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Opportunity and Value Creation Through Placial Embeddedness
A multiple case study of rural businesses embedding practices in the North Cape

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Entrepreneurship and Innovation

Preface

First of all, we would like to extend a big thank you to our dedicated and excellent supervisor Elin Kubberød. Through your enthusiasm for *Tverrfaglig masterklasse*, we got the opportunity to do our multiple case study in the North Cape. Your support and direct feedback have been essential to us throughout this process. We are so happy that we got the chance to learn more about the exciting field of rural entrepreneurship. We would also like to give our best regards to our co-supervisor, Marius Grønning. We will be forever grateful that you managed to get this project up and running during a global pandemic.

We would also like to thank the North Cape municipality for participating in the *Tverrfaglig masterklasse* and inviting us to visit their beautiful part of Norway. We would like to send a special thanks to Yngve Kristiansen, our designated go-to person in the North Cape. Thank you for opening up your network to us and helping with everything from practical matters to sharing insights into the region.

Finally, we would like to thank our 14 informants! Without your participation, there would be no thesis, and we are so grateful that you were willing to share your stories and time with us. It has been a great pleasure to get to know each of you, and we both have gained a newfound respect and admiration for the rural businesses operating at the very edge of Norway.

We wish you a good reading!

Oslo, June 2021
Erik Burman & Marte Sivertsen

Abstract

This study aims to research how placial embeddedness can enable opportunities and value creation for businesses operating in a rural area. The thesis highlights the importance of adopting a spatial context when studying rural entrepreneurial processes using embeddedness theory. The qualitative multiple case study includes rural businesses within the fishery and tourism industry located in the North Cape, Norway. Considering the various enabling and restricting factors that come with being located on the northernmost point of Europe's mainland, this study contributes to understanding how the rural businesses experience that the spatial context affects their business. Additionally, we are interested in exploring how rural businesses utilise different embedding practices to become plaically embedded. Resulting in our overarching research question, which is:

> *How do rural businesses create opportunities and value through placial embeddedness?*

Our research found that rural businesses created opportunities and value through three different embedding practices. Namely, *Build strong ends-means relationships with local resource holders*, *Find new or use traditional ways of combining local resources*, and *Show concern for the well-being of the place*. By considering the three practices in relation to each other, we discovered a reinforcing embedding process. By becoming more placially embedded, the rural businesses were able to form new relationships with relevant resource holders, which led to the businesses gaining a more intimate knowledge of the resources in the place. Next, the rural businesses were able to use these relationships and knowledge to create new products or services that ensured value for the business. Finally, we discovered that by becoming placially embedded, the businesses also gained a greater sense of belonging that ultimately led the businesses to care for the well-being of the place. However, we also discovered that both the enabling and restricting contextual factors of the place influenced the businesses. Especially the choice of embedding practices was affected by the restricting contextual factors. Consequently, if the restricting context hindered the forming of new relationships between actors locally, the businesses were more likely to engage in bridging practices in a broader spatial context.

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1.0 Introduction

This thesis will explore the processes of placial embeddedness (PE) and how this can enable and restrict opportunities and value creation. Additionally, we will explore how rural businesses try to placially embed themselves in a local spatial context.

What initially motivated the topic of this thesis was the fact that we got the opportunity to use the North Cape as a case. This opportunity was given to us through a collaborative initiative between the Norwegian University of Life Sciences (NMBU) and the North Cape municipality (NCM). The *Tverrfaglig masterklasse* is a project facilitated and led by Associate Professor Marius Grønning at LANDSAM that aims to encourage master students to write their thesis in an interdisciplinary class with students from other faculties. NCM is possibly best known for having the North Cape plateau, which is the northernmost point on Europe's mainland. Despite the iconic nature attractions that have drawn tourists ever since the first tourist in 1664 and the unique access to resource-rich oceans that the island possesses, several challenges come with being located on the very periphery (Nordnorge, undated). Therefore, on request by NCM, we were invited to visit the North Cape and use it as a case for our thesis. Being that we are students within entrepreneurship and innovation, we were interested in researching how entrepreneurs in such a rural area are affected by the spatial context in which they reside.

Over the past 20 years, Pato and Teixeira (2016) argue that rural entrepreneurship has become an increasingly dynamic field of research. The authors argue that the increased interest in the field might be explained by the recent awareness about the positive effects entrepreneurship has on rural development. Anderson and Gaddefors (2019) have pointed to economic growth and local development as positive contributions from rural entrepreneurs residing in rural areas. Although rural entrepreneurship research is spread far and wide from policy measures to the entrepreneurs' psychological traits, more researchers seem to acknowledge the importance of adopting a spatial context. With this new understanding of the importance of place, several researchers have pointed to the interesting topic of embeddedness (Jack & Anderson, 2002; Kalantaridis & Bika, 2006a+b; Korsgaard et al., 2015a).

Korsgaard et al. (2015a) claim a need to understand better how the micro-level processes of rural entrepreneurial activities are affected by a local spatial context. This motivated us to research how being locally anchored in a place can enable and restrict opportunities and value creation for rural businesses. While Shaw et al. (2017) explored how

firms use networks to access resources, there have not been many attempts to concretise in their context is well-documented. However, there have not been many attempts to concretise how rural businesses mobilise local resource holders. Therefore, the main focus of this thesis is to explore how rural businesses mobilise local resource holders to become placially embedded. Leading to the creation of the following research question (RQ):

> *How do rural businesses create opportunities and value through placial embeddedness?*

1.1 North Cape as a place

Historically, NCM has relied heavily on its natural resources, namely fish of various kinds, to sustain its population. This has become a considerable part of their place identity, considering that the economic activity surrounding fish has contributed to local development. Richter-Hansen (2011) says that by the 1960s, the local tourism industry had begun expanding rapidly, resulting in a more varied economic activity. By having a good economy, access to raw materials for production, and a strong purchasing power, the municipal population peaked at 5,499 inhabitants in 1967. Since then, the municipality has experienced a high degree of emigration resulting in a population decrease. Since the local fisheries have been the primary resource holders and thus the engines of local societal development, they have helped sustain the way of life for the people living there (Richter-Hansen, 2011). Moreover, fishing is not only one of the oldest activities of the place. It has also been one of the most viable businesses by creating the most job opportunities and economic activity in the region (Oxford Research, 2019).

According to Oxford Research (2019), NCM has in modern times experienced a decrease in population between 2004 and 2009, losing 288 inhabitants. Simultaneously they also experienced an increased unemployment rate of seven percent. Since 2009 the region has increased its population, with 59 inhabitants tallying 3239. The region has a low variety of business endeavours, causing a strong dependency on their two primary industries - fishery and tourism (Oxford Research, 2019). Since 2013 NCM has focused on strengthening its local businesses by creating more job opportunities that could potentially encourage higher numbers of settlement. Oxford Research (2019) shows that the municipality has been interested in diverging its economic activity into other sectors apart from the fishery sector, such as tourism. Therefore it is evident that they want to diversify their value creation by

creating new opportunities for both existing and new businesses to seek out. Simultaneously, the inhabitants have expressed a clear desire to "reclaim" the region from external corporations who have established themselves in their region (NRK, undated). Richter-Hansen (2011) shows that the North Cape's strength has always been that the world market wants to buy their fish and crab products, a local trade catchment area, a large fishing boat, and ship traffic as well as tourism. He also mentions that the population decrease has been affected by several reasons. For example, he states that the business community has been too one-sided and has led to too little variation in the job market.

1.2 Purpose and relevance

The purpose is to gain new knowledge on the local spatial drivers and barriers to new opportunities and value creation. Furthermore, to gain in-depth insight on the different practices that local businesses employ to embed themselves in the place. Drawing upon theories of embeddedness, more specifically PE (Korsgaard et al., 2015a) and resource mobilisation (RM) (Vestrum & Rasmussen, 2014), we explore how rural businesses mobilise local resource holders and how the local spatial context influences their process of becoming placially embedded. We believe this theoretical foundation is a necessary tool to investigate and better understand how the local spatial context enacts the rural businesses' embedding practices.

This research is relevant for several reasons; theoretically, empirically, and practically. Theoretically, the thesis can contribute to the newly conceptualised term of PE presented by Korsgaard et al. (2015a). Considering the newness of the term, we wish to explore further and give content to the meaning of becoming placially embedded. This is also in line with Shaw et al. (2017), considering that very little research has been conducted on how rural businesses embed themselves in a place. In order to accomplish this, we intend to use RM (Vestrum & Rasmussen, 2013: Vestrum, 2014) as a theoretical starting point to explore placial embedding practices that businesses utilise. Linking the two theoretical frameworks can potentially result in new and better understandings of how rural businesses can reap the positive effects of being placially embedded. Empirically the study is relevant for rural businesses in general, especially in a local spatial context, as there is little research on PE and RM in Norway. Since the thesis is very context-specific, due to the partnership with NCM, we aim to produce findings that might help the municipality and its businesses get a better understanding of how the spatial context affects the local business environment.

We hope to provide insights that might be of practical relevance to developing the region further.

1.3 Thesis structure

The thesis is divided into six main chapters: introduction, literature, method, analysis and findings, discussion, and conclusion. In the coming chapter, we will present the theoretical foundation used to answer our research question. The third chapter deals with the method choice of the research, including research method and design, selection criteria and sampling, data collection, data analysis, reliability and validity, and ethical considerations. Then follows the fourth chapter, which includes the results of our analysis, structured according to the aggregate dimensions derived from the Gioia method (Gioia et al., 2013). Chapter five discusses the findings presented in the previous chapter against the theoretical foundation. Finally, the sixth and last chapter consists of the thesis' conclusion, practical implications, limitations, and recommendations for further research.

2.0 Literature

In this chapter, we will present the relevant literature that will help us explore our research question. The chapter will first introduce what constitutes rural entrepreneurship and why it is essential to understand this type of entrepreneurship in a spatial context. In the following sub-chapters, we will explain how resources can be defined in the context of rural entrepreneurship and why PE, as a field within rural entrepreneurship research, should be the subject of more studies. To provide the readers with a thorough overview of PE, we will utilise Korsgaard et al.'s (2015a) description of how rural businesses can become placially embedded. In order to operationalise the theoretical concept of PE, we will use the empirical framework of Vestrum and Rasmussen (2013) to study RM as an embedding practice. Throughout the chapter, we will showcase the literature´s applicability and relevance regarding our research question.

2.1 Rural entrepreneurship and the importance of place

One of the first researchers who conceptualised rural entrepreneurship was Wortman (1990). He defined rural entrepreneurship as "the creation of a new organisation that introduces a new product, serves or creates a new market, or utilises a new technology in a rural

environment" (Wortman, 1990, p. 330). The key here is "in a rural environment", which points to the importance of the place where the entrepreneurial activities occur. Defining the meaning of rural is no easy task. According to Pato and Teixeira (2016), the word can mean "different things to different people" (Pato & Teixeira, 2016, p. 5). They continue to explain that while rurality is often associated with hardship and peripherality for the people who reside within a rural location, people from more urban areas often associate it with a nostalgic and idyllic romanticisation of the location. Often a hybrid typology is used to define the term, which includes both the spatial and socio-economic conditions related to what rurality means. The spatial typology explains rurality through demographic factors such as settlement size and population density. In contrast, the socio-economic typology is more focused on expressing the problems and dynamics related to rural areas, including the institutional-, social-, economic- and environmental conditions of the place. An example of an institutional condition that often affects rural areas is institutional thinness. Tödtling, Lengauer, and Höglinger (2011) explain institutional thinness as areas with thin institutional structures that often lack knowledge-intensive organisations, such as universities and human capital. As a result of the spatial characteristics that come with operating in a rural environment, many researchers argue that rural entrepreneurship should be understood as entrepreneurship defined in a spatial context (Kalantaridis & Bika, 2006a; Korsgaard et al., 2015a+b).

Korsgaard et al. (2015b) further highlight the need to understand rural entrepreneurship in a spatial context by linking it to the concepts of space and place. The authors expand the spatial context to include the concepts of space and place. Space is understood as the relational ties that enable capital, people, resources, ideas, and information to flow between places. In contrast, place enacts dimensions such as culture, heritage, and history, contributing to a sense of belonging (Korsgaard et al., 2015b). The authors argue that there are variations in how rural businesses interact with the space-place of the rural environment. Therefore, they introduce two ideal types of rural entrepreneurship: *rural entrepreneurship* (RE) and *entrepreneurship in the rural* (ER).

According to Korsgaard et al. (2015b), RE is defined as an entrepreneurial activity that includes recombining local resources to extract value from the place (Korsgaard et al., 2015b). This means that RE engages with its spatial context. The authors state that: "/.../ rural entrepreneurship cannot be "uprooted" and located elsewhere without losing all or part of its key value proposition due to its intimate engagement with place." (Korsgaard et al., 2015b, p. 13). An example of this type of rural entrepreneurship from the article written by the same authors about a rural entrepreneur from the Danish island of Strynø. The example goes into

detail about the entrepreneur's business which revolves around jam production with berries grown locally on the island. Since the berries are a local resource on the island, it makes no sense for the entrepreneur to move his business elsewhere. In addition, the entrepreneur actively uses the island's history in the branding of the product. This is a perfect example of RE and how the spatial context of the rural location enables entrepreneurial activity. Thus RE, as showcased in the example, is an activity that extracts value from the place by recombining local resources.

