

# Craft beer sector collaboration in North East Scotland: the role of individual success.

CUNNINGHAM, J. and BARCLAY, S.

2020

*This article is distributed under the terms of the Creative Commons Attribution-Non Commercial 4.0 License (<https://creativecommons.org/licenses/by-nc/4.0/>) which permits non-commercial use, reproduction and distribution of the work without further permission provided the original work is attributed as specified on the SAGE and Open Access pages (<https://us.sagepub.com/en-us/nam/open-access-at-sage>).*

# Craft beer sector collaboration in North East Scotland: The role of individual success

**James Cunningham** 

Robert Gordon University, UK

**Stephanie Barclay**

Robert Gordon University, UK

The International Journal of  
Entrepreneurship and Innovation  
2020, Vol. 21(4) 263–274  
© The Author(s) 2020



Article reuse guidelines:  
sagepub.com/journals-permissions  
DOI: 10.1177/1465750320921296  
journals.sagepub.com/home/iei



## Abstract

Our understanding of craft brewing is beginning to grow and a key theme to emerge from this artistic and intrinsically creative sector is the dependence on collaboration between entrepreneurial agents. In the North East of Scotland, the growth in craft beer is also recognised to come from a deep rooted collaboration, as a reaction to and in resistance of large mainstream competition. However, one such enterprise, BrewDog, has grown to achieve global reach to rival that of the large-scale brewers the craft scene sought to challenge. We consider what this unprecedented success means for the remaining collaborators in the local craft beer sector. Our findings point to a shared optimism and possibility of achievement among the craft brewers, aided by BrewDog's success. However, the nature of collaboration is anchored more in community embeddedness and shared responsibility for market development, rather than in business growth and success replication. While the craft scene acknowledges the inspirational success of 'one of their own', strategic drive comes from more localised relations and a desire for independence. This has implications not only for craft beer but also on how collaboration among entrepreneurs sustains in respond to success from within the group.

## Keywords

collaboration, craft beer, creative entrepreneurship, resistance, Scotland

## Introduction

Interest in craft brewing has steadily increased in recent years, echoing the industry's emerging economic impact and an acknowledgement of the diversity of business operating within the sector (Danson et al., 2015). No official definition of craft brewing exists, however, over the past decade, growth in independent beer brewing has increased and is now considered the home of genuine craft beer brewing by consumers, in contrast to craft ranges of large-scale mainstream producers where sales have decreased (SIBA, 2019), thus the dynamics of the industry are changing. In Scotland, it is believed the brewing industry contributes around £500 million turnover to the economy annually, supporting over 8000 jobs, with ambition to double this by 2030, particularly looking to create jobs and opportunity in rural areas (Scotland Food and Drink, 2018). One hundred and twenty brewers currently make up the market in Scotland, increasing 343% since 2010, with the most

dominant areas being in the City of Edinburgh (15 enterprises), and spread across the Highlands (also 15 enterprises) – while the North East of Scotland (taken here as Aberdeen City/Shire and Moray) has 15 enterprises manufacturing beer (Office for National Statistics, 2019). This market growth has been driven by small entrepreneurial outfits, with 100 of the 120 beer manufacturers employing less than 10 people. For many, the industry remains characterised by its opposition to, and independence from, the mass-market of large-scale brewers (Carroll and Swaminathan, 2000).

As part of the growth in craft beer activity, a small number of firms have become talisman of the scene. Cabras

---

### Corresponding author:

James Cunningham, Aberdeen Business School, Robert Gordon University, Garthdee Road, Aberdeen AB10 7QE, UK.

Email: j.e.a.cunningham@rgu.ac.uk

and Bamforth (2016) point to BrewDog, in the North East of Scotland, and Sierra Nevada, in the United States, as example brewers which have expanded to a point comparable with larger, more mainstream, beer outfits. While both companies attempt to maintain their artisan credentials, with Sierra Nevada retaining full family control, and BrewDog's growth based on their unique crowdfunding ability, these examples do blur the lines of what can be considered 'craft' and what becomes mainstream. Although such growth stories are interesting and often inspiring (Smith et al., 2010), the attention of this article is not specifically on those who break into the mainstream, but rather on the continued nature of an often collaborative and localised environment from which these exceptions have grown. Essentially, we ask: *how do entrepreneurial craft beer enterprises continue to collaborate with such different approaches to growth and variations of success?*

To investigate this scenario, we use the North East of Scotland locale as a case study of place to examine enterprise collaboration and localisation, with specific reference to the impact of BrewDog's growth on such a tightly interconnected entrepreneurial scene. The North East of Scotland is widely regarded as 'leading' the UK's 'craft beer revolution' of the past decade, with a plethora of breweries and specialist shops/pubs, stretching from the concentrated pubs of Aberdeen city centre (The Ale Trail Company, 2020) to the popular beer festivals taking place in neighbouring towns and villages (Visit Scotland, 2020). This paints the picture of a geographically spread, but crucially interlinked beer scene across the region. To fully appreciate both the social and relational dynamics at play, we seek the perspectives of both small craft brewing enterprises and those of BrewDog, the key protagonist of the area's craft beer narrative. Thus, the contributions of this article are twofold. First, we further our understanding of entrepreneurial embeddedness in a field characterised by localised collaboration and not competition (Kraus et al., 2019). Second, we consider how emerging markets such as craft brewing evolve in collaborative ways with changing market dynamics and relative successes (Zhang et al., 2015).

### *Craft beer as artisan resistance*

In contrast to the commoditised offerings of large-scale brewers, craft beer has become highly differentiated, thus engendering a passionate and purposeful customer following (Clemons et al., 2006). Small specialised brewers typically achieve this differentiation by demonstrating an artisan nature, a craft notion overlooked by the generalised production of larger operations (Argent, 2018). Cabras and Higgins (2016) see this as originating in hobbyist home brewing converting into commercialised production (Kessel, 2009). While tax levies alone may have had limited impact, in combination with cheaper, smaller and more

accessible brewing technology, this created a friendly context for the resurgence of willing independent operators in a yearning market (Wyld et al., 2010). As such there is a characterisation of independent brewing as a lifestyle side-activity, diversified around the niche of a founder's individual taste (Alonso, 2011; Markantoni et al., 2013). Danson et al. (2015) suggest this leads to an ease of entry, as individual brewers rely on intrinsic artisanal nature, however they also support Wyld et al. (2010), by warning that this does not always translate to sustainable growth.

