The craft beer market in Argentina: An exploratory study of local brewers' and consumers' perceptions in Mar del Plata

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Abstract

During the last twenty years, Argentina's craft beer industry has experienced steady growth, which led to an increase in the number of both breweries and consumers. One of the first and most important craft beer clusters in the country is in Mar del Plata, a popular tourist destination on the coast in east-central Argentina. The sustained popularity of craft beer in this city provides an interesting case study to analyze thoroughly the evolution of a craft beer cluster in a developing country. This article aims to analyze producers' perceptions as well as consumers' preferences toward craft beer, in order to understand the craft beer drinkers' decisions and choices. We interviewed five craft brewers and conducted two focus groups with local craft beer consumers. The results show that neolocalism is highly valued in the industry by both producers and consumers. We identify two groups of craft beer consumers: beginners or social consumers and sophisticated or craft beer lovers. The attributes most appreciated by consumers are quality, flavor, and bitterness.

Keywords: craft beer cluster, microbreweries, neolocalism, consumer preference theory.

Subject classification codes: D11, D22

Introduction

Argentina's craft beer industry is currently undergoing significant growth. Breweries and pubs serving craft beer have sprung up all around the country. Similar to the evolution of craft beer in other countries as documented by numerous authors (Elzinga et al., 2015; Garavaglia & Swinnen, 2017[1]), craft beer began to thrive in Argentina as young entrepreneurs turned their homebrewing hobby into a business, and spread the craft beer movement throughout the national territory.

The origins of beer brewing in Argentina date back to the presence of European immigrants near the port of Buenos Aires in the mid-eighteenth century. Some of the early ventures decades later were dominated by large brands of mass-produced beer. These companies specialized in the manufacturing and sale of a light lager beer that shaped the taste of local consumers over the years that it dominated the beer market.

The Argentine craft beer movement, however, began in small and medium-sized cities from different regions of the country in the 1980s. Figure 1 shows the cities where the main craft beer clusters are located. The pioneering craft breweries were established in Bariloche, El Bolsón, Mar del Plata, and Villa General Belgrano. More recently, craft beer has also penetrated in large urban centers, such as Ciudad Autónoma de Buenos Aires and La Plata. As a result of the emergence of the craft beer industry the average local beer consumer's preferences for the quality and variety of beer they consume has become more sophisticated.

In Argentina, the consumption of wine and mass-produced beer has a longer tradition than craft beer. Historically, the preferred alcoholic beverage has been wine, which maintained an average annual consumption higher than 75 liters per capita in the 1960-1990 period (FAOSTAT). Since then, the industry experienced changes in production and marketing that affected wine consumption patterns in the country, resulting in consumers beginning to prefer quality over quantity, and wine consumption gradually decreased to 19 liters per capita in 2018.

During the twentieth century, beer was considered in Argentina, unlike wine, a seasonal beverage, with annual peaks of consumption registered in warmer months. At that time, the mass-produced beer consumption was rarely over 20 liters per capita (FAOSTAT). By the 1990s, the industry modified its marketing strategies and increased the production and sales. Thus, beer consumption increased sharply from 19 liters per capita in 1990 to 43 liters per capita in 2017. According to the Argentine Wine Observatory (2018), the consumption of beer surpassed wine by a considerable margin. In 2017, total wine consumption in Argentina was 8,905 million hectoliters while beer consumption was 20,857 millions of hectoliters[2].

The rise of craft beer occurred in this context of increasing demand of beer overall in Argentina[3]. This industry started with a niche market, and experienced a steady growth during the last twenty years, which led to an increase in the number of both breweries and consumers. According to the Argentine Chamber of Craft Brewers, the industry employs 6,000 persons and satisfies around 3% of the total beer market. Therefore, the prospects for growth are considerable, similar to other countries of the region such as Brazil (de Oliveira Dias and Falconi, 2018) or Colombia (Toro-Gonzalez, 2017) where craft beer consumption is expanding.

The most developed craft beer clusters in Argentina are in Bariloche and Mar del Plata. Bariloche is a city located in the foothills of the Andes, in Patagonia Argentina. In this region, German immigrants brought and spread their beer culture. Nowadays, micro and small breweries coexist with consolidated brands of mass-produced beer (Colino et al., 2017; Kaderian, 2018). This craft beer cluster is characterized by its beer varieties, volume, and increasing demand (Civitaresi et al., 2017; Civitaresi et al., 2015; Colino et al., 2017)

Mar del Plata is a popular tourist destination situated on the Atlantic coast in the southeast of Buenos Aires province. The passion for craft beer in this city began when the first microbrewery, called Antares[4], was founded in the year 1998. The success of this firm encouraged local brewers to start their own breweries in the city. More than 60 breweries are located in the city, which generate 250 direct jobs and more than 2,000 indirect jobs (Figure 2). This craft beer cluster is led by young entrepreneurs with innovative minds, who have created a collaborative environment. In 2017, they founded the Argentine Chamber of Craft Brewers and launched the first National Craft Beer Congress. They also organized regional beer festivals, for example, Macerar and Birrearte, and international beer competitions, such as the South Beer Cup.

