“The motivation to become entrepreneurial in a mature industry: A Case Study on the individual entrepreneur in the renewed Swedish beer industry”

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Abstract

Purpose – This paper attempts to increase understanding of industry renewal as a subject of research within the field of entrepreneurship. It provides insights for future research in economics and industrial organization. We make use of research findings on entrepreneurial motivation, cognition and the environment. Furthermore, it attempts to answer the question: Why do entrepreneurs become active in a mature industry beer industry?

Design – Qualitative research. Findings primarily stem from ten case-study interviews of entrepreneurs who established their brewery between 2005-2015. We evaluate the characteristics of the motivational, cognitive and environmental factors that have been argued in previous research to be influential to start entrepreneurial endeavours.

Findings – Results indicate the main driving forces behind the behaviour of entrepreneurs: passion, risk-taking, autonomy, knowledge & skills, and social (context)

Research limitations/implications – Since the sample consists of breweries within the Swedish beer industry, findings may not be generalizable to other industries or geographical contexts. Moreover, the qualitative character of this study leads to limitations in comparing or seeing similarities in the different factors. Case studies provide us with a rather describing than an explicatory perspective. Further research including quantitative research could add value by testing the proposed model and assumptions on entrepreneurial motivation and applying this study within a different context.

Originality/value – The theoretical framework presented makes use of an established model of the entrepreneurial process. Although it provides a well-supported explanation why future studies on industry renewal should give more attention to entrepreneurial activity and the environment within this activity emerges. Existing process models on industry renewal neglect the role of the individual in this shift from maturity to re-emergence of industries.

Keywords – Industry renewal, mature industries, motivation, cognition, environment, entrepreneurial activity.

1. Introduction

Extensive attention is put to the explanation of the renewal of mature and impoverished industries. Within the field of economics and industrial organization, an effort is put in clarifying the processes of renewal. Previous research focuses on macro-level explanations for the transition of e.g. the winemaking, banking, Swiss watchmaking, and book publishing industry into new and diversifying business models (Cassia, Fattore & Paleari, 2006; Raffaelli, 2013; Kroeczen, 2014). Due to today’s high-paced society we can expect to see more industries in need to drift away from their dominant configuration. This is a result of growing awareness of issues proximate to social, environmental and economic sustainability (Miller, 1987; Kroeczen, 2014).
It has been widely accepted that impoverished industries are embedded with a potential renewed role for entrepreneurial activity (Cassia et al., 2006; Lumpkin & Dess, 2001). Models such as the ‘Industry Life-Cycle-Model’ of Klepper (1996; 1997) integrated the influx entrepreneurial activity in their explanations (Kim & Pennings, 2009; Weber, Heinze, & DeSourcey, 2008; Kroezen, 2014). Due to analysis on the industry level, differences in the influx of individual actors have largely been unobserved. So, a complete answer to the ‘why’ of entrepreneurial revival within mature industries remains. This incomplete answer resulted in a generalist view, even though, the outcome in reality results from a more pluralistic process (Cassia et al., 2006). In other words, the individual entrepreneur should be recognized as being partly responsible for industry renewal, something that has not been studied yet.

The dissertation of Kroezen (2014) on the renewal of the Dutch beer industry attempted to raise understanding of industry renewal by including an individual perspective. Kroezen’s effort makes use of models retrieved from the field of organizational sociology where the link is made to structural elements of mature industries that appeal to organizational actors. According to Kroezen, industry renewal occurs when actors are provided with authentic identity elements to form new organizational identities. These authentic elements provide alternative ways of thinking compared to the industry’s “modus operandi” (Kroezen; 2014; 115). The authentic elements, such as the perceived homogeneity of the industry, provided to potential actors are argued to be the driving force behind entrepreneurial activity. And as a result: industry renewal (Kroezen; 2014).

Though, future research about industry renewal could benefit from more perspectives on the individual level to explain entrepreneurial activity in mature industries. This because entrepreneurship research as a result of the different structural contexts broadly covers different areas. In line with Cassia et al. (2006) and Kroezen (2014), we argue that entrepreneurship is a pervasive phenomenon. In this manner along with the already abundant considerations in the context of firm emergence, we would like to highlight the role of entrepreneurship in industry renewal. These thoughts stem from the quote of Locke & Baum (2007) that “motivation energizes, directs and sustains action. It is based on the individual’s needs, values, desires, goals and intentions, as well as incentives and rewards that effect those internal mechanisms” (Locke & Baum, 2007; p. 93).

In this effort, we will take the individual actor and his/hers motivation complemented by cognition and the environment as a starting point. To gain a complete understanding, our analysis requires a theory of the emergence of entrepreneurial activity, as we argue that this is one of the factors that renew industries. We believe that theories of the entrepreneurial environment, cognition & motivation offer us an essential tool of analysis. These theories are considered as driving forces behind entrepreneurial activity (Gartner, Bird & Star, 1992; Baume, Locke & Smith, 2001; Shane, Locke & Collins, 2003).

In order to connect different perspectives we make use of the ‘model of entrepreneurial motivation and the entrepreneurship process’ (see Appendix 2) (Shane et al., 2003). This model presents three components: cognition, motivation and the environment that lead to entrepreneurial action (Locke & Baum, 2007). Although this model visualizes how a variety of individual factors of cognition and
motivation that turn actors into entrepreneurial action, no specific factors are found to be integrated into the component environment. Based on our literature research, we will add three factors into the environmental component. Reasons for this stem from arguments that motivation, as an explanation model towards entrepreneurial activity is only useful if the environment and its factors influencing the entrepreneur are considered (Baum & Locke, 2004; Shane et al., 2003; Carsrud & Brännback, 2011; Edelman et al. 2010; Elfving, Brännback, and Carsrud, 2009).

Inspired by the dissertation of Kroezen (2014) the case for analysis will be the Swedish beer industry. This industry shows recently an extremely increased founding rate of new breweries (Sveriges Bryggerier, 2015). The aim of this study is; 1) to make a contribution to the model of entrepreneurial motivation; 2) to provide insights on industry renewal with a stepping stone for further exploration, and thereby gaining a better understanding of the rise of breweries and particularly in Sweden. This by providing answers to the following research question: ‘why do entrepreneurs become active in a mature industry – such as the Swedish beer industry? And how do the environment, cognition and motivation relate to entrepreneurial activity?’ To come to an answer, we conducted interviews with ten founders of Swedish breweries to compare the processes that underpins entrepreneurs’ environment, cognition, and motivation and integrated our findings in theory. The Swedish brewing industry provides an appropriate case to gain new insights in the occurrence of industry renewal, since it looks like an illustration of this phenomenon. The research paper structure is as follows:

We initiate our paper with a brief history of the Swedish beer industry, which resembles an impoverished industry that went recently through renewal. The second section provides theoretical insights and introduces a revised theoretical framework of entrepreneurial motivation. In this part, we will present a revised model of Shane et al., (2003), which visualizes motivation in interplay with cognition and the entrepreneurial environment. Section three elaborates on the research design and methods applied to analyse the cases. The analysis is presented in section four by applying the method of case study reviewing. Then, we will illustrate the main empirical findings and analysis in relation to the theoretical framework. The paper concludes by giving context and meaning to the central findings.

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1.1 A Brief History of the Swedish ‘Ölboomen’

The situation in the Swedish beer industry could barely be more depressing at the end of the twentieth century. The industry was dominated by a small number of independent brewers who held more than ninety percent of the total market share (Euromonitor, 2014). Further, the beers brewed were mass-produced low quality and homogenous in taste pilsners (source: Europeanbeerguide.net, 2010). So, a ‘pilsner-dessert’ is how we can describe the Swedish brewing industry at the end of the twentieth century best (Kroezen, 2014; source: Europeanbeerguide.net, 2010). The industry was dominated by a small number of independent breweries that mass-produced almost homogenous products.

When the situation seemed morose, a slight revival started in 1995 when Sweden joined the European Union (EU), which lifted the upper limit of 5.6 ABV for beer. From then the Swedes were able to explore the taste of imported brews from the rich German, and especially, Belgium beer-culture (source: Europeanbeerguide, 2010; Sveriges Bryggerier, 2015). An increasing interest in beer rose, and a home brewing scene emerged. Which was similar to the evolutionary development that emerged in the eighties in the United Kingdom (UK) (Lewis, 2001), the Netherlands (Van Uytven, 2007), and at the epicenter the United States (U.S.) (Carrol & Swaminathan, 2000; D’aveni, 2002; Kroezen, 2014).

However, in reality the ‘ölboomen’ in Sweden took off at the beginning of this millennium.

According to the Swedish beer organization (source: Sveriges Bryggerier, 2015) the number of beer breweries in Sweden skyrocketed from 18 in the year 2000 to 151 in the first quarter of 2015 (see also Appendix 1). The predictions are that this growth will continue in an exponential trend, and will exceed the number of 250 at the end of 2015 (Euromonitor, 2014; Source: Sveriges Bryggerier, 2015).

