especially to young people. They communicate through the menu, using also posters inside the brewpub to promote new flavors of beer, but sometimes: "People are immersed in their problems, thus they do not look around" (Stefano Sausa). 30% of people come for drinking beer, the rest is just attracted by the pub. Loyal consumers are comprised between 30 and 50 years old.

- **Arte Birraia**

Marco Cecchet: *"We have to understand the necessity to form consortia among typical products, but It's hard"*

Establishment and History

Arte Birraia was founded in 1998 by Marco Cecchet and Nicola Gabrielli. At the beginning they opened a brewpub in Belluno, then, after reaching successful results, they decided to open a real microbrewery. They have another place in Feltre too, but in 2000 they moved to Seren Del Grappa (Belluno).

In 2006 the production plant shifted in Ospitaletto (Trento) while, in Rasai, they deal with storing and consulting: generally, for one week they host people who want to understand how to use a brew machine and, together with a leading enterprise in this market, they help them to start new plants, from the building phase to the testing one, directly on the chosen site. They offer their consulting both in Italy and abroad.

They brew their own beer and for private labels. Their current annual production is equal to 3.500 hl. They are not interested in selling abroad, because they have not sufficient commercial capacity.

Motivation

They started moved by their passion for beer, wanting to brew according to the traditional method. At first they had no idea to how make beer but they learned how to brew thanks to some master brewers, especially Germano Perera, to whom a product line is dedicated. In addition to that they are linked to local typical products, thus they introduced a line dedicated to local products.

The Product

Artebirraia is a craft beer maker with products of a medium high level, parallel to that line in wine. All beers present a low fermentation, in order to preserve the product longer.

They find that the water at Rasai, a village near Seren Del Grappa, suits beer production. They propose 3 lines of beer:

- "Mazarol";
- "Birre del territorio";
- "Germano Perera" recognized master brewer.

For each beer, they propose an appropriate dish; this is a clear demonstration that they want to classify their beer at the same level as wine.

Table 6: Beers proposed by Arte Birraia

Name	Type	Color	% alc.
Birra Mazarol	Premium American Lager	blond	4,7%
Birra Barlotta	Double Malt Beer	intense golden	6,8%
Birra San Martino	Special	golden with orange reflections	5,8%
Birra Sponcio	Special	golden	5,8%
Lager premium	Lager Premium	light golden	4,8%
Veinna Ambrata	Amber Lager	amber	4,8%
Birra al cioccolato	Special	chocolate	5,20%

Source: http://www.artebirraia.it/birre.html Author's elaboration

The first line called "Mazarol" is inspired to a local legend[66] and proposes traditional beers of pure malted barley; the second one, "Birre del territorio" demonstrates the founders' attention to the local territory with its typical produce: they add the Lamon's bean (10%) to the "Birra Barlotta", chestnuts of the Feltre valley (10%) to the "Birra S. Martino", Belluno's maize called "sponcio" (20%) to the "Birra Sponcio" and the "Prosecco" wine of Valdobbiadene (10%) to "Birra Bollicine"; finally, the "Germano Perera" line, dedicated to the eponymous rewarded master brewer, proposes beer for Ho.Re.Ca. (Hotel, Restaurant and Catering): the "Birra al cioccolato", chocolate flavored, belonged to this line, but no longer in production.

[66] For additional information about this local legend see http://www.infodolomiti.it/dolomiti.990002370-1.run

Suppliers, distributors and critical issues

They buy ingredients abroad, except for the local ones. They distribute in Belluno and, for the 90%, out of province and region to restaurants, pubs and large distribution ("SAIT"[67], "Famiglia Cooperativa"[68]).

They have not succeeded in forming consortia among other partners in Belluno and they think the absence of collaboration is a great problem. They created synergies with other breweries in Ospitaletto and Padova, sharing production plant, in order to reach a better scale.

They have never sold their beer at a local event or festival in Belluno: Belluno has many good local ingredients but, according to Marco, if people do not form consortia among each local producer, they cannot develop.

3.1.2 Well-established breweries: more than 4 years of activity

- **32 Via dei birrai**

Fabiano Toffoli*: "Our competitor isn't the industrial beer. Our competitor is the bad beer"*

Establishment and History

32 Via dei birrai was founded in 2006 at Pederobba (Treviso), by the union and the passion of three people, presently at the head of the company: Fabiano Toffoli, Alessandro Zilli and Lorenzo Michielin. Fabiano is a Slowfood[69] professor and brewmaster with a degree in agricultural science and a specialization dissertation on the genetic improvements in malting barley. With an origin half Italian and half Belgian, when he was a child he was always in contact with this industry because his Belgian grandfather attended the school of fermentation in Nancy (France). Once he moved to Italy, missing the products of his home country, he decided to enroll at the university with the precise purpose of becoming a brewmaster: he started to visit breweries and

[67]For additional information see http://www.sait.tn.it/sait/public/
[68]For additional information see http://www.famigliacooperativa.coop/fc/puntivendita.jsp
[69]Non-profit association that promotes the consumption of good products. For additional information see http://www.slowfood.it/

malt-houses and attended classes with Franco Re[70], at his beershop in Milan; Alessandro is an engineer who, together with Toffoli, follows the production process and also all the information systems used by the firm. His passion for craft beers is a consequence of his previous home-brewing activity; Lorenzo, finally, is the sales manager, with a previous work experience in a brewpub.

In 2006 they reached an annual production of 266 hl/year: now it is equal to 3.000 hl, with a turnover equal to € 2.000.000 and 47 agents in the Italian market.

They care about eco-compatibility, innovation and strengthening their brand image, especially in foreign countries. The aim is to increase the share of exports and to acquire prominent positions in emerging countries. Their primary attention is devoted mainly to the Asian market, where they were able to find important collaborators for future relationships that are actually in the development phase.

Motivation

After starting small breweries, Fabiano founded 32 Via dei birrai. There is a reason, in addition to the passion for high quality beers, that led to the creation of 32 Via dei birrai: Fabiano, Alessandro and Loreno quarreled with their previous employers and then decided to become entrepreneurs. They travelled a lot, thanks to low cost flights, tasting foreign beers; in addition, some pioneers of the movement like Teo Musso, Nidaba[71] and San Gabriel brewery helped them to know this market. From that time the company, in which nowadays 8 people work, has focused on the de-contextualization of the concept of beer as an end in itself: 32 is not just a beer, but also style and design. For this reason there are 70 suppliers involved not only for ingredients, but also for attractive labels and packaging elements. They created a network of partners.

[70] Journalist and writer, he founded the University of Beer in Azzate (Varese) where he was the rector.

[71] Established in 1984 in Montebelluna (Treviso, Italy), Nidaba is one of the most important italian pubs. Nidaba is the name of the Assyrian-Babylonian beer goddess. For additional information see its website http://www.nidabaspirit.it/

The Product

All products present the quality certificate ISO 9001:2008 DNV and the certificate CI, guaranteeing a 100% Made in Italy product. They produce only bottled beer, all available in bottles of 75 cl, except for the "3+2", sold in bottles of 50 cl. They are re-fermented and unpasteurized. The purpose is to bring the craft beer on a higher floor in the global culinary landscape by offering combinations with foods of the highest quality and searching for the most suitable and highest profile sales places.

Table 7: Beers proposed by 32 Via dei birrai

Name	Type	Color	% alc.
Curmi	Wheat Beer	lemony colour	5,8%
Audace	Belgian Strong Ale	pale straw yellow	8,4%
Oppale	Hopped Ale	light colour with coppery glints	5,5%
Nebra	Amber Coloured Beer	amber	8,0%
Atra	Brown Beer	brown	7,3%
Admiral	Scottish Red	dark amber colour with ruby glints	6,3%
Nectar	Honey Beer	dark	8,0%
3+2	Spiced Light Beer, Highly Hopped	pale straw yellow	3,20%

Source: http://www.32viadeibirrai.it/prodotti/ Author's elaboration

After 3 years of heavy investments in machinery to increase the production capabilities and a year in which their attention was directed at the achievement of certifications for their products, 32 Via dei birrai has been able to focus all its attention and resources in communication, defined as the strength of the brand. This has been achieved thanks to the combination of the firm's ideas and the assistance of external design agencies: the main partner is NOVAIDEA[72].

The strength of the 32's communication is mainly in the product packaging. In their effort to de-contextualize craft beer, they want to create a product not only with an incredibly good taste but also with a beautiful appearance.

[72] Advertising agency in Selva del Montello, Treviso, founded by Franco Vendramin, graphic designer. For additional information see http://www.novaidea.it/

Suppliers, distributors and critical issues

Ingredients are mostly international: they use Belgian hops, Italian and German barley and French yeast.

32 Via dei birrai does not have a brewpub and does not make direct sales. Since the products need to be explained to the customers, the firm is very careful in its selection of the retailers that are allowed to sell the products.

What Fabiano wants is that customers associate 32's beers with a strong experience that starts from the shop where they find their product and continues also after the beer has been drunk.

32 Via dei birrai is a successful example of international model based on radical innovation, the Italian good sense of taste and a strong communication strategy. Since 2011 they have sold most of their production abroad: they have achieved important results thanks to their communication strategy focused on "Made in Italy" brand. For example in 2012 the percentage of export passed from 6%, achieved in 2011, to 15%.

According to the founders in Italy both bureaucracy and law reduce microbrewery's development; in addition, the absence of a common rule among all European Countries could represent a real threat for exports.

- **<u>Birra Cimbra</u>**

Stefano Bassan: *"Sometimes we search refuge in the past, but looking back we could take all the beautiful things of our tradition, reworking and projecting them to the future"*

Establishment and History

Birra Cimbra was born in 2011 from the union of creativity, passion for beer and the willpower of two young friends: Stefano Bassan and Manuele Dal Sasso. The former is 27 years old from Thiene and is graduated at the IUAV University of Venice; the latter is 36 years old from Asiago and is owner of a pub in his town.