The recent empirical literature on Argentina's craft beer industry has been focused more on the supply rather than the demand-side of the market. Along these lines, some studies have analyzed the craft beer cluster in Bariloche (Civitaresi et al., 2017; Civitaresi et al., 2015; Colino et al., 2017; Kaderian, 2018). The authors conclude that the craft beer sector of Bariloche is characterized by a dynamic environment, embedded in a certain beer culture and using local inputs that promote an innovative environment. Other research has examined the relationship between craft beer and tourism, for example, in the case of Mar del Plata (Costanzo, 2015) and La Plata (Sager, 2016). This research demonstrates that craft beer has potential as a touristic activity that supports local, authentic small business development. Recently, Iglesias (2019) analyzes the origin and evolution of the production of craft beer in Mar del Plata combining two theoretical frameworks, the sociology of technology and the economic theory of technological change. One of the results that he finds is the importance of cooperation between brewers, the learning by doing process, and the interaction with local community as key elements in the growth of the sector in Mar del Plata. However, no research has been undertaken on both the supply as well as the demand-side of the craft beer industry in Argentina.

This article aims to analyze the supply and demand forces that shape the emerging craft beer market in Mar del Plata, Argentina. A series of interviews and focus groups were undertaken with key brewers and consumers involved in the craft beer industry of Mar del Plata. The article is organized as follows. Section 2 includes a theoretical review of neolocalism in microbreweries and the new approach to consumer theory applied to the craft beer market. Section 3 is devoted to explaining the empirical approach, while Section 4 is dedicated to present the main results. Finally, Section 5 presents the conclusions, limitations, and recommendations for future research.

1. Literature review

1.1 *Neolocalism in microbreweries*

The concept of neolocalism was defined by Shortridge (1996) as a movement characterized by seeking out regional traditions and local attachment. Since its beginnings, the craft beer movement around the world has been making genuine connections with people and local idiosyncrasies.

A growing literature emphasizes the importance of geography and local traditions in craft beer culture. Flack (1997), suggesting that the expansion and success of microbreweries in the United States are closely related to geography and the creation of a "sense of place". In the same way, Schnell & Reese (2003) concluded that the rapid growth of microbreweries in the United States is a manifestation of an increasing number of brewers and consumers trying to reconnect with their local environment. In a recent study, Holtkamp et al. (2016) found that the "sense of place" is also used by the brewers in marketing strategies as a way of emphasizing local distinctiveness.

The connection between craft beer and local idiosyncrasies is, generally, reflected by the breweries' brands and beer varieties. The brewers feel themselves part of the local community, and local residents recognizes them as such. This can be perceived not only in issues related to the beer brand but also in the recognition that brewers show toward local causes and activities. For example, the breweries often organize activities that reinforce local traditions and culture (Graefe et al., 2018). In addition, the brewers are frequently involved in collective actions such as protecting nature or supporting social issues. For example, craft beer companies in the United States created a special beer called "692 No Dam Brew" and donated its profits to the protection of the Yellowstone River (Graefe et al., 2018).

The concept of "buy local" refers to a philosophy that encourages people to purchase goods produced by local firms. In general, these are small and medium-sized firms that sell their goods in the surrounding areas where they are established. Telfer & Hashimoto (2002) mentioned that this is a strategy focused on incorporating local food and beverages as a tourist attraction. This is a widespread practice in the craft beer industry, which is often promoted by the local governments to enhance regional development. Some studies documented these types of practices in the craft beer industry of Canada (Plummer et al., 2005) and the United States (Gatrell et al., 2018).

1.1 New Consumer theory

Lancaster's new approach to consumer theory is the starting point for characterizing goods' attributes, in order to determine the consumers' preferences and willingness to pay. His approach suggests that consumer utility depends on the characteristics of the goods rather than on the goods themselves (Lancaster, 1966). In other words, the consumer's valuation depends on goods-specific attributes, including price.

The problem in determining consumers' preferences consists of selecting those characteristics that provide him or her a higher level of utility. Therefore, two elements play a role in this choice: a vector of characteristics with available information for consumers, and an activity vector with the collection of goods that consumers can afford considering their income.

Nelson (1970) and Darby & Karni (1973) analyzed consumers' purchasing process, considering the information available. They developed a classification of goods based on different properties that goods, or their attributes, have. These properties are:

- Search: the consumers have complete information about the product, and they assess the set of desired attributes before buying it.
- Experience: the consumers have information about the product from previous purchases.
- Credence: the consumers trust the information of the product given by the firm, but they cannot easily verify it.

