

## **MICROBREWERIES IN THE CZECH REPUBLIC: HOW DOES A CONNECTION TO THE LOCAL PLACE INFLUENCE MARKETING COMMUNICATION?**

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### **Abstract**

Place-based brands emphasize local identity through connection to the local place where they realize their business. The marketing strategy that emphasizes local attributes to strengthen the local identity is called neolocalism. A strategy in which companies closely linked to their place of business use elements of neolocalism in their communication has become common in recent years and is typical for microbreweries. This article aims to answer the question if there are differences in marketing communication mixes of microbreweries having their own local points of sale, and if the location of that local point of sale (i.e., in the center of the town, in suburban areas, or outside the town) influences which communication tools the microbreweries prefer in their marketing communication mix. We performed a quantitative survey to identify the prevailing marketing communication mix tools used by microbreweries in the Czech Republic. The results confirmed that microbreweries with their own local points of sale utilize different marketing mix components; to varying degrees, they use ATL/BTL communication tools and a varied mix of ON-LINE vs. OFF-LINE communication tools. Similarly, the location of the point of sale further influences the components of the marketing communication mix; microbreweries use a varied mix of ON-LINE vs. OFF-LINE communication tools and without any difference in using of ATL/BTL communication tools.

Keywords: Microbreweries; Neolocalism; Marketing communications; SMEs; Marketing strategy

### **INTRODUCTION**

Small and Medium Enterprises (SMEs) represent a key element in European Economy (European Commission, 2015). In 2018 there were approximately 25.1 mil. SMEs in the European Union (EU), which represents approximately 99.8 % of all business subjects. SMEs in the EU employ over 97 million people, and their average contribution to the EU budget is 56 %. SMEs play an integral role in economic growth, regional development, job creation, and innovation. The literature identifies different size categories of small and medium enterprises, including micro-enterprises (up to 10 employees), small enterprises (up to 50

employees), and medium enterprises (up to 250 employees). There are also categories characterized by the uniform type of production, i.e., brewing (Hall et al., 2004; Psillaki & Dasaklakis, 2009; Jõeveer, 2013; Moritz et al., 2016; Kenourgios et al., 2019). Due to their size, all the stated SME categories face many major limitations (across the industries in which they deliver their activities). This also includes missing internal skills, such as marketing or marketing communication skills (Beck & Demirguc-Kunt, 2006; European Commission, 2007; Beck et al., 2008; Palacín-Sánchez et al., 2013; European Central Bank, 2014; Kumar & Rao, 2015; Baños-Caballero et al., 2016; Kersten et al., 2017). Thus, support of adequate digital skills and activities related to e-commerce is vital to foster the competitiveness of SMEs (Parliament of the Czech Republic, 2020; Nica et al., 2019). Special attention is paid to skills and knowledge related to digital tools (Millman & El-Gohary, 2011), such as online marketing.

The presented paper focuses on analyzing all the above-stated skills and aims to identify the characteristics that influence the use of online and off-line tools of marketing communication in the selected SMEs segment in the Czech Republic. Many studies addressed communication mix in SMEs (Liu & Li, 2008; Badi, 2018; Santana et al., 2021; Sari, 2017). Our analysis focuses on a group of micro-enterprises that face extreme limitations based on their size (Munoz et al., 2015; De Mel et al., 2008; Bruhn, 2013). These enterprises deliver their activities in the brewing industry, which has been historically very important for the Czech Republic. The overall production of the entire brewing industry in 2019 was 21.6 mil. hl (Hortig, 2020), which represents 4.9 billion CZK of revenues to the national budget of the Czech Republic (Customs Administration of the Czech Republic, 2018). Brewing has a very long history in the Czech Republic, and the country has been a long-term leader in the global consumption of beer per capita, which further emphasizes the significance of this industry in the Czech Republic.