Almost every new founded brewery in Sweden the last decade is linked with the self-labelled “craft beer revolution” and the “microbrewery” movement, which is defined as a group of brewers and beer connoisseurs concerned with the craftsmanship and taste in brewing beer (Carrol & Swaminathan, 2000; D’aveni, 2002; Kroezen, 2014). These breweries have (re-) introduced a wide variety of beer styles to the Swedish market.

Pioneers, breweries such as ‘Pang Pang’ and ‘Dugges’ have renewed the Swedish beer industry to a great extent. Simultaneously with the increasing numbers of breweries also the variety of beer styles developed. Where the major players once only brewed pilsners and slightly darker lager, microbreweries (re-) invented ales of all sorts, saisons, (Indian) pale ales, porters, stouts, wheat beers, and other countless variations. These new entrants have transformed one of the most stagnant – and in product homogenous – industries into one of the most inventive industries in Sweden (Euromonitor, 2014). As also the major players started to adapt to this trend of producing ‘handcrafted’ distinctive beers (D’aveni, 2002; Kroezen, 2014).

The same force – towards a greater variety and the emergence of new ventures – had not only revolutionized beer industries in for example the U.K., The Netherlands and the U.S. (D’Aveni, 2002; Kroezen, 2014). Similar transformations also occurred within comparable industries, such as the coffee,
wine industries over the last two decades (D’aveni, 2002; Raffaelli, 2013; Kroezen, 2014). In sum, it is pluralisation and the organizational emergence that exemplifies the renewal of the Swedish, and the beer industry globally (D’aveni, 2002; Beermonopoly, 2010; Kroezen, 2014).

2. Theoretical Framework

2.1 Model of Entrepreneurial Motivation

In this section, a theoretical framework is constructed to describe findings on what entrepreneurs drive to enter the mature Swedish beer industry. Locke (2000a) and Baum et al., (2001) argue that all entrepreneurial action occurs from the combination and/or integration of motivation, (e.g. passion) cognition (e.g. knowledge), and the entrepreneur’s environment (e.g. social) (Locke & Baum, 2007). The ‘Model of Entrepreneurial motivation and the entrepreneurship process’ provided by Shane et al., (2003) is a visual representation of these three interdependent components and its factors (see Appendix 2).

Shane et al. (2003) suggest that the entrepreneurial environment cognition and motivation, impact the following; opportunity recognition, idea realisation, and in the end entrepreneurial execution.

The suggested model of Shane et al. (2003) provides a useful tool. However, although the scholars mention the importance of the environmental conditions, no specific environmental factors are pointed out in their model. This in contrast to the different cognitional and motivational factors presented. Research on entrepreneurial cognition – and recently motivation – already longer posits that the environment influences entrepreneurs’ cognition and motivation, and that its role should be investigated more (Zahra, Korri & Yu, 2005; Carsrud et al., 2011; Grégoire, Corbett & McMullen, 2011). The reason for the underexposure of the environment as a variable could be that entrepreneurial action mostly is considered to be an individual process. Research on existing literature does not reveal any in-depth explanation why the environment has not been explored more. Thereby assuming that the environment is a constant variable deeming to be the same for every individual actor.

Based on the findings of previous research we integrate three environmental factors; political, economic, and socio- (cultural) environment factors (Locke et al., 2007; Welter et al., 2011). We deem that implementation of these environmental variables in the model of Shane et al. (2003) will contribute to our analysis of the process of entrepreneurial action. We argue that integrating the economic factor is important to integrate in our research since the economic state and the life-cycle of the industry in studies on industry renewal is argued to be the driving force behind the shift from maturity to renewal (Klepper, 1997; Cassia, 2006, Kroezen, 2014). We will elaborate further on this economic variable in paragraph 2.4. We name this slightly adapted visualisation the ‘Environment interaction model towards entrepreneurial activity’. This visualisation represents the importance of the environmental context, and its interaction with the other components of the model, as suggested by Carsrud & Bränback (2011)
The model above represents the interaction between different components of which it consists. The major change is the circle behind, which represents emerging entrepreneurial activity in its essence cognition and motivation within the entrepreneur’s environment. Hereby visualising that all factors of cognition and motivation develop and occur within the environment of the individual entrepreneur, instead of being an independent interacting component as represented in the model of Shane et al. (2003). Furthermore, the overlapping inner rings of motivation and cognition show attention to Locke & Baum’s (2001) arguments that motivational and cognitive factors are inherently interrelated and mutually dependable. The following paragraphs elaborate on the three key components of the model: motivation, cognition factors and the environment, and each of its factors under the umbrella of these three components.

2.2 Motivational factors

This section elaborates on the seven motivational factors; vision, need for achievement (nAch), passion, self-efficacy, risk-taking, locus of control, and the need for autonomy. Traditionally seen, one thought that people started companies for economical reasons (Schumpeter, 1934). However, more recent studies incorporate other factors such as social gains (e.g. increase of social justice) and other motivations as explained in the next paragraph (Carsrud et al., 2009; Carsrud & Brännback, 2011).

During last decades, entrepreneurship researchers have surprisingly been avoiding the field of work motivation (Latham & Pinder 2005; Rauch & Frese, 2007; Carsrud et al., 2009). Our scope of industrial renewal forces us to find motivations of ‘why’ these actors have chosen to join this mature
industry. Former research has given us many concepts of motivation and their relation to entrepreneurship. However, existing studies also tell us that the entrepreneurship field is hindered by a lack of agreement on essential traits (Grégoire et al., 2011; Grégoire et al., 2015; Estay & Durrieu 2013). Moreover, one can even find conceptual overlap between some definition such as achievement motivation, drive and egoistic passion (Cromie, 2000; Locke & Baum, 2007). For our research, we adopt the most often tested motivational concepts as listed by Shane, Locke and Collins, (2003) and Cromie (2000). Due to the importance of our analysis these concepts they will be briefly explained.

The core of vision is the leaders’ concept of what the business should look like (Locke & Baum 2004). Entrepreneurs need to scan the environment and to have the foresight (Locke 2000, Grégoire et al., 2011). Foresight is the capacity to foresee how today’s society works and how that will reflect the future or as Locke (2007) states: ‘It is the ability to not just see actuality but potentiality.’ This motivational ingredient of pursuing an entrepreneurial career needs more motivational components in order to become disruptive in a mature industry.

In the field of psychology and entrepreneurship, a widely used concept is a need for achievement (nAch) (Rauch & Frese, 2007). McClelland (1961) advocates that individuals with a high nAch prefer situations that they have a high control over outcomes or in which they feel that they can make the difference because of their added efforts. This is deemed important especially for entrepreneurs who step into an already more mature market (the beer industry) where the world keeps spinning round and round even without the entrepreneurs’ behavior. The term nAch, however, should not be considered the same as drive. Although related to nAch, ‘drive’ refers to be prepared to put in time and efforts into the realization of the idea (Shane et al., 2003; Rauch & Frese, 2007).

Drive entails consequently ambition, energy, stamina, and persistence. Ambition converts into setting high standards and goals for oneself. Locke and Latham (1990) state that high goal setting result in better performances and that can only be delivered when the entrepreneur puts energy and stamina into these goals. Shane (2003) refers to persistence or tenacity if an entrepreneur can attribute this energy in pursuing this opportunity over the required time. Entrepreneurs often experience ‘ebb and flows’ in energy and even sometimes lose faith in their pursuit (Fritz, 1989). In order to maintain a constant level of persistence one needs passion and a high degree of self-efficacy (Shane 2003).

Researchers consider passion as an important driving force to become an entrepreneur (Locke & Baum, 2007). Nevertheless, not all entrepreneurs are similarly passionate about their profession, as some entrepreneurs, as stated earlier, are in the game for economic reasons while others have different motives (Baron, 2007). Egoistic passion signifies a selfish love of the profession. Though, often negatively connoted egoism means actually acting in one’s interest or passion. While passion has a direct effect on firm growth, the link between entrepreneurship and passion has barely been researched in a (quantitative) way (Locke & Baum 2004; Locke & Baum, 2007; Carsrud et al., 2009).
Self-efficacy refers to one’s believe to be able to perform tasks in an effective manner. Though this is not a new concept (Bandura 1997; Monsen & Urbig, 2009; Mauer, Neergaard & Linstad, 2009), in the field of entrepreneurship the evidence for the significance of self-efficacy is rising (Mauer et al., 2009). Home brewing can be one of the first steps for microbrewers. Since home brewing has little barriers for people, the efforts of the brewer can be tasted and noticed by its peer group. Since this micro brewing is just a relatively young movement, lots of people are fairly uneducated in tasting beer.

