

Austin Beerworks,  
Austin, TX



## Craft Beer Tourism and Its Role in Neighborhood Revitalization

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Presented to the Nebraska Agritourism & Adventure Travel Workshop,  
Nebraska City, NE February 27, 2020



# Outline

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- Growth of Commercial Craft Brewing
- Revitalizing Old Buildings – Adaptive Reuse
- Revitalizing Downtowns, Industrial Areas, and Rural Areas
- Understanding Craft Beer Tourists
- Getting Beer Tourists to Visit (and Revisit) Your Community



Border X Brewing,  
San Diego, CA

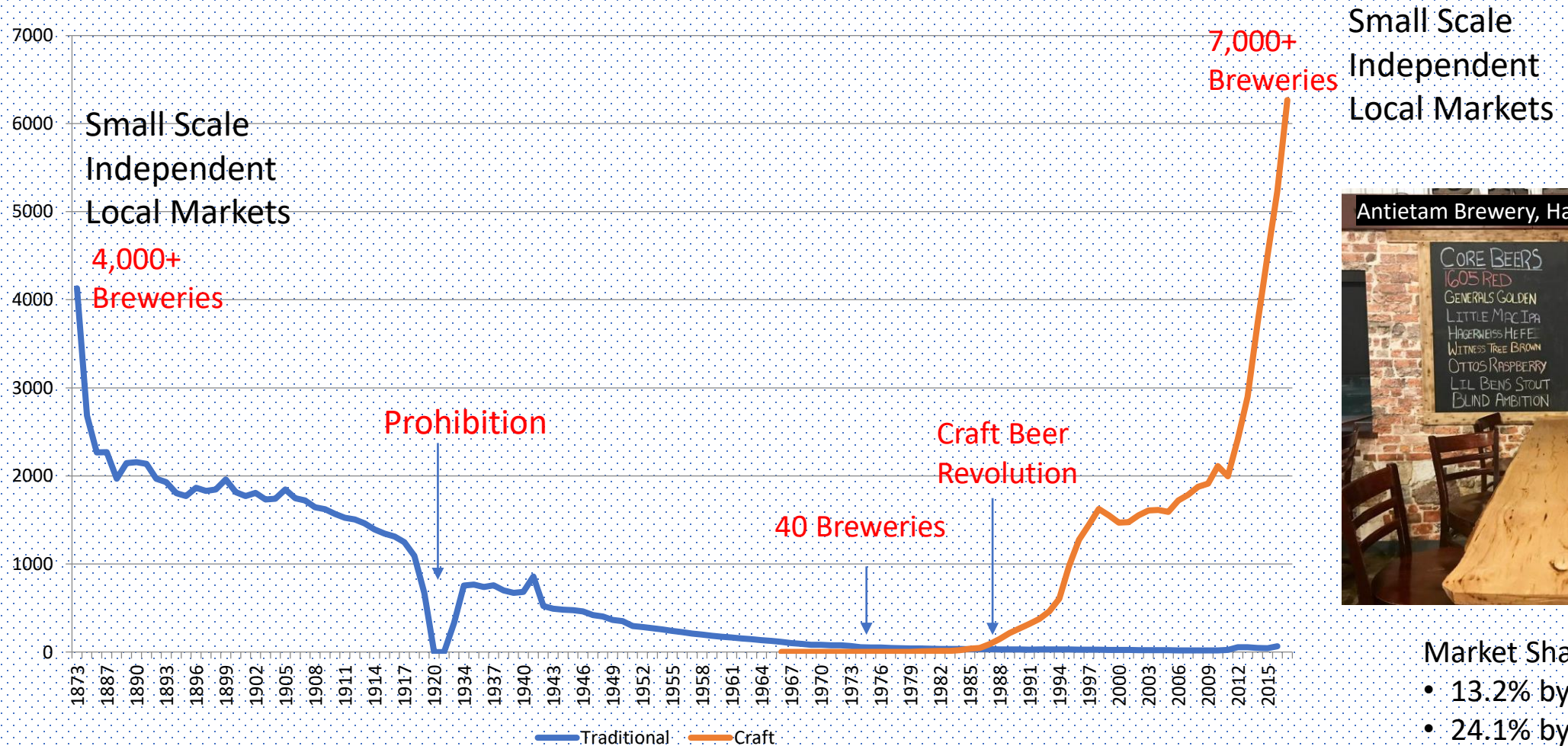


Anchor Brewing,  
San Francisco, CA



## Growth of Commercial Craft Brewing

# American Brewing Industry, 1873-2018

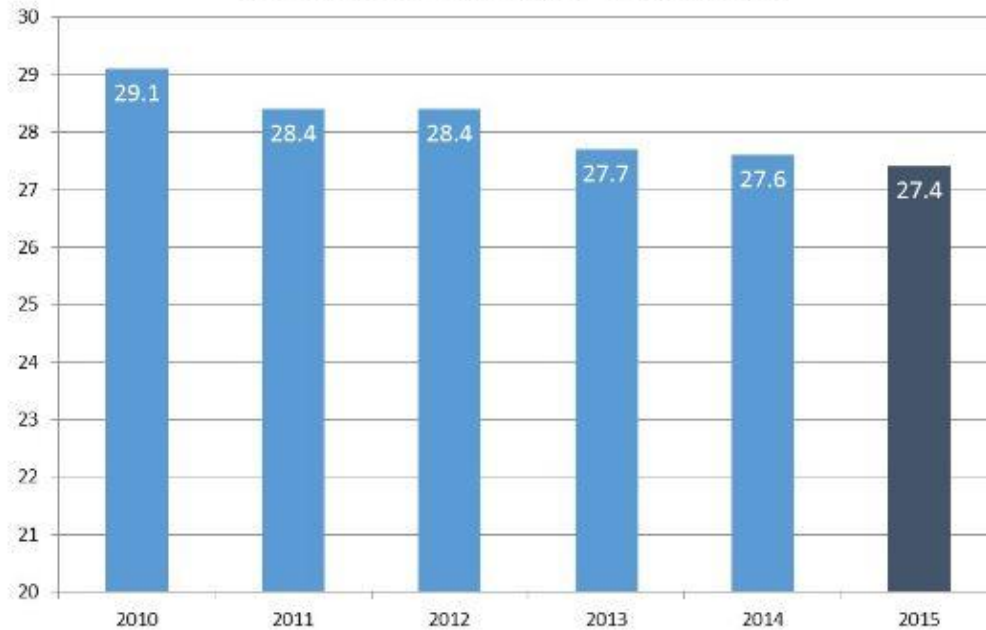


- Market Share
- 13.2% by volume
  - 24.1% by sales

# Big Brewers Take a Hit to the Gut as Americans Move Away From Beer



U.S. Per Capita Beer Consumption  
2010 to 2015 Gallons Per LDA Persons



Source: U.S. TTB, U.S. Census and NBWA, 2015.