Despite the increased attention given to the growth of craft beer entrepreneurship, there is acknowledgement that we still suffer from a dearth of knowledge on how this entrepreneurial event functions (Alonso et al., 2016). However, important parallels can be made with findings from other areas of artisan entrepreneurship, primarily in the food and drink sectors (Pret and Cogan, 2018). For instance, where deep levels of cooperation and network connections (Kuhn and Galloway, 2015) are found to be fostered by a mutual sympathy and solidarity around development of 'the craft' (Blundel, 2002). As such, artisan entrepreneurs in the food and drink sectors often look to use the cultural aspects associated with their craft traditions to their advantage, either in marketing or on location-based operations (Lounsbury and Glen, 2001). It follows then that the spatial context of artisan entrepreneurship becomes informative to the nature of entrepreneurial activity (Bouette and Magee, 2015), where surrounding social values colour strategic intentions (Cater et al., 2017; García-Rosell and Mäkinen, 2013). This can result in artisan entrepreneurs becoming more selective in the opportunities they pursue, with more organically embedded growth and sustainability commonplace (Mathias and Smith, 2015).

The uniqueness sought in the artisan product tends to come from its links to the locality of the brewer as a strategic strength (Alonso et al., 2016). Although Tremblay et al. (2005) suggest this demonstrates craft brewers catering for local and regional tastes, Danson et al. (2015) look more broadly to uncover a tendency for brewers to serve a spatially defined areas as a method of overcoming resource limitations against the larger brewers. Broader still, this echoes a sociological trend to consider 'neo-localisation' in food and hospitality (Everett and Aitchison, 2008), where the importance of place has become informative in a normally globalised business environment (Flack, 1997). Drakopoulou Dodd et al. (2018: 642) suggest that the importance of the local for these entrepreneurs is so strong that our view must be '*filtered through a more idiosyncratic lens*'.

Although focusing on ideals of local craft over profitability may provide craft brewers with a romantic artisanal draw, the declining nature of the beer drinking market and continued domination of those firms gaining economies of scale present a hostile future for craft beer producers. It is

not enough for craft brewers to accept that they operate at the competitive fringes of business system norms (Baker and Welter, 2017). If this were the case, the more successful craft brewers become susceptible to take over from the very large organisations they are formed to rail against (Danson et al., 2015). Blundel (2002) warns that artisan enterprises in the food and drink sectors must find a way to sustain their operations as network relationships evolve and markets grow.

### *Collaboration of the craft brewers*

Research in the craft brewing sector is in its early stages; however, one key theme has emerged as a dominant way of understanding entrepreneurial behaviour in this field, the importance of collaboration. Lamertz et al. (2005) suggest that the camaraderie enjoyed in the field of home brewing can translate and develop into a collaboration and kinship enjoyed in the realm of commercial craft beer production. McGrath and O'Toole (2013) link this drive for collective engagement to the fragility associated with resource constraints, where entrepreneurial networks provide access to opportunity, information and the weight of collective reputation, which would otherwise be difficult for solitary actors to gain – thus enabling them to counteract the liabilities of smallness (Hanna and Walsh, 2008). Entrepreneurial firms in this manner look for awareness of opportunity and access to resources to be brought to the firms through collaborating with others (Lechner et al., 2006). This again echoes what is found with other forms of artisan entrepreneurship, where symbolic capital is sought through connections with high-status peers, allowing for the mimicking of ideas and innovations (Pret et al., 2016; Wilson et al., 2017). Thus, Lechner and Dowling (2003) suggest entrepreneurial firms become dependent on external capabilities of others to grow and develop. Zaheer et al. (2010) posit entrepreneurial activity in such a scenario is not driven by autonomous figures but instead be viewed and studied as an interdependent system.

Some approaches to collaboration may be as technical as sharing the expense on large purchase equipment or as complex as 'swapping' distributors and relationships with pub outlets (Danson et al., 2015). The interplay of social networks both across and between the individual enterprises thus drives entrepreneurial behaviour (De Carolis et al., 2009), with an embeddedness in local areas a means of drawing from meaningful social capital, perhaps further explaining the neolocal characteristics of many craft brewers (Henchion and McIntyre, 2005). Shepherd and Patzelt (2011) consider this to be a form of 'community entrepreneurship', where an increasingly complex spatial web of relations form around accepted norms and values of behaviour (Audretsch et al., 2017). Enterprises secure their positions by fitting-in and adopting common business models so as to further the community embeddedness mindset

(Fritsch and Storey, 2014). A cooperation between 'rival' brewers, even at the customer face, may appear counter-intuitive, but is seen as necessary in the newer industry sectors, particularly when a group of smaller firms are facing a dominant oligopoly structure (Flanagan et al., 2018). A climate of shared problems and combined solutions underpins a form of siege mentality, a team effort rooted in the localised socio-economic structures (McEvily and Marcus, 2005).

Hoyte (2019) calls for greater understanding of value preservation and how the collaborative community mindset maintains. As with any networked community, there can be a jostling for position through the hidden, informal interactions within the network (McGrath and O'Toole, 2013). This positioning tends to be emergent in nature (Mariani, 2007), suggesting that these relationships will change over time in terms of trust and influence (Dahl, 2014). Such collective strategies to gain knowledge and learn from each other have been noted elsewhere in the entrepreneurship literature (Jack and Anderson, 2002), but for various reasons of resource paucity and a lack of formalised education, this form of normative entrepreneurial behaviour seems particularly prevalent in the artisan sectors.

The collaborative spirit of craft brewing challenges the dominant entrepreneurial ideology of individual opportunity seeking and exploitation. However, in this sector, we see a competitive landscape, with independence important, but a horizontal cooperation needed for the sector to learn and grow into a sustainable offering (Flanagan et al., 2018). In such a sense, competition becomes a complex and multi-layered dynamic. Relationships can evolve from partner to rival and vice versa, often unplanned and as individual agents develop (Mariani, 2007). The nature of the sector and its collaborations will therefore change with time, as trust between the agents change and develop in an often reactionary process (Dahl, 2014). However, with suggestions that the Scottish beer brewing market has become saturated, and the dominant success and stated growth agenda of one particular player – BrewDog (Zhang et al., 2015), we cannot assume that collaboration to build resource will remain the same as it was, and we question how collaboration copes with these changes.

