



Full Circle Brew Co, Newcastle upon Tyne

Feb 22, 2023 13:27 GMT

## Brewing success: research reveals pandemic key learnings for future growth in craft beer industry

**New research led by Northumbria University investigates the impact the pandemic had on UK breweries and reveals location and innovation as key factors shaping strategies for resilience and future growth in the craft beer sector.**

Since 2020 over 200 breweries across the UK have closed their doors, but two new studies led by Northumbria University, in collaboration with Anglia

Ruskin University and the University of York, show that despite the challenges breweries have faced, the pandemic also provided opportunities for some to reinvent their businesses.

[One study](#), published in academic journal *Regional Studies*, examines the UK craft beer industry before, during and after the COVID-19 pandemic, using a mix of quantitative and qualitative data collected between 2015 and 2022, and analysis a sample of over 1,500 breweries.

The research identifies how UK craft breweries adapted and responded to the pandemic crisis and explains how location shaped, and indeed is still shaping, breweries' strategies in a 'new normal' world.

### **Location matters**

During the pandemic, urban breweries were found to be more effective in capturing support provided by the Government and in adapting to changes required by lockdowns and restriction to movements, quickly moving packaging from casks and kegs to cans and bottles.

Overall, rural breweries felt the impact of crisis much more compared to breweries located in towns and cities, due to their demand being concentrated in reduced catchment areas and smaller networks supplying aid at a local level.

Research lead, [Professor Ignazio Cabras](#) from Northumbria University's [Newcastle Business School](#), said: "Being located in an urban or rural area made a difference for breweries during the height of the pandemic. Urban breweries reacted more promptly to the crisis and adapted to changes faster than rural breweries. While our research demonstrated the cruciality of financial support provided by the Government to breweries during lockdowns and movement limitations, support by local people and other local businesses were equally significant factors in how craft brewers, in the absence of pubs being open to supply products to, survived the crisis."

Researchers argue that the findings contribute to a growing body of evidence that suggests that if communities don't support their local businesses, such as breweries and pubs, then they will face closure.

Professor of Rural Entrepreneurship at Northumbria, [Dr Gary Bosworth](#), said: “The pandemic had a big impact on not only breweries, but supply chains both big and small. We are still feeling these impacts today, with one third of the hospitality industry predicted to be under threat of failure at the beginning of this year.

“What surprised us most was just how many strategies these brewers discovered to strengthen their resilience in the face of unprecedented challenges. We found that it wasn’t changing business strategy that put businesses on the right foot to move forward in the initial stages of the crisis, but individual attitudes to the pandemic - those who felt the crisis would pass were less likely to make investments during the period, and slower to innovate.”

### **Raising the bar – innovation in the industry**

A [second study](#) showed that independent craft brewers were able to weather the Covid pandemic by taking risks, embracing creativity and being innovative.

Published in the *International Journal of Entrepreneurial Behavior & Research*, the study found that individual resilience must come ahead of evolving company strategy, in order for small businesses to face the challenges of unexpected events, such as the pandemic.

[Dr Ekaterina Shakina](#), Assistant Professor at Newcastle Business School, said: “COVID-19 changed perspectives for craft breweries. Before the crisis, for instance, craft breweries tended to brew a much wider range of beers, however now many refocused their efforts on core and flagship beers, cutting seasonal beers to achieve economies of scales. Compared to pre-COVID-19 times, much investment has been also re-directed from capital infrastructure to marketing and social media, to maintain and keep up with the customers base acquired during the pandemic.”

The study highlighted examples of innovation in the craft brewing industry that could be adopted into the future, such as a craft brewing company that offered free same day local delivery and collaborated with local beer venues for ‘tap takeovers’, giving something back to the places affected by COVID-19.

Ben Cleary, Founder of award-winning [Full Circle Brew Co](#), based in Newcastle, said: “As a brand new start-up we launched our first batch of beer right as the pandemic hit, which had its positives and negatives. We didn’t have well-established routes to market, so we were completely flexible and could adapt very quickly. We moved all of our production from keg to cans, set up a website within two weeks and launched FCBC Now – our free same day local delivery service. Export became a lifeline to us – by October 2020, export made up 70 per cent of our sales - until Brexit was implemented!