#### WHO ARE THE DRINKERS IN 2016?

Millennials continue to account for a majority of the drinkers

	Total Population 21+	Weekly Beer Drinkers	Weekly Craft Beer Drinkers
Millennials	29%	41%	57%
Gen Xers	25%	27%	24%
Boomers	35%	27%	17%
Matures	10%	5%	2%



# Craft Beer's Popularity



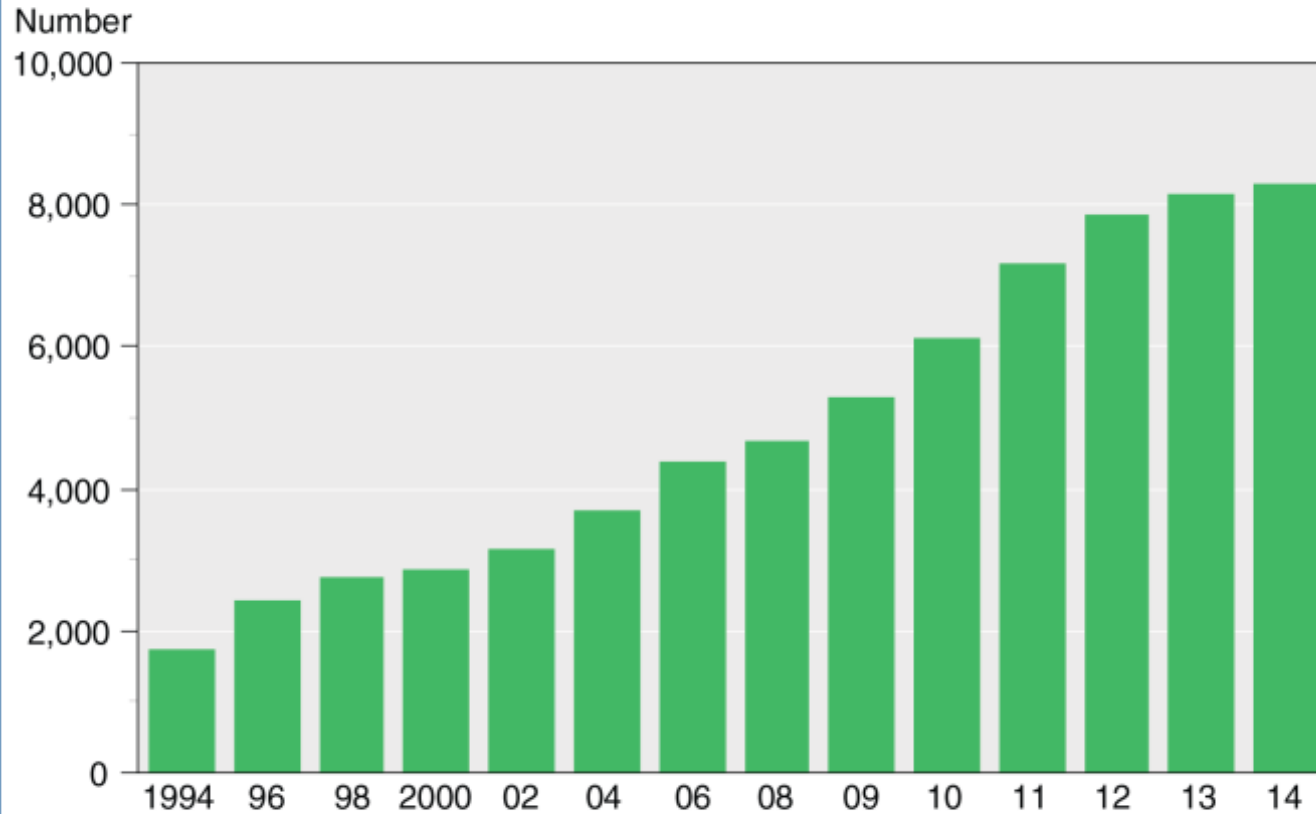
# Neolocalism

Desire to “reestablish connections with local communities, settings, and economies” (Schnell and Reese, 2003)



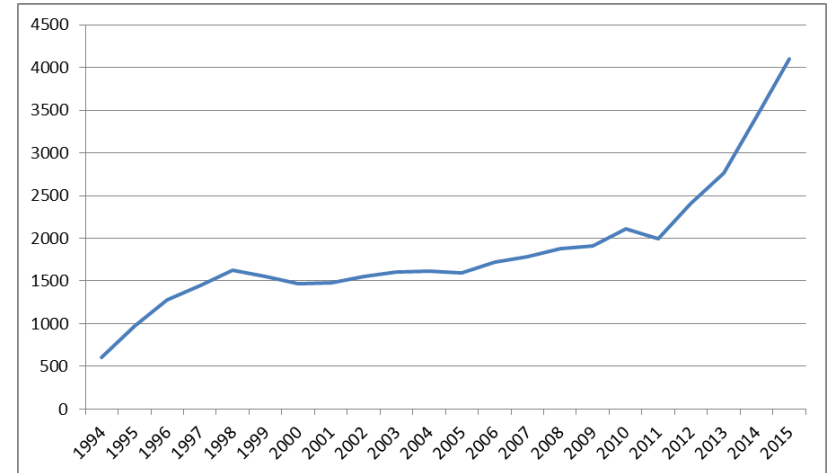


## U.S. farmers' markets, 1994-2014

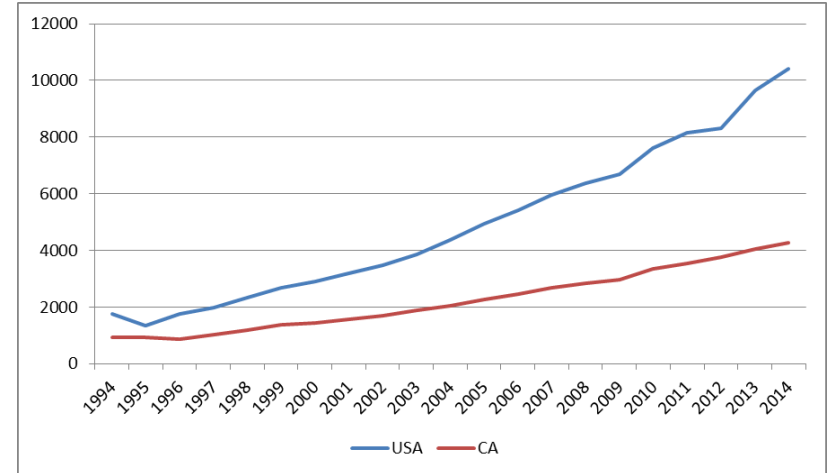


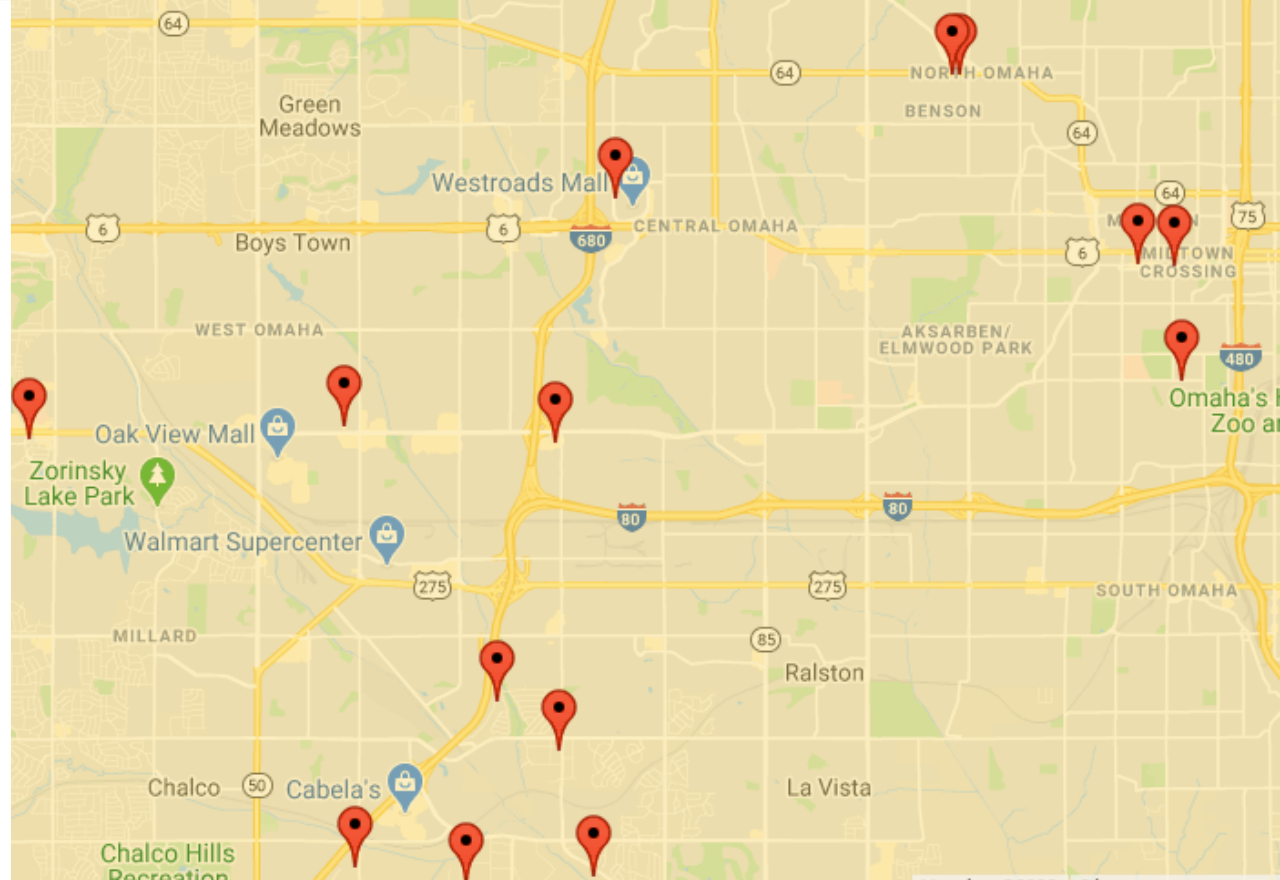
Source: USDA, Economic Research Service using USDA, Agricultural Marketing Service, Farmers' Market Surveys.

