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COOPETITIVE NETWORKS OF MICROENTERPRISES IN THE CRAFT BEER INDUSTRY

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<p>The objective of this thesis was to explain the optimal cooperative patterns of microenterprises in the same industry. Main research teams of the study where business networks and interconnectedness of the firms joined together with the cooperation approach which means simultaneous cooperation and competition of the companies. The research approach is taken to the Craft beer industry to find empirical data to verify theoretical concepts. Therefore, the main research question is stated as How microenterprises utilize strategic partnerships with the competitors in the craft beer industry?</p> <p>The craft industry and microbreweries have shown a unique level of cooperation throughout the years, but they have not been connected to the academic field. Microenterprises have been also left to the minor role in the coopetitive literature. The network approach and strategic nets provide justified motives for the coopetitive ties.</p> <p>The study was conducted by gathering experiences and qualitative data from the 19 Finnish microbreweries. 17 of them were contacted through an open-end online survey and 2 were interviewed to find deeper insights of themes. It was evident that microbreweries in Finland have a large network horizon or strategic net to their size which is utilized more occasionally. Some breweries find cooperation with other breweries very essential and utilize it in their marketing and product development and some simply use it as support net. Microbreweries do not see themselves as the top competitors in the industry but as competitors to large industrial breweries. The low competitive pressure enables microbreweries to benefit greatly for their cooperation with other breweries.</p> <p>The results indicate that microenterprises would benefit from coopetitive ties if they manage to focus their competitive efforts to other channels than to themselves. Open information exchange not only benefit the companies, but the customers are also receiving better quality products. It is arguable how well the methods of the craft beer industry could be taken to the high technology field. However, it would be very intriguing to find out.</p>			
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1 INTRODUCTION

If business relationships would not exist then the principles of free markets by our beloved economists should reign (Axelsson & Easton, 1992). The business networks have been a major research theme since the end of the 20th century in marketing and business management literature (Håkansson & Snehota, 1995). The importance of business relations has been highlighted since Industrial network systems by Johanson and Mattsson (1984), international new venture theory by Oviatt and McDougal (1994) and startup discussion where network cooperation has been a norm in the pursuit of success. (Baum et al. 2000) but also its principles have challenged traditional business strategic views by encouraging companies to relate their processes and resources to align with their relevant partners (Håkansson & Snehota, 2006). Network principles and interorganizational cooperative capabilities in the core of the cooptition literature (Bengtsson & Koch, 2000) and in alliance literature (Doz & Hamil, 1998). Maintaining performance in the dynamic interconnected business environment has become more complicated over the 21st century which has lead to sharing or outsourcing a significant part of the operations with other firms.

SME networks share similar forms of cooperation with the most forms of alliances, partnerships and Joint Ventures but they tend to be interconnected to each other via different sub-groups and levels of cooperation (Varamäki & Vesalainen, 2003). Networks are utilized across industries and firm sizes but especially for SMEs they may provide crucial missing resources and leverage market power through collective efforts (Wincent, 2005). Bengtsson and Kock (2000) highlight the concept of cooptition of businesses which simultaneously cooperate and compete in markets. The cooptitive relations has been accepted widely in academic literature (Padula & Gagnino, 2007; Ritala, 2012; Bengtsson et al., 2016) and recognized as an effective form of alliance among SMEs (Morris et al. 2007).

The craft brew industry has shown an immense level of cooperation between the other brewers. (Brown 2015; Corie 2016) Craft beer industry has grown almost all over the world and the amount of microbreweries has rapidly increased during the 21th century

(Danson et al. 2015; Brewers Association 2017) The similar trend in a smaller scale is happening in Finland as well while in 2017 there were 80 microbreweries and the amount is predicted to go over hundred by the end of 2018 according to Vesalainen (2017). The growth is considerable when overall alcohol consumption has been decreasing or flat. (Jääskeläinen & Virtanen, 2018) One common conclusion is the change in consumption habits of consumers while seeking higher quality experiences. In the US the overall market share of craft beer producers, along with microbreweries, has doubled in the beer category between 2011 and 2016 (Brewers Association 2017). However, is the growth itself explained only by the sole individualistic consumption habits or what level the craft beer industry has managed to influence the audience?

1.1 Research gap and goal

The study focuses on explaining strategic network structures and cooperative partnerships of microenterprises in Finnish craft beer industry. Industry-wide cooperative and competitive methods and motives between the microbreweries are in the centric role of this study. Main principles of Business networks structures (Möller & Halinen, 1999; Alajoutsijärvi et al. 1999), strategic nets (Möller & Rajala, 2007; Möller & Svahn, 2009) and Cooperative relations (Bengtsson & Kock, 2000; Chin et al. 2008; Ritala, 2012) are applied to bind the craft beer industry to the academical field.

The findings from industry collaboration in the field of biotechnology by Powell, Kenneth and Smith-Doerr (1996) are widely used in network collaboration literature but it was mainly focused on business to business markets. It seems that business to customer markets are less research topic in network collaboration research. Also, several examples of Alliances between competitors are regarding large companies (Doz & Hamel, 1998) or between SMEs and large firms (Bengtsson & Koch, 2000). Previous research about craft brewers' collaboration practises has been made recently in Australia from a rather pragmatic view (Alonso et al. 2018). The more theoretical grip of the phenomenon has to be acquired in order to draw credible conclusions. There is a lot of research done about The business networks but cooperative aspects of

specific industries seem to be rare. Also, the craft beer industry and microbreweries related are yet academical niches (Danson et al. 2015).

The craft brewing industry has shown immense cooperative practices and philosophy which could give a better understanding of other emerging industries (Alonso et al. 2018; McGrath & O'Toole, 2013). McGrath and O'toole (2013) pointed out how Irish microbrewers view themselves more as a collective group than individuals or as uniting front of small entrepreneurs against multinational enterprises. A network of SMEs have diverse entrepreneurial ideas which utilized as a whole could give a significant competitive advantage. It is known that the counterparts of the business network succeed along with the others (Håkansson and Snehota 1995;17). The industry success is distributed for the network participants. Findings in the biotechnology industry (Powell et al. 1996) show how cooperation has enhanced R&D activities within the key network members.

The interfirm horizontal cooperation at best could foster brewers and increase their competitiveness against multinational brew houses by ensuring better product development and quality, efficient marketing and financial know-how. Microbreweries could act as an ideal example of cooperative strategy. However, McGrath and O'toole (2013) investigated brewery entrepreneur's network capabilities and limitations finding major differences within the industry. As an emerging industry, brewery entrepreneurs business capabilities are developing and therefore networking capabilities should be experiencing changes as well. This study aims to clarify the current situation.

Also, understanding prevalent industry logic and practices might have unique characteristics due to several artificial legal barriers of the industry. Such barriers are limitations in ownership and cooperation in order to gain tax relieves. Cooperation of Finnish microbrewery sector is limited by law and very tense alcohol policy which could foster entrepreneurial innovativeness to be creative with their methods. Findings even from niche markets as Finland would still complete the greater picture of craft

beer industry while supporting the conclusions of Alonso, Duarte and O'Brien (2018) and Danson, Galloway, Cabras and Beatty (2015)

1.2 Research questions

The main goal of this research is to find motives and practical structures for strategic networks of microenterprises in the microbrewery sector. The primary research question states:

RQ: How microenterprises utilize strategic partnerships with the competitors in the craft beer industry?

To be able to answer the research question to the fullest extent some support questions has to be provided. In order to find repeatable patterns for successful strategies for microenterprises, The first sub-question focuses on the structural characteristics.

SQ1: How horizontal strategic nets are constructed in between the microenterprises?

In order to find pragmatic concepts around the theories, it seems justified to map the actual methods of cooperation and competition. Practical methods justify the structurality of strategic networks

SQ2: How microenterprises combine collaboration and competition in their networks?

The final subquestion is meant to map the diversity among the participating organizations and what do they value over the networking or what aspects of the business are the biggest barriers for the cooperation. It is also intriguing to find out the industry's methods for cooperation when the Finnish law of alcohol beverages 9§ 383/2015 gives some limitations.

SQ3: How is the craft beer industry of microbreweries in Finland?

1.3 The structure of the thesis

The first theoretical part, chapter 2, introduces the fundamentals of the Business Network approach by Håkansson and Snehota (1995) to more categorized network types by Möller and Halinen (1999). The overall focus of the chapter is the Strategic nets types in a horizontal network (Möller & Rajala, 2007; Hakanen et al. 2007; Möller & Svahn, 2009).

The third chapter theoretical theme introduces the interfirm alliances and more specifically coopetition domain by Bengtsson and Kock (2000) supported by the alliance fundamentals by Doz and Hamel (1998). Coopetition paradigm is evaluated thoroughly and optimal mix of cooperation and competition compared to the literature. The Craft beer industry is reviewed in the fourth chapter. The chapter presents the origins of the modern craft beer movement and the present situation in Finland. As well as the current literature of the industry.

The fifth chapter discusses through the used methodological tools, introduces the data and evaluates the used methods in a particular context. The sixth chapter unfolds to empirical findings and binds the theoretical concepts. The chapter presents the findings as the theoretical model was initially constructed. The Seventh final chapter is the concluding chapter of the thesis. The seventh presents conclusions, theoretical contribution, managerial implications and limitations of the study.

2 BUSINESS NETWORK AND HORIZONTAL STRATEGIC NETS

Interorganizational relationships are not formed and sustained in isolation of two partnering entities but as a part of a larger whole, a network. Regardless of the industry, firms are attached to a specific context where it operates and is affected by the changes in their network dependencies. (Håkansson & Snehota, 1995, pp. 16,25) Increasing dependence, for example in technology or competitive forces, on others pushes companies to have increased attention maintaining relationships to them with more specific requirements (Håkansson, 1997). Managing networks is possible but it requires a vast understanding of their core partners such as suppliers, customers and personnel and how they are connected to elsewhere. Network understanding can be achieved by participating in relevant activities in the network but also acknowledging the time and resource limitations (Möller & Halinen, 1999).

The Business Network approach can be seen as one of the main strategic drivers of the firm. Businesses are less competing against one another but they are representing "coalitions" are opposed one another (Hakanen et al. 2007 p. 12). The following chapter introduces the different characteristics of networks. What are networks by nature, how actor, activity and resource or ARA-model holds networks together and how the networks are connected from a single firm's perspective? Also, the chapter introduces the different ways they function and influence. Deepening the scope from overall characteristics of the Network approach to strategic nets in the horizontal setting.

2.1 Business networks

The difficulty in conceptualizing network lies in the diverse terminology pool. People in the different organizational levels view networks differently thus it has generated a vast mass of heterogeneous network literature (Hakanen et al. 2007, pp. 42-44). The network concepts of the study lean into the similar concepts as Hakanen, Heinonen and Sipilä (2007) where I am excluding simple buyer-seller bond where the ownership

of supplies and products transfers. The networks are conceptualized as value creating strategic partnerships which generate win-win- situations for all parties.