The selected group of SMEs for this research are microbreweries. Microbreweries are defined as independent enterprises with a small number of employees, with no (or small) capital coming from larger industrial companies. They are also limited by their production (up to 10 thousand hl per year), mostly with a unique story behind, using traditional ingredients and production methods, often without pasteurization and filtration of the final product, which is characterized by a unique flavor, aroma, and color (Euromonitor International, 2019). A common trait in many microbreweries is direct sales as the distribution model. Microbreweries often run their own restaurants or pubs near their production facility and support their belonging to the local community and region through individual stories. Through

this, they offer a one-of-a-kind experience. Microbreweries often directly impact local development as they play a significant role in tourism support (Murray & Kline, 2015; Rogerson, 2016; Ikäheimo, 2021). They also opt for a specific marketing communication mix that emphasizes local motives, connection to real places and peoples, or distinctive products (Debies-Carl, 2019). Referencing local names, people, events, landscape elements, or symbols on the labeling and often in their names helps microbreweries to establish connections with the local culture and environment (Mathews & Patton, 2016).

On the other hand, some microbreweries follow a different strategy, building their marketing communication on specific manufacturing processes, unique ingredients, or innovations in production (Cabras & Bamforth, 2016). As consumers tend to prefer and appraise local and unique experiences, microbreweries are facing a growing interest (Pokrivčák et al., 2019; Tremblay et al., 2005; Král et al., 2020; Pícha et al., 2018). Such customers usually prefer products with more flavor and personality, like to experiment, appreciate the craftsmanship behind the products, and care about where their food and drink come from (Savov & Szarková, 2022; Brown, 2020).

The so-called craft revolution has also hit the Czech Republic, and since 2010 there has been a significant increase in this group of SMEs. At the moment, there are 480 craft breweries in the Czech Republic. Concerning this dynamic evolution (number of microbreweries established) and growing competition pressure, the use and correct timing (application) of marketing communication is becoming of strategic importance (Eze et al., 2020).

Microbreweries in the Czech Republic currently use a broad portfolio of marketing tools to communicate with their environment (customers, supporters, and other stakeholder groups). These tools can be identified through the websites of the individual breweries, mass media (e.g., radio, TV, and other public media – if a microbrewery advertises there or collaborates with the media in another form, such as via story coverage, etc.), public documents (e.g., Brewing calendar – Frantík, 2019) and statements (e.g., Research Institute of Brewing and Malting, 2020), social media (most microbreweries using social media in the Czech Republic use Facebook and Instagram), etc.

Despite sketchy reports and studies, the microbrewery phenomenon is still somewhat unknown and practically undocumented; scientific literature on the broader scale is absent. This may also result from the fact that the actual subjects ("micro-enterprises") have not been sufficiently studied so far (Gherhes et al., 2016).

## THEORETICAL BACKGROUND

The neolocalism phenomenon linked to microbreweries constitutes a major discussion stream in the academic literature (Ikäheimo, 2021; Holtkamp et al., 2016). Neolocalism expressed through the brand-related narrative is why microbreweries have recently been recalled as place-based brands (Taylor Jr. & DiPietro, 2020; Debies-Carl, 2019; Eberts, 2014). Microbreweries intensify their local image through connection to the local place (Melewar & Skinner, 2020; Schnell & Reese, 2014) and emphasize their local identity through the marketing strategy (Eades et al., 2017; Murray & Kline, 2015). Microbreweries admit that by highlighting the local attributes for their marketing communication, they can foster closeness with customers (Taylor Jr. & DiPietro, 2020; Hede & Watne, 2013; Schnell & Reese, 2003; Pícha & Skořepa, 2018). This is reflected in company and beer names, beer labels and other imagery, and narratives linking the products (Sjölander-Lindqvist et al., 2019; Fletchall, 2016).

Location, place, and social ties play an important role in craft brewing as it often becomes a critical part of the brewery's identity (Reid & Gatrell, 2017). Microbreweries significantly benefit from location-related aspects in terms of increased incoming traffic from local customers as well as visitors looking for a specific and unique beer experience (Nilsson et al., 2018). In terms of promotion, the location of the sales point is important (Donadini & Porretta, 2017). Thus based on the cited literature, we have formulated the research question **RQ1**, whether the existence of a microbrewery's direct sales point affects the marketing communication of the microbrewery.