Risk-taking debates the acceptance of risk in an uncertain situation. The actor that takes the risk in a business venture pursues a business idea when the probability of succeeding is low. Consequently, risk-tolerant people are, therefore, more likely to create new ventures. Entrepreneurs have a higher amount of need for achievement, which in its turn leads to a moderate risk-taking propensity (Timmons et al., 1985; Monsen & Urbig, 2009; Estay et al., 2013). Although, there are multiple confounding studies whether risk-taking and entrepreneurship relate to each other, it is considered common that entrepreneurs should not be risk averse since they manoeuvre in uncertain environments. The influence of risk-taking inclination on entrepreneurship and entrepreneurial success is valid but not large. This is noteworthy in the case of craft entrepreneurs since they act upon their interest.

The factor locus of control refers the extent to which individuals deem their actions affecting the results (Shane et al. 2003; Monsen et al., 2009; Estay et al., 2013). Locus of control can be external when the result are perceived to be affected by external conditions and internal when people believe they have control over a situation. Rotter (1966) found that people with an internal locus of control are likely to seek entrepreneurial roles and suggest that firm founders differ from the general population. More significant is the positive connexion between success and internal locus of control (Rauch & Frese 2005; Monsen et al., 2009). While this is significant, one needs to be careful about attributing internal locus of control to an entrepreneurial situation since one needs relatively more entrepreneurial motivation when opening a high capacity and modern brewery than becoming a home brewer.

Locke & Baum (2004) state that entrepreneurs are by definition independent. Entrepreneurs often rebel the status quo (e.g. mature industry), disobey tradition and do what others believe is impossible or even stupid (‘Why put energy & money in this high competitive beer industry?’). Therefore, entrepreneurs must be autonomous in thinking, and they need to rely on their judgment, this fits the beliefs of Shane et al. (2003). Aldridge (1997) also found that individuals who found businesses are higher on ‘Need for autonomy’. Entrepreneurs prefer to avoid working in situations where they are not in control. Many entrepreneurs state that they find it unappealing to work in an environment that is full of restrictions (Monson, 2009; Estay et al., 2013).

2.3 Cognitive factors

Starting entrepreneurial activity not only requires tangible assets, resources, and motivation, it is also argued that knowledge skills and capabilities are valuable foundations for starting a new venture (Shane et
In this section we elaborate on the three cognitive factors provided by the model of Shane et al., (2003); knowledge, skills, and abilities, and we add creativity as a fourth factor. These cognitive factors are of interest to entrepreneurship researchers as these make entrepreneurship 'happen'. Possession of fundamental knowledge, skills, abilities and creativity do not only influence the generation of ideas and opportunities, but also acquire the resources one needs, to exploit these opportunities (Shane et al., 2003; Baron, 2007; Ward, 2004).

Within entrepreneurship, knowledge is often opposed to helping the entrepreneur making judgments, identify and evaluate opportunities, and make decisions regarding new venture creation and growth of the business (Markman, 2007). Previous researches have particularly examined how entrepreneurs use mental modes to link and connect information, emerge markets, invent new products or services and the required resources to start up and develop businesses (Busenitz et al., 2007; Markman, 2007). According to Grégoire et al. (2011) many of these studies have shown that prior knowledge relevant to an industry fosters entrepreneurial activity (Grégoire, Cornelissen, Dimov & Burg, 2015; Ward, 2004). Knowledge provides insights to what extent entrepreneurs in the Swedish beer industry leverage their prior knowledge to enter the market, and how this motivates and mobilizes them towards entrepreneurial activity (Markman, 2007).

Skills as a cognitive factor are found – together with motivation – to be of great importance for the emergence of entrepreneurial activity and venture growth (Baum et al., 2001; Krueger, 2003). Though, the exploitation of these skills requires self-efficacy (Krueger, 2003). Skills are according to Markman (2007) defined as expertness acquired or developed through training and practice. Skills can be recognized on different levels, e.g. social-, technical-, and human skills. However for brewers it can be specified to brewing, professional sales, and social/networking skills allowing entrepreneurs to initiate competitive advantages; e.g. brewing distinctive recipes (Markman, 2007; Murray, 2004; Pysiäinen, Anderson, McElwee, & Vesala, 2006).

Gathered knowledge and skills are necessary but insufficient without the inclusion of abilities (Markman, 2007). Entrepreneurs must have the ability to combine, deploy, process, collect and exploit the resources and assets, but also knowledge and skills to support their entrepreneurial efforts (Markman, 2007; Grégoire, 2011). Furthermore, the Person-Entrepreneurship fit model of Markman & Baron (2003) reveals that, when we find personal knowledge, abilities and skills together – and when these attributes are strong – there is a stronger likelihood that individuals become (successful) entrepreneurs (Markman, 2007; Baron, 2007). For this paper, the abilities related to the craft beer industry entail capacities such as home brewing skill and prior sales experience. These factors may influence the motivation to start a brewery (Baron, 2007).

Finally, the cognitive factor creativity is explained as the entrepreneurs’ capability to ‘develop new methods instead of using standard procedures’ (Born & Altink 1996; Ward, 2004; Rauch & Frese, 2007). According to Ward (2004), creativity is shaped by the combination and exploitation of the entrepreneurs’
cognition, influenced by his/her skills and knowledge. Retrieval of existing knowledge is necessary for crafting product innovations; e.g. entrepreneurs in the craft beer industry develop new combinations of hops, wheat and yeasts; offering new taste experience as an outcome of their creativity (Ward, 2004; Rauch & Frese, 2007).

2.4 The Entrepreneurial Environment

Recently, several scholars revealed the growing importance of the contextual dimensions as an important element in order to understand entrepreneurial behaviour (Carsrud et al., 2011; Grégoire et al., 2011; Welter & Smallbone, 2011; Wright & Stigliani, 2013). As well Carsrud and Brännback (2011) as Grégoire et al. (2011) conclude their papers with the suggestions for further research to integrate the impact of the environment on a more complete perspective on respectively entrepreneurial motivations and cognition. The three environmental components; political, economic, and socio- (cultural) (Shane et al., 2003; Locke et al., 2007; Welter et al., 2011), influence for example entrepreneurial motives, attitudes, and the resources that can be mobilized (Martinelli, 2004). It is opposed and empirically tested that these environmental factors are highly important to create space for new venture creation (Martinelli, 2005; Locke et al., 2007; Welter et al., 2011).

The political environment consists of characteristics related to political stability, legal restrictions, quality of law enforcement, and currency stability (Shane et al., 2003). The political environment and its institutions are seen as enabling and constraining factors for entrepreneurship. According to Welter and Smallbone (2011) the design and operation of formal institutions are directly under the influence of the state, which may also indirectly influence the values and norms of a society. This institutional context may influence entrepreneurial motivation positively or negatively (Aidis, Estrin & Mickiewic, 2008; Welter & Smallbone, 2011). It enables entrepreneurial behaviour by providing a stable legal context that regulates market entry and exit, reduces transaction costs, and risk. On the other hand, it might also be constraining in the form of taxation, legal constraints and regulations (Baron, 2007). Constraints influencing entrepreneurial action in the particular case for entrepreneurs in the Swedish beer industry could be alcohol taxation and laws on how the state-owned alcohol stores (Systembolaget) operate.

The second set of context characteristics is the economic environment. It affects the motivation and the success of the entrepreneurial activity; such as the state of the economy, market size, technology, population, a shortage or surplus of (skilled) labour, industry structure, competition, the availability of investment capital and entrepreneurship stimulating programs (Shane et al., 2003; Baron, 2007; Peng, Wang, Jiang, 2008). Nevertheless, it should be considered that outside (un) favourable factors do not directly cause entrepreneurial activity (Baum & Locke, 2007). Though, external forces may limit or encourage entrepreneurial activity by influencing motivation and cognition. This makes the economic environment viable to consider analysing the motives of entrepreneurs to become active in a mature industry.
Thirdly, we integrate the socio-(cultural) environment that influences the entrepreneur such as the perceived normative beliefs of others, such as family, friends, co-founders, but also role models (Elfving et. al, 2009; Edelman et al., 2010; Krueger, Reilly & Carsrud, 2000). One may perceive that entrepreneurial activity may emerge in isolation, everything else entrepreneurs do involves either direct or indirect interactions with other parties (Baron, 2007; Edelman et al., 2010). However, according to Elfving et al., (2007) problems may arise when measuring the impact of the social context, as this context tend to vary across cultures. In some cultures, the impact of the family may be more far-reaching than in others (Martinelli, 2005; Elfving et al., 2007). However, empirical studies show that the availability of social capital – in form of available benefits from social structures or networks – plays a key role in the entrepreneurial process towards activity (Baum et al., 2001, Baron, 2007; Elfving et al., 2009; Martinelli, 2005).