2.1.1 Network characteristics

Axelsson and Easton (1992) and Håkansson and Snehota (1995) Define networks characteristics quite similarly but where Axelsson and Easton give networks four different sides: relationships, positions, structures and processes. Håkansson and Snehota divide these into two structures and processes recognizing relationships as the core element of networks not as one point of view of it and positions describing the role and hierarchy in the network are seen as structural characteristics.

Network relationships can be seen as processes of which binds firms together through mutual orientation and social dependencies (Håkansson & Snehota, 1995, p. 22; Axelsson & Easton 1992, pp. 8-27) Within the industry participants often share similar objectives which can lead to sharing knowledge and practices which helps to strategize own activities. Processes often are partly due to circumstances and role within own network. The question is more about the ability to act within the own network. Companies are more or less dependent on their partners e.g. buyer-supplier relationships. However, the mutual distribution of dependence can easily endanger if the other partner finds alternative partners to fulfil their needs. Thus networks are dynamic by nature and undergo constant change (Hakanen et al. 2007, p. 14). Stretching the limits of the dependencies in cooperative relationships tend to lead to conflict emergence (Håkansson & Snehota 1995, p. 22). Although, well-maintained conflicts develop the overall processes through problem-solving (Axelsson & Easton 1992, p. 16).

However, the structural frame of networks varies. Tightly structured networks have clear hierarchies restricting the frequency of entering and exiting the network but then loose ties have opposite characteristics (Axelsson & Easton 1992, p. 19). Often network hierarchies are formed due to the imbalance of resources and consumer knowledge (Håkansson & Snehota 1995, p. 21) for example, in buyer-supplier

relationships buyer tends to have more leverage in the network due to technological expertise or customer data. Another structural feature of networks is the informality of relationships. Håkansson and Snehota (1995, p. 21) point out that often formal contracts rarely are designed to take care of sudden conflicts and uncertainties where informal ties or mechanisms are positions in solving them.

2.1.2 ARA- model as the connecting force

After understanding, network characteristics focus shifts to actual building blocks of every relationship. A dyadic business relationship can be evaluated being composed of three relationship fundamentals: Actors, resources and activities or together ARA. ARA-model binds different aspects of organizations together. The links are not independent but they are in a constant interplay (Håkansson and Snehota 1995, p. 35).

Actors are connected to each other across the organizations in order to control given resources (Håkansson and Snehota, 1995, pp. 26-28; Axelsson & Easton, 1992, pp. 28-30). Axelsson and Easton state actors being the active developers of the relationship improving their position in the network by achieving goals and interconnecting themselves in the network. Actor-approach also highlights the humane side of business networks reminding that the people are the ones connecting the companies and different individuals often have different connections to other firms.

Activity links are formed due to concentrated behaviour of actors (Axelsson & Easton, 1992, p. 30) but often activities are highly numerous and complex compared to actor setting (Håkansson and Snehota, 1995, p. 28). Companies possess a variety of activities within the firm and when they are carried out from the firm or shared with partners it creates a dependence between the partners. Where actors had individualistic features activity links are aligned together forming repeating cycles of activities or chains (Axelsson & Easton, 1992, p. 31). Axelsson and Easton also noted out that when actors are positioned to maintain specific activity cycles they bind themselves to already established routines creating stability. Strengthening activity links between the organizations at best lead the generation of cooperative alliances.

Resource ties are formed around shared resources among the companies which the actors are controlling (Axelsson & Easton, 1992, p. 33). Similar to activities shared resources bind organizations when they become dependent on each other's offerings. Combined diverse resources are powerful tools for corporations to create new possibilities (Håkansson and Snehota, 1995, p. 31). Completing the link triad actors require resources to initiate relationships trying to convince future partner of how they could benefit from each other. Activities themselves are resource consuming and therefore they need resources to thrive.

In a business relationship actors form activities between the other actors in the other company. The activities are often the purpose of the relationship but they require actors to interact and resources to be kept alive. The interplay of the three forces creates dependencies: Actor bonds, activity links and resource ties. Companies become dependent on certain individuals, actors managing the important activities. The cooperative share of resources also ties organizations to the relationships.

2.1.3 Network layers

Companies' are networked within their industry context vertically to their suppliers and buyers and horizontally to competitors and external institutions (Möller & Halinen, 1999). Organizations' or companies' networks are composed of four layers which are illustrated in figure 1 (below) where organizations position their business network activities (Möller & Halinen, 1999; Möller et al. 2005). The outermost industry or macro network layer, in Figure 1, is the main contextual mass for the organizations and participating individuals, actors, where they are positioned but are not aware of the all possible linkages within the particular network. However, due to the vast interconnectedness of actors and invisibility of the relationships setting specific boundaries for an organization's macro network is a very subjective choice (Andersson et al. 1994). Especially in radical innovation areas, no one can creditably define the boundaries where the company should operate.

The second layer, the focal net or strategic net, consists of organizations which are each other's reachable business network or on the organization's horizon of influence (Alajoutsijärvi et al. 1999, Möller & Halinen 1999). As illustrated in figure 1 strategic net is rather limited and solid at the company's current state, not a network. The net is constructed of direct and indirect business relationships (Anderson et al. 1994, Aldrich & Whetten 1981) which positions focal nets to a strategic role in business development. Within the company's strategic net company is able to act on the spot with its acquaintances in order to carry out new activities.

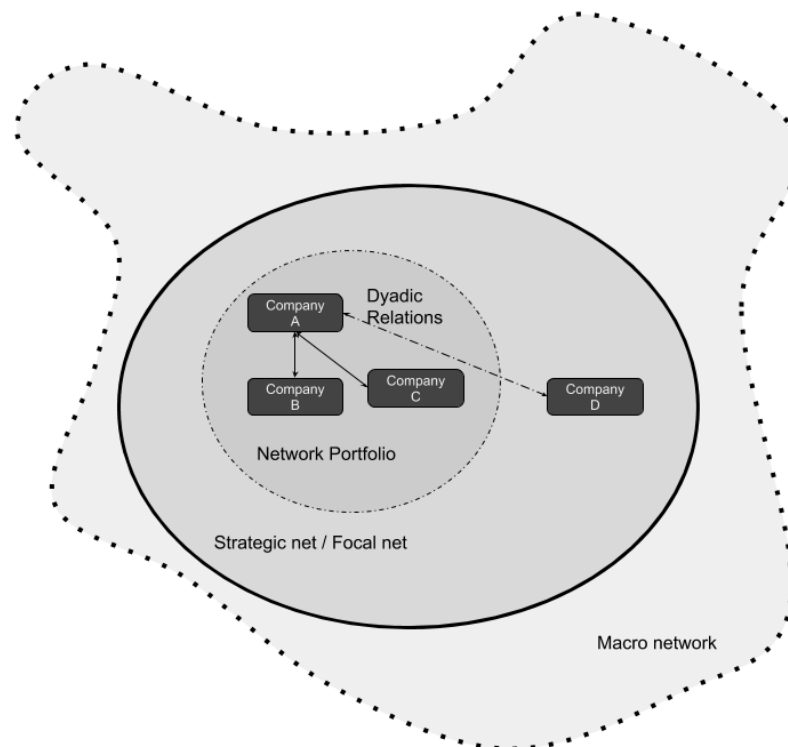


Figure 1 Network layers

The third layer consists of those selected partners which are crucial for the regular business activities, the portfolio of relationships. However, when defining the discussion to strategic nets both second and third layer relationships should be combined (Möller et al. 2005). Especially now in modern rapidly changing business ecosystems drawing a solid boundary between actors in existing portfolios and the

closest possible partners is a risk and difficult as illustrated in figure 1. One day cooperative level is intense but on the other day, the partnership may move to more further ring in the network. Especially for SMEs maintaining several intense relations is not possible due to limited resources to invest in the relations.

In the core lies a dyadic exchange relationship which is the smallest form of network layers (Möller & Halinen 1999; Möller et al. 2005). As pointed out, Dyadic relationships are formed of ARA factors; large networks are formed from several single ties and links (Axelsson and Easton 1992: pp. 28-34). However, adjusting the single particles of the relationship a firm has to acknowledge the influences on the strategic net level

2.2 Strategic nets

After recognizing network portfolio management as a strategic network tool it is crucial to understand the mechanisms of managing strategic nets and its value creating capabilities. Businesses operating within the strategic net create value between the participants making the strategic net a value-system (Möller & Rajala, 2007). Seeing strategic nets as value creating components of a company foster managerial efforts developing the relationships. This requires identifying characteristics of strategic networks which (Möller and Rajala, 2007; Möller et al. 2005) have divided into three major groups, Current business nets, business renewal nets and emerging business nets (Möller et al. 2005; Möller and Rajala, 2007).

2.2.1 Strategic Net Types

Emerging business nets or new business nets are formed around the uncertain business environment in order to form e.g. new industry standards, influencing emerging field or commercialising new technological innovations (Möller & Rajala, 2007; Möller & Svahn, 2009). The participating organizations share similar goals and seek common

activities to find new norms about their matter. Typically emerging nets are relatively open-access to join and are open for external influence. Möller and Svahn (2009) explain emerging nets developing phase by phase from industry sense-making, forming the first collaborative nets to more sustained network structure. Understanding new business nets can be regarded as tool initiating radical innovation or commercialization projects.

Business renewal nets tend to be organized around hub companies orchestrating for some specific outcome e.g. solving specific customer projects, or business improvement project work. Renewal nets are aimed to be temporary by nature gathering necessary resources around the projects in order to support specific activities such as product development and expertise or constructions project and subcontractors. Projects oriented temporal nets are often heavily driven by the hub organization who connects directly to participants and orchestrates towards the result. (Möller & Rajala, 2007)

Current business nets are stable network/net of organizations working towards the same goal (Möller & Rajala, 2007) Where previous types were temporal or build on uncertain characteristics current nets have gone through the development process of new business nets are been able to establish sustainable activity links. Current business nets can be roughly divided to vertical, buyer-supplier-type networks and horizontal, coalition- or industry alliance-type networks. It is important to note that they are not mutually exclusive but organizations tend to be connected vertically to their suppliers and/or buyers and also horizontally. Current nets are somewhat evolved versions of mentioned emerging and renewal nets. Organizations engaged in the current nets have more profound ways of operating with the partners and have clear value creating systems for cooperation (Möller & Rajala, 2007).

2.2.2 Horizontal Strategic Nets

Horizontal nets are characterized as competitor alliances where participating business entities combine efforts in order to benefit collectively (Möller et al. 2005). Probably

due to the competitive nature of the net, in horizontal nets actors are well-known, common goals are clearly defined and everyone is well aware of the value-creating activities within the net (Möller & Rajala, 2007). Similar characteristics are defined by Hakanen, Heinonen and Sipilä (2007: p. 223) where the multicentric net is formed between the businesses who share the same views of the industry and find value through partnering. The multicentric net has a flat hierarchical where particularly no one is steering the net and it consists of about equal sized companies as illustrated in figure 2. Multicentric nets have a strong common will to operate together due to a strong common goal, great collective benefits or shared great uncertainties within the industry (Hakanen et al. 2007: pp. 222-224).