Moreover, according to Březinová et al. (2019), Jones (2017), and Withers (2017), the place of the sales point (Ikäheimo, 2021; Cresswell, 2009; a sales point may come in different forms, such as a restaurant, pub, street vending point, gift shop, etc.) affects the composition of the marketing mix. The selection of marketing tools is guided by the "place". The tools of the marketing communication mix that microbreweries use in connection with the local identity and relation to place (Moore et al., 2016) support their unique character (Schnell & Reese, 2014). This is further emphasized by the actual location of the sales point (if a micro-enterprise has it; in the center vs. on the outskirts). Sales points in the centre do not have to use as many marketing communication tools as posters or printed media ads.

On the other hand, those on the outskirts must focus more on events to generate incoming traffic (which comprises fewer random passers-by that appear in the center, i.e., they organize more events, tastings, and excursions). Equally, microbreweries operating sales points outside

the center use more online tools, as the sale point is less visible (awareness). Therefore, based on the cited literature, we have formulated the research question **RQ2**, whether the location of the microbrewery direct sales point affects the marketing communication of that microbrewery.

This paper aims to fill in the missing knowledge on the marketing communication of microbreweries in the Czech Republic. The analysis pays special attention to the phenomenon of neolocalism, particularly the "place" factor (Ikäheimo, 2021). By outlining the substantial growth of literature discussing the role of neolocalism in the craft beer industry, this study contributes to a better understanding of how neolocalism affects the choice of marketing communication mix tools.

## METHODS

For this research, we defined marketing communication as components of the marketing communication mix. The studied components were pre-selected upon a preliminary test with a limited group of microbreweries, whose representatives indicated these tools as the most frequently used ones. The analyzed marketing tools (23 in total) are the following: labels; coasters; tablecloths; glasses; signboards; free tastings; paid tastings; limited discounts; excursions (to own brewing facilities); competitions (participation in beer competitions); reference of existing customers; own website; sponsoring of local groups and charities; organizing of cultural events; social media; advertising in printed media (regional newspapers, magazines); advertising in radio (regional stations); advertising in printed media (newspapers, magazines); advertising in radio; advertising banners on the internet; posters; billboards; websites of other subjects (e.g., municipalities). The use of a specific marketing tool is captured as a binary variable (use 1 / don't use 0). At the same time, the tools were categorized by their character to ATL (Above The Line) / BTL (Below The Line), and ON-LINE vs. OFF-LINE (see Annex 1). The categorization of marketing tools for the ATL/BTL group was based on an evaluation of three marketing experts (two scholars, one from business).

The location of the direct sales point has been operationalized as a nominal variable (in the center; on the outskirts; outside the municipality). The direct sales point has also been of binary character (no own sales point 0 / own sales point 1).

With regards to the research questions, we have formulated the following research hypotheses:

**H1:** The existence of a microbrewery's direct sales point affects the composition of the marketing communication mix.

**H2:** The location of a microbrewery's direct sales point affects the composition of the marketing communication mix.

To test the relationship between the variables, we used the Pearson  $\chi^2$  independence test. Before each analysis, we always checked if the prerequisites for the used method have been met, i.e., the contingency table does not have more than 20 % cells with an expected (theoretical) value below 5 and at the same time that the expected value in either of the cells is below 2. This prerequisite has been met in all of the analyses delivered. An exception was that of analyses performed with the variable (marketing tool) of "advertising in nationwide printed media" and "advertising in national radio stations," where the frequencies were very low and were therefore excluded from the set of the assessed marketing tools.

An analogical method had also been defined for testing the (in)dependence of the assessed parameters (existence of direct sales point and direct sales point location) on the use of ATL vs. BTL tools or ON-LINE vs. OFF-LINE tools. The Pearson  $\chi^2$  independence test had been used, where the values in the contingency tables were the frequencies of ATL and BTL, and ON-LINE and OFF-LINE tools in the individual variants of the variables assessed.