### **Methodology**

The study adopted a two-stage approach, where each element complemented the other. Stage one provides a comprehensive understanding of BrewDog, as the emerged success of the craft beer sector in the North East, achieving global reach and sales beyond any other craft brewer in the sector. We sought to understand the intended role of BrewDog in the localised collaboration of craft brewers, from their own perspective. We achieve this through a constructed organisational case study (Yin, 2014). Multiple data streams are used in this case construction to paint the

**Table 1.** Sample participants.

Participant type	Code	Role	Gender	Since	Operations
BrewDog employee 1	BD1	HR director	M	2007	Brewing and bars
BrewDog employee 2	BD2	Quality manager	F	2007	Brewing and bars
BrewDog employee 3	BD3	Recruitment manager	M	2007	Brewing and bars
Brewer 1	B1	General manager	M	2017	Primarily brewing + cafe/bar
Brewer 2	B2	Owner	M	2015	Brewing only
Brewer 3	B3	Designer	M	2013	Primarily brewing + bar
Brewer 4	B4	Owner	M & F	2004	Primarily cafe + brewing and art sales
Brewer 5	B5	Owner	M	2015	Primarily brewing + cafe/bar

picture of a stand out firm (Tharenou et al., 2007). We purposefully identified strategic decision makers within the organisation to interview, providing primary data directly related to our research question. These individuals were informally contacted through the personal connections of the authors to establish will, and thereafter formally invited to take part in face-to-face interviews on BrewDog's Ellon premises. This was supplemented with multiple secondary sources, which are plentiful as the company has typically produced regular public output. Included in the secondary data building this case are academic and business analyses, data from BrewDog's online publications and other media commentaries. As the founders of BrewDog are known for their lack of engagement with academic and journalistic research, excerpts from James Watt's autobiographical business guide are used to portray entrepreneurial intentions. Importantly, a complete draft of this article was passed to BrewDog prior to submission to allow for any concerns to be raised, no concerns were noted. This collation of materials sought to achieve the most holistic appreciation of the organisation possible (Ridder, 2017).

An understanding of BrewDog as a craft brewer of exception allows for contrast comparison to the broader craft brewing sector in the North East region – taken by this work to be the mainland regional surroundings of BrewDog's operations in both Moray and Aberdeen City and Shire. From this, the second, and more dominant analytical stage of the study, is developed. Narrative interviews were gathered from small craft brewers in the region to investigate their collaborative practices and the impact which the success of BrewDog has had on these. While a total of 15 beer manufacturers are found in national statistics (Office for National Statistics, 2019), through desktop and snowball sampling we were able to firmly identify 10, including BrewDog. From this, a further five self-defined craft beer producers agreed to take part in the research. The remainder were either unavailable or did not respond to our requests.

While BrewDog has been a named organisation for the purposes of the study, the participants of second stage have been kept anonymous, details provided in Table 1. Interviews with stage two participants lasted, on average, 35–40 min. Thematic analysis, following the principles of Braun and

Clarke (2006), is used to uncover common understandings on how collaboration is constructed and interpretation on the role and impact of BrewDog's success on this collaboration.

### Stage one findings: BrewDog running ahead of the pack

BrewDog state the organisation began in 2007 with 'two men and one dog', dissatisfied with mass-produced beers from the dominant large-scaled brewers of the UK market (BrewDog, 2018a). The founders, James Watt and Martin Dickie, were recent graduates who combined their limited expertise and love for craft beer to start up their own brewery (Smith et al., 2010). BrewDog started in an industrial unit in Fraserburgh in North East Scotland, where the pair undertook small-scale brewing operations (Cabras and Bamforth, 2016). The business was founded on the principle of making people as fervent about craft beer as them, which is still what it aims to do today (BrewDog, 2018a).

I also don't see what we do primarily as a business, I see it as a crusade: a mission to introduce as many people to our passion for greater beer as we can. (Watt, 2015: 43)

In just over 10 years, BrewDog claim to have brewed 343,253 hectolitres of beer, had over 1000 employees, 70,000 shareholders and 46 bars worldwide (BrewDog, 2018a). Such meteoric growth had not been seen in the Scottish industry and BrewDog have been recognised by being in the Sunday Times Fast Track 100 for a record sixth year in a row (Fast Track 2017). The main BrewDog headquarters are now located in Ellon, Moray, where the company own an eco-brewery with a 1 million hectolitre production capability, a distillery, a sour beer facility and plan to build the world's first craft beer hotel on-site and further expand their brewery (BrewDog, 2018b). BrewDog regard themselves as pioneers in the industry, a '*catalyst for the craft beer movement*' (Watt, 2015: 9), as acknowledged by BrewDog managers:

I think being a trail blazer for an emerging industry has been really important and the willingness to do something that nobody else is doing has been absolutely crucial. (BD1)

[Brewing is] massively monopolised and we have to really get in there and establish ourselves in the market as quickly as possible. (BD2)

Further underpinning BrewDog's success are their collaborative efforts including hosting events such as Collabfest where UK and European BrewDog bars collaborate with local breweries to brew unique beers (BrewDog, 2017). BrewDog intend to help microbreweries with their growth, through Collabfest:

Every year we do Collabfest in each of our bars with a local brewery, it gives people such exposure. But also, it allows them to get access to some amazing quality equipment that they probably won't have enough money to get just yet. (BD1)

Such levels of encouragement are also demonstrated through their long-term partnership with another microbrewery in the industry:

I think looking at what we've done and what we've achieved, I think there's a lot of people that have taken a big aspiration from it. So, [Brewery X] definitely from a North-East perspective, there's a lot of similarities because they've come on a journey with us. We've done a lot with them, they're always at our AGMs, they're always at our parties and they're an extension of our team, so we feel like they're kind of like our brothers and sisters. So, it's the same with a lot of smaller craft breweries as well, we encourage them to come up and brew with us. (BD3)

BrewDog intend to act as a source of inspiration for others and have a positive outlook for the future, as explained:

I think there's room for another fifty Brewdogs. So, if you think that we are 1% of the UK beer market at the moment, I think there is space for much, much more. I would love nothing more than a world where there's forty-nine other companies who are this successful doing what we do. The small players have still got quite a distance to go to catch up with what we've done so far. I hope they do though, I hope they beat us! (BD1)

This intention to collaborate with the wider craft beer market we set at an early stage, as noted by the founders:

Look to create a whole new market. Start a category, not a business... To be credible, your reason to exist needs to extend beyond your own brand, and a focus on growing a brand-new emerging category you are passionate about instantly gives you wider credibility and relevance... [this] can lead to spectacular long-term growth and engagement potential. And ultimately the opportunity to be the market leader... We made our own rules and set about creating and establishing a craft-beer market in the UK. (Watt, 2015: 26–28).