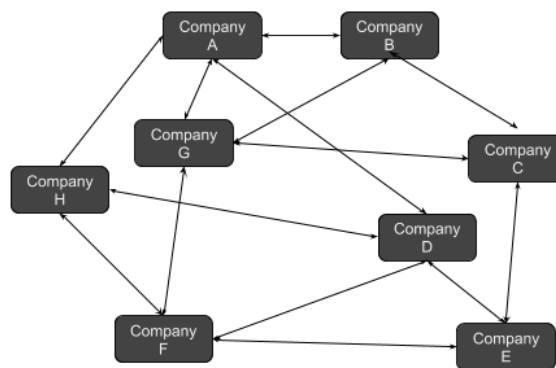


Figure 2 Multicentric net (adapted from Hakanen, Heinonen & Sipilä 2007: p. 223)

Möller and Rajala (2007) emphasize horizontal nets only being stable current nets with stable processes. Hakanen, Heinonen and Sipilä (2007) argue horizontal nets being able to be formed around business renewal purposes as well as emerging innovation nets and stable value creation efficiency strategies. Probably Möller and Rajala do not see Horizontal net efficient in business renewal or innovation purposes due to their flat power structure and theoretically insufficient leadership. Hakanen, Heinonen and Sipilä (2007) add if the multicentric net's strategy is not well defined or it is not widely agreed on the net is not performing with the fullest strategic wise.

The chapter introduced the general network approach which has been the backbone of network studies during the 21st century while deepening the focus on the strategic nets in a horizontal relationship setting. It is important to be able to vision four layer setting and recognize the company's own network horizon. Also, in which type of a strategic net setting the company operates. By being able to recognize and analyse own network position companies can affect them. When assessing each individual dyadic relationships ARA-model aids recognizing the dependencies and replaceability of the relationship. The Network approach and horizontal nets lead to the upcoming themes of alliances proceeding to industry level inspection about the microbrewing sector. Where the network approach explains the strategic aspects of organizations' connections cooperation alliances focus on more dyadic relationships and pragmatic aspects of relationship management. Reflecting different network theories and models to real life industry's characteristics provide a more profound understanding of the operating models.

3 COMPETING IN COOPERATIVE ALLIANCES

Alliances and collaboration at best provide a strategic edge over the markets. In competitive markets few corporations have all key elements for the success on their own and therefore forming partnerships is crucial. However, the less usual method is to ally with the competitors of the same industry who compete more or less of the same customers and potential cash flows. In this thesis, the concept of competition and alliances are built on horizontal interfirm networks. Especially for SMEs cooperation between the competitors could be the right path to gain leverage competing with industry giants (Gnyawali & Byung-Jin, 2009) The chapter will introduce the benefits of allying with the industry competitors, the competencies operating in them and how SMEs should internalize mentioned aspects.

Doz and Hamel (1998: pp. 6-9) highlight the difference between allying and joint ventures. First of all, where a joint venture is an entirely new venture of two or more separate corporations, an alliance is formed between two or more corporations directly. This positions alliances to greater position for the individual form because it is more centric and directly influencing the participating organizations. Alliances are also often formed by multiple partners around complex problems in order to reduce great uncertainties, where the purpose of joint ventures is more often clear and predetermined.

Doz and Hamel (1998, pp. 35-40) propose the race for globalization and technology as the fundamental drivers for the interfirm alliances. Logically, from the external global market perspective allying may open new markets in order to reach new customers. The new composed pool of resources, on the other hand, may create technological innovations and refined processes between the firms which can be obtained by forming horizontal collaborative ties (Möller & Rajala, 2007; Ritala et al. 2014)

3.1 Coopetition as a strategic manoeuvre

Coopetition means allying organizations cooperate but simultaneously compete on markets (Bengtsson & Koch, 2000; Padula & Gagnino, 2007; Ritala, 2012; Bengtsson et al., 2016). The fundamental drive for coopetition arises from The game theory (Ritala, 2012) and interconnectedness of the firms (Hakansson & Snehota, 1995). For individual organizations competing in intense markets is often a waste of resources which could be overcome through coopetition. In the modern business world, companies cannot compete in the total isolation but sooner or later their markets collide with the competitors. Decisions have to be made to either solely compete or partly join forces in order to win together.

3.1.1 Benefits of coopetition

Padula and Ganino (2007) emphasize interfirm dependencies creating both cooperative and competitive dependencies. On the same industry, competing businesses are often bound by similar restrictions and problems while being connected to the same suppliers and customers. It pressures organizations to combine their capabilities in order to gain power for purchasing supplies, marketing leverage or distribution benefits. Rusko (2011) points out the interdependency is exactly the reason why in cooperative alliance strategies negative competitive effects are neglected and in competitive relationships, positive cooperative dependencies are also ignored. Therefore with coopetition strategy companies are able to develop successful coexistence with the industry participants. The effects of allying have to be taken into account in the competitive field.

Ritala (2012) gives three distinctive motives for cooperative relations: To increase their market share or create new markets, save resources of some activities and secure gained market share. Strategically allying with competitors by combining complementary resources gives several advantages. What is a success in cooperative relations? As Ritala (2012) suggest the game theoretical principles are applied in coopetition. Information exchange leads to more efficient use of resources and end is

a win-win situation but does the consumer win? Walley (2007) makes a distinctive conceptual line draw in defining optimal cooperation and its darker forms collusion or cartel. If interfirm operations are benefiting them and harming consumer the question is about a cartel but if companies are aiming for overall benefit by combining know-how and capabilities they have created a multi-win situation (Walley, 2007). According to Ritala, Golnam and Wegman (2014) integrating cooperation to the business model of the firm at best enhances customers' experienced value on the overall markets, resource efficiency and leveraging the company performance potential and create new markets. At best everybody wins from the cooperative relations. Companies being able to allocate their resources towards the same goal while targeting their resources for product development and better service concepts. Also, customers benefit from getting better experiences from the companies' products through lowered prices or good quality products.

The true value of partnering rises from the learning from the others through (Doz & Hamel, p. 35) the transfer of tacit know-how and customer knowledge, but the most important organizations in the alliance are able to learn to manage further alliances and develop their capabilities to gain the most value from them (Ireland et al. 2002). The more companies engage in cooperative partnerships the more they are capable of managing partnerships and performing in them.

3.1.2 Degree of cooperative relations

Cooperating firms do not cooperate on every level of business activities but the cooperative actions occur on more buyer-distant activities and competition at customer interface (Bengtsson & Koch, 2000). There are no overall rules in which business activities cooperation and competition always occur but they vary on industry and organizational level. Chin, Chan and Lam (2008) divide Cooperative relationships into four categories as illustrated in figure 3. Type 1 partnerships with low-level interaction in both cooperation and competition. Type 1 partnerships tend to be more common between companies which are already secured their market dominance. Type 3 partnerships with a high level of cooperation and low competitive pressure.

Organizations involved in type 3 partnerships can be operating geographically diverse and possessing market-specific complementary assets which the other partner could truly benefit. Type 2 partnerships are high in competition and

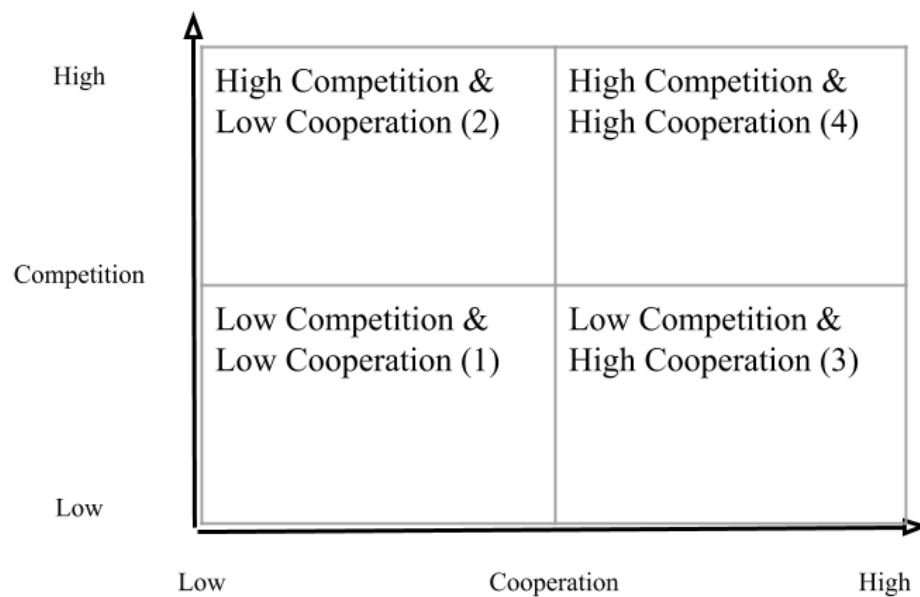


Figure 3, The degree of competitive relations (adapted from Chin, Chan & Lam, 2008)

low in cooperation. Typically participants can be viewed as contenders mostly competing in markets by their own means but also sharing one or few specific actions. For example, firms in the shopping centre can share the same waste recycling containers, staffs locker rooms and security services but also compete for the customers. Type 4 partnerships have a high level of both cooperation and competition. Such organizations are mutually dependent on each other but also compete fiercely. As an example, companies who are engaged for creating industry-wide technological standards have become dependent on forming international standards for the industry but most likely promote their own services in the markets e.g. 5G network development and commercialization requires agreeing and developing internationally

applicable frequencies (Bernard, 2019) but also companies fiercely competing to deliver their own services (Kapko, 2019)

It is reasonable that despite the relatively open knowledge flow competitors restrict the information flow (Gast et al. 2019). Too naive information sharing might be fatal for the other party in the case where the other would gain their needed knowledge from the alliance and then stop developing the relationship and remaining a sole competitor for the initial partner firm (Hamel, 1991). However, if reflecting the risk of cooperation to figure 3 I would argue it being higher in the types 2 and 4 where the competitive pressure is higher. As Ritala (2012) points out they are not the optimal cooperation structures. The fear of enhancing competitor unnecessarily restrict the information flow and hinders cooperation.

3.2 Cooperative Characteristics of SMEs

Generally speaking, via business networks companies are able to amplify their capabilities and market performance. Therefore it is significant to be able to distinguish, how SMEs networking performance and methods differ from the larger firms when SMEs tend to have fewer capabilities and resources for to invest in networks (Wincent, 2005). Also, especially for Micro and Small firms are the most vulnerable for changes in the Business environment due to their limited capabilities to counter them compared to medium-sized firms (Morris et al. 2007).

