UNIVERSITY OF LJUBLJANA
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MASTER'S THESIS

A FEASIBILITY ANALYSIS OF THE ENTRY OF BELGIAN BEER BRANDS IN THE SLOVENIAN MARKET

Ljubljana, September 2017 JUKKA FRANS

AUTHORSHIP STATEMENT

The undersigned Jukka Frans, a student at the University of Ljubljana, Faculty of Economics, (hereafter: FELU), author of this written final work of studies with the title a feasibility analysis of the entry of Belgian beer brands on the Slovenian market, prepared under supervision of doc. Dr. Gregor Pfajfar.

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INTRODUCTION

Beer is one of the oldest, if not the oldest, alcoholic substance known to mankind. Over the last few years, we have witnessed a steady growth in the consumption, production and export of alcoholic beverages.

Statistics illustrate that the trend in worldwide beer production is rising, the global beer production in 2015 amounted to about 1.93 billion hectoliters this is an increase of 0.63 billion hectoliters compared to the year 1998. Although 2015 was a good year for beer production, it was not a record, the highest amount of beer production ever registered was in the year 2013, when the global beer production amounted to about 1.97 billion hectoliters (Statista, 2017).

One of the main European beer producers is Belgium, Belgium is a country which has a rich history when it comes to producing and consuming beers. The country is known for its high diversity when it comes to the production of beers, most of these beers are being exported all over the world. In 2015, Belgium was the third biggest exporter of beer in Europe, only preceded by Germany and The Netherlands (The Brewers of Europe, 2015). In 2016, the Belgian beer industry got added to the UNESCO cultural heritage list, this was a reward for the many Belgian breweries who work so hard to let consumers all over the world taste the diversity of Belgian beers (Guardian Media Group, 2016). However not all of these breweries and beers are known all over the world, Belgium counts many, unknown breweries which are hoping for an opportunity to expand their business and conquer the worldwide market.

In comparison to Belgium, Slovenia does not have this rich history and tradition when it comes to beer brewing, the country is mostly known for its wine production. The country has two main beer breweries, Pivovarna Lasko and Pivovarna Union, both of which are owned by Heineken. Although the country has seen a steady increase in both breweries and microbreweries, it is still far away from the level of Belgium or other traditional, European beer brewers (The Brewers of Europe, 2015).

The main purpose of this research is to find out if the Slovenian beer market is an interesting market for Belgian beer breweries to launch their products on. Moreover, the thesis also tries to find out if smaller, lesser known Belgian beer breweries have a chance to survive the Slovenian beer market without being backed up by a big, international company such as AB InBev or Heineken.

When it comes to gathering and processing the actual information, the research will make use of quantitative methods of primary data collection, a survey strategy to be more specific. The reason why a survey strategy will be implemented is because it is the most appropriate way to collect and analyze quantitative data while using descriptive and inferential statistics (Saunders, Lewis, & Thornhill, 2012).

The first chapter of this thesis presents and introduces the Belgian beer market. The respective chapter provides indebt understanding about the history of the market and its strengths and weaknesses. The chapter analyses the level of competition within the market through Porter's five forces analysis. It draws upon industrial organization (IO)[1] economics to derive five forces that determine the competitive intensity and therefore the attractiveness of the Belgian beer industry. Apart from that, this chapter talks about the variety of beers which are available on the Belgian beer market. It gives a short but clear introduction to each of these beers. The chapter ends with two Belgian breweries who would be interested in exporting their products to the Slovenian market.

Following, the second chapter introduces us to the Slovenian beer market. Like with the previous chapter about the Belgian beer market, this chapter starts with a small introduction and analyses both the strengths and the weaknesses of the Slovenian beer market. This chapter also includes a Porter's five forces analysis to determine the attractiveness of the Slovenian beer industry. The chapter continues with an analysis of the specialty beers which are available on the market, both Slovenian and foreign. It concludes with an analyzation of the transportation and taxation regulations in Slovenia for the import of alcohol.

The third chapter talks about consumer behavior and beer. Which factors are decisive for a consumer when he decides to purchase a beer and how can these factors be influenced.

Finally, the fourth and fifth chapter outlines the methodology that has been used in the thesis. Moreover, the research model which has been used in this research and the main hypotheses are presented in this section. The fifth chapter also presents the data analysis from the research and provides a clear insight on the actual process. The chapter also features the discussion on limitations that have occurred within this research.

1 OVERVIEW OF THE BELGIAN BEER MARKET

Quite some scientific studies were based on Belgian beers, most of these scientific studies talk about the rise in popularity of Belgian beer, how to brew like a real Belgian or the high alcoholic percentage present in the Belgian beers.

At the end of the 20th century, Belgian beers gained popularity in the US. Since this period a niche market appeared on the American beer market, this niche market consisted mainly out of American beers based on Belgian brewing tradition. Many American people wanted to start brewing their own beer and many of them used Belgian beer as an inspiration, therefore they bought more Belgian beers to take a look at what beer style they should use (Steinriede, 1998).

[1] Industrial Organization or IO is a field of business which focusses on the theory of the firm, it does this by examining the structure of firms and markets.

1.1 Brief introduction and history of the Belgian beer market

There are some issues present on the Belgian beer market, one of the main issues is the smoking ban. Due to the smoking ban it is prohibited to smoke in any pub or cafés in the country, therefore less and less people decide to spend their evenings drinking in a café. The main consequence of this smoking ban is the closure of many bars all around the country. Although this trend is settling down a bit, there are still many bars who are closing every year (Business Wire, 2013).

Beer prices on the Belgian market are rising, AB InBev and Alken-Maes (the two biggest Belgian beer breweries) decided to raise their prices which resulted in a general price raise of Belgian beer. Although the export of Belgian beer is at an all-time high, beer consumption in Belgium itself is dropping year after year (Business Wire, 2013).

"Beer is to Belgium what wine is to France" is one of the biggest understatements that we can find, Belgium contributes approximately 1% of the global beer production. While it is certainly not the biggest beer producer in the world, it mostly contributes to the diversity and variety of beers. Approximately two-third of the beer produced in Belgium is destined to be exported around the globe (Belgium beer tourism, 2016).

What makes Belgian beer so special? First of all, Belgium has a huge variety of traditional beer styles, all these beer styles will be introduced later on in this chapter but keep in mind Belgium has an endless variety of brewing processes, colors, textures, etc. (Belgium beer tourism, 2016).

For the Belgians, beer and brewing are not only a tradition, it is part of their culture. You can find several beer museums across the country and there is a beer festival almost every week. Some of the world's most known and respected beer specialists are Belgian (Belgium beer tourism, 2016).

To go back to the beginning of Belgian brewery, we need to go back to the Gallo-Roman era (the time of Julius Caesar), during this era brewing was mostly a woman's craft. Until the beginning of the Middle Ages, '*Gruut*' or '*Gruit*'[2] was a very important part of the brewing process. It was only in the Middle Ages when the Belgian brewing process gained worldwide recognition, during that time it were mostly the abbeys and nunneries which helped gain the high quality of beer. Most of these abbeys and nunneries were destroyed during the reigns of Joseph II and Napoleon Bonaparte (Belgium beer tourism, 2016).

One of the most distinguished supplements of Belgian beer is yeast, without yeast there would be no Belgian beer, at least not the Belgian beer we know. Due to the importance of yeast, it will not be produced anywhere near a brewery, most of the yeast is being produced at universities or at other locations. There are different kinds of yeasts and all these yeasts have a

[2] Old-fashioned herb mixture used for bittering and flavouring beer (Biernet, 2016)

different flavor and match with a particular style of beer, use a different kind of yeast for the style and the beer will taste totally different (Belgium beer tourism, 2016).

Most of the Belgian brewers have their own signature, this signature is used so that people can distinguish the brewers' beer from any other beer. They can use this signature to establish a new style of beer, something that has happened quite often in the past (Belgium beer tourism, 2016).

Hop was introduced to Belgian beers centuries ago, hop requires a large amount of land but also a great amount of knowledge and expertise. Nowadays the once so popular home-grown hop is declining, most of the hop is being imported from mostly the US and Eastern European countries. Apart from hop, Belgian brewers also have a distinguished amount of yeast and malts to their disposal, all of these are carefully researched and added (Belgium beer tourism, 2016).

One of the arts of Belgian beer brewing process is experimentation. Belgian brewers love to experiment with herbs and spices, therefore the art of dosage is something which is very important in Belgian beer culture, the brewers make sure that everything which is present in the beer is perfectly balanced. Herbs should never be used to dominate the flavor of the beer (Belgium beer tourism, 2016).

Beer is Belgium and Belgium is beer, Belgian beer consists out of tradition, culture and knowledge. There are currently more than 150 active breweries which can be found all over the country, most of these breweries came together to form "the Federation of Brewers". Apart from the middle and large sized breweries there are also many microbreweries who decide to operate on a more local level (Belgium beer tourism, 2016).

Does it only come to beer? No, the Belgian beer culture does not only consist of beer. The beer culture helped establish a beer cuisine. Belgian cooks use beer in their dishes, make sure they serve the best beer with their dish,… You can compare it with selecting the best red or white wine to come with your favorite dish. Many of the still existing abbeys and nunneries created their own Belgian cheese, this cheese is best served with the beer the abbeys produce (Belgium beer tourism, 2016). The country has a rich history when it comes to beers, a history which helped them establish themselves as one of the top beer countries in the world. As of 31th November 2016, Belgian beer culture is official recognized as UNESCO cultural heritage (Guardian Media Group, 2016).

1.2 Analysis of the Belgian beer market with Porter's 5 forces' model

1.2.1 Supplier bargaining power

We can consider the supplier bargaining power on the Belgian beer market as moderate. Many suppliers within this market are small, numerous and therefore have a limited amount of power on the major market players. On the other hand, the bigger, multinational players do have an influence on the Belgian beer market. They are able to influence the market by adapting the price, adapting the quality or adapting the availability of their products. (Wilkinson, Supplier Power (one of Porter's Five Forces), 2013)

The switching costs within the industry are rather low, it is easy for consumers to switch between suppliers due to the fact that there are many of them present on the Belgian beer market. The buyers represent a small share of the sales of the suppliers, there are many restaurants, pubs and stores in Belgium, each of which is a potential customer of the Belgian breweries (Wilkinson, Supplier Power (one of Porter's Five Forces), 2013).

1.2.2 Buyer bargaining power

Just like the supplier bargaining power, the buyer bargaining power can also be considered as moderate. As mentioned in the previous part “Supplier bargaining power”, switching costs in the industry are low, therefore this is positive for the buyers which are present on the market (Wilkinson, Buyer Bargaining Power (one of Porter's Five Forces), 2013). Although there are some stores or bars who started producing beers themselves, it is still rather hard for buyers to produce beers due to the fact that they lack the knowledge and expertise.

1.2.3 Intensity of rivalry

The beer market is characterized by a high level of intensity of rivalry. When we take a look on an international level, the top global players control almost half of the total market. When we take a more deeper look on a national level, there are many small breweries present on the Belgian market but these breweries have almost non-existing to small power on the Belgian beer market. The market is mostly controlled by the bigger and more famous players like AB Inbev, Duvel Moortgat and Alken Maes. These bigger players are also international players. In 2012, AB Inbev had a market share of 56.3 per cent on the Belgian market. So it is one company who controls more than half of the Belgian beer market (AB InBev, 2012) .

1.2.4 Threat of Substitution

Switching costs are not high. The main substitutes for beer which are present on the Belgian market are wines and spirits. Not only are the substitutes often more cheaper than beers but they are also easier to transport. Most of the buyers on the market (B2B) need to stock both beer and their substitutes, so that they can please as many consumers as possible. Beers are considered much more indispensable items for pubs then for restaurants.

1.2.5 Threat of New Entrants

Although there is a boom in microbreweries and specialty beers going on the last couple of years, the barriers to entry still remain significantly high. The big breweries have significant economies of scale, they possess the ability to spend bigger amounts of money on branding, marketing, R&D, … (Wilkinson, Threat of New Entrants (one of Porter's Five Forces), 2013).

Although there are many different beers present on the Belgian beer market, the main brand names are well known. There are many well-known brand names available on the market. The low switching costs make it easier for new breweries to enter the market but this does not mean that they will be of any significance when it comes to competition.

Due to the fact that the barriers to entry are high, there is a smaller chance for new breweries to enter the market, even if these breweries enter the market there is a rather small chance that they will play of any importance. When it comes to market share, they will only take a small part of the market share.

1.3 General trends

The biggest trend nowadays are the specialty beers. The year 2015 was a very important year for this market segment, the market bloomed, 2016 and 2017 will be no different and the market share of specialty beers will only increase (Rijdt, 2015).

Governments and companies want to lower alcohol percentages in beers, they try to introduce more and more low alcohol beers onto the market like Radler. One of the most popular low percentage beers are the English beers. One of the most famous English beers are the IPA’s or Indian Pale Ales, these low percentage beers will pop up more and more in the Belgian bars and restaurants (Rijdt, 2015).

Over the years, brewers in America started experimenting with Sour beers and Gueuze[3]. This trend started blooming in Belgium over the past years, this beer is a back-to-basic kind of beer. Brewers use spontaneous fermentation, they leave the beers outdoor in open crates so that the beers get affected with bacteria and wild yeast. This phenomenon introduces the sour flavor to the beers (Rijdt, 2015).

Saisons[4] beers were introduced in the province of Hainaut, a province in the south of Belgium. Originally these beers were brewed in the winter season and had an alcohol percentage of 3 per cent, nowadays Saisons can reach an alcohol percentage of 5 to 6.5 per cent, they are characterized by the high fermentation and even an after-fermentation (Rijdt, 2015).

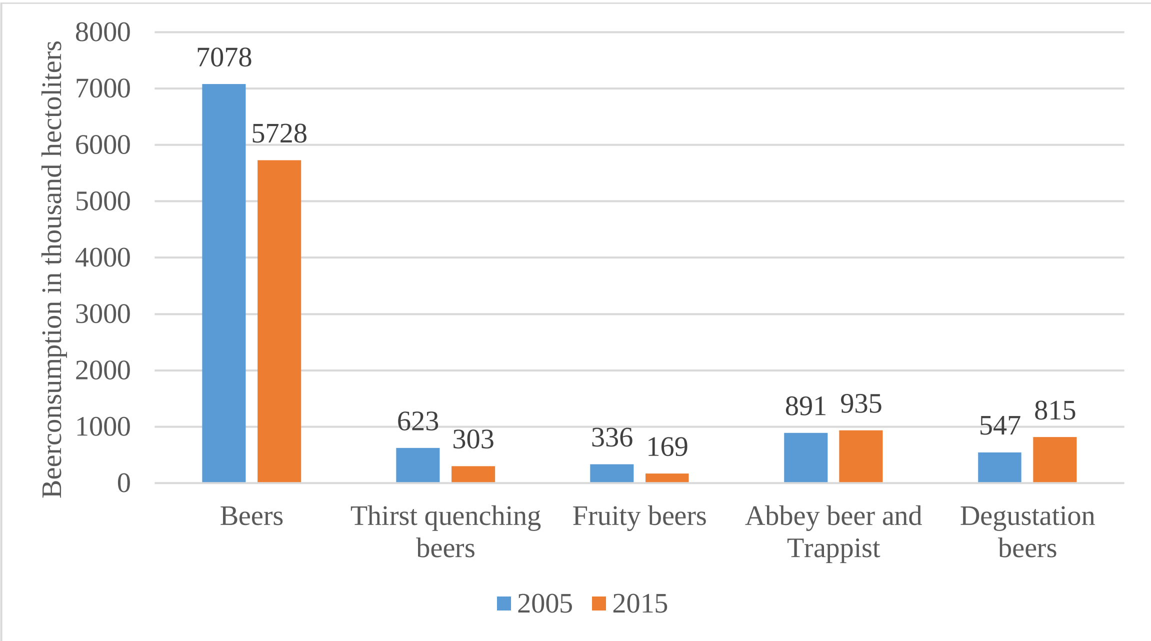
Although beer consumption is dropping in Belgium, 2015 was a record year when it comes to exportation. The year 2016 should be a slightly worse year then 2015, due to the competition from mainly the US. Belgian consumers drink less beer but they drink more specialty beers.

[3] Gueuze are a type of lambic, a Belgian style of beer. These Gueuze are created by mixing a young with an old Lambic. After mixing these beers they start with a second fermentation (Oxford dictionary, 2016)
[4] Saisons are named after the French word for seasons (Rijdt, 2015)

Consumers are more aware of alcohol abuse mainly the combination drink and drive is slowly fading away in Belgium (Riepl, 2016).

Figure 1 represents a comparison of the beer consumption in Belgium between 2005 and 2015, as we can see the beer consumption dropped significantly, especially when it comes to normal beers or pilsners. The only two beers who are being consumed more now than they were in 2005 are Abbey beer and Trappist and Degustation beers.

Figure 1. Belgian beer consumption



Source: Riepl, *Recordjaar voor Belgische bierexport*, 2016.

It are not only the big companies who are exporting more and more, also smaller lesser known breweries are expanding their horizon. Beer is a hype, many young entrepreneurs are willing to launch themselves on the beer market. They do not only want to tackle the Belgian market but they also want to expand to distant, lesser known countries. The US remains the most important export market outside the European Union. The Chinese market is on the rise, this market became more important than the Canadian and Japanese market. The biggest Belgian exporter remains AB Inbev, the biggest beer company in the world (Riepl, 2016).

1.4 Variety of Belgian (specialty) beers

As mentioned earlier on in this chapter, the Belgian beer culture consists of a various amount of beer styles. These beer styles will be introduced to you briefly in the following chapter.