Craft beer is a product that has a wide range of differentiation properties, which consumers consider in their purchasing process. For this reason, the authors propose that the classification mentioned above could be used for grouping the attributes of craft beer. Table 1 shows a synthesis of the attributes of the craft beer, following the classification proposed by Nelson (1970) and Darby & Karni (1973).

The first group includes the "search" attributes: packaging, place of origin, alcoholic percentage, organic production, IBU (International Bitter Unit), color, and price. High prices of craft beer are often associated with better quality (Ascher, 2012; Bredahl, 1999). The diversity of styles and tastes of craft beer also explains why consumers choose to drink them (Durisin, 2013).

The second group embraces "experience" attributes. According to Sester et al. (2013) these are sensorial experiences that influence the process of purchasing choices. Taste is one of the most important attributes in this group. Thus, Block et al. (2013) affirmed that "taste is paramount". Flavor is another attribute that affects the craft beer purchasing decision (Aquilani et al., 2015; Orth & Lopetcharat, 2006). A recent study by Koch & Sauerbronn (2019) that analyzed the consumption of craft beer in Brazil highlighted a social subculture that prefers to "drink less, drink better". This trend demonstrates that craft beer can be evaluated as a high-quality beverage.

The third group contains "credence" attributes concerning the information provided by craft beer firms. In this case, the brand of the craft beer represents the credibility attribute (Aquilani et al., 2015; Galizzi & Garavaglia, 2012; Sester et al., 2013). For example, consumers could identify themselves with the philosophy of a brand, and trust in the quality of its beer. Galizzi & Garavaglia (2012) suggested that consumer perceptions of a brand are more important than the intrinsic characteristics of the product.

The socio-demographic characteristics of a target population, such as gender, age, income, marital status, and consumer habits, affect its consumption (Donadini & Porretta, 2017). Graefe et al. (2018) affirm that only a few studies have assessed these aspects of craft beer consumers. The social environment is also important for consumers of craft beer. For example, Gabrielyan et al. (2014) found that consumers who drink craft beer with friends have a high willingness to pay for this beverage.

In summary, craft beer is a product defined by its local environment and dynamic relationship with its consumers. Neolocalism theory allows us to understand the importance of the surrounding geography in the identity of the craft breweries. These aspects also influence the preferences and purchase behavior of the consumers. In particular, how they assess the attributes of the craft beer. This connection with the territory and its people makes each place's craft beer industry a unique object of study. For this reason, this research aims to analyze the supply and demand forces that shape the emerging craft beer market in Mar del Plata.

2. Methods

This study employed a qualitative research design to gather information from brewers and consumers of the craft beer cluster in Mar del Plata. First, we conducted five semi-structured interviews with owners of traditional craft breweries to study their perception of neolocalism and the behavior of their consumers. Second, we organized two focus groups with local consumers that allowed us to understand their tastes and preferences for craft beer. The respondents agreed to be recorded and to provide us information for academic purposes.

The first part of the research involved the design of semi-structured interviews. The approach seeks to understand the interviewees, their words, and their phrases (Yin, 2003). For this, the researcher must engage in a conversation with the interviewees, guided by a questionnaire with predefined statements that may vary as the interview flows.

In this study, the questionnaire for the interviews was designed based on previous studies about neolocalism and consumers' preferences. We structured the questionnaire in three blocks: firms, local environment, and consumers. We define different codes in each block to categorize and compare the answers.

- Firms: This block covers the history, the characteristics of the products, and the productive and marketing strategies of the company.
- Local environment: This block refers to the craft beer value chain. We introduced questions about inputs, suppliers, competitors, and market.
- Consumer perceptions: This block makes inquiries about craft brewers' perceptions concerning the taste and behavior of the consumers. We wanted to know, according to the producers, craft beer consumption trends and the most popular beer styles.

The interviews were conducted in five different breweries in Mar del Plata in March 2018. All of the interviewees were owners of breweries and males between the ages of 30 and 50 years old. The dialogues were recorded with the consent of the participants, and later they were transcribed and analyzed. Most of the owners felt grateful for the visit and showed us their breweries and the production process, which we could photograph with their permission. During the analysis of the collected data, we used complementary documents concerning the topic to verify the accuracy and veracity of the information provided. The analysis of the interviews was based on Yin's (2003) five-phased cycle:

1. Compiling and sorting the data;
2. Disassembling the data into smaller fragments and assigning labels to each one;
3. Reassembling the fragments into groups by different themes;
4. Interpreting the reassembled data to create a narrative;
5. Concluding the results of the interpretation.

For the demand side, we sought information on consumers' preferences for craft beer in Argentina and, in particular, about local craft breweries. For that purpose, we conducted two focus groups with local consumers. The focus groups were organized according to the guidelines of Hennink, 2007 and Marradi et al. (2007). We conducted two sessions of meetings during April 2019. Each session was led by a moderator who explained the rules and facilitated the discussion. The moderator tried to induce the participants to express their opinions with minimum direction. An assistant wrote notes, took photos, and recorded each session with the consent of the participants.