The study conducted by Barnir and Smith (2002) focuses on interfirm alliances focusing on technology transfer, joint manufacturing and support alliances. They also point out that e.g. in tech-alliances are formed when there are there substantial resources available. Support alliances are typical when companies recognize cost-saving opportunities in order to cooperate in marketing or to share knowledge of the operations. Especially support alliances are built on social ties and trust when engaging in those activities tend to bind more intangible resources than tangible manufacturing units. Tech-alliances tend to require more financial efforts especially if joint projects combining e.g. manufacturing are formed. It is evident that support alliances often are more informal than tech-alliances depending the level of the knowledge transfer and

actual commitment required from the counterparts but SMEs should acknowledge the different aspects of their alliances and what kind of a response they would get when trying to develop the relationship.

According to Gronum, Verreyne and Kastle (2012), social ties of SMEs and their effect on the firm performance is not completely clear. The results from the SME field have given mixed signals of their ability to utilize social ties. However, it can be argued that how competent SMEs are utilizing their competence. SMEs have to recognize their overall place in the broad net to operate efficiently (McGrath & O'Toole, 2010). This is aligned with findings of Barnir and Smith (2002) that the companies should focus on which partners to engage with. Typically Small firms tend to ally with the competitors perceived the most trustworthy and reliable (Morris et al. 2007). It seems that the smallest firms focus on the few strong ties of which could be their close acquaintances instead of pursuing expanding the net actively. This is aligned with the finding of Barnir and Smith (2002) where the quality of the relationships should be valued over the quantity since maintaining a vast mass of relationships consumes resources which are fundamentally limited among SMEs. SMEs who actively seek help and partnerships are less likely to form alliances unless they focus on finding partners sharing mutual goals and interest or in other words quality over the quantity (Barnir and Smith, 2002).

McGrath and O'Toole (2010) suggest that SMEs should pursuit network experience in order to learn to operate in a wider context e.g. by cooperating with academical sector to enhance one's capabilities. In addition to the academical sector, SMEs should seek to cooperate externally from their SME net with bigger entities due to larger firms usually greater performance in business generally (Wincent, 2005). Finding external help should be implemented to every entrepreneur's business mindset when during the modern era when not even the biggest MNEs are dealing with their operations alone. However, sometimes SME owners require educating about the possibilities of industrial networking to enhance their capabilities (McGrath & O'Toole, 2010).

As a growth-seeking SME, finding matching counterparts within the close SME network is often easier due to shared norms and values but the brought entrepreneurial

input to the firm might not be very diverse (Wincent, 2005). Extending the network horizon over the typical net has a chance to provide unique opportunities. If a firm would be capable of establishing stable cooperative ties with larger firms they would be able to gain good access to overall net formed around the bigger entities. Being connected to the network environment through hub-like companies provide stability and support structure. Through nets, counterparts are able to connect indirectly through mutual links which could bring new opportunities for the companies (McGrath & O'Toole, 2010).

While forming and operating in a network context SMEs have to recognize two different organizational ties, strong and weak, between the actors in the organizations (Granovetter 1973). Organizations are able to bring in new concepts more naturally through weak ties and intensively work with organizations with whom they share strong ties (McGrath & O'Toole, 2010). McGrath and O'Toole consider both types of relationships being important for an SME where Barnir and Smith (2002) recognize mostly strong relationship ties as reliable and important for the firm. It is probably true that via strong links the most alliances are formed but how managers can choose which relationships to develop if there are not enough weak links of which to choose from.

For SMEs, establishing networks foster innovation capabilities through amplified competence, skills and knowledge which would have not been acquired internally (Gronum et al, 2012). However, companies have to decide which relationships they are going to pursue and invest time in. (McGrath & O'Toole, 2010) As in every cooperative relationship, participants have to be able to contribute to the network and understand others' capabilities (Doz & Hamil, 1998, p. 34) depending on a network structure and a type of an alliance. Either it is on the industrial scale combining manufacturing or technical competence to reach specific goals together or structuring support alliances to enforce existing business (Barnir & Smith, 2002). SMEs should evaluate their network position and recognize their place to be able to act efficiently. This requires an understanding of present connections and their strength for the firm. Stronger links bind resources but form a reliable net to support business performance but weak links open new doors and possibilities. There lies a small paradox when evaluating the significance of numerous weak ties and their quality. How organizations

can expand their relationship net with good quality ties but not to invest too much effort forming strong ties if not necessary.

Coopetition is defined as competing organizations cooperate on some aspects of the business (Bengtsson & Koch, 2000). Coopetition is beneficial for the companies when the competitive pressure is not overwhelming, markets are facing uncertainty and risks and when companies share similar values and goals. Otherwise unavailable resources can be on the reach of small enterprises through coopetition (Morris et al. 2007).

However, like Chan, Chin and Lam (2008) studied coopetition business strategy and critical success factors. They emphasized that there have to be sufficient resources to develop the alliance as any relationships. Especially in coopetitive relations firms have to contribute to the relationship and be meaningful otherwise the alliance can lose its meaning. This can be challenging especially for the SMEs which are initially in a weak position compared to large corporations. Especially why SMEs should focus on right partnerships which benefit them enough so the investment to the relationship is profitable.

Ritala (2012) concludes that coopetitive relations boost firms' innovation and market performance when there are: high market uncertainties where firms are able to lower their risks through cooperation, highly networked industry which enhances innovation capabilities and low competitive pressure which enables open information flow. Also, optimally coopetitive relations are when they generate overall good not only to participating organizations in the form of a cartel but develop overall processes so the consumer or buyer benefits as well. Findings partly support type 2 coopetition relationship as see in figure 3. Type 2 coopetitive relationship seems to be the most optimal in that sense.

4 CRAFT BEER INDUSTRY AND MICROBREWERIES

In this study, the target of the inspection is Finnish microbreweries. Following chapter introduces the microbrewing sector and the emergence of the craft beer hype through discussion in media and journal articles. Mainly the concepts circle around the Finnish microbrewing industry, US craft beer standards and some recent studies conducted in Europe and Australia. Also, recent changes in Finnish alcohol legislation are covered. The purpose of this chapter is to bind the thesis to the empirical context and introduce recent research about the topic.

4.1 The emergence of the Craft beer movement

In the United States where the amount of breweries has exploded from 43 breweries in 1983 to over 1400 breweries by the end of millennia due to microbrewery movement (Carroll & Swaminathan 2000). This was possible due to change in the US legislation in 1976 when homebrewing for your personal use was allowed but it stimulated the emergence of the microbreweries to enter the market (Tremblay et al. 2005; Murray & O'Neal, 2012). Murray and O'Neal (2012) conclude craft brewers been able to sustain significant growth in the expense of larger breweries. They see a significant trend shaking the consumer groups what comes to locally produced or artisan-type of products. The phenomenon generally is not only affected by the beer sector but also to other similar niche category products for the different individualistic taste.

The huge change in the variety and quality of the beer has affected the consumers allowing craft breweries to capture a significant portion of the beer markets 5,4 per cent in 2012 (Murray & O'Neal, 2012). However, by the end of 2018, the industry was controlling almost a quarter of the beer markets measured by the monetary value (Brewers association, 2019). In the 2010s the definition for microbrewery has changed to specify Craft beer producer (Brewers association 2014). Several microbreweries founded after the 1980s in the United States have grown significantly which seemingly affected Brewers Association (2014) to set their maximum production capacity to be listed as a craft brewery to 6 million US beer barrels or over one billion litres annually.

Other qualifications for US Craft brewer status are independency where less than one-quarter of business is owned by an external associate who is not a craft brewer and has the approval of Tobacco Tax and Trade Bureau (TTB) of the United States to produce beer.

4.2 Microbreweries Defined

In the general discussion, a microbrewery is associated as a synonym for craft brewery which is categorized as a premium quality beer producer. Although, the most of the microbreweries are focusing to produce premium products (Danson et al. 2015) it does not disclose the fact that some breweries have already grown past the most definitions for a microbrewery (Salomon 2014). The beverage industry report published by Finnish Ministry of Economic Affairs and Employment by Leena Hyrylä (2018) addresses the most of the Finnish Brewers as microbreweries but recognizes craft brewer as the common term to describe them. Hyrylä (2018) leans into conception from the Finnish law of alcohol and alcohol beverage 9§ 383/2015 which defines microbrewery as a juridically and economically independent brewery which operates physically separated from others and does not practise manufacturing by license and the annual produced amount of beer is maximum 15 million litres. A brewery with a maximum annual production of 10 million litres gets 10 % relief of the alcohol tax and at largest the discount can be as much as 50 % for breweries with less than 500 000 litres per year. McGarath and O'Toole (2013) set the bar for a microbrewery to the annual production of two million litres. The definition of a microbrewery varies by the local legal system but the independence and the annual production are the repeating defining concepts.

In the United States, tax relief accounts for breweries with annual production less than 354 million litres for their first 10,6 million litres of beer (Alcohol and Tobacco Tax and Trade Bureau, TTB, 2017). There are many similarities between US and Finnish definitions for a Craft/Microbrewery: annual production, independence through ownership while rewarding a brewery in some sort of tax relief. However, Finnish interpretations are broader what comes to being independent which also means

economical and physical independence of other breweries (Jokinen & Raitolahti, 2019). Physical independence means that even if two companies have ownership rights to produce alcoholic beverages they cannot share the same equipment to produce beer and receive tax relieves. Economical independence means that cooperating breweries cannot cooperate if it makes one of them economically dependent on another.

4.3 Previous Research and Overlook of the Industry

The craft beer industry has been growing steadily on the very competitive markets controlled by the huge multinational enterprises. Also, simultaneously the consumption of pure alcohol per capita has been decreasing (or flat) in countries e.g. USA and Finland. How such small independent breweries have managed to become local trends all over the world and a little by little managed to increase their overall markets share? McGrath and O'Toole (2013) stated Irish Microbreweries Having a common front of brewers who are working together against the beverage industry's big fish. Danson et al. (2015) noted the collaboration is one significant reason for easy market entry. Alonso et al. (2018) had clear results on multiple cooperation structures from gaining market knowledge to product differentiation and development. How big of a chunk of the growth is due to industry-wide efforts? Danson et al. (2015) pointed out British food and beverage consumptions habits ongoing a great shift in food quality, selection and origin. The consumption habits are changing due to the attitudes of producers who are paying attention to creating experiences and consumers who are aware of their taste and shift consuming products they individually prefer.

The Australian craft brewers perceived as the two most important benefits of cooperation: the quality of beer and gaining knowledge over the recipes and equipment (Alonso et al. 2018). From the Brewers' point of view, it decreases the barriers of starting the business when they can be certain that they will be able to produce consumable beer. Also, the customers benefit from gaining overall positive experiences of craft beer when even the early stage businesses are able to produce a wide range of premium quality products. As pointed out by Danson et al. (2015) microbrewers' profits are tight and potential changes in the taxation field can have a

serious impact on the industry. Ensuring consistent product quality and business knowledge is crucial for every business out there but for the survival of microbrewing, they are essential when a business founded on a hobby has to be turned (and sustained) profitable while gaining sufficient income for the entrepreneurs.