These three environmental factors demonstrate the entrepreneur’s environment that interacts and shapes entrepreneurial motivations and cognition. The importance of the political, economic, and socio-(cultural) context provides a valuable tool to analyse entrepreneurial emergence. However, difficulties may arise in measuring the influence of each component. Neglecting these environmental factors on the other hand, would undermine the aim of this research: to extract the motivation of entrepreneurs to become active in a mature industry. Furthermore, in order to study entrepreneurial motivation, as mentioned earlier, all (entrepreneurial) behaviours, cognition and motivation need to be interpreted in the context it occurs (Shane et al., 2003; Carsrud & Brännback, 2011; Welter & Smallbone, 2011).

To examine how entrepreneurial action emerges, we thus need to verify how the theoretical connections between environmental, cognitive and motivational factors represent the reality in the Swedish beer industry.

3. Methodology

3.1 Research design

The design of our research is constructed in order to make a contribution to the model Shane et al., (2003) on entrepreneurial motivation and to provide further research on industry renewal with tools for further exploration. This by breaking free from the industry-level approach conducted in previous research on the topic of industry renewal. Rather, it aims to explain industry renewal from an individual level by giving insights into the emergence of entrepreneurial activity.

This by examining on factors that influences and highlights the drivers of entrepreneurs to start companies in case of the Swedish beer industry.
3.2 Research setting

Our research setting is the Swedish beer industry between 2005 and 2015. The study makes use of different sources of data. Primary data stems from semi-structured interviews between 23rd of February 2015 till the 18th of March 2015 with ten (co-) founders of ten different craft beer breweries founded between 2005 and 2015. This timespan is sufficient as it provides our research with recent perspectives of the founders on their entrepreneurial actions. Moreover, it was in the year 2005 that the ‘ölboomen’ took off. Multiple case studies will distract replication logic, which each serves to confirm or disconfirm conclusions drawn from the others (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Miles & Huberman, 1994; Yin, 2013). This will supply this effort with a more vigorous, generalizable theory than single cases.

We created a diverse sample of breweries in order to constructively back our findings. However, previous findings in research on the microbrewery movement in the U.S. indicate that there are three differentiating types of entrepreneurs that each operationalized a brewery in an own way; ‘brewpubs’; ‘contract brewers’ and; ‘microbrewers’ (Carrol & Swaminathan, 2000). All three types of breweries produce beer for resale or consumption on premises. A microbrewery produces a limited amount of beer, typically up to 50,000 HL of beer per year. A contract brewer – in the industry often called: ‘ghost’ or ‘gypsy’ brewer – outsources the brewing process. A brewpub brews and sells beer on the premises as well as prepares and serves food, brewpubs are considered as a microbrewery if it is engaged in a significant amount of distribution on a regional level (Carrol & Swaminathan, 2000).

We assume that these different business models have no implications as all endeavours started as entrepreneurial activity. However, by verifying this assumption, we increase knowledge on the brewers’ background in order to reduce ambiguity and difficulties to interpret factors such as risk-taking or locus of control.

3.3 Data Collection Study

For this study three data sources have been used: 1) interviews with brewery founders and investors; 2) follow-up e-mails and phone calls; 3) archival data – also in order to ask more in depth questions and i.e. retrieve more constructive answers such as, website, journals, news articles, and books on the (Swedish) beer industry. Nevertheless, our primary data source are the interviews with (one of) the founder(s) of the ten different breweries.

Sample selection

We approached 35 selected breweries from a population of 140 breweries. The website of Sveriges Bryggerier provided us with the list of breweries. Additionally, all the selected cases needed to meet three criteria to be included in this research, 1) date of establishment between 2005 and 2015; 2) fit the definitions of breweries stated above, and; 3) management of the company was still in control by the founder or founding team. After selecting the correct sample (the microbrewers), an e-mail with an
interview request was sent to the founder of the brewery. 29% of the potential respondents replied the email and subsequently voluntarily participated in the interview.

**Interview-guide**

We conducted one semi-structured interview per firm, which took between 40 and 60 minutes. The interviews have been recorded, and consequently relevant answers were answers written down and labelled. These ‘write-ups’ generated 30 one-and-half spaced pages. Recording allowed us to have full attention for the interviewee and her or his answers.

The interviews consisted of four sections with open-ended questions. Each interview question was designed to cover the multiple factors of cognition, motivation and the environment (see Appendix 3). Further, the open structure provided us the opportunity to put the multiple labels gained from our empirical research on the different questions. For example, the structure of the question: ‘what makes this brewery different from other breweries’, was designed to produce outcomes of the interviewees that would trigger answers covering skills, knowledge, vision, and creativity (see also Appendix 3). At the beginning of each interview, all details of the informed consent were discussed in the interview such as the purpose of the interview, privacy regulations, etc.

Our choice to use only semi-structured interviews with open ended questions was deemed valuable for three reasons; firstly, the flexible structure allowed use to work together with different types of interviewees from dissimilar organizations. Secondly, to permit interviewees to produce noteworthy matters themselves, an unfastened structure is preferable. Thirdly, due to the inconsistent clarities in entrepreneurial research a more adaptable structure is convenient since that allows the interviewers and interviewees to seek for agreements in definitions (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Yin, 2013). The interview guide is included in the appendices.

**3.4 Data analysis**

In order to extract information from our data we made use of two methods; 1) case-independent method and; 2) a cross-case analysis. The case-independent method aims to gain an in-depth understanding of each specific case. The goal of the cross-case analysis is to compare the different cases and recognize possible patterns (Eisenhardt, 1989). Both authors of this paper separately analysed each case independently for a comprehensive analysis. The case-independent evaluation of each case was fulfilled through the lens of our research question; ‘why do entrepreneurs become active in a mature industry – such as the Swedish beer industry? And how do the environment, cognition and motivation relate to entrepreneurial activity?’ The aim of the analysis was to identify the independent theoretical constructs of entrepreneurial cognition, the environment, and motivation (Eisenhardt, 1989; Eisenhardt & Graebner, 2007).

The focus of the cross-case analysis was on the relation, the recognition of patterns, differences and similarities (Eisenhardt, 1989). The ‘write-ups’ helped us to analyse the cases multiple times, and gain
an in-depth understanding of the influencing factors in the interviewees’ process towards entrepreneurial activity. In order to facilitate and find patterns, answers have been labelled in line with the findings we aimed to obtain. To structure our findings we used tables to facilitate our analysis (Miles & Huberman, 1994; Eisenhardt & Graebner, 2007). The findings of the analysis are revealed in the empirical results section.

3.5 Methodology limitations

Case studies can be an efficient way of gathering a rich variety data (Santos & Eisenhardt, 2009; Yin, 2013). These case studies have provided insights on each of the interviewees’ motivations to become an entrepreneur in the mature Swedish beer industry. Although case studies provide in-depth information on what people do and ‘why’ they have done certain things, there are limitations in comparing or seeing similarities in the different factors, since respondents can show a (dis)similar response from different stimuli and vice versa. Case studies provide us with a rather describing than an explicatory perspective such as in quantitative research (Eisenhardt & Graebner, 2007).

A more specific limitation for this effort is the issue of generalizability (Eisenhardt & Graebner, 2007; Yin, 2013). A question that arises related to this issue is: to what extent can these conclusions be applied to other industries? Assumable are the motivations to become an entrepreneur in the beer industry different from people who start a company in e.g. the healthcare industry. However, we expect that the generalizability to other industries is rather high since starting a beer brewery requires general skills in different areas such as marketing, product knowledge and sales. Another limitation of the method applied is to measure the trustworthiness of the answers given. People have their (subjective) views on events and might, due to certain interests and perspectives, not be willing or able to tell the complete story. Although, by doing preliminary research on the brewery, the industry, and the interviewee (via the company website and LinkedIn) we believe that we were able to limit these constraints as far as possible.

4. Empirical Findings

The following section elaborates on case-specific findings of the conducted empirical research. The paragraph covers all the aspects of the theoretical framework and will make, if adding value, use of exemplifying quotes. Through systematically sorting and execute the (cross) data analysis we have been able to narrow down our scope and obtain information from data. All our interviewees initially started brewing and became active in this industry from a combination of motivational, environmental and social factors. Hence, we have divided all relevant information in these three groups, similarly to our theoretical framework. Further, to better understand what we have observed it is essential to provide concise background information on all the entrepreneurs and their ventures.
### 4.1 Motivational Factors

Besides environmental and cognitive factors, it comes down to the entrepreneurs’ motivations when starting a new venture. Relevant literature expresses that decisions of individuals to show entrepreneurial behaviour, is influenced by more than personal characteristics or economic reasons, as is stated in traditional research on entrepreneurship (Shane et al., 2003; Busenitz & Arthurs, 2007; Carsrud et al., 2011; Grégoire et al., 2011). In the following section we will elaborate on the interviewees’ motivation starting a brewery by elaborating on each variable as presented in the model.