The participants of the focus groups represented a purposive sample of local consumers, with differences in terms of gender, age, occupation, and hobbies. We selected randomly 20 (eleven males and nine females) enthusiastic consumers of craft beer. We divided them into two groups of 10 persons for each of the sessions. The criterion for grouping the participants was that they should have some common experience or presumably share some views in common.

The focus group was designed following the technique applied by Donadini & Porretta (2017) with Italian craft beer consumers. At the beginning of each session, we explained the purpose and the activities of the focus group. We organized the sessions along three themes:

1. Consumer habits. The participants were asked to talk about the last craft beer consumed and other information, such as frequency of consumption, favorite craft beer styles, and last craft brewery visited (multi-store or specific brand).
2. Attribute valuation. The participants assessed the attributes of the craft beer. In order to evaluate the sensorial attributes, we carried out a craft beer tasting of different styles (lager, ale, and porter), without labeling the samples. After that, each participant had to describe his or her sensations and rank the beers tasted in order of preference.
3. Brand fidelity: The participants watched different pictures of the main local craft beer brands and they were asked to point out the positive and negative aspects of each of them.

3. Results

The results of this study are presented considering the literature reviewed about neolocalism and the new approach to consumer theory. This section is sequentially organized, in terms of the supply and the demand side of the craft beer market in Mar del Plata. Then, we perform an integrated analysis of the interplay of both forces of the market.

3.1 Supply

First of all, we present the main characteristics of the firms interviewed. Table 2 shows the years since foundation, the range of number of employees, the productive capacity, the origin, and the percentage of imported raw materials and the styles of beers produced by the five firms[5] visited during the interview process.

As we mentioned previously, the craft beer industry has been growing for the last twenty years in Argentina. However, most of the craft breweries in Mar del Plata were founded in the late 2000s. The range of number of employees indicates that two firms have less than 15 employees, two firms have between 16 to 60 employees, and one brewery has 61 to 235 employees. Most of the craft beer firms have a limited production capacity no larger than 50,000 liters of craft beer per month.

All of the firms visited used imported inputs from the United States and European countries. The brewers interviewed mentioned that they need to import hops and some types of malts. Despite that, they are willing to pay more for the local hops. This is closely related to the concept of “buy local” (Gatrell et al., 2018), where not only the consumers are attracted to purchase local products but also the producers. One of the craft brewers affirms:

> "I would love to have a provision of local hops. I would pay more money. The climatic conditions to produce local hops are being studied in Mar del Plata. There are some initiatives."

Concerning the local hops, a collaborative environment exists between hop growers and craft brewers. One of the brewers interviewed said that he reached an agreement with a local hop producer to brew a special style of beer with local hops.

> "We brew a special craft beer with local hops. To recognize it, we called it the name of both brands [brewery' and hop producer' names] and the profits we obtained were invested in the local hop project"

The firms visited produced well-known and popular craft beer styles. The brewers started with the traditional styles, such as Kölsh, Stout, Porter, Honey, and Indian Pale Ale, and they have gradually incorporated new beer styles. Many of these brewers admitted that they participate in craft beer competitions (local and international) and some of them were recognized for their craft beer recipes. The brewers interviewed also said that local consumers appreciate a beer when it is successful in a competition.

The use of local names and images for the branding of the craft beers is a central characteristic of neolocalism theory. As we said previously, Mar del Plata is a coastal city and one of the most popular tourist destinations during the summer holidays in Argentina. For this reason, the names of two craft breweries we visited come from elements related to the sea. In addition, the names of three craft beer styles in one brewery makes reference to the surf and other seasonal activities. The owner of this firm said that they are developing a new beer variety using seawater as an input for its production. This "sense of place" in terms of Holtkamp (2016) is clearly applied by these firms.

> "Apart from the traditional styles, we have our seasonal styles [the names and the flavors change according to the season]. Now we are also working with a company to use seawater to produce craft beer [which name refers to the sea]"

Social and community engagement is another particular characteristic of neolocalism theory. We found that the firms visited were supported by private and public local organizations. All of these firms were members of chambers of craft breweries in Mar del Plata. They also had business relationships with suppliers, laboratories, and/or software companies. Indeed, some of the craft beer firms had joint projects with universities or public research organizations.

The craft brewers have also made collaboration beer with other firms of the cluster. They also organized regional beer festivals (Macerar or Birrearte) and international beer competitions (South Beer Cup). In 2017, the craft breweries launched the first National Craft Beer Congress.

In 2018, an important event took place called "Mar del Plata - Science and Beer", which was organized by the IPATEC- CONICET[6]. This meeting brought together the scientific and technical areas of the craft beer industry. They worked with the brewers to improve their competitiveness, profits, and the quality of the product. They offered technical training and tools to add value and provide differentiation to the local craft beer. In this event, for example, a free software app called "MicroBrew.AR" was developed for controlling the yeast.