Nowadays the production plant is located in Austria, Hirt, where they produce about 1.500 hl each year, employing three technicians in the production process and two sales agents.

Their intentions for the future years are focused on strengthening the image of their brand, especially through tourism. They think that a collaboration between tourism and gastronomy could enhance the economy of Veneto region. They are planning to sell their products in foreign countries through Italian communities, in particular in Australia and USA.

Motivation

The idea was to let the young people know the "Cimbric culture": the "Cimbri" were a linguistic minority of Germanic tribes, settled in the mountains near Verona, Vicenza and Trento[73]. Stefano and Manuele chose a more interesting and amusing way than visiting museums: through beer. Thus, through a new recipe, a strong collaboration with master brewers and the "Museum of Cimbric Tradition[74]", they created "La Birra Cimbra".

The Product

"Birra Cimbra" is a craft beer, neither pasteurized nor filtered. It is a blond pils with 5,2% of alcohol content. The brewers want only high-quality ingredients which are also certificated GM-free. The fermentation process, lasting 50 days, permits all fragrances and flavors of this high-quality beer to be maintained unchanged. It is an exclusive recipe, born from a partnership with an historical family of brewers of Carinthia, which has been producing beer since 1270, when the population of Cimbri started arriving in Veneto and Trentino Alto Adige.

[73] For additional information about the history of this population see http://www.mydastravel.com/en/come-to-italy/blog/186-the-cimbri.html

[74] This cultural institution is based in Roana, Vicenza and was founded in 1973 in order to develop and spread the tradition and identity of Cimbri.

Suppliers, distributors and critical issues

In the production process they employ high quality raw materials: they use water which comes from 24 sources in the Natural Park of the Lorenzenberg Mountains and the malted barley grown in the fields near the production plant. They use only German and Bohemian fine hops.

Birra Cimbra does not have a brewpub and does not sell direct to its customers. They select very carefully high quality shops, called "botteghe", and the retailers, that have to be really able to promote their product in a proper way. They sell to a pub, called "Le Taverne Cimbre", creating a network for spreading the culture, offering their "Birra Cimbra" and food of Cimbric tradition. This is an important procedure for them, because their aim is to create a strong image around their craft beer and the Cimbric culture.

The process is considered the critical part of the value chain and all breweries tend to do it themselves: in the case of Birra Cimbra, they produce abroad because they did not find great opportunities in Italy for what local ingredients may concern. Anyway their activity deals with Italian law and regulation system.

- **<u>Birrificio Artigianale Veneziano</u>**

Rudy Liotto: *"I left the University, for transforming a passion into a job. My mother told me I was crazy, but then, after the initial success, my parents changed their minds and I gained more self-esteem"*

Establishment and History

The brewery was born in 2010, in Maerne di Martellago, little village not far from Venice, but, since June 2012, it has completely changed its organizational asset and philosophy. 9 partners arrived, among whom 2 brewers: Rudy Liotto (24 years old) and Marco Vescovi (30 years old). They took the brewery adding new beer fermenters to make a total of 5.

Rudy left University to take up this challenge, Marco has a Phd in Biotechnology. In 2013 they participated for the first time in the "Selezione Birra di Rimini", a

competition organized by the Association "Unionbirrai", winning as "Beer of the year" with their "Bitter" and "Pilsner". From this moment they have reached a good position in the Italian marker for craft beer, reaching 1.000 hl/year.

Motivation

Passion and strong personal willpower. Rudy started at home with a brewing kit. One day he went to this brewery, directed by the previous workers, and asked for a "pilot plant" to use at home. He bought it and they asked him to work with them. Rudy says that he then learnt more with his friend, Marco, who arrived later, when he started to run the business in June 2012.

The Product

They continue to brew the previous line "Furia" which includes 3 beers: "Furia Bionda", "Furia Rossa" and "Furia Nera". They modified initial recipes and labels, introducing 5 other beers, belonging to the product line called "Venexiana": all beers are available in bottles of 33, 50 and 75 cl. Rudy has decided to call their beers as their own styles, in order to develop a beer culture among consumers.

Table 8: Beers proposed by BAV

Name	Type	Color	% alc.
Pilsner	Italian Lager	pale yellow	4,5%
Bitter	English style amber ale	copper	3,6%
IPA	American style	orange	5,8%
Pale Ale	English Pale Ale	strong yellow	4,3%
Blanche	Belgian style	pale yellow	4,5%
Furia Bionda	Belgian Ale	golden	5,2%
Furia Rossa	Ale	red	5,4%
Furia Nera	English style	black	5,6%

Source: http://www.bavsrl.it/ Author's elaboration

Today they have eliminated their Pale Ale and the Blanche, but the brewers do not stop here: they will propose another Pale Ale characterized by a lighter color in bottles of 33 cl. and a beer with pumpkin, available in bottles of 75 cl.

Suppliers, distributors and critical issues

They buy all their ingredients from "Uberti S.r.l.", one of the major importers of German and English malt and hops, based in Venice, but also American malts, through www.mr-malt.it, one of the most important Italian retailers for homebrewing since 1991.

They distribute partly via wholesalers and otherwise through bars and local festivals, both in Veneto and in other Italian regions. One day, they would like to reach foreign countries: nowadays it is not possible because they still have a small organization.

Currently the tax is the only factor which affects the enthusiasm, but the passion still represents the strength which moves all the activity.

3.1.3 One year of activity

Birra Follina

Giovanni Gregoletto: "*We learn from our daily mistakes*"

Establishment and history

Giovanni Gregoletto, wine maker and winegrower, has recently founded a microbrewery in Follina (Treviso): a project realized with his wife Virginia, his brother Giuseppe and Elio Polognato. They have not reach a year of activity yet, but every month they produced around 10 hl. They are not interested in reach foreign Countries: they would like to continue to produce, working the least is possible.

Motivation

Birra Follina is the final result of a Giovanni's dream: 20 years ago he started brewing with a friend who had learnt important technical competencies about brewing.

The Product

They produce 4 Abbey blond beers, inspired to Belgian tradition: pure malt, fermented in the bottle, neither filtered nor pasteurized. At the production place the price varies from € 6,5 to € 8,5. They use a nice slogan, "mai precisa" (never precise), for the typical changing taste characterizing craft products.

Suppliers, distributors and critical issues

They use German malt, hops from Czech Republic and, in general, international ingredients. The activity has just started: they sell mostly in the province of Treviso, in wine bars, restaurants and bars.
At the moment Giovanni finds difficulty respecting all bureaucracy behind these practices: in order to permit this phenomenon to develop, more flexibility is required.

- **<u>Aqua Alta</u>**

Filippo Longhi: *"the artisan proposes what he/she likes to the market. The industrial producer sells what the market asks"*

Establishment and history

Aqua Alta is a beer firm based in Mirano, at "La Birretteria": it is a beer shop which serves 170 craft beers from all over the world, snacks and sandwiches and materials for drafting. Filippo Longhi is the owner and the only worker. He opened La Birretteria in May 2013, with a friend, but then they quarreled thus Filippo has continued alone. At

La Birretteria he proposes his own beers, but, being alone, Filippo reaches a low annual production equal to almost 100 hl/year. However, his beer shop works, with an annual turnover equal to € 100.000. He is searching some partners with the same passion for craft beer.

Motivation

Fillippo has an agri-food background: he is graduated in gastronomic sciences at the University of Pollenzo, in Cuneo's province, a degree promoted by Slow Food and Carlo Petrini[75]; in addition to that he attended some stages abroad to learn other beer's styles. He started to brew at home for passion, then in 2011 "The Drunken Duck", a pub specialized in craft beers based in Quinto Vicentino, in the province of Vicenza, started to serve his beers together with some fairs. Afterwards Filippo decided to stop this collaboration for starting an activity alone. From his point of view, for brewing it is required to have a point of sale, thus, with a friend, he opened La Birretteria in May 2013. He built the production plant, in collaboration with a specialized company, for brewing until 60 liters.

The Product

His own product line includes 2 beers: " Leona", a Belgian Pale Ale, and "Stelle e Stalle", an American Pale Ale; in addition, he proposes a Christmas edition called "Ciara Stea" which means "Light Stair" in Venetian dialect: it is a Specialty Ale, Belgian style of 7,5 alcoholic degrees. At La Birretteria, Filippo proposes 3 draft beers which change periodically in order to invite customers to taste.

Suppliers, distributors and critical issues

He sells at his beer shop, to a retailer and at local events and fairs. Ingredients are mostly International: German and English malt, American hops and French yeast.

[75] Founder of Slow Food, Italian gastronome, journalist and writer.

To carry on this activity alone is difficult, but Filippo is moved by great passion and willpower: he would like to create a network of people who want to create something together, based on collaboration and trust.

3.2 Data structure for Veneto's cases

Following the Gioia method, I created a data structure collecting all brewers' quotes I considered interesting concerning the emergent and developing phase of the firm: these are our first order concepts. Secondly I grouped them in order to find a second order theme which could summarize the concept. Finally I collected more groups of second order themes for finding an aggregate dimension. For Veneto's microbreweries I realized 2 aggregate dimensions that I will compare with those characterizing Breton cases to develop the analysis: the former, related to processes, is "To build business networks", the latter, related to contexts, is " De-contextualization of a product".

The data structure is available in the tables below.