1.4.1 Pils/Pilsener

Pils or Pilseners are probably the most known and widely brewed beers in the world. More than 90 per cent of the beers that are brewed worldwide are Pils. The name Pils originates of a Czech town called Plzen, this is the town were the first Pils was brewed at the beginning of the 19th century (Belgium Beer tourism, 2016).

When brewing a traditional pils the brewers use the four basic beer ingredients: water, malt, hops and yeast. In Belgium, a pils is most commonly referred as "*pintje"* or "*pinke*". Pils are now commonly used as thirst-quenching beers, the alcohol percentage in these beers fluctuates around 5 per cent (Belgium Beer tourism, 2016). The top Belgian brands when it comes to Pils are: Stella Artois, Jupiler (both are brewed by AB Inbev) and Maes Pils.

1.4.2 Abbey beer

Abbey beer or "*Abdijbier*" is a collective of beers that were originally brewed in Norbertine or Benedictine abbeys. It is not obligatory to brew the beers in an abbey but there should be a historical connection between the abbey and the place where the abbey beers are being brewed. The brewery is obligated to pay royalties to the abbey.

In order to guarantee that the name of the abbey is not misused and will not be misused in the future, the breweries and abbeys created an authentic logo which can only be used by real Abbey beer. The logo reads "*Erkend Belgisch Abdijbier*" or "Recognized Belgian Abbey Beer", this label is only used for Belgian beers, beers who want to be protected by this label should comply to a minimum of conditions (Visit Flanders, 2016). There are currently 25 abbey beers which can be found in Belgium (Belgium Beer tourism, 2016).

1.4.3 Trappist beer

Every Trappist beer is an Abbey beer but not every Abbey beer is a Trappist beer, this is due to the fact that the regulations of Trappist beers are more strict than those of an Abbey beer. Like Abbey beers, Trappist beers also have their own logo, this label is called "*Authentic Trappist Product*".

Trappist is the name of the Order of Cistercians of the Strist Observance, also known as the Trappist order. Many of the rules that were written by this order in the sixth century became more relaxed, they are not as strict as they used to be. However, there is one fundamental rule that remained up to today, this rule implies that every monastery should be self-supporting. Therefore many of the monasteries that are under this order do not only produce beers but they also produce a wide range of different goods (Visit Flanders, 2016).

There are currently thirteen Trappist breweries, six of which are situated in Belgium. These six Belgian Trappist breweries are Westmalle, Westvleteren, Achel, Chimay, Orval and Rochefort. There is a strict regulation within the monasteries that the beers should not be intended to make profit. The main goal of Trappist beers is to cover the expenses that were made while brewing the beer, all the profit should be donated to a charity (Visit Flanders, 2016).

1.4.4 Amber

Amber or "*Spéciale Belge"* has a rich tradition and history which dates back to the beginning of last century when a small brewery in the village of Chatelineau won a competition in search of a new and more modern beer (Belgium Beer tourism, 2016).

What makes this beer so recognizable is that it combines a full taste with a low alcohol percentage, during the brewing process no herbs are used. Specialists often compare a "*Spéciale Belge*" with a British ale. Although the percentage of alcohol (5 to 6 per cent) is comparable to that of a normal beer, Amber beers have a stronger taste, some of the main reasons are the use of caramelized malt, mineral-rich water and soft aromatic hops. "*Spéciale Belge"* is being recognized as a regional product, some of the most famous examples are De Koninck and Palm Spéciale (Streekproduct, 2016).

1.4.5 Fruit beers

Fruity beers have a delightful, sweet-tart and fresh taste due to the use of many kinds of fruits. The taste of hops is less distinguished then with the other styles of beers. Most fruit beers have an alcohol percentage between 2.5 and 5.5 per cent (Biernet, 2016).

The most famous and traditional fruit beers is a kriek beer, these beers are made with cherries. The kriek beers can be compared to "*oude gueuze*" with the addition of a pleasant fruity taste. We can divide kriek beers into separate groups, there are the "*kriekenlambiek*", "*oude kriek*" and the "*commerciële kriek*". This last group is the most famous group due to the fact that it is the one consumers mostly find in the bars or stores, this is why they are the ones which are mostly referred to as "*Kriek*" (Belgium Beer tourism, 2016). Some examples of famous kriek beers are Lindemans, Belle-Vue and Boscoli.

1.4.6 Gueuze

Gueuze has already been briefly discussed earlier on in this chapter but now we will go more into detail. Gueuze or "*Gueze*" is not brewed but it is blended. These Lambic-based beers were created at the end of the 19th century when a local brewer found out he did not have enough space to brew in barrels, therefore he decided to pour his beers into some old, open champagne bottles. What he discovered was remarkable, the beers had a higher clarity and also developed a stronger sparkle due to the in-bottle re-fermentation. There are plenty of beers on the market which use the name Gueuze but usually these beers are a mixture of traditional beers with a Lambic (Belgium beer tourism, 2015).

This beer knows two names: the first and more commonly used name is Gueuze, based on the street where the beer was created. The second name is a name typically used in the Zenne[5] valley, in this area of Flanders they use the name "bottle lambic" (Belgium beer tourism, 2015).

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[5] The Zenne is a small river which flows through Brussels.

According to many, Gueuze is not a typical beer you drink but you need to learn how to drink it (Belgium Beer tourism, 2016).

1.4.7 Lambic

Lambics are probably the oldest Belgian beer style, Gueuze and Kriek Lambic are two of the most famous varieties of Lambic. Just like Gueuze, Lambics are fermented spontaneously by being exposed to wild yeasts and bacteria. Lambics are most popular in Brussels and the surrounding cities, the beers are commonly used in the Belgian cuisine. While most brewers use hop to give their beers their bitterness and aroma, breweries which produce Lambics use hop to protect their beer against any known infections (Belgium Beer tourism, 2016).

1.4.8 Brown beers

Brown beers or “*Oud Bruin*” are beers consisting out of two different beers. The first beer, also called the basic beer undergoes a first fermentation in open crates to which home yeast will be added. Afterwards, the second beer is brew and the two beers will be mixed together. After fusing these two beers, the brewers add sugar and yeast. The beer is known as a soft to mild beer which has a sour touch. It is possible that while tasting an “*Oud bruin*”, consumers can taste a hint of caramel, nuts or cherries, this is common due to the used malt (Belgium Beer tourism, 2016).

The element that makes these beers so typical is their mixed fermentation, this helps creating the flavor. The flavor is also created by a longer storage period and the mixture of both old and young beers.

Brown beers and Red beers have much in common. The malt that is used to create these beers is dried with hot air and at a higher temperature compared to most beers. This is not the only difference with other specialty beers, both of these beers require a longer period to boil (Belgium Beer tourism, 2016).

1.4.9 Red beers

Red beers or “*Zuid-West-Vlaamse Roodbruin*” are most commonly produced and consumed in West Flanders (the hint is in the name, West Vlaanderen is the Dutch word for West Flanders). Just like Brown beers, these beers are fermented in open crates and will be influenced by bacteria. A “*Zuid-West-Vlaamse Roodbruin*” is considered the perfect aperitif, it is mostly consumed during summer period on a terrace. The taste is mostly described as very thirst-quenching with a light sourness and sharp aroma (Belgium Beer tourism, 2016).

The Red beers were originally brewed in the areas around the cities of Roeselare, Kortrijk and Tielt. These beers were first brewed in the early Middle-Ages, even before mankind was introduced to hops. Like mentioned before, during this time the brewers used the herbal mixed called “*Gruut*”. The hop plant was originally introduced to the people of West Flanders by the Vikings (Belgium Beer tourism, 2016). The most commonly known Red beer is Rodenbach, which is created by the brewery of the same name situated in the city of Roeselare.

1.4.10 Saison

Just as Gueuze, Saison was briefly described earlier on in this chapter. Due to the fact that many of the small, artisanal family breweries never bragged about their product, Saisons are not popular in the rest of the country. The beer style is barely consumed or produced outside the province of Hainaut (Belgium Beer tourism, 2016).

The beer was traditionally brewed during the winter, Saisons were used to keep the workers on the farm refreshed during the summertime. Most of these beers have a clear and beautiful golden color. The typical taste of a Saison is light, slightly sour, dry, fruity and herbal (Belgium Beer tourism, 2016).

Originally Saisons were only allowed to be produced till the 29^{th} of March, with this law the government wanted to make sure that the beers would not be contaminated by wild yeasts. However, nowadays Saisons are produced all year long (Belgium Beer tourism, 2016). This beer style is getting more and more popular, especially abroad. There was a time that this beer style was close to extinction.

1.4.11 Strong blonds

Although these beers are far more clearer and purer than a normal pils, they are far more complex then consumers may think. The brewing procedure consists out of a typical variety of hops and the sour taste is very typical for strong blonds.

All blond beers will rank on a high level when it comes to alcohol percentage but this does not mean they are not easily drinkable. The Strong blonds gained popularity after WW2, the main inspiration for these beers was Westmalle Tripel, a Strong blond beer which originated in the 1930s. These beers never reached the popularity that was known by traditional pils but they are very popular by beer lovers and they soon conquered both the Belgian and the international market (Belgium Beer tourism, 2016).

1.4.12 Wheat beer

Wheat beer or “*Witbier*” is a typical unfiltered fermented beer. These wheat beers gain their typical fresh aroma through the addition of herbs such as coriander or orange zest. Due to the fact that the beer is unfiltered, it has a cloudy appearance with a mild taste and a slightly sour touch. The beers have the same alcohol percentage as the traditional pils.

The most famous "*Witbier*" is named after the city of Hoegaarden, this city is very much connected with "*Witbier*". The first written sources that link "*Witbier*" with the city date back to 1318. Wheat beers are traditionally served with a slice of lemon but this custom is fading away slowly.

"*Witbier*" was on the verge of extinction when the last brewery closed in 1957. However, in the year 1966, Pierre Celis[6] decided to open the "De Kluis" brewery which was the first brewery that restarted the production of Wheat beers (Belgium Beer tourism, 2016).

1.4.13 Other beers

Although Belgian beer cultures consists out of many beer styles, there are still beers which are not suitable to any of the beer styles mentioned above. The main reason for this is that Belgian brewers love to experiment, they use so many different ingredients that is impossible for specialists to label these beers. Ingredients that are used vary from Chocolate to coffee, from pepper to ginger. These brewers do not only experiment when it comes to ingredients, they also try to discover new ways of fermentation (Belgium Beer tourism, 2016).

1.5 Possible selection of beers

1.5.1 Brewery Gruut

Gruut is a city brewery situated in the city of Ghent, the brewery was founded in April 2009. The founder of brewery Gruut, Annick De Splenter, grew up in the beer world, both families from her father's and mother's side were active beer brewers (Gentse Gruut Stadsbrouwerij, 2016).

Gruut currently produces five beers: Ghent Gruut Wit, Ghent Gruut Blond, Ghent Gruut Amber, Ghent Gruut Bruin and Ghent Gruut Inferno. Apart from the five main beers, the brewery manufactures one limited edition beer every month. All of the beers are typically characterized by the fact that they are only produced by herb mixes. No hop is being used in the production of any of the Gruut beers. Gruut is the only brewery in Belgium which does not use any hop in the manufacturing of their beers, it is a new phenomenon which gained a lot of interest from both America and the United Kingdom (Splenter, 2016). The reason why Gruut only uses herb mixes is tradition, during the Middle-Ages brewers in the city of Ghent used herb mixes to manufacture their beers. These herb mixes were called Gruut or Gruyt, hence the name of the brewery (Gentse Gruut Stadsbrouwerij, 2016). The whole interview with Annick De Splenter can be found in Appendix B.

[6] Pierre Celis is a legend in Belgium and the brewing world in general. He was responsible for the revival of "*Witbier*" and literally saved the beer style from extinction. (Belgium Beer tourism, 2016)

1.5.2 Brewery ‘T Anker

Brewery ‘T Anker is a brewery situated in the city of Mechelen, located in the Province of Antwerp. First signs of a brewery in Mechelen date back to the beginning of the 15^{th} century when the Begijnhof, which was situated in the center of the city, started to brew beer. In 1872 the family Van Breedam bought the brewery and renovated it into a modern brewery with all the necessary equipment. The love for brewing dates back to the glory days of Mechelen, this is why they opt for tradition and brewing specialty beers (Het Anker, 2016).

At the end of the 20^{th} century, the brewery opened a 3-star hotel within the walls of the brewery. This is a unique concept in Belgium. In 2010, the brewery also opened distillery, from then onwards Het Anker not only brewed beers but they also created a whiskey, Gouden Carolus Single Malt which was introduced in 2013 and already received numerous international prizes. The brewery is currently exporting to more than 30 countries, Slovenia is not one of them.
Brewery ‘T Anker has a wide range of different kind of beers. They currently are producing 12 different beers, ranging from Strong Blonds over Amber to Fruit beer (Het Anker, 2016).

2 OVERVIEW OF THE SLOVENIAN BEER MARKET

The Slovenian beer market has not been subject to many scientific studies due to the reason that the Slovenian beer market is not really known to a wider audience. The most reliable scientific resource created on the Slovenian beer market is “Do consumer tastes evolve with competition? The case of the Slovenian beer market”. This case study tackles the subject of diversifying in the beer supply. While in most countries, the beer market diversifies at a rather quick rate, the beer market in Slovenia develops rather slowly. It is known that Slovenians drink a lot of beer but they see beers mostly as thirst-quenching drinks. If they would want a more sophisticated drink, they will bring out a wine rather than a high-quality beer. The case also tackles the evolution of the Slovenian beer market since 2000, this will be implemented in the next section of this thesis (Šušteršic, 2013).

2.1 Brief introduction and history of the Slovenian beer market

Slovenian beers, in comparison with Belgian beers, are not being exported as much. Therefore the export rate of Slovenian beers is significantly lower, then that of Belgian beers. For example, Lasko, which is the biggest Slovenia beer producer and is owned by Heineken International, had an export rate of 19 per cent in the year 2016. The biggest importer of Lasko is Croatia, which is a neighboring country of Slovenia. 46.43 per cent of all the export from Lasko is going to Croatia. Out of this data, we can conclude that, in comparison to the Belgian beers, Slovenian beers are not as focused on exportation. Most of the profit gathered from Slovenian beers is through the domestic market (Sloexport, 2016).

The Slovenian beer market has been dominated by two companies, Pivovarna Lasko and Pivovarna Union, which were both founded in the 19^{th} century. Both these companies divided the country in perfect geographic segmentation, Lasko was situated in the Eastern part of the country while Union mainly focused on the Western part. In the late 1990's Lasko took over Pivovarna Union after a small but fierce battle with Interbrew, which later changed his name to AB Inbev, the biggest producer of beer in the world. With the unification of Lasko and Pivovarna Union, the company had a market share over 95 per cent.

The monopoly of Lasko got weakened by the increase of imports, the main reason of this is that Slovenia entered the European Union in May 2004. Over the next few years, importation quadrupled and the share of foreign beers rose from 3 to 14 per cent.

Due to the importation of foreign beers, the market share of Lasko and Union dropped with approximately 15 per cent. Although the importation affected the Big 2, it did not however affect the market share of the smaller breweries which were present on the Slovenia market. We can therefore conclude that the import was more harmful for the dominant domestic producers than for the smaller producers (Šušteršic, 2013).

Why did this mainly affect the dominant players and not the smaller ones? The assumption is that due to the lack of big breweries present on the Slovenian market, there was also a lack of consumer preference. As mention above, Slovenian consumers have a far more profound taste in the diversity of wines then in that of beers. Beers are largely seen as thirst-quenching drinks.

The increase of imports on the Slovenian market will result in the further development of tastes by the consumers and the increasing appreciation of different styles of beers (Šušteršic, 2013). Due to the rapid increase of imports after the abolishment of import barriers, we can conclude that the local brand loyalty in Slovenia is rather low. This may be a good thing for the "country of origin effect", they are willing to try beers from countries which are known to produce high-quality beers, one of these countries is Belgium (Šušteršic, 2013).

When it comes to the exportation of beer by Lasko and Union, we can see that there is a negative trend present on the market. The sales of Lasko on foreign markets fell by 12.9 per cent in 2015 compared to the year 2014. While they increased their foreign sales on smaller markets, the key markets like Croatia, Austria and Italy did not achieve such results and while there was an increase in sales in Croatia, the sales in other key markets dropped significantly. The sales of Union however did increase but they were lower than expected (Pivovarna Lasko, 2016). On the local market, Lasko currently holds 30 per cent market share, Union around 26 per cent.

2.2 Analysis of the Slovenian beer market with Porter's 5 forces' model

2.2.1 Supplier bargaining power

There are currently only two main suppliers present on the Slovenian market. These two suppliers, Pivovarna Lasko and Pivovarna Union, have a big influence on the Slovenian beer market. Both of these suppliers are part of the Heineken International group, therefore most of the market is currently being controlled by one major company. Therefore, we can conclude that the supplier bargaining power on the Slovenian beer market is high. Due to the fact that these two suppliers have a major influence on the market, they can easily adapt the market price, adapt the availability or even adapt the quality of their beers. Like mentioned in the chapter above, there are some smaller breweries present on the market but these breweries have no significant influence (Wilkinson, Supplier Power (one of Porter's Five Forces), 2013).

Switching costs on the Slovenian market are high because there are not many potential suppliers. Most of the beers being sold in bars are produced and distributed by Heineken International, these beers include Lasko, Union and Heineken.

2.2.2 Buyer bargaining power

The buyer bargaining power on the Slovenian beer market is low. Due to the fact that there are not many suppliers present on the market, it is hard for the buyers to switch between the suppliers. The buyers can always expand their assortment with some new beers but they will never be able to replace Lasko or Union as they are the typical Slovenian beers (Wilkinson, Buyer Bargaining Power (one of Porter's Five Forces), 2013).