The brewers interviewed mentioned relations with public institutions such as the university (National University of Mar del Plata) and the National Agricultural Technology Institute (INTA). The latter organized workshops of good practices for the production of craft beer and also provided support on quality control.

There is an important link between craft breweries and local companies of software and information services. One of the interviewees referred to a software developed by a local firm for his craft brewery. He recognized that it is an advantage to be near to a software developer that can understand the local business and give specific support.

The craft beer firms of Mar del Plata have a promising future since they are characterized by offering high-quality products, working with skilled manpower and making strategic alliances with other companies. In Argentina, these actions are called "solidarity brewing". In most of the cases, craft beer companies, microbreweries, and also homebrewers join their efforts to produce a special beer to support a local non-governmental organization or social issues. For example, the Argentine female craft beer movement brew a beer called "Azurduy" - named after an important woman in Latin American history- and the profits are donated to help fight gender violence.

One of the goals of this research was to understand craft beer brewers' opinions about consumers. In general, the interviewees all agreed that consumers like craft beer locally produced. They also highlighted that consumers appreciate that craft beer does not have any added chemicals and that consumers feel proud to drink it. The owner of the firm 3 said:

> "Consumers know that craft beer is a natural-processed beverage. We work with noble inputs, without antioxidants or chemicals."

According to the owner of the firm 1, the success of craft beer emerged as a counterpart of the beer sold by large corporations. He defined craft beer as the antithesis of the mass-produced beer, and added that the craft beer industry could innovate and offer a larger variety of options that consumers would appreciate. In this line, the brewers admitted that the consumers are different, so that it is advantageous to brew as many varieties as possible in order to offer multiple options to the customers. The owner of firm 4 expressed that:

> "Consumers of craft beer have different preferences, but each of them can find an appropriate style of beer"

Finally, those interviewed remarked that craft beer is not a passing fashion and agreed that the market is growing. Both producers and consumers are learning and incorporating craft beer in their daily life.

He commented, "This is not fashion; it is a cultural change."

3.2 Demand

The focus groups that the authors conducted provided the opportunity to understand the consumers' behavior and perceptions about craft beer. This was an exploratory approach that provided some guidelines to understand consumers' preferences, although the authors recommend continuing to analyze these insights in future studies.

The selection of participants was based on socio-economic criteria. Table 3 shows the variables and attributes used for choosing and dividing the participants into two groups of ten persons each. The mean age was thirty-eight in group 1 and thirty-three in group 2.

We identified at least two groups of consumers: beginners or social consumers and sophisticated consumers or craft beer lovers. The beginners or social consumers had a low frequency of craft beer consumption. These types of consumers preferred to drink the traditional styles of beer and they often chose the same type of beer (i.e. lager). The sophisticated consumers or craft beer lovers had a high frequency of craft beer consumption. They drank craft beer not only in bars but also in their homes. These people considered that growlers (refill centers) and craft beer festivals represent an opportunity to discover new varieties, brands, and styles of beer.

Concerning the general patterns of consumption are presented in Table 4. The beginners or social consumers had a low frequency of craft beer consumption. The group called sophisticated is characterized by a higher frequency, in general; they drink craft beer once or twice a week. In terms of company, there is no differences between groups. Most of them drink with friends and family in breweries during the "happy hours". The youngest participants, most of the students with low income, affirmed that they preferred "happy hours" to pay less for the beer. They mentioned also that the experience (positive or negative) with a brewery was one of the key factors for them to come or not come back to a brewery. The participants recognized also that craft beer changed their habits of consumption. For example, nowadays craft beer could be a drink for any month of the year. However, in the past, the beer was considered in Argentina a seasonal beverage for the warmer months.

An additional issue analyzed during the focus group dynamics, was consumer perceptions of the attributes. The participants mentioned the main attributes that influenced their preferences toward craft beer. The selection of the most valued attributes was consistent with the literature reviewed (Table 5). We identified "search attributes": diversity, bar atmosphere, awards/recognition, and price. Then, we recognized "experienced attributes": body, flavor, temperature, quality, alcohol, and aroma. Finally, we found a "credence attribute": brand. The participants of the focus groups also associated some craft beer brands with other attributes, such as quality, diversity, and a good bar atmosphere.

Finally, the last point analyzed was the assessment of craft beer brand fidelity. The consumers identified Antares, Cheverry, Brewhouse, Mauer, Bohr, and Baum as the most renowned local craft beer brands. According to the participants, these brands offered different styles of craft beer and all of them had a differential in terms of quality. Apart from that, the consumers also admitted that they preferred to "buy local" craft beer as a way of promoting local development. One of the participants expressed:

> "I prefer to 'buy local' craft beer, we have a high quality (of beer) and it is also good for Mar del Plata because it generates local employment"

The participants affirmed they had some favorite local craft breweries where they often chose beer styles they already knew and liked. They admitted being keen on special craft beers offered for summer activities or music events. They also like beer festivals that usually brings new styles and brands of craft beer. Finally, the participants demonstrated a high appreciation for the recommendations received by brewers.

