Innovation in Remote Areas
Strathclyde University, 15 June 2010

The Fall and Rise of the Local Brew

Process Innovation, Horizontal Product Innovation and the Geographic Dispersion of Breweries in England, 1900-2004

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Introduction

• Work in progress

• The data come from the Brewery History Societies records of all(?) known breweries in England ...
  – At present, the *Brewery History Society* records for England are more comprehensive than for Scotland, Northern Ireland and Wales.

• However, the revival of the local brew, as described here, is also to be found in Scotland …
Some Examples in Scotland

- [http://www.hebridean-brewery.co.uk/](http://www.hebridean-brewery.co.uk/) (Lewis)
- [http://www.skyebrewery.co.uk/](http://www.skyebrewery.co.uk/)
- [http://www.colonsaybrewery.co.uk/](http://www.colonsaybrewery.co.uk/)
- [http://www.valhallabrewery.co.uk/](http://www.valhallabrewery.co.uk/) (Shetland)
- [http://www.sinclairbreweries.co.uk/](http://www.sinclairbreweries.co.uk/) (Orkney)
- [http://www.highlandbrewingcompany.co.uk/](http://www.highlandbrewingcompany.co.uk/) (Orkney)
- [http://www.theplocktonbrewery.com/](http://www.theplocktonbrewery.com/)
- [http://www.glenfinnanbrewery.co.uk/](http://www.glenfinnanbrewery.co.uk/)
- [http://www.fyneales.com/](http://www.fyneales.com/) (Cairndow)
Historical Episode 1: 1900-1970
1945-1949
Number of Active Breweries in England

Series pre-1950 is a 10 year moving average
Summary of Historical Episode 1: 1900-1970

• These economic features:
  – Economies of scale
  – Declining transport costs
  – Greater transportability of beer
  – Consumer tastes (‘Galbraith’ consumers)
  – Demand for reliability rather than variety
  – And tied houses

• Led to:
  – Steadily increasing geographical concentration
  – Declining numbers of breweries in fewer locations
Historical Episode 2: 1971-2004
1970-1974

Blue dots are those in business at end-1969

Red dots are new entrants between 1970-1974
1975-1979

Blue dots are those in business at end-1974

Red dots are new entrants between 1975-1979
Blue dots are those in business at end-1979

Red dots are new entrants between 1980-1984
Blue dots are those in business at end-1984

Red dots are new entrants between 1985-1989
Blue dots are those in business at end-1989

Red dots are new entrants between 1990-1994
Blue dots are those in business at end-1994
Red dots are new entrants between 1995-1999
Blue dots are those in business at end-1999

Red dots are new entrants between 2000-2004
Series pre-1950 is a 10 year moving average.

Formation of CAMRA

Number of Active Breweries in England

Total
Established 1971 Onwards
Established Before 1971
Established Before 1971

Established 1971 or Later

- Small Village Under 850
- Medium Village 851-3,700
- Large Village/Small Town 3,701-16,200
- Medium Town 16,201-60,000
- Large Town/Small City 60,001-187,000
- Med/Large City Over 187,001
Summary of Historical Episode 2: 1971-2004

• These economic features:
  – CAMRA
  – Horizontal product innovation
  – Some more discerning and more active consumers
  – ‘Bourdieu’ consumers
  – Appreciation of local variety
  – Establishment of micro-breweries
  – Limited economies of scope for big brewers
  – And favourable tax treatment of micro-breweries

• Led to:
  – Increasing entry
  – Wider geographical dispersion
  – Geographical location takes on a new meaning
How Important was Innovation in Episode 2?

• Is the above evidence of innovation?
• What sort(s) of innovation?
  – Process?
  – Product?
    • Vertical?
    • Horizontal?
    • Intrinsic product characteristics?
    • Extrinsic product characteristics?
  – Marketing?
    • Co-branding of local brew and locality
• “Place is what we drink” (after Swann, 2006)
• Variations on a theme: other selling features
“Place is what we drink”

http://www.hesketbrewery.co.uk/ (Near Calbeck, Cumbria)
http://www.strandshotel.com/brew.html (Wasdale, Cumbria)
http://www.maypolebrewery.co.uk/ (Eakring, Nottinghamshire)
http://www.waylandsbrewery.co.uk/ (Sixpenny Handley, Dorset)
http://www.lizardales.co.uk/ (Cornwall)

http://www.colonsaybrewery.co.uk/ (Hebrides)
http://www.valhallabrewery.co.uk/ (Shetland)
http://www.cairngormbrewery.com/ (Aviemore)
http://www.fyneales.com/ (Cairndow, Argyll)
http://www.theplocktonbrewery.com/ (Ross and Cromarty)
Variations on a Theme: Other Selling Features

• Community
  http://www.wirksworthbrewery.co.uk/ (Derbyshire)
  http://www.wyevalleybrewery.co.uk/ (Herefordshire)
  http://www.islayales.com/ (Hebrides)

• History
  http://www.threetunsbrewery.co.uk/ (Bishop’s Castle)
  http://www.spingoales.com/ (Helston)
  http://www.sinclairbreweries.co.uk/ (Orkney)

• Process
  http://www.frodshambrewery.co.uk/ (Cheshire)
  http://www.blackislebrewery.com/ (Munlochy)
  http://www.glenfinnanbrewery.co.uk/ (Lochaber)

• Taste
  http://www.hopshacklebrewery.co.uk/ (Market Deeping)
The End