2.2.3 Intensity of rivalry

Since the entrance of Slovenia into the European Union, there is an increase in rivalry on the market but this level of rivalry is still rather low. There are some small, domestic breweries present on the Slovenian beer market but their market share is significantly lower than that of the Big 2. When it comes to international brands, the main international brand which is currently available on the market is Staropramen, not Heineken which would be assumed by many (Šušteršic, 2013).

The Big 2 still controls the market and they will continue to do so in the following years. At this moment there are no new, domestic, upcoming beers which would be able to compete with Lasko and Union.

One of the biggest advantages that the Big 2 has in comparison with new, upcoming breweries is Money. Like mentioned earlier, Lasko and Union are owned by Heineken Internatioanal, which is one of the biggest players on the international beer market. Due to the fact that Heineken International is such an important player, they can invest their money in Research & Development, which can increase the quality of their beers. This increase in quality makes their beers much more interesting to consumers then the beers brewed by smaller breweries.

2.2.4 Threat of Substitution

The main substitutes for beers on the Slovenian market are wines, as mentioned earlier, Slovenian consumers see beers as thirst-quenching drinks. Due to the poor economic conditions which were present in the country over the last few years, the consumption of wines has declined. However, the production was not affected by these economic conditions as producers just expanded their horizons and started exporting their wines to newer markets. Slovenia has a rich history when it comes to wines, throughout the years they have increased the number of domestic producers but they also increased the amount of imported products. The domestic producers are expected to remain dominant over the Slovenian market but the number of producers will grow annually and this will lead to a further intensification of the rivalry between the wine producers (Euromonitor International, 2016).

2.2.5 Threat of New Entrants

On the Slovenian market, the Big 2 have significant economies of scale. It is far more easier for them to invest in marketing, R&D,… Due to the fact that the switching costs are high, it is harder for new breweries to enter the Slovenian beer market. Nowadays there is a boom of microbreweries on the market but it remains difficult for these breweries to become a real competitor for the Big 2 (Wilkinson, Threat of New Entrants (one of Porter's Five Forces), 2013). As mentioned in the part of "Buyer bargaining power", it is possible for buyers to expand their assortment but they will never be able to replace Lasko and Union.

2.3 General trends and consumption rate

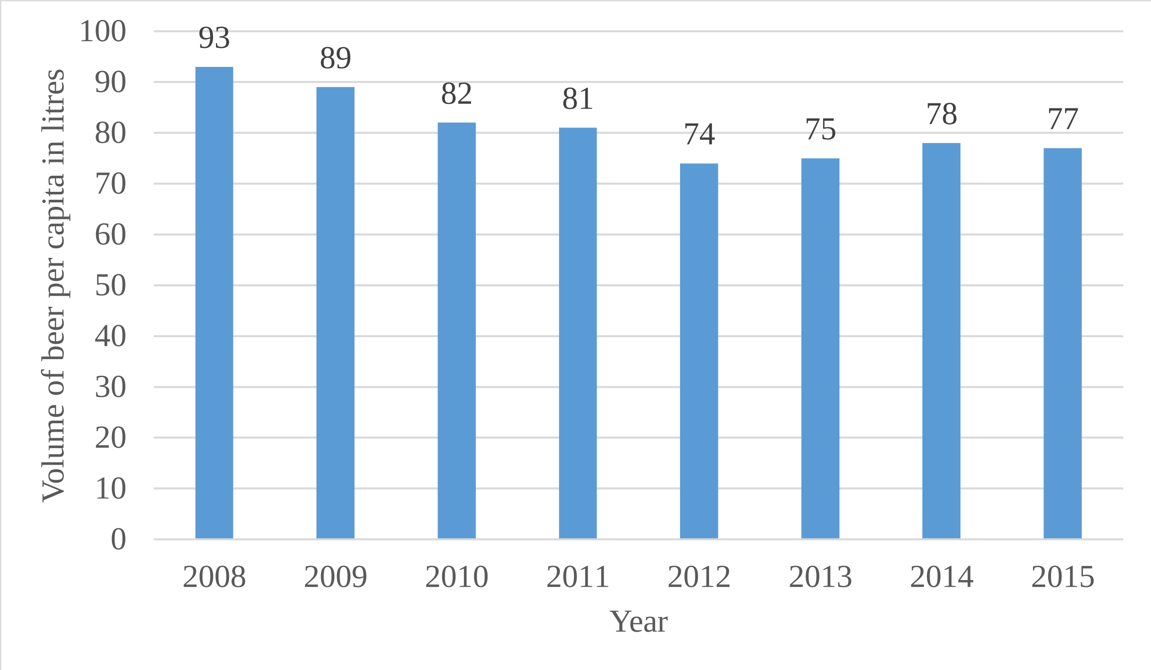
The biggest trend on the Slovenian beer market is the establishment of smaller, microbreweries. We can see an annual increase when it comes to the establishment of microbreweries throughout the country (RateBeer, 2017).

As mentioned earlier, since the entrance of Slovenia into the EU, it is easier for foreign beers to concur the Slovenian market. Currently the foreign brands hold 29 per cent of the market and this number is increasing. Market brands currently hold 10 per cent of the market, these are brands that are mainly produced by big distributors like Mercator or Lidl.

Radler beers are gaining recognition on the market, Radler beers currently hold the fifth place in the top sold beers on the Slovenian beer market, they are more popular among Slovenians then Heineken and Guinness.

The annual amount of beer consumed per capita in Slovenia as of 2015 is 77 liters (Statista, 2015). As we can see in Figure 2, the consumption of beers per capita in Slovenia is declining, in seven years the consumption per capita dropped from 93 to 77 liters.

Figure 2. Annual volume of beer consumed per capita in Slovenia from 2008 to 2015 (in liters)



Source: Statista, *Annual volume of beer consumed per capita in Slovenia from 2008 to 2015 (in liters)*, 2015.

2.4 Variety of Slovenian specialty beers

The Slovenian market is being dominated by Heineken International due to the fact that it is the owner of both Lasko and Union. When it comes to specialty beers, there are some available on the Slovenian market. These specialty beers only represent a small percentage of the Slovenian beer market. Although there are not many breweries, some of them are significantly popular with the consumers. This chapter will briefly introduce three of the most famous Slovenian specialty breweries who are now present on the Slovenian beer market.

A first example of a Slovenian specialty brewery is Human Fish Brewery, this brewery was established in 2008 by an Australian expat. The brewery is located at a 120-years old farm in Vrhnika, a village southwest of Ljubljana. Most of the beers produced by the Human Fish Brewery are Indian Pale Ales, however the brewery produces one Belgian based beer. This beer is HFB Wittyfish, the beer is a Belgian white with 4.2 per cent of alcohol (In Your Pocket, 2016; Pivoljub, 2017).

The second Slovenian specialty brewery which will be introduced in this thesis is Reservoir Dogs, this brewery is based in Nova Gorica. As in the case of the Human Fish Brewery, most of the beers produced by this Slovenian specialty brewery are IPA’s, they brew one Belgian specialty beer. This beer is a Saison with 6.0 per cent of alcohol called Dogs Incubo (Pivoljub, 2017).

The last brewery that we will discuss is the brewery called Hopsbrew situated in Domzale. Like most of the Slovenian specialty breweries, this brewery mainly produces IPA’s. However just as with the Human Fish Brewery and Reservoir Brewery, there is one Belgian specialty beer being produced. This beer is called Hopsbrew Tropical Wheat and is a Belgian White. The beer contains 4.5 per cent of alcohol (Pivoljub, 2017).

2.4.1 Belgian specialty beers on the Slovenian market

There are some Belgian beers present on the Slovenian market but none of them has a big influence. The most common beers are the once produced by the big, international companies like AB InBev and Duvel Moortgat. These beers include Duvel and Liefmans from Brewery Duvel Moortgat, Stella Artois, Hoegaarden and Leffe from AB InBev.

Brewery Duvel Moortgat is a brewery established in 1871, over the course of the next 150 years it slowly expanded its reach and enlarged its range with not only Belgian but also a Czech, Dutch and three American breweries. Duvel Moortgat is the home of the world famous Duvel beer, Duvel is one of the most popular Belgian beers both abroad as in Belgium itself. It is a typical Strong blond beer. Duvel is not the only beer, produced by the brewery, which is available on the Slovenian market, also Achouffe, Bernard and Liefmans are found in bars all over the country. (Duvel Moortgat, 2016)

As mentioned earlier, AB InBev is the biggest brewery of beers in the world. The heritage of the brewery dates back more than 600 years ago, in 1366 the first signs of a brewery were found in Leuven, Belgium but already in 1240 the abbey of Leffe started brewing beers. Over the last 600 years, AB InBev grew to be the most successful and influential brewer in the world (AB InBev, 2017).

In 2016, AB InBev completed its merge with SABMiller, till then the second biggest beer brewing company in the world. Due to this merge AB Inbev now produces double the amount of its nearest competitor, Heineken International. (Sarah Bon, 2014)

Stella Artois is world’s number one Belgian beer, it was the first beer produced by the original brewery and today Stella Artois is the most famous Belgian beer. The beer is served in over 95 countries all over the world. Stella Artois is a typical example of a Pils beer, also called “A European Lager” (AB InBev, 2017).

Hoegaarden is a beer that was mentioned earlier on in this thesis, it is Belgians’ most famous “*Witbier*”. It is currently available in over 70 countries and Slovenia is one of them. (AB InBev, 2017) Leffe is a typical Abbey beer, first brewed in the Leffe Abbey in the year 1240. Over the years, many things have changed but the recipe for Leffe is still the same recipe as the one used in 1240. AB InBev made a commitment to honour the tradition of the beer. There are currently eight different kinds of Leffe beers available but not all of them are available on the Slovenian market. The most famous Leffe beers are the Blond and the Brown beer. (AB InBev, 2017; Leffe, 2017)

The Belgian beers you find in Slovenia are the same big brands that you can find in almost every country in Europe. There are no small, local Belgian beers present on the market and if there would be any small beer available, it is more likely to find these beers in specialized stores like Pivoljub instead of a bar or restaurant.

2.4.2 Foreign specialty beers on the Slovenian market

As mentioned earlier, Heineken International dominates the Slovenian market. The most successful beers that are being offered on the Slovenian market are being produced or distributed by Heineken. Heineken International is a Dutch brewing company, most commonly known for its world-renowned beer Heineken. The company owns approximately 165 breweries in over 70 countries. It produces and distributes 250 international, regional, local and specialty beers or ciders. The company currently employs approximately 73.000 people (Heineken International, 2017).

Apart from the beers that are being produced and distributed by Heineken International, there are two big players on the market. These players do not have the significant impact as Heineken International but they do produce beers which are rather successful on the Slovenian beer market.

The first of these two players is the company called Prazske Pivovary Staropramen. This Czech brewing company, originated in Prague, produces Staropramen. Staropramen is the most popular foreign beer on the Slovenian market (Staropramen, 2017).

The second one is a company formerly known as Velkopopovicky Kozel, this Czech brewing company was founded in 1874. Until 2002, Velkopopvicky Kozel was an independent company but in the year 2002 they merged with Pilsner Urquel and was submitted into the SABMiller company. The result of this merge was a new company called Plzensky Prazdroj. SABMiller recently emerged with AB InBev. So apart from a large portion of the Belgian beers on the Slovenian beer market, AB InBev also produces and distributes a Czech beer present on the market. Apart from Kozel, AB InBev also controls Beck’s and Corona, two beers who are also present on the market.

It is currently still unclear if Plzensky Prazdroj will remain a part of AB InBev. Due to the merger with SABMiller, AB InBev controls a huge amount of the world’s beer supply, the merger could only be established if AB InBev would spin-off many popular beer brands. It is currently unknown if Plzensky Prazdroj will be part of this spin-off. There currently is a rich Polish businessman which is interested in buying a big part of SABMiller’s products which are available on the East-European market, this includes Plzensky Prazdroj (Nurin, 2016).

2.5 Taxation and regulation of beer in Slovenia

When it comes to alcoholic beverages, the taxes that are put on the products by the Slovenian government are called excise duties. Excise duties are taxes on consumption. The excise duty system that is being used in Slovenia since the 1th of July 1999, is harmonized with the EU legislation (Republic of Slovenia, Ministry of Finance, 2015).

The excise duties in Slovenia should be paid on beer, wine, other fermented beverages, intermediate beverages and ethyl alcohol. These duties depend on the classification of the products according to the Combined Nomenclature of the Customs Tariff and of course on their alcohol content. The products on which excise duties are being paid are also called excise good. (Republic of Slovenia, Ministry of Finance, 2015). When it comes to beers, the excise duties consist of 12.10 EUR for 1 volume % of alcohol on 1 hl (Republic of Slovenia, Ministry of Finance, 2015).

2.5.1 Regulation to import foreign beer/alcohol to Slovenia

Due to the fact that both Belgium and Slovenia are located within the European Union and therefore in the Customs Union, there are no regulations present. As an entrepreneur who deals within the European Union, the import and export of goods is unlimited. Governments are not allowed to put up any restrictions whatsoever and they are also not allowed to restrain trade in any other way (Europa, 2016).

The Customs Union or Territory of the European Union includes all the territorial waters, the inland maritime waters and the airspace of any member state of the European Union, except for the territorial waters ,the inland maritime waters and the airspace of any territory which is included in a specific list. Some examples of territories which are included on this list are Faroe Islands and Greenland (Denmark), Ceuta and Melilla (Spain), and many more (European Commission, 2017).

In some cases there will be exceptions, these exceptions mainly contain products that deal with health and the life of people, animals or plants, the environment, to protect public morality or public security. Due to the fact that alcohol does not fall under any of these categories, there are no exceptions valid (Europa, 2016).

2.5.2 Regulation to export Belgian beer abroad

The particular law in Belgian regarding the general arrangement for excise goods, the possession and traffic thereof and the controls on these goods is called Council Directive 2008/118/EG. This directive has been changed repeatedly and significantly over the years (EUR-LEX, 2008).

As mentioned in the previous chapter, there is no limitation when it comes to the export of excise goods due to the fact that both Belgium and Slovenia are part of the European Union. However there are some regulations when it comes to paying the excise duties. One of the main regulations verifies if the right amount of duties is being paid, these verifications will be conducted in production- or storage facilities. Recognized authorities will conduct these verifications (EUR-LEX, 2008).

2.5.3 Transportation

For the transportation of excise good between Slovenia and another member state, there are some regulations that need to be followed (Republic of Slovenia, Ministry of Finance, 2015).

1) According to the European excise legislation, any excise goods can be moved under the supervision of the excise duty arrangement between the excise license holders from the two countries (both Slovenia and the other EU member state, in this case Belgium):
    a) From the tax warehouse to;
        i) Another registered tax warehouse
    b) The registered consignee;
    c) The place where the excise goods are meant to leave the territory of the Community;
    d) The exempted organization where the goods are being dispatched from and to another member state;
        i) From the place of importation to any destination referred to under the previous mentioned point, where the excise goods will be dispatched by the registered consignee.

Every shipment that will occur between the two member states of the European Union will have to be accompanied by an electronic administrative document. A system called the EMCS (Excise Movement Goods System) is made so that it can monitor every movement made by the excise goods under the suspension arrangement

2) The previous arrangement also has a special regulation when it comes to business to business sales or distance sales:
    a) The seller who is established in another member state, if he wants to carry out distance sales that are destined for Slovenia shall:
    b) Have to submit a declaration for the consignment to the competent authority. This declaration should be submitted at least three working days prior to the foreseen dispatch of the excise goods;
    c) Keep all the records of any deliveries;
    d) Pay the necessary excise duties (these excise duties shall not be paid later than 30 days of the due date);
    e) Need to submit an instrument which guarantees the payment of the excise duties in the amount of the respected excise duty liability for the consignment.

i) the obligations which are being laid down by distance sales destined for Slovenia can be fulfilled by a tax representative. This tax representative in Slovenia can be appointed at any time by the seller who ships the goods from another EU member state. This tax representative has the same tasks as the one mentioned above.
ii) When any excise goods, which are already released for consumption in another EU member state, is delivered to Slovenia for commercial purposes, the excise duties on these goods become chargeable in Slovenia.

Under the commercial purposes of excise goods fall excise goods which are from another member state to a person, who is not a natural person, or to a natural person when the excise goods are not intended to be bought by this natural person for own use and will not be transported by him in any case. This responsible person in Slovenia shall have the same tasks as mentioned before.

3 CONSUMER BEHAVIOUR[7] AND BEER

3.1 Consumer decision-making factors and beer

This part of the research talks about the factors which influence the customers decision when buying a beer. The top four considerations when choosing a beer are taste, price, style of beer and the brewery that produces the beers. These top four considerations will be implemented in the survey, from the results we will then conclude if this is also the case on the Slovenian beer market and what the view is from the Slovenian beer drinkers. (SurveyMonkey, 2014)

The survey will also implement other factors which can be important for consumers to make a decision, these factors include alcohol content, country of origin, packaging,…

3.2 Type of beers

Beer is considered as one of the oldest beverages in the world, the origin approximately dates back to the Neolithic period. Beer is generally made out of four core ingredients namely, malted cereal grains, hops, water and yeast but these ingredients can vary. However, as mentioned earlier on in this research one of the Belgian beer brewery that is interested in exporting to Slovenia does not use hop, it uses herbs instead. Beer consumption is on the rise, this is mainly due to the rising disposable income, changing lifestyles and the increasing demand of craft beers. However, there is an increase in health concerns which can be associated with beers, these health concerns have resulted in an increased demand for low calorie beers and beers with low percentage of alcohol (WiseGuysReports.com, 2015).