## Craft Breweries



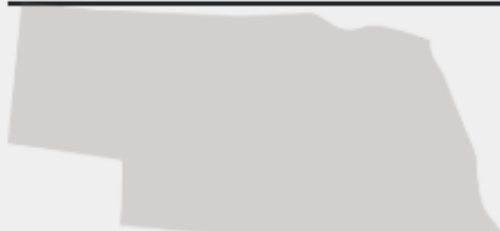
## Wineries





85% of Americans of LDA live within 10 miles of a craft brewery





# NEBRASKA

[FIND A BREWERY ▶](#)[STATE LAWS ▶](#)

**3.6** Breweries per Capita\*

(RANKS 22<sup>ND</sup>)

\*per 100,000 21+ Adults

  
ECONOMIC IMPACT

**521**  
Million Economic Impact  
(RANKS 33<sup>RD</sup>)

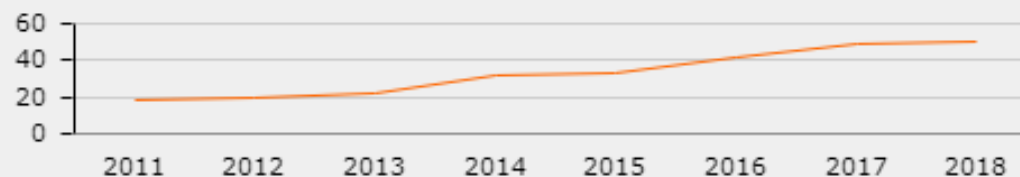
**380**  
Impact per Capita  
(RANKS 18<sup>TH</sup>)

  
PRODUCTION

**54,640**  
Barrels of Craft Beer Produced  
per Year  
(RANKS 43<sup>RD</sup>)

**1.2**  
Gallons per 21+ Adult  
(RANKS 37<sup>TH</sup>)

NUMBER OF CRAFT BREWERIES OPERATING PER YEAR





## To Summarize

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- Beer consumption is down, but craft beer consumption is up
- Craft beer is part of a larger neolocalism movement
- Craft beer drinkers like local and independent
- Craft beer drinkers like diversity



Warpigs,  
Copenhagen, Denmark



Revitalizing Old Buildings – Adaptive Reuse



Ore Dock Brewing,  
Marquette, MI

ORE DOCK BREWING



# Locational Preferences

- Seek out inexpensive real estate
- “Economically peripheral locations” (Weilar 2000)
- Abandoned buildings in old (distressed) industrial neighborhoods or lifeless downtowns
  - Engage in adaptive reuse



# Adaptive Reuse

- Retrofitting an old building for a new use
  - Often cheaper than demolishing and rebuilding
  - Can contribute to the revitalization of neighborhoods
  - Can reduce land consumption, help control urban sprawl
  - Can preserve buildings that have cultural heritage value



Maumee Bay Brewing Co,  
Toledo, OH

# New Build

## General Steel Corporation

Metal Buildings Brewery 30x40 Brewery

### 30x40 Brewery

★★★★★ 154+ Sitejabber Reviews [reviews](#)



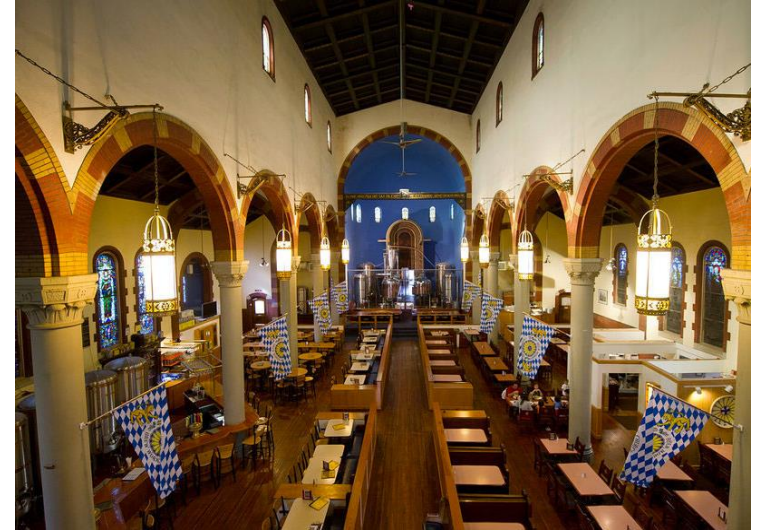
Recommended Use: Brewery, Microbrewery  
Related Building Types: Commercial, Retail, Manufacturing





# The Church Brew Works, Pittsburgh, PA

BEER NAME	O.G.	IBU	ABV
Celestial Gold	10.5°P 1.042	18	4.1
PIPE ORGAN PALE ALE	13.0°P 1.052	30	4.3
Pious Monk Dunkel	13.0°P 1.052	20	4.3
BLAST FURNACE STOUT	13.5°P 1.054	30	4.8







Hillsboro Brewing Company,  
Hillsboro, WI





# Heritage Buildings

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- Historical or cultural significance
- Provide a valuable glimpse of the past and lend character to communities
- Preservation provides people with a stronger sense of connection to their community, and adds to a sense of place
- Different to the mentality associated with new building stock
  - Can be, replicated anywhere and therefore lends no specific connection to the local environment.