Contrary to RE, Korsgaard et al. (2015b) define ER as a type of activity that simply uses the rural location as a space for profit without imposing any meaning or value to the place. Rural businesses undertaking ER are not concerned with utilising local resources and generally operate within global markets as they are more interested in uncovering the most profit. Since this research aims to explore embedding practices through the mobilisation of local resources and resource holders, the characteristics of ER do not apply to the premise of this thesis. We will apply the ideal type of RE when we speak about rural entrepreneurship onwards.

2.1.1 Resource perspectives in rural entrepreneurship

From the previous chapter, we know that RE is an entrepreneurial activity that engages with the spatial context by using and recombining local resources by extracting value from the place (Korsgaard et al., 2015b). However, as we are interested in exploring further how rural businesses interact with these resources, it is only natural to begin by defining how we understand resources in the spatial context of this thesis. Using Wernerfelt's (1984) broad definition, a resource is described as: "anything which could be thought of as a strength or weakness of a given firm. More formally, a firm's resources at a given time could be defined as those (tangible and intangible) assets which are tied semi permanently to the firm.". Although Wernerfelt's (1984) definition lays the foundation for most research when defining the term, we are interested in considering resource perspectives in the context of rural entrepreneurship.

Among the researchers who have contributed to the field of rural entrepreneurship are Müller and Korsgaard (2018). The two authors have contributed with theoretical findings on resource perspectives in the context of rural entrepreneurship. In the article, five separate resource categories are distinguished, with the first being physical resources. According to Müller and Korsgaard (2018), physical resources are vital for industries such as agro-food,

tourism, and fishery, which are usually common to rural areas. Some physical resources can be found in natural resources and raw materials such as marshland, nature attractions, and fish. The second resource category is immaterial resources. This category includes "/.../ culture, historical and heritage resources such as traditions, cultural amenities, history, and historic buildings, legends, images and a distinctive local identity or place brand." (Müller & Korsgaard, 2018, p. 239). The third resource category is human resources and human capital. In their study, Müller and Korsgaard (2018) found that human resources play an important role for many ventures in their development. Some examples of human resources might be knowledge, expertise, know-how, and of course, human capital in the form of workforce. The fourth resource category is social and community resources. The authors mention that much like human resources and capital, rural businesses need social and community resources to develop their businesses. This resource type can include business- and private relations, informal networks, and more formal collaborations or partnerships. The fifth and final resource category is financial resources. Which naturally includes any funding, capital, or other financial support that the businesses seek or use. In this thesis, we will use Müller and Korsgaard's (2018) resource categories to differentiate between the resources found in our data collection.

Additionally, Müller & Korsgaard (2018) also highlight a distinction between the spatial origin of the resources from their findings. Similar to this thesis, the authors have applied a spatial context to rural entrepreneurship. Therefore, they distinguished between local and non-local resources, which means resources that either is connected to what they refer to as the local spatial context or non-local spatial context (Müller & Korsgaard, 2018). Considering the relevance of Müller and Korsgaard's (2018) resource perspectives concerning rural entrepreneurship, we find it relevant to apply their method of distinguishing the origins of each resource in our research.

2.1.2 Opportunity and value creation through placial embeddedness

Considering the new understanding of the importance of place in rural entrepreneurship research, as pointed out by several researchers (Jack & Anderson, 2002; Kalantaridis & Bika, 2006a+b; Korsgaard et al., 2015a+b), we have chosen to investigate the processes of embeddedness further.

Embeddedness is a term that originates from a study by Granovetter (1985) and refers to a conceptual understanding of an entrepreneur's ties to the rural place in which he or she

operates (Pato and Teixeira, 2016). This thesis will use Korsgaard et al.'s (2015a) understanding of embeddedness as a micro-level process in a local spatial context, which has led to the new term of PE. Korsgaard et al. (2015a) explain PE as an entrepreneur's intimate knowledge and use of the local resources they have access to, and their general concern shown for the well-being of the place (Korsgaard et al., 2015a). They argue that: "The entrepreneurs are not simply present in a local spatial context. They are embedded in the place, in the sense that they have a strong understanding of the resources in the local placial context, and how to access these resources." (Korsgaard et al., 2015a, p. 586).

Building on Korsgaard et al.'s (2015a) definition of PE, and Korsgaard et al.'s (2015b) two ideal types of rural entrepreneurship, we can better understand how rural businesses choose to organise and operate their businesses and how they choose to engage with the rural location. As we interpret from Korsgaard et al. (2015b), entrepreneurs partaking in RE are much more likely to become placially embedded because they are motivated by the place, not simply as a location to earn a profit, but rather as a place of personal, societal, cultural and historical meaning. As entrepreneurs partaking in RE interact with the place through the use of local resources, the authors state that the entrepreneurs are more likely to be concerned with the well-being of the place and care less about fast growth. Thereby concentrating more on how they can recombine the local resources to create value for the business and the place (Korsgaard et al., 2015b). Firstly, the authors state that as the rural businesses have a motivation to utilise the local potential, they might be more willing to use other, perhaps more expensive, local resources such as human capital. Secondly, they suggest that RE can play an important part in making rural areas more resilient. Considering that the businesses that utilise local resources are less likely to relocate, it creates a sense of stability in the local community (Korsgaard et al., 2015b). According to Korsgaard et al. (2015a): "/.../ the creation of opportunities by definition involves the creation of a new ends–means relationship, meaning that the entrepreneur combines a set of resources into a product or service which can be sold in a market." (Korsgaard et al., 2015a, p. 589). The authors found that entrepreneurs became intimately acquainted with the local spatial context by residing in the place. This knowledge was further utilised to create unique products and services reflecting the place (Korsgaard et al., 2015a). Indicating that these ends-means relationships were formed to enable local resource holders through local connections. On the other side, the authors also found that to enable the "specialized" resources needed for their business, like financing, marketing, distribution lines, etc., the entrepreneurs needed to bridge to non-local strategic networks (Müller and Korsgaard, 2018). Considering the spatial

characteristics of small rural places, like institutional thinness, we agree with Korsgaard et al. (2015a) that it is hardly surprising that it is necessary for rural businesses also to build such non-local networks. However, as we are interested in further exploring PE, we will focus on the local connections that enable opportunity and value creation for rural businesses. Leading us to our first sub-research question (RQ1):

> RQ1: *How do rural businesses experience that placial embeddedness enables or restricts opportunities and value creation?*

In addition to shining a light on the rural businesses' own experience of PE, we wish to contribute to the field of research by exploring further how the entrepreneurs go about creating these local ends-means relationships. Therefore, in the next chapter, we will investigate whether the entrepreneurial activity of RM can help us understand how rural businesses placially embed themselves.

2.2 Resource mobilisation as an embedding practice

Müller and Korsgaard (2018) show how rural entrepreneurs use resource endowments to create their businesses and how the local spatial context influences their entrepreneurial activities. The authors provided a way of categorising resources that also considers the spatial context. However, we are also interested in identifying practices that rural businesses use to enable the necessary resources to maintain and develop their businesses. One way of doing this is through the process of RM.

Vestrum and Rasmussen (2013) suggest that RM is a collective action or cooperation amongst different actors to fulfill the resource demand of businesses. They explain that RM is a way of "mobilising actual resource holders to be actively involved in the venture rather than only acquiring their resources." (Vestrum and Rasmussen, 2013, p. 12). Put differently, RM is a set of social interactions where resources and social structures within a community are the inputs, means, and outputs of accessing the necessary resources (Peredo and McLean, 2006). Considering Granovetter's (1985) conceptualisation of embeddedness, RM can be understood as a social embedding process for rural businesses to access the resources needed to eventually embed themselves in their local spatial context. Therefore, we understand RM as a relational process in context, consisting of different types of embedding practices enacted by rural businesses to embed themselves.

Vestrum and Rasmussen (2013) conducted a small empirical case study that had a relatively similar local spatial context as our research. Although their study focused on community ventures (CV), their sampled CVs and the businesses in this research are located in Norwegian rural areas. For their study, they postulated and tested three strategies of how CVs embedded themselves into the local community, where one of the strategies can be understood as a process of embeddedness: *Embedding the venture in the local community*. We will use Vestrum and Rasmussen's (2013) proposed strategy as a starting point to discover the concrete practices that rural businesses in the North Cape use to embed themselves in the local community. Seeing as the strategy is concerned with networks and social connections, it is a helpful tool to investigate how processes of embeddedness can be interpreted (Shaw et al., 2017). In the following section, we will present one of Vestrum and Rasmussen's (2013) RM strategies and showcase how it can contribute to a better understanding of RM as a framework to explore embedding practices for rural businesses further.

The strategy, *Embedding the venture into the community*, is based on a reciprocal relationship as a fundament between the focal business and the resource holder. To become what can be perceived as truly embedded within the community, the business must focus on strategies to build trusting relations and joint goals with other local actors (Vestrum and Rasmussen, 2013). Making the resource more easily accessed by utilising the relational tie that's already in place. Some of the practices of the strategy involve sharing goals with the local community, building trust through strong relationships, and improving resource access for more than one actor. We will use these practices as a reference point when trying to identify embedding practices during our multiple case study in the North Cape. The strategy can therefore be understood as a reciprocal approach. Much like Korsgaard et al. (2015), the business might experience that the relationships they have built with resource holders create further new opportunities that recombine both actors' resources to create joint value. Thus improving the resource flow for more than one actor. The strategy is a way to nourish what is prominent in the place. For example, this might be a local or returning local who already has a social network, and local social connections wishing to extract value or pursue an opportunity and share it with the local community. Either you are born and brought up at the place which shapes the social ties and structures locally, or you are a non-local who wants to build strong relationships with other local actors to become more or less fully embedded in the place eventually. Moreover, one can also go non-local to realise local opportunities, if there are no local attachments available (Müller and Korsgaard, 2018).

In line with Korsgaard et al. (2015a+b), we infer that the embedding practices from Vestrum and Rasmussen's (2013) strategy could fulfill an important gap in the rural entrepreneurship literature and can be adopted as a framework to further explore embedding practices in relation to PE. We assume that as rural businesses build new ends-means relationships with resource holders in their local community, they gradually become more placially embedded while strengthening their local relationships. This can create even more opportunities and value for the businesses, which can result in further development for the local community. Considering the plausible positive effects of being placially embedded, this thesis studies the practices that rural businesses do to mobilise local resource holders. Thereby resulting in our final sub-research question (RQ2):

> RQ2: *How do rural businesses placially embed themselves through resource mobilisation?*

2.3 Summary of the literature

Research has demonstrated the importance of developing a better understanding of how micro-level processes of rural entrepreneurial activities are affected by their local spatial context (Korsgaard et al., 2015a+b; Shaw et al., 2017; Müller and Korsgaard, 2018). We interpret Korsgaard et al. (2015b) and infer that RE is indeed a process in itself enacting its context where rural actors can be highly or vaguely embedded in their local spatial context, inhibiting or enabling their entrepreneurial endeavors. RE actors are thus much more likely to become placially embedded because they are motivated by the place, not simply as a location to earn a profit, but rather as a place of personal, societal, cultural, and historical meaning. They interact with the place through local resources and local resource holders, which makes them more concerned for the well-being of the place and cares less about fast growth. We infer that the practices found in the strategy of *Embedding the venture into the community* (Vestrum and Rasmussen, 2013) can be adopted as a framework and inspiration to further explore embedding practices in relation to PE, fulfilling a gap within rural entrepreneurship literature.

3.0 Method

This chapter will explain what we have done and why we have done it by presenting the chosen research method and design, selection criteria and sampling, data collection method, and the execution of the interviews. Finally, we will assess the study's validity and reliability, in addition to specifying which ethical considerations we have taken.

3.1 Research method and design

This thesis aims to explore how rural businesses create opportunities and value through placial embeddedness. In order to achieve this, a qualitative method has been applied. This has allowed us to study the phenomenon through our informants' personal experience and narrative, following a phenomenological approach where the focus is to "/.../bring out the essences of experiences or appearances (phenomena), to describe their underlying reason" (Cope, 2005, p. 164). By using such a phenomenological approach, this study aims to enable an in-depth "understanding of the social world through an examination of the interpretation of that world by its participants" as explained by Bell et al. (2019, p. 386). To carry out this research, we decided that a multiple case study approach of rural businesses as our units of analysis would be best suited. Especially since the qualitative method aims to explain something, compared to solely describing a phenomenon (Bell et al., 2019). We considered it to be appropriate as it was necessary to obtain information from several cases in order to be able to compare and say something about the common features of the rural businesses' practice.

We have applied an abductive research approach in our thesis. Timmermans and Tavery (2012) explain abduction as a form of reasoning that aims to help the researcher perceive the phenomenon in relation to observations with a hidden cause and effect or observations that are similar to other previously experienced. They continue to state that abduction also can enable the researcher to perceive observations as new general descriptions. In a way, we can view abduction as a situational assumption that can be found between observations and the recognized facts and rules. Therefore, the purpose of abduction is to use existing knowledge and theories to create viable hypotheses' that either will be supported or disregarded based on the observational findings of the research.