[7] Consumer behavior is the study of how individuals, groups and organization select, buy, use and dispose of goods, services, ideas or experiences to satisfy ones needs and wants.

The two main types of beer that are available on the market are light and strong beers. In 2014, section of strong beers accounted for approximately 65.6 per cent of the total beer market. It is expected that the strong beer market will witness an even stronger growth in the coming years. On the other hand however, the light beer market is expected to decline further in the near future mainly due to the changing preferences of the beer consumers (WiseGuysReports.com, 2015).

Players in the market are constantly adopting product launch and collaborations as their key developing strategies, mainly to meet the changing demands on the beer market and also to expand their customer base. For example, in 2014 AB InBev developed and launched an tequila-flavoured beer on the U.S. market. The main goal of this beer was to target young consumers who started to increasingly prefer Mexican beer and liquor. Due to the global increase of female drinkers, the production of flavoured beers with a lesser alcohol percentage increased as well (WiseGuysReports.com, 2015).

The global beer market is being influenced by different factors, these factors are based on the type of beer, types of packaging, production, geography, and the different categories of beers in accordance to pricing. As mentioned earlier, the type of beers are strong and light beers. The packaging which is being used by the different players are can beer, bottled beer, and draught beer. the factors premium, super-premium and normal beer are also being covered. Stella Artois, a beer which is being produced by Anheuser-Bush InBev, is considered as a super-premium beer, while Heineken, the owner of Lasko and Union, is considered as a premium beer. The factors which are accounted for when it comes to production are micro- and macro breweries. The micro-brewery section comprises of a range of craft beers brand. The macro breweries section comprises of well established companies, such as Heineken, AB InBev and Carlsberg (WiseGuysReports.com, 2015).

3.3 Consumer innovativeness

Innovation will frequently be defined as “an idea, practice or object perceived as new by an individual or other relevant unit of adoption”. Innovators are being identified as the consumers who will be the first once to adopt to or buy any innovation (Karaarslan & SükrüAkdogan, 2015; Tomaseti, Sicilia, & Ruiz, 2004).

Consumer innovativeness can be divided into three different categories: innate innovativeness, domain-specific innovativeness and innovative behaviour dimensions.

Innate innovativeness plays an important role when it comes to the diffusion and adoptions of innovations. It is the part of innovativeness which stimulates the consumers’ genes. Innate innovativeness can be defined as a generalized unobservable predisposition towards innovations applicable across product classes. Innovators will judge innovations differently according to their level of innovativeness. Research has found out that highly innovative consumers have greater preferences towards discontinuous innovations. Individuals which have a high innate innovativeness seek functional innovativeness but they are also more worried about product performance, which means their mind-set will be highly effected by the benefits which can be realized from the product. These innovators will show a greater preference towards functional innovations with more functional meanings (Im, Bayus, & Mason, 2003; Tomaseti et al., 2004).

People who have domain over certain products will more likely identify innovations when they are released in this particular domain. An example in the beer industry is, a beer sommelier is more likely to evaluate a new beer properly then someone who drinks beer as a hobby. This will more quickly derive the positive and negative aspects of a new beer. This perception is due to the specific domain of a person for innovation in a product class, this was proposed by Goldsmith and Hofacker (1991) through the theory of domain-specific innovativeness (DSI). DSI was first introduced by Robertson (1971) in a seminal study, when Robertson stated that any consumer has the ability to innovate within a specific category, and, occasionally, between related products classes. The domain-specific innovativeness construct the aspects of human behaviour associated with innovation within a specific interest of a person. This construct seeks an understanding in the predisposition of an individual on a class of a certain product, when at the same time, it seeks to analyse the tendency to learn and adopt new products. The DSI is mainly considered to be a predisposition which allows us to buy new and different goods, instead of remaining with the previous consumption patterns (Midgely & Downing, 1978; Goldsmith & Hofacker, 1991; Bartels & Reinders, 2011; Robertson, 1971; Araujo, Ladeira, Santini, & Sampaio, 2016).

Innovative behaviour is expressed in the literature as ownership of new products, actualized novelty seeking and use of innovativeness. The first step in proper marketing of an innovation is to find out about innovative consumers and to find out about their innovative behaviour. Since the 1970s, consumer innovativeness started to not only be considered as a behavioural but also as a psychological variable. The point was to possibly forecast before the emergence of innovative behaviour. In other words, they wanted to make sure that they knew their potential customers who will adopt their products before the supply of products would eventually hit the market. This would allow them to forecast and design the best marketing strategies for their products. Innovators are the once who exhibit innovative behaviour the most, they are most likely to be young, highly-educated individuals. It is very important for businesses to know about which consumers have innovative behaviour. Knowing about innovations, accepting an innovation, buying innovations and finding new areas of use for a product and its innovations are different level of innovative behaviour (Karaarslan & SükrüAkdogan, 2015).

3.4 Country of origin

A more simple explanation of country of origin is the motherland of a product, this refers to the country in which the product has been developed or to which the country belongs to or identifies with. The most significant way to recognize a country of origin is by the label “Made in …”. These labels have a rich history and can be traced back to Ancient Greece. In Ancient Egypt the labels were used to determine, to identify and differentiate the products. Although the labels were originally used to identify and differentiate, they were and still are used to signal the quality of the products (Munjal, 2014).

The main turning point in the use of "Country of origin labels" came after WW1, after Germany lost the war the country was obligated to label all its products with an "Made in Germany" label. This was due to the fact that other countries would avoid buying products from countries which lost the war, mainly Germany. The "Country of origin labels" became more of a beware sign then a quality sign. Although the labels were destined to hurt the countries which were using them, they backfired as the labels became a strong marketing tool and "Made in Germany" became a sign of high quality due to the fact that Germany was known for its workmanship, the "Made in Germany" sign still holds this reputation today (Munjal, 2014).

Due to the globalization and the opening of markets in the 1970's, the "Country of Origin" labels were found irrelevant due to the fact that companies from all over the world raced one another to obtain economies of scale. Levitt (1983) introduced the concept of global brands. He stated that with the arrival of globalization, a global class with similar preferences and tastes emerged. He also stated that due to this globalization there was a need for standardization rather than differentiation. Although there is some truth in Levitts theory, it is not the whole truth. His theory does apply but only for a certain amount of products and a certain amount of consumers. Although there is a globalization going on, there is still a large amount of consumers who wish to identify themselves with the products. This is harder than it seems, we called this phenomenon "Paradox of Internationalization". Which means that for every action there is an opposite reaction. The opposite reaction is that some people, due to the fact that they want to identify themselves with local products, see internationalization more as a curse to their identity. This does encourage these consumers to buy locally produced goods to reassure that their identity remains (Munjal, 2014).

Since it can be difficult for consumers to carry out an objective product quality testing procedure, consumers are keen to rely on the basis of factors which are believed to be related to product quality, one of these factors is country of origin. An investigator going by the name of Cox, was one of the first to develop a model on consumer evaluation process. He suggested that a product can be viewed as "Array of Cues", and consumers make judgements about a certain product relying on these cues. We can divide cues into two different groups, intrinsic and extrinsic cues. A cue of a product quality is considered in terms of the degree to which it is intrinsically or extrinsically a part of the physical product. We call a cue intrinsic when if change is to be made, the change will be made to the physical product itself. While a cue is extrinsic if they are not related to the physical product but they are more hypothetically created to be part of the physical product, well known examples of extrinsic cues are price, brand name, etc. The "Country of Origin" labels due not refer to the physical product, therefore we can call these labels extrinsic cues. The label will only help consumer analyse the conditions under which the specific product was produced. Consumers do take all the information about a specific country into account when they label the quality of a product. Due to the fact that globalization caused many options to emerge for consumers, they more and more rely on extrinsic cues to formulate a judgement of quality (Munjal, 2014).

There are many ways to affiliate consumer behaviour with country of origin but for this thesis the most important way is to study the country of origin effects and country image. Consumers tend to rely on previous experiences with a certain country when making decisions on the products they are willing to buy. However consumers should make a clear distinction between beliefs based on products from a particular country and beliefs about the country itself. For example, Germany has always been seen as a country which produces high-quality products however if a certain group of people keep on affiliating Germany with the world wars, they can temper their judgement and are more keen to believe that Germany produces bad quality products (Munjal, 2014).

Verlegh (2001) defined that there are two components on country image, these components are geographic component and human component. The geographic component mainly refers to the climate and the landscape of a certain country while as human components refer to skill, competence and creativity level of inhabitants of a certain country. When both of these components can be positively evaluated to a certain country, this country receives a favourable evaluation of its products (Munjal, 2014).

An investigator going by the name of Han (1989) stated that when goods are not well known to people, country images tend to create a "Halo Effect[8]". An example, German cars are known for their durability and BMW is a German car, therefore the image of Germany will act as a Halo and consumers will evaluate BMW are durable (Munjal, 2014).

Country image is also the subject of national stereotypes. These national stereotypes occur when consumers evaluate a certain product on the basis of degree of development of a country. Products which are being produced in highly developed countries will receive more favourable product evaluations, while products which are being produced in developing countries will receive least favourable product evaluations. An example, Chinese products are considered as cheap, low quality and old fashioned due to the fact that China is seen as a developing country. Consumers in developing countries also created a preference to non-local brands from developed countries (Munjal, 2014).

When it comes to Belgium, the country is a developed country with an advanced high-income economy and the country is categorized as very high when it comes to the Human Development Index. Most of the products that are associated with Belgium are beer, waffles, chocolate but Belgian also has products which are lesser known but still exported worldwide. These products vary from pharmacy to industrial products. Although the "Made in Belgium" label is less known than the "Made in Germany" label, products which are produced in Belgium can be seen as high-quality products. When it comes to Belgian beers, recently the beers have been added to

[8] An Halo Effect has been used to describe situations in which evaluation of a single object or a person on multitude dimensions is based on evaluation of a single object (Munjal, 2014).

the UNESCO list of Intangible Cultural Heritage of Humanity. This is not only due to its quality but also because of the rich history and tradition the country has when it comes to brewing beer. Belgian beer brewers also shine when it comes to innovation, for example a Belgian brewery established a beer pipeline out of the medieval centre of Bruges to a bottling plant on the city outskirts as a way to resolve some environmental and architectural concerns. Not only do Belgians use beer for drinking but they also established a rich history of cooking with their local beers (Guardian Media Group, 2016).

All this information lets us conclude that the "Made in Belgium" label on beers is not only a sign of high-quality but also of rich tradition and innovation. Belgian beers are some of the highest quality beers in the world.

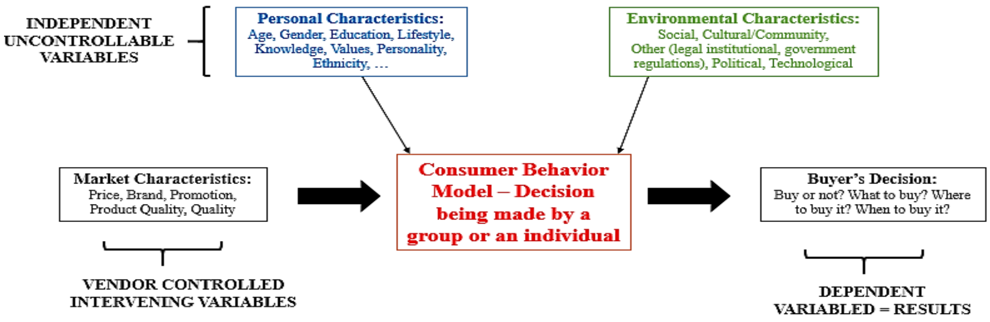
4 METHODOLOGY

The goal of this thesis is to research if the Slovenian beer market is an interesting market for Belgian beer companies to export their product to. Moreover, the thesis researches if smaller, lesser known Belgian beer companies have a chance to survive the Slovenian beer market. The thesis tends to deepen the knowledge about the Slovenian beer market, its history and current situation. Through consumer decision-making factors, the thesis tends to research whether or not the Slovenian consumers are familiar with Belgian beer and whether or not they are willing to purchase these beers if there would be a bigger supply available on the market. The thesis outcomes are aimed to contribute to the knowledge of the Slovenian beer market, which could be useful for foreign companies to decide whether or not the Slovenian beer market would be an interesting market for them in the future. The following section presents and describes the research model along with the research paradigm which are adopted in the thesis. Secondly, this section will outline the methods which were implemented and the instrument of data collection which was used during the research. The research also provides an explanation of the sampling procedure which was used in the respective research study.

4.1 Research Model

In order for this research to achieve its purpose and clearly address the necessary factors which will measure the relationship between the consumer decision-making factors and beer, the following conceptual research model has been created. The research model is based on both existing theories as well as elements which were needed to complete the research. Moreover, the research model will provide us with a practical overview of relationships between the theory of consumer behavior, which was mentioned in the third chapter, and the research. The research model is presented in the following Figure 3.

Figure 3. Consumer Behavior Model



Source: Kongalla, *Consumer behavior model on online marketing*, 2013; Launch Engineering, *factors influencing consumer behavior model*, 2016.

This research model is loosely based on two research models who were already known, the consumer behavior model on online marketing by Kongalla (2013) and the factors influencing consumer behavior model by Launch Engineering (2016).

4.2 Research Paradigm

To investigate and explain a undeniable social phenomenon, the author's beliefs and philosophical points of view are important elements. The selection of both the research paradigm and philosophy is crucial for us to understand the reality, nature and perspectives from which the research is being approached and interpreted (Guba & Lincoln, Competing Paradigms in Qualitative Research, 1994). According to Kuhn (1963), a research paradigm can be defined as "the set of common beliefs and agreements shared between scientists about how problems should be understood and addressed". According to Guba (1990), research paradigms can be characterized through three basic issues which are characterized as ontology (realist, explaining what is reality), epistemology (dualist/objectivist, how do we gain knowledge to know certain things) and methodology (experimental/manipulative, questions and hypotheses are subjected to empirical tests, it is a systematic approach to acquire a specific knowledge).

There are currently four existing research philosophies namely pragmatism (measurement is both qualitative and quantitative, mixed or multiple method designs), positivism (the research is highly structured, uses large samples), realism (the methods which are chosen in the research must fit the subject matter, can be both quantitative and qualitative) and interpretivism (the research uses small samples, in-depth investigations and is mostly qualitative) (Saunders et al., 2012). The following study is based on the principles of positivism paradigm. Positivism can be seen as a belief system which arises out of practices in the natural sciences. This belief system assumes that matters which are the subject of research are real and objective interpretations of events, they can be established with an acceptable degree of certainty (Brand, 2009).

Positivism paradigm points out that the data and its analysis are value-free, which means that the data does not have the ability to change because they are being observed. Positivism considers that the sole purpose is to acquire knowledge, the goal of this knowledge is simple to make us understand a phenomenon that we experience or have experienced. While researchers from other paradigms acknowledge that they do participate to some extent so that they can understand what they study, positivists separate themselves totally from the world they are studying (Krauss, 2005). However, it can be argued that due to the fact that positivism is fully based on gathered empirical evidence, the paradigm is insufficient in evaluating human behavior (Aliyu, Bello, Kasim, & Martin, 2014).

The selected paradigm effects and guides the following research on a feasibility analysis of the entry of Belgian beer brands on the Slovenian beer market, the focus is being placed on both the segments of flavor and advertisement. The following segments were selected due to the fact that they are of great importance for the introduction of any foreign beer into a new market. The segment of flavor was selected to point out the diversity in Belgian beer flavor, while the segment of advertisement was selected to point out whether or not the consumer thinks that there is enough beer advertisement available on the Slovenian market.

As mentioned earlier, a positivist researcher will most likely use a highly structured methodology so that he can capture real happenings, these real happenings could then be studied and observed empirically. (Aliyu et al., 2014; Saunders et al., 2012). Given that the descriptive research, which is being implemented in this study, is according to the positivism paradigm, the research is not being used to explore or develop a new event, it is rather used to provide an accurate description of a certain study object, in this case the study object being the introduction of Belgian specialty beers onto the Slovenian market (Saunders et al., 2012).

Moreover, the research approach which is being used in this study is called a deductive approach, this approach is being considered as the most dominant research approach. By using this approach we will deduce a theory and hypotheses, afterwards the research will develop a research strategy which helps us to test the hypothesis, therefore we may conclude that the theory guides the research. The researcher will need to deduce the hypothesis and then he must be able to translate it to operational terms. This research approach is linked to highly structured quantitative method of primary data collection (Bryman, Bell, Mills, & Yue, 2010).

The following Figure 4 gives us a clearer view on the process of deduction.

Figure 4. The Process of Deduction

Source: Bryman et al., *The Process of Deduction,* 2010.

4.3 Research Methods for Data Collection

A survey strategy can be considered as one of the, if not the most popular social research methods, this strategy implies administration of questionnaires to a certain sample of respondents. A questionnaire or survey helps you collect data about the respondents, these respondents fill in a set of predetermined questions which collect the information needed to complete your analysis. There are two kinds of questions which will be frequently used within the survey, open-ended and close-ended questions. The open-ended questions give the respondents the opportunity to formulate their own answers, while close-ended questions list the answers from which the respondents select one or multiple answers (Powell, 1998; Phipps, Butani, & Chun, 1995).

In order for this research to develop a questionnaire which would contribute to the subject of the entry of Belgian beer brands on the Slovenian market, academic literature was reviewed. These literatures will be presented in the literature review. Due to the fact that there was not much academic literature available on both the Slovenian and Belgian beer market, a lot of information was gathered from breweries, specialized stores and specialized websites. This information will also be presented in the literature review.