In this case, the specific formulation of the hypotheses is the following:

**H3:** The existence of a microbrewery's direct sales point affects the use of ATL vs. BTL tools.

**H4:** The existence of a microbrewery's direct sales point affects the use of ON-LINE vs. OFF-LINE tools.

**H5:** The location of a microbrewery's direct sales point affects the use of ATL vs. BTL tools.

**H6:** The location of a microbrewery's direct sales point affects the use of ON-LINE vs. OFF-LINE tools.

It is important to highlight that the presented analyses included the assessment of the frequency of use of the individual marketing tools in the addressed microbreweries, not the expenditures on these tools.

## DATA COLLECTION

Questionnaires were electronically distributed across the entire population (all microbreweries in the Czech Republic) in three rounds. The first round occurred in January 2017, the second in May 2017, and the last in January 2018. The research team strived for the highest possible

response rate, which had been 21 % after the first round, 35 % after the second round, and 44 % after the third round. In each of the additional rounds of the data collection, only those microbreweries had been addressed that did not respond in the first or the second round or microbreweries that had been recently established. The response rate after the third round had been evaluated as sufficient or as the maximum possible. Out of the total number of 374 microbreweries (data as of 30 January 2018), 165 questionnaires had been collected. Four questionnaires had been discarded from the data set due to being incomplete. The remaining 161 microbreweries, therefore, represent the studied sample, which accounts for 43 % of all microbreweries in the Czech Republic.

## RESULTS

The existence of a microbrewery direct sales point **significantly affects** the use of the following marketing tools:

1. Organizing of cultural events (microbreweries **without a direct sales point** organize significantly **less** events than the expected frequency) –  $p < 10^{-6}$ ,  $\chi^2 = 33.8$ ,  $df = 1$
2. Advertising – regional printed media (microbreweries **without a direct sales point** advertise significantly **less** than the expected frequency) –  $p = 0.0005$ ,  $\chi^2 = 12.3$ ,  $df = 1$
3. Posters (microbreweries **with a direct sales point** post significantly **more** posters than the expected frequency) –  $p = 0.000004$ ,  $\chi^2 = 21.3$ ,  $df = 1$
4. Competitions (microbreweries **with a direct sales point** participate in significantly **more** competitions than the expected frequency) –  $p = 0.0008$ ,  $\chi^2 = 11.2$ ,  $df = 1$
5. Tablecloths (microbreweries **with a direct sales point** use tablecloths significantly **more** than the expected frequency) –  $p = 0.00008$ ,  $\chi^2 = 15.5$ ,  $df = 1$
6. Signboards (microbreweries **with a direct sales point** use signboards significantly **more** than the expected frequency) –  $p < 10^{-6}$ ,  $\chi^2 = 64.2$ ,  $df = 1$
7. Tastings – paid (microbreweries **with a direct sales point** run significantly **more** tastings than the expected frequency) –  $p = 0.03$ ,  $\chi^2 = 4.6$ ,  $df = 1$
8. Excursions (microbreweries **with a direct sales point** run significantly **more** excursions than the expected frequency) –  $p = 0.005$ ,  $\chi^2 = 7.8$ ,  $df = 1$
9. Websites (microbreweries **without a direct sales point** use them significantly **more** than the expected frequency) –  $p = 0.004$ ,  $\chi^2 = 8.3$ ,  $df = 1$
10. Sponsoring (microbreweries **with a direct sales point** sponsor significantly **more** than the expected frequency) –  $p = 0.01$ ,  $\chi^2 = 6.1$ ,  $df = 1$

11. Advertising – regional radio (microbreweries **with a direct sales point** use it significantly **more** than the expected frequency) –  $p = 0.0005$ ,  $\chi^2 = 12.1$ ,  $df = 1$
12. Banners (microbreweries **with a direct sales point** use them significantly **more** than the expected frequency) –  $p = 0.049$ ,  $\chi^2 = 3.9$ ,  $df = 1$

The results, therefore, confirm hypothesis **H1**, that the existence of a microbrewery direct sales point does affect the composition of the marketing communication mix.