3.2 Selection criteria and sampling

To ensure a higher quality of our study, we chose to base the selection of cases to favor representativeness (Bell et al., 2019). Since we are exploring the spatially defined phenomenon of PE, we needed to distinguish the *where* of our research. Given that this thesis is part of a partnership between the NMBU and NCM, there is already a geographical criterion limiting our sampling. Considering that the majority of the municipal population resides on the island of Magerøya in NCM, we have further limited our data sample to rural business located in Honningsvåg, Skarsvåg, Gjesvær, Kamøyvær, and Nordvågen (see Table 1 for a regional overview).

Table 1: Regional overview

Community characteristics	Selected communities				
	Honningsvåg	Skarsvåg	Gjesvær	Kamøyvær	Nordvågen
Population (2020)	2419	87	101	79	410
Primary sector	Fishery and tourism	Fishery and tourism	Fishery and tourism	Fishery and tourism	Fishery
Number of main cases per community (+ expert informants)	4 (+4)	1	2 (+1)	1	1

Statistisk Sentralbyrå. (2021a). *Tabell 1: Tettsteder. Befolkning og areal etter kommune.* https://www.ssb.no/beftett (Loaded: 28.03.2020).

Statistisk Sentralbyrå. (2021b). *04317: Befolkning, etter grunnkrets, statistikkvariabel og år.* https://www.ssb.no/statbank/table/04317/tableViewSorted/?rxid=fd64d6d1-4433-4572-af75-be296432f3d4 (Loaded: 31.03.21)

In addition to the geographical criteria, we also needed to distinguish *what* we are studying. Since this thesis uses RM as a framework to discover the embedding practices of rural business, we first chose to identify the municipality's most important resources. Oxford Research (2019) states that the municipality aims to improve the region as a marine center and a brand. We concluded that fish and the North Cape plateau could be identified as the most important resources. Thus, this helped us narrow our sampling down to include rural businesses within the fishery and tourism industries.

Since the rural location of these businesses naturally limits our sample, we see it fit to apply a more general definition that includes micro, small, and medium enterprises (SMEs). To provide a better understanding of *whom* we are studying (See Table 2 for an overview of the sample characteristics). Because the businesses of our study are located in Norway, we will use the Norwegian Confederation of Enterprise (NHO) definition of SMEs, which is businesses with up to 100 employees (NHO, 2020). We also found it beneficial to interview the decision-makers of rural businesses, e.g., founder entrepreneurs (FE), chief executive officers (CEO), or chief operating officers (COO). The reason is that decision-makers typically have more profound knowledge of the business's history and power to affect all or most of the business endeavors. In addition, few studies have considered the involvement of other employees than the founding entrepreneurs and their networks in embedding processes (Shaw et al., 2017).

Table 2: Sample characteristics

Case ID	Founding year	Employees	Main sector	Core activity	Business representative (informant)
F01	1991	77	Fishery	Fish factory with production, sales and exportation of salt-, dry- and fresh-fish, king crab and snow crab	FE
F02	2007	16	Fishery	Year-around fishing fleet with production facilities of fresh fish	COO
F03	1995	14	Fishery	Fish factory with production, sales and exportation of salt- and dry fish	FE
F04	1996	46	Fishery	Fish factory with production, sales and exportation of salt-, dry-, and fresh fish, and king crab.	CEO
T01	2009	0*	Tourism	Accomodation	COO
T02	2005	2	Tourism	Accomodation	FE
T03	2020	0	Tourism	Accomodation and fish tourism	FE
T04	2005	20	Tourism	Experience tourism and accomodation	COO
T05	2011	0	Tourism	Restaurant, accomodation and fishery	FE

* *There are no employees registered in this business as it is a sub-division of F01*

Proff.no. (2020). *Proff - Nøkkeltall, Regnskap og Roller for norske bedrifter*. https://proff.no (Loaded: 17.01.2021)

Aside from the nine primary informants, we also included five expert informants (see Table 3). We saw it beneficial to sample these informants in order for us to get a better contextual understanding of the North Cape as a place, and ultimately our primary informants. In order to find our sample of 14 informants, we used a trusted expert with essential insider knowledge about the people and the business residing within the municipality appointed by NCM. This type of sampling is often referred to as expert sampling (Bell et al., 2019). Naturally, there are some downsides to only relying on one expert. Therefore, we also used the snowball approach to avoid information bias (Bell et al., 2019). One of our primary informants suggested we interview another local resident that we did not know of before our arrival. After contacting the possible informant, we discovered that the person had additional knowledge of the region and thereby included the informant in our sample.

Table 3: Expert sample characteristics

Case ID	Core activity
C01	Representative from the tourism industry
C02	Expert on the history of the North Cape
C03	Representative from the municipality
C04	Representative from the fishery industry
C05	Local history enthusiast and business owner

3.3 Data collection

We conducted nine, on average, 1,5h long, narrative interviews as our data collection during the course of four weeks. This way, we allowed our informants greater freedom to express themselves and allow us to improvise. Narrative interviews were interpreted as well-suited to explore our research questions since they would give us direct information about each informant's outside world (Bell et al., 2019). We ensured that each informant felt comfortable by allowing them to choose where to meet. All but one invited us to their homes or offices, which we believe is beneficial for both parties. Thereby we got the opportunity to create and gain a higher level of trust with our informants by showing our enthusiasm to drive to their locations and natural environments. Given our roles as researchers and our aim to engage in

freer conversations, we appointed two different strategies. One of us was responsible for holding the dialogue going, while the other held a more quiet and observing role. This way, the observer could map which questions were left unanswered and naturally steer the dialogue onward whenever needed.

As previously mentioned, we also conducted five expert interviews alongside our collection of secondary data such as municipal documents, media articles, and radio programs to triangulate our data. The expert interviews were also held onsite during the same period as our primary informants. These interviews and the supporting documents were gathered to increase our contextual understanding of the geographical region.

3.3.1 Design of interview guides

Initially, the interview guide was designed as a semi-structured interview (see appendix 8.1), but we found out early that a more narrative approach allowed our informants to speak more freely. In addition, it allowed us to indirectly discover more essential resources that perhaps the informant neglected to remember or acknowledge. With our narrative interview style, we focused on three main topics of conversation:

1) The story of the rural business and the informant
2) A mapping of the essential resources that enables the business' value creation
3) The location of these resources and how they are mobilised

In addition, we asked our informants about what they saw as possible opportunities and barriers in regards to future access to the local resources.

Although we departed from our original idea of doing the interviews semi-structured, we found it very useful to have designed our interview guide first with a semi-structured mindset and then extract the main topics of conversations as stated above. The semi-structured designed interview guide provided us with a good way to operationalise our research questions. This assured that the data collected in the interviews would help us answer our research question. How we operationalised our research questions into interview questions before ending up with our main topics of conversations can be found in appendix 8.2.

The expert interviews followed the same topics of conversations as the interviews with our primary informants. What separated the two is that in the interviews with the experts, we encouraged them to speak more generally about the two industries rather than specifically their own business or organisation. This helped us gain a better understanding of the regional context.

3.3.2 Conducting the interviews

Before the interviews, all informants were notified about the conversational topic and how much time we anticipated that the interview would require. This allowed us to reduce the risks of interviews being cut short by unexpected circumstances. We also made preparations by searching after media articles about the business and looking into the businesses' websites. Like previously mentioned, all but one interview was conducted in the informants' office, and we believe this also has affected how open the informants have been with us. We began the interviews with some easy chatter before formally presenting our desired structure and providing information about the topic. We let the informants know about their rights by providing them with a consent form they could sign. We also disclosed that they would be anonymised in the thesis (see appendix 8.3 for the consent form and sub-chapter 3.6 about anonymisation). After we had gone over the structure, we began by asking open questions about the story of the business and how they came to work in the North Cape. In some of the interviews, the informants naturally started to go into detail about the product or service they delivered. In others, we asked some questions based on the preparations we had done by researching the business and the informant in advance. However, as the informant explained the products and services they deliver, we wrote down the main activities that ensured value creation for the business. We continued going into each activity, asking what resources they meant were essential to enable said product or service. When we felt we had been given enough data, we took the time to ask the informant whether they had any questions or if there was something more they wanted to add before concluding the interview.

3.4 Data analysis

Before the analysis, we began by transcribing each interview listening to each audio recording and surveying our notes from the interviews. We analysed our data using the Gioia method to ensure more credible interpretations and plausible conclusions (Gioia et al., 2013).

According to Gioia et al. (2013), qualitative research has long been criticised for making assertions with relatively thin evidence. Therefore, the method is designed to help apply a systematic and analytical approach to qualitative data. The method is a step-by-step procedure to develop concepts and theories based on keywords and quotations from the empirical data. Consisting of three steps, the method helps reduce the amount of data to a manageable size, ending up with aggregated dimensions reflecting the central theme of the data set (Gioia et al., 2013). The first step of the process consists of first-order concepts reflecting the main features of the data. In the second step, second-order themes are developed, which ultimately lead to aggregated dimensions.

We chose this method for several reasons. Firstly because we wanted a structured way of analysing our data. Secondly, because we know that there is little research on our thesis topic, it is a good chance that we might have to develop something on our own. Thirdly, we wanted the research results to be beneficial for both the municipality and the residing businesses. After the interviews had been transcribed, we began our analysis by carefully reading each interview to maximise our interpretations for the discussions later on. We searched for quotes and keywords that could help us answer our research questions and thus targeted three categories of potential findings:

1) Resources
2) Contextual influences (history, traditions, landscape, and geography
3) Embedding practices

Embedding practices were identified and put into an Excel document to maintain a systematic structure while keeping the theoretical foundation by Vestrum and Rasmussen (2013), Korsgaard et al. (2015a+b), and Müller and Korsgaard (2018). Afterward, open coding was performed to develop the first order concepts (Gioia et al., 2013). To find our second order themes, we surveyed all the previous first order concepts to identify common features that would help create meaningful common themes. Going from 35 first order concepts, we narrowed our data down to 14 second order themes, which ultimately resulted in six aggregated dimensions. To ensure that the dimensions represented our findings, we worked our way backward in the setup while discussing each step against the previous (see finished Gioia-analysis in chapter 4.2, Figure 2).

3.5 Reliability and validity

Qualitative studies use two criteria to evaluate the solidity and transparency of the research, namely reliability and validity (Bell et al., 2019). We will present different techniques and circumstances affecting the research process and how we adjusted and assessed them to increase transparency.

3.5.1 Reliability

Strong reliability can be found in studies where other researchers can reproduce the findings (Bell et al., 2019). According to Bell et al. (2019), it is important to describe and explain which techniques and analytical procedures have been used to show transparency and increase the research's reliability. Moreover, it is important to reflect on how we have avoided and dealt with research errors and biases.

To avoid some basic researcher errors and biases, we began by choosing to conduct a maximum of two interviews a day over four weeks. This allowed us time to reflect on each interview afterward by discussing our perceptions and comparing notes. We reflected on how we carried ourselves during the interviews and whether we got good answers or not. This enabled us to improve our interviews continually. A potential researcher bias we also considered was the cultural difference between us as southerners and our informants as northerners and the stigma surrounding it. Although Norway is a small country, there is a long geographical distance between the northernmost point of Norway and the capital. The cultural differences are further accentuated, considering that the south historically has been the center of political decision-making. We have tried to avoid groupthink throughout the research process by actively engaging our supervisor and fellow co-students in the *Tverrfaglig masterklasse.* These discussions have helped us ensure that our analysis and findings are not simply a direct product of our biases but rather a transparent subjective interpretation. This also enforced the phenomenological approach we adopted for this thesis, enabling us to study a phenomenon through the experience of the first-person point of view.

Finally, to avoid informant errors and biases, we made a few considerations. As previously mentioned, all but one informant wanted to be interviewed at their workplaces or homes. This allowed us to facilitate discreet and open conversations where the informant felt comfortable to open up. Considering the societal circumstances regarding the spread of Covid-19, many of the informants highlighted the pandemic's effects on their businesses. All

of our informants were highly affected by the national travel- and labour restrictions. Although we refrained from asking any questions about the current effects of Covid-19, it still became a natural topic of conversation since it had affected the informants' view of both present and future aspects of the businesses. This might have affected our findings, and thus we advise readers to keep it in mind.

3.5.2 Validity

Validity refers to whether you are observing, identifying, or "measuring" what you say you are (Bell et al., 2019). To evaluate the validity of this research, we have chosen to focus on internal and external validity. Bell et al. (2019) state that internal validity tests whether there is a good match between the data collection and analysis, and the theoretical framework. On the other hand, external validity refers to what degree the findings can be generalised across social settings.

To provide strong internal validity, the compliance between our research question and choice of methods has been of great concern. Thus the operationalisation of the interview guide and the execution of the interviews has been essential tools to increase the internal validity of our thesis. This has helped us ensure that we are identifying what we need to answer our research question. It has also been essential for us to ensure that the data is truthful. We have used triangulation to test our findings by comparing the data from our interviews with secondary data such as media articles and governmental and historical documents.