Due to the fact that we want the respondents of our survey to express their knowledge and opinion on the subject of the research, questionnaire statements have been presented and measured with a common five-point Likert scale. It is believed that this five-point Likert scale allows the respondents to articulate useful and meaningful answers.

The respective questionnaire, consisted out of three different parts. The first part of the survey's goal was to collect the necessary demographic information of all the respondents. These questions included their year of birth, nationality and gender.

The second part of the survey consisted out of questions which were closely aligned with Belgian beer. These questions were intended to confirm the suitability of the respondents and examine if they had a knowledge when it comes to Belgian beer. People who did not drink or did not drink anymore were excluded from the second part of the survey, although they were still allowed to participate in the third and final part.

The final set of questions were statements which were measured through a five-point Likert scale. These statements had as main goal to collect and examine how the respondents would react in certain situations such as a change in price or flavor. Moreover, these statements also examined to which extent the respondents agreed with certain statements that are being made in the beer market, f.e. alcohol free beers are a good thing. The complete questionnaire can be found in Appendix C .

Keeping in mind that the type of questionnaire which was selected is an online-questionnaire, we will discuss the advantages of this type of questionnaire in the following paragraph. An online questionnaire has the ability to reach a broader geographical area and is able to provide wider access to respondents. The time span which is needed to complete an online survey is approximately two-thirds shorter than that of any of the traditional research methods. It also provides several other advantages in terms of accurateness, cost-efficiency and time to analyze (SmartSurvey, 2016).

It should be noted that the biggest advantage of an online questionnaire is the potential to collect a large amount of data is a certain time period. It is also much easier to analyze, the statistical analyzation can start immediately after the data is collected. One of the main drawbacks of an online survey is the issue of non-representatives, there is also the possibility of a low-response rate (Katsirikou & Skiadas, 2010). Following a pre-testing phase which was introduced to reduce the possibility of errors and biased answers, the final version of the research was released online on the web-based statistical and survey software application "*EnKlikSurvey*" on May 27^{th} 2017. The total procedure of the online researching and the research process lasted from May 27^{th} 2017 to July 4th 2017. The whole questionnaire can be found in Appendix C of this research.

4.4 Sampling Technique

When a researcher wants to collect information about a certain topic through questioning or testing, there are two possible ways for the researcher to do so. First of all, every member of a certain population can be questioned or tested. Secondly, a sample can be conducted, a sample only questions or tests a selected member of a population or society. This is also how the research in this thesis was conducted (Fairfax county department of neighborhood and community services, 2012).

The sampling methodologies can be classified under two different categories, the probability and nonprobability sampling. For the sake of the research, a non-probability sampling procedure was selected. Non-probability sampling procedure was selected in accordance with the selected research's design and methods. This procedure causes for the study's findings to not be generalized. The results of this sample need to be limited to the persons or elements which were researched within the sample. The main advantage of this procedure is the ease in which the sampling can be administered. This procedure is less complicated and time consuming than a probability procedure (Fairfax county department of neighborhood and community services, 2012). When we want to specify some more, the procedure which was selected in self-selection sampling, this procedure allows individuals to choose whether or not they want to take part in this research (Laerd dissertation, 2012).

The following research is based on a sample that consisted out of Slovenians and foreign people who lived in Slovenia for a certain amount of time. The self-selection procedure enabled the researchers to select individuals from which they gained valuable and useful information. Some of the drawbacks of this sampling procedure are the possible difficulties to generalize any results for a population and the lack of control over the respondents. It should be noted that the procedure was highly successful for the researched topic, the selected procedure enabled the researched to collect relevant information.

4.5 Ethical Consideration for the Study

Ethical issues are of high importance throughout a research, these ethical issues require ethical integrity of the researcher of the topic. Ethical issues can pop up at any stage of the research process (Saunders et al., 2012).

When completing the questionnaire, an adequate introductory information which explained the research's objectives and purpose were presented to the respondents. This information had as goal to eliminate any misunderstandings and it also provides guidelines so that the respondents know what to expect from the current research. In addition to the information, the introduction also contained information about the protection and anonymity for the respondents, this protection and anonymity will be upheld during the whole research process, from data collection to publication.

5 DATA ANALYSIS AND DISCUSSION

The next chapter of the thesis discusses the analysis and results which were gathered during the research. First of all, this chapter will talk about socio-demographic data and descriptive statistics. Secondly, the chapter will contain an analysis about the respondents' knowledge on the Belgian beer market. Afterwards, there will be an analysis about the main types of beer on the Slovenian market and the segments. Furthermore, both the limitations and future recommendations will be discussed within this section.

As it was mentioned in the previous chapter, the survey method which was used for this research was meant to collect data from both Slovene as foreigners who lived in Slovenia. These answers will be collected and analysed within this chapter. Due to the fact that respondents had free access to the survey and that not all the survey questions were marked as mandatory, not all the respondents proved to be valid for the analysis. Therefore, despite that there were 111 respondents who submitted their online questionnaires, only 104 responses were valid responses (100 of which were totally completed). Due to the fact that we will take in account that there are people who do not drink alcohol, these respondents will be left out of the analysis. In total, 5 respondents do not drink alcohol, therefore, 99 responses will be analysed within the next chapter.

5.1 Socio-Demographic Characteristics of Respondents

When it comes to the respondents' gender, the majority of respondents who participated in this survey, more precisely 54,54%, were male. While the other respondents, who were female, accounted for 45,45% as presented in the following Figure 5.

Figure 5. Gender (in %)

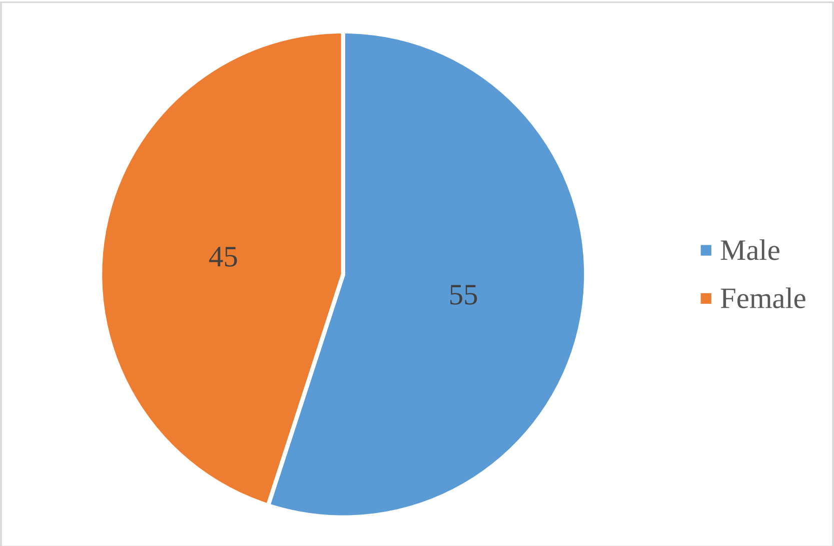
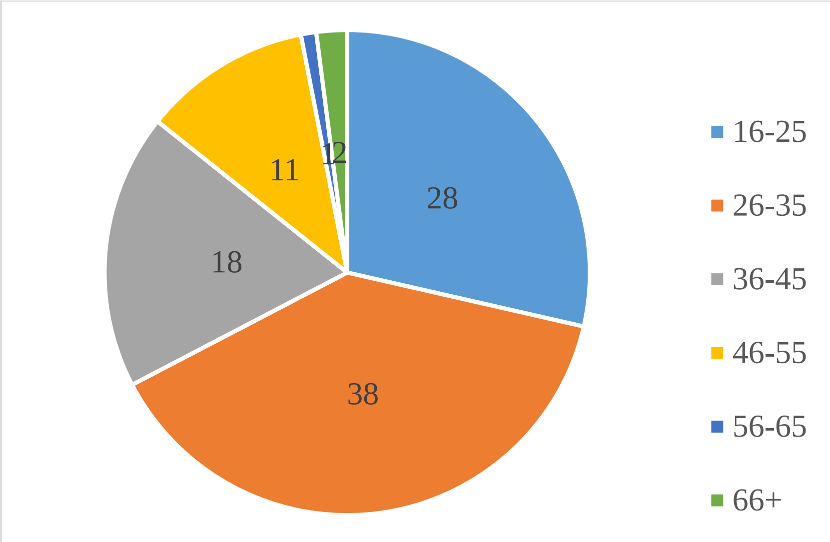


Figure 6 will give detailed information about the age groups to which the respondents qualify. The greater part of the respondents was constituted out of participants who belonged to the age group 26 to 35 years old, representing 38,38%.

Figure 6. Age Groups Respondents (in %)



In the following Figure 7, we can conclude that 69,69% of the respondents of this online questionnaire went to university. 22,22% of the respondents finished their bachelor, 43,43% their masters and 4,04% of the respondents obtained a Ph.D. This illustrates that the sample members are characterized as well-educated.

Figure 7. Educational Level (in %)

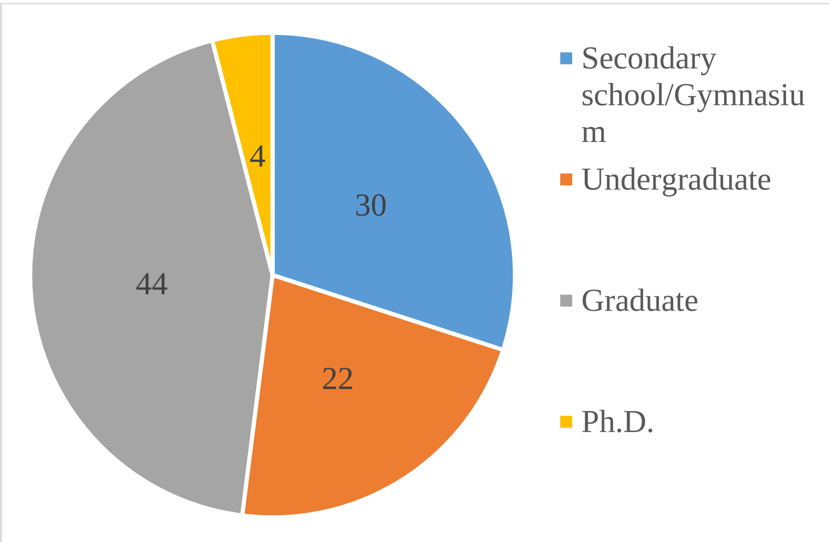
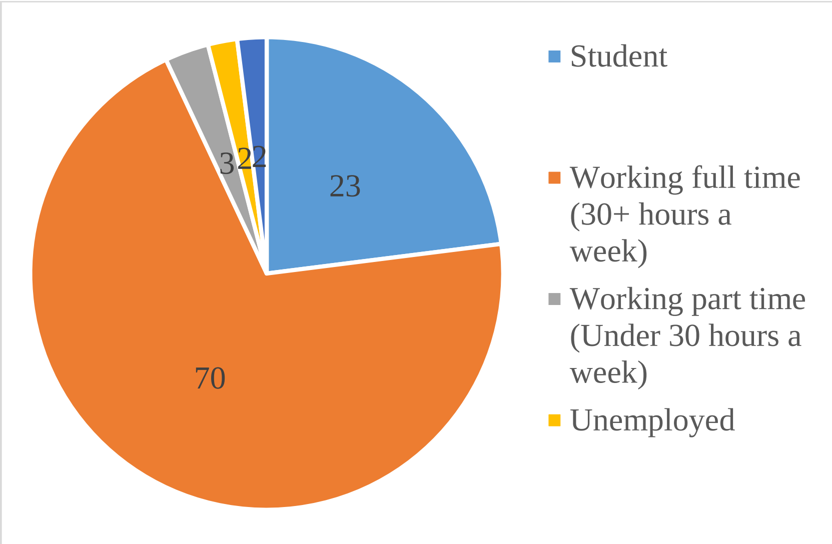


Figure 8 will give a clearer view about the current occupation of the participants in the online questionnaire. Most of the participants, 69,69%, currently works full time, while 23,23% of participants are students. These two groups represent the majority of our respondents with 92,92%.

Figure 8. Current Occupation (in %)



As mentioned in the introduction of this chapter, the survey focuses on residents of Slovenia and people who lived in Slovenia for a specific period, this does not include tourists. The following table, Table 1, will give a clear overview about the country of residence of our respondents. Altogether, 12 nationalities and countries were covered during this research, whereas the majority of responses were from Slovenia with 83 responses.

Table 1. Country of Residence of the Respondents

Country of Residence	**Number of Respondents**
Slovenia	83
Portugal	3
Belgium	3
Italy	2
Macedonia	1
Finland	1
China	1
Romania	1
Luxemburg	1
Croatia	1
Bosnia	1
USA	1

As mentioned in the introduction of this chapter, 5 respondents who participated in this survey do not drink or do not drink alcohol anymore. Therefore they were excluded from the analysis, the next Figure 9 analysis the preferred alcoholic beverage of our respondents. The two preferred alcoholic beverages are beer and wine, together they represent 78,78% of all responses.

As mentioned earlier, Slovenians are more wine drinkers then they are beer drinkers. When we take a look at the same type of graphic like Figure 9 but we exclude all foreigners living in Slovenia, we can conclude that the numbers are very close. 35 respondents prefer to drink beer while 30 respondents prefer wine. The numbers can be found in Figure 10.

Figure 9. Favourite Alcoholic Beverage (in %)

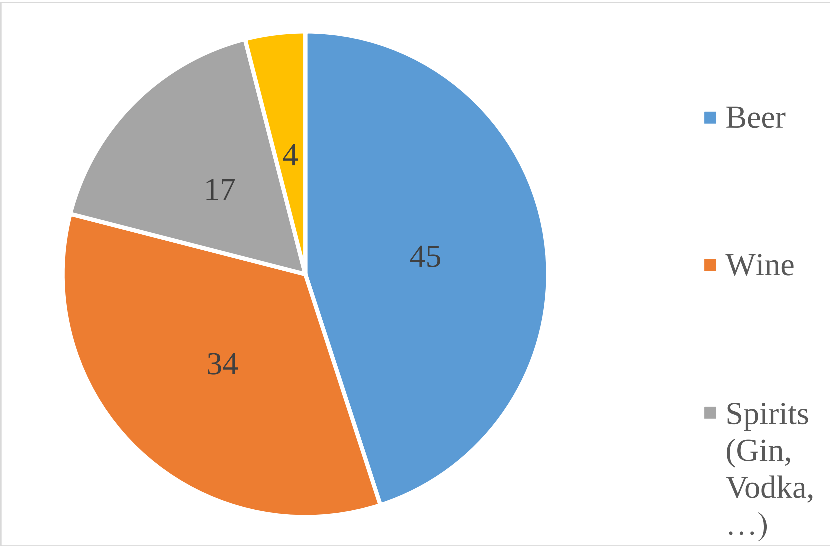
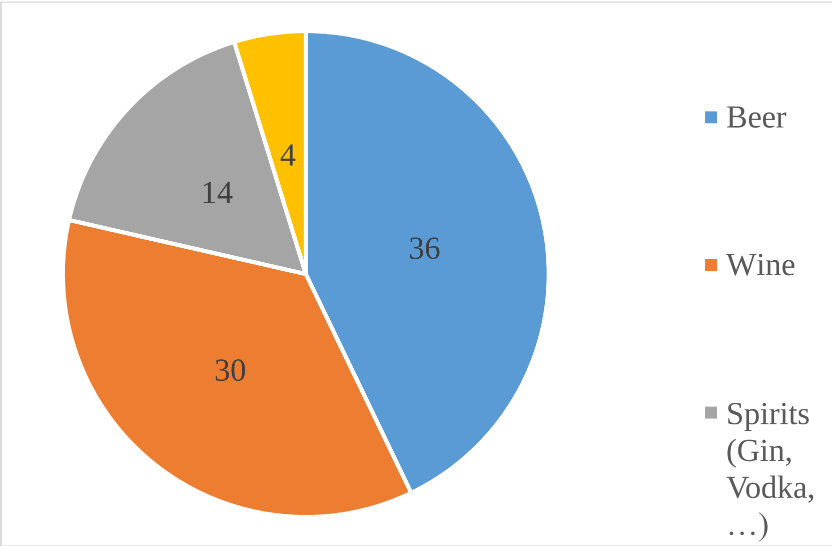


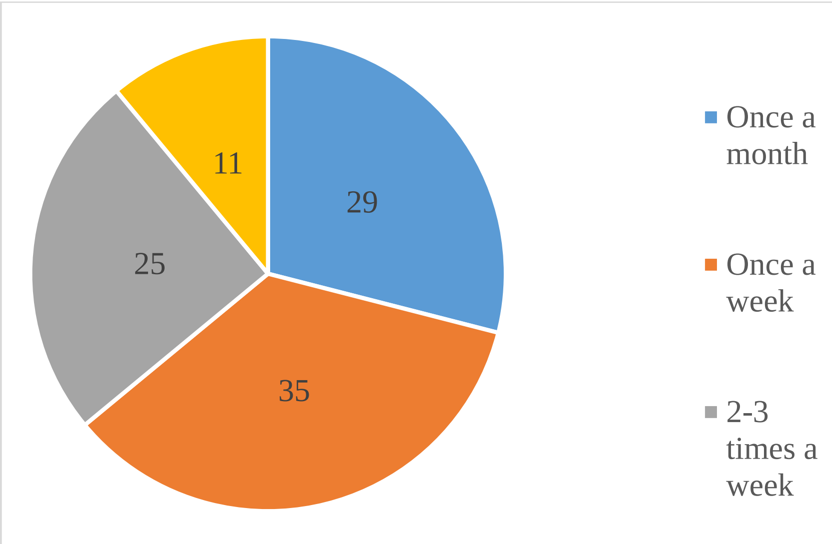
Figure 10. Favourite Alcoholic Beverage for Slovenians (in %)



When it comes to the frequency to which respondents drink alcohol, Figure 11 will give a clear overview of the answers of the respondents. However, due to the fact that the people who do not drink were excluded there will be no option which states that they do not drink alcohol.