Microbreweries with or without direct sales points use BTL tools less frequently than ATL tools because there are more of them in the sample. However, the analysis also showed that the ratio of using ATL to BTL is higher in microbreweries with direct sales points, whereas microbreweries without direct sales points demonstrate a lower ratio. This means microbreweries with direct sales points "prefer" ATL tools, whereas microbreweries without direct sales points tend to use BTL tools. In other words, microbreweries with direct sales points use significantly more ATL tools compared to the expected frequencies, whereas in microbreweries without direct sales points the situation is the opposite. The existence of a microbrewery direct sales point **significantly affects** ( $p = 0.00004$ ,  $\chi^2 = 16.9$ ,  $df = 1$ ) the use of ATL vs. BTL tools. The results confirm the hypothesis **H3** that the existence of a microbrewery direct sales point does affect the use of ATL vs. BTL tools.

Microbreweries with direct and without direct sales points use OFF-LINE tools more often than ON-LINE tools, as there are also more of them in the sample. However, the analysis also showed that the ratio of using ON-LINE to OFF-LINE tools is significantly higher in microbreweries without direct sales points. In other words, microbreweries without direct sales points "prefer" ON-LINE tools because some OFF-LINE tools cannot be used at all or with some difficulties only (e.g., the tablecloths). The existence of a microbrewery's direct sales points **significantly affects** ( $p = 0.0009$ ,  $\chi^2 = 11$ ,  $df = 1$ ) the use of ON-LINE vs. OFF-LINE tools. The results confirm hypothesis **H4** that the existence of a microbrewery direct sales point does affect the use of ON-LINE vs. OFF-LINE tools.

Location of the direct sales point (outside x outskirts x centre) also **significantly affects** the use of the following marketing tools:

1. Advertising – regional printed media (microbreweries **in the center** advertise significantly **less** than the expected frequency, on the other hand, microbreweries **on the outskirts** advertise significantly **more**) –  $p = 0.002$ ,  $\chi^2 = 12.9$ ,  $df = 2$
2. Posters (microbreweries **in the center** post significantly **less** posters than the expected frequency, on the other hand, microbreweries **on the outskirts** significantly **more**) –  $p = 0.03$ ,  $\chi^2 = 6.8$ ,  $df = 2$



3. Competitions (microbreweries **in the center** participate in significantly **less** competitions than the expected frequency, on the other hand, microbreweries **on the outskirts** participate significantly **more**) –  $p = 0.00007$ ,  $\chi^2 = 19.2$ ,  $df = 2$  microbreweries **in the center** use significantly **less** of this tool than the expected frequency, on the other hand, microbreweries **outside municipalities** do so significantly **more**) –  $p = 0.003$ ,  $\chi^2 = 11.9$ ,  $df = 2$
4. Tastings – unpaid (microbreweries **in the center** run significantly **less** of them than the expected frequency, on the other hand, microbreweries **outside municipalities** do so significantly **more**) –  $p = 0.002$ ,  $\chi^2 = 12.8$ ,  $df = 2$
5. Tastings – paid (microbreweries **in the center** run significantly **less** of them than the expected frequency, on the other hand, microbreweries **outside municipalities** do so significantly **more**) –  $p = 0.00001$ ,  $\chi^2 = 22.7$ ,  $df = 2$
6. Excursions (microbreweries **in the center** organize significantly **less** of them than the expected frequency, on the other hand, microbreweries **outside municipalities** do so **more**) –  $p = 0.008$ ,  $\chi^2 = 9.6$ ,  $df = 2$
7. Websites (microbreweries **on the outskirts** use them **more** than the expected frequency, on the other hand, microbreweries **outside municipalities** do so significantly **less**) –  $p = 0.006$ ,  $\chi^2 = 10.2$ ,  $df = 2$
8. Advertising – regional radio (microbreweries **outside municipalities** use significantly **more** of it than the expected frequency, on the other hand, microbreweries **on the outskirts** use significantly **less** advertising) –  $p = 0.0007$ ,  $\chi^2 = 14.6$ ,  $df = 2$
9. Banners (microbreweries **in the center** use them significantly **more** than the expected frequency, on the other hand, microbreweries **on the outskirts** use them significantly **less**) –  $p = 0.001$ ,  $\chi^2 = 13.4$ ,  $df = 2$

The results, therefore, confirm hypothesis **H2** that the location of the direct sales point does affect the composition of the marketing communication mix.

