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Theme Overview: Global Craft Beer Renaissance

Joshua Berning and Michael P. McCullough

JEL Classifications: Q13, Q18, N50

Keywords: Craft Beer, Global Trends, Reputation

While the exact definition of craft beer is arguable, most sources emphasize traditional styles and innovation as well as the scale of production (i.e., “small”). Yet this definition may be limited, particularly if we seek to define “craft” on a global scale. Large producers (referred to as macro breweries) in particular tend to view craft beer as a market segment irrespective of brewery size.

Regardless of definition, the growth in this hard-to-define industry segment is difficult to ignore. From country to country, a general decline in overall beer consumption has been coupled with significant growth in craft beer consumption. According to the Brewers Association, 5,234 of 5,301 U.S. breweries identify as craft breweries. Craft market share was 12.3% in 2016, up from 5.7% in 2011

(<https://www.brewersassociation.org/press-releases/2016-growth-small-independent-brewers/>). Similar trends have been seen in the UK (<https://www.theguardian.com/business/2016/oct/03/uk-breweries-on-rise-craft-beer-sales-surge>), Australia (<http://www.beerandbrewer.com/craft-beer-will-continue-soar-2017/>), and even China (<https://www.ft.com/content/c872e93a-f4cd-11e6-8758-6876151821a6?mhq5j=e2>).

This has led many to pronounce a craft beer revolution. In some regards, *revolution* is a misnomer, as it implies the emergence of something new. All over the world, commercial brewing began as a craft industry, focusing on small, traditional, and innovative production. The more appropriate description may be a craft beer *renaissance*, as we are observing a reawakening, rather than the birth of the craft beer industry.

This theme focus on the global craft beer industry. Garavaglia and Swinnen discuss the global craft beer market, specifically focusing on trends in various countries around the world. They highlight drivers of the growth in the global craft beer market and discuss how larger macro breweries are responding to the global increase in craft beer popularity.

Toro-Gonzalez provides insights into the growing craft beer industry in Latin America, where per capita beer consumption is currently low. Changes in industry structure and income growth may make the region a prime area for craft beer growth.

Finally, Berning, Costanigro, and McCullough examine the U.S. craft beer industry. As craft beer production has grown steadily for the past 20 years, a natural question results, primarily how craft brewers might develop and maintain marketing value. This article discusses the potential for craft brewers to develop their collective reputation, providing examples of where this already occurs and challenges to further development of collective reputation in the industry.

Articles in this Theme:

The Craft Beer Revolution: An International Perspective

Christian Garavaglia and Johan Swinnen

The Craft Brewing Industry in Latin America

Daniel Toro-Gonzalez

Can the Craft Beer Industry Tap into Collective Reputation?

Joshua Berning, Marco Costanigro, and Michael P. McCullough

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