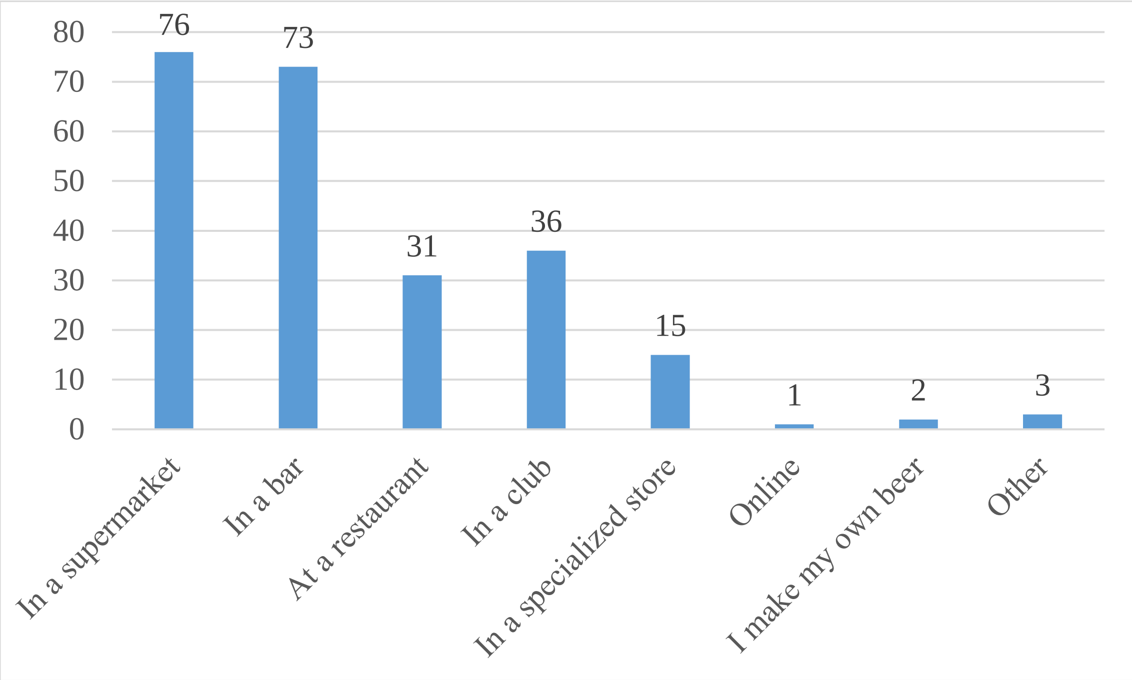
34,34% of the respondents consumes alcohol once a week, while 36,36% of the respondents consumes alcoholic beverages at least twice a week. More than one quarter, 29,29%, of the respondents does not consume alcohol more than once a month.

Figure 11. Frequency of Alcohol Consumption (in %)



The following Figure 12 indicates where the respondents buy their alcoholic beverages. These alcoholic beverages include other beverages then beer such as wine or cocktails. Most of the alcoholic beverages are bought at the more classic places like a supermarket or a bar with respectively 75,75% and 72,72%. Three respondents filled in that they purchase their alcoholic beverages at different places then those who were available. When respondents choose the option “Other”, they were requested to fill in which other situation. In this case the respondents filled in “At a concert” and “At a friend”. 15 respondents buy their beverages in a specialized store such as Pivoljub.

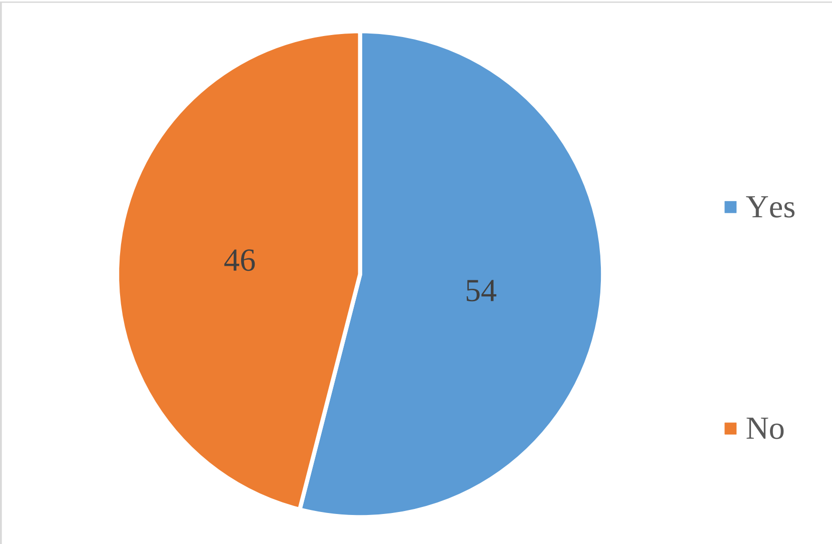
Figure 12. Respondents' buying pattern (in %)



5.2 Respondents' knowledge about Belgian beers

In this chapter of the research the researchers find out how familiar the respondents are with Belgian beers. Figure 13 shows us that 53,54% of the respondents are familiar with Belgian beers, while 46,46% are not familiar with Belgian beers.

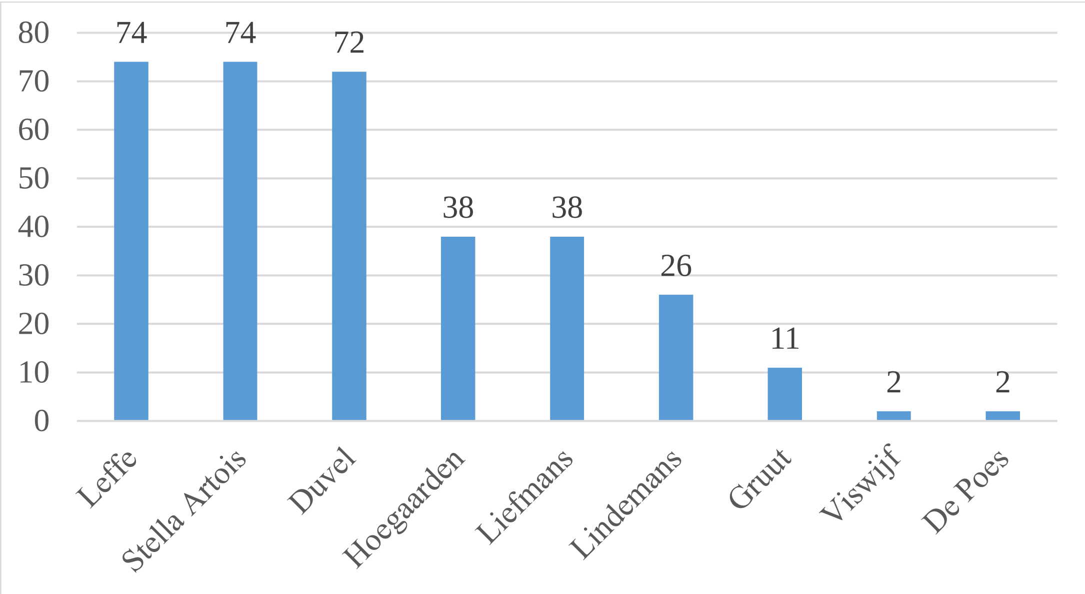
Figure 13. Familiar with Belgian beers (in %)



The following Figure 14 shows which Belgian beers are known to the respondents. The options which were provided are a mix of famous Belgian beers, like Duvel and Leffe, which can be found all over the world and beers from small Belgian breweries who are interested in exporting to Slovenia. As expected, the famous Belgian beers are known by the public, the beers from the small Belgian breweries are not.

For Figure 14 we only use the 53 respondents who provided us with the answer “Yes” in the previous question. Therefore, the percentages that are shown in Figure 14 will be much higher than if the total population of 99 respondents would have been used. Only 6 respondents were familiar with the beer Gruut, while only 1 respondent was familiar with Viswijf and De Poes. Out of 53 respondents, 39 were familiar with Leffe and Stella Artois, these were the two beers who were recognized mostly by the respondents.

Figure 14. Belgian beers known by Respondents (in %)



It is important to bear in mind that all the statements which were indicated by a Likert scale encompass values from 1 to 5, whereas 1 stands for strongly disagree and 5 stands for strongly agree. As mentioned earlier on in this research, Belgian beers are known to be very diversified. The online survey asked respondents if they agreed with this statement. Table 2 indicates that the average score or mean shows us a score of 3.4. 53,53% of the respondents neither agree nor disagree with this statement, they do not have enough knowledge about Belgian beers to give a clear answer to this statement. 9,09% of respondents do not agree with the statement, while 37,37% does agree.

Table 2. Diversification of Belgian beers

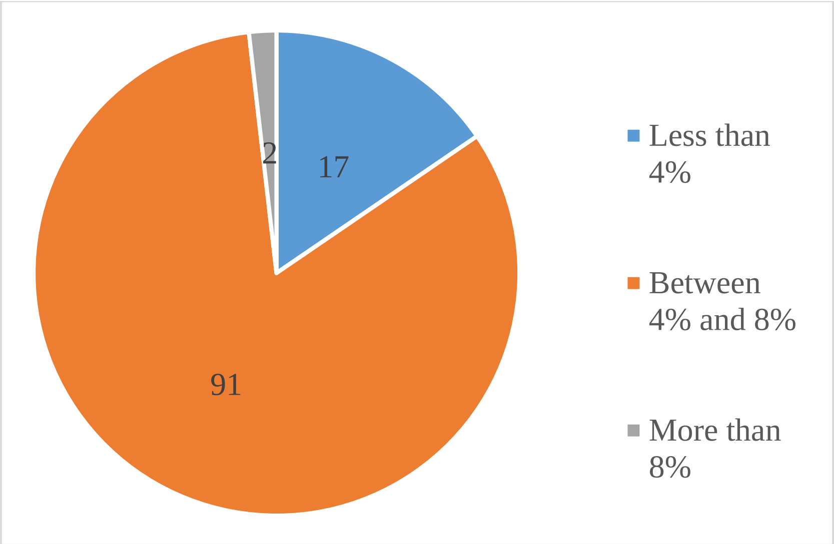
	Mean	Standard Deviation	Minimum	Maximum
Diversification of Belgian beers	3.4	0.84	1	5

5.3 Main types of beer on the Slovenia market

In this chapter we will discuss the main types of beers which were presented earlier on in this research. These main factors and types will be discussed based on the results of the online survey. The factors that will be discussed are light or strong beers (% of alcohol), type of beer, type of packaging, geography, pricing and the research will also discuss the importance of flavour and advertisement.

The first type of beer which will be discussed is the difference of light and strong beers, for this segment we take into consideration the percentage of alcohol and if our respondents think that alcohol is more important than flavour. As we can see in Figure 15, 90,90% of the respondents prefer a beer which has an alcohol percentage between 4% and 8%. Beers which fall within this category can be seen as the transition between light and strong beers. Officially, beers are considered strong beers when they pass the 6% alcohol but most of the Belgian beers pass this percentage although the public does not consider them as strong. Therefore this research has opted to use the beers which have an alcohol percentage between 4% and 8% as transition beers.

Figure 15. Preferred percentage of alcohol (in %)



Next this segment will contain the importance of alcohol and how the respondents look at alcohol free beers.

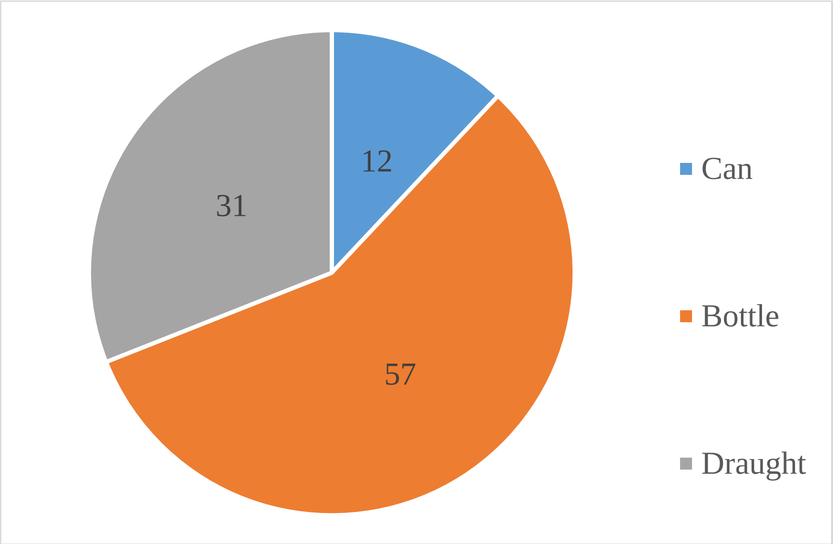
Table 3 shows us how important the alcoholic percentage is according to the respondents of our online questionnaire. Alcohol free beers are on the rise and Radler beers are getting more and more popular. The first section of Table 3 discusses if alcohol free beers are a good thing, according to our respondents, or not. If the information in the table would be converted to percentage, 48% of the respondents do not agree with the fact that alcohol free beers or Radler are a good thing while 34% does agree with this statement. The importance of the alcohol percentage is being discussed in the second section of Table 3, this section would show us that 50% of the participants state that the percentage of alcohol is important. However the third section would show us that only 10% agrees with the statement that the higher the percentage of alcohol, the better a beer tastes.

Table 3. Importance of the Alcoholic percentage

	Mean	Standard Deviation	Minimum	Maximum
Alcohol free beers are a good thing	2.7	1.51	1	5
Importance of Alcoholic percentage	3.3	1.17	1	5
Higher Alcoholic percentage, better taste	2.4	0.95	1	5

The second list of factors which will be discussed within this chapter, are the factors who talk about packaging. There are three kinds of different packages: can, bottle and draught. Figure 16 shows us that the most popular type of packaging is bottled beer with 56,56%, the least popular type of packaging is canned beer with 12,12%. The beers of the Belgian breweries who want to export to Slovenia are all bottled beers.

Figure 16. Type of Packaging (in %)



For the factors which influence geography, this research mainly focused on country of origin. This research tried to find out if the respondents think Slovenian beer is of higher quality then the more known beer producing countries, if they think there is enough foreign beer on the Slovenian market and if countries of origin are important in general.

Table 4 shows us the importance of the country of origin and if respondents think that there are enough foreign beers available on the Slovenian market. The respondents view on the quality difference between Slovenian beers and foreign beers will be discussed in the first section of Table 4. As foreign beers the researcher selected German, Czech and Belgian beers, three of the most famous beer producers, and asked if the respondents thought Slovenian beers were of lower quality then beers of these three counties. 39% of the respondents disagreed, while 34% agreed with the fact that foreign beers are of higher quality then Slovenian beers.

When it comes to foreign beers on the Slovenian market, we make a distinction between foreign beers and Belgian beers. Section two will resemble the foreign beers on the Slovenian market while section three resembles the Belgian beers. When we compare both statements, we may conclude that more people agree with the statement concerning foreign beers on the Slovenian market. 68% of respondents agree with the fact that there is a wide range of foreign beers on the market while only 28% agrees with the statement about the wide range of Belgian beers. Section four of Table 4 discusses whether or not respondents would be willing to buy a Belgian beer if there would be a wider range available on the Slovenian market. 68% of the respondents states that there is no wide range of Belgian beers available. 51% of the respondents state that if there was a wider range of Belgian beers available that they would be willing to try them out.

The last part of the table will talk about the importance of countries of origin. How do the respondents react to the phenomenon of country of origin and do they think it is important while drinking a beer. Section five of Table 4 will discuss this. 51% of the respondents does not care about countries of origin, the country of origin does not influence these respondents' decision while drinking a beer. 25% of the participants remains neutral while 24% states that it is important for them.

Table 4. Country of Origin

	Mean	Standard Deviation	Minimum	Maximum
Quality of Slovenian beers is lower	2.8	1.37	1	5
Foreign beers on the Slovenian Market	3.8	0.95	1	5
Belgian beers on the Slovenian Market	3.0	0.98	1	5
Wide range of Belgian beers?	3.3	1.08	1	5
Importance of Country of Origin	2.6	1.19	1	5

When it comes to pricing, the research tries to find out if a change in price of the respondents' favourite beer will influence their decision and how much they are willing to pay for a beer per bottle. Figure 17 shows us that most of the respondents are willing to go up to €4 a bottle, while only 9% is filling to pay more than €4. 65% of respondents is only willing to pay €3 for a bottled beer. Table 5 shows us whether or not respondents would buy a different kind of beer if there would be an increase of the price of their favourite brand. 28, 40% of respondents says it is likely that a change in price of their favourite brand will influence their decision to buy a new kind of beer. 39% of respondents states it could influence their decision but that they are not sure, 21% states that a change in price would not make them change their favourite beer.