A further part of the analysis focused on finding out whether the location of the direct sales point affects the use of ATL vs. BTL tools. **It cannot be proved** that the direct sales point location significantly affects ( $p = 0.46$ ,  $\chi^2 = 1.54$ ,  $df = 2$ ) the use of ATL vs. BTL tools. The results, therefore, do not confirm the hypothesis **H5** that the existence of a microbrewery direct sales point affects the use of ATL vs. BTL tools.

Regardless of their direct sales point location, microbreweries more frequently use OFF-LINE than ON-LINE tools, as there are also more of them. However, the analysis has shown that the ratio of using ON-LINE to OFF-LINE is significantly higher in microbreweries in the

center. In other words, microbreweries in the center use significantly more often the ON-LINE tools compared to the expected frequencies, whereas in microbreweries on the outskirts and outside municipalities, it is the opposite situation. Direct sales point location **significantly affects** ( $p = 0.01$ ,  $\chi^2 = 9.2$ ,  $df = 2$ ) the use of the ON-LINE vs. OFF-LINE tools. The results, therefore, confirm hypothesis **H6** that the existence of a microbrewery direct sales point does affect the use of the ON-LINE vs. OFF-LINE tools.

An overview table of the summarized results is part of Tab. 1. Marketing tools are shown according to research questions (**RQ1** and **RQ2**).

**Table 1** Overview table of summarized results

Marketing tools	Affected by the existence of microbrewery direct sales point	Affected by the location of the direct sales point
Labels	×	×
Coasters	×	×
Tablecloths	✓ (***)	×
Glasses	×	×
Signposts	✓ ***	×
Unpaid tastings	×	✓ (**)
Paid tastings	✓ *	✓ (***)
Limited discounts	×	×
Excursion to own brewing facility	✓ (**)	✓ (**)
Participation in beer competitions	✓ (***)	✓ (***)
Reference of existing customers	×	×
Own website	✓ (**)	✓ (**)
Sponsoring of local associations	✓ (**)	×
Organising of cultural events	✓ (***)	×
Social media	×	×
Advertising in regional printed media	✓ (***)	✓ (**)
Advertising in regional radio	✓ (***)	✓ (***)
Advertising in nationwide printed media	×	×
Advertising in nationwide radio	×	×
Advertising banners on the internet	✓ (*)	✓ (***)
Posters	✓ (***)	✓ (*)
Billboards	×	×
Websites of other subjects (e.g. municipality)	×	×

**Note:** Statistical significance – The stars are only intended to flag levels of significance for 3 of the most commonly used levels. If a p-value is less than 0.05, it is flagged with one star (\*). If a p-value is less than 0.01, it is flagged with 2 stars (\*\*). If a p-value is less than 0.001, it is flagged with three stars (\*\*\*)

## DISCUSSION

### Theoretical contributions

Neolocalism is a strategy when microbreweries try to emphasize their connection to the location through invoking geography and place in their communication strategies (Eberts, 2014). The purpose of our study was to identify how the existence of microbrewery direct sales points affects the composition of the marketing communication mix (*RQ1*). As per the use of specific tools, the existence of a microbrewery's direct sales point leads to higher use of the marketing communication mix tools connected with the given location (use of neolocalism elements), such as tastings, competitions (which may come with a regional outreach), or excursions. At the same time, it leads to higher use of tools such as sponsoring, banners, posters, or advertising on the radio (**H1**). The microbrewery's local direct sales point leads to different use of ATL/BTL marketing communication tools (**H3**) and the different ratio of using the ON-LINE vs. OFF-LINE tools of marketing communication (**H4**). Microbreweries with a direct sales point have in their marketing communication mix a higher ATL to BTL ratio of marketing communication tools, but at the same time, the microbreweries without direct sales points are forced to use the ON-LINE marketing communication tools more. How microbreweries intensify their local image through connection to the local place (Melewar & Skinner, 2020; Schnell & Reese, 2014) has an impact on the selection of components marketing communication mix.