Table 9A: Data structure, following Gioia method (PROCESSES)

1st order concept	2nd order concept	AGGREGATE DIMENSIONS
" All necessary equipment has been provided by Italian firms located in the same area of the brewery"	NETWORKS IN THE BEVERAGE INDUSTRY	TO BUILD BUSINESS NETWORKS
" We arrive from the beverage trade, thus we known some firms"		
"in 2006 many firms located in the Veneto region started to produce smaller plants and machineries for microbreweries. There were firms that used to produce machineries to produce wine or other components for wine industry which started to adapt their production to brewing industry"		
"The firm which sold us the production plant was really helpful in the emergent phase"		
"Artisans who used to work for wine and milk industry started to collaborate with brew masters and to produce components and equipment for small breweries"		
"We started our activity in an already existent brewery"		
"Our friends, girlfriends supported our idea"	FAMILY AND FRIENDS	
"The collaboration with a distributor was really helpful"		
"I asked for another brewer because I felt alone"		
"Relationships are always important. Mi wife, my brother and a friend supported me"		
"I would like to collaborate with other 4/5 people in order to create something. I think there will be a consolidation, rather than other microbreweries"	SEARCHING FOR REGIONAL NETWORKS	
"There are associations, but they are difficult to reach. We need regional associations"		
"We think that a collaboration between tourism and gastronomy could enhance the economy of Veneto region"		
" We are focused on strengthening the image of our brand, especially through tourism"		
"People have to understand the necessity to form consortia among typical products, but here in Belluno it's really hard"		
"I see opportunities in our territory: I want beer to become a means for something else like organizing events or having fun"		
"We have never sold our beer at a local event becuase nobody has asked us"		
"I would like to create a network of people who care about creating something together"		
"We've recently decided to share production plants in order to reach a better scale"	DECISIONS CONCERNING PRODUCTION PROCESS IN ORDER TO SAVE COSTS	
"To do more we need a greater organization"		
"Beer is cheap. The problem happens afterwards"		
"Sharing production helps save costs"		
"Using a rented plant is useful to start but we would like an integrated production"		

Table 9B: Data structure, following Gioia method (CONTEXTS)

1st order concept	2nd order concept	AGGREGATE DIMENSIONS
"We sell to people we already know, coming from the food industry"	CAREFUL SELECTION OF DISTRIBUTORS	DECONTEXTUALIZATION OF A PRODUCT
"Our aim is to create a strong and trusting relationship, ensuring that each of our clients have a deep knowledge of the features of the product"		
"We select very carefully high quality shops, called Botteghe, and the retailers, that have to be really able to promote our product in a proper way"		
"We propose a product line which is dedicated to hotels, restaurants and catering"		
"For each beer we suggest a dish to pair with it in order to taste all its characteristics"		
"I want customers to associate with 32's beers a strong experience that starts from the shop where they find our product and continues also after the beer has been drunk"	EXPERIMENTATION AND MULTIPLICATION OF BEER STYLES	
"We propose craft beers with particular flavors"		
"I do not expect an Italian to buy our beer every day. When an Italian buys our beer, I want him/her to taste it not just consume it"		
"Nutrition evolves rapidly"		
"There are 1000 fragrances for wine. There are 2000 fragrances for beer"		
"Mistakes permit us to create new beers"		
"We learn from our daily mistakes"		
"Our beers are for curious consumers"		
"the price is not a problem. 3 friends can buy a bottle of our beer and drink it together: they pay the same for 3 drafted beers"		
"I would like to invent new recipes, if not I am bored"		
"You have to deal with the culture of your territory"	ANCHORING TO CULTURE	
"In italy we have a gastronomic culture. Only Italians do particular experiments"		
"The tendency is to produce a particular beer. The more it is strange the more it is interesting"		
"In Italy we have compared craft beer to wine"		
" We decided to make beers adding local products in order to create local sinergies"		
"We decided to link out production to the culture of Cimbri population, letting people know the "Cimbra culture". We chose a more interesting way rather than books: beer"		
"We like the pub formula because people could taste out beer with the right dish"		
"We went to a festival abroad and we sold all beers Prosecco flavoured: foreign people were attracted by the Prosecco"	REACHING FOREIGN MARKETS	
"To sell abroad we play on Made In Italy brand"		
"Abroad the cash is the last worry"		
"Foreigners are more acculturated and they care to taste"		

4. French case studies: Brittany

4.1 The phenomenon

In Brittany the craft brewing renaissance began with Coreff[76], Lancelot[77] and Britt[78]. Then the phenomenon spread out through all the region with other interesting examples like "Sainte Colombe[79]" and the brewpub "Les Fous[80]". It continues to develop because new microbreweries are emerging: since last year a new farm brewery, "Drao[81]", and a new brewpub, "Le Brasseur[82]", have come into being.

Image 7: Mapping French microbreweries. Brittany

Source:http://yves.bou.pagesperso-orange.fr/brasseries/cartegoogle1.htm

[76] Coreff is the oldest brewery in Brittany, born in 1985 and based in Morlaix (Brittany). I will present it as first case study. For additional information see http://www.coreff.com/

[77] Lancelot is the second oldest brewery in Brittany, born just 5 years after Coreff. It is based in Le Roc-Saint-André (Brittany). I will present this brewery as second case study. For additional information see http://www.brasserie-lancelot.com/

[78] Britt is the third most famous brewery based in Brittany, at Tregunc. It was founded in 1998. Britt, known also as "Brasserie de Bretagne" produces beer and, since 2009, Britt Cola: the annual beer production is equal to 24.000 hl instead they reach almost 1.600 hl/year of Britt Cola. Their production line include 15 different brands and the annual production increases by +10% each year. For additional information see http://www.britt.fr/

[79] Sainte Colombe was fonded in 1996 in Sainte Colombe (Brittany), by a Dutch couple. I will present this microbrewery as fourth case study. For additional information see http://www.brasserie-sainte-colombe.com/

[80] Les Fous is a brewpub founded in 2007 by Tricia and Donald, a couple from England and Ireland respectively. It is based in Carnoët (Brittany) and at first, in 2003, it was only a restaurant. I will present it as third case study. For additional information see http://www.orsonale.com/ and http://lesfous200fr.blogspot.it/2010/03/microbrasserie.html

[81] Drao is a "ferme brasserie" that means a microbrewery with farm. It is based in Melesse (Brittany) and was founded in June 2013 by Rozenn Mell, a very young brewer who is 30 years old. I will present it as sixth case study concerning those microbreweries with just one year of activity. For additional information see http://www.brasseriedrao.com/

[82] Le Brasseur is a brewpub, founded in December 2013 at Lorient (Brittany). I will present it as last case study. For additional information see http://www.le-brasseur.fr/

Image 8: Breton microbreweries (Author's elaboration)

4.1.1 The pioneers

- **Brasserie Coreff**

Establishment and History

Matthieu Breton: "*Compared to Kronenburg, I am a fly. I achieve 13.000 hl a year, thus for a brasserie which reaches 500 hl/year I am a giant. The concept of micro-brasserie is tied to the idea of being a craftman or not"*

Christian Blanchard and Jean-François Malgorn founded Coreff in 1985: this is the oldest brewery in Brittany. At the beginning it was based in Morlaix, a historic city to the north of Brittany, and the name means "ale" in Breton. They produce 13.000 hl/year: at first the production included only one beer and there were just 2 employees, now there are 20 people who work in Coreff, 11 beers and 9 recipes for an annual turnover equal to € 3.100.000.

In 2005 Christian Troadec, a journalist, mayor of Carhaix-Plouguer, became the new owner. During this period the brewery was shifted to Carhaix and they changed its logo which became a strong and rebellious horse, lonely in a wild landscape. In 2008, in

January, Matthieu Breton started to run this activity and today he has other two partners: Sébastien Rouxel, the master-brewer, helped by Jean-Yves Pernés, who arrived in 2012.

Motivation

The story of this brewery has seen different owners, who share the same passion for brewing a good craft beer. In particular, the founders of Coreff had a clear idea in mind: they wanted to brew real ales. Thus, Peter Austin, one of the most famous craftmen who has favored the revival of UK breweries, arrived to help them. He has created the Real Ale and taught them to brew. Matthieu Breton, the current owner, embraced the challenge with huge excitement because Coreff represents the beer of his youth.

The Product

Coreff proposes 10 beers throughout all the year and a Porter called "Bière de Noël" for Christmas time. All beers are available bottled or drafted. Three of them belong to a "bio" line, realized with bio Breton barley cultivated by the "Fédération Régionale de l'Agriculture Biologique" : in fact, in recent years, Breton producers of barley collaborate with 10 breweries in Brittany giving them cereals needed for brewing. The result is a "bio beer" and "De la terre à la bière" (From land to beer) is a new association represented by these producers.

Table 10: Beers proposed by Coreff

Name	Type	Color	% alc.	All the year	Occasionally
Coreff ambrée	Ale Ambrèe	amber	5,0%	x	
Coreff blanche	Blanche	light yellow	4,5%	x	
Coreff blonde	Ale Blonde	blond	4,2%	x	
Coreff brune	Ale Brune	brown	6,5%	x	
Coreff stout	Stout	black	3,9%	x	
Coreff rousse	Rousse Tourbée	amber	5,5%	x	
Kenta	Blonde	light blond	4,5%	x	
Coreff ambrèe bio	Ale Ambrèe	amber	5,0%	x	
Coreff blanche bio	Blanche	light yellow	4,5%	x	
Coreff blonde bio	Ale Blonde	blond	5,0%	x	
Bière de Noël	Porter	blond	6,5%		x (Christimas)

Source: Delos et. al 2012, Bière Magazine n.76. Author's elaboration

As already said, Coreff is the first ever Breton brewery: its slogan is "Depuis 1985 la Bretagne a sa bière: COREFF" which means that since 1985 Brittany has its own beer.

Suppliers, distributors and critical issues

They use only French ingredients. Coreff beer is sold especially in bars, festivals, wide distribution and shops. They sell 80% in Brittany, 10% in France and 10% abroad (Italy, Estonia, Nouvelle Caledonia, Spain); they do not have an export area and no services related to this department, but some people from these countries have known them, coming to Brittany, and asked for their beer. Thus they send beer to them but only after the beer has been payed for, because there is no export department. They also sell through e-commerce on "vente privèe"[83]. The only weakness they recognize is that in Brittany it rains frequently, thus sometimes there are periods during which the sales rate is very low: however Breton people's loyalty is one of their strengths together with their product "which is really good" (Matthieu Breton).