> "If I go to my favorite brewery, I know the style I want. But if I want to try new styles, I go to festivals, or maybe I request for a recommendation for my growler".

Finally, the participants assured that they appreciate the innovation process in the craft beer industry. They recognized that craft brewers are always trying to introduce a new craft beer style and different format for their products (cans, bottles, or growlers).

The results are organized in terms of supply and demand. However, in this specific market, there is an important interplay of both forces that continuously affect the relations between brewers and consumers. For instance, the brewers recognized themselves as innovative, but that this is in response to the growing demand for new flavors and craft beer styles.

In addition, the sense of place is perceived by both brewers and consumers. This local identity is a distinctive aspect of the craft beer market that could be considered in the breweries' marketing strategies as well as in the local public policy that promoted local culture and tourism.

4. Concluding remarks

The craft beer movement has transformed life in Mar del Plata for the last twenty years. This was the consequence of a group of enthusiastic brewers that day by day are committed to brewing their best product.

This study is an initial diagnosis of the craft beer market in Mar del Plata. The insights obtained could be useful to understand both the supply and demand-side of one of the earliest craft beer clusters in Argentina. This sector grew rapidly, first at a local level and then through the country.

The approach selected for this study was based on the literature reviewed. First, neolocalism theory allowed us to understand why the "sense of place" and the local environment are so important to this product. Second, the new approach for consumer theory helps to inquire about how consumers assess the attributes of craft beer.

In Mar del Plata, we found a collaborative environment among the craft breweries. During the last two decades, the craft beer industry grew and consolidated. The local craft brewers founded the National Chamber of Craft Beer and they work together for different social and environmental causes. They are continuously evolving, trying to understand consumer behavior, and offering new beer varieties to consumers. We found that quality, innovation and "sense of place" are key drivers of success in the local craft beer industry.

From the demand side, we identify at least two groups of consumers: beginners or social consumers and sophisticated or craft beer lovers. The main factors that influence the preference of the consumers toward craft beer are taste, quality, brand, temperature, body, and previous experience. In addition, consumers' preferences depend on social-demographic characteristics (age, gender, income) and habits. They recognize and appreciate the local brands that allow us to say that there is a culture of "buy local".

This preliminary study reflects the importance of the industry as a driver of local development in the city. Concerning public policies, we present some recommendations for the supply and demand-side to foster the local market. As Aquilani et al. (2015) suggest, understanding the demand perceptions could be useful for managerial decisions to promote craft beer by modifying the communication and marketing strategies. From the supply side, it would be interesting to develop a city-wide brand that highlights locally produced beers and promotes them. In addition, another option is to generate links with other local firms to offer complementary products (for example, cheese, fish or meat). For the case of Italy, Pezzi (2017) highlights the importance of a territorial marketing strategy linked to craft beer and gastronomic culture. In the case of Mar del Plata, local firms could develop a box of local products that could include craft beer, cheese, fish, and other local products.

From the demand-side, it would be an interesting strategy to organize craft beer tours in breweries as a local tourist attraction. In the literature, there are several contributions that analyzed the relationcraft beer and tourism, e.g., in Canada (Plummer et al., 2005), US (Dunn & Kregor, 2014; Feeney, 2017; Francioni & Byrd, 2012; Murray & Kline, 2015) and Italy (Pezzi et al., 2019). These tours could be supported by a software application that would provide information (beer styles, contacts, and schedules) about the craft beer trails. This would create an interesting link between two sectors that are important in Mar del Plata (craft beer and information and technology sector).

This is a preliminary study that has some limitations that we want to cover in further research. It would be interesting to conduct interviews with more brewers and other local actors involved in the craft beer industry, such as the government, the suppliers, and other related industries. We are also interested in analyzing, in more depth, the demand- side. For that purpose, the next step will be to carry out a survey to collect data about craft beer consumers in Mar del Plata and to identify different consumers' profiles. This information would be useful for local brewers and local governments, in order to promote craft beer consumption and tourism.

Notes

[1] Garavaglia and Swinner recently edited a book that summarizes an compares the emergence and growth of craft breweries in different countries around the world.

[2] The available data do not allow us to distinguish between craft and industrial beer.

[3] This is actually different from what we are seeing in countries like Canada (Chittley, 2014), the USA, the UK, and the Netherlands (Garavaglia and Swinnen, 2017) where craft beer is rising while overall beer consumption is declining.

[4] Antares was founded by three engineers who learned how to brew beer, while they were studying in the United States. As soon as they returned to Mar del Plata, they opened a craft brewery. The business began as a microbrewery, and two decades later it became a renowned modern company capable of producing 250,000 liters of beer per month (TELAM, 2017).