Considering external validity, the aim of this research has never been to achieve generalisable findings. Put differently, the findings of this research are not necessarily representative of other rural businesses or places, given that the spatial context in this research is unique in contrast to other rural places elsewhere. For example, when we refer to businesses operating in the rural area of the North Cape, this constitutes a rural coastal setting which enables the fishing industry to be dominant. While in other rural areas, it might be agriculture that is the dominant industry. Therefore, it is important to note that rural does not simply mean rural and that the spatial context should be kept in mind if one attempts to generalise our findings across other spatial contexts. While the business selection in our multiple case study is relatively representative of the chosen region, it is also important to highlight that our findings are based on empirical evidence from a small sample. However,

like Yin (2014), we believe that the findings can be seen in comparison with existing theory. This is also coherent with this study's aim, which is to explore the phenomenon of PE to contribute to further research on the topic.

3.6 Ethical considerations

A good qualitative study involves building trusting relationships with informants, as the goal is to create a space in which they feel comfortable to share their stories and points of view. It demands a mutual understanding and agreement between the informant and us as researchers, which entails an ethical responsibility to consider (Bell et al., 2019).

We began by registering the research project in the Norwegian Center of Research Data (NSD). Considering that we would process and store personal data using technical equipment, the research project had to be approved by the NSD before we started gathering data. During this time, we developed a consent form that was handed out to all the informants for signing before we conducted the interviews (see appendix 8.3). As previously mentioned, the consent form informed them about the topic of the study, what the data was to be used for, and that participation is voluntary. We disclaimed that they were allowed to withdraw their participation at any given time and that they would be allowed access to review their data, considering that the sample and region are so small. In many of the fishing villages that we have visited, there is perhaps one main actor within the fishing industry and one or two tourist actors. Admittingly, this makes it very easy to pinpoint which informant represents which business if the reader possesses some form of local knowledge. Before the interviews, we informed each participant about the risk of being recognised even though they would be anonymous using pseudonyms. However, this did not turn out to be a restricting factor as all informants signed the consent form. Additionally, we disclosed in the consent form that the data would be stored for future research. Considering the partnership between NMBU and NCM, the university provided secure servers to ensure safe storage of the data following GDPR.

Before the interviews, we were advised by both NMBU and NCM to be careful about getting into political conversations or points of view. This was because that the political climate in the North Cape has experienced tensions between different parties and stakeholders on hot topic matters (NRK, undated). We intended to stay away from political questions, although most informants sometimes went into political topics by their own choosing.

4.0 Analysis and findings

In this chapter, we will present the findings from our data analysis. The findings will be presented in the upcoming sub-chapters according to the data structure generated from our Gioia et al. (2013) analysis, illustrated in Figure 1. The aggregate dimensions will each constitute a sub-chapter. Before presenting these findings, we will present our descriptive findings of the essential resources analysed in our study.
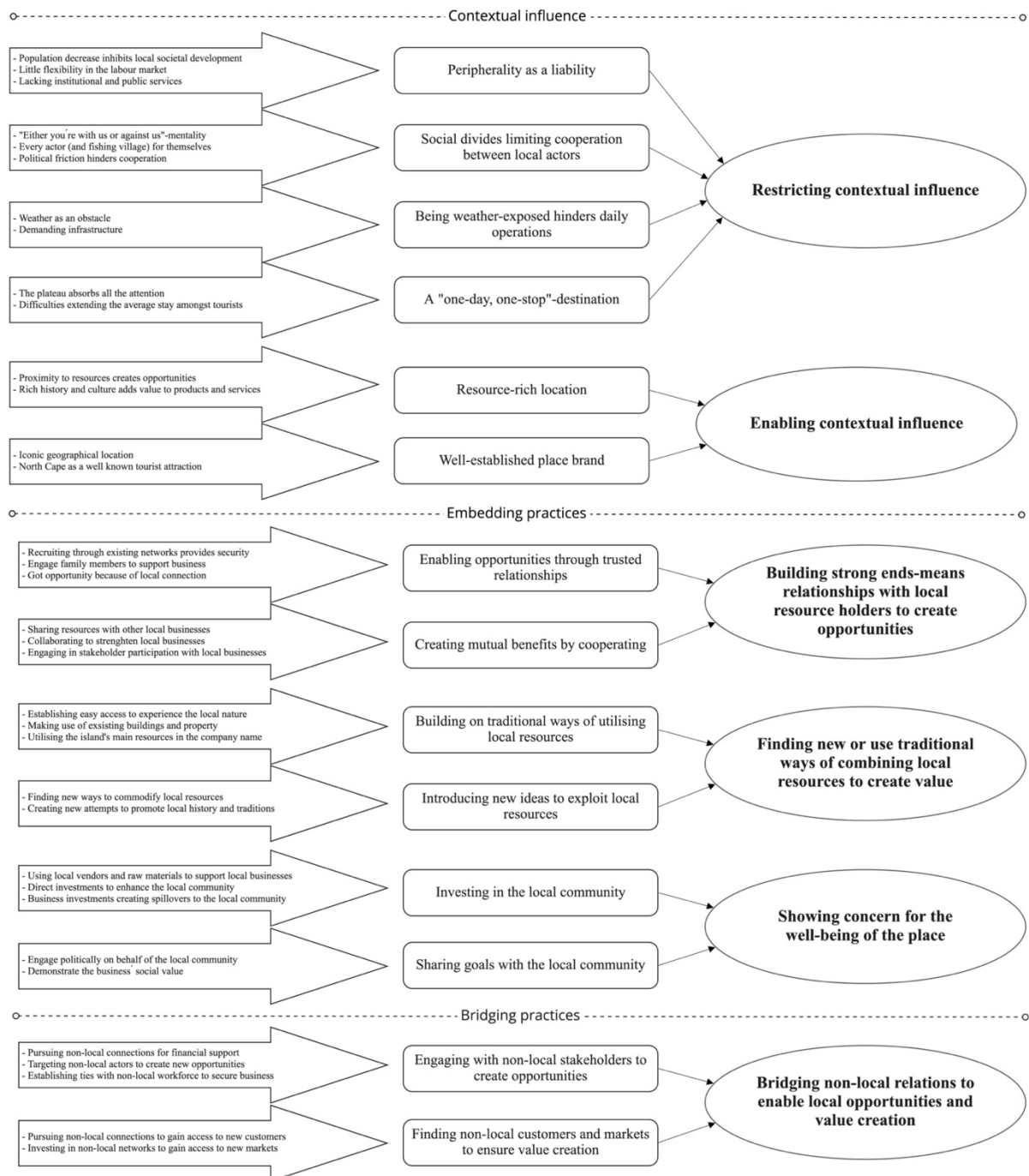

Figure 1: Data structure of analysis and findings

4.1 Descriptive findings

Here follows an outline of the resource findings following the theoretical contributions of Müller and Korsgaard (2018) presented earlier in section 2.1.1. The five distinct categories of resources are physical, immaterial, human, social, and financial, including the distinction between two spatial origins of the resources, namely local and non-local (Müller & Korsgaard, 2018). Short summaries of each resource category will be presented to describe the patterns in the resource use of the rural businesses (see Table 4 for an overview). We are focusing on the resources that are found locally and perceived as most important by our informants. Non-local resources will be mentioned if they are perceived as essential for the rural business.

Table 4: Types of resources utilised by rural businesses

Resource category	Type of resource	Examples of local	Example of non-local
Physical	• Old or abandoned buildings • Production facilities • Infrastructure • Raw materials • Natural objects or structures • Vehicles, boats and other motorcrafts	• Raw materials in the form of fish and crab (F01-04, T01, T03, T04 & T05) • Nature attractions such as the North Cape plateau (T01, T02, T04 & T05) • Boats, snowmobiles and ATV's (F01-F04 & T01-05) • Natural phenomenon such as northern lights, midnight sun, weather and climate (T01, T02, T04 & T05)	• Imported raw materials such as fish (F01- 04) • Boats and snowmobiles (F02) • Packaging materials (F01-04)
Immaterial	• Culture, history and heritage • Stories, symbols, image and place brand	• Place brand to sell their service/products (F01, F02, F04 & T01-05) • Use history and family stories for storytelling (F03, T04 & T05)	• Use a non-local brand to increase own products brand value (F04) • Highlighting multicultural workforce as an asset to their brand (F04, T01 & T04)
Human	• Workforce • Volunteers • Competence, knowledge and experience • Business services	• Permanent workforce (F04) • Accumulated education, knowledge, competence and experience (F01-04 & T01-05) • Business website and social media (F01-04 & T01-05)	• Seasonal staff (F01, F02, F03 & T01-04) • Other rented or used services (F01-04) • Non-locally permanent education, knowledge, competence and experience (F04, T01 & T04)
Social	• Networks (social and business) • Partnerships • Cooperatives	• Local professional connections (F01-04, T01, T02 & T04) • Local non-professional connections (F01-04 & T01-05) • Cooperating with local subsidiaries (F01 & F02) • Cooperation with municipality and local government (F01, F02, F04 & T05)	• External professional connections (F01-04, T01 & T04) • Cooperating with international subsidiary (F01) • Non-local networks and word-of-mouth (F03, T03, T04 & T05)
Financial	• Sales, grants, loans and other funding	• Local customers and markets (F04) • Local funding from Finnmark (T03)	• Non-local customers and markets (F01-04 & T01-05) • National funding, e.g. Innovasjon Norge (F01 & T03)

4.1.1 Physical resources

The physical resources and raw materials needed for the rural businesses are vital and of utmost importance to the rural businesses. First, the North Cape plateau is one of the most mentioned local resources in our data. The resource is both the natural and the symbolic value that the plateau provides the rural businesses. Since the plateau contributes to mass tourism for the region, all rural businesses have mentioned it as a vital pull factor, making it important for all tourist businesses in our sample. Considering that it is the plateau itself that brings all tourists, it creates spillover effects for other local industries and businesses. Second, most of our informants also mentioned fish and king crab as important resources for their business. The ocean brings not only raw materials in the form of fish and king crab, but it is also an experience in itself. As shown in Table 4, there is an evident unevenness between the use of local and non-local physical resources amongst the rural businesses. This shows us that the physical resources from the local spatial context are heavily prioritised instead of non-local physical resources. Meaning that the rural businesses in our sample are well-aware of the local resources found in the place, indicating a higher level of PE (Korsgaard et al., 2015a).

In addition, the local infrastructure and the weather have been identified as two crucial local physical resources. The local weather and climate have been mentioned as bringing unique experiences to the local communities and adding the most pressure to the rural businesses. Good weather brings opportunities like northern light safaris, midnight sun tours, deep-sea fishing, etc. At the same time, bad weather forces the municipal authorities to close roads and impedes most rural businesses' practices. Another local physical resource worth mentioning is old buildings that have been bought and renovated to serve a new function.

4.1.2 Immaterial resources

By immaterial resource, we refer to culture, history, heritage, images, and a distinctive local identity or place brand (Müller and Korsgaard, 2018). An example of an immaterial local resource that we found during our data analysis was the use of the North Cape´s well-established place brand. Most of the businesses in our sample use place-specific names or linkages, which reconnects them to their most valued resource and the place. Although our triangulation shows that the North Cape has a rich history and cultural background, only three of the informants, mainly in the tourism industry, mentioned that they utilised some form of storytelling as a resource for their business. However, we found that those who used

storytelling as an immaterial local resource to promote local history and traditions managed to create unique experiences for their visitors. From this, we interpret that although few businesses highlighted immaterial local resources as important to their business, it still is a resource category that shows promise.

4.1.3 Human resources and human capital

As mentioned, human resources refer to the knowledge and skills that the entrepreneur or its team possesses (Müller & Korsgaard, 2018). While it might appear in the Tabel 4 that many of the businesses in our sample draw upon local human resources, this is not the case. One out of nine businesses utilise a permanent local workforce, while the rest hires seasonal staff often non-locally sourced. Another locally sourced human resource is education, knowledge, competence, and experience. Although all the rural businesses mentioned this as an essential resource to their business, they often referred to their own education or experience. The considerable use of seasonal staff might be somewhat explained by the spatial context of the island, for example, because of depopulation. However, this topic will be discussed further in chapter 4.2.

4.1.4 Social and community resources

We discovered several types of social resources that derived from a local spatial context. However, most informants stated that these local social resources were utilised through small formal and informal business networks and cooperatives. This could include the sharing of labour, equipment, material, and recommendations. Although the table shows many examples in which the informants have mentioned local professional connections and local non-professional connections, this might be because we were extra interested in asking questions about their relations to the other local actors during the interviews. Our holistic understanding is that many of the rural businesses utilise local social resources, but only in an informal and very limited capacity. Thereby many of the businesses in our sample rely more on their non-locally sourced social resources. This might include external professional connections that we found many of the businesses to utilise in order to enable the local physical resources. As an example through the involvement of a parent company.