In the next part of the analysis, we focused on microbreweries with a local direct sales point. We studied how the location of this direct sales point affects the composition of the marketing communication mix (*RQ2*). Microbreweries with direct sales points in the center advertise less in the regional printed media, use less posters, and also use less tools such as competitions, tastings, or excursions than microbreweries with their direct sales points on the outskirts or outside municipalities (**H2**). However, the location of a direct sales point does not affect the composition of the marketing communication mix in terms of the ratio of ATL/BTL communication tools used (**H5**). On the other hand, microbreweries having a direct sales point in the center use more banners or advertising on local radio stations; they also use more ON-LINE marketing communication tools (**H6**). Our results support Donadini & Porretta (2017), who state that the location of a direct sales point is significant in terms of promotion.

Communication strategy is affected by the way of connection to the location, that is whether a microbrewery does or does not have a direct sales point or where this direct sales point is located with regards to the physical situation within the municipality or place (Jones,

2017; Withers, 2017; Moore et al., 2016). Regarding neolocalism, microbreweries use various marketing communication tools and choose different communication strategies based on their physical presence in the local context.

### **Implication for practice**

Microbreweries usually have limited resources they can spend on marketing communication, which also affects their possibilities with regard to using neolocalism in their marketing communication. The results may contribute as a guideline when choosing the composition of the marketing communication mix concerning the way of connection of microbreweries to the local place.

## **CONCLUSION**

In terms of neolocalism, microbreweries' communication strategy is affected by their connection to the location, whether the microbrewery has a direct sales point or where this direct sales point is located (within the municipality or outside it). Under neolocalism, microbreweries use different marketing communication tools and choose different communication strategies based on the local context. The existence of a microbrewery's local direct sales point leads to a different use of ATL/BTL communication tools and a different ratio of using the ON-LINE vs. OFF-LINE marketing communication tools. The location of the direct sales point (in the center, on the outskirts, or outside the municipality) also affects the composition of the marketing communication mix of a microbrewery. Based on our research, we recommend using local media as tools of marketing communication, and, above all, we emphasize the role of cultural centers in the municipalities where microbreweries operate.

### **Limitations and future research directions**

Our research covers samples from 43 % of the total number of microbreweries in the Czech Republic, which is a number that could be considered insufficient (sample bias). The results may be affected by the choice of the analyzed components. These components may not be complete, although they were identified during a preliminary survey. Moreover, the components measured on a binary scale do not necessarily reflect the importance of the component in the marketing communication mix. It is also possible to mention to lack of

follow-up on economic performance. Such limitations also represent an opportunity for future research endeavors.

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**Annex 1** The marketing tools analysed and their classification as per ATL/BTL, ON-LINE/OFF-LINE

<b>Marketing tools</b>	<b>ATL</b>	<b>BTL</b>	<b>ON-LINE</b>	<b>OFF-LINE</b>
Labels		✓		✓
Coasters		✓		✓
Tablecloths		✓		✓
Glasses		✓		✓
Signposts		✓		✓
Unpaid tastings		✓		✓
Paid tastings		✓		✓
Limited discounts		✓		✓
Excursion to own brewing facility		✓		✓
Participation in beer competitions		✓		✓
Reference of existing customers		✓		✓
Own website		✓	✓	
Sponsoring of local associations		✓		✓
Organising of cultural events		✓		✓
Social media		✓	✓	
Advertising in regional printed media	✓			✓
Advertising in regional radio	✓			✓
Advertising in nationwide printed media	✓			✓
Advertising in nationwide radio	✓			✓
Advertising banners on the internet	✓		✓	
Posters	✓			✓
Billboards	✓			✓
Websites of other subjects (e.g. municipality)		✓	✓	