Figure 17. Price per bottle (in %)

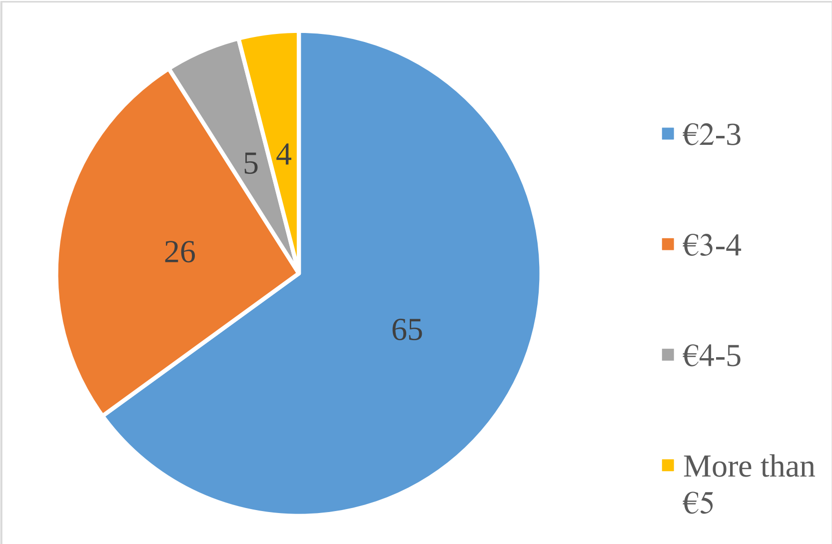


Table 5. Price of a beer

	Mean	Standard Deviation	Minimum	Maximum
Change in Price	2.8	1.03	1	5

The next factors which will be discussed are the factors which have an influence on flavour. This online survey wanted to find out if flavour influences the respondents buying pattern and if a change in flavour would make them buy a different kind of beer. Due to the fact that Brewery Gruut produces beers without hop, the researcher wanted to find out if the respondents think the presence of hop is important for beer.

47% of the respondents stated that a change in flavour would make them buy a different kind of beer. While only 14% of the respondents agreed with the fact that it would not influence their decision. This information can be found in section one of Table 6. In the second section of Table 6, 65% of the respondents stated that flavour is for them more important than the percentage of alcohol in a beer. 22% remained neutral and only 13% of the respondents stated that the percentage of alcohol is more important for them.

As mentioned earlier, hop is one of the main ingredients which is being used to produce beer. However, the Belgian brewery Gruut, one of the breweries which is interested in exporting their products to Slovenia, is experimenting with herbs. These herbs would be the replacement of hop. Section three of Table 6 shows us that 44% of the respondents agree with the statement that beers would lose a lot of their flavour if the production would not include hop. However, 47% of the respondents remain neutral, they neither agree nor disagree with this statement due to the fact that most people do not have the knowledge to judge whether or not hop is important for the beer production.

Table 6. Importance of Flavour

	Mean	Standard Deviation	Minimum	Maximum
Change in flavour	2.6	0.95	1	5
Importance of flavour	3.8	1.13	1	5
Importance of hop	3.5	0.95	1	5

The last part which will be discussed in this research are the factors which influence advertisement and promotion. Nowadays, advertisement and promotion is very important, it creates awareness and it allows you to target the ideal customers for your brands. This research tries to find out if the respondents think there is enough promotion and advertisement when it comes to beers and whether or not they let advertisement influence their decision.

Table 7 indicates that according to 45% of the respondents, there is not enough promotion or advertisement when a new beer is being released on the Slovenian market. However, 51% of the respondents stated that the way beers are being advertised in the media does not resemble how they taste in real life. Only 9% of the respondents think that the media resemble beers in a correct way.

The table also shows us whether or not respondents are willing to buy a beer which is being heavily advertised around the city or in the media. Although 42% of the respondents opts to remain neutral when talking about this statement, there are 30% of the respondents who stated that they will not be influenced, this is 2% more than the people who would be influenced.

The researcher wondered if the respondents would be influenced if companies would add an extra gift to their packaging. While inspecting Table 6 section 4, we can conclude that 40% of the respondents stated that they would buy the beer if its packaging contained an extra gift. However the difference between buy or not buy is rather small, as 39% of the respondents stated that it would not influence their decision and if they did not like the beer, they would not buy it even though it contained an extra gift.

The last part of the segment about advertisement and promotion talks about mouth to mouth advertising. If a bartender or a friend of the respondent recommend a beer, would the respondent be willing to try this beer out? Sections 5 and 6 show us that respondents are more willing to try out a beer which was recommended by a friend rather than a beer which was recommended by a bartender. However, 66% of the respondents are still willing to try out a beer which was recommended by a bartender.

Table 7. Promotion and Advertisement

	Mean	Standard Deviation	Minimum	Maximum
Amount of Promotion and Advertisement	3.2	1.25	1	5
Authenticity Media	2.4	0.92	1	5
Influence Media	2.9	1.12	1	5
Extra gift	3.0	1.33	1	5
Recommendation friend	4.0	1.03	1	5
Recommendation bartender	3.7	1.04	1	5

5.4 Segmentation of Belgian beer on the Slovenian market

Taking into consideration all the factors that were discussed above and the known segmentation criteria, it is worthwhile to present an analysis that is aimed to discover the main characteristics of different groups of beer drinkers in Slovenia. It should be noted that for this research the popular method of common sense segmentation was selected as the most reliable method to group beer drinkers. It implies selection of specific characteristics that will be the most relevant for splitting the beer drinkers into different groups.

When it comes to segmentation there are five optional segmentation bases, these bases are demographic, geographic, benefits sought, psychographic and behavioural. Each of these bases has their own typical segments and characteristics (Market Segmentation Study Guide, 2017). For our research we selected the segmentation base of behavioural segments. When it comes to behavioural segmentation base, the market segmentation is based on the consumers relationship with a certain product or firm. This segmentation base finds out whether or not the consumers are being loyal to a certain brand or firm and if they are willing to switch if there is more cheaper replacement available on the market. The segmentation base also finds out more information about brand knowledge, usage rate, shopping style, etc (Market Segmentation Study Guide, 2017). As mentioned earlier on in this research the two main segments that will be taken into consideration are flavour and advertisement.

The following Table 8 summarizes the important and differentiating characteristics of the recognized segments, the meaningful segment groups are being classified as: Flavour experimenters, media influencers and domestic buyers. In order to be precise, Flavour experimenters are students and young professionals who are more willing to try out new kinds of beers and flavours, they would be more willing to try out a beer without hop. Media influencers are professionals between 25 and 40 years old who are being influenced by social media, they tend to follow international breweries online. The last segment group are the domestic buyers, this segment group will only buy domestic, Slovenian beers. According to them there are too many foreign beers available on the Slovenian market and do not consider buying Belgian beers.

Table 8. An analysis of Consumers Segments

Segment	Main Characteristics
Flavour experimenters	Students and young professionals belonging to the age group 16-25 old, with mostly undergraduate or postgraduate level of education. They drink alcohol at least once a week, their favourite beer is not always Slovenian, they prefer drinking a foreign beer, mostly from the countries which are known to deliver quality beers (Belgium, Germany and Czech Republic), they are more willing to buy or order an imported beer then older generations. According to them, beers from the more popular beer producing countries are of higher quality then Slovenian beers. This segment group is open-minded, searching for new types or flavours when it comes to beer. They are willing to try out a new beer which has been introduced on the market even though their favourite is still available. For them flavour is much more important than the percentage of alcohol. This segment group prefers to drink their beers in a bottle. They prefer the percentage of alcohol of their beers to be between 4 and 8 per cent. When it comes to advertisement, this segment group is not easily influenced by social media or media in general. There is a bigger chance for them to be influenced by a friend or a bartender. When it comes to if the media is truth worthy when it comes to beers, they remain neutral. However, most of the people in this segment agree to some degree with the fact that alcohol free beers are a good thing so they are also willing to swap their favourite beer for an alcohol-free beer. As long as the beer has a nice flavour they are also willing to drink alcohol-free beer.
Media influencers	Professionals between 25 and 40 years old, with mostly undergraduate or postgraduate level of education. They drink alcohol at least once a week, their favourite beers are foreign beers. Although their favourite beer is foreign, they prefer to purchase domestic beers. They are more familiar with Belgian beers then the flavour experimenters. This segment group is more the type to go out for a beer then to go to a club, their decision of beer is more influenced by the percentage of alcohol then by the flavour of their beer. A change in flavour of their favourite beer would not have an effect on their decision, as long as the alcoholic percentage stays the same. A change in price is for them more important than a change in flavour. When it comes to advertisement, this segment group is easily influenced by media but mostly social media. They tend to follow big, international breweries on Facebook or Twitter. When this multinational releases a new beer, they are eager to try it out. They are more the subject to every kind of promotion, a brief written history or a well-designed label will influence their decision to buy a certain beer or not. Apart from the media they are also easily influenced by friends or bartenders.
Domestic buyers	Professionals between 25 and 40 years old, with mostly undergraduate level of education. They drink alcohol mostly once to three times a week, their favourite beers are domestic beers. Their favourite beer will be Union or Lasko. Although most of them are familiar with foreign beers, they keep on purchasing domestic beers. This segment group is more close-minded then the other segment groups, they will stick to their Slovenian beers.

(table continues)

(continued)

Segment	Main Characteristics
Domestic buyers	Even if there would be a larger offer of Belgian beers on the market, they would still not consider buying it. According to them, foreign beers are not of higher quality then Slovenian beers. There are too many foreign beers available on the Slovenian market. When it comes to advertisement, they do not follow international breweries on social media. If they would follow any brewery online, it would likely be Heineken, Lasko or Union. They can be influenced by a friend or bartender but only if the beer that is being recommended is Slovenian.

5.5 Research Limitations and Future Research

Keeping in mind that there is no such thing as a perfect research, the researcher is aware that the conducted research was influenced by certain limitations. These limitations could have certain effects on the obtained results and the research findings which were discussed in the thesis. Therefore, it is important that this research talks about the occurred limitations and that it emphasizes recommendations for future researches.

Due to the fact that the research contains a sampling procedure and also uses a self-selective technique for gathering the necessary data, it is important to emphasize that the sample which was used is very narrow and focused, this means that only people who drink alcoholic beverages were taken into consideration. Respondents who stated that they did not drink alcohol were left out of the final analyzation. Moreover, as this research included a relatively small sample group, it could impose difficulties when generalizing the results. The actual duration of the data gathering process was relatively short, in order to obtain a larger sample group the duration of the data gathering process should have been longer. Therefore we can state that the data gathering process was also a limitation.

Bearing in mind that not all participants of the research were Slovenians, the online questionnaire was written in English. Therefore, this could lead to possible misunderstandings or confusion between the respondent and the researcher. Future studies should strive to include a larger number of participants, as it would be more accurate and helpful in generalizing results.

Keeping in mind that there is not a lot of information known about the Slovenian beer market and that the market is rather small in size, the most important recommendation for the future is related to the topic itself. There is still a lot to discover about the Slovenian beer market and future research could help consumers and producers gain more knowledge about the market. It is important to note that future research studies could consider qualitative-interview method with producers within the beer market. These interviews can gather a lot of information that could be useful for future researches. Not only the producers should be taken care of but also other stakeholders could be interviewed or be the subject of an analysis, this would help future researchers to gain more knowledge about the Slovenian beer market.

Respondents who never drink or do not drink anymore should be addressed in studies so that researchers can find out why they do not drink or why they do not drink anymore. Their answers could provide valuable insights in sense of their opinions and reasons that are driving their decision to not engage with alcohol anymore. Future researchers should more thoroughly address and explain the relationship between beers and the different kinds of segments such as flavour and advertisement, these segments were introduced within this research but can always be the subject of further research. Moreover, deeper understanding of the beer segments is in order to provide a more clearer view about the beer market.

CONCLUSION

The main purpose of the thesis was to research and examine whether or not small Belgian breweries would be able to survive on the Slovenian beer market and if there was a market for small Belgian specialty breweries. Moreover, the goal of this thesis was to give the reader a deeper understanding on the segments of flavour and advertisement, how do the respondents of the research react to both the taste of a beer and the advertisement or promotion which is being used by different companies. The thesis wanted to provide a clear overview of the factors which influence the beer market, these factors were provided in the thesis and also played a crucial part within the online questionnaire.

At the very beginning, the thesis provided the reader with some in-depth information about both the Belgian and Slovenian beer market. The thesis provided a detailed description of the Belgian beer market. First of all, a small introduction and history was provided. All the different kinds of beers were discussed and the thesis also provided the readers with information about two small Belgian breweries who are interested in exporting their goods to Slovenia. Chapter two, provides the reader with a clear overview of the Slovenian beer market. The history of the Slovenian beer market is not as detailed and well-documented as the history of the Belgian beer market, the Slovenian beer market is not as popular abroad as its Belgian counterpart. Therefore, the information which was collected about the market is not as detailed. Theoretically, the researcher found out that Slovenians preferred to drink wines and that they saw beers more as a thirst-quenching drink. However, if we take a look at the research which was conducted based on a questionnaire, the difference between wines and beers is not a big as expected, based on the answer which were provided by the respondents, we may conclude that there are even more people who prefer drinking beer as there are drinking wine. However, due to the fact that the research sample was rather small, the research cannot generalize its findings.

The Slovenian beer market is a market yet to be discovered, most of the international brands who are present on the Slovenian market are brands you find all over the world. Smaller breweries have a chance to conquer this market if they do it right. According to Slovenians there are quite some foreign beers available on their market but many of them agree that there are not many Belgian beers, the most common Belgian beers you can find on the Slovenian market are the traditional Belgian beers you can find anywhere in the world. These beers include Duvel, Leffe, Hoegaarden, Stella Artois, Liefmans, etc. However the beers which are produced by the breweries who are interested in exporting to Slovenia are not known by the public at all. The research has shown that a lot of the respondents are willing to try a new and unfamiliar beer although their favourite beer is still available in the supermarket or in a bar. If there would be a wider offer of Belgian beers available on the market, many respondents would try them out and even consider turning into a frequent buyer.

Chapter three talked about the consumer behaviour and beer, in this chapter the most important factors, which have an influence on beer, were discussed. The top four considerations taken into account in the research are price, taste, style of beer and brewery which produces the beer. chapter four talks about the methodology which was used in the research, the method for data collection which was used is an online questionnaire or survey. An online questionnaire or survey can be seen as the most popular way of data collection.

Chapter five includes the results which were gathered from the online questionnaire. According to the researcher, an important finding of this thesis was the fact that most of the public agrees with the fact that without hop beers lose a lot of their flavour. Although hop is one of the traditional ingredients of beer and a very important ingredient when it comes to pilsner, breweries, such as Brewery Gruut, already proved that you can create a delicious beer without the inclusion of hop.

For Belgian breweries there is an opportunity to export their beers to Slovenia but only if they work together with an exporter. An exporter would be able to survive the Slovenian market if he is able to unite several breweries. The exporter needs to take into account the costs of transportation and taxation before deciding whether or not he has united enough breweries.
If a Belgian brewery would decide to conquer the Slovenian market alone, he most likely will not succeed. The costs are too high for a single brewery, the only reason the brewery would be able to survive if it was a multinational such as AB InBev or Heineken.

An important factor for the export to Slovenia is the price, due to the fact that the beers are not being produced in bulk they are more expensive than the international brands. This can influence the consumers decision as most of the respondents stated that they are not willing to pay more than €3 for a bottled beer. Exporters should find out if it is profitable for them to export beers under a price of €3.

Finally, it should be strongly emphasized that there is an imperative to put more efforts in researching and understanding the Slovenian beer market. This market can be seen by smaller breweries as the gateway to the markets more south in the Balkan area.

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APPENDIXES

TABLE OF APPENDIXES

APPENDIX A: Slovenian Summary of the Thesis

Pivo je eno izmed starejših, če ne najstarejša alkoholna substanca, ki jo pozna človeštvo. Skozi zadnjih nekaj let smo bili priča konstantni rasti porabe, proizvodnje in izvoza alkoholnih pijač. Namen raziskave je ugotoviti ali lahko manjše belgijske pivovarne konkurirajo na slovenskem trgu piva. Drug namen raziskave je raziskati pomen oglaševalskih segmentov in okusov. Kakšen vpliv imajo ti segmenti na slovenske potrošnike?

Ta raziskava temelji na magistrski nalogi, opravljeni na Ekonomski fakulteti Univerze v Ljubljani. Raziskovalec je sledil smernicam International Business in želel implementirati svoje študije na mednarodni trg piva. Glede na to, da belgijsko pivo velja za kakovostno pivo, je raziskovalec želel ugotoviti ali je mogoče na slovenski trg lahko uvesti manj znana belgijska piva. Na to temo ni bilo predhodnih raziskav, najpodobnejša raziskava je bila narejena o slovenskem trgu. Ta raziskava ni imela nobene zveze z belgijskim trgom piva ali belgijskim pivom. Raziskovalec se želi zahvaliti tudi pivovarni Gruut za njihovo sodelovanje v tej raziskavi.

Statistični podatki kažejo, da trend svetovne proizvodnje piva narašča, proizvodnja piva v letu 2015 je znašala približno 1,93 milijarde hektolitrov, kar je v primerjavi z letom 1998 za 0,63 milijarde hektolitrov več. Kljub temu, da je bilo leto 2015 dobro za proizvodnjo piva to ni bilo rekordno leto. Največji obseg proizvodnje piva, ki je bil kadarkoli registriran, je bil v letu 2013 ko je globalna proizvodnja piva znašala približno 1,97 milijard hektolitrov (Statista, 2017).