[5] The companies' names are omitted for confidential reasons.

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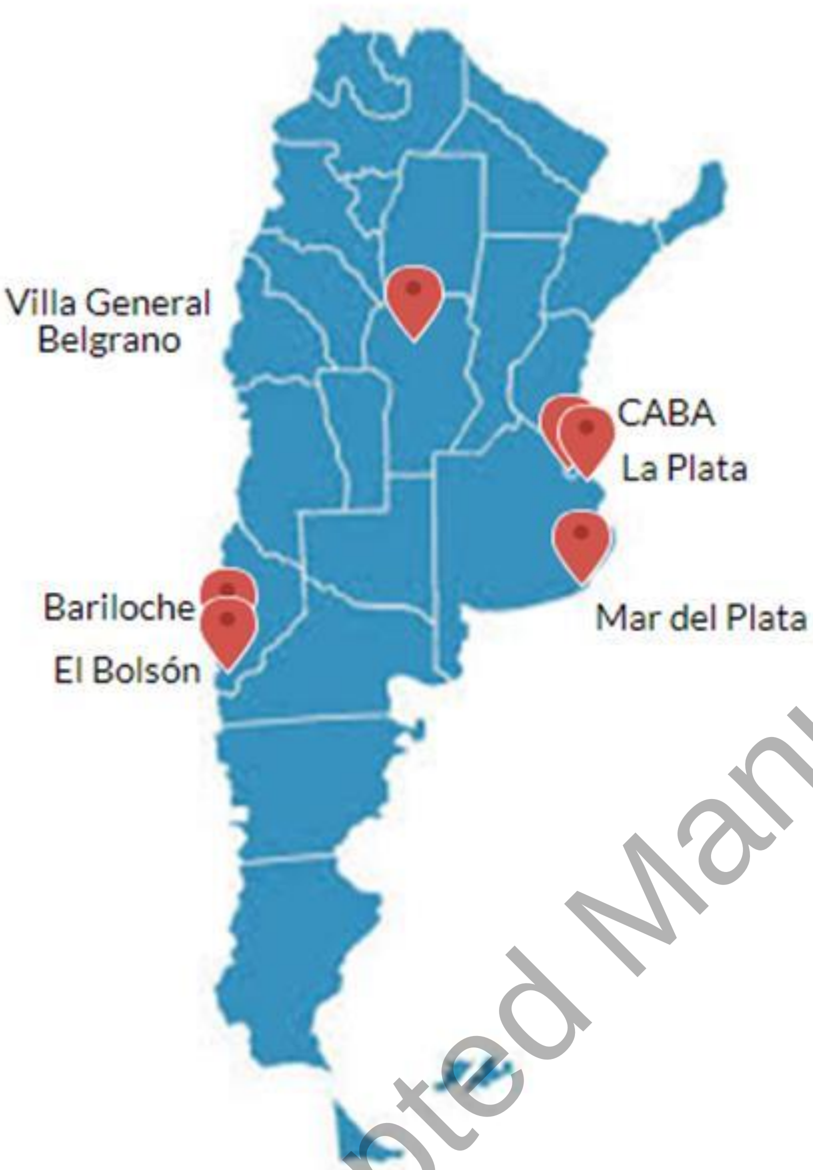
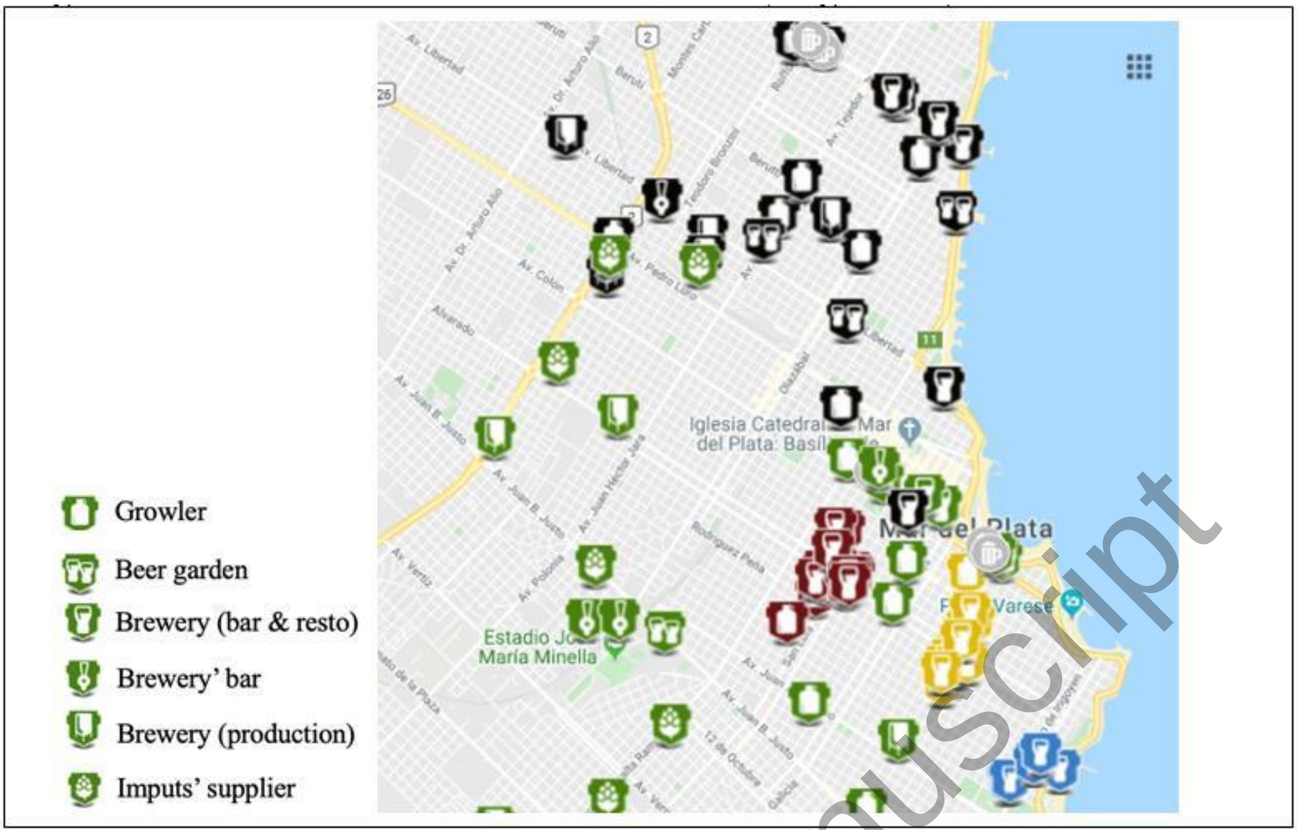
Figure 1: Craft beer cities in Argentina