“Community engagement was also a key driver for us. In the early days of the pandemic, with many people furloughed and unable to go anywhere we put on online tasting sessions. As restrictions eased, we teamed up with some of the best North East craft beer bars, to launch our Full Circle North East Revival Tour, hosting tap takeover events at their venues to bolster sales and providing some free kegs to each of the bars to encourage people to support local, and enjoy great beer.

“Supporting communities both locally and further afield remains as important to us as we move to a post-COVID economy. We’ve run initiatives to fund brewing qualifications to support women to looking to work in the sector, created beer packs with a portion of the profits going to Women’s Street Watch Newcastle and collaborated with Medical Aid Ukraine Northeast and Ukrainian brewery Varvar to help get essential First-Aid equipment across to Ukraine. Using the brewery as a force for good has helped us to establish our business through a really difficult time.”

Ben Cleary, Founder of Full Circle Brew Co.

This kind of collaborative working, along with making changes to packaging, increasing digital presence, making efficiencies and cost savings, as well as the willingness of local people to buy from small businesses, all meant that craft brewers who employed these methods were more successful than those who took less risks, and decided to ‘wait for the storm to pass’.

Researchers argue that further studies are needed to understand the full extent of how impactful individual resilience is to achieve whole company resilience, but it was a clear factor in how craft breweries progressed through the pandemic.



Professor Cabras added that the research team are interested in exploring how these adaptive responses might strengthen future business models, especially amid new challenges: “Smaller, independent businesses are now facing a new crisis with the cost of living rise, with the purchasing power of customers decreasing. At the same time the production costs are increasing exponentially due to increasing energy costs, which leaves breweries with two options - to increase their prices to an unsustainable level for the customer or decrease an already tight profit margin.”

**-ENDS-**

**Notes to editors:**

The paper, 'Resilient SMEs and entrepreneurs: evidence from the UK craft brewing sector' is published in the *International Journal of Entrepreneurial Behavior & Research*.

The paper and full list of authors can be found at  
<https://doi.org/10.1108/IJEBR-06-2021-0496>

The paper 'Brewing at the time of Covid: the impact of the pandemic crisis on UK craft breweries and its implications for the sector and local economies' is published in the academic journal *Regional Studies*.

The paper and full list of authors can be found at  
<https://www.tandfonline.com/doi/full/10.1080/00343404.2023.2170343>

---

UNIVERSITY OF THE YEAR 2022 (Times Higher Education Awards)

Northumbria is a research-intensive modern university with a global reputation for academic excellence. Find out more about us at  
[www.northumbria.ac.uk](http://www.northumbria.ac.uk)

--- Please contact [media.communications@northumbria.ac.uk](mailto:media.communications@northumbria.ac.uk) with any media enquiries or interview requests ---

## Contacts



### **Rik Kendall**

Press Contact

PR and Media Manager

Business and Law / Arts, Design & Social Sciences

[rik.kendall@northumbria.ac.uk](mailto:rik.kendall@northumbria.ac.uk)

07923 382339



### **Andrea Slowey**

Press Contact

PR and Media Manager

Engineering and Environment / Health and Life Sciences

[andrea.slowey@northumbria.ac.uk](mailto:andrea.slowey@northumbria.ac.uk)

07708 509436



### **Rachael Barwick**

Press Contact

PR and Media Manager

[rachael.barwick@northumbria.ac.uk](mailto:rachael.barwick@northumbria.ac.uk)

07377422415



### **James Fox**

Press Contact

Student Communications Manager

[james2.fox@northumbria.ac.uk](mailto:james2.fox@northumbria.ac.uk)



### **Kelly Elliott**

Press Contact

PR and Media Officer

[kelly2.elliott@northumbria.ac.uk](mailto:kelly2.elliott@northumbria.ac.uk)



### **Gemma Brown**

Press Contact

PR and Media Officer

[gemma6.brown@northumbria.ac.uk](mailto:gemma6.brown@northumbria.ac.uk)