#### Table 2. Overview of interview sample

<table>
<thead>
<tr>
<th>Brewery</th>
<th>Brutal Brewing</th>
<th>Dugges</th>
<th>Electric Nurse</th>
<th>BeerBlitzk</th>
<th>LundaBryggeriet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Single Entrepreneur</td>
<td>Single Entrepreneur</td>
<td>Electric Engineer</td>
<td>Co-Founder</td>
<td>Co-Founder</td>
</tr>
<tr>
<td>Place</td>
<td>Malmö</td>
<td>Göthenborg</td>
<td>Göthenborg</td>
<td>Göthenborg</td>
<td>Göthenborg</td>
</tr>
<tr>
<td>Motivational Driver (initially)</td>
<td>Passion</td>
<td>Risk Taker</td>
<td>Autonomy/Social</td>
<td>Risk Taker</td>
<td>Risk Taker</td>
</tr>
<tr>
<td>USP Brewery</td>
<td>Marketing</td>
<td>Marketing</td>
<td>Small Batches</td>
<td>Quality/Organic</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brewery</th>
<th>Southplains</th>
<th>Finlandset</th>
<th>PKLK</th>
<th>Brewery X (Anonymous)</th>
<th>Södra Maltfabriken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
<td>Single Entrepreneur</td>
<td>Co-Founder</td>
<td>Single Entrepreneur</td>
<td>Single Entrepreneur</td>
<td>Co-Founder</td>
</tr>
<tr>
<td>Est.</td>
<td>2015</td>
<td>2015</td>
<td>2015</td>
<td>x</td>
<td>2015</td>
</tr>
<tr>
<td>Place</td>
<td>Malmö</td>
<td>Landskruna</td>
<td>Tyresö</td>
<td>x in Sweden</td>
<td>Hamden</td>
</tr>
<tr>
<td>Motivational Driver (initially)</td>
<td>Autonomy</td>
<td>Risk Taker</td>
<td>Passion/ Social</td>
<td>Risk Taker</td>
<td>Risk Taker</td>
</tr>
<tr>
<td>USP Brewery</td>
<td>Taste Profile</td>
<td>Marketing</td>
<td>Small Batches</td>
<td>Presentation/Quality</td>
<td>Marketing</td>
</tr>
</tbody>
</table>

**Notes:**
- Kolste & Crijns (2015)
- Kolste & Crijns (2015)
Risk Taking

Risk-taking in the case of a brewer is assumed to be debating the acceptance of risk in starting a brewery while future demand is still uncertain. In our sample, brewers needed to meet certain criteria to be included in this research. Nevertheless, it remains hard to objectively research risk since brewers vary in (financial) background and are in different phases of the entrepreneurial life cycle that might have changed their opinion on risk-taking. However, our findings reveal that entrepreneurs start breweries, within uncertain circumstances such as lacking knowledge and an uncertain customer demand. The following quote exemplifies this:

“I took a risk by converting my live being a professional ‘nano-brewer’. I asked myself a lot of questions before entering this industry, as so many things were uncertain at the time. My friends told me to just go fully for it.” - (Brewer X)

Remarkable is that many entrepreneurs have a supportive family (partner) that either helps directly in the company or indirectly (e.g. financial support) such as can be seen in the following quote:

“I’m not risk averse. My wife supports me from the beginning, since currently I can’t make a living of it”. P. Pikulik - PKLK

This kind of bootstrapping reduces direct financial obligations as entrepreneur, however, it does not affect the risk-taking propensity as the entrepreneur is still active in an emerging industry and pursues a business idea even though the probability of succeeding is low.

Furthermore, it is noteworthy that entrepreneurs claim to be highly passionate, not to take risk too much (such as large investments), as this would reduce securing their hobby in the future. Moreover, one brewer (J. Brown – Southplains) stated that he had taken too little risk since his ‘bricolage’ way of working reduced the products’ constancy and customer satisfaction. Hence, risk-taking can sometimes reduce risk propensity as well:

“I brew ‘extreme’ beers, you either love or hate it. Therefore, I have less competition than other players in the industry” (J. Brown – Southplains)

This quote illustrates that the entrepreneurs’ strategic choice of making a niche product (> Risk-taking) can simultaneously have a competition decreasing response (< Risk-taking).

Autonomy

Results show that our respondents score high in ‘need for autonomy’. This resembles the outcomes of Aldridge (1997), who found businesses founders score higher on this motivational factor. Our interviewees indicated to avoid or even quit working in situations where they are not in control such as the quote:

“I was a nurse before, and I don’t like to be employed. I’m not keen on other people telling me what to do. I love my work, freedom and time. My family consists of entrepreneurs that might have to do with that.” – Ida Engström (Electric Nurse)
This statement goes along with our findings in the other interviews and improves the significance of earlier research that explains the high need for autonomy (Monson, 2009; Estay et al., 2013).

In contrast, one response indicated ‘passion’ and ‘fun’ more important than ‘need for autonomy’ as can be seen in the following quote:

“I’m not the typical ’work for myself’ person, I just want to work with truly passionate people”.
- (L. Borjessön - Brutal Brewing)

Yet, to put this in the right perspective, it is necessary to state that L.Borjessön’ brewery is part of a larger conglomerate (“Spendrups”).

Vision

Entrepreneurs who newly enter an industry, need to scan the environment and to have foresight (Locke 2000, Grégoire et al., 2011). That implicates that the entrepreneur needs to be aware of status quo but even more about the status futurus, as stated by Locke (2000): ‘It’s the ability to not just see actuality but potentiality’ (Locke and Baum 2007, The Psychology of Entrepreneurship p.97). Some of the entrepreneurs we interviewed saw a gap in the market where a shifting customer preference was not able to find traction in a homogenous beer market with standard pilsners.

Exemplifying is one of the first movers M. Engström, from Dugges, who indicated that customers wanted more distinctive flavoured beers. The market did react accordingly. This exemplifies the entrepreneurial process of recognising and more importantly to execute the business idea. Is it important that this concept should not be seen as a single process but more as a continuous and developing process as can be seen in the following quote of brewer Niklas Hjelun:

“At the time we started, there were plenty other small brewers, so in order to be sustainable for many years we decided to invest in a proper brewing system with more capacity than initially needed to grow faster than the competition and secure our position in the emerging market’. – (Niklas Hjelun - Södra Maltfabriken)

Although related to the concept ‘risk-averse’ foreseeing how a business should look like requires vision in order to become a sustainable player in a mature market (Locke & Baum, 2004).

Self-Efficacy

Our cases reveal that entrepreneurs seem to know what their true skills are and, more importantly, what skills they lack. The evidence for the significance of the entrepreneurs’ belief to be able to perform tasks in an effective manner is a concept that is deemed more and more important in the field of entrepreneurship research (Mauer et al., 2009). Overall, brewers mentioned they were aware of their skills and knowledge (grace to previous experience, e.g. engineering) and were, therefore, able to indicate if their performance would lead to success or failure. For example Peter Pikulik, who started his brewery PKLK after years of being employed as an engineer. This experience made him believe he could build his brewery, thereby needing less initial financing:
“Since I am an engineer, I can solve a lot of technical issues myself” – (Peter Piknik – PKLK).

Remarkable was that interviewees voluntarily elaborated on their weaknesses, such as lacking sales- or negotiation- skills.

**Locus of control**

Our sample consists of (starting) entrepreneurs that are selling beers in the Systembolaget. This means that a lot of brewers went through a procedure of successful diligence. Consequently, it was not easy to study the factor ‘locus of control’ that refers to the extent to which individuals deem their actions affecting the results (Shane et al. 2003; Monsen et al., 2009; Estay et al., 2013). Locus of control has been determined external in cases where the brewer perceived to be affected by external conditions such as legislation of Systembolaget (J. Brown – Southplains, who suffered from a high impact decision from the store) and internal when the brewer believes they have control over a situation.

Overall our findings indicate that our interviewees are aware of their performance and skill-set at the moment of interviewing. This is in line with previous research that found a relation between success and internal locus of control (Rauch & Frese 2005; Monsen et al., 2009). However, this cannot be taken into account for our analysis since entrepreneurs state that these factors emerged after establishment:

“I just started brewing, but back then I knew nothing of running a business. So my wife with good brains and business education now takes care of that.” - (J. Brown – Southplains)

As stated in chapter two, one needs to be careful with attributing internal locus of control to an entrepreneurial situation since entrepreneurial motivation is different in many cases. For example, L. Borjessön said he had become entrepreneurial in order to have fun and work with the most passionate people possible. Hence, this factor is rather difficult to entail in the emergence of the industry.