Source: authors

Figure 2: Craft beer sector in Mar del Plata (Argentina)



Source: Beerway and Google Map. The different colors refer to different zones of the city

Table 1: Classification of craft beer attributes

Classification	Attributes
Search attributes	Price Packaging Country of origin Alcoholic percentage Organic production IBU Colour
Experience attributes	Taste/Flavour Quality Temperature Aroma
Credence attribute	Brand

Source: authors

Table 2: Firms interviewed

	Firm 1	Firm 2	Firm 3	Firm 4	Firm 5
Years	More than 10	5-10	5-10	0-5	0-5
Employees (range)	60 -200	16-60	16-60	<15	<15
Capacity (liters per month)	250000	40000	60000	20000	50000
Raw materials	20% imports (US, EU)	10% imports (US, EU)	10% imports (US, EU)	5% imports (US, EU)	10% imports (US, EU)
Styles	Kolsh, Stout, Porter, Honney, Barley wine, Imperial Stout, IPA, Cream Sout *Local styles	Blonde, English Brown, Barley wine, Porter, Honney, IPA, APA, AAA, Dubbel, Old Ale, Irish Stout Nitro, German Pilsener	Golden, IPA, APA, Honey, Porter, Red Ale, Barley Wine	Kolsh, Scoth, Porter, Honney, Barley wine, IPA, APA, Oatmeal Stout	Kolsh, Stout, Porter, Honney, Barley wine, Imperial Stout, IPA, Session IPA

Source: authors

Table 3: Focus group dynamics

	Dynamic 1	Dynamic 2
Participants (frequency)	6 male 4 female	5 male 5 female
Age (years)	Min: 23 Mean: 38 Sd: 13 Max: 60	Min: 22 Mean: 33 Sd: 12 Max: 63
Education (percentage)	Low/medium: 40% High: 60%	Low/medium: 40% High: 60%
Occupation (percentage)	Student: 10% Independent: 30% Employee: 60%	Student: 20% Independent: 30% Employee: 50%
Type of craft beer consumer (percentage)	Beginners: 30% Sophisticated: 70%	Beginners: 40% Sophisticated: 60%

Source: authors (sd: standard deviation)

Table 4: Habits

	Beginners consumers	Sophisticated consumers
Frequency of consumption (percentage)	Every day: 0% Once/ twice a week: 60% Once/ twice a month: 40%	Every day: 20% Once/ twice a week: 70% Once/ twice a month: 10%
Company (percentage)	Friends: 50% Family: 30% Colleagues: 20%	Friends: 60% Family: 30% Colleagues: 10%
Hour (percentage)	Happy Hour: 40% Not happy hour: 60%	Happy Hour: 60% Not happy hour: 40%

Source: authors

Table 5: Main attributes

Search attributes	Experience attributes	Credence attribute
• Diversity • Bar atmosphere, • Awards/recognition • Price	• Bodied • Flavour • Temperature • Quality • Alcohol • Aroma	• Brand

Source: authors