# Unique Beer in Unique Spaces

- “Craft beer is as much about getting creative with the space the brewery is located in as it is about creating unique beer recipes” (Colliers International, 2015)
- “The craft beer consumer is looking for a unique atmosphere, taste, and overall experience and it is up to the breweries to meet those expectations. The physical space and its associated atmosphere play an important role in achieving the ‘experience’ consumers have come to expect” (CBRE, 2016)







Funeral Home,  
Grand Rapids, MI



Fire Station,  
Rapid City, SD



Jail,  
Hampton, GA



Bread Factory,  
San Diego, CA



Bank,  
Yardley, PA



Collision Bend Brewery,  
Cleveland, OH



## To Summarize

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- Craft breweries
  - want inexpensive real estate
  - are adept at adaptive reuse
  - can breath new life into old buildings
- Unique beer in unique spaces attracts craft beer drinkers



Great Dane Pub & Brewing,  
Madison, WI



Revitalizing Downtowns, Industrial Areas, and Rural Areas







# Ohio City, Cleveland, OH

- Late 19<sup>th</sup> and early 20<sup>th</sup> centuries, Ohio City was a bustling industrial neighborhood that provided plentiful employment opportunities for European immigrants
- As 20<sup>th</sup> century progressed, Ohio City entered a period of decline
- Out migration, crime, shady bars, and liquor stores



# Ohio City, Cleveland, OH

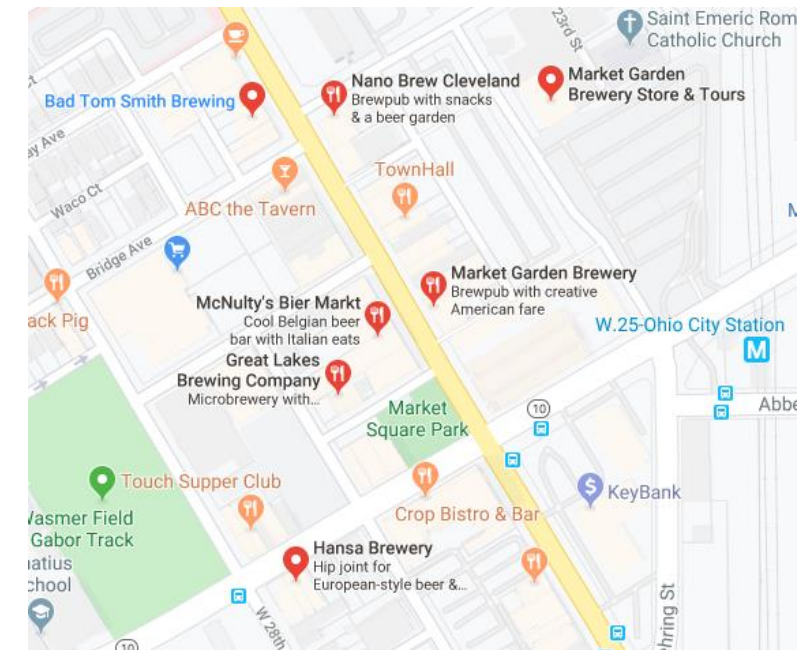
- Had something coveted by craft brewery entrepreneurs – inexpensive real estate in the form of abandoned buildings
- Great Lakes Brewery opened in 1989
- Today, there are 10 breweries in and around Ohio City

16,243 views | Nov 26, 2013, 09:24am

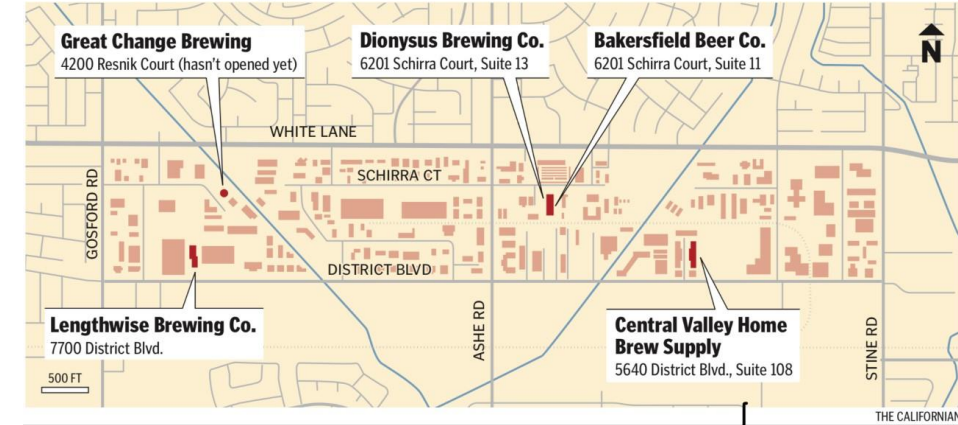
## Beer Entrepreneurs Fuel Comeback Of Struggling Cleveland Neighborhood



**Dan Alexander** Forbes Staff  
Money & Politics



Evidence that craft  
breweries are geographically  
concentrating in particular  
neighborhoods within cities  
resulting in the creation of  
brewery districts



# In Charleston, Beer Gets Its Own Neighborhood





# What Motivates Craft Beer Drinkers?

## Explorer

- Not interested in educating themselves on craft beer
- **Wants to try new styles and flavors**
- **Makes an effort to visit many breweries**
- Experience of going to the brewery is second only to the quality of the beer

## Enthusiast

- Strong appreciation for the brewing process and its history
- Strives to educate themselves on all aspects of the industry
- **Wants to try new styles and flavors**
- **Makes an effort to visit many breweries**

## Loyalist

- Loyal to certain beers or brands
- Know what they like
- Does not strive to try new styles and flavors
- Convenience important – local retailers

## Novice

- New to the craft beer scene
- Learning about craft beer
- Influenced by friends

Source: Carpenter et al. 2013







# Creemore, Ontario

- 81 miles north of Toronto
- Population – 1,170
- 1890
  - 3 hotels, pharmacy, butcher shop, grist mill, numerous retailers, jailhouse, Creemore Star newspaper
- 1920 - local services met 95% of the community's needs
- 1986 – a walk down the main street was met with the many empty stores





# Creemore Springs Brewery

- “Creemore was a dead town with many stores boarded up, but after the brewery started and word got out, people started buying cottages and seasonal homes. The brewery really brought the tourism” (Julie Vanderwerf 2007).
- “The brewery became a business success that created jobs for local residents, and then grew into an attraction for tourists and visitors. As the “mom and pop” stores in the village lost out to shopping malls and box stores, many were replaced by shops appealing to those people who came to see the brewery” (Editor, Creemore Echo, 2007)



# Breweries Attract People

“After just a year, the small brewery has brought good fortune to the town. After taking over an old Dollar General discount store in the sparsely occupied town square, the brewery-and-taproom has become a community hub and a catalyst keeping businesses open later. It’s encouraged others—including two new boutiques—to open shop, and has drawn visitors from across the region” (Patrick Sisson 2016)





Listermann Brewing Company,  
Cincinnati, OH

## To Summarize

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- Craft Breweries
  - are people/tourist magnets
  - can help revitalize neighborhoods
  - can help revitalize small towns too





## Understanding Craft Beer Tourists

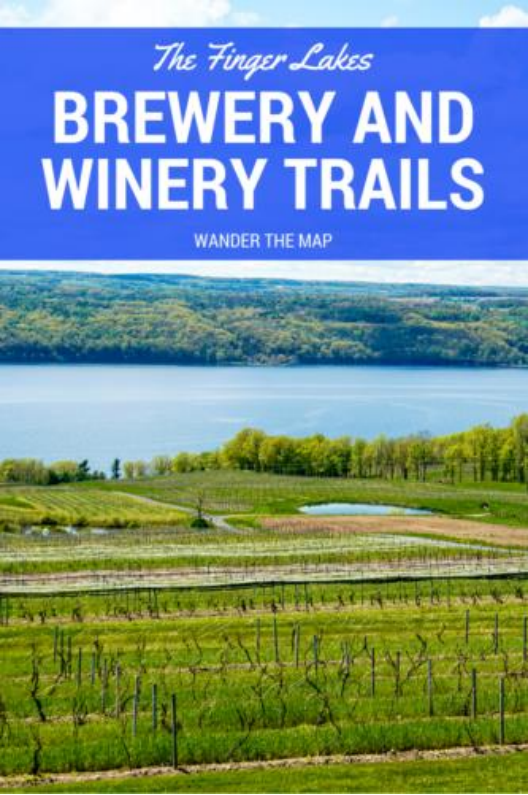
# Beer Tourism

the “visitation to breweries, beer festivals and beer shows for which beer tasting and experiencing the attributes of beer region[s] are the prime motivating factors for visitors” (Plummer et al. 2005)