In many ways, BrewDog have storied themselves as the leaders of Scottish craft brewing industry and they want to be influencers, encouraging others to join the sector. However, to fully understand this 'role model' impact, it is necessary to access how this is perceived in the broader craft beer sector of the North East. While they are certainly considered an industry champion, BrewDog's sated intentions of growth and expansion also challenge ideas of community-based artisan entrepreneurship (Smith, 2018). This is no more apparent than in the company's recent move into the US market (which will in turn be followed by moves into Australia and Asia), where they seek to embed themselves through collaboration within an established craft beer market and regional distributors (Crooks, 2017), a possible attempt to mimic what they are credited with creating in the United Kingdom. Thus, the growth activities of BrewDog appear counter to the character of an artisan field based on equitable collaboration and long-lasting spatial embeddedness. We therefore move to stage two of the study and ask how witnessing growth and expansionary tactics of a craft beer 'hero' impacts on those other craft beer collaborators in the North East region of Scotland.

## Stage two findings: Other craft brewers in the sector

Three dominant themes emerge from the data here, diagrammatically represented in Figure 1. The three themes are as follows: BrewDog showing the possibility of achievement, community embeddedness and the collective development of the market. Each of these will be taken in turn with use of multiple coding excerpts to demonstrate the theme.

### *BrewDog as showing possibility of achievement*

While some participants viewed BrewDog as the inspiration for starting up their own microbreweries, others did not. The main reason for starting a microbrewery was brewing being an existing hobby, which turned into a viable business idea. For instance:

We were into our craft beer and were interested in what was happening and how [microbrewing] has become quite a popular thing and how it is developing. We had done some homebrews ourselves and that's how the idea came about. (B1)

In contrast to this, when considering development, many participants looked to BrewDog as the tester of new ground. A type of canary in the mine, who can take the risk and test the environment, allowing others to follow with confidence. As indicated in the following excerpts:

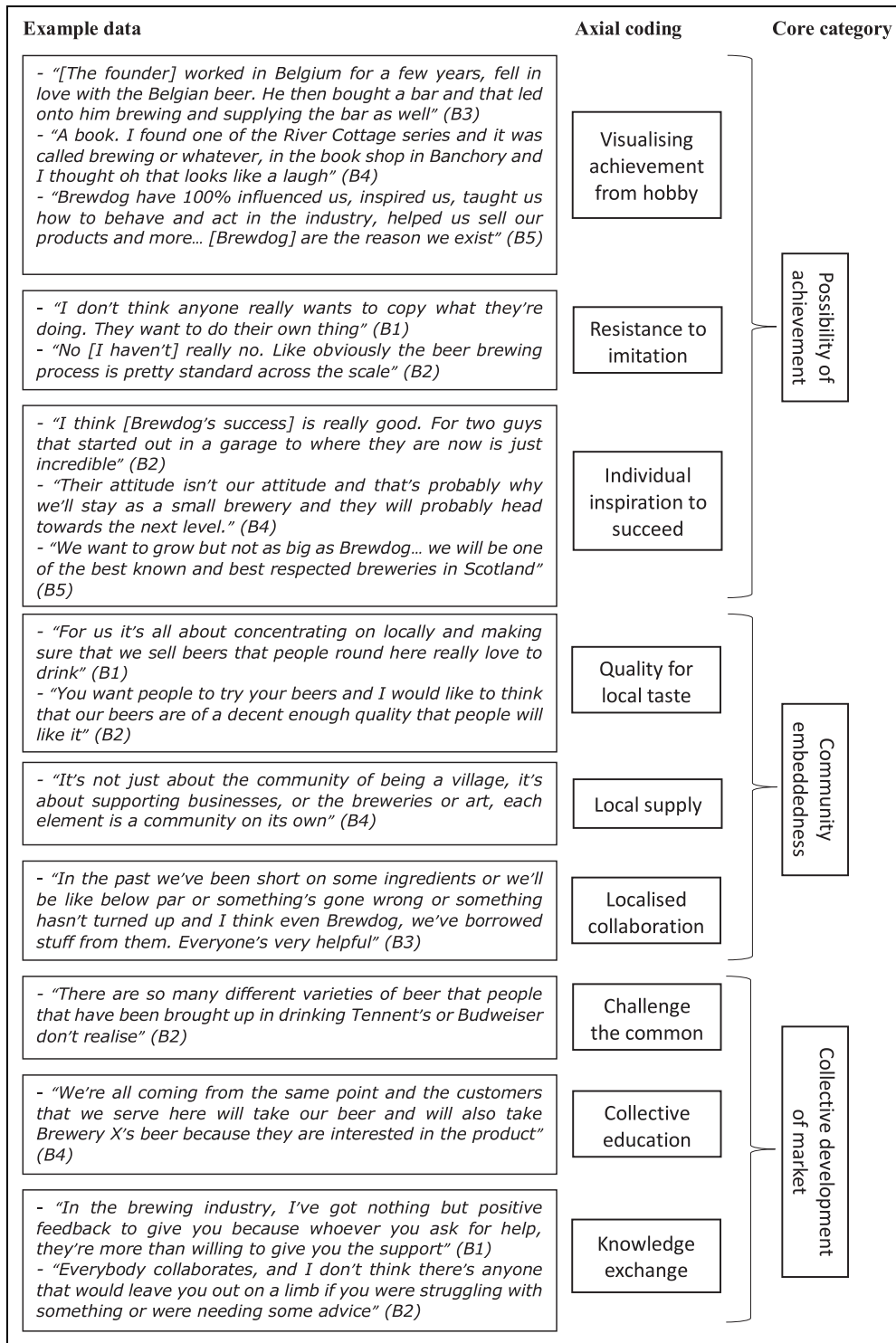


Figure 1. Data structure.