4.1.5 Financial resources

Out of all the resource categories, financial resources were mentioned the fewest times in our interviews with the rural businesses. Although many of the informants highlighted that securing the profitability of their business was of importance, most pointed to their non-local customers and markets as their primary financial resource. Two informants mentioned that they, in the beginning, received funding from national funding platforms, while one of the informants mentioned that they received local financial support. However, because most of the businesses are well-established, this might explain why so few of the informants pointed to financial resources as being of importance to their business.

4.1.6 Summary and interpretation

Table 4 shows us that the most important type of resource, according to our informants, is the local physical resources. Much like in the study by Müller and Korsgaard (2018), we find that the local spatial context offers resource endowments. Meaning a set of spatially bound resources, which are uniquely available to rural businesses operating in the local spatial context. This is evident when considering the number of businesses in our sample that utilise local physical resources to boost economic activity and opportunities for their business. However, to acquire said resources, the rural businesses must have an intimate knowledge of their existence. This enforces the notion that the rural businesses, at least to some extent, are embedded in the place (Korsgaard & Müller, 2018). Local immaterial resources, such as branding using the place, are mentioned by less than half of the rural businesses in our sample. This might suggest that there is more potential to be found in this resource category. Although both human and social resources are critical to the rural businesses, most of the workforce and networks are non-locally sourced. This does not indicate that the businesses prefer non-local over local human and social resources but might instead point to the scarcity of the rural location and human resources. As Korsgaard et al. (2015a) mentioned, this is likely the case as they found that rural businesses often utilise non-local networks to get a hold of more "specialised" resources. Finally, as an extension of such "specialised" resources, we find that financial resources also seem to be achieved through non-local networks or actors. However, this is not highlighted by the rural businesses as necessary. This might suggest that the businesses in our sample are in a financially stable position, causing most of them not to mention this as an essential local or non-local resource.

4.2 Aggregated findings

As shown in Figure 1, the analysis resulted in six dimensions. This chapter will present each of the aggregated dimensions by introducing examples of data supporting each of the second order themes and ending with a summary. Note that some of the interviews were conducted in Norwegian, some of the supporting quotes have been translated. After all dimensions are presented, we will provide the reader with an overall summary and interpretation of our findings, including figures that showcase the interaction between the different dimensions as found in our research (see Figure 2).

4.2.1 Restricting contextual influence

Many of the rural businesses in our study pointed to restricting factors explained by the spatial context. A lot of the restricting contextual factors that the rural businesses felt influenced their operations can be traced back to the challenges of being located in a rural area. However, our analysis has shown that there are several ways in which being peripheral might restrict the business. This aggregated dimension is supported by four second order themes, which will be presented below.

Peripherality as a liability
Considering that all the businesses in our data sample share a similar spatial context, many of them are likely to experience the same challenges from being located in NCM. In regards to being peripheral, all the businesses in our sample mentioned challenges such as lacking access to public services, institutional thinness, and the more general concern of population depletion.

> *"We can see that the population is getting smaller. That is a problem, because why should you have ferries, roads, schools, when the population is disappearing?" (T05)*

The informant points to an apparent liability of being peripheral that many smaller places in Norway suffer from (SSB, 2020). As these small places slowly become depopulated, more and more of the public services and institutions cease to exist. Which again makes it harder for the people who still want to live in the rural areas. We also found in our analysis that there are some interesting indirect restricting challenges as well. One of these challenges is how

being peripheral affects the flexibility of the labour market on the island. Being that there are fewer people who live on the island, there are also few new businesses established and few advertised positions. This makes it very difficult to change employment and creates a static labour market. One of our findings suggests that this static labour market enforces a "survival of the fittest"-mentality, where the business needs to ensure its own survival.

> *"It's basically about resource distribution. /.../ The labour market here on the island lacks flexibility and mobility, and thus everyone fights as if it was life or death to secure oneself. One might even become a bit territorial from it. This applies to both private relationships, as well as when it comes to work. And so these attitudes that - you should not reveal too much- emerge, and creates a difficult starting point for creating lasting collaborations." (F02)*

In the next dimension, we will further showcase how our informants mention this premise as a restricting contextual factor influencing the rural businesses. It is important for us to highlight that our understanding ties the static labour market, and the more prominent challenges that the businesses have with institutional thinness is connected to depopulation. Which again can be defined as the liability of being peripheral.

Social divides limiting cooperation between local actors
As mentioned in the section above, many of the rural businesses showcased a "survival of the fittest"-mentality during our interviews. As we know that building strong and trusting ends-means relationships with resource holders is an integral part of becoming PE (Korsgaard et al., 2015a), we were naturally interested in asking the businesses in our sample about their collaborations with other local businesses. We were surprised to find that the reaction from many of the businesses was: what is there to cooperate on? and why should we collaborate when we have everything we need? Because of the small population size, we anticipated that the businesses would find strength in relying on each other. However, this was not the case. Although some of the informants mentioned informal collaborations, such as mentioned in 4.1.4 Social resources, this seemed to only apply to selected businesses or people. The creation of social divides between the businesses was confirmed in one of the interviews.

> *"The fact that family and clan is a carrier of society, means that there is a kind of invisible network of relationships that weighs heavily in a lot of situations. Politics,*

everyday life, work, and family is to a large extent a blend of personal interests.”
(F02)

Being that these social cliques exist in the labour market and the local society, we got a better understanding of the lack of cooperation between businesses on the island. It is not our intention to state whether or not collaboration is good or bad for the businesses on the island. However, it is important to communicate the contextual restricting factors we found in our analysis. Several of the businesses in our sample explained that they felt like everyone saw each other as competitors. This restricted their business' opportunity to collaborate with other local businesses. We believe that since the population on the island is so small, it forces people to take on many roles in the community, which possibly can generate a mix of interest. Seeing this in light of the smallness of the community, everything becomes extra transparent, which makes it more obvious whom you want to be on your team and whom you do not want.

Being weather-exposed hinders daily operations
As mentioned, all the businesses in our sample are located in the same geographical area, and seeing that the location of the businesses literally is on top of the world, with the Arctic seemingly as the closest neighbor, we were not surprised to find that all the businesses mentioned weather as a restricting contextual factor influencing their business.

> *"I mean weather is always an obstacle since I have been here, I have been working really hard to make [the North Cape] a year round destination, but still I would say that 85-90% of tourists come in the summer, and the rest come in the winter. Try to kinda spread that a little more, and create a winter destination, but you know there are a lot of things working against us that we cannot control, and the weather is definitely the worst." (T04)*

In the quote by our informant, it is evident that the weather conditions are an apparent restricting factor for the business. He or she has tried to extend the tourist season to include winter tourists, but it has not been easy. Several of the other tourist businesses point to the same contextual restriction. While some have attempted to expand the tourist season by introducing new activities like northern lights safaris or snowmobile tours, many have simply adjusted to operate during the peak season between May and September. The fishery

businesses point to the weather as being a challenge for their daily operations. Winter storms, avalanches, and rough seas all ensure the need for resilient infrastructure. Closed roads seem to be an overall theme when these businesses were asked about what restricts their business. Imagine a scenario where you have a semi-truck loaded with fresh king crab that needs to be transported to a city in North America or Asia within the next 24 hours. It is not hard to understand why weather is seen as being a critical restricting factor for these businesses.

A "one day, one stop"-destination

In the previous paragraph, the weather was mentioned as a restricting contextual factor influencing the rural businesses in the tourism industry that wanted to extend the tourist season. Another dimension that we found in our analysis that the tourist businesses felt was restricting was that the North Cape plateau gets all the attention. This makes it hard to get visitors to stay for more than one night because the plateau is all they are interested in seeing. We found that these two factors contribute to the North Cape being viewed as a "one day, one stop"-destination.

> *"I think that North Cape has been marketed as North Cape [plateau], not as anything else, so people don't think about any other things and like... The people who visit us in the winter time /.../ are much more interested in everything else, not only North Cape, it's not their main thing why they come here. But the summer tourists are just for the North Cape, and you're just like:*
> *- Oh, what's your plan today? and they're like: Oh, the North Cape and then I need a place to eat, do you have any recommendations?*
> *- Yeah, and if you go that way maybe you can stop to do this walk....*
> *- Oh, no-no-no, I don't have time to... I will go to the North Cape.*
> *Some people might go twice during the day to the North Cape, but then they don't do anything else." (T01)*

The fact that the North Cape is perceived as a "bucket list"-destination certainly creates several restricting factors for the rural businesses. The tourist businesses are significantly affected by the fact that most only can operate during the peak season when mass tourists come to watch the midnight sun before continuing their cruise or road trip. Although the iconic status of the plateau and geographical location undoubtedly plays an integral part in securing the flow of tourists to the island, several of our informants also mentioned that it

also restricts their business. Based on our data analysis, we supposed that what makes the North Cape such a desirable tourist destination also prevents many of the businesses from developing their business further. Again we need to go back to the liabilities of being peripheral and understand that as the North Cape is located on the northernmost point of Europe's mainland, this naturally will affect the time tourists have available to stay and experience the island.

Summary

The first dimension presented above provides an overview of the main restricting contextual factors that the rural businesses of our study in the North Cape find to influence their business. As mentioned in the very introduction, we could trace back almost all second order themes to the spatial context. It is providing us with proof of how important it is to study entrepreneurial processes while using context. Regarding restricting contextual influence as a dimension, we found that it consists of both the more obvious restricting factors that naturally come with operating a business in a rural environment, such as depopulation, lacking public services and institutional thinness. In our multiple case study, we were able to find evidence of depopulation affecting the flexibility of the labour market and how it affected the social relations on the island, enforcing a "survival of the fittest"-mentality. We also found that weather and infrastructure are a natural restricting contextual factor affecting the rural businesses. Finally, we pinpointed the challenges that come with being located on the northernmost point of Europe's mainland. When tourist first attempts to take the time to visit, they are only interested in experiencing the plateau, and then it is "been there, done that".

4.2.2 Enabling contextual influence

All of our primary informants pointed out enabling factors for their businesses deriving from their local spatial context. Two main themes have been identified, which will be presented below, namely North Cape as a: *Resource-rich location* and *Well-established place brand*.

Resource-rich location

Considering the sheer size of the municipality and its small population, the local spatial context appears to be enacting closely with the actors in the region. This creates proximity to the local resources, which has contributed to the creation of entrepreneurial opportunities. As

previously mentioned, it is the local physical resources and raw materials that are vital and of utmost importance to the rural businesses in order for them to deliver on their value propositions. Although the number of local human, social, and financial resources is scarce, there seem to be abundant main physical resources, such as fish, crab, and the North Cape plateau. Considering the enclosing Barents sea, the ocean brings proximity to both fish and crab as important raw materials for local fisheries to create value. However, the utilisation of the proximity to the abundant raw materials is not a new phenomenon.

> *"The crab that is caught and the fish that we buy are from the local fishing fleet, fresh. It's the small boats and we drive them like that in advance and it's not the big trawls that come, it's like simple treatment, manual treatment of each crab, there's manual treatment of each fish that comes. And all of these things make us able to, that we manage to market ourselves that way." (F01)*

Apart from the physical resources utilised by the fisheries, some of the rural businesses certainly have taken advantage of the opportunities created by the North Cape plateau. Considering that the plateau has attracted international tourists since the 17th century, many of the rural businesses seem to have opportunistically utilised the symbolic value that the plateau exudes (Nordnorge, undated). Since the plateau contributes to mass tourism for the region, all of the rural businesses have mentioned it as a vital pull factor. Thus it creates spillover effects for other local industries and businesses. This is visible considering the numerous hotels and accommodations, souvenir shops, tourist activities, etc., located at the place. The rich history of the place as a tourist attraction and being a fishing region has helped create a sense of place or an identity of the place (Aure et al. 2015), contributing to further opportunities and value creation through the use of storytelling. The proximity of the local resources has given rise to a rich local history and culture that few outsiders seem to know about. Few of our informants have successfully captured the opportunity of storytelling to create new value to the place by realising the potential that storytelling has to increase the local value creation further.

Well-established place brand
Even though the plateau and geographical location have been perceived as restricting factors, it is also considered an enabling influence for the local business environment. It has given rise to mass tourism as a "one day, one stop"-destination because of the experience of being

at "the edge of the world", as the northernmost point of Europe, which creates a unique symbolic feature and opportunity for the actors. Therefore, the plateau itself and the geographical location of the place seem to have an enabling effect, which creates entrepreneurial opportunities and value creation. All but one of our primary informants utilise the symbolic value of their geographical location or the plateau in their company name to place brand themselves. Our informants draw on the understanding that their residing place has a unique arctic location and environmental conditions that enable businesses today to operate in such a periphery. Therefore, the distance to the place is perceived both as restricting and enabling considering the uniqueness of their location and placial circumstances regarding the local weather, climate, and culture. These factors seem to be what enables mass tourism to occur and has become a well-known attraction to experience quite extreme and unique peripherality and culture.