Being a beer tourist means “traveling specifically for beer itself” (Janzen 2015)

Beer tourism is a subset of culinary tourism (Long 2014)





# The Finger Lakes BREWERY AND WINERY TRAILS

WANDER THE MAP

## CRAFT BEER BIKE RIDE MINNEAPOLIS

8 MILES

### HIGHLIGHTS

- 1 Fulton Brewery  
414 6th Ave N
- 2 612 Brew  
945 Broadway St NE
- 3 Bauhaus Brew Labs  
1315 Tyler St NE
- 4 Sociable Cider Werks  
1500 Fillmore St NE
- 5 Indeed Brewing  
771 NE 15th Ave
- 6 Dangerous Man Brewing  
1300 2nd St NE
- 7 Boom Island
- 8 Stone Arch Bridge
- 9 Gold Medal Park

### BONUS

- 10 Surly Brewing Company  
320 Malcolm Ave
- 11 Urban Grocer  
2325 Endicott St, St Paul
- 12 Bang Brewing  
2320 Capp Rd, St Paul
- 13 Burning Brothers Brewery  
1750 W Thomas Ave, St Paul
- 14 Steel Toe Brewing  
4848 W 35th, St Louis Park

### KEY

PINK LINE = STREET

BIKE PATH

BEER & CIDER

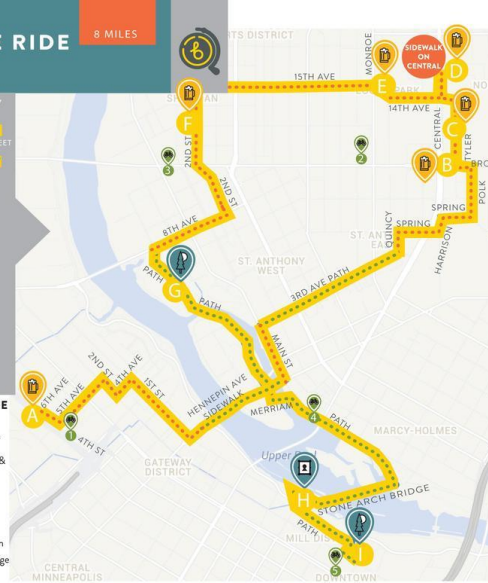
ART & CULTURE

OUTDOORS

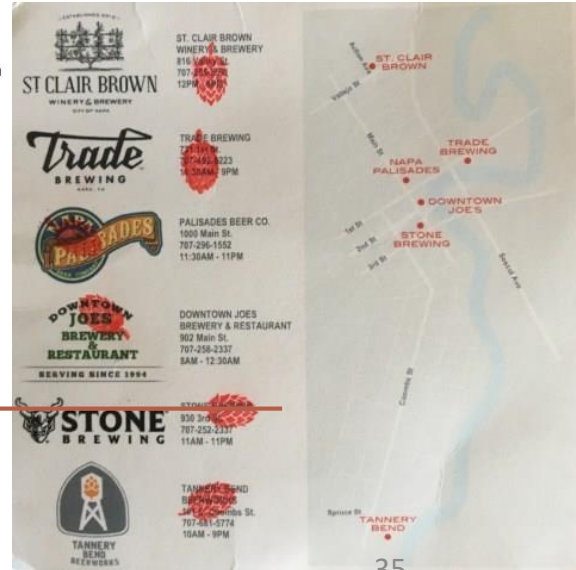
BIKES

### BIKE SHARE LEGEND

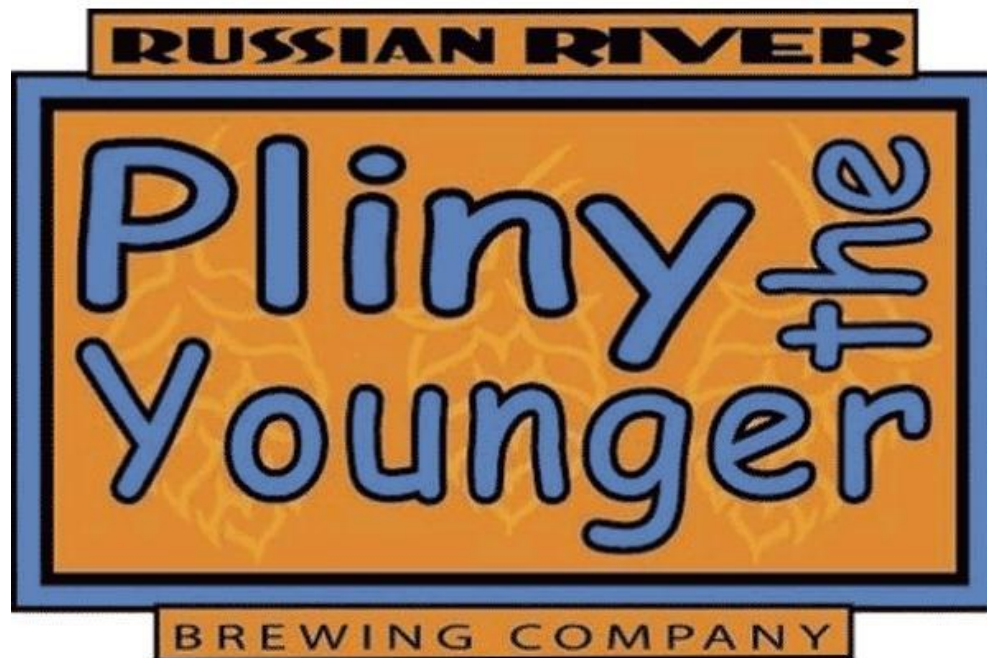
- 1 4th St & 4th Ave
- 2 Washington & 10th
- 3 Logan Park
- 4 47th & Lake
- 5 Broadway & Marshall
- 6 Lake Calhoun
- 7 3rd Ave Bridge & Main