I invested in Brewdog at the first stage and that evolved into being interested in craft beer in general. I started going out and buying unusual beers, trying to find beers that I had never drank before, just trying to taste different types and see what

I liked, which basically evolved into thinking well, can I do this myself? (B2)

We work with Brewdog every month in some way, be it a tap takeover in one of their bars, to Collabfest, to

collaboration brews at HQ. We see our relationship with Brewdog as critical. (B5)

We've definitely learned from how they operate. Especially in terms of the bars, if they don't have a bar in a specific area, then we might not. (B3)

By waiting for BrewDog to test a field prior to entering it, brewers demonstrate a level of dependence on their knowledge of the industry. In a sense, this allows the smaller craft brewers access to the knowledge resource BrewDog have built up, supporting McGrath and O'Toole's (2013) arguments around resource sharing, though from a knowledge perspective rather than asset-based.

However, there were mixed approaches to BrewDog's influence on growth strategies, where their success was identified as an exception rather than an example to follow. Some noting that imitation may challenge their own need for independence. For instance:

Who wouldn't [want to grow to the same level as Brewdog] at the end of the day. But I think they're an exception to the rule. Obviously, they've been around a little while longer than the rest of us and they've done everything quite differently. They were almost very much like the trail blazers in the UK and now, I don't know if it would be possible to replicate that success. (B3)

I think it's amazing what [Brewdog] have done, it's brilliant and what else can I say really? But, we personally don't want to replicate them, we want to be our own business. (B1)

So, regardless of there being an aspiration for micro-breweries to follow, there remains resistance to replicating this success, with many seeking to ensure they only develop in their own time and in their own way and not simply follow a lead. This supports the notion that artisan enterprises are often more strategic than their hobbyist background suggests (Pret and Cogan, 2018), this is not necessarily related to any liabilities of smallness, or limited 'lifestyle' aspirations, but more an acknowledgment of the different strategic models which can be adopted. It would appear that resistance to following dominant players also extends to following one of their own collaborators, independence of approach seems sacrosanct.

### *Community embeddedness*

For many, the influence of BrewDog was clear, but not considered the dominant power over their collaborative practices. More apparent in the data was embeddedness in the local community. All participants expressed that the local community was of central importance to their operations. This seemed to be particularly important when reflecting on demand. For instance:

[The local community are] really important because obviously that's the majority of our customers and employees. A lot of releases are catered around their preferences and tastes. (B3)

[The importance of the local community] from a client relations perspective is massive. We have a strong family of followers locally. (B5)

The local community was also regarded as influencing brewery behaviours. Brewers suggested particular reactivity to the evolving cultures and needs of the local community, over what they deemed important for their own business.

Loads of folk were asking 'can we bring our dogs in?', to start with. But more and more people were asking and it got to the stage where we thought it would be daft to turn it away. (B1)

The practice of allowing dogs in bars is similar to that famously espoused by BrewDog; however, the respondent noted that they were influenced by the demands of the local community, as opposed to any influence from their brewing idols. To support this, the same participants considered support from local businesses and the need to source ingredients locally as imperative:

It's tough with craft beer because you don't get hops and that growing locally, so you've got to go afar for that kind of stuff but wherever we can use local ingredients we will. [The local community] have been good to us, supporting us and we want to do the same for them as well. (B1)

Horizontal relationships within sector were also clearly demonstrated, with participant 1 explaining the relationships they have with participant 2. It is important to note that the connection was unknown to the authors prior to the research but demonstrates very clearly the interconnected nature of collaboration here. Participant 2 reflected on their relationship with participant 1:

They give us their bottles, which really helps because they don't reuse them. So, it saves me a heap of money in bottles. I also get advice [from participant 1]. I went in a few weeks ago with four of my beers that I'd made and sat down with their brewer and went through them. (B2)

This interdependence is echoed throughout the data and is a focal point when discussing how the sector operates. While this is not necessarily an altruistic endeavour to develop for the greater good, as the case of BrewDog would suggest, there is a generosity built in to the reciprocal relationships here.

We're obviously in touch with Brewery X and Brewery Y and some of us are saying 'if you're needing bottles we're ordering in bigger bulk than you and we can add to the order'. So, there is support and cooperation. (B4)



The collaboration of our craft brewers here appears as ultra-localised. The connections with customers, suppliers and other brewers are rooted in geographical place, regardless of how widespread the product is exported. Therefore, the idea of place posits an informing element to how collaboration is developed, not necessarily creating boundaries in scope, but certainly leading to a prioritisation of who is important in terms of stakeholders.

The town's always going to be really important to us. I mean we've got the town in our name, it shows you how much it means to us. (B1)

### Collective market development

Accompanying the embeddedness of our craft brewers with the local community, we recognise in the data a need for breweries to collectively educate consumers on their products to stimulate growth. Despite growing interest in craft beer, participants acknowledged that there is still a high percentage of consumers who are indifferent towards craft beer and are unaware of what is available on the market. For instance:

[Mass-produced breweries] are competitors in the way that you have to wean customers off of them and they are so dominant. You'll get people coming in who say 'well I only drink Corona'. I never take no for an answer, and I tell them 'you need to try that'. We're really happy to give people just a wee sup to try. (B4)

You still get people coming in and they're wanting a pint of Tennent's (large-scale commoditised brewer) [and we're like] 'we don't really do that'. So, that's really where we're finding that we're really trying to open people's eyes to trying different beers. (B1)

To educate local consumers about their beers, many of the microbreweries offer tasting sessions, allowing consumers to sample their beers and be educated by knowledgeable employees. There appears to be a shared understanding of a latent will in the market to engage with craft beer, but a need to nurture this will and curate the choices made by consumers.

Maybe [some consumers' minds have] not been opened, they'll come in and ask for Tennent's or Guinness but we don't sell it in here. But we've drawn up our beers where we can put them onto like a pilsner which would be like your Tennent's or like a stout, so there's a definite education there. (B3)

As part of this understanding, there is an acknowledgment among participants that they need to work together to change consumer perceptions. The use of entrepreneurial networks and the linkages as demonstrated through community embeddedness serve to help with the collectivist

approach required from the industry to inform consumers and get them on-board with the craft beer scene. For instance:

I don't really feel that it's competitive between local breweries who make craft beer, everyone seems to be working together. But it is competitive when you look at the likes of Tennent's, we're like competing against that kind of beers and it's trying to change people's opinions. (B1)

Additionally, the collectivist nature of the industry was not only demonstrated in terms of the provision of guidance for consumers but also in the exchange of knowledge between microbreweries. This echoes the way many of our participants looked to BrewDog as a source of knowledge and guidance. However, it seems that our craft brewers do not look to their talisman as the shining light here, but rather see the collective as the informative element. Thus, we could argue that the success of BrewDog does not necessarily make them the foremost principal in a knowledge community, but instead that the collaboration itself is the informative element.