The key of Craft beer producers success in dominated beer industry lies in their size. Microbreweries are able to compete by non-price features such as locality, lifestyle and product quality (Danson et al. 2015). Microbreweries seem to be capable of influencing the local customers with their brand identity and quality while slowly gaining the market share. McGrath and O'Toole (2013) pointed out some of the Irish microbreweries being very capable of sourcing customer information and connecting with the suppliers e.g. bars, pubs and retailers. The lack of experience of networks was shown in their study as the incompetence of nurturing the relationships and gaining customer knowledge. However, Alonso et al. (2018) noted the major part of brewers been able and eager for maintaining relationships in the hope of gaining more insight into markets, distributors and future trends. It can be argued Craft brewers being able to actively influence in their network context but it requires network experience, time and committable resources. For an entrepreneurial business network capability can be seen as resource amplifier or channel which enables small business entrepreneurs to overcome the challenges to grow the business (McGrath & O'Toole 2013). Microbrewers are showing the ability to cooperate but at the time of the study in 2013 McGrath and O'Toole noted several of them being unprepared for maintaining close relationships. However, later Danson et al. (2015) showed brewers being able to compete on markets due to their collaborative efforts and entrepreneurial behaviour tackling the resource niches.

The craft beer industry is still an emerging industry in most areas and new entrepreneurs are entering the markets with their limited know-how. Danson et al. (2015) yet argue the barriers to market entry being relatively low due to minimal equipment needed being able to produce beer, community's support and overall demand for diverse products. However, where increasing numbers of new craft brewers are emerging their network incapacibilities are major barriers for more sustained

growth (McGrath O'Toole 2013) but still the craft beer industry has been able to have sustained market entry and the industry has the potential for major reinforcement through mergers or takeovers by multinational enterprises (Danson et al. 2015). It would be reasonable to argue the industry is not yet ready for multinationals enterprises to take major action towards acquisitions due to craft brewers size and individual growth potential. The collaborative efforts of the industry at best greatly improve collaborating brewers' performance but yet most brewers prefer retaining decision making and independence of their actions (Alonso et al. 2018).

Eventually, the craft beer industry might develop into a rather shattered field where some businesses have evolved past their limitations and are able to pursue growth more widely than in the local context. From craft brewers, this would require more business know-how, network capabilities and simply motivation and ambition for growth. The resource scarcity of SMEs can be overcome by combining assets via Business networks which are already there but yet to utilize the fullest.

The mentioned articles studied the craft beer industry in the UK, Ireland and Australia where the craft beer phenomenon is not yet reached its peak as concluded by Danson et al. (2015) where the UK microbrewers are expected to take major steps in the future. Alonso et al. (2018) three years later bind their findings around ongoing beer hype in Australia but also reminded that in the United States craft beer hype has been prevalent since the 1980s. In 1983 in the US were 43 breweries and by the end of millennia the number of breweries rose to over 1400 (Caroll & Swaminathan 2000) and by the end of 2016, the number of craft breweries has risen to total 5301 craft breweries alone (Brewers Association 2017). The growth numbers even scaled down to the levels of Australia are in their own league which means the emerging craft beer markets have the huge potential for growth if the right circumstances are fulfilled.

The modern craft beer movement has its roots deep in the US markets starting from the end of the 1970s. It has gone through changes and diversification in classification from regular microbreweries to generally describe the industry as craft brewing, brewing better quality beverages. Where in the US craft beer has become a very

significant beverage category it still tries to find its foothold internationally. According to the most recent data available of Finnish markets microbreweries currently holds about 5 % of the overall sales of beer by the end of 2018 according to annual statistics of Valvira¹. However, speciality category beers sold grew approximately 14,2 % where the overall consumption of beer decreased by 2,6 %. Compared to the figures from the US 24,1 % share of beer sold Finnish breweries should have room to grow and develop the markets. However, Finnish partial alcohol retail monopoly, alcohol laws and restrictions provide significant challenges for brewery entrepreneurs to grow their business. Probably the secret for the success lies in the cooperative elements of microbrewers where the collective collaborative efforts have been proven beneficial in some studies.

4.4 Theoretical synthesis

Craft beer industry and microbreweries create an emerging field which internationally seeks to form stable value nets in their own markets. When reflecting business network perspective to microbreweries there can be found specific characteristics. According to the studies in the craft beer sector microbreweries are a networked group which collaborates for the greater benefit of the industry (Alonso et al. 2018; Danson et al. 2015). Craft beer industry seems to fall into share characteristics of the emerging strategic net by Möller and Ralaja (2007) when there are not so extensive contracts and standardized rules of partnerships (McGrath & O'Toole, 2013). As an emerging net, the industry should be characterized as open-access to join and influencing to prevalent logic. It can be argued that the craft beer sector shares similar characteristics (Danson et al. 2015) but also they have managed to form quite consistent forms of cooperation (Alonso et al. 2018). Especially when inspecting the figures from the USA (Brewers association, 2019) Craft brewers should have recognized somewhat efficient

¹ Statistics of Valvira do not provide an accurate number of the beer sold by microbreweries or craft breweries. Instead, they indicate significant growth of 15,5 % top-fermented beers such as IPAs or stouts and 77,7 % growth of other beer products such as wild yeast fermented lambics compared to 3,4 % decrease of bottom-fermented beer products such as lagers and pilsners. Breweries small and large produce different yeast type beers but the general trend is that microbreweries focus on other than bottom-fermented products.

value-creating strategies and nets sharing several characteristics of the current business net.

McGrath and O'Toole (2013) Pointed out that microbrewers in Ireland had several inhibiting factors for networking and maintaining relationships such as. The actors were lacking the ambition to develop business, lack of sophisticated consumers, maintaining activity links to other companies were not perceived necessary and no will to accept the third-party agency to deal their industry's business. However, the difference of this study and theirs is that I recognize the networking inhibitors but therefore the focus is on the actual methods and connections within the industry through cooperative efforts. It should be relatively clear that as mostly small enterprises microbreweries do face resource limitations in their operations.

McGrath and O'Toole (2013) made the findings nine years ago when the whole craft beer movement was taking its initial steps in Europe which means several deficiencies might have developed further. As they proposed in 2010 SMEs should pursue network experience in order to develop their competence (McGrath & O'Toole, 2010).

As the main purpose of this study is to find applicable networks for the microenterprises cooperation was chosen to complete the networking incapacities of which the McGrath and O'Toole have been emphasizing. Cooperation at best in right circumstances amplifies companies resource utilization, creates new markets and fosters performance. Everybody would win.

Following empirical part brings some modern insight for the capabilities within the industry and applies the presented a theoretical framework to the Finnish Craft beer industry. Following chapters initiate the empirical approach starting from the research methodology followed by findings and conclusions.

5 METHODOLOGY

The following chapter introduces the used research methods for data collection and analysis. The research data and its selection process are also presented. The chapter explains the challenges of the particular data gathering, finding solutions to constitute comprehensive results to research questions.

5.1 Selected research methods

The research is based on qualitative data which was gathered by the two theme interviews and semi-structured survey questionnaires. The selection was made due to two reason: Surveys are an affordable way to gather information from the wide mass (Hyvärinen et al. 2017, p. 87) but the same time they might not provide deep insight to the topic and theme interviews could provide more profound answers and thoughts to support the data.

Theme interviews differ drastically from surveys enabling dynamic interaction between the participants. During the theme interviews, the discussion is kept around the specific theme(s) and are followed through interview frame. (Koskinen et al. 2005, pp. 108-109) The intent was to pursuit gather wide data from the craft beer field using online surveys to reach geographically dispersed enterprises. The surveys consist of predetermined questions which are presented to the interviewed participants in the same order. The same questions were also used as the interview frame in order to maintain consistency between the data as seen in appendix 1.

The challenges of online surveys are reaching the right people to answer the enquiries but as microenterprises, they do not have complex organizational structures and often are mostly run by the brewery owners. However, online surveys as such can have a limited response rate if the contact e.g. email address does not reach the right people and engaging contacts for cooperation can become a challenge (Fowler, 2009: p. 83). Where the face-to-face interviews at best build trust between the parties and can open

deep conversation about the topic it would have been geographically challenging to execute them to all possible candidates.

5.2 Data presentation and limitations

The survey targeted 65 microbrewery status breweries of about hundred total craft brewers operating in all around Finland. The number represents a great majority of all licenced microbreweries in Finland. Selected breweries were purposefully selected from different geographical areas and initially larger microbreweries were left out because some microbreweries are expanded to be regarded as small enterprises.

Participating breweries are listed in table 1 below giving a reference number from 1 to 17 for breweries answered to the survey and two geographically distant brewery entrepreneurs A and B were interviewed in order to draw out deeper experiences. Total data represents 19 views from the craft beer industry. Breweries represented three particular sizes. Very small microbreweries producing 100 000 or less were a bit over half of the group (10), eight breweries were producing 100 to 500 thousand litres annually and only one reported having annual production capacity between 500 thousand to 2 million litres as presented in table 1. Eighteen out of nineteen breweries in the study were eligible to receive the maximum tax relief of 50 per cent. meaning the breweries being overall very micro-status enterprises.

Breweries represented geographically the whole Finland representing 16 different municipalities. Due to protect the privacy of the answerer those locations had to be concealed since some cities have only one operating brewery. At the beginning of the questionnaire (and interviews) was also asked the title of the answerer just to clarify possible differences in the answers. There were no major differences based on the title of the answering person but the answers of owners and/or brewmaster. Perhaps owners were slightly more verbal than the others. Because they usually are in a decisive role of the firm and its external partners. Also, the only employee who answered the survey did not provide much deep insight into the answers because the brewery simply did

not cooperate with other breweries. However, B17's answers were not any less valuable than the others.

Table 1. Participating breweries

B1	(Co-)Owner (only)	over 100 000 - 500 000 litres
B2	Owner and brewmaster	100 000 litres or less
B3	(Co-)Owner (only)	over 100 000 - 500 000 litres
B4	(Co-)Owner (only)	over 100 000 - 500 000 litres
B5	(Co-)Owner (only)	100 000 litres or less
B6	Owner and brewmaster	100 000 litres or less
B7	Owner and brewmaster	100 000 litres or less
B8	Brewmaster (only)	100 000 litres or less
B9	(Co-)Owner (only)	100 000 litres or less
B10	(Co-)Owner (only)	over 100 000 - 500 000 litres
B11	Owner and brewmaster	over 100 000 - 500 000 litres
B12	Owner and brewmaster	100 000 litres or less
B13	Owner and brewmaster	100 000 litres or less
B14	(Co-)Owner (only)	over 100 000 - 500 000 litres
B15	(Co-)Owner (only)	over 500 000 - 2 000 000 litres
B16	Brewmaster (only)	over 100 000 - 500 000 litres
B17	Other employee	over 100 000 - 500 000 litres
BA (19:30)	Owner and brewmaster	100 000 litres or less
BB (24:34)	Owner and brewmaster	100 000 litres or less

The Data was collected via sharing a question sheet made in Google forms. The survey consisted of two parts: classification background information and qualitative research questions (see appendix 1). The survey was sent to brewery owners or other major decision makers operating microbreweries and being categorized as microenterprise by the suggestion of European Commission (2003) which means having less than ten employees and less than two million euros of annual revenue. The interviews were conducted in a more spontaneous manner as theme interviews in order to draw deeper answers about the prevailing situation. The structure of the interviews followed the questions survey.