- **<u>Brasserie Lancelot</u>**

Eric Ollive: *"Our driving goal is to be a Breton brewery"*

Establishment and History

In 1990, Bernard Lancelot created the eponymous brewery, based in La Roc St. André. He learned how to brew following the Belgian tradition, using yeast which came from Dupont brewery. The beers have Celtic names, given the eponymous Breton culture. In 2002 the brewery reached an annual production of 8.000 hl: an important result reached with only 2 employees. In 2005, near to his retirement, Bernard sold the activity to Stéphane Kerdodé and Éric Ollive. The former follows the marketing, the latter the production. 2 years before, they thought about selling another product, the "Breizh

[83] Vente privèe is a French e-commerce company, pioneer of the "online event sales". Every week it proposes, only for members, sales which discounted prices of fashion, food, accessories etc. In Italy, for instance, there is "Saldi Privati": another e-commerce platform which follows the same idea of temporary sale. https://secure.it.vente-privee.com/authentication/portal/IT

Cola", that is the Breton cola: thanks to this idea the brewery started to develop faster. Now there are 3 different products: the beer, the cola and a lemonade, sold for 95% in Brittany. Today there are 27 employees and the brewery achieves 20.000 hl/year, with € 15.000.000 of annual turnover.

Motivation

Bernard Lancelot was a beekeeper and someone proposed him to start brewing ale. He met a Belgium master-brewer who taught him how to brew, all knowledge about beer and he visited and saw some small brewers. Inspired by the Belgian tradition, its beers has the distinctive yeast from Dupont brewery, based in Belgium. From that moment, Bernard, who was very clever, founded a brasserie with inexpensive materials; this brasserie was one of the first in Brittany, which was producing this kind of product, and, together with a strong image characterized by huge added value, the firm has managed to achieve its development.

The Product

They produce 11 beers, 5 of which belong to the bio line. In addition there are 3 beers produced occasionally among which one is particularly interesting due to the event to which it is linked. The brewery invented an event called "La nuit de Samhain", to celebrate the new Celtic year, given the Breton Celtic culture. For this reason the beer, brewed that night, is called "11,1" (November, 1st): during that event at the first there was a concert in the brewery, then, given the success of the event (5.000 people) they decided to organize the event outside. The owner thinks that it is not the same: when the event was celebrated in the brewery it was different. Thus they are thinking about inventing another one.

Table 11: Beers proposed by Lancelot

Name	Type	Color	% alc.	All the year	Occasionally
Cervoise Lancelot	Cervoise	amber	6,0%	X	
Lancelot	Belgian Blond	golden blond	6,0%	X	
Duchesse Anne	Belgian Blond	dark blond	6,0%	X	
Blanche Hermine	Blanche	yellow pale	4,0%	X	
Bonnets rouges	Fruit	red	5,5%	X	
Dragons	Real Ale	amber	4,8%	X	
Morgane	Blond bio	blond	5,5%	X	
Telenn Du	Dark	black	4,5%	X	
Nuit Blonde	Blond bio	blond	5,5%	X	
Nuit Blanche	Blanche	blond	4,5%	X	
Nuit Rousse	Red	amber	5,0%	X	
Bogue d'Or	Amber	golden amber	5,0%		X
XI.I Samhain	Barley Wine	black	11,1%		X
Nedeleg Laouen	Red	dark amber	8,0%		X

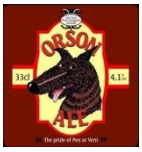
Source: Source: Delos et. al 2012, Bière Magazine n.76. Author's elaboration

Suppliers, distribution and weak point

They use French ingredients both for beer and for their "Breizh cola". They sell 15% in specialized shops, 30% in wide distribution, 5% in "brasseries" and 50% to wholesalers; Lancelot beer is sold especially in Brittany (75%): they sell 22% in other French regions, mainly in Paris, and only 3% is represented by export.

Eric, the current production responsible, does think that investments in research and development are required in order to innovate and to be sure to continuously offer a good product.

4.1.2 Well-established breweries: more than 4 years of activity



- **Pub "Les Fous"**

Donald Rankin: *"I started to make beer on my own in my mother's kitchen when I was 17 years old"*

Tricia Wiles: *"…and once we arrived here we missed the proper beer so we started to produce it!"*

Establishment and History

The owners of this micro-brasserie are Tricia and Donald, a couple respectively from England and Ireland: they came to Brittany in 2003, opening a restaurant pub. Then, in 2007, they opened the microbrewery, in the two hundred year old granite barn attached to their bar and restaurant. They started to brew beer of the English type "Real Ale": the first beer was Orson Ale, a copper ale, golden bitter, with 4,1% of alcoholic percentage. Then, they continued to try different tasting beers: their activity grew very quickly because, in 6 months, they produced other 6 beers.
They are the only people employed. "Le Fous" is one of the smallest micro-brasseries, with pub formula, in Brittany (Cotes d'Armor department): it is based in Carnoët, a small village of 750 people. Today they produce 100 hl/year, thus 2 hl/week*50 weeks: they started with 35/40 hl/year. The turnover amounts to € 70.000, a value which could be split into:

- 80% Bar:
  - 40% Beer
  - 40% Others beverages: spirits, coke and wine
- 20% Restaurant

Currently, in order to survive they cannot sell only beer but they dream only to brew one day.

Motivation

"We started because we like beer and we wanted to educate the French" (Tricia Wiles). They used to spend holidays in Brittany, going around cycling. One day, in 2003, they decided to come to Brittany: they left their jobs in England and they took on a new challenge. They said that when arrived they missed the *proper beer* thus, after 4 years, they decided to brew, according to English tradition. When they arrived, people asked them why they did not run the same business in England: they were simply "tired" of staying there. They wanted to change their life. As Tricia has explained: "I lived in London: it is a noisy town with too much people. I needed *more space*".

They learned how to brew surfing on the net and reading books. Donald, when he was 17 years old, used to prepare beer as a hobby, in his mother's kitchen, with his friends; in London there were many shops which sold ingredients to make beer because the microbrewery phenomenon was already well-known.

The product

They follow the traditional English brewing style.

Table 12: Beers proposed by Les Fous Microbrasserie

Name	Type	Color	% alc.	All the year	Occasionally
Orson Ale	Golden Bitter	copper	4,1%	x	
Duc de Carnoët	Summer Beer	blond	5,0%	x	
Old Stoat	Dark Oatmeal Stout	black	4,7%	x	
Whyld Mild	Mild Ale	dark	3,1%	x	
Tartarin's Top Tipple	Strong Bitter Ale	dark	4,8%	x	
Beyond the Pale	Pale Ale	very pale blond	4,0%	x	
Uggy Brew	Ale	-	-		x

Source: Source: Delos et. al 2012, Bière Magazine n.76. Author's elaboration

The production line includes both draft beers and bottles (33 cl), for a total amount of 7 (6+1 seasonal) different kinds of beer:

- "Whylds Mild" (le lapin): 3,1 °
- "Beyond the Pale" (le chat): 4°
- "Orson Ale" (le chien): 4,1°
- "Old Stoat" (la fouine): 4,7°
- "Tartarin's top tipple" (l'âne): 4,8°
- "Duc de Carnoët" (le canard): 5°[84]
- "Uggi brew": special, brewed occasionally

[84] For additional information see their web site: http://lesfous200fr.blogspot.it/

They have called their beer after their dog Orson, their donkey Tartarin and animals of the surrounding countryside (cat, rabbit, duck and stoat). The seventh beer is produced occasionally, for special events: it is always different, both in taste and in the alcoholic percentage. In addition to that, they produce special beers with personalized labels for birthdays and anniversaries, on demand.

Suppliers, distribution and critical issues

They use only natural ingredients, from Belgium, Czechoslovakia, England and Germany. The barley is malted in Belgium or Germany and the hops are predominantly East Kent Goldings, which is "the king of English hops". They use Cornwall water, always looking for ingredients of good quality.
It is an unusual brew pub because they do not sell beer only at the restaurant. They have different channels of distribution: shops, markets, another brewery and restaurants (les crêperies)[85].
Currently, the critical issues of their value chain concern the production capacity: they are not able to produce very much, thus they cannot survive without the restaurant.

- **<u>Brasserie "Sainte Colombe"</u>**

Gonny Keizer: "They thought we were selling cider, instead they tasted our beer"

Establishment and history

Henry Everts and Gonny Keizer, a Dutch couple, founded their brewery during the summer of 1996, at Sainte Colombe, in the Ile-et-Vilaine department of Brittany. Their activity is growing quickly. Every year they manage an increase of +10% in production: the first year was equal to 84 hl/year, now they have reached 2.000 hl/year, thus 40

[85] Here, there is the complete list of their distributors: http://lesfousorsonale.blogspot.it/

hl*50 weeks. 4 people work there: Henry, Gonny, Pierrick Clavier, since 2006, and Eric Perraut, since 2012. The couple does only this job: at first, when they started, they had another job, for 4 years.
The turnover amounts to € 450.000/year. Brittany is the region of cider: at the beginning they bottled beer in cider's bottles, thus people thought they were selling cider.
Gonny was the first woman brewer. Since 2004 the brewery has participated in a competition called "Salon de l'Agricolture": it won several medals, bronze, silver and gold, both for some of their beers and the brewery.

Motivation

They started as home-brewers, as a hobby: it is a passion. Gonny worked in the medical sector, where she did quality control, doing laboratory tests: She has learnt many things: in fact, today, she still uses a particular yeast, born from a cell line. Neither of them have a cytology background, for producing agro alimentary products. They did not have a specific background of knowledge, but they attended lots of courses in some microbreweries in the Netherlands.

The product

Since 1996, they have produce 8 + 1 beers: among the former, 5 are produced throughout the year, while the other 3 are seasonal: "Bière de Noël" (Christmas beer) , "Bière d'Hiver" (Winter Beer) and "Grand Cru"; the ninth beer is called "Brassin Unique": since 2009, they have produced a special beer, which differs annually. On their website[86], they give all the technical details for each beer and also suggest both the occasion and the dish to pair with it. All are bottled (33 cl or 75 cl) and the production line includes 5 draft beers too.