# Ale Trails







## Beer Festivals



*The Economic Impact of Beer  
Tourism in Kent County*

\$38.5 million



\$23.9 million

2018  
Pliny the Younger  
Release  
ECONOMIC IMPACT

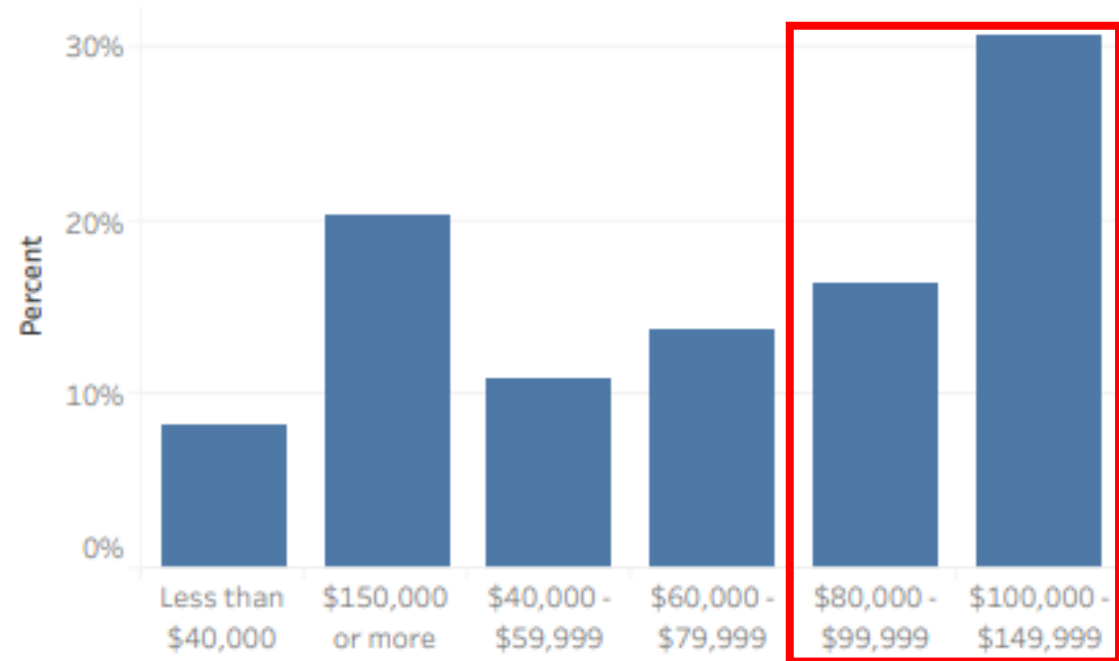
\$4.16 million

# Beer Tourism Economic Impact

# Beer Tourists Have Money

~45% have household incomes >\$80,000  
(Grand Rapids Study)

**FIGURE 9. Beer Tourist Household Income**



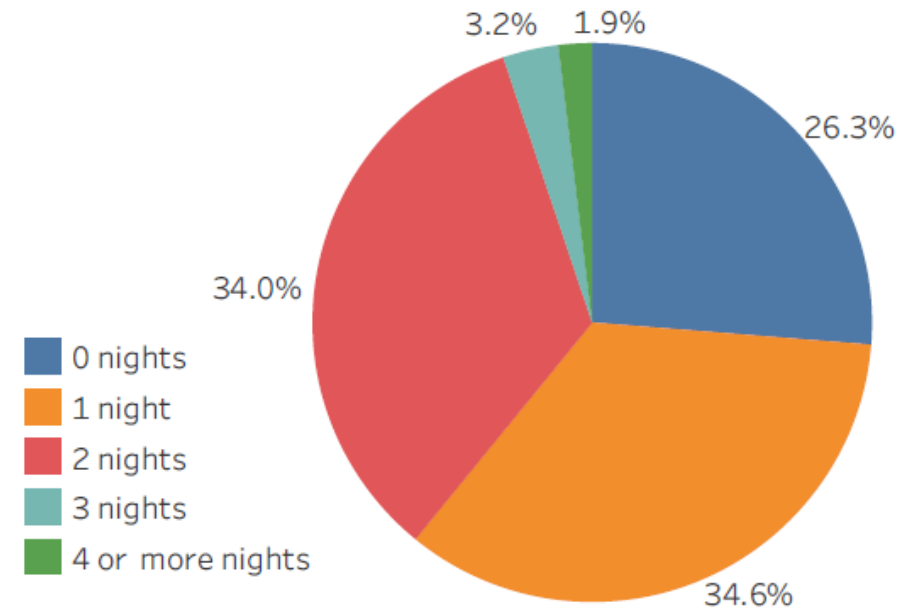
Source: Anderson Economic Group beer tourism survey  
Analysis: Anderson Economic Group



## They take Short Trips

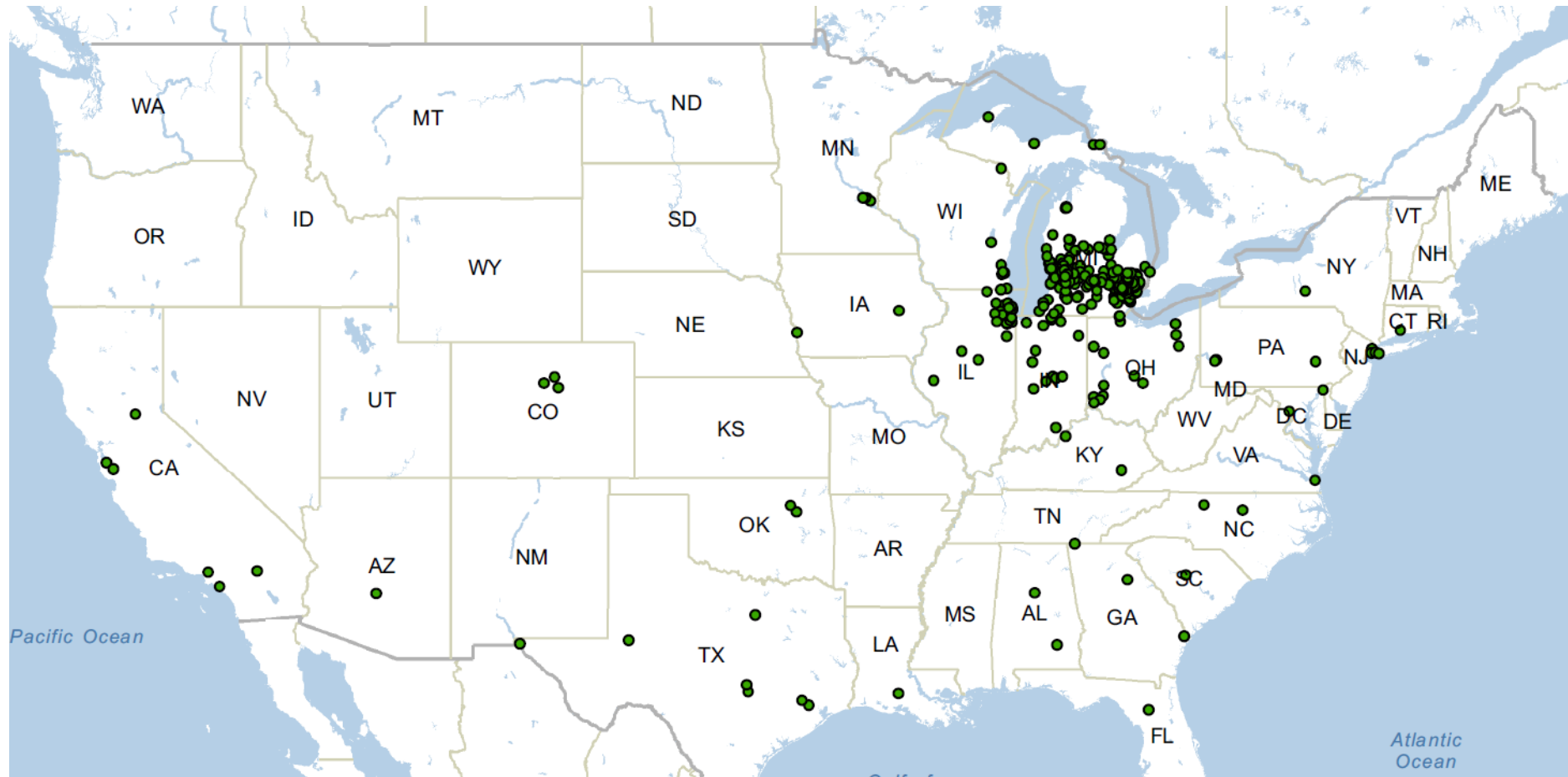
- Average length of stay
  - 1.6 nights (GR)
- 95% of trips are 2 nights or less (GR)
  - 26% day trips
  - 35% - 1 night
  - 34% - 2 nights

**FIGURE 5. Beer Tourist Length of Stay**



*Source: Anderson Economic Group beer tourism survey*  
*Analysis: Anderson Economic Group*