Certainly, the size of the data and participating breweries could be larger in order to have drawn deeper conclusions. However, possibly due to the recent guidelines of the Finnish tax authority on March 14th, 2019 has frightened microbrewers not to discuss

so openly about the matter. However, a total of 19 participants are a solid amount when conducting qualitative research.

As the questionnaire clearly asked questions based on cooperation and competition of the breweries (see appendix 1) they were repeating themes on the answers. However, some brewers really liked to describe their overall perception of the industry's cooperation and competition more than their own giving interesting points about the industry's current state in Finland. And brewers clearly let me know of their current opinion of the tax authority's guidelines. The last theme considered the current partners where breweries gave few names. During the interviews, they did not settle naming only the closest partners but emphasized the whole industry being their partner. This helped to understand the survey's answers as well and what they really meant by the community type of atmosphere.

5.3 Methods of analysis

The main goal is to find operating patterns and norms of the craft beer industry. Therefore, the aim is to utilize vast data in order to draw credible analysis with generalizable results. As traditionally in the surveys, the aim of the study is on the overall answers of the participants (Hyvärinen et al 2017, p. 88) which microbrewers in Finland represent. Since the questions were handling both aspects of cooperation, closeby networks and perceived opportunities and threats of the industry the analysis of the data was conducted classifying the answers by their types or themes.

Classification is about finding similarities from the data in order to make it easier to handle (Eskola & Suoranta, 1998: p. 182). Eskola and Suoranta (1998: pp. 182-183) add that classification at best forms rich and broad themes explaining the phenomenon when several answers are collected. Koskinen, Alasuutari and Peltonen (2005, pp. 229-232) add the classification to be projected to the theoretical frame of the study to smoothen the analysis.

The chapter introduced the methodological frame of the study and the gathered data. By combining two data gathering methods, open-end survey and theme interviews, sturdy and vast data was gathered. Survey made possible to reach breweries relatively widely and geographically diverse and interviews provided deeper insight into the answers gained from the survey. The following chapter introduces the results and the participants' answers to presented questions.

6 FINDINGS

The findings presented are based on the answers from the Finnish craft beer field as presented in the previous chapter. The answers are reflected in the theoretical frame of the study. Following subchapters walk through the theoretical contributions to all three themes: strategic nets, competitive characteristics, cooperative characteristics and industry views and direction.

6.1 Strategic nets of microbreweries

Microbrewers emphasize the open policy what comes to joining the network. The most brewers consider themselves as a united front against the industrial brewers.

B7: "I'd rather view microbreweries competing for more against large breweries than themselves. Sure, competition is there but as I see it, all microbrewery products will find room from the markets at the moment"

This is aligned with the emerging net concepts by Möller and Rajala (2007) and Möller and Svahn (2009) where the networks are initially formed for pursuing the same goal. It is also justified to argue whereas the craft brewing has established somewhat solid forms for cooperation and sustainable activities to create value for the participants. When this might be the case in the US and in some other countries. In Finland, the brewers view the industry yet quite new but trendy and developing. Also, changes in Finnish alcohol legislation 2015 and recently published guidelines indicate that even the governmental authorities are trying to adapt to the new trends.

Microbreweries often are indeed micro firms having less than 10 employees and 2 million revenue and some cases even less meaning their capabilities to cooperate intensively with several entities is limited. The Finnish tax authority in March 14th (2019) have stricken to the usual forms of cooperation and therefore limited the formation of sustainable activity patterns.

Brewers mentioned several breweries in their answers with whom they generally cooperate. Repeating trend was to mention several partners but only emphasizing one or two breweries:

BB: “We are scheming with (the other local brewery) a lot. For example, we partly purchase ingredients together and with (another local brewery) we have made collaboration brews. -- We have known each other before either had a company to run. “

As micro enterprises, Microbreweries are small, and brewing takes actively human resources being a major limitation for maintaining relationships.

BB; “Several breweries operate with limited human resources. -- I would like to organize all kinds of events and stuff but simply there is not enough time for it”

When reflecting Breweries do not have many actors in order to maintain an extensive net of activity links with the other brewers since they lack resources maintaining the relationships on a large scale. Therefore, it is very important that the little time and effort microbrewers put into relationships has to count. As Barnir and Smith (2002) point out SMEs should focus on quality partners. When asked from the breweries why you have chosen these particular breweries as your closest partners overall the emphasis was on the personal ties.

B3: “Smooth ways of cooperation, long cooperative partnership and personal ties”

B12: “They are relatively close and really good guys”

Also, two breweries were mentioned three or more than times by other brewers. The general trend seems that there are few centric actors within the net which are the most active developers of the relations as illustrated in figure 4. When defining a general

horizon of influence for the breweries it contains relatively vast mass of domestic breweries (Figure 4).

BB: “ This crew (referring to all Finnish brewers) is relatively small. Even there are about one hundred breweries, people sure know each other, and we have quite open discussion channels and information exchange. From the very beginning, we have been asking help from others about the machinery and accordingly, we have always advised everyone. Everyone is willing to help”

Most of the answered breweries have one or more cooperating breweries. The degree of the partnerships varies as well as the number of current partners. The interviewed brewery A and B describe the brewers as a community to whom microbrewers can lean into a need for help and advice. Most of the answers reflected similar communal characteristics. Möller, Rajala and Svahn (2005) and Möller and Rajala (2007) present the strategic nets being the company's horizon of influence where the partnerships become more active and dormant. Microbreweries have in a sense broad horizon of influence (see figure 4).

Microbrewers' networking structure resembles of multicentric net presented by Hakanen, Heinonen and Sipilä (2007: pp. 222-224) where there are no clear hub organizations leading the network, but participants are more or less equal compared to others having some active players slightly steering the flow.

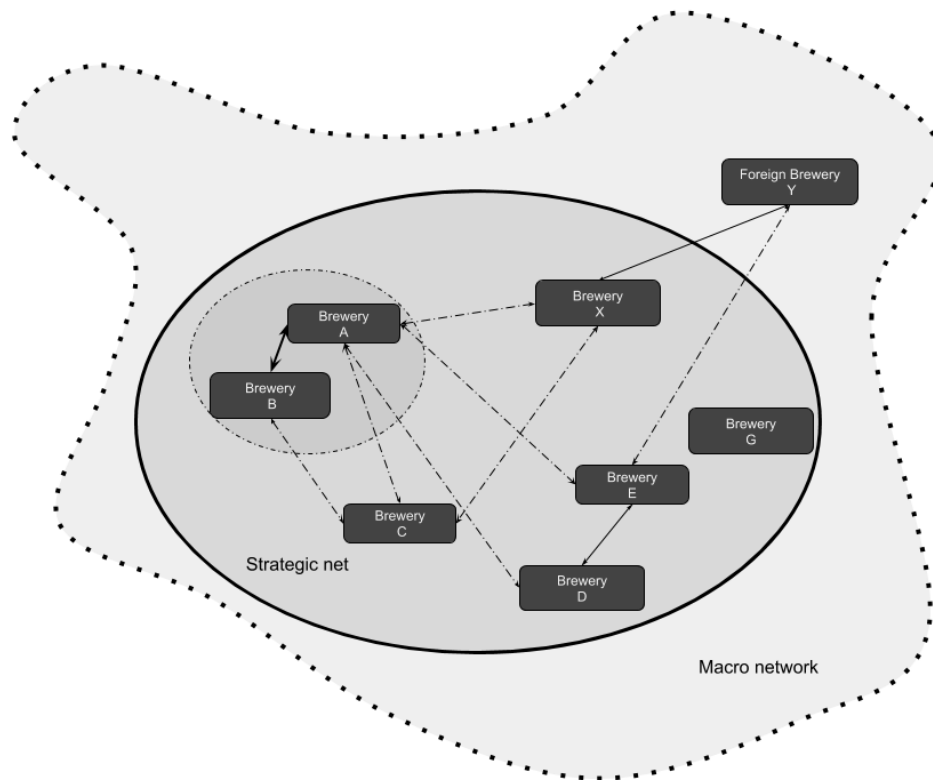


Figure 4, The strategic net of the microbrewing sector

Interviewed brewery A categorized the Finnish craft brewery field to three actors: those who share the same common goal and are open to sharing all their tricks for common good, those who see this as a profitable business and those who have overflowing confidence on themselves. Although most brewers seemed to emphasize connections to other breweries one brewery was clearly confident doing well their own and are not even considering allying with other breweries as seen in figure 4 Brewery G. Basically, the brewery thought that the cooperative efforts and costs do not benefit the business enough and currently they are succeeding on the markets on their own. However, based on the answers of other breweries they are aware of each other and could interact within the net. Therefore, Brewery G in figure 4 is presented inside the network horizon.

6.2 Coopetition between microbreweries

Coopetitive characteristics have been divided to describe the two aspects, competition and cooperation of microbreweries separately. Bengtsson and Koch (2000) proposed coopeting firms cooperate more on buyer-distant activities which are also shown in the results.

6.2.1 Competitive aspects of microbreweries

The concept of competition is seen very differently amongst the brewers. Some brewers clearly acknowledge that while being in the same industry there is tough competition for the local taps and retail locations. At the same time, others consider themselves as the united collaborative net against the industrial breweries and seeing them as their only competitors.

Also, most microbreweries emphasize their products being diverse enough that they serve different types of customers segments and also due to their small production size they are able to sell them locally. One brewer also mentions the competition for the skilled workforce which is definitely a challenge since the closest place to study brewing locates in Copenhagen (Aula, 2019). As McGrath and O'Toole (2013) pointed out craft brewers are often founded after turning the hobby to a business and the competence is often built by experimenting by yourself.

The most brewers see little competition among them as a positive force for keeping up the quality and constant development of the processes in order to stay at the markets. However, Brewer A took this approach even further:

BA: "I would go that far as claiming traditional competition being emphasized by the old companies. I do not even claim that it is even competition between large (Breweries) and us (microbrewers). I comprehend competition as a negative force. As a more cooperative brewery than the average, we want to

make more positive cooperation and decisions towards to overall future. This is not a business to get rich but there are few who think so”

Of course, brewer A represents only a single opinion, but similar echoes carry out from the survey as well. If the competition exists, it does not currently bother other microbreweries but is viewed as a positive force for the whole industry.