[86] http://brasserie-sainte-colombe.com/

Table 13: Beers proposed by Sainte Colombe

Name	Type	Color	% alc.	All the year	Occasionally
Bière Blanche	Witbier	white	5,5%	x	
Bière Blonde	Belgian Pale Ale	blond	5,5% (5,2% draft)	x	
Bière Dorée	Hefe Weizenbier	golden	5,5% (5,2% draft)	x	
Bière Ambrée	Belgian Ale	amber	6,0% (5,2% draft)	x	
Bière Pie Noir	Roggenbier Rauch	dark	6,0%	x	
Bière d'Hiver	Belgian Abbey	red	8,0%		x (Oct-April)
Bière de Noël	Fruity	red mahogany	7 (6,5% draft)		x (December)
Grand Cru	Trappiste style	dark	10,0%		x (March-April)
Brassin Unique	since 2009, every year different	-	-		x

Source: http://brasserie-sainte-colombe.com/nos-bieres/ Author's elaboration

Suppliers, distribution and critical issues

There are no malt houses in Brittany, thus they buy it at the malt-houses of northern France. They are also working with German malt-houses which sell special malts. Henry is joining an association which has been created in order to establish a malt-house in Brittany, but it is very expensive to set up this project.

They sell mostly in the Ille-et-Vilaine department of Brittany: they do not sell far from their place of production: they also work with a retailer who distributes their products to créperies, restaurants all over Brittany, and also elsewhere in France. But, mostly, they sell locally at markets, bars and restaurants. They cover almost all kind of channels, except supermarkets.

They find it difficult to understand how many beers have to be available in the storage and in which sizes; in addition to that, they cannot sell their beers to many bars because there are several problems for setting up materials for drafting. Anyway they also have draft beers for people who need them for marriages, birthday parties and other events.

- **Brasserie "St Georges"**

Jérôme Kuntz: *"I am interested in building a craft network here, because most production plants are industrial"*

Establishment and history

The "Micro-brasserie St Georges" is situated in St Georges, near Guern, a little village located in the Morbihan department of Brittany. The founder, Jérôme Kuntz is 30 years old: coming from a background of biology, he started, as a normal amateur, to produce his beer at home, 6 years before opening his micro-brasserie in 2011. During those previous 6 years he has produced different beers, then he chose the best and started to produce just those. He is still the only worker, but he manages to run all the activity alone; as he explained: "having lots of people working for producing craft beer is possible but it doesn't make the beer better". He started with two tanks of 200 liters each and today he has achieved a production of 120 hl/year, with an annual turnover of € 40.000. This is his only job: at the very beginning, he worked as a gardener, but now his activity at the brewery is sufficient for him, both in terms of earnings and costs to cover.

Motivation

"I 've always wanted to be independent " he said. He comes from the region of Alsace and he has travelled around France from east to west, finally finding the region of Brittany, which is natural and independent like him, with a real culture of beer: it was the perfect place to start. He started to brew because he wanted to drink the *vraie bière*, which means the real beer. Thus, he started to study, on his own, how brewing works: the methods, the material and the recipes.

The product

The ingredients of his beers are always the same: malted barley, hops and yeast. He produces 3 types of beer, all bottled (50 cl or 75 cl): "Blonde", "Brune" and " Rouge"; seasonally, he proposed a special one: "édition Autumnale" (Autumn edition), "édition

Estivale" (Summer edition), "édition Hivernale" (Winter edition) and "édition Printanière" (Spring edition). The important thing in order to change the "color" of the beer depends on how you roast the barley; for his beers he doesn't add any spices or sugar, only these basic ingredients: currently he is not interested on adding new beers to his production.

Table 14: Beers proposed by St Georges

Name	Type	Color	% alc.	All the year	Occasionally
Blonde	Hopped Pale Ale	blond	4,7%	x	
Brune	Porter	dark	5,0%	x	
Rouge	Ale	red	5,0%	x	
édition Automnale	Scotch Ale	dark amber, red	5,5%		x (Autumn)
édition Printanière	Lager Triple	black	4,0%		x (Spring)
édition Estivale	Wheat Beer	white	5,0%		x (Summer)
édition Hivernale	Stout	black	4,5%		x (Winter)

Source: http://www.brasseriesaintgeorges.fr/les-bieres/ Author's elaboration

Suppliers, distribution and critical issues

As concerns malted barley, Jérôme buys it from a farmer, in Ploeuc-sur-Lié, in the Côtes-d'Armor department of Brittany: in Brittany, the production of malted barley in is not common, it is mostly produced in Alsace[87]; on the contrary, for as concerns the hop plant, from now until 3 / 4 years he will be able to produce his own (nowadays it is mostly produced in Alsace). His beer has another important peculiarity: It is made from bio raw materials.

He sells just in Brittany: 30-40 km radius from his village and also at the coast. The channels of distribution include:

- for 50%: breweries. This percentage represents both the "grand command" (because people order a huge quantity) and a normal selling (just 2/3 bottles);

[87] French region located the eastern border

- For the other 50%: shops, markets, pubs and concerts[88].

Microbreweries cannot produce very much like the industrial one thus, a "micro-brewer" is forced to sell at a higher price in order to cover costs. Especially he finds difficult to cover the costs of bottles: a problem which an industrial brewery cannot imagine.

4.1.3 One year of activity

- **Ferme microbrasserie "DRAO"**

Rozenn Mell : *"When I started It was stressful. I've never driven a tractor and I asked to my neighbor to teach me. It is an adventure, every day I learn something new. I'm 30 and I'm very happy with the result gained"*

Establishment and history

Rozenn Mell is a very young brewer: 30 years old, a husband and a child who is 2 years old. The activity consists of both a brewery and the cultivation of barley.
In 2012 She cultivated a hectare of barley in 2012, thus the year later she was able to start her brewery, with her barley. She started brewing in June 2013 and in less than a year she reached a production of 100 hl (march 2014). Sales are going well because the turnover amounts to € 40.000: although she cannot receive a wage yet, she manages to pay the suppliers. Given the success achieved, she thinks she could receive a wage soon.

[88] The complete list of distributors is available on the website at this page: http://www.brasseriesaintgeorges.fr/points-de-vente/

Motivation

For 3 years she worked in an "environmental consulting" firm, but she did not like it much. She was not satisfied, thus she decided to leave her job and start something totally different.

Rozenn started brewing, for three reasons:

- Agri-food background : during the University she has joined an association of students who brewed;
- Pleasure: after her studies she continued to produce beer at home;
- The presence of the right soil for cultivating barley.

The product

The production line has 3 beers:

- Drao Blonde "Boogie-Woogie", a hoppy Pale Ale (6,5% alc.)
- Drao Ambrée "Funky Groove", a Belgian Ale (6,5% alc.)
- Drao Brune "Blues", a Porter (6,5% alc.)

All of them are available in bottles, and the first two as draft beers too.

Suppliers, distribution and critical issues

This is a brewery with farm, where the brewer cultivates her own barley. Hops come from Alsace while yeast is from Belgium.

She sells only in Brittany to 30-40 distributors: shops, markets and restaurants; just a small amount of beer is sold at the place of production too[89].

For her the weak point, currently, is working alone: she has a family and she has no free time to spend with it. A microbrewery does not include just production, but also administration and accounting. Usually, she finishes working at 6 p.m. and then, during the evening, she continues working at home, reading e-mails and doing secretarial work. Maybe, at the end of this year, she could hire someone, but now she manages only to

[89] Map of all distributors: http://www.brasseriedrao.com/Distribution.htm

pay the suppliers: she cannot receive any wage now, but she manages to control all the activity.

- **<u>Pub "Le Brasseur"</u>**

Franck Métivier: *"I thought I would have regretted it if I hadn't started to brew"*

Establishment and history

Franck Métivier and his German wife Michaela decided to open this brew pub/restaurant, in perfect line with the American tradition. Differently from the other brasseries based in the department of Morbihan, in Brittany, "Le Brasseur" is a brew pub, with an active restaurant: beer is sold only here. People had not seen a brew pub in Lorient since the 20s. They opened "Le Brasseur" on the 20th December 2013: in April they achieved 30 hl and € 18.000/month, mostly thanks to the restaurant. Frank would like only to brew, closing the restaurant: currently it is not possible, because his activity is too young and he needs the restaurant in order to survive. Michaela is the cook and Frank is the only brewer and brew master as well.

Motivation

When Frank tasted a beer in a brewery in Fribourg (Switzerland) he particularly appreciated its new and different taste. He was a Logistic Manager of a Tourism Fair in Rennes and in Nantes, with his brother and father, but one day he understood that he would have regretted it if he had not open this activity as a brewer. He left his job and started to work for the Brasserie Lancelot: in addition, he attended some internships in some breweries in Germany. His dream was to open an American pub, not just a microbrewery: his wife was a cook and he had both a biotechnology background and a "pico-brasserie" at home, thus there were all ingredients to start. Currently Frank

continues to brew at home, only for self-consumption, achieving a small production of 20 liters.

The Product

They propose the beer with a dish. Currently there are 4 beers:

- “Soleil d’Orient”, blond Pale Ale (5-6% alc.)
- “Lorient La Blanche”, white (5-6% alc.)
- “Brune”, dark Porter (5-6% alc.)
- “Bière de saison”, always different with usually more than 6& alcoholic content

Occasionally the brewer proposes his latest creation: limited editions, which he likes to present through his facebook page.

Suppliers, distribution and critical issues

Some ingredients are local, others not: he takes malt from Brittany and, generally, from France; hops come from Alsace and England; yeast from France, Germany, England and Australia.

Beer is sold only at the pub, but he has some bottles too because he has joined a collaboration with a guy, Yvonnick Floch, of the brasserie of Languidic, who bottles beer: he provides him with all the ingredients, labels and his recipe and the guy makes the beer for him.