> *"It's the fact that the North Cape has a greater attraction than that [the symbolic value], and that's geography. /.../ Exactly that, they have driven to the edge, and it has such power in itself." (T02)*

Summary
The main factors of the place that are perceived as enabling in the local spatial context seem to be the geographical location and the proximity and abundance of physical resources in the place. Even though these are some of the same factors that are perceived as restricting the rural businesses´ opportunities and value creation, they also act as enabling factors, creating a double-edged perception of the place. Because of the geography itself and the size of the municipal population, it seems to provide easy access to their main resources: fish, crab, and the plateau. Which we found to be an important enabling contextual factor in our analysis.

4.2.3 Build strong ends-means relationships with local resource holders to create opportunities

The rural businesses of this study were found to utilise different embedding practices to become placially embedded. One of the embedding practices we found during our analysis involves building strong ends-means relationships through different social practices and interactions with local resource holders to achieve the desired opportunities and value

creation. Two main themes have been identified as to how the rural businesses in this study have built these strong ends-means relationships and will be presented below: *Enabling opportunities through trusted relationships* and *Creating mutual benefits by cooperating*.

Enabling opportunities through trusted relationships

One of the practices we found that the rural businesses utilised in order to embed themselves were by recruiting through existing networks. Some of our informants mentioned that they recruited through their acquaintances or from their current staff's networks. Recruiting through existing networks is perceived as a security to ensure that they deliver the promised value propositions to their customers. By recruiting through existing networks, they use and rely on trusted relations that have been established over an extended amount of time. This could be close friends, past colleagues from other business ventures, business partners, or even family members. As previously mentioned in 4.1.2 and 4.2.2, one of our informants actively and successfully utilises storytelling about their family history as a means to enable a business opportunity. The same informant says that the business was founded because the founder, who was also his grandfather, wanted to engage his children by providing them with job opportunities and work experience.

> *"His son, my dad, took over for him, and I took over after him and continued on the same track." (T05)*

This shows that by engaging their family members, they actively maintain their strong relational ties to the origin of the place. This also shows that inheriting a local business is important because it is viewed as an integral part of the history of the place. Another embedding practice we discovered was that some opportunities were realised, or even given to some of our informants, simply due to having a local social tie. Some informants claimed that they were presented with a business opportunity because they had a close acquaintance. Because of their relationship, they were offered to buy an old property to maintain the business' future operations. One informant also mentioned their strong business ties that they have created over the past years with previous employers.

> *"The cool thing with that is that because I have worked with [tourist actor] at the North Cape, they trust me to be alone with the guests. Normally they have staff members there. It depends a little bit, say it is only me and two guests then you know*

probably it is not worth it to have a staff member there, and I can get access. /.../ So with [tourist actor] we have a really really good cooperation." (T04)

Since the rural business maintained a strong relationship with his or her previous employer, the informant could utilise this relationship to provide his customers with unique tourist experiences. This shows that establishing and maintaining local social connections can result in the creation of new opportunities.

Creating mutual benefits by cooperating

During our analysis, we found examples of embedding practices that helped the rural business to create mutual benefits through cooperation. One of these practices was that they shared resources with other local businesses. This could be done by sharing packaging materials with one another because the weather had forced public authorities to close the roads to the region. Such contextual influences forced the rural business to utilise their local network to obtain the desired packaging material from another local business. Another informant from one of the tourist businesses also mentioned the informal collaborations within their local community.

"Yes, there's a restaurant out there, also there's a fisherman who has a [restaurant] a little further in which is a little smaller than this one. So if any of us get inquiries where we're full then we call for our guests. For example, if we have guests that want to eat but we don't have someone who can cook then we call one another. So it works very well." (T05)

This example shows that by being situated in one of the smaller communities, some informal collaborations between businesses might occur. They did not just share physical resources such as packaging material but also human resources by allocating their staff to aid the other businesses whenever called on or needed. It shows that being situated in a tightly knit community outside of the municipality's administrative center, it is maybe even more important to utilise their social resources, i.e., their social and professional networks. By utilising this sort of collaborating practice, the rural business created mutual benefits for themselves by investing socially and professionally in the local network of the community while also aiding a fellow business whenever needed. The local social and professional ties that connect the different businesses of the place are important for the rural businesses to

deliver the uniqueness of the place but also to embed themselves. Some of the informants also mention another embedding practice where they engage themselves in stakeholder participation with other local businesses. Some of our informants mention that it is normal to have several roles within several different businesses because of the smallness of the place. It can be through having overarching roles within different organisations.

Summary

To become placially embedded, rural businesses have to socially embed themselves by building strong ends-means relationships with local resource holders to create opportunities. In line with Korsgaard et al.'s (2015a) definition of PE, the informants in this study have shown that they are not simply present in the local spatial context but are embedded in the place through their strongly built and trusted social relations to create new ends-means relationships. Our informants show that they have a strong understanding of the resources, the resources holders, and how to access them. Thereby expressing an intimate knowledge of how to access and use the local resources. By using different embedding practices such as engaging family members, recruiting through existing networks, collaborating to strengthen local business, and sharing resources with other local businesses, they attempt to placially embed themselves.

4.2.4 Find new or use traditional ways of combining local resources to create value

Korsgaard et al. (2015a) argue that part of the process in which a rural business becomes placially embedded involves the business' ability to combine local resources that can create value for the place. In our analysis we found that half of our informants utilised more established ways of combining resources to deliver products and services, while the other half tried to enforce new ways of combining the local resources. It turned out that contextual factors had a lot to say as to whether the business chose to use existing or establish new practice to combine their local resources. In the following paragraphs the two second order themes will be introduced. Additionally, we will substantiate our findings by applying the relevant contextual factors that might have influenced the businesses' choices in practice.

Building on traditional ways of utilising local resources

The first practice that we found the rural businesses of our research to utilise to embed themselves was to use traditional ways of combining local resources to create value. The phrase "traditional ways" is simply used here to separate between the businesses that create new products and services from combining local resources and the businesses that combine resources to deliver products and services that already exist. We found many examples of businesses that, by example, combined nearby nature attractions and the business's main activity in the company name. Another example of a more traditional activity was to make use of a physical resource such as renovating an old building to expand the business. Both of these activities are made possible by the spatial context. For example, there would be no reason for a rural business to change its name if the nature attraction it used did not have any recognition. Another finding from our analysis showcases both how a rural business has used a traditional way of combining local resources and how the business has been influenced to choose said activity based on the contextual restrictions. One of our informants from a tourist business began offering the visitors challenging activity packages but later found it beneficial to utilise more traditional ways of providing the visitor's easy access to the surrounding nature.

> *"It's not about the extreme, most of my visitors get that simply from traveling here. So then it's all about having accessible tent sites and activities that might challenge them a bit, but not too much, because most are already outside of their comfort zone by being here." (T02)*

When the rural business gained knowledge about its visitors, they combined the spectacular, yet harsh, nature that the tourist wanted to see, with relatively traditional and straightforward means to access it like tent sites or minor organised activities. This again enforced the intimate knowledge that the rural business had of its available resources and provided the business with more ideas of how they could combine resources, based on traditional ways, to introduce additional offers to its customers.

Introducing new ideas to exploit local resources

When analyzing our data, the second practice that we found was how some of the rural businesses managed to combine resources to create novel products and services. Several of the businesses highlighted that by establishing new relations with other resource holders (see

chapter 4.2.3), they also saw the potential to introduce new ideas. For some of the businesses in our sample, this turned out to lay the foundation to strengthen the business' value creation by increasing the product's value through the implementation of novel ideas.

> *"It was us who established [the fishing brand]. It is supposed to be flawless fish, it should be perfect, it should be carefully packed and taken care of. The fish is sent to our best paying customers, and each fish is marked with an unique tag that includes a QR-code. So when the customers sit at a restaurant in [a European country], and scan the QR-code with their phone they will be able to see on which boat that exact fish was catched, who was the captain, and the exact position it was caught. Every individual fish." (F04)*

From the example above, we understand that since the business has intimate knowledge about where their fish comes from, they can combine this resource with new technology and create a new higher valued product. Although the informant did not detail how they managed to acquire said information, the business likely has strong relationships with the fleet that it buys fish from. Thereby the rural businesses manage to embed themselves further into the local community, which we can imagine enables several other opportunities for the business. However, combining resources need not only result in new products or services. During our analysis, we found that although few of the businesses use the immaterial resources of history and culture, particularly one stood out as trying to find ways of promoting the local history and culture to create value for the business by utilising the enabling context of the island.

> *"We had the building here [old fishing shed], and there was the occasional tourist that came to see, not the North Cape plateau, but how we live, the birds, and why there are so much fish here. /.../ Now that we have roads, people with more money that want to travel, and who do not only wish to see the plateau, there are some of us in the [fishing village] that thinks: Ok, we can tell the story and serve good food to go with it. We cannot serve wine and beer, because we cannot make that, but fish, the experiences and the history." (T05)*

In the example above, it is easy to spot how the spatial context influences the rural business to introduce a new idea of combining resources to create value. Again by noticing that there is a demand for more history- and culture-based tourist activities, the business manages to

combine the physical resource of fish and the old fishing shed with the immaterial resource that is the history and culture of the island. Thereby creating a new service that provides value to the business. Unlike many of the other tourist businesses that rely heavily on seasonal staff, this seafood restaurant is family-run and goes back several generations. The informant explained that to serve local food with local histories of the island in an authentic manner, the staff must have an intimate knowledge of the resources. From this statement, we interpret that it requires a higher level of embeddedness to begin with for the business to successfully combine resources in such a way that the seafood restaurant has managed.

Summary

Through our analysis of this dimension, *Find new or use traditional ways of combining local resources to create value,* we discovered two preferred practices that the rural businesses used to combine resources. One of which is based on more traditional ways of combining resources, such as renovating an old building to expand business or using a famous nature attraction in the company name to attract more visitors. The other practice that we found was more concerned with combining resources in new ways to introduce novel products and services, like the seafood restaurant where visitors could eat a local meal and listen to stories about local history and culture on the island. We recognise that businesses with a greater local relational network and knowledge of local resources might be subject to a greater level of embeddedness. This causes them to feel more confident in not only using traditional but new ways of combining resources to create value for the business. This results in an interesting finding which showcases how the level of embeddedness a rural business has, to begin with, might affect their chosen practice to combine resources and ultimately create value.

4.2.5 Show concern for the well-being of the place

The third and final embedding practice that we discovered in our findings revolves around a concept mentioned by example Korsgaard et al. (2015a) in their description of PE. Namely, the importance of showing concern for the well-being of the place in order to become embedded. While it is not hard to understand that caring for a place or a community can lead to a greater sense of belonging, we were happy to discover more concrete examples of how exactly the rural businesses try to achieve PE through this embedding practice. The

dimension in this chapter is supported by two second order themes, which will be utilised to affirm the findings. Like in the chapters above, contextual factors will be introduced consecutively where we feel it can help increase the understanding of the supporting data.

Investing in the local community

During our analysis, we found that many of the rural businesses showed that they cared for the place through their investments in the community. Depending on the economic situation the business was in, there were many examples of how the rural businesses either directly or indirectly devoted their time and money to benefit the local community. For example, one of the tourist businesses in our sample made the intentional choice to rely as much as possible on local vendors and resources when they were developing their business:

> *"We only opened [the restaurant] last year, and we tried to only work with local suppliers for that. You know the [material] came from [local vendor]. /.../ The company that we hired to build for us, which did the electricity and everything, is a local company. So that way we really tried to support local industry." (T04)*

It is interesting to see that even a smaller tourist business that might not have extensive profits still chooses to utilise local vendors even though this might be more expensive. This example is coherent with how Korsgaard et al. (2015b) describe RE, highlighting that rural businesses are not simply motivated by the place as a location to make a profit but rather as a place of personal, societal, cultural, and historical meaning. By making the intentional choice of utilising local materials, builders, and electricians to develop their business, the rural business proves that they wish to see the place prosper and grow. Our analysis cannot confirm a relation between the businesses' economic situation and how they choose to invest in the community. However, we found some examples of the larger actors, mainly in the fishery industry, to make larger direct or indirect investments in the local community. These investments could involve everything from renovating old buildings to help strengthen public services on the island. The direct investments often included the rural business to fully or partly be involved in constructing a fire station, a new communal swimming pool, or other projects. In doing so, we experienced from the interviews that the rural businesses hoped to counteract the negative effects of depopulation by making up for the low investments themselves. We also found cases of rural businesses that indirectly created spillover effects to

the local community through their investment in their own business. This is exemplified below by one of the fisheries who recently decided to expand their business:

> *"/.../ when we get this [new facilities] up and running, we are talking about 70-80 new jobs on a permanent basis in [fishing village]." (F02)*

In the same ways as the rural businesses above choose to make direct investments to showcase that they care for the well-being of the place. We interpret the same from this example, as the rural business highlights in the quote that the extension of their business will result in many permanent jobs in the area. Thereby we can see that they share the same goal as many of the other businesses, which is to help counteract the negative effects of depopulation. However, they choose to invest in their own business and let this prove to generate positive spillover effects into the local community.