Prva dva poglavja diplomske naloge govorita o dveh različnih trgih piva, katera preučuje ta raziskava. Prvi trg je belgijski trg piva. Belgija je eden glavnih evropskih proizvajalcev piva in ima bogato zgodovino o proizvodnji in porabi piva. Država je najbolj znana po svoji veliki raznolikosti, ko govorimo o proizvodnji piva. Večina piv se izvaža po vsem svetu. Leta 2015 je bila Belgija tretji največji izvoznik piva v Evropi, pred njo pa Nemčija in Nizozemska (Pivovarji Evrope, 2015). Leta 2016 je bila na seznam UNESCO-ve kulturne dediščine dodana belgijska industrija piva in kultura. Uvajanje na ta seznam se lahko obravnava kot nagrada mnogim belgijskim pivovarnam, ki trdo delajo da bi potrošniki po vsem svetu lahko okusili raznolikost in kakovost Belgijskega piva (The Guardian, 2016). Vendar pa kot v vsaki panogi pivovarne in pivo, ki se proizvajajo v Belgiji niso znane po vsem svetu. V Belgije obstaja veliko neznanih pivovarn, ki upajo, da bodo nekoč imele priložnost osvojiti svetovni trg. Prvi korak bi lahko bil širjenje poslovanja v Slovenijo. Ena takšnih pivovarn je Gruut, majhna mestna pivovarna v mestu Gent, ustanovljena leta 2009. Gruut je edina belgijska pivovarna, ki ne uporablja hmelja, za proizvodnjo piva. Raziskava je bralcu uvod in predstavitev zgodovine o belgijskem trgu piva. Pri tem se opira na industrial organization (IO) economics, da pridobi pet sil, ki določajo konkurenčno intenziteto in s tem privlačnost belgijske industrije piva. Razaziskovane so bile vse različne vrste piva in v magistrski nalogi bralcem predstavljene tudi informacije o dveh majhnih belgijskih pivovarjih, ki se zanimajo za izvoz piva v Slovenijo. Te pivovarne so Gruut in T Anker.

Drugo poglavje bralcu predstavi slovenski trg piva. Slovenija v primerjavi z Belgijo nima bogate zgodovine oz. tradicije, ko gre za pivovarstvo. Država je večinoma znana po svoji proizvodnji vina. V Sloveniji sta dve glavni pivovarni - Pivovarna Laško in Pivovarna Union, ki sta obe v lasti Heinekena. Čeprav v zadnjih letih prihaja do konstantnega večanja števila pivovarn in mikropivovarn, je še vedno daleč od nivoja na katerem je Belgije ali katera druga tradicionalna evropska država, kot sta Nemčija in Češka (The Brewers of Europe, 2015). Kot smo že omenili, zgodovina slovenskega piva ni tako natančna ali podrobno dokumentirana kot zgodovina belgijskega piva. Slovenski trg ni tako priljubljen v tujini kot naprimer belgijski. Glavni uvozniki slovenskega piva so sosednje države Hrvaška, Italija in Avstrija. Podatki zbrani o trgu, niso tako podrobni. Teoretično je raziskovalec ugotovil, da so Slovenci raje pijejo vino in da jim je pivo tretja izbira. Vendar, ko pogledamo raziskave, ki so bile izvedene na podlagi vprašalnika ugotovimo, da razlika med vinom in pivom ni tako velika, kot je bilo pričakovano. Na podlagi odgovorov, ki so jih posredovali anketiranci lahko sklepamo tudi, da obstaja več ljudi, ki raje pijejo pivo kot vino. Vendar pa raziskava zaradi dejstva, da je bil vzorec precej majhen, ne morajo biti njene ugotovitve posplošene.

Tretje poglavje raziskave se nanaša na vedenje potrošnikov glede piva. Ta del raziskave govori o dejavnikih, ki vplivajo na odločitev kupcev pri nakupu piva. Ti dejavniki so: vrsta piva, inovativnosti potrošnikov ter država izvora. Najpomembnejša štiri vprašanja pri izbiri piva so okus, cena, slog ali stil piva in pivovarna, kjer se le-to proizvaja. Poleg teh štirih so bili obravnavani tudi dejavniki kot so vsebnost alkohola in embalaža. Vrste piv lahko močno povezujemo s faktorji odločanja potrošnikov. Dve glavni vrsti piva, ki sta na voljo na trgu, sta lahko in močno pivo. Trenutno je na trgu na voljo več močnejših piv, kot lahkih piv. Ko gre za državo porekla, je Nemčija odličen primer označevanja države izvora. Oznake, ki pravijo "Made in Germany", so običajno uporabljene na visokokakovostnih izdelkih. Belgija je prav tako kot Nemčija, razvita država z naprednim gospodarstvom, visokimi dohodki in je kategorizirana zelo visoko po Human Development Index. Čeprav je oznaka "Made in Belgium" manj znana kot "Made in Germany" so lahko izdelki proizvedeni v Belgiji, označeni kot visokokakovostni izdelki, zlasti če ti izdelki spadajo v slednje kategorije: pivo, čokolada, lekarna in industrijski izdelki. Tudi pri inovacijah so belgijski pivovarji sijajni. Najboljši primer je direktna cevna povezava med srednjeveškim mestnim jedrom Brugga in pivovarno na obrobju mesta, kar zmanjša nekatere okoljske in arhitekturne probleme.
Ko gre za zbiranje in obdelavo dejanskih informacij, je bila v raziskavi uporabljena kvantitativna metoda zbiranja primarnih podatkov - specifična strategija raziskovanja. Razlog, zakaj je bila izvedena ta strategija raziskovanja je, da je to najustreznejši način zbiranja in analiziranja kvantitativnih podatkov ob uporabi deskriptivne in inferenčne statistike (Saunders et al., 2012).

Nazadnje, četrto in peto poglavje opisujeta metodologijo, ki je bila uporabljena v magistrski nalogi. Poleg tega je v tem poglavju predstavljen raziskovalni model, ki je bil uporabljen pri tej raziskavi ter glavne hipoteze. Peto poglavje predstavi tudi analizo podatkov iz raziskave in zagotavlja jasen vpogled v dejanski proces. Predstavljena je tudi razprava o omejitvah, ki so se

zgodile v okviru te raziskave. Pomembna ugotovitev raziskave je dejstvo, da se večina javnosti strinja s tem, da brez hmelja piva izgubijo veliko svojega okusa. Čeprav je hmelj ena od tradicionalnih sestavin piva in zelo pomembna sestavina pri Pilsnerju, so pivovarne kot je Pivovarna Gruut, že dokazale da lahko ustvarite slastno pivo brez uporabe hmelja.
Za belgijske pivovarne obstaja možnost izvoza piva v Slovenijo, vendar le v primeru tesnega sodelovanja z izvoznikom. Izvoznik bi lahko preživel prodor na slovenski trg, če bi združil več pivovarn. Upoštevati mora stroške prevoza in obdavčitve, preden ugotovi ali je združil dovolj pivovarn ali ne.

Če bi se belgijska pivovarna odločila osvojiti samo slovenski trg, najverjetneje ne bi uspela. Stroški so za eno pivovarno previsoki, Edina pivovarna, ki bi sama po sebi lahko preživela je tista ki je že v začetku multinacionalna, kot so naprimer AB InBev ali Heineken. Te pivovarne imajo dovolj sredstev za kritje vseh stroškov, potrebnih za predstavitev piva na trg.
Pomemben dejavnik pri izvozu piva v Slovenijo je cena, saj se pivo ne proizvaja masovno, zato je tudi dražje od mednarodnih blagovnih znamk. To lahko vpliva na odločitev potrošnikov, saj večina anketiranih pravi, da niso pripravljeni plačati več kot 3 EUR za steklenico piva. Izvozniki bi morali ugotoviti, ali je posel dobičkonosen za izvoz piva pod ceno 3 EUR na steklenico.

Če upoštevamo, da popolno raziskovanje ne obstaja, se raziskovalec zaveda, da na rezultate izvedene raziskave vplivajo določene omejitve. Ker raziskava vsebuje postopek vzorčenja in uporablja samo selektivno tehniko za zbiranje potrebnih podatkov, je pomembno poudariti, da je bil vzorec, ki je bil uporabljen ozko usmerjen. Na primer v rezultatih so upoštevani samo ljudje, ki pijejo alkohol. Anketiranci, ki so izjavili, da niso pili alkohola, so bili izključeni iz končne analize. Vsi udeleženci raziskave niso bili Slovenci, zato je bil spletni vprašalnik napisan v angleščini. To je morda povzročilo morebitne nesporazume med raziskovalcem in anketiranci. Prihodnje študije bi si morale prizadevati za vključitev večjega vzorca, to bi bilo bolj natančno in koristno pri splošnih rezultatih in prihodnjih raziskavah.

APPENDIX B: Interview with Annick De Splenter, owner of Brewery Gruut

You are the founder of brewery Gruut, how did you come on the idea to start a brewery?
The passion for beer was always there. There was a big … that the city of Ghent was missing its own beer, a real Ghent beer. The beer market in Ghent is big enough to receive their own Ghent beer, the inhabitants from Ghent are very chauvinistic so there was a big chance that the real Ghent beer would have been a success.

I saw the video clip and the website concerning herbs which were dated from the Middle ages, but how did you become fascinated by these herbs and by brewing beer in general?
If someone wants to introduce an new beer on the Belgian beer market then this beer should be special, it should contain something unique. That is why she went through old books that she found, while going through these books she discovered information about beer which was produced only by making use of herbs..

Do you know of any Belgian brewers who also use a herb mix?
Gruut is being brewed without any involvement of hop, the beer only consists out of herbs. This is a combination which has never been used before in Belgium. During a certain period, Palm had a triple beer which also used Gruut, this herb mix was used in combination with hop, unfortunately after some time they got rid of the Gruut.

How long does it take for the beers of Gruut to be produced?
The production period is the same with Gruut as with any other beer, namely one month.

Which of the beers, which are currently being offered by Gruut, is the most popular with the consumers?
The beer which is the most popular with customers of Gruut is the blond beer.

How many persons are currently being employed by the brewery?
At this moment, Gruut employs two persons.

The herb mix being used in the brewing process, is it Belgian or being imported from abroad?
All herbs which are being used in the brewing process of any Gruut beer are being produced in Belgium. They do not use any foreign herb mixes.

Which kind of publicity is being used by the brewery?
The brewery uses little to none publicity. In the beginning they were working together with Bongo, unfortunately this collaboration ended. Now the brewery only uses mouth to mouth publicity.

Are there still any existing plans to expand the offer of Gruut?
There are no plans to enlarge the offer monthly there is one new special beer which is being produced but only limited edition. After one month this beer gets replaced by a new one.

On the site we can see that currently the beers which are being produced by your brewery can only be found in the province of East-Flanders. Are you planning to expand to the rest of Belgium?
There are no plans in continuing the expansion in Belgium, the brewery is only interesting in offering its beers in Ghent and the region around it. They will not expand to the rest of Belgium.

Did you ever consider expansions outside of Belgium?
Like mentioned earlier, the brewery is not interested in expanding towards the rest of Belgium but they are interested in expanding globally. Currently Gruut is being offered in The Netherlands, Japan, Italy, Switzerland, Norway and Spain. At the beginning of January they hope to close a big deal in England and also America is on the to-do-list. The reason why Gruut is getting extremely popular in America and the UK is because of the herb mix, it is something unique that they have never seen before. When it comes to global expansion, Gruut works with importers.

APPENDIX C: Questionnaire

Dear respondent,
Thank you for choosing to participate in this research study. Please fill out the following survey on the Introduction of Belgian beers onto the Slovenian beer market. This survey contributes to a Master thesis conducted at the University of Ljubljana and will help give a clearer view on if it is possible to introduce Belgian specialty beers onto the Slovenian market and how to do so. The responses are anonymous and will be used solely for the purpose of this research.

1. **Gender?** Male Female

2. **Occupation?**
    a. Student
    b. Unemployed
    c. Working full time (30+ hours a week)
    d. Working part time (Under 30 hours a week)
    e. Retired

3. **What is your highest level of education?**
    a. Primary school
    b. Secondary school/ Gymnasium
    c. Undergraduate
    d. Graduate
    e. Ph.D.

4. **Year of Birth: _________**

5. **Nationality: ________**

6. **Favourite alcoholic beverage?**
    a. Beer
    b. Wine
    c. Spirits (Gin, Vodka, Rum, etc.)
    d. Liqueurs
    e. I do not drink (anymore)

7. **How often do you drink alcohol?**
    a. Once a month
    b. Once a week
    c. 2-3 times a week
    d. More than 3 times a week
8. **What is your favourite beer brand? ___________**

9. **How old were you when you drank your first beer? ___________**

10. **How do you prefer drinking beer?**
    a. Can

b. Bottle
c. Draught

11. What style of beer do you prefer the most?

a. Ale
b. IPA
c. Lager
d. Pilsner
e. Stout
f. Trapist
g. Strong Blond
h. Other: ________

12. On average, which of the following beers do you usually purchase?

a. Domestic
b. Imported
c. Crafted

13. Where do you mostly purchase alcoholic beverages? (Multiple answers possible)

a. In a supermarket
b. In a bar
c. At a restaurant
d. In a club
e. In a specialized store
f. Online
g. I make my own beer
h. Other: ________

14. Please choose the answer which best reflects how likely you are to drink a beer in the following situations (with a scale from 1 – 5, 1 being not likely and 5 being very likely)

	1 – Not likely	*Not too likely*	*Perhaps*	*Likely*	*5 – Very likely*
Eating out					
At a party					
Watching a sports game					
At a bar					
During the holidays					
On vacation					
After receiving a beer gift set					
Other					

15. Are you familiar with Belgian beers? ___________

16. **Which of these Belgian beer(brands) are you familiar with? Multiple answers possible**
    a. Duvel
    b. Viswijf
    c. Leffe
    d. Stella Artois
    e. De Poes
    f. Hoegaarden
    g. Gruut
    h. Liefmans
    i. Lindemans

17. **Do you recall the first time you came into contact with Belgian beer? _________**

18. **Would you consider turning into a frequent buyer of Belgian beers if there would be a larger offer available?**
    a. Yes
    b. No

19. **How much are you willing to pay for a beer per bottle? (Maximum)**
    a. €2-3
    b. €3-4
    c. €4-5
    d. More than €5

20. **What percentage of alcohol do you look for in a beer?**
    a. Less than 4%
    b. Between 4% and 8%
    c. More than 8%

21. **In which consent, do you agree with the following statements? (on a scale from 1 – 5, 1 being strongly disagree and 5 being strongly agree)**

	1	*2*	*3*	*4*	*5*
Alcohol- free beer are a good thing.					
The percentage of alcohol is important when drinking a beer.					
The higher the percentage of alcohol, the better the beer tastes.					
Foreign beers (German, Belgian or Czech) are of higher quality then Slovenian beers.					
There is a wide range of foreign beers available on the Slovenian market.					
There is a wide range of Belgian beers available on the Slovenian market					
If there would be a wider range of Belgian beers available, I would try them out.					
Belgian beers are very diversified.					
There is not enough promotion/advertisement when it comes to new beers which are released on the market.					

Without hop, beers lose a lot of their flavour.					
More than the percentage of alcohol, flavour influences my decision in which beer I will drink.					
Countries of origin are very important when I try a new beer.					
I tend to follow international breweries on Social Media.					
When I see an advertisement about beer on Social Media, I am eager to try it out.					
If a friend recommends me a beer, I am willing to try it out					
If a bar/bartender recommends me a beer, I am willing to try it out.					
The way beers are being advertised in the media strongly resembles how they taste in real life.					

22. How likely do you agree with the following statements? (on a scale from 1 – 5, 1 being not likely and 5 being very likely)

	1	*2*	*3*	*4*	*5*
I drink beer all by myself.					
I combine beer with a meal.					
I would try a different kind of beer even though my favourite is still available.					
The design of the brand label influences my decision of buying this particular brand.					
I would be more willing to purchase a beer if the label contained a brief, written story that can be associated with the brand name.					
I would buy a beer that is being heavily advertised around the city or in the media.					
I would buy a beer in package which contains an extra gift (e.g. hat, pencil, glass,…)					
A change in flavour of my favourite beer will not likely make me choose a different kind of beer.					
A change in price of my favourite beer will not likely make me choose a different kind of beer.					

Thank you once again for taking part in this survey.

APPENDIX D: An Overview of Survey Statistics

Basic info (?)

Survey name:	Introduction of Belgian beer in Slovenia		
Survey type:	Survey		
Questions:	22	Variables:	71
Pages:	22		
Units:	477	Valid:	104
Language:	Slovenščina		
Author:	Jukka Frans, 22.5.17, 21:36		
Modified by:	Jukka Frans, 27.5.17, 12:53		
Status:	Survey is active		
Activity:	27.05.2017-27.08.2017		
Duration:	5min 49s, Estimated: 8min 23s		
First entry:	27.5.17, 12:54	Last entry:	2.7.17, 23:10

Survey status (?) Hide 0: ☑

Completed (6) :	100
Partially completed (5) :	4
Total valid	**104**
Completely empty (6l) :	1
Partially empty (5l) :	1
Entered first page (4) :	5
Entered intro (3) :	366
Total invalid	**373**
Total surveyed	**477**
All units in database	**477**

Response rate (?) Base: Entered intro

Status	Frequency	State
Entered intro	477	100%
Entered first page	111	23%
Started responding	106	22%
Partially completed	104	22%
Completed	100	21%
Breakoffs		
Introductory breakoffs	371	78%
Questionnaire breakoffs	5	1% (neto 5%)
Total breakoffs	376	79%

Response by pages (?) Base: Entered intro

Status	Number of units
Entered intro	477
Entered first page	111
Partially completed	104
Page 1	106
Page 2	106
Page 3	106
Page 4	106
Page 5	106
Page 6	106
Page 7	99
Page 8	99
Page 9	106
Page 10	99
Page 11	99
Page 12	99
Page 13	99
Page 14	98
Page 15	105
Page 16	55
Page 17	104
Page 18	98
Page 19	98
Page 20	98
Page 21	104
Page 22	101
Completed	100
Completely empty	1
Completed incl. empty	101