The most difficult part is working alone: it is a tiring work; at midday he works in the pub and during the evening too; during the afternoon he handles the administration; on Sunday he still brews. Currently it is not possible to hire anyone.

4.2 Data structure for Breton cases

As before for the Veneto's cases studies I created a data structure for Breton case studies. For Breton microbreweries I present other 2 aggregate dimensions, one for the entrepreneurial processes and one for the contexts: the first is "Bricolage and networks", the second one is "Local behavioral influences".

Table 15A: Data structure following the Gioia method (PROCESSES)

1st order concept	2nd order concept	AGGREGATE DIMENSIONS
"At first (1996) the production was very simple: we used a basin and a old tank/cistern; bottling by hand, both in bottle and in carton. We worked in this way until 2002"	RESOURCES AT HAND	BRICOLAGE AND NETWORKS
"We bought the building you could see near our house : there we created a room for brewing, with more suitable tanks for producing beer and a machine for bottling; we have also machines for rinse cycle and filling, but we are still doing mostly by hand"		
"Here we started with a guy from Canada who had an equipment for 300 lt so we bought this second hand machine from him; at a very basic level you don't need much equipment; at first you can use very basic stuff, it may not be great but you can do it".		
"the kit is suitable to practice and to start producing beer in small quantities"		
"(1996) We used the kit, but only for beer for our own consumption, not for selling: there are some firms which sells little pots and other materials to produce beer; but there are also professional kits for brasseries"		
"The founder was ingenious and created a microbrewery with cheap materials"		
"The place where we could start the activity was like a garage, at the beginning: then, in 2005, we shifted the production from Morlaix (garage) to the current place, here in Carhaix"	BRICOLAGE	
"I have transformed a little barn into my brasserie"		
"The infrastructure had the same shape as now and it was already a bar with restaurant. We just tidied it up making the infrastructure acceptable. We preferred to do things slowly, without huge investments"		
"I am carrying on a partnership with a farmer: the farmer seeds the malted barley. I need it, so I have committed to buy the entire harvest; it was easy to find a person who could be interested in this exchange"	NETWORKS FOR DEVELOPING	
"I would like to improve all relationships with clients here"		
"I want to create a strong craft network here"		
"My husband is joining an association which has been created in order to build a malt house in Brittany"		
" I don't know, but now if you say you are doing this activity they believe you and they help you"		
"Associations could give you many helps"		
"When I started it was stressful. I never driven a tractor and I asked to my neighbor to teach me. It is an adventure, every day I learn something new. I am 30 years old and I'm very happy with the result gained"	LEARNING FROM FRIENDS	

Table 15B: Data structure following the Gioia method (CONTEXTS)

1st order concept	2nd order concept	AGGREGATE DIMENSIONS
"There is a strong Breton culture, but not a beer's culture"	LOCAL PRODUCTS' ATTRACTIVENESS	LOCAL BEHAVIOURAL INFLUENCES
"There is a local culture: here people prefer buying local products"		
"People from Brittany have helped us because when there is something produced here, they buy it and consume it"		
"It's logic for a Breton buying something produced in Brittany"		
"At first (1996) we decided to put beer in cider's bottles, thus people thought we were selling Breton cider. They came to us. We said that there wasn't cider and people were wary, suspicious, but then, after having tested it, they have discovered beer. It was different from the classic one, sold in supermarkets"		
"There is a widespread belief that Breton products are good: if a Breton knows that there is Breton meat in a shop, He/She goes there, because it is surely a good product"		
"Our beginning (1996) was very difficult because people didn't know craft beer, but only few industrial beers: Brittany is the region of cider, hence people didn't know beer"		
"When we started there were not so many small breweries, French people were not very interested on our beer production, thus it was difficult at first! (2007). People did not know craft beer and they asked us why we have not opened a similar activity in England, where the phenomenon was already known"		
"People here, anyway, love eating good things: bread, cheese... and, for these products, here in Brittany, there is always market. You have to show and allow them to taste bread, good bread, good craft beer and butter... beer is also good with meat: it is really a good product. Then, after tasting, people speak each other. The product start to be alive."	PEOPLE ATTRACTED BY WORD OF MOUTH OR TASTING SESSIONS	
"They came to us because they heard about us. They bought our beer: it is surprisingly easy to convince people to drink a beer"		
"I don't do particular promotion: just word of speech and free samples to the shops"		
"I communicate my product through markets, fairs and word of mouth"		
"There was a pizzeria before, but people weren't satisfied due to the bad service thus the last owners have closed very soon. Afterwards we arrived. We proposed good meals with beers: this was the key in order to attract people"		
"I am not interested in selling abroad. My sales in all Brittany are sufficient. I prefer to continuously work more here, in order to improve my equipment and to receive a better wage"	LOCAL SELLING IS ENOUGH	
"We are not interested in selling abroad. We are already producing at maximum of our commercial capability"		
"We sell abroad but only to people who ask us to send to them our product. We aren't focusing our efforts on this goal"		
"Through the e-commerce it could be easy selling abroad, but there are:		
1) Transport problems linked to the possibility of breakages and to too much shaking which can ruins the characteristic of product;		
2) It could be easy shifting the production abroad but the product could lose all the organoleptic peculiarities and characteristics of the local territory"		
"I am not interested in selling abroad. I would prefer receiving my wage and having others 2 employees here"		
"We haven't a commercial office. We sell abroad to those people who ask us, but after they have already payed. The commerce doesn't work in this way but people accept to pay in advance"		

5. Comparison

Both France and Italy have usually been associated with food and wine tradition. Compared to other European Countries, more closed to a cultural and historical beer tradition, Italians do not consume very much beer: according to data published by Linkiesta, France is the 26th consumer country in 28 countries of EU with 30 liters/year per capita consumed, whereas Italy is the last country in terms of consumption of beer. Together with Luxembourg, Estonia and Malta, both countries represent two of the largest European importers. According to the last Assobirra report Italian exports declined by -3,3%, instead imports grew by +0,3%, thus more than 6 million hl are imported; France recorded an increase of +7,2% in imports together with a rise in exports of +27,5%. The reasons behind these high percentages of imports derives from the fact that in France and Italy there are subsidiaries of larger international brewing companies which deliver their beer to local industrial producers (source: Linkiesta).
Hovewer consumption of beer is expected to develop, given the sudden rise of microbreweries, even if, due to the increase of tax, craft beers' prices are higher and people, in both countries, still prefer cheaper products or consuming beer at home rather than in a pub or restaurant. In particular the attention of analysis is focused on two regions, mostly well-known for other kind of beverages: Veneto is the wine region of northeastern Italy famous for the production of the finest Prosecco wines, instead Brittany is the second largest cider-producing region situated to the north-west of France. Today in Veneto there are almost 60 microbreweries, instead in Brittany there are more than 40: in the former region the phenomenon has been developing since 1996, instead in the latter since 1985.

5.1 Common elements

Contexts and their role in venturing

According to the cases, before transforming a passion into a job, brewers start at home with basic and cheap materials like pans or little basins, pilot production plants and, in recent years, with the kit for fermentation. Beer firms are also diffused but brewers hope to integrate the production process to better control the activity. In both regions there were some synergies among microbreweries and other firms. For instance, in Italy,

some wine production plant manufacturers collaborated with microbreweries, adapting their knowledge to the brewing industry; Velo (based in Altivole, Treviso), for example, was formerly a manufacturer for makers of wine, that used its ability to become the Italian leader in craft beer plant manufacturing: the production was almost artisan, including stainless steel sheets and other components like pumps and valves. In Brittany, on the contrary, especially at first, they put beer in cider bottles, because there were only manufacturers for cider industry.

What legitimize at first brewers to start a brewery as a professional activity is the friends' and family's support: they taste brewer's beer and they give their own judgment, inviting them to "try to sell" his/her beer. In general the craft brewer, who is an artisan of the beer, proposes what he/she likes, but appreciates his/her friends' feedback, and adapt his/her own recipe to check it. There is neither time nor capacity to do a marketing research about people's tastes: the industrial producer could match exactly what people are looking for, whereas a small craft brewer hangs onto his/her closest people and starts.

The importance of a technical knowledge

In both regions there are excellent cases of breweries, founded by people who attended courses and stages abroad, in countries with high heritage like Belgium, Germany and England; in Italy there was a professional school "Carlo Rizzarda", the only Italian school for brewers now closed (1953-1978), which gave brew basis to those people who then went to work in "Pedavena Brewery", at Pedavena (Belluno). All these brewers could be considered beer culture spillovers who, after attending technical courses and after tasting foreign beers, opened their own activity. In addition, many brewers collaborated with master brewers especially from Germany or Czech Republic who clearly contributed to spreading brewing knowledge.

There are some cases that arise without any linkages with external experiences. In these cases they mainly started by homebrewing. Homebrewing is a growing phenomenon and a direct consequence of the growing proliferation of microbreweries. It is the best training to get in contact with craft beer, moved by both personal taste and passion. This approach to brew increases the probabilities of success when the passion is turned into a

business. However, despite the presence of excellent cases, there are also breweries which last only few years: one of the reason is the total lack of technical education.
It is not sufficient to learn to brew at home, reading manuals and surfing on the net, in order to start a brewery: probably it could be enough for our own consumption, but not for selling to people. We cannot confuse a home-brewer with a brewer who has transformed his/her passion into a job. Interviewing brewers I understood that it is easy to brew, but it is not obvious to produce a good product. According to some cases, it is not required having special degrees to make a good beer: of course, having an agri-food or chemical background is helpful, but experience and mistakes teach more.