Sharing goals with the local community
In addition to investing in the local community, we also found that rural businesses that simply showcase that they share the same goals as the local community reveal a concern for the place. Our analysis found two ways in which the rural businesses showcase that they share goals with the local community. The first being that the rural businesses engage politically on behalf of the community. Considering the restricting contextual factor of having few people taking on many roles in the society, we were not surprised to find that many of the rural businesses are politically involved. This could, for example, be through someone being a local business owner and politician at the same time. While this definitely can result in some challenges for the community, it is also an activity that confirms the rural businesses' care for the place and its development.

> *"There should be no doubt about the fact that the roads need to be snow plowed. We saw that, I think it was merely 5-6 years ago, before they started to plow during the night, that the gates were closed around 11 p.m. and the roads were first plowed again around 6 a.m in the morning. Had [one of the local fishery businesses] received 30 tons of cod that was ready for shipment in a trailer, they would simply have to wait. And [the county council], I participated in that so that they could get the extra money to plow during the night." (T05)*

This proves a joint goal for both the business and the local community, such as keeping the roads open so that the fishery businesses can transport their products. The informant utilises his or her political engagement to embed their business in the place further. However, when studying the other businesses' involvement in the local politics, we found that it was primarily used as an embedding practice by businesses that already seemed to have a high degree of PE. This was in some cases due to the informant being born and raised on the island. One of the informants in our sample, who was not born and raised on the island, mentioned that it was easier to avoid everything that had to do with politics because of the ongoing discord. Considering this, we understand that because of the restricting contextual influence politics have on the island, only those who have an intimate knowledge and are already seemingly embedded choose to show concern for the place through political engagement. In comparison, those that might define themselves as outsiders find it best to avoid politics altogether. Leading us to the second way of sharing goals with the local community, which we found to be businesses that demonstrate social values.

> *"It is embodied in the business that we shall not contribute to social dumping. We shall pay the people fair, it shall be equal for everyone. It is common decency if you ask us. And if you treat people fair they are more likely to stay /.../." (F04)*

In the example above, the rural businesses have written down in their strategy that they shall provide all their employees with equal pay and be treated as equals. The business does this by employing people on a permanent basis to counteract the depopulation. During the interview, the informant shared that by offering higher wages and permanent positions, the business wished to contribute to the social development and well-being of the place. Since the informant had a strong sense of belonging to the place, this might explain why the business also chose to demonstrate these social values and goals.

Summary

To summarise, the dimension of *Show concern for the well-being of the place* is supported by two embedding practices that involve investing in the local community and sharing goals with the local community. We would argue that compared to the other embedding practices presented in chapters 4.2.3 and 4.2.4, this practice requires that the rural businesses share a sense of belonging in the place. When introducing the practice of investing or making social inclusion a part of the business strategy, we feel that this requires that the business see the

place as more than just a space for profit. In light of this, we interpret that the different embedding practices might be weighted differently as to how embedded the businesses will become by applying said practice. With this said, it would not be natural for an outsider to set up shop on the island and immediately understand what goals the community has or where it would be beneficial to make investments. Therefore, this dimension requires that the rural business is somewhat embedded by having intimate knowledge and a real sense of belonging to the place.

4.2.6 Bridging non-local relations to enable local opportunities and value creation

Although the businesses in our sample have highlighted local resources as necessary to enable their businesses, some have also highlighted that they found it necessary to bridge non-local relations to enable local opportunities and value creation. Thus we have identified a few examples of bridging practices that seem to emerge whenever the local spatial context is perceived as restricting entrepreneurial opportunities locally. The actors in such a position become more prone to explore potential non-local relations to enable local opportunities and value creation. Two main themes have been identified as to how the rural businesses in this study have bridged these non-local relationships: *Engaging with non-local stakeholders to create opportunities* and *Finding non-local customers and markets to ensure value creation*.

Engaging with non-local stakeholders to create opportunities
One of the non-local resources that the rural businesses seem to be most concerned with is the workforce. Whereas the permanent employees of each business reside within the municipality, the seasonal staff are recruited and hired from non-local places. Many of the businesses in our sample state that they employ the same seasonal staff each year because they have gained each other's trust and respect over time.

> *"So we have some that we started with, they have worked with us for 15 years now and it's a city in [European country], and we have always recruited from there so we we recruit through acquaintances, i.e. those who are employed today, and if we need people, we go to them /.../."* (F01)

The rural businesses have invested time and money into these relations, ensuring that they are equipped with the necessary skills, knowledge, and experience to execute their work satisfactorily. Furthermore, because the informants have established such strong relational ties to their seasonal staff, we interpret that they also attempt to embed these bridged resources into the place. What seems to be important in these bridging practices is the same criteria as for the embedding practices. The actors' social and professional relations must be continuously cared for to build strong and trusted mutual relations between actors.

Finding non-local customers and markets to ensure value creation
Apart from engaging with non-local stakeholders to create opportunities, quite a few of our informants also had to find non-local customers and markets to ensure value creation locally. This could be done by accessing an already established social and professional network with past relationships originating from a previous employer or business endeavour. One of our informants moved to the island because he or she saw an opportunity to secure a good life by starting a business in the North Cape. However, during the process of embedding the business into the place, the informant lacked social connections locally to realise the sought value creation. The informant was rejected at the door by the local actors when approached to buy his products. Thus, the local spatial context created a restricting influence on value creation, forcing the informant to pursue non-local connections to penetrate a new market and gain access to new customers.

> *"Yes, and he also established direct sales channels in the European market. It's simply a matter of when he, with that concept, tried to open up the price with the raw materials he offered. Then there was no one here on the island who was interested in paying the little extra for a processed product." (F02)*

As a result of the lacking connections with local businesses, which might be explained by the "survival of the fittest"-mentality, the informant began to bridge strong relational ties to non-local actors to ensure local value creation.

Summary
It has become evident that most of the rural businesses in this research need and effectively use non-local relations to access the necessary release of resources, here referred to as bridging practices. These practices involve building strong ends-means relationships with

non-local resource holders to enable local opportunities and value creation. They are referred to as bridging practices because non-local resources are externally sought in order for them to seize local opportunities and ensure local value creation. As previously mentioned, these practices seem to emerge whenever the local spatial context is perceived as restricting the business' ability to build strong relationships with local actors.

4.2.7 Overall summary and interpretation

We found that all the businesses in our sample pointed to both restricting and enabling contextual factors that influenced their business. Although we found more mentions of the context being restricting, both seemed to be highly connected to the spatial characteristics of the place. Showcasing why applying a spatial context to understand entrepreneurial processes is so important.

Regarding embedding practices, we managed to discover three overarching dimensions that summarise how the rural businesses in the North Cape attempt to embed themselves. Namely, *Build strong ends-means relationships with local resource holders, Find new or use traditional ways of combining local resources,* and *Show concern for the well-being of the place.* When analysing all three embedding practices, we found that the more concrete activities tied to each dimension varied by the level of embeddedness the business experienced in the local community. We also found examples that showcased how building strong ends-means relationships triggered the business to find new ways to combine local resources. These new combinations of resources enabled value for the rural businesses causing them to show a higher appreciation of the local resources and the place in general. This newfound concern for the well-being of the place enabled the rural businesses to establish new ends-means relationships with local resource holders or strengthen their preexisting relations. Building on this, we interpret that the three embedding practices from our findings can be viewed as a reinforcing process (see Figure 2).

We also found a sixth dimension that shows that rural businesses affected by the restricting contextual factors to a larger degree felt the need to bridge to non-local relations to enable local opportunities and value creation. Although, we know from Müller and Korsgaard (2018) that many rural businesses are forced to seek out non-local relations to access resources that are not locally available. We also found that several of the rural businesses in our sample mentioned that the restricting contextual factor of social divides in the local

community was the main reason they initiated bridging practices. Since their ability to build ends-means relationships with local actors was restricted, we found that the rural businesses utilised bridging as a substitute. This allowed the rural businesses to continue the process of PE, only through also relying on non-local resources and resource holders.
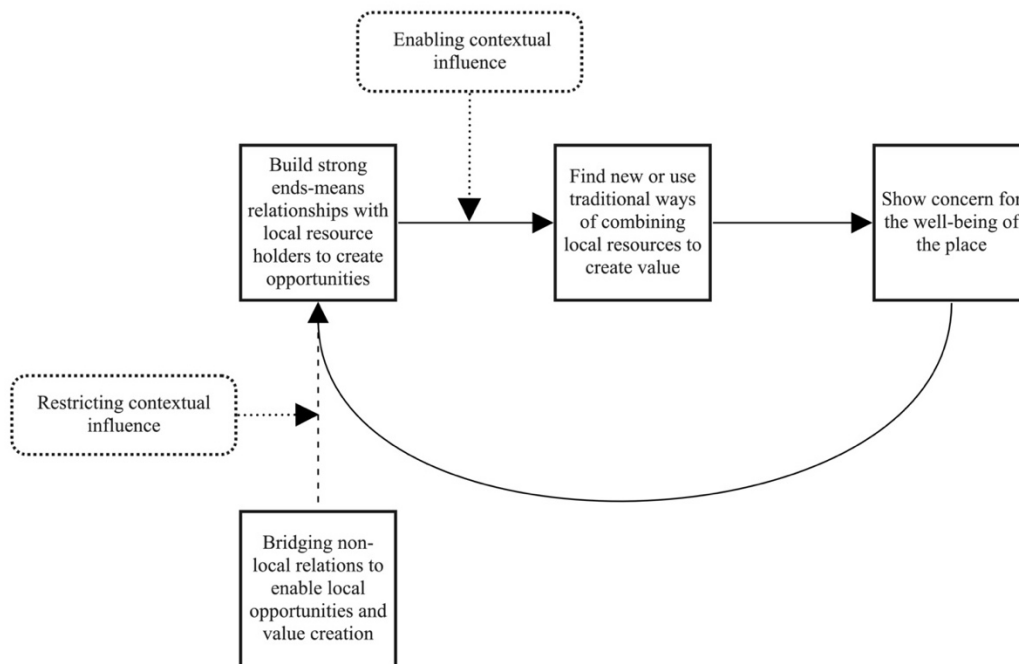

Figure 2: The process of creating opportunities and value through placial embeddedness

5.0 Discussion

The aim of this research has been to explore our main RQ, which deals with how rural businesses create opportunities and value through placial embeddedness. In order to answer this, we have constructed two sub-RQ´s from our theoretical foundation. The first one is in regards to how the process of PE can be perceived as enabling or restricting opportunities and value creation. While the second one is in regards to how rural businesses placially embed themselves through RM. The two sub-RQ´s will be used to guide the discussion and to see whether our findings are consistent with the theoretical contributions presented in chapter 2.0.

5.1 Contextual influence on embedding practices

One of our goals with this research has been to contribute to and test the new term of PE conceptualised by Korsgaard et al. (2015a) and how rural businesses perceive PE as enabling or restricting opportunities and value creation. We have also wanted to contribute to the concept of rural entrepreneurship by using Korsgaard et al.'s (2015b) understanding of RE as a phenomenon that belongs to and is intimately connected and engaging with a specific place. This ultimately reconnects with PE as two processes defined by their local spatial context (Korsgaard et al., 2015a+b). This leads us back to our RQ1:

How do rural businesses experience that placial embeddedness enables or restricts opportunity and value creation?

We have discovered that the local spatial context has both enabling and restricting contextual influences on the place and the rural businesses. It might appear from Figure 2 that the first embedding practice and the bridging practice are the only ones influenced by the contextual factors. However, the reality is that the context influences the whole embedding process and not simply one or two practices. In this subchapter, we have chosen to highlight two examples of when the local spatial context is perceived as enabling or restricting the businesses´ embedding processes. We chose the following two examples because they were the most prominent discovered in our findings. The first example illustrates that the enabling contextual influences seem to support the embedding practice of building strong ends-means relationships with local resource holders, which leads to the creation and discovery of opportunities (see Figure 2). We found that the rural businesses of our sample who managed to utilise the enabling context also found it easier to placially embed themselves. This might be through exploiting the resources in the place or promoting the business through the well-known place brand. In regards to the research of Korsgaard et al. (2015a+b), this might be explained as the rural businesses' way of engaging with the rural location in which they reside. By partaking in RE, the rural businesses interact with the place through local resources, which according to Korsgaard et al. (2015a), makes the businesses more likely to become placially embedded. Therefore, we argue that rural businesses who view the context as enabling find it easier to engage with the place, making them more likely to create opportunities and value through PE. The second example that illustrates how the rural businesses experience that the restricting context influences their business seems to derive

from when the local spatial context restricts the creation of new strong ends-means relationships with local resource holders. We found that this ultimately forces some actors to seek non-local relations to enable local resources and opportunities. The shift from undertaking embedding practices to bridging practices might be explained by the liabilities of being located in a peripheral area and the social divides that we found to limit the businesses' openness to establish local collaborations.

The most prominent factors where the local spatial context has an enabling influence on opportunities and value creation stems from the resource-rich location, the well-established place brand, and the region's geographical location. Seeing that all the rural businesses utilise the well-established place brand, as well as the abundant main resources of fish and crab, this suggests that the businesses have a strong understanding of the local resources and how to access them, in line with PE as presented by Korsgaard et al. (2015a). This also supports the theoretical framework by Korsgaard et al. (2015b) concerning RE. By utilising the physical resources found locally, the businesses become intimately connected and engaged with the place. Considering the region's size and the small population, the local spatial context enables distinct proximity to the main resources and its resource holders for the rural businesses. This has eventually led to the creation of several businesses that draw on and thrives off more or less the same main resources.