# Beer Tourists Come From Nearby

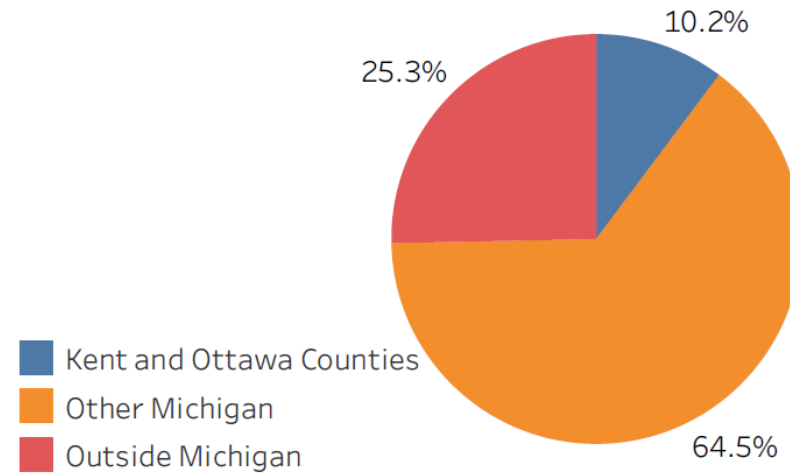




## Grand Rapids Beer Tourist Origins

- 75% came from Michigan
  - 10% came from Kent and Ottawa Counties
  - 65% from elsewhere in Michigan
- 25% came from outside of Michigan

**FIGURE 3. Beer Tourist Origins**



*Source: Anderson Economic Group beer tourism survey  
Analysis: Anderson Economic Group*

Hair of the Dog Brewery,  
Portland, OR



They travel in  
small groups

- Most travel in groups of 2 or 4 (GR)
- Average party size 3 (PTY - 2019)



# Beer Tourist Motivations

## The Craft Brewery Experience (27.1%)

- *Experience North Carolina craft beer*
- *Taste new beer*
- *Increase my beer knowledge*

## Relaxation (15.4%)

- *Enjoy the entertainment*
- *Get away for the weekend/day*
- *Relieve stress*

## Socializing (9.8%)

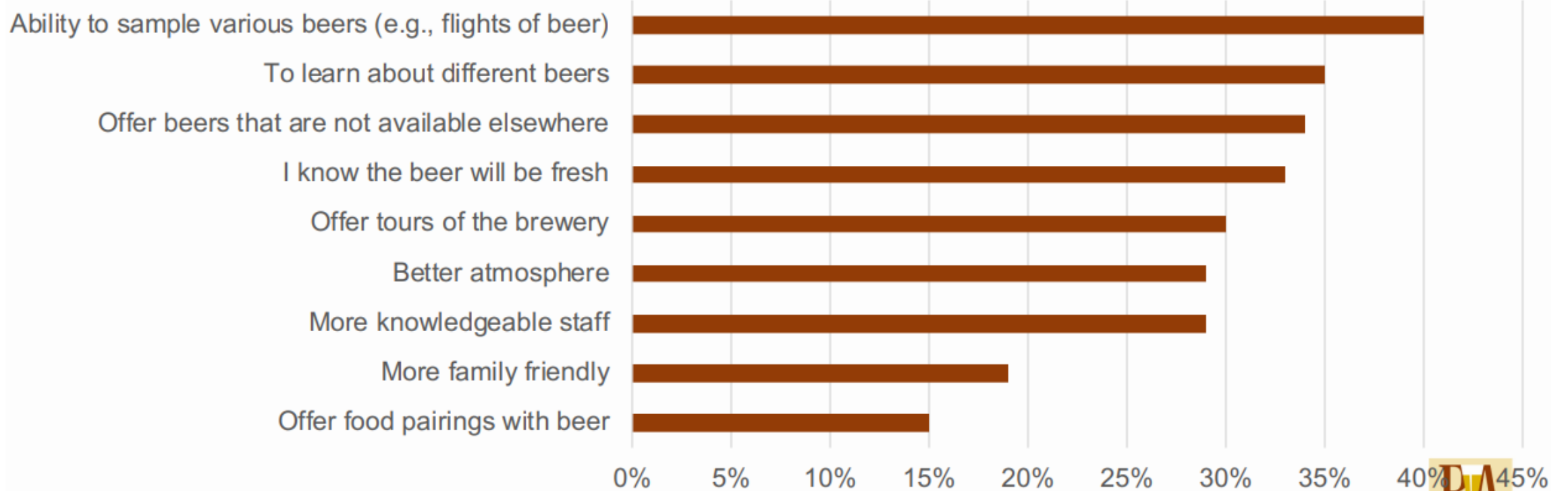
- *Food tasting*
- *Be with friends & family*
- *Meet people with similar interest*

## Beer Consumption (9.7%)

- *Buy beer*
- *Get drunk*



## Why People Go to a Brewery versus A Traditional Bar



Source: Nielsen-Harris, Craft Insights Panel, 2019





# Experiential Drinking



Not Just Going to Drink,



But Going to Do Something  
While Drinking

# Experiential drinking bolsters craft beer sales

By Beth Newhart [↗](#)

10-Dec-2018 - Last updated on 10-Dec-2018 at 13:09 GMT



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1 COMMENT



## Experiential Sampling

Drinking experiences are heightened with creative, interactive elements



**Experiential Dining is on the Rise:**

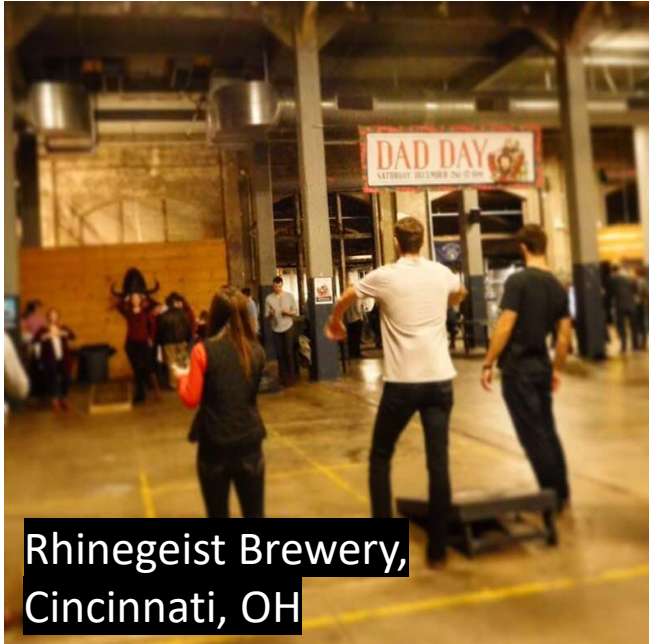
*Here's What You Need to Know*

Updated on May 6th, 2018





Black Cloister Brewing Co.,  
Toledo, OH



Rhinegeist Brewery,  
Cincinnati, OH



Tannery Bend Beerworks,  
Napa, CA



Catawba Island Brewing Co.,  
Port Clinton, OH





Bowling Green Beer Works,  
Bowling Green, OH

# To Summarize

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- Beer Tourists
  - Have money to spend
  - Are well educated
  - Take short trips
  - Travel in small groups
  - Are excited about tasting YOUR beer in YOUR breweries
- Experiential drinking is on the rise





Twin Oast Brewery,  
Port Clinton, OH

# Getting Beer Tourists to Visit (and Revisit) Your Community

## Market to the Local Region

- Most beer tourists travel short distances
- Focus your efforts on people living within say a 150 mile radius



**150-Mile Radius Report for Toledo city, Ohio**



## Focus on Short Stay Visitors

- Most beer tourists visit a location only for a few days
- Emphasize your community as an ideal place for a “weekend getaway”