BB: “It (competition) is a very important quality-vice. No one affords to make bad quality products to markets. There is somewhat self-discipline not to do so but first of all, people are starting to understand beer more. If one actor keeps providing bad quality products, I would assume, they will eventually shut down.

In addition to the positive opinions, there was a clear pattern that the breweries having less or none cooperative ties to other breweries felt competition as a harmful force hindering their own growth.

BB: “There are different types of breweries also microbreweries. Some have clearly focused on pursuing exporting channels and others settle being a local actor. It can cause tensions when others have more attention from the markets”

6.2.2 Cooperative patterns of microbreweries

The answers about the overall view of the cooperation are quite divided. Some emphasize cooperation being the heart of the operations and making a great difference in gaining the market share from the larger breweries and others see it as a troublesome unnecessary act. Those who favour cooperation are naturally engaged to it themselves. They all emphasize the good overall attitude towards one another which enables the breweries to exchange information freely. When evaluating the actual benefit from the cooperation often occurs in the form of goodwill as the brewery A states:

BA: “We do not have to make the same mistakes as some other brewers have made. Some call me in order to ask guidance in importing goods since from my

previous life I have experience from that. -- Clearly, the benefit or financial benefit of the cooperation is that I have put down their "fire" and they can help me later when I need a hand. It is like an honorary debt to repay."

Those engaging in cooperation mentioned several different ways for cooperation. Mental support, marketing visibility, market knowledge, connections, brewery establishing practicalities, knowledge of the production processes, collaboration beer, loaning supplies and joint-purchasing supplies.

BA: "A Brewery X called us when after hearing from the Brewery Y that we have the same bottling machine they are about to acquire and thinking they would get a professional opinion about it. Salespeople give salespeople's opinion and from the colleague, you can get an honest answer. At least why I would not tell them? There is no sane reason not to. -- I do not question the fact that some people do not tell everything but at least we are not afraid of letting others know.
“

BB: "Marketing benefit comes when we co-organize an event together with other breweries creating the culture around beer which is the most critical thing in the industry. Also, when making a collaboration brews as a guest with unknown equipment seeing their processes and functions you will learn a lot from it."

The methods of cooperation vary from exchanging knowledge of simple tools to joint purchasing of supplies. As Bengtsson and Koch (2000) Coopeting firms cooperate on activities distant from the buyer. The most cooperative actions seem to occur among the production processes and acquiring supplies. The buyer closest activities of the brewers could be marketing visibility and connections to distributors. Then comes the collaboration beer which should be considered a very intimate customer interface-level form of cooperation.

BB: "Very common form of cooperation is the collaborations or co-brews. It is mainly marketing cooperation, with the fact that they are officially products of

the other brewery. Collaborations provide marketing awareness and market value”

As BB noted co-production has to be made without further agreements. When two or more breweries make a product together, distributing the profits of the sales through a licensing agreement is against the Finnish law of alcohol and alcohol beverage 9§ 383/2015. Violating the terms will cause the loss of an independent microbrewery status and 50% alcohol tax reduction. Products made from the collaborations have to be based on product development or marketing tools. According to brewery A, collaboration beers are for R&D, refining recipes and marketing but also fun activity:

BA; “Then are these collaboration beers but according to the latest interpretations (guidelines by Finnish tax authority), there is a change of banning them. -- In economically speaking it is nothing, but it is a hell of a fun to brew with good people and bath in the sauna while developing new products.”

There was also a very interesting two-sided opinion about the industry's cooperation.

BB: “If thinking some negative aspects of cooperation. In the industry, there is somewhat a pressure of making collabs (collaboration beers) for the visibility. It generates certain pressure to be active and seek collaboration brews.”

In cooperative relations companies are more innovative and performing greater on markets than without. When utilized the four levels of cooperation (see figure 3) adapted from Chin, Chan and Lam (2008) Microbrewers clearly fall into the type 3 low competition and high cooperation section. However not entirely as initially proposed being only geographically distant but also having other competitors or the markets have enough room for newcomers. Under uncertain market conditions, having extensive external market networks and low level of competition. (Ritala, 2012) Microbrewers seem to follow the theoretical principles. Having extensive networks within the industry, uncertain market conditions due to industry newness, regulatory jungle and cooperative philosophy.

6.3 The direction of the Finnish craft beer sector

When evaluating the current state of the Finnish craft beer sector and its direction there was a repeating pattern on the answers describing the cooperation of microbreweries.

B8: "Overall atmosphere is really great; newcomers are supported and knowledge is shared"

B2: "Cooperation between other microbreweries is unique. Certainly, it is due to the fact that we do a lot of work together in order to gain greater market share from the overall beer sales in Finland."

Some cooperative habits in the industry are perceived as a necessary act if pursuing growth and consumer awareness even though if the entrepreneur itself would not be very enthusiastic about it.

However, when asked about the competition between the microbreweries, the majority did not perceive the current situation very significant. Some predicted changing times being ahead.

B3: "(competition) Will be rough" B4: "It is getting tougher faster and faster"

BB: I would like to see the atmosphere staying as it is. Competition is not loosening from this when there are more breweries coming all the time. I hope that the spirit of the industry stays the same; working towards the same goal."

When comparing the Craft beer industry in Finland and in the US, they share similar characteristics where speciality beers or craft beer is taking over the markets from traditional bottom-fermented lager producing breweries when the overall beer consumption is decreasing. Where in the US the overall market share of craft beer is about one-quarter of overall beer sales in Finland it is about 5 per cent. Even though having some thoughts of different consumer behaviour between the US and Finland

Finnish market share should be able to climb further from the 5 per cent. However, in the US microbreweries are not facing as strict regulations in order to maintain their tax relieves than in Finland which enables more creative forms of cooperation and business models.

B15: "If the law would allow, we would joint-manufacture more and rent out excess capacity"

B8: "Regulators are quite strict with their interpretations. Always when two breweries collaborate there is fear of losing the tax relief. Without it, we could innovate a bunch of things. Now it is just easier to focus tinkering on our own."

Based on the answers the effect of the regulations to the business cannot be evaluated to the fullest extent but it is definitely perceived as the biggest limitation for the development of cooperative ties. 10 out of 19 breweries mentioned them as the greatest limiting factor. Even the perceived problem currently seems to be the regulatory field probably the true issue is the prevalent uncertainty over the regulations.

BA: "For several years we have demanded new interpretations from the tax authority and after these new interpretations arrived, they are anything but reasonable. Big ones can cooperate but small ones not. There you can see who can afford to lobby."

Danson, Galloway, Cabras and Beatty (2015) stated that changes in taxation can have a huge impact on the microbrewer's economy. As microenterprises their resources and limited and financial tolerance of losses is fragile. Breweries avoid cooperation if there is a chance of losing the 50 per cent tax relief.

BA: "No one has money and then there is no such an option to find an international firm to deal with our job but instead they have to be done by goodwill to others. -- Personally, I feel that authorities do not pay attention to how microbreweries are performing financially. This industry is currently seen"

as a very sexy business with huge margins and everything which is not true. The income statements of microbreweries are not pretty to look at.”

To sum it up, the Finnish microbrewery sector is very well networked strategic net. Apparently, most are aware of each other or indirectly linked to most of the participants. However, as microenterprises, they are not able to maintain large multiple portfolio relationships actively but instead, relations are activated when the need arises, or common interest has risen. Brewers emphasize the openness of the network and how everyone can receive help if asked. Has to be pointed out that there are few breweries who willingly leave themselves out of the net seeing no value in cooperation. Microbreweries indeed cooperate and compete at the same time, but they do not perceive each other as competitors but the actual opponent being the industrial breweries. This works as the combining force and vision the microbrewers share. Breweries compete with each other about the retailers but are very open about their internal processes. However, the overall perception of the industry is shadowed by uncertainties varying from the increase in competition to interpretations of regulations.

7 CONCLUSIONS

The following final chapter presents the conclusions of the study and the contribution to the academical field. The goal of this thesis was to examine business networks between the microenterprises in the craft beer industry where cooperative relations appear firmly. Naturally, managerial implications will be evaluated, and limitations will be presented in the subchapters.

7.1 Empirical findings and conclusions

The thesis pursued to find the answer to the following research question: *How microenterprises utilize strategic partnerships with the competitors in the craft beer industry?* The main question is backed by three Sub-questions: *How horizontal strategic nets are constructed between the microenterprises, how microenterprises combine collaboration and competition in their networks and How is the craft beer industry of microbreweries in Finland.*

The first sub-question follows: How horizontal strategic nets are constructed between microenterprises? When comparing the answers from the microbrewery sector to the network layer principles (Alajoutsijärvi et al. 1999, Möller & Halinen 1999, Möller et al. 2005). Brewery entrepreneurs in Finland know pretty much each other thus having relatively vast connections to other breweries. In other words, breweries have a large horizon of influence or strategic net which can be utilized in the time of need. However, they are able to maintain only a small active portfolio of horizontal partnerships due to the limited resources such as time and human capital. Activity links are maintained with few core partners consistently.

Brewers generally believe in the same goal which is to create a culture around the beer while competing together against industrial breweries. While a single local microbrewery is very small with limited capabilities a hundred of them are able to shake prevalent standards and win new markets through cooperation. The model supports the multicentric net type by Hakanen, Heinonen and Sipilä (2007) where the

net is constructed without separate hub firms and formed around joint efforts towards the collective goal and overall benefit.

The second sub-question follows: *How microenterprises combine collaboration and competition in their networks?* When asked from the breweries about the competition between the brewers the variable answers were given. Few breweries emphasized how they are not competing themselves but against the industrial giants. The most breweries were aware that there indeed is competition between microbreweries for retail and pub locations while emphasizing it being respectful and more of a positive matter. Competition exists but it is not perceived very intense. The situation enables microbreweries to cooperate more effectively which is optimal according to the optimal cooperation principles by Ritala (2012).

Breweries cooperate on many different levels of business activities ranging from joint purchases of supplies, marketing visibility and recipe development to mental support and process information exchange. Most of the breweries feel it is their duty to help others since earlier they received help as well. In many cases, cooperation is based on goodwill, but some see clear benefits from the cooperation marketing-wise creating more markets to craft beer by inspiring consumers. The findings are aligned with Bengtsson and Koch (2000) wherein cooperative partnerships cooperation occurs in buyer distant activities. However, in the craft beer industry, even marketing is done partly together.

The third sub-question states: *How is the craft beer industry of microbreweries in Finland?* Currently, brewers perceive the industry atmosphere great and cooperative ties are being appraised. Some predicted the competition getting tougher when more breweries are entering the markets and some growing and expanding their operations. The will would be to continue maintaining a similar atmosphere and open policies between the breweries.