**Need for Achievement & Drive**

Entrepreneurs with a high nAch know that their efforts will make the difference and they like situations were they feel they control the outcome (McClelland 1961, Rauch & Frese, 2007). In the competitive beer industry the entrepreneur is blessed with high nAch since the beer market is rather competitive. Hence, the entrepreneur needs to show great efforts to obtain the sustainable competitive advantage over other competitors. It could be therefore reasoned that in entrepreneurial activity, nAch is interrelated with and also depending on the environment. That means it would not be a complete independent variable, as visualized in previous research (Shane 2003). Interviewees stated that it took determined efforts and persistence to start their new venture.

Furthermore, entrepreneurs seem to know that putting out a certain amount of determination would produce a commensurate result. Multiple interviewees state that they have put lots of time and efforts in the realization of their business idea. This can be described as ‘drive’. Regularly to decrease risk, entrepreneurs started to brew in the evenings, next to their regular job, which had more or less impact on
their personal- and household situation. Overall, brewers are determined and have drive to reach their goals:

'It is hard to make money from brewing. And as we know from previous entrepreneurial experience, we are more than sure that the money comes in later. However, we knew beforehand that our drive and persistence would make this endeavour a success' – (Daryl Necker - Beerbliotek)

**Passion**

In order to achieve a constant level of the previously described persistence to start-up a brewery, the entrepreneur needs passion (Shane et al., 2003). In many cases, the entrepreneur stated to be very passionate about beer. A large part of their motivation to start a brewery is passion derived from 'making fun'.

In contrast, few craft brewers are initially similarly passionate about beer and brewing. We found that within co-founding teams entrepreneurs have different reasons to be involved in brewing, which resembles the findings of diverse motivation of entrepreneurs as explained in the theoretical framework (Baron, 2007). Overall, we observed that the main motivational driver to start companies was initiated with passion (at least one member of the team):

“Making beer is comparable to someone's music hobby. In the end, everyone likes to live of his true hobby/passion. In the beginning, I did not believe that I could make my profession of it. My friends told me to stop thinking and just go for it” – Brewer X

“My true passion is making beer. I combine my passion with my dream of having my own company. My wife fully supported me starting my brewery, especially as she noticed I wasn’t happy with my job as an electrical engineer. She wanted a joyful husband and father for her children, so she said go for it” – Pete Pikulik (PKLK)

### 4.2 Cognitive Factors

Knowledge, skills, abilities and creativity are argued to be valuable assets for the start of new ventures (Shane et al., 2003; Busenitz & Arthurs, 2007; Grégoire et al., 2011). As claimed by Zahra et al. (2005) entrepreneurs are embedded in their environment, which plays a major role in the cognitive process and indirectly their behaviour. However, as argued before, a comprehensive understanding remains absent.

**Knowledge and Skills**

A strong interrelation can be recognized in knowledge as a variable in the entrepreneurial process. Researchers have argued that knowledge is assumed to be affecting entrepreneurs’ motivation reflected in self-efficacy and his/hers perspective on risk (Douglas, 2007). This as greater or lesser knowledge in any context affects one’s perception of risk and the self-believe of making it ‘happen’ (Krueger & Dickson, 1994; Janney & Dess, 2006; Douglas, 2007). Challenges, however, arose to differentiate the cognitive factors such as knowledge, skills and abilities from each other (Markman, 2007).
It can be acknowledged in findings that reveal a high degree of overlapping and intertwining concepts of knowledge and skills. Particularly knowledge gained from home brewing by the entrepreneur—which we also consider as a skill—presumed to be of importance in the pursuit of starting an own brewery:

“As I worked as a chef and a bartender, I knew how to put things together and make new recipes. I started with home brewing, and after making several amazing beers myself started dreaming of my own brewery—Brewery X”

The quote of brewer X is also in line with the reasoning of Carsrud & Brännback (2011). They state that entrepreneurs are motivated by firms they are able to build and are encouraged to start firms in which they idealistically want to work.

An interesting finding is that none of the interviewees mentioned that they had specific knowledge about beer, the industry or commercially brewing prior starting. They trusted their own previously gained entrepreneurial experience and the knowledge of co-founders. Many of the entrepreneurs expected to gain knowledge and skills about beer and the industry along the road.

“However we had no clue about brewing beer and the industry, we saw in the emerging craft beer revolution a big business opportunity and went fully for it. We skipped the home brewing part, we just bought huge brewing equipment in China.” – Niklas Hjelun (Nödra Maltfabriken)

The quote above reflects the importance of cognitive factors such as knowledge and skills for the pursuit of becoming an entrepreneur. However, these did not reveal the importance of having preliminary knowledge about the industry or beer as a factor that made them start their own brewery.

Though, knowledge—within this context often insinuated as outcome of previous entrepreneurial experience—was mentioned several times as being beneficial for the venture creation. These findings are in line with the effort of Ward (2004). He states that the recognition and implementation of successful ideas are often a balance between novelty and familiarity. The originality and the execution of new and different goods and services are the natural results of applying basic mental operations to existing knowledge structures and creativity (Ward, 2004). Hence, our analyses show that related and complementary knowledge and skills provided a bridge towards entrepreneurial activity.

Abilities

According to Markman (2007) and Grégoire et al. (2011), entrepreneurs need the ability to combine, deploy, process, collect and exploit the resources and assets—but also knowledge and skills—to support their entrepreneurial endeavours. We have tried to find how abilities affected the motivation to enter the Swedish craft beer industry.

Few brewers revealed that they initially combined recourse such as skills, knowledge and assets from previous working or entrepreneurial experience. Another finding is that entrepreneurs who founded their brewery with a team all added complementary skills and knowledge. The entrepreneurial abilities of
recombining and deploying e.g. different skills, assets, and human resources were according to our interviewees of importance. The following quote exemplifies this:

“I was an entrepreneur before. I have had a real-estate company and I have a background in marine engineering. So in a way I combined skills and knowledge about pipes and pressure, with entrepreneurial and sales experience” - Mikael Engström (Dugges)

However, here we make a distinction between prior conscious awareness and awareness after entering the industry such as Niklas Hjelun (Södra Maltfabriken who stated that he had no clue about brewing beer and the industry. Therefore, we cannot attribute specific findings to this factor.

Creativity

Creativity as a cognitive factor is described as the entrepreneur’s capability to create and develop new combinations (Ward, 2004; Rauch & Frese, 2007). These abilities are claimed to be of importance for entrepreneurs to become successful. Our findings show indeed that the entrepreneurs exploited their cognitive creativity for crafting product innovations; e.g. distinctive bottle designs, applying different hops, wheat and yeasts, all an outcome of a focus on offering their customers new taste experience.

“Before starting Brewery X, I put all my creativity in home-brewing. I kept experimenting with hops and yeasts and made some amazing beers. This made me aware of my ability and creativity to continuously make new brews. It made me more and more dreaming about starting my own brewery.” – Brewer X (Brewery X)

All brewers mentioned that creativity was of great importance to be successful in the craft beer industry. They state that this cognitive factors led to the shift within the Swedish beer industry from homogeneity to heterogeneity. However, this finding is not a condition to enter this industry. Our findings reflect that creativity for many of the brewers was the starting point for their success, but not for their entrepreneurial journey. Many brewers stated they ‘just’ started for fun/passion for brewing different beer styles rather than they started because of creative new brews.

4.3 Environmental factors

As mentioned in section two, relevant literature of entrepreneurship stated that individual’s decisions to behave entrepreneurially is influenced by more than personal characteristics (Shane et al., 2003; Grégoire et al., 2011; Estay et al., 2013). Suggested by prior research on motivation, literature largely neglected the environment as an influencing factor in the entrepreneurs’ motivation (Carsrud et al., 2009; Carsrud et al., 2011; Edelman et al., 2010; Elfving et al., 2009). Carsrud et al. (2011) proposes to integrate the environment by taking the following question for further research into consideration: “How does context impact entrepreneurial motivation”? (Carsrud et al., 2011: p. 19). The following paragraph tries to address this gap by exploring three influential factors.
Social context

Our research reveals that social context is essential as shown in the two quotes of passion above. It shows that Brewer X & Peter Pikulik were truly passionate about beer they needed social peers to convince them to pursue their passion. Previous research always had difficulties with quantifying and the impact of social norms on the behaviour of entrepreneurs (Elfving et al., 2009). With taking the mentioned quotes above into consideration, we want to appoint – corresponding with the arguments of Krueger, Reilly & Carsrud, (2000) – the importance of the phenomenon of social norms as a valid construct to analyse entrepreneurial motivations and intentions. These researchers argue that entrepreneurs process cues from their social environment and that organisational emergence is social in nature.