External variables: schools and associations

Given the development of the phenomenon and the limited craft beer culture, Universities and organizations have been proposing technical courses about how to start a microbrewery and learn how to brew a good beer: this is a common situation which happens both in France and in Italy. To the north-east of Italy, at the University of Udine, there is a technical course promoted by the association Unionbirrai, CRITA[90] and the Chamber of commerce of Udine with the Professor Stefano Buiatti of the University of Udine; moreover, at the Social Cooperative DIEFFE[91], at Noventa Padovana (Padua), there is a course for craft brewers promoted in particular by the University Ca' Foscari of Venice.
In France there are two schools, but not in Brittany: the IFBM[92] (Institut de Formation Metier du Brassage) at Nancy and at the University of La Rochelle there is a course for brewers: in particular, at the department of biotechnologies at the same University they created a microbrewery which produces a beer called "Science Infuse"[93].
These are evident proofs that the market is changing, starting to be understood more and more. Moreover, there are associations which sustain microbreweries and the consumption of beer. In Italy there is Unionbirrai, part of the European Beer

[90] "Centro per la ricerca e l'innovazione tecnologica in agricoltura": a consortile society which promotes research and innovation in the agricolture and agri-food industry. For additional information see http://www.critascarl.it/
[91] For additional information see http://www.dieffe.com/
[92] For additional information see http://www.ifbm.fr/ifbm.php?a=Accueil
[93] For additional information about the microbrewery born at the University at La Rochelle, see http://science-infuse.univ-lr.fr/

Consumer[94] Union and twined with American Brewer Association, which promotes the craft beer consumption and Italian microbreweries phenomenon; in addition, there are cultural movements of consumers such as MoBI[95], to represent the interests of beer consumers, to sustain beer culture, homebrewing and tasting activities in Italy; finally the non-profit association Slow Food promotes the consumption of good products and recently it is going to reach people about the craft beer movement promoting some courses. Anyway all of them act nationally and, according to some cases interviewed, brewers are looking for regional associations and collaborations among local producers: they could better improve relations, creating a sort of community which sustains regional microbreweries' development. In France there is "Brasseurs de France[96]", member of the organization "Brewers of Europe" since 1958, even if it was founded already in 1880: not all microbreweries I interviewed belong to this association, except for Coreff, Lancelot and Sainte Colombe; in Brittany they realized what some Italian brewers are looking for: regional networks among local producers. In fact there is an association called "Produit en Bretagne", born in 1995, which indicates the Breton origin of a product in order to sustain the development of Brittany's economy : nowadays 300 Breton enterprises belong to this association; secondly, there is a network called "Le réseau GAB-FRAB[97]" among all farmers of Brittany which produces bio ingredients: the number of associated passed from 1.050 members in 2009 to 1.850 in 2014 and some brewers are using their products in order to produce the "bio beer" (Coreff, Lancelot).

Emergent issues: bureaucracy and tax system

Until last year French people charged different duties in relation to the different size of breweries, but now all breweries pay the same tax, as it happens in Italy: it is obvious that for an industrial producer, who easily achieves economies of scale, the tax does not

[94] EBCU is an organization born in 1990. It was founded by three beer consumer organizations, representing Belgium, Netherlands and United Kingdom; afterwards other associations, coming from other countries, joined it. For additional information see http://www.ebcu.org/

[95] For additional information about this movement dedicated to Italian homebrewers, see http://www.movimentobirra.it/default.aspx?

[96] For additional information see http://www.brasseurs-de-france.com/

[97] For additional information about projects and goals see http://www.agrobio-bretagne.org/

represent an obstacle, but, for a microbrewery with just 120 hl/year it is clearly a disease: in fact the brewer is forced to sell his/her beers at a higher price. In addition the absence of official definition of craft beer is still a lack to be covered in order to permit the rise of microbreweries to develop.

Banks offer funds in front of warranties. In Brittany the microbrewery "Drao" obtained a loan of € 70.000 to open both the activity of malt cultivation and brewery: as Matthieu, the owner of Coreff, pointed out now the phenomenon is more recognized rather than 30 years ago when it was impossible to obtain something from banks. In Italy there are many different cases: someone who easily receives banks' funds and someone else who does not offer enough warranties. One who succeeds in receiving banks' funds offers strong basis and, sometimes, has already developed another activity in the same industry.

Recently, BNL-BNP Paribas has been supporting Italian microbreweries: after developing some researches in this industry it decided to follow some of them, proposing "access to credit" for startups[98]. Comparing June 2008 with June 2014, Giovanni Ajassa[99] has pointed out that Italian beer production has grown more than other Italian industry: +3% against -22% of manufacture production: in 7 years of economic crisis, the demand for craft beer has grown, pushed by people attracted by quality and innovation.

5.2 Differences

There is an important difference between the two situations as concerns the "sources of legitimacy" of the brewing activity. In particular I am going to analyze an aggregate dimension which actually is part of a vast topic: culture.

As already said, both Brittany and Veneto are not usually known for beer production and the reference to beer tradition is weaker than in other countries such as Belgium, England or Germany. Anyway Brittany has another strong cultural background: Bretons are more inclined to buy local products than people of the Veneto. According to Hofstede's model, France and Italy are two individualistic countries and both French

[98] For additional information see the article published by cronache di birra here: http://www.cronachedibirra.it/notizie/11046/bnl-si-propone-come-banca-a-sostegno-della-birra-artigianale/

[99] Responsible of the Studies area of BNL-BNP Paribas.

and Italians are not comfortable in ambiguous situations, showing anxiety about change. They are traditionalist and nationalist. In individualistic societies people are supposed to look after themselves, their close friends and their own family. However this framework could be useful for a general cultural overlook of both countries but it is too general and reductive: there are other intercultural differences across country's regions to better investigate. If both countries present high uncertainty avoidance and are mostly traditionalist, why in Brittany are people open in relation to new activities concerning their region? I think that answering just underlining the fact that in Brittany the phenomenon has been spreading since 1985 is too reductive.

When I was in Rennes, I noticed that every Saturday all Bretons used to do the shopping at the local market: it is called Marché des Lices and it is the second greatest market in France. Every Saturday morning more than 300 producers come from all over the Brittany region selling only local food: from fruits and cereals to fish and meat. At this market there is also a little space dedicated to Breton craft beers. I was quite sure that Bretons prefer going to do the shopping at the local market rather than at the supermarket, by the way I asked to Matthieu Lajante, Professor at the IGR[100], if I was thinking right. He answered me that for a Breton it is logic buying something from Brittany, because *c'est bon* (it is good). In addition to that in Brittany there is an association called "Produit de Bretagne", which is a clear example of how Bretons care about every product thought, created and made in Brittany. Together with the network created to sustain bio Breton products, according to the cases, the brewer is able to build strong relationships with farmers around his/her village: it is a mutual exchange based on respect, culture and loyalty. For this reason I think that even if they are inclined to buy only Breton products already known, they do not despise those new products which born within their geographical boundaries. Obviously a bad product is not sold, even if it is Breton: Tricia, the owner of "Les Fous Microbrasserie", told me about a guy who started to brew a beer using lake water whose activity, clearly, did not last long. Anyway if, on the contrary, a novelty is good and appreciated, Bretons are proud to inform all people about this new product.

Whereas, what I noticed in many similar cases of development process in Breton microbreweries, does not happen the same way in microbreweries based in Veneto. All

[100] Institut de Gestion de Rennes, business school part of the Université de Rennes 1, where I attended some classes according to the Erasmus program. For additional information see http://www.igr.univ-rennes1.fr/

brewers have a different idea about how to manage their own activity. Probably it is due to the fact that the phenomenon is still young in Italy rather than in France, but the same local product loyalty which happens in Brittany does not live in Veneto as well.

When I asked “Is it difficult to convince people to buy your beer?” all Breton microbrewers, of different sizes, answered “no, it is not”. In Veneto brewers hang onto different sources of legitimization in order to sell their product in their national boundaries: in some cases they sell more outside of the region rather than in Veneto. They adapt their beer to pre-existent cultures, in order to attract people. Comparing beer to wine or creating alliances with local cultural associations (Birra Cimbra) are examples of sources of legitimization to sell. They feel this necessity, because currently it is really hard convincing a distributor to sell your craft beer, because the phenomenon is still young and it is difficult to achieve credibility with a new product. You have to convince a distributor to sell your product, but he/she wants to be sure it is a good one. Anyway there are successful cases but they are developing strong relationships with distributors, through a great communication strategy: I am referring to 32 Via dei birrai which cares about creating strong relationships for being sure that its product is known and understood in all its characteristics. In Brittany there is not any need to find a source of legitimacy, in Veneto there is. Many restaurants, “crèperies" and little shops in Brittany sell local beers; in addition, beer is sold at the local market too. On the contrary in Veneto it is not easy to find a bar which sells Pedavena beers, which is not craft beer but it comes from Belluno. In Veneto distributors want to be sure to sell the product, thus they have to be convinced by brewers. The need to find a reason to sell the own beer derives from a still unknown perception of the phenomenon: according to many brewers, the movement still represents a niche phenomenon, known only by particularly curious and passionate people. For this reason, most brewers sell to or would like to reach foreign markets: abroad, people know our cultural background based on quality and good *cuisine*. All Breton microbreweries interviewed are not interested in foreign markets, nor in those which have commercial capability. They are more focused on improving their own product there, in Brittany, satisfying their clients and continuing to produce a good beer for passion.

6. Conclusions

After analyzing both regions I think that:

- Quality is the critical success factor that will generate, quoting Darwin's theory, a "natural selection";
- Building relationships among local distributors and producers could be considered a strength to exploit and develop through a good communication strategy.

I would like to concentrate my point of view on Italian case studies, given that the phenomenon is still young and needs credibility. I suggest two main models of development. Two value chain's activities have to be controlled by the brewer: the production and the distribution. In addition, in order to improve the latter, the brewer must be capable to communicate to the distributor his/her product in the best way, letting him/her know all beer's characteristics.