[I think there is a] massive level of collaboration between firms operating within the microbrewing sector and that is super important. To help each other, learn from each other is critical. (B5)

I guess with the collaborations, you learn from them as you learn about ingredients and process, it is an exchange by beers and practices. So, we'll often come away with more knowledge than we had before. (B3)

Microbreweries have mutual interests, centred on the concept of collective education for consumers and collective education for individual brewery development. There is a clear desire for craft brewers to brew beers more efficiently through learning from how their peers do it. Notions of competition are less dominant, as the main objective is to wean consumers away from the more commercial and commoditised mainstream brewers. Craft brewers, including of the scale of BrewDog, recognise that they must support one another to make this happen and allow the sector to sustain.

### Discussion and conclusions

This study sought to investigate the impact of singular success on an ostensibly collaborative entrepreneurial sector. While theory suggests that individual organisational success within an industry may lead to the development of horizontal role model behaviour (Baden-Fuller and Morgan, 2010), there were mixed views on whether the presence of such a role model dominated the entrepreneurial practices of others. BrewDog present an aspirational element, demonstrating to the rest of the collaborative scene that success from a hobbyist venture is possible. This seems to allow the brewers a freedom to pursue their own agenda,

striving to grow to sustainable levels, but without the sacrifice of their passion for an often private and home-start origin (Cabras and Higgins, 2016). While our participants did not seek to follow the scale of BrewDog, they are enthused by the vision of a successful enterprise which has been able to maintain its independence (Markantoni et al., 2013). Thus, is it the defence of the unique and the continuation of resistance against the commoditised mainstream which our brewers look to (Elzinga et al., 2015). Support for BrewDog is present, but there is a greater focus on their individuality.

One way in which the success of BrewDog continues to influence our brewers is in their ability to 'test' markets and ideas. The economies of scale they have achieved mean that less risk is taken by BrewDog in new market ventures than by the other, normally microscale, outfits. The brewers watch BrewDog and learn from their movements. The move into bars appears to have been led by BrewDog, the ability to scope a geographical location provides a confidence that other craft brewers can do the same in a similar area. While less explicit, this mirrors findings on resource sharing at the more local level. However here, the resource is knowledge of the market and the capability to generate further knowledge. Therefore, we can claim that BrewDog are still an active contributor to the collaboration of brewers. They offer a knowledge resource which others would find difficult to generate and share this openly (Lechner et al., 2006). It is unclear whether our brewers have become dependent on this, as Lechner and Dowling (2003) suggest, but they certainly look to it as a key advantage of having an enterprise of that scale in their collaborative network. This supports Zaheer et al. (2010) notion that collaborations such as this are interdependent, with little focus on competition or envy of success, but instead working together to support and strengthen. Relational learning seems to dominate here, with localised support and clusters of learning thriving (Valdalisio et al., 2011).

Community embeddedness features much more potently as a driving factor to our craft brewers than a desire for growth or imitation of success. Our findings echo that of Lamertz et al. (2005) when they suggest a camaraderie and kinship in the sector; however, this does not necessarily mean a dampening of growth agenda, but more a mutual support for each brewer to be able to achieve what they individually desire. There may be a fragility of resource constraints, as advised by McGrath and O'Toole (2013), but this is overcome by a shared understanding that localised relationships will allow the enterprise to sustain. For this reason, our brewers take on neo-localised characteristics, even when they export to other areas of the country and indeed the world (Bosworth, 2009). Generosity and reciprocal relationships have become a sectoral norm (McEvily and Marcus, 2005), but our findings suggest that this is not only sector specific, but extends to other businesses in the locale, whether direct suppliers or affiliated

offerings. It appears that is it the connection to place which drives much of what our brewers hope to achieve.

To explain this collaborative and community-based approach, our findings suggest a collective need to educate the consumer. At first glance, this supports the idea of craft brewing as a resistance to the dominance of mainstream beer production (Woolverton and Parcell, 2008). However, on closer inspection of our findings, we see that our brewers acknowledge that individual resistance will not push the market to evolve on its own. Even a success to the scale of BrewDog cannot develop the mindset of the broad consumer base. Learning from one another and developing the market en masse appears as the best way to turn the environment in the craft brewers' favour. As such, competition is not directly considered, but instead a feeling of teamwork to curate the consumer comes across.

To conclude, our explorative findings here suggest that BrewDog's success produces neither an explicit role model for local craft brewers nor a jealous point of reference. While there is an aspirational element in the minds of brewers as to what BrewDog have been able to achieve from common hobbyist beginnings, this presents as a motivation for the individual enterprises to continue of their own path and develop their own unique entrepreneurial identity. The embeddedness of the brewers in the locale is a far more informative element in their development, as this is directly related to a collective drive to shift the market in their favour. Our brewing collaborative seek a deeply rooted and place-based offering, which allows brewers of all sorts and size to pursue their own agenda. The dynamics of collaboration, not competition, are therefore greater understood through our findings (Kraus et al., 2019). Also, we are able to see how a collaborative develops and reacts to individual successes such as BrewDog (Mariani, 2007). The nature of the craft beer sector will change with time, as Dahl (2014) suggests. From this work, we have been able to see how brewers have become more rooted to place as a mechanism to collaborate and how certain positions open up as individual enterprises become more, or less, successful in relative terms.

Our findings support calls for future research to directly investigate the character of embeddedness and the various ways in which this is enacted in entrepreneurial behaviours (Greenberg et al., 2018). For this, it is the context of individual enterprises which becomes increasingly informative and worthy of attention (Gaddefors and Anderson, 2017). Our findings have found that individual desire for growth is not always the driving force behind entrepreneurialism in the sector. Both scholars of entrepreneurship and business support functions would do well to acknowledge this to better appreciate the role of collaboration within a specific context in sustaining an enterprise. These findings have implications not just for the craft beer sector of the North East of Scotland but also for entrepreneurial collaborations more broadly, as they change and develop with time.