Research on the impact of socio- (cultural) factors on entrepreneurship are assumed to be the normative beliefs of others, such as; family, friends, co-founder and role-models (Elfving et al., 2009; Edelman et al., 2010). The following quote illustrates this:

“My father was an entrepreneur too. I was in contact with entrepreneurship from a young age. It gave me a drive to become an entrepreneur as well” – Darryl Necker (Beerbliotek)

But, also the availability of social structures and networks. We want to start with an interesting socio-cultural factor observation. One of the motivations of Jeffrey Brown to start his brewery was the recognition of a change of the Swedish culture:

“The Swedish culture is changing. Since a few years Swedes finally dare to be different, and beer is one of these expressions” – Jeffrey Brown (Southplains)

The Political Context

The political environment is in literature discussed as enabling and constraining factors for entrepreneurial activity, which is in line with the results of this paper. The majority of the interviewees appointed to a more or lesser extent that the stable political context in Sweden – which regulates e.g. market entry, reduces transaction costs – eased their motivation to start their brewery. This finding is in line with previous efforts of scholars that the environment influences entrepreneurial action (Welter & Smallbone, 2011; Grégoire et al., 2011). For example Peter Pikulik who stated:

“The friendly conditions to become an entrepreneur in Sweden to start a company made it easier for me to start my own brewery, just fill out few forms, that’s it” - Peter Pikulik (PKLK)

Entrepreneurs did not mention negative political factors and said that they ‘just started’. However, none of them factually pointed that the political context directly influenced them to establish their brewery.

Contrary to our expectations, few entrepreneurs mentioned the state monopoly on the sales of alcoholic beverages for home use, as a constraint. This was more an issue they faced after the establishment of their brewery. The findings show us that the political environment in Sweden is not a constraining factor. Rather, it can be considered as a (slightly) positive influencing factor to become an entrepreneur.


The Economic Environment

The economic environment as an influencing factor to start an entrepreneurial process is reflected in e.g. the state of the industry, the potential market size, and the competition (Baron, 2007; Peng, Wang, Jiang, 2008). Especially findings regarding competition and the state of the industry show how economic motivational factors generate a pull to start a brewery. These factors seem to show relationships with the motivational factor self-efficacy, as the entrepreneurs pointed at their self-belief to built a company that would be distinctive from their competitive peers:

“I saw a gap in the market by the low competition of craft beer brewers in Sweden. I believed, although I only had home brewing experience, that I could do something different from the competition”. – (Mikael Dunge Engström Dugges)

Remarkable is the observation by two foreign interviewees to become (co)-founder of a brewery, who say that it is easier to start a company than to find a regular job as an immigrant. This finding is related to the encouraging political conditions in Sweden to start a venture. Our findings show that the economic context is found to be influencing to a limited extent. The economic context influences other factors (of motivation and cognition), though; we believe it should not be seen as an independent variable towards entrepreneurial activity. Our sample does not let themselves constrain or help by economic context. However, the results show the relevance of the by Carsrud et al., (2011) suggested integration of the environmental and motivational dynamics in the analysis for studies on entrepreneurial motivation.

5. Discussion

The theoretical framework was designed to advance theory on industry renewal and entrepreneurial motivation. Even though our findings show that not all factors of the model presented show the same importance for the motivations of entrepreneurs, we argue that interdependence can be recognized between the different components and its factors (figure 1). Furthermore, the findings show that the integration of the components’ motivation and cognition within the environment has its relevance. A clear example that backs our revised visualisation is the case of Ida Engström. In her case the social environmental factor, growing up in a family of entrepreneurs (in the beer industry), provided her with the motivation and drive to become autonomous, which made her passionate to start her own brewery. This is in line with the earlier mentioned arguments of Locke (2000a) and Baum et al., (2001), which state that all entrepreneurial action occurs from the combination and integration of motivation, cognition, within the entrepreneur’s environment (Locke & Baum, 2007).

However, our findings show that for entrepreneurs in the Swedish beer industry, the spark to become entrepreneurial can be defined more specifically. All our interviewees initially started to become active as result of five main factors: 1) passion, 2) risk-taking, 3) autonomy, 4) skills and knowledge, 5) social. The following discussion of the results is developed around these factors. Nevertheless, as can be seen in the findings chapter, other factors such as nAch, economic or creativity cannot be denied. Hence,
to understand how these factors initially prepared the road for entrepreneurial activity, we will discuss them accordingly.

5.1 Passion and fun as determining precedents

Passion is found to be a major motivational driver to become entrepreneurial in the Swedish beer industry. In this case more specifically it is the passion for beer. All entrepreneurs mentioned that they started their journey stemmed from a (true) love for the product. This is in line with quantitative data (Baum & Locke, 2004; Baum, Locke & Smith, 2001) that shows support for the argument that passion for work is a significant contributor to successful venture creation and growth. Locke & Baum (2007) indicate that this passion mainly stems from taste experiences of imported beers, and the perceived fun of personal brewing. These taste experiences led to a growing interest in the diversity of beers and the persistence to come up with special crafts with distinctive taste profiles from major players such as Spendrups and Pripps.

The notion of passion interrelates with the factors drive and self-efficacy. By asking the interviewees ‘what made you move into the beer industry?’ entrepreneurs often mentioned that their fascination for beer led to the will to improve and differentiate beers. Furthermore, passion eventually leads to the self-believe that they could satisfy customer needs better than other brewers. Still, passion was said to be the spark that made them decide to start their own brewery. This is in line with the arguments of Shane et al. (2003) that to achieve a constant level of persistence, an entrepreneur needs passion. Therefore, it can be reasoned that passion supported by the motivational factors drive and self-efficacy shows to be an accelerator to become active in the Swedish beer industry. We argue that the more and the stronger these factors are, the quicker the actor enters a market.

5.2 Entrepreneurial awareness of risks and rewards of starting a new venture

Complementary to the previous notion is risk-taking. Many entrepreneurs explained that their passion infused them with the thought: ‘just go for it’. They had established their breweries and accepted the risks of high investments and uncertain future demands. In the field of entrepreneurship, risk-taking is said to be of significance as entrepreneurs should not be risk reluctant as they manoeuvre in uncertain environments (Baron, Frese & Baum, 2007); Busenitz & Arthurs, 2007). Our findings show that risk-taking is especially noteworthy as a motivational variable since entrepreneurs stated that they acted in their interest of ‘the fun of making beer’. Though, it is assumed to be normal that entrepreneurially inclined individuals must not be averse to risk taking and seek opportunities in uncertain environments (Estay et al., 2013).
5.3 Entrepreneurial need for autonomy and influencing role models

A third motivational variable that drives entrepreneurial action in the Swedish beer industry is the need for autonomy. Shane et al. (2003) stated that the entrepreneurial motivation necessitates independence (Locke & Baum, 2007; Estay et al., 2013). Furthermore, in line with the arguments of Rauch & Frese (2007), the replies of the interviewees reflected that they wanted to be in control, that they avoided the restrictions and rules of established organizations and thus chose the entrepreneurial role consciously. For example, in the particular case of Ida Engström, she mentioned that she did not like to be managed in her previous work as a nurse. This was one of the main reasons to quit her job and start Electric Nurse. Interestingly, the need for autonomy was said by quite some entrepreneurs to be influenced by role models such as entrepreneurial family members. We will elaborate more in depth on these social factors later on.

The observant reader will notice that not all motivational factors out of the presented model are mentioned to be of significant importance. Although we argue that all factors are influencing the entrepreneurs' motivation, there is no indication that locus of control plays a significant role. The concept of one's internal believes in controlling the future, external believes that they are controlled by outside or chance events, deemed not to influence entrepreneurial action (Shane et al, 2003, Rauch & Frese, 2007). Drawn from the answers we argue that the individuals showed affiliation with the ‘craft beer revolution’ instead of the will to control this movement. A shared thought as Leif Börjesson (Founder of Brutal Brewing and marketing director Spendrups) argued that the rise in the number of breweries is rather a ‘hipster movement’. It is explained that for many starting brewers it is more about being part of something than for example the recognition of a gap in the market.

5.4 Skills and Knowledge as determining factors for entrepreneurial endeavours

We identified the cognitive factors skills and knowledge to be of great importance to start a brewery. These factors were in this particular case considered to help the entrepreneur making judgments, identify and evaluate opportunities, and make decisions regarding new venture creation (Markman, 2007). Particularly home-brewing skills and knowledge gained from previous working experience were mentioned. The analysis of the variable knowledge shows that the entrepreneurs aware of their prior knowledge and skills considered it as important for their decision towards new venture creation. Though, skills and knowledge were often mentioned in the context of passion. Many entrepreneurs state that passion for beer has pulled them into home brewing, and consequently gave them skills and knowledge how to make special flavoured beers.