First of all, the brewpub formula with drafted craft beers could permit people to effectively taste and enter in contact with the product, together with the right dish to pair with it: people are attracted by brewpubs because they have a restaurant inside thus the brewer could propose his/her beer exploiting our traditional culture linked to good food; in addition, as happens for all Breton cases or as Vecchio Birraio does, the brewer could present, seasonally, a special beer, only bottled, based on personalized and innovative recipes: a strategy founded on differentiating the craft beer, using local raw materials in order to create a special recipe. The uniqueness of a recipe that is justified by the connection with its territory of belonging (Arte Birraia) can create a personalized product which allows an incredible recognition in terms of added value of the product. This strategy has to be supported by a good presentation of the product in order to attract the customers of craft beer that are always moved by high curiosity. As concerns those brewers who are not sure to open a brewpub, he/she could collaborate with a local bar proposing, periodically, some of his/her beers in order to obtain some customers' feedbacks.

Secondly, the de-contextualization of craft beer seems to be an attractive strategy both for improving national development and international market. With an high quality product, the improvement of its image can become the strategic focus of the firm, leveraging on innovative design of the packaging, of the merchandize around it and on

strong and innovative marketing campaign. In this way the good taste is combined with the beauty of the product that can create an experience that constitutes the means to elevating it from a simple beverage to an element to contemplate. In doing this, attention to the distribution channels is required. A strong relationship with selected retailers is fundamental to be sure that the sophisticated product can be promoted, explained and the higher price can be justified to the final customer. This strategy allows the firm to build and leverage on the image of its brand and create also inter-industry partnerships in order to reinforce this source of strength. In particular I am referring to 32 Via dei birrai model where the knowledge of Fabiano Toffoli can ensure the high quality of their product; moreover thanks to the support of digital instruments (Alessandro Zilli) and thanks to a proper creation of relationships and commercial initiatives (Loreno Michielin) 32 Via dei birrai's strategy allows the firm to concentrate its resources in the reinforcement of the brand image.

Before thinking about foreign markets, Italian microbreweries have to create their Italian market, even if foreigners are really attracted by the Made in Italy brand, symbol of Italian culture and "savoir faire". Italy proved to be able to generate lot of these cases but the important thing is to improve the creation of a product certification system together with a better technical formation which may be a great chance in order to gain competitiveness worldwide.

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Annexes-1

Université "Ca' Foscari" de Venise, Italie

Questionnaire pour mémoire de fin d'études
(version française)

1.	Quelle est la différence entre une bière artisanale et une bière industrielle?
2.	Vous êtes un Micro-brasserie, donc quelle est la limite de production en dessous de laquelle une brasserie est considérée comme une microbrasserie?
3.	Debut: Pourquoi avez-vous décidé d'ouvrir une microbrasserie? Où avez-vous appris le métier? Est-il difficile d'ouvrir une microbrasserie en partant de rien? Avez-vous eu besoin de fonds au début? Je sais que quelqu'un en Italie a commencé avec un kit pour brasser chez soi ou des machines d'occasion prêtées; a-t'il été difficile de trouver un endroit pour commencer ?
4.	Existe-t'il pour vous une culture locale de la bière ou une école de formation professionnelle ? Est-ce qu'il y a des associations qui soutiennent les microbrasseries?
5.	Quel volume produisez-vous par an? Et à propos de votre chiffre d'affaire? Faire ce métier est-il suffisant pour vous? Avez-vous un autre travail à côté?
6.	Una chaine de valeur est l'ensemble des étapes déterminant la capacité d'une organisation à obtenir un avantage concurrentiel: je voudrais savoir quels sont, pour vous, les points faibles de votre chaine de valeur (remède, production, fournisseurs, distributeurs...)
7.	Pouvez-vous me parler de la bureaucracie et des lois qui gouvernent ce marché?
8.	Actuellement où vendez vous? Uniquement en Bretagne ou dans toute la France? Quels sont les canaux de distribution?
9.	Je voudrais donc savoir comment avez-vous réussi à convaincre les gens de vendre votre bière? Est-il difficile d'entrer dans la chaine de distribution que vous avez choisi pour vendre?
10.	Quels sont vos objectifs pour le futur? Voulez-vous vendre à l'étranger? Si oui, où et comment?
11.	Existe-t-il des événements en France, dans la région, qui célébrent la bière, particulièrement la bière artisanale?
12.	Je voudrais savoir une histoire, une anecdote de votre expérience de brasseur.

Università "Ca' Foscari" di Venezia, Italia

Questionario per tesi Magistrale
versione italiana

1.	Qual è la differenza tra birra artigianale e birra industriale?
2.	Voi siete un microbirrificio, quindi qual è il limite al di sotto del quale un birrificio è considerato micro?
3.	Inizio: Perché avete deciso di aprire un microbirrificio? Dove avete imparato il mestiere? È difficile aprire un microbirrificio partendo da niente? Avete avuto bisogno di fondi all'inizio? So che in Italia qualcuno ha cominciato con il kit o con impianti di seconda mano, è stato difficile trovare un locale dove poter avviare l'attività?
4.	Esiste per voi una cultura locale sulla birra o una scuola di formazione professionale? Ci sono associazioni che supportano ed aiutano i microbirrifici?
5.	Quanto producete annualmente e quanto fatturate? Quest'attività è sufficiente per voi o svolgete un altro lavoro?
6.	Una catena del valore è l'insieme delle attività che permette all'organizzazione di ottenere un vantaggio competitivo: vorrei sapere quali sono, per voi, i punti deboli della vostra catena di valore (materie prime, produzione, fornitori, distributori...)
7.	Potete parlarmi della burocrazia e delle leggi che regolano questo mercato?
8.	Attualmente dove vendete? Solo in Veneto o in tutt'Italia? Quali sono i vostri canali di distribuzione?
9.	Come siete riusciti a convincere la gente a vendere la vostra birra? Avete trovato difficile entrare nei canali di distribuzione scelti per proporre e vendere la vostra birra?
10.	Quali sono i vostri obiettivi per il futuro? Volete vendere all'estero? Se si, dove e come?
11.	Esistono eventi in Italia o in regione che promuovono la birra, in particolare la birra artigianale?
12.	Vorrei sapere una storia, un aneddoto riguardante la vostra esperienza di birraio.

University "Ca' Foscari" of Venice, Italy

Questionnaire for final MBA dissertation
English version

1.	What is the difference between craft beer and industrial beer? Does it exist a legal and recognized definition of craft beer?
2.	You are a micro-brasserie, so which is the production limit under which a brasserie is considered micro-brasserie?
3.	Start: why have you decided to open a micro-brasserie? Where have you learned the job? Have you received some helps from someone? Is it difficult to open a micro-brasserie from zero? Did you need some funds at first? I know that someone in Italy has started with the home-brewing kit or with second hand machineries, lent by others; was it difficult to find the place/shed where to start all?
4.	Is there a local culture about beer or a school of formation to learn how to do the beer as one time? in few words: are there contaminations from a previous beer culture? Are there associations which help micro-brasseries?
5.	How much do you produce in a year? And what about in terms of turnover? Is it for you enough doing only this job? Do you do another job?
6.	Value chain means all the activities which determine the capacity of an organization to create value in order to obtain a competitive advantage: I would like to know what are, from your point of you, the weaknesses in your value chain (raw material, production, suppliers, sellers…)
7.	Could you say to me something about the bureaucracy or laws which govern this market?
8.	Where do you sell currently? Only in Brittany or in all France? Which are your distribution channels?
9.	How have you managed to convince people to sell your beer? Is it difficult to enter the channel you have chosen to sell?
10.	Which are your goals for the future? Would you like to sell abroad? If yes, where and how?
11.	Are there some events in France/Bretagne which celebrate the beer, especially the craft one?
12.	If you want tell me a story, an anecdote of your brasseur's experience

Annexes-2

LIST OF PEOPLE INTERVIEWED					
Organization	Interviewee	Role	Location	Date	Lenght
VECCHIO BIRRAIO	*Stefano Sausa*	Master brewer and owner	Marsango (Veneto, Italy)	21/11/2013	1h + e-mail
32 VIA DEI BIRRAI	*Fabiano Toffoli*	Master brewer and co-owner	Pederobba (Veneto, Italy)	22/11/2013	1 h 45 mins
BIRRA CIMBRA	*Stefano Bassan*	co-owner	Thiene (Veneto, Italy)	22/11/2013	1 h + e-mail
ARTE BIRRAIA	*Marco Cecchet*	Co-owner	Rasai, Seren del Grappa (Veneto, Italy)	23/11/2013	58 mins
ST. GEORGES	*Jérôme Kuntz*	Master brewer and owner	Guern (Brittany, France)	01/02/2014	39 mins
SAINTE COLOMBE	*Gonny Keizer*	Master brewer and co-owner	Sainte Colombe (Brittany, France)	08/02/2014	39 mins
LES FOUS	*Tricia Wiles and Donald Rankin*	Master brewers and owners	Carnoët (Brittany, France)	01/03/2014	57 mins
DRAO	*Rozenn Mell*	Master brewer and owner	Melesse (Brittany, France)	25/03/2014	48 mins
LE BRASSEUR	*Frank Métivier*	Master brewer and co-owner	Lorient (Brittany, France)	05/04/2014	39 mins
COREFF	*Matthieu Breton*	Owner	Morlaix (Brittany, France)	10/04/2014	37 mins
LANCELOT	*Eric Ollive*	Production manager	Le Roc St Andre (Brittany, France)	24/04/2014	1 h
UBERTI S.R.L.	*Fabio De Filippi*	Co-owner	Mestre (Veneto, Italy)	05/08/2014	1 h
BAV	*Rudy Liotto*	Master brewer and co-owner	Maerne di Martellago (Veneto, Italy)	19/09/2014	47 mins
BIRRA FOLLINA	*Giovanni Gregoletto*	Master brewer and co-owner	Follina (Veneto, Italy)	23/09/2014	e-mail
AQUA ALTA	*Filippo Longhi*	Master brewer and owner	Mirano (Veneto, Italy)	25/09/2014	45 mins

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