### Declaration of conflicting interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

### Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

### ORCID iD

James Cunningham  <https://orcid.org/0000-0002-3856-6611>

### References

- Alonso AD (2011) Opportunities and challenges in the development of micro-brewing and beer tourism: a preliminary study from Alabama. *Tourism Planning and Development* 8(4): 415–431.
- Alonso AD, Bressan A and Sakellarios N (2016) A resource based approach in the context of the emerging craft brewing industry. *European Business Review* 28(5): 560–582.
- Argent N (2018) Heading down to the local? Australian rural development and the evolving spatiality of the craft beer sector. *Journal of Rural Studies*, 61: 84–99.
- Audretsch DB, Obschonka M, Gosling SD, et al. (2017), A new perspective on entrepreneurial regions: linking cultural identity with latent and manifest entrepreneurship. *Small Business Economics* 48(3): 681–697.
- Baden-Fuller C and Morgan MS (2010) Business models as models. *Long Range Planning* 43(2-3): 156–171.
- Baker T and Welter F (2017), “Come on out of the ghetto, please! – building the future of entrepreneurship research”. *International Journal of Entrepreneurial Behavior & Research* 23(2): 170–184.
- Blundel R (2002) Network evolution and the growth of artisanal firms: a tale of two regional cheese makers. *Entrepreneurship & Regional Development* 14(1): 1–30.
- Bosworth G (2009): “Education, mobility and rural business development”. *Journal of Small Business and Enterprise Development* 16(4): 660–677.
- Bouette M and Magee F (2015) Hobbyists, artisans and entrepreneurs: investigating business support and identifying entrepreneurial profiles in the Irish craft sector. *Journal of Small Business and Enterprise Development* 22(2): 337–351.
- Braun V and Clarke V (2006) Using thematic analysis in psychology. *Qualitative Research in Psychology* 3(2): 77–101.
- BrewDog (2017) #Collabfest2017 - The Beers. Scotland: BrewDog. Available at: <https://www.brewdog.com/lowdown/blog/collabfest2017-the-beers> (accessed 7 June 2018).
- BrewDog (2018a) *BrewDog History: Our Beer Journey So Far*. Scotland: BrewDog. Available at: <https://www.brewdog.com/about/history> (accessed 5 December 2019).
- BrewDog (2018b) *Room with a Brew: BrewDog Announces World's First “Beer Hotel”, and Brewery Expansion in Scotland*. Scotland: BrewDog. Available at: <https://www.brewdog.com/lowdown/press-hub/doghouse-ellon> (accessed 16 June 2018).
- Cabras I and Bamforth C (2016) From reviving tradition to fostering innovation and changing marketing: the evolution of micro-brewing in the UK and US, 1980–2012. *Business History* 58(5): 625–646.
- Cabras I and Higgins DM (2016) Beer, brewing, and business history. *Business History* 58(5): 609–624.
- Carroll GR and Swaminathan A (2000) Why the microbrewery movement? Organizational dynamics of resource partitioning in the US brewing industry. *American Journal of Sociology* 106(3): 715–762.
- Cater J, Collins L and Beal B (2017) Ethics, faith, and profit: exploring the motives of the US fair trade social entrepreneurs. *Journal of Business Ethics* 146(1): 185–201.
- Clemons EK, Gao GG and Hitt LM (2006) When online reviews meet hyperdifferentiation: A study of the craft beer industry. *Journal of Management Information Systems* 23(2): 149–171.
- Crooks J (2017) BrewDog in America. Global manager abroad. 2. Available at: <http://digitalcommons.bucknell.edu/glbm400/2> (accessed 21 March 2020).
- Dahl J (2014) Conceptualizing cooptation as a process: an outline of change in cooperative and competitive interactions. *Industrial Marketing Management* 43(2): 272–279.
- Danson M, Galloway L, Cabras I, et al. (2015) Microbrewing and entrepreneurship: the origins, development and integration of real ale breweries in the UK. *The International Journal of Entrepreneurship and Innovation* 16(2): 135–144.
- De Carolis DM, Litzky BE and Eddleston KA (2009) Why networks enhance the progress of new venture creation: the influence of social capital and cognition. *Entrepreneurship Theory and Practice* 33(2): 527–545.
- Drakopoulou Dodd S, Wilson J, Bhaird CMA, et al. (2018) Habitus emerging: the development of hybrid logics and collaborative business models in the Irish craft beer sector. *International Small Business Journal* 36(6): 637–661.
- Elzinga KG, Tremblay CH and Tremblay VJ (2015) Craft beer in the United States: history, numbers, and geography. *Journal of Wine Economics* 10(3): 242–274.
- Everett S and Aitchison C (2008) The role of food tourism in sustaining regional identity: A case study of Cornwall, South West England. *Journal of Sustainable Tourism* 16(2): 150–167.
- Fast Track (2017) *BrewDog - Fast Track 100*. London: The Sunday Times. Available at: [http://www.fasttrack.co.uk/company\\_profile/brewdog-11/](http://www.fasttrack.co.uk/company_profile/brewdog-11/) (accessed 22 May 2018).
- Flack W (1997) American microbreweries and neolocalism: “Ale-Ing” for a sense of place. *Journal of Cultural Geography* 16(2): 37–53.
- Flanagan DJ, Lepisto DA and Ofstein LF (2018) Cooptation among nascent craft breweries: a value chain analysis. *Journal of Small Business and Enterprise Development* 25(1): 2–16.
- Fritsch M and Storey DJ (2014) Entrepreneurship in a regional context: historical roots, recent developments and future challenges. *Regional Studies* 48(6): 939–954.