Our analysis of the interviews shows that the other two cognitive factors abilities and creativity were of less importance in the process of starting the venture. Markman (2007) argues that knowledge and skills are inherently interrelated to and reciprocally dependent on abilities and that many studies do
not even distinguish skills and abilities. Nevertheless, our analysis does not clearly show the presence of the factor ‘abilities’. Most of the entrepreneurs experienced that they had the abilities to deploy: entrepreneurs indicated that they effectively used their skills and knowledge at times of operations. We state that a similar pattern can be recognized for creativity. Although entrepreneurs often mentioned being creative, this was rather something that explained their success after they had established their brewery. Often it was said that their brewing equipment allowed them to experiment, and make fancier beers than with the home-brewing kits they had used before.

5.5 The importance of the social context for entrepreneurs to start a company

Stemming from previous research and prior data collection, we assumed that political and economic environment would influence entrepreneurs for starting a brewery. This assumption of the economic context was and is in line with traditional views on entrepreneurship and industry renewal, such as the industry-life-cycle model (Klepper, 1996/1997). Findings show that the entrepreneurs take the political and economic environment in mind before starting a brewery, however, it is not found to be a main factor.

Unlike political and economic environment, we argue that social environment is of significant importance. All entrepreneurs have mentioned the importance of (entrepreneurial) family and/or friends in starting their journey towards a brewery business. These findings legitimate the suggestion of Carsrud et al. (2011). It suggests integrating the environment in future research on entrepreneurial motivation and insinuates that the social context has an energizing and directive impact on entrepreneurial activity.

In sum, we argue that there is more than the economic context to take into consideration in researching mature industries. The particular case of the Swedish beer industry indicates that e.g. the state of the industry is more a supporting condition, than the main driving force behind the emergence of entrepreneurial activity. However, the design of our research might insufficiently provide us with the correct tools to build theory upon the found interdependencies. Rather, our discussion supports the suggestion to integrate the individual perspective in future research on industry renewal.

6. Conclusion and implications for future research

The aim of this paper was twofold. Firstly, make a contribution to the model of entrepreneurial motivation of Shane et al. (2003). We did this by adding the three environmental factors; political, economical and social to the suggested model. Furthermore, our model presented the entrepreneurial environment as an interacting and overlapping context with the components cognition and motivation as driving force towards entrepreneurial action. Although the underlying theory provided by Shane et al. (2003) remains strong, we argue that our contributions to the model show to be supportive and deepen the specific field of research.
Secondly, we tried to provide a different angle for further research on industry renewal by making an attempt at examining this phenomenon on the individual level rather than the industry perspective. This research displays the significance of entrepreneurship theories – from an individual point of view – in contrast to models retrieved from the field of economics and industrial organization. Further, our aspirations helped us to gain knowledge and understanding behind the rise of beer breweries in Sweden. Overall, our aim was to provide answers to the main research question: why do entrepreneurs become active in a mature industry – such as the Swedish beer industry?

Our findings show that there is no homogenous answer to this question. As reflected in the presented model, it is the complexity and interdependency of factors that influences the motivations of entrepreneurs to become entrepreneurial. Besides, we want to stress that these factors appear to influence every single entrepreneur in a different way and intensity. Furthermore, we argue that also different industrial and/or geographical contexts may influence the importance of different factors for entrepreneurs to become active in a certain industry. In the particular case of the mature Swedish beer industry, the main driving forces for entrepreneurial actors are the factors passion, risk-taking, autonomy, knowledge and skills, and social. The interdependency of motivational factors is revealed in our findings in the environmental context as a stimulus for entrepreneurial activity. However, also cognitive factors as creativity and ‘having skills such as home brewing’ are shown to be of significant importance for individuals to start a business.

6.1 Implications
The implications of our research paper are threefold. Firstly the implications for scholars are the following: Quantitative researchers are suggested to verify the – importance of the – three integrated environmental factors in the model of Shane et al. (2003) on entrepreneurial motivation and process. We argue that our effort is missing an explanation for the interdependency of different factors, for example, the environmental and cognitive factors. Though, the dynamics and the continuous change of the entrepreneurs’ environment call for a comprehensive examination. Moreover, we provide a starting point for future research on the role of the individuals’ action in industry renewal. Our effort provides directions to investigate which main factors influence entrepreneurs to become entrepreneurial in a mature industry.

Future research should consider the assumptions presented in our discussion and conclusion. Notwithstanding the fact that we build on insights from other studies that researched similar entrepreneurial processes in different geographical contexts, one may wonder to which extent the main findings of this paper extend beyond the Swedish beer industry. However, in the discussion we have focused on findings that we believe are likely to have implications beyond the researched context. Therefore, we recommend applying this study within a different industry context. In order to find if the
factors pointed out above are specific to beer (or comparable) industries or to what extend the driving forces found in our research are generalizable.

Implications for policy makers stem from the increasing number of breweries in Sweden and globally. The Skyrocketing amount of established breweries in the recent year are so numerous that the beer supply is starting to exceed the demand, according to our findings. Therefore breweries should be aware that the trend of economies of scale also could make the market less heterogeneous. Hence, policymakers should establish clear regulations for the (home) breweries that want to produce for commercial purposes to ensure greater quality, consistency and longevity of the companies.

Finally, we elaborate on the implications for individuals considering starting a brewery. Individuals can use this effort as a tool for reflection to know if they fulfil the 'motivational requirements' to be an entrepreneur in the beer industry. We argue that reflection in an early stage can help a future entrepreneur to think about their strengths and weaknesses. This is important as we still see an ever-growing number of breweries and competition result in an increasing importance of the individual specific factors on cognition and motivation. However, recognition of these factors as applying to the individual should not be seen as determinants towards an own brewery with success.

References


Appendices

Appendix 1 Renewal Breweries in Sweden

Appendix 2 Model of entrepreneurial motivation and the entrepreneurial process (Shane et al., 2003)
Appendix 3 Interview guide + potential area covering

<table>
<thead>
<tr>
<th>Interview guide / potential relation to outcomes</th>
<th>Assumable potential outcomes cover areas of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. General Questions: The Brewery</td>
<td>Motivational + Cognitive + Environment</td>
</tr>
<tr>
<td>• Can you tell us something about the founding history of the brewery?</td>
<td>Skills: Passion, Creative, Market</td>
</tr>
<tr>
<td>• What makes this brewery different from other breweries?</td>
<td>Skills: Knowledge, Vision, Creativity</td>
</tr>
<tr>
<td>• How distinctive are these from the major players in the industry?</td>
<td>Self-efficacy: Knowledge, Economic</td>
</tr>
<tr>
<td>• To what organizational parts do you compare your brewery?</td>
<td>Locus of control</td>
</tr>
<tr>
<td>2. The entrepreneurial choice and pursuit to start a brewery</td>
<td></td>
</tr>
<tr>
<td>• What made you and/or the founding team move into the brewing industry?</td>
<td>Motivational + Cognitive + Environment</td>
</tr>
<tr>
<td>• Are their specific personal traits (or team members) that helped to exploit this potential?</td>
<td>Skills: Passion, Economic, Social</td>
</tr>
<tr>
<td>• What made the founders decide to enter this mature market?</td>
<td>Skills: Creativity, Knowledge, Passion</td>
</tr>
<tr>
<td>• What important actions that had to be taken during the founding of the brewery to survive this competitive market?</td>
<td>Social: Economical, Autonomy</td>
</tr>
<tr>
<td>• Were there legalities that you expected before the opening?</td>
<td>Self-efficacy: Vision, Political, Creativity</td>
</tr>
<tr>
<td>• What difficulties did you expect prior the opening?</td>
<td>Creativity: Political</td>
</tr>
<tr>
<td>• Were there legalities that you expected before the opening?</td>
<td>Legal: Knowledge, Team, Economical</td>
</tr>
<tr>
<td>3. Industry opportunities for the brewery</td>
<td>Environmental + Motivation</td>
</tr>
<tr>
<td>• What market potential did you (and your team) see in this industry when founded?</td>
<td>Vision: Economic, Self-efficacy</td>
</tr>
<tr>
<td>• How do you think the industry will evolve the upcoming 5-10 years?</td>
<td>Self-efficacy: Knowledge, Risk-taking</td>
</tr>
<tr>
<td>• Where will your brewery be in this competitive industry within 5-10 years?</td>
<td></td>
</tr>
<tr>
<td>4. External influences: contextual and social influences</td>
<td>Environmental</td>
</tr>
<tr>
<td>• Who is (are) the most influential individuals in the brewery and why did those persons pursue the venture creation?</td>
<td>Locus of control: Passion, Knowledge</td>
</tr>
<tr>
<td>• Do you consider the craft-beer revolution as an outcome of new consumer preferences or trends?</td>
<td>Vision: Knowledge</td>
</tr>
<tr>
<td>• Are there other factors that influenced you to start a brewery?</td>
<td>Vision: Drive, Risk-taking, Team</td>
</tr>
</tbody>
</table>