FOOD

**Los Angeles Times**

Beer excursions: Make a weekend trip out of these breweries beyond L.A. County

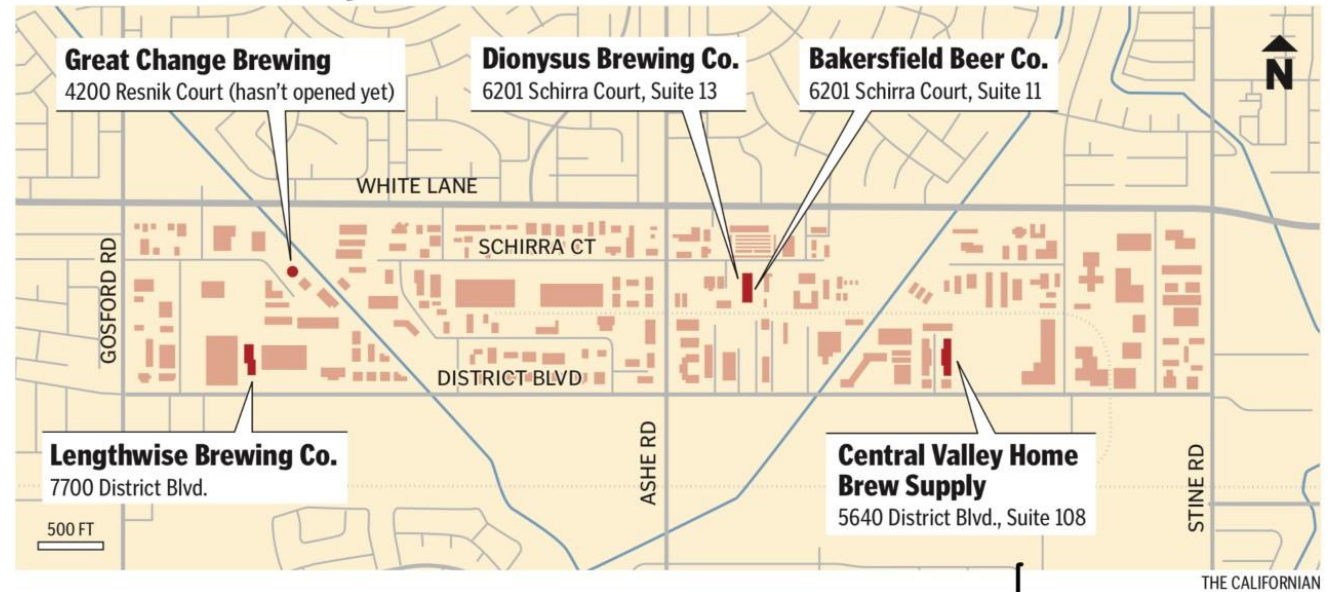


ADVERTISEMENT

## Emphasize Number & Diversity of Breweries

- Craft beer tourists love to visit as many breweries as possible
- Emphasize the number and diversity of breweries (and the ease of traveling between them)
  - Walking, Biking, Uber?
- If you have a brewery district, market it

### Bakersfield Brewery District



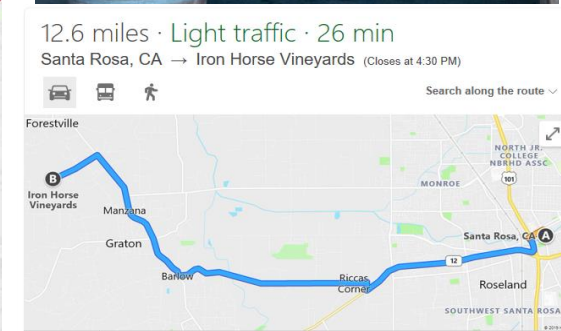
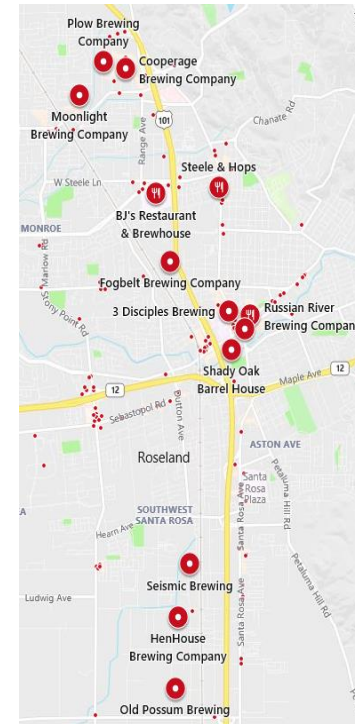


Pliny The  
Younger  
Release,  
2016

## Market Complementary Activities

Category	Total Amount Spent
Breweries/Bars	\$933,111
Restaurants	\$872,386
Lodging	\$501,075
Retail	\$296,106
Transportation	\$146,540
Wineries	\$145,823

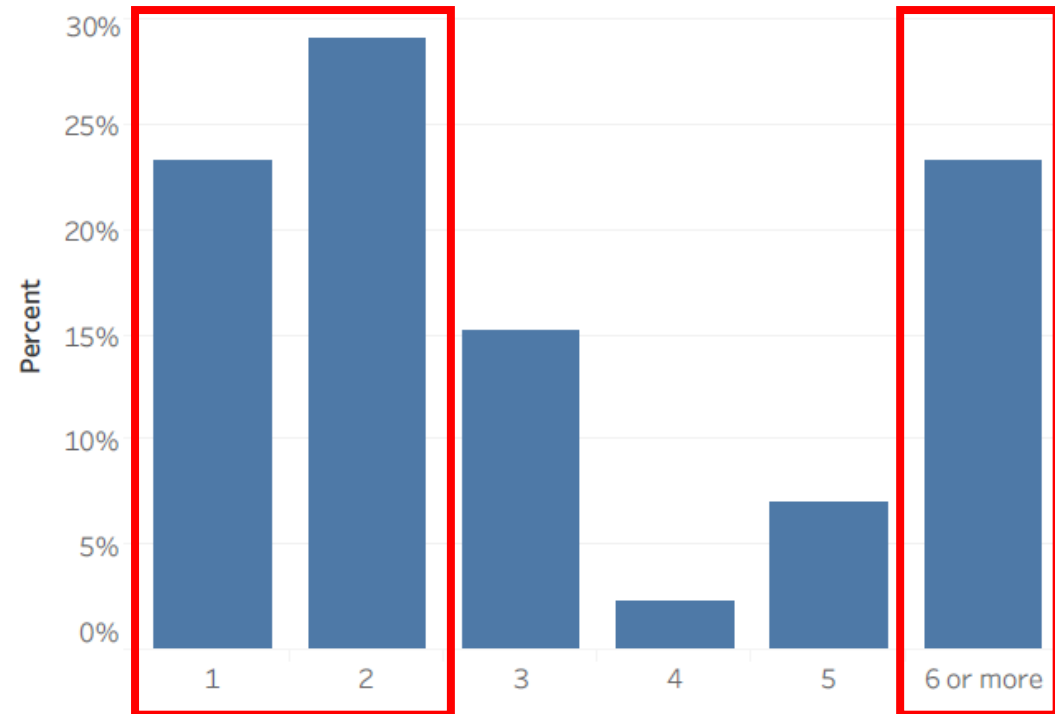
Source: Sonoma County EDB



## Focus on Getting Repeat Visitors

- Last 12 months
  - 60% of beer tourists had visited Grand Rapids before
- Of that 60%
  - 23% had visited once
  - 29% had visited twice
  - 15% had visited three times
  - 23% had visited 6 or more times

**FIGURE 6. Number of Beer-Related Trips by Beer Tourists in the Last Year**



*Source: Anderson Economic Group beer tourism survey*  
*Analysis: Anderson Economic Group*





## To Summarize

- Market regionally
- Emphasize short-stay (“weekend getaway”) trips
- Emphasize the number and diversity of breweries
- Market complementary activities
- Think about ways to encourage repeat visits



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Thank You

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