- Gaddefors J and Anderson A (2017) Entrepreneurship and context: when entrepreneurship is greater than entrepreneurs. *International Journal of Entrepreneurial Behavior & Research* 23(2): 267–278.
- García-Rosell J-C and Mäkinen J (2013) An integrative framework for sustainability evaluation in tourism: applying the framework to tourism product development in Finnish Lapland. *Journal of Sustainable Tourism* 21(3): 396–416.
- Greenberg Z, Farja Y and Gimmon E (2018) Embeddedness and growth of small businesses in rural regions. *Journal of Rural Studies* 62: 174–182.
- Hanna V and Walsh K (2008) Interfirm cooperation among small manufacturing firms. *International Small Business Journal*, 26(3): 299–321.
- Henchion M and McIntyre B (2005): “Market access and competitiveness issues for food SMEs in Europe’s aging regions (LRRs)”. *British Food Journal* 107(6): 404–422.
- Hoyle C (2019) Artisan entrepreneurship: A question of personality structure? *International Journal of Entrepreneurial Behavior & Research* 25(4): 615–632.
- Jack SL and Anderson AR (2002) The effects of embeddedness on the entrepreneurial process. *Journal of Business Venturing*, 17(5): 467–487.
- Kesmodel D (2009) “In lean times, a stout dream”. Article published in the Wall Street Journal, March 18th. Available at: <http://online.wsj.com/article/SB123733628873664181.html> (accessed 18 March 2020).
- Kraus S, Klimas P, Gast J, et al. (2019) Sleeping with competitors: forms, antecedents and outcomes of co-competition of small and medium-sized craft beer breweries. *International Journal of Entrepreneurial Behavior and Research* 25(1): 50–66.
- Kuhn KM and Galloway TL (2015) With a little help from my competitors: peer networking among artisan entrepreneurs. *Entrepreneurship Theory and Practice* 39(3): pp. 571–600.
- Lamertz K, Heugens PP and Calmet L (2005) The configuration of organizational images among firms in the Canadian beer brewing industry. *Journal of Management Studies* 42(4): 817–843.
- Lechner C and Dowling M (2003) Firm networks: external relationships as sources for the growth and competitiveness of entrepreneurial firms. *Entrepreneurship and Regional Development* 15(1): 1–26.
- Lechner C, Dowling M and Welpel I (2006) Firm networks and firm development: the role of the relational mix. *Journal of Business Venturing* 21(4): 514–540.
- Lounsbury M and Glynn MA (2001) Cultural entrepreneurship: stories, legitimacy, and the acquisition of resources. *Strategic Management Journal* 22(6/7): 545–564.
- Mariani MM (2007): “Coopetition as an emergent strategy: empirical evidence from an Italian consortium of opera houses”. *International Studies of Management and Organization* 37(2): 97–126.
- Markantoni M, Strijker D and Koster S (2013) Growth expectations for side activities in rural areas. *Journal of Small Business and Enterprise Development* 20(3): 584–602.
- Mathias B and Smith AD (2015) Autobiographies in organizational research: using leaders’ life stories in a triangulated research design. *Organizational Research Methods* 19(2): 204–230.
- McEvily B and Marcus A (2005) Embedded ties and the acquisition of competitive capabilities. *Strategic Management Journal* 26(11): 1033–1055.
- Mcgrath H and O’Toole T (2013) Enablers and inhibitors of the development of network capability in entrepreneurial firms: a study of the Irish micro-brewing network. *Industrial Marketing Management* 42(7): 1141–1153.
- Office for National Statistics (2019) *UK Business Count*. Available at: <https://www.nomisweb.co.uk/query> (accessed 19 February 2020).
- Pret T and Cogan A (2018) Artisan entrepreneurship: a systematic literature review and research agenda. *International Journal of Entrepreneurial Behavior & Research* 25(4): 592–614.
- Pret T, Shaw E and Drakopoulou Dodd S (2016) Painting the full picture: the conversion of economic, cultural, social and symbolic capital. *International Small Business Journal* 34(8): 1004–1027.
- Ridder HG (2017) The theory contribution of case study research designs. *Business Research* 10(2): 281–305.
- Scotland Food and Drink (2018) Brewing up a storm. Available at: <https://www.foodanddrink.scot/media/1871/brewing-strategy.pdf> (accessed 19 February 2020).
- Shepherd DA and Patzelt H (2011), The new field of sustainable entrepreneurship: studying entrepreneurial action linking ‘what is to be sustained’ with ‘what is to be developed’. *Entrepreneurship Theory and Practice* 35(1): 137–163.
- SIBA – Society of Independent Brewers Association (2019) *The SIBA British Craft Beer Report 2019*. SIBA. Available at: <https://www.siba.co.uk/2019/03/14/siba-british-craft-beer-report-2019-industry-growth-new-jobs-fresh-challenges/> (accessed 19 April 2020).
- Smith R (2018) The rise of the underdogs: situating and storying ‘entrepreneurial leadership’ in the BrewDog business story. In: Harrison RT and Leitch C. (eds) *Research Handbook on Entrepreneurship and Leadership*. Cheltenham: Edward Elgar Publishing, pp. 403–430.
- Smith R, Moulton S, Burge P, et al. (2010) BrewDog: Business growth for punks! *International Journal of Entrepreneurship and Innovation* 11(2): 161–168.
- Tharenou P, Donohue R and Cooper B (2007) *Management Research Methods*. New York: Cambridge University Press.
- The Ale Trail Company (2020) Aberdeen Craft & Ale Trail. Available at: <https://realaletrail.co.uk/aberdeen-craft-ale-trail/> (accessed 2 April 2020).
- Tremblay VJ, Iwasaki N and Tremblay CH (2005) The dynamics of industry concentration for US micro and macro brewers. *Review of Industrial Organization* 26(3): 307–324.
- Valdaliso J, Elola A, Aranguren M, et al. (2011) Social capital, internationalization and absorptive capacity: The electronics and ICT cluster of the Basque Country. *Entrepreneurship & Regional Development* 23(9–10): 707–733.

- Visit Scotland (2020) Banchory Beer Festival. Available at: <https://www.visitscotland.com/info/events/banchory-beer-festival-p1354621> (accessed 2 April 2020).
- Watt J (2015) *Business for Punks: Break all the Rules – the BrewDog Way*. London: Portfolio Penguin.
- Wilson J, Arshed N, Shaw E, et al. (2017), Expanding the domain of festival research: a review and research agenda. *International Journal of Management Reviews* 19(2): 195–213.
- Woolverton AE and Parcell JL (2008) Can niche agriculturalists take notes from the craft beer industry? *Journal of Food Distribution Research* 39: 50–65.
- Wyld J, Pugh G and Tyrall D (2010) Evaluating the impact of progressive beer duty on small breweries: a case study of tax breaks to promote SMES. *Environment and Planning C* 28: 225–240.
- Yin RK (2014) *Case Study Research: Design and Methods*. 5th ed. London: Sage Publications.
- Zaheer A, Gözübüyük R and Milanov H (2010) It's the connections: the network perspective in interorganizational research. *Academy of Management Perspectives* 24(1): 62–77.
- Zhang CY, Barbe FGT and Baird TM (2015) Competitiveness in a saturated market. A case study of the Scottish craft beer industry. *International Journal of Business and Social Science* 6(8): 28–46.