Probably the biggest question is how fast Finnish craft beer sector is able to grow its market share from the approximate current 5 per cent compared to the growth of

already operating breweries and new breweries. Cooperation strategy at best enhances the company's performance (Ritala et al. 2014). However, brewers perceive their cooperative operations are threatened by the Finnish law of alcohol beverages 9§ 383/2015 regarding the tax relieves and recent guidelines of the Finnish tax authority on March 14th, 2019. Finnish authorities are not only binding the significant tax relief to the annual production of beer but also, they require brewery to be physically and economically independent. Brewery entrepreneurs do not consider recent tax guidelines clear and consistent which suppress cooperative operations. Not understanding the regulations endangers receiving 50 per cent alcohol tax relief if acted accidentally against the law.

Answering the main question: *How microenterprises utilize strategic partnerships with the competitors in the craft beer industry?* Microenterprises of the craft beer industry or microbreweries find cooperative ties important for their business. They understand each other's place in the markets and how they are competing against but value cooperation over it. Eighteen breweries out of nineteen agreed cooperation is an essential part of the industry are more or less active on it themselves. The emphasis is on the collective power microbreweries are able to harness in order to help with their daily operations and gaining market share from the large industrial breweries.

Figure 5 illustrates the degree of cooperative ties by Chin, Chan and Lam (2008), strategic nets and interconnectedness by Möller, Rajala and Svahn (2005) and findings from the Finnish craft beer sector. Type 2 cooperative setting (Chin et al. 2008) is a deal for the microenterprises enabling smooth and effective cooperation while also competing (Ritala, 2012). Microbreweries (B) clearly represent type 2 competition having a low level of competition but high cooperative efforts. As relatively local microenterprises and having a strong common objective, microbreweries do not engage in fierce competition with each other. Strong cooperative industry traditions and personal history of entrepreneurs have created a consistent cooperative culture to the whole craft beer industry. It is good to acknowledge, as seen on the type 1 section, where one 'B' indicates that some breweries willingly leave themselves out from the

active cooperative patterns focusing more on internal processes and vertical networks.

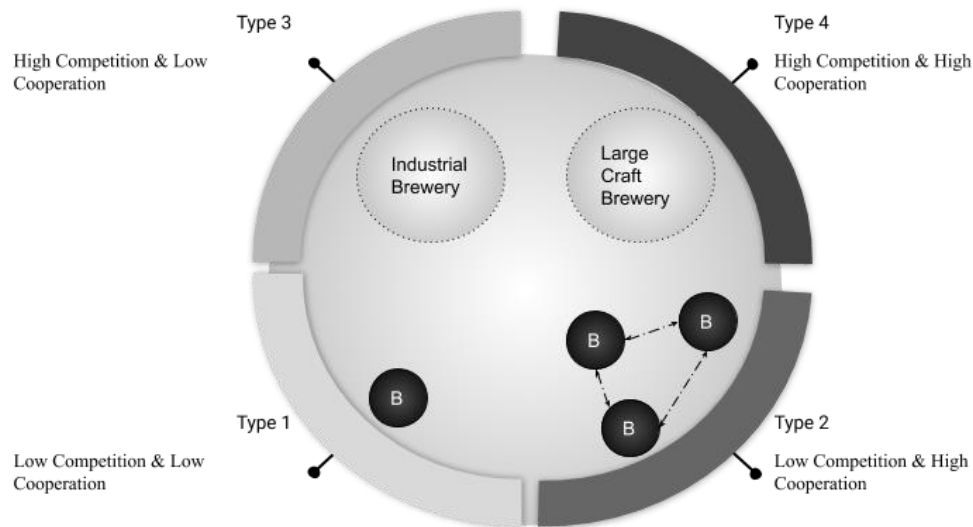


Figure 5, The degree of cooperative relations in the craft beer sector

What comes to types 3 and 4, I would assume industrial breweries mainly falling to the third category being since they do not share a similar cooperative spirit as the microbreweries. Type 4 organizations could be large craft breweries which are facing high competition due to their market expansion but yet are operating with a similar sharing philosophy as they started their operations. This reflects the overall attitudes of the industry's direction if the overall development continues and somewhat traditional cooperative strategy can be maintained.

7.2 Managerial Implications and theoretical contribution

The results indicate that microenterprises would benefit from cooperative ties if they manage to focus their competitive efforts to other channels than to themselves. Open information exchange not only benefit the companies, but the customers are also

receiving better quality products. For the entrepreneurs in microenterprises and for the ones founding a business the study gives an example of a cooperative model with the competitors. However, it is crucial to recognize the structures and operating models of your industry ensuring the shared success within the industry. It has to be ensured that those parties end up in a win-win situation and the strategic net operates strongly towards the common goal. In practice, the model from the microbreweries could at best work in the emerging industries in the technology sector or similar niche segments as craft beer where small enterprises seek to grow their market share. Good principle seeking cooperative partnerships is that it has to benefit all parties. Create value not only to participating organizations but also to their customers and closest partners.

The findings from the field were consistent with the previous study from the cooperative field (Bengtsson & Koch, 2000; Ritala, 2012) and equivalent network structures were found from the theoretical concepts from Möller and Rajala (2007) and Hakanen, Heinonen and Sipilä (2007). What comes to the previous research of microbreweries and craft beer industry the findings of this study indicate the current situation in Finland. However, significant similarities were found in Australia (Alonso et al. 2018) and partly in Ireland (McGrath & O'Toole, 2013). Especially, compared to the study by McGrath and O'Toole (2013) I argue the industry being developed since and the limitations they listed the brewers had then have come down to some extent. However, when critically inspecting the industry from the networking capability perspective they are right since microbreweries are not able to help extensive connections and develop them in the theoretically adequate way.

7.3 Limitations of study

The study focused on studying cooperation of microenterprises within the craft beer industry. The study defines research very specific which raises questions of the applicability to other industries. Also, the research sample always sets some speculations for generalizing the results when the only a fraction of total micro enterprise-sized breweries answered to survey and two other breweries gave more deeper insight about the matter. It has to be acknowledged that the findings indicate

rather niche views about the partnerships. Level of inspection has been only the horizontal relations between the breweries and every supplier-buyer relations are intentionally neglected. How much resources those activity links are consuming and how actors in breweries maintain vertical bonds.

When studying cooperation and especially when asking about other organizations than the answering one some firms might avoid telling specific facts. Especially in the Finnish craft beer sector, recent guidelines by national tax authority has raised great uncertainties concerning the industry's cooperative traditions. Naturally, revealing specifics about cooperative ties between breweries have become a harder topic to discuss when they are afraid of losing tax relieves. Interviewed brewer A initially seriously joked the survey being a trap set by the governmental agency before the actual interview.

7.4 Future Research Implications

This study raises several potential future research opportunities on the table. Coopetitive relations could provide interesting future topics, for example, examining medium and large corporations or coopetitive relations between large and small firms. Also, a case study or experimental research of coopetition in a different industry context would be intriguing to cover.

What this study brings to the table about microenterprises and strategic nets should be brought examined in the other industries as well. It is arguable how well the methods of the craft beer industry could be taken to high technology field. However, it would be very intriguing to find out. How, e.g. technological sector utilizes coopetitive relations or how numerous micro-entrepreneurial industries, e.g. barbers, logistic or small producers could benefit from the coopetitive relations. If staying at the craft beer industry this study does not cover much the development of their business activities and how their strategic nets change along with the growth of the brewery. Also, what is the role of strategic nets of the craft brewers during the internationalization process? These are just a fraction of the possible approaches to the area.

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Appendix 1

Survey questions/interview outline

PART 1

Panimon nimi**Name of the brewery****Panimon paikkakunta****Municipality of the brewery****Vastaajan rooli yrityksessä****Answerer's role in the business**

- (Osa)Omistaja (ainoastaan),
(Co)Owner (only)
- Panimomestari (ainoastaan),
Brewmaster (only)
- Omistaja että Panimomestari,
Owner and brewmaster
- Muu työntekijä, Other employee
- En tahdo vastata, I wish not to
answer

Vuotuinen oluen tuotantomäärä**Annual production of beer**

- 100 000 litraa tai vähemmän,
○ 100k litres or less

- yli 100 000 - 500 000 litraa,

- over 100k to 500k litres

- yli 500 000 - 2 000 000 litraa,

- over 500k - 2m litres

- Enemmän kuin 2 000 000 litraa,

- more than 2 million litres

- En tahdo vastata,

- I wish not to answer

Työntekijöiden määrä**Number of employees**

- Alle 10 henkilöä,

- less than 10 people

- 10 tai enemmän

- 10 or more

**Karkea arvio Liikevaihdosta
vuonna 2018****Rough estimate of the revenue in
2018**

- Alle 2 miljoona euroa

- less than 2 million euros

- 2 miljoona tai enemmän

- 2 million or more

Part 2 open-end questions**Miten kuvailisitte suomalaisten pienpanimoiden välistä yhteistyötä?**

How would you describe the cooperation between Finnish microbreweries?

Miten kuvailisitte suomalaisten pienpanimoiden välistä kilpailua?

How would you describe the competition between Finnish microbreweries?

Minkä panimoiden kanssa tällä hetkellä teette yhteistyötä?

With which breweries you are currently cooperating?

Miksi olette "valinneet" juuri heidät teidän lähimmiksi yhteistyökumppaneiksi?

Why you have "chosen" just them as your closest partners?

Millaisilla osa-alueilla teette yhteistyötä?

In which areas you are cooperating?

Millaisilla osa-alueilla teette yhteistyötä edellämainittujen kumppaneittenne kanssa?

In which areas you are cooperating with previously mentioned breweries?

Millaisilla osa-alueilla kilpailette heidän kanssaan?

In which areas you are competing with them?

Millaisilla osa-alueilla kilpailette heidän kanssaan?

In which areas you are competing with them?

Miten olette hyötynneet yhteistyöstä muiden pienpanimoiden kanssa (esim. markkinointi, henkinen tuki, näkyvyys, tieto-taito prosesseista)?

How you have benefitted from the cooperating with other microbreweries (e.g. marketing, mental support, visibility, know-how in processes)?

Koetteko hyötyväanne panimoiden välisestä kilpailusta?

Do you feel gained benefit from the competition between the breweries?

Oletteko suunnitelleet kehittää nykyisiä suhteita tai luoda uutta yhteistyötoimintaa muiden panimoiden kesken? Millaista yhteistyötä haluaisitte tehdä?

Have you planned to develop your present relationships or create something new cooperative activity between other breweries? What kind of cooperation you would like to do?

Mitkä tekijät rajoittavat mahdollisuuksianne tehdä tiiviimpää yhteistyötä muiden panimoiden kanssa? (esim. säädökset, aika, motivaatio, välimatkat) Mitä tekisitte toisin, jos näitä rajoitteita ei olisi?

Which factors limit your opportunities to cooperate more intensively with the other breweries? (e.g. regulations, time, motivation, distances) What would you do differently if these regulations would not exist?