The most prominent factors that restrict opportunities and value creation amongst the rural business seem to be caused by the liabilities that come with residing in a peripheral area. Because the rural environment enclosing the place is both of Arctic nature and weather, and being affected by institutional thinness, it has created social divides. This has ultimately affected the composition of local social relations and networks. Therefore, we argue that the liabilities that come with peripherality hinder the creation of new strong ends-means relationships with local resource holders. Müller and Korsgaard (2018) argue that it is natural for rural businesses to seek out more "specialised" non-local resources because of the institutional thinness often associated with rural areas. However, our findings suggest that in the North Cape, the businesses do not simply find it challenging to establish cooperations with other local businesses because of the typical liabilities that come with being peripheral, as mentioned by Müller and Korsgaard (2018). The little flexibility in the local business environment has resulted in a "survival of the fittest"-mentality, which has made it harder for the local businesses to cooperate. Taking this into perspective, we consider both the enabling and restricting factors to have a double-edged quality. Especially considering that the

resource abundance is what ensures the rural businesses value creation, it also intensifies the competition between actors.

5.2 Embedding and bridging practices

Throughout this study, one of our goals has been to contribute to a better understanding of rural businesses' use of embedding practices. From the research field, many have pointed to the value of being embedded in the local community, but few have managed to concretise how exactly businesses can achieve this form of embeddedness (Jack & Anderson, 2002; Kalantaridis & Bika, 2006a; Korsgaard et al., 2015a). During our abductive multiple case study in the North Cape, we have utilised both Korsgaard et al.'s (2015a+b) theoretical concept of PE and RE and the theoretical framework of RM by Vestrum and Rasmussen (2013) as a starting point to further explore what type of embedding practices rural businesses utilise. In this chapter, we will discuss our findings related to our second sub-research question. We will also compare the embedding and bridging practices found in our research against the theoretical framework presented earlier (Korsgaard et al., 2015a+b; Vestrum and Rasmussen, 2013). The sub-research question that ultimately will guide this discussion is RQ2:

How do rural businesses placially embed themselves through resource mobilisation?

Through our findings, we have discovered three embedding practices: *Build strong ends-means relationships with local resource holders*, *Find new or use traditional ways of combining local resources*, and *Show concern for the well-being of the place*. These three dimensions are presented in relation to each other in the process illustrated in Figure 2. Based on this process, we intend to discuss the findings related to each embedding practice in succession, starting with *Build strong ends-means relationships with local resource holders.*

It is no coincidence that we begin this discussion with the first embedding practice: *Build strong relationships with local resource holders*. Much like in the findings of Vestrum and Rasmussen (2013), RM depends on trusted relationships between the business and the relevant resource holders to create opportunities for the business. According to the authors, it is through building such relationships that rural businesses can discover new opportunities to recombine resources in order to create value. In fact, the authors named one of the embedding tactics that they found: "Building trust through strong relationships"

(Vestrum & Rasmussen, 2013), which in many ways forms the foundation for our suggested embedding practice. In order to substantiate the finding of building strong relations with local resource holders, we turn to Korsgaard et al. (2015a+b), who also have highlighted the importance of building strong ends-means relationships. According to Korsgaard et al. (2015a), creating ends-means relationships is the very definition of creating opportunities. The authors state that through building personal relationships with local resource holders, you get a more intimate knowledge of the available resources, which can also increase your sense of belonging in the local community. For example, we found that one rural business managed to increase the offer of activities that they promote to tourists because of a previous work relationship that the informant had with a larger tourist actor on the island. This example perfectly embodies what is illustrated in the research of both Korsgaard et al. (2015a+b) and Vestrum and Rasmussen (2013) because of the intimate knowledge the rural business achieves through the relationship with their previous employer. Additionally, we found the businesses to use different embedding practices such as engaging family members, recruiting through existing networks, collaborating to strengthen local business, and sharing resources with other local businesses. Through these types of embedding practices, the rural businesses discovered new opportunities, which led them to the next step in the embedding process.

While the first step in the embedding process, as presented above, shared similarities with both the findings of Vestrum and Rasmussen (2013) and Korsgaard et al. (2015a+b), the second step is characterised by some differences. The second embedding practice is: *Find new or use traditional ways of combining local resources.* This dimension ensures the rural businesses' value creation. As the previous step helps rural businesses discover and create opportunities based on relationships, this next step enables actual value creation. Our findings suggest that the rural businesses have two preferred practices of combining resources to create viable products and services. The first is a more traditional approach, while the second is more concerned with introducing novel products, services, and ideas. Much like Korsgaard et al. (2015a), we agree that the rural businesses managed to become more acquainted with the accessible resources on the island by residing in the place. This proved to generate both traditional and new products and services that bring out the particularities of the place (Korsgaard et al., 2015a). An example of this is where a fishery business managed to create a QR-system that allowed their customers to trace the history and journey of the fish, ultimately adding value to the business while also promoting the place. This example also shows how the business improves the resource flow efficiently. Vestrum and Rasmussen (2013) introduced the activity of "improving the resource flow for more than one actor" as a

part of their embedding strategy. However, we have unsuccessfully identified this type of activity among the businesses in our sample. This may be caused by the ongoing disputes and social divides found in the restricting local spatial context. Although the businesses in our sample did not combine resources to improve the overall flow of resources amongst different actors in the region, they found other ways of showing their concern for the well-being of the place, which will be discussed in the next chapter.

The third and final step of the proposed embedding process of the rural businesses in the North Cape is to: *Show concern for the well-being of the place.* This embedding practice is also found in the embedding strategy of Vestrum and Rasmussen (2013). The authors promote this activity as: "Sharing goals with the local community", which also can be found as a second order theme supporting our dimension. We interpret from Vestrum and Rasmussen's (2013) activity description that by sharing goals with the community, the rural businesses show both a sense of belonging and a concern for the well-being of the place. In addition to sharing goals with the local community, which in praxis might be through political engagement or demonstrating the business' social value. The rural businesses also showed a concern for the well-being of the place by investing in it. The investments in the local community were found to be of both direct and indirect nature, where the latter resulted in spillovers from investments in the informants' own business to the local community. One such example is the fishery business that chose to expand the business and create 70-80 new job opportunities. Although this example promotes the second order theme of investing in the local community, it might also be an example of a business that shares goals with the local community. Since the North Cape suffers from depopulation, we claim that a business that chooses to invest and provide 70-80 new jobs to the place certainly shows a concern for the well-being of the place. This importance of showing a concern for the well-being of the place is also emphasised by Korsgaard et al. (2015a+b) as an essential part of becoming placially embedded. We would also like to go as far as arguing that rural businesses that feel a sense of belonging and care for the place might achieve a higher degree of PE. By showing that they do not simply see the place as a space to earn profits but rather as a meaningful location, we find that the rural businesses experience a greater degree of embeddedness. In turn, we also found that the businesses who genuinely showed a concern for the well-being of the place also established several new ends-means relationships and increased their intimate knowledge of the local resources. Thereby causing us to present the embedding process as a reinforcing cycle, which over time can ensure more opportunities to create value, and a growing desire to take care of the place.

During our multiple case study in the North Cape, it quickly became evident that the rural businesses were dependent on many non-local resources. We assumed to find non-local resources being utilised because of the contextual restrictions of being located in a rural area (Müller & Korsgaard, 2018). However, we were surprised to find that almost all the rural businesses relied heavily on non-local resources. Most of the businesses effectively bridged non-local relations to enable local opportunities and value creation. As shown in Figure 2, the bridging practice we found seems to emerge whenever the local spatial context was perceived as restricting the rural businesses. We acknowledge that the restricting context is primarily due to liabilities of peripherality and social divides in the community. Many of our informants neglected to mention the community's social divides as why they adopted a bridging practice. We still found evidence that the rural businesses were more prone to bridge non-local relations because it was easier given the characteristics of the local spatial context (Müller and Korsgaard, 2018). In light of our findings, we believe that the bridging practice, described in the sixth dimension, should be viewed as a substitute to the first embedding practice in the embedding process, as illustrated in Figure 2. The reason being that after the rural businesses had established relations with non-local resource holders, they proceeded to the next step in the process of creating opportunity and value through PE. Only now, they combined the local resources of the place with the non-local resources which they accessed through their bridging practices. Müller and Korsgaard (2018) state that businesses who manage to use a combination of both embeddedness and bridging practices might be subject to not only creating value for themselves but also for the local place. We agree with the authors that after the businesses combined their local and non-local resources, they continued to the third step of the embedding process.

5.3 Summary of discussion

As mentioned at the beginning of this chapter, we have been exploring our main RQ:

> *How do rural businesses create opportunities and value through placial*
> *embeddedness?*

To summarise our discussion, we found that the rural businesses in this research create opportunities and value through PE by engaging in a process consisting of three different embedding practices in a reinforcing cycle. The first step in the embedding process includes

the forming of strong relations with local resource holders. Through these relations, the rural businesses become aware of opportunities in the local place. They are also provided with a way of increasing their intimate knowledge of the accessible resources in the place. The second step of combining resources is where the rural businesses utilise the strong relationships and knowledge of resources from the previous step to create traditional or new products and services that will ensure value creation for the business. Finally, the third step of the embedding process is where the business shows concern for the well-being of the place through having a sense of belonging. We found clear evidence that the embedding process is highly affected by the local spatial context in which the businesses operate. The businesses pointed to the local spatial context as both restricting and enabling the business´ opportunity and value creation. The perception seems to be double-edged because some of the restricting factors are also perceived as enabling. For example, the proximity to the abundant physical resources and raw materials of the place has established the perception of the North Cape as a resource-rich location and contributes to the unique place brand. However, the distant location creates double-edged factors such as institutional thinness, little flexibility in the business environment, and depopulation. The spatial context of the island has ultimately led to the creation of social divides within the municipality, which has made many of the rural businesses prone to explore and establish non-local relations to enable local opportunities and value creation.

6.0 Conclusion

Through a multiple case study of rural businesses in the North Cape, this thesis has explored how the businesses experience that being placially embedded affects their ability to create opportunities and value. We have also explored how businesses become placially embedded through different embedding practices in a local spatial context. All based on the following research question:

> *How do rural businesses create opportunities and value through placial embeddedness?*

By applying the theoretical concepts of placial embeddedness (Korsgaard et al., 2015a) and resource mobilisation (Vestrum & Rasmussen, 2013), we found that the rural businesses

created opportunities and value through three different embedding practices. Namely, *Build strong ends-means relationships with local resource holders*, *Find new or use traditional ways of combining local resources*, and *Show concern for the well-being of the place*. By considering the three practices in relation to each other, we discovered what might be understood as a reinforcing embedding process consisting of three steps. In the first step, the rural businesses formed new relationships with relevant local resource holders, leading them to discover and create opportunities by gaining a more intimate knowledge of the resources in the place. The second step allows the rural businesses to use these relationships and intimate knowledge to create new products or services that ensure value creation for the business. Finally, with the third step, we discovered that by becoming placially embedded, the businesses attain a greater sense of belonging, which leads the businesses to care for the well-being of the place. This results in the further creation and maintenance of strong relationships between local actors, ultimately causing a reinforcing effect on the embedding process. However, we also discovered that the embedding process was highly influenced by both the enabling and restricting contextual factors of the place. While the enabling context supports the businesses in their quest to create value from local opportunities, the restricting context makes the businesses more likely to substitute the first step of the embedding process with *Bridging non-local relations to enable local opportunities and value creation.* Nonetheless, we found that engaging in bridging practices did not prevent the rural businesses from continuing the process of becoming placially embedded.

6.1 Practical implications

Considering that the motivation for this thesis was based on a request by NCM, we wanted to ensure that our findings had relevance regarding the continued development of businesses operating within the region. Although our research is theoretical, we have gathered knowledge-intensive data through our narrative interviews that potentially can help NCM and private actors on the island to gain a deeper understanding of how the local spatial context affects them. The findings could also be relevant in creating business strategies for the local business environment in the municipality.

Even though many of the businesses in our sample do not have an intentional approach to their embedding process, we believe they can get a deeper insight into which embedding practices they utilise today. By reading this thesis, we hope that the rural businesses in the North Cape might be inspired to adopt new embedding practices and see the value of creating

strong relationships with other local actors. This can contribute positively to creating new opportunities and ensuring further value creation.

6.2 Limitations

Considering the highly contextual focus of our multiple case study, our findings might not be directly applied to other spatial contexts. However, even though the local spatial context of the North Cape can be perceived as very distinct because of its unique peripheral location, we believe that the embedding practices identified from our analysis make a positive addition to the field of rural entrepreneurship. Although our findings are highly context-specific, the theoretical contribution from our research can be generalised back to existing theory in the field of research.

Building on the choice of methods, this has also proven to be a limitation in the applicability of our findings to other settings. Disregarding the significant influence we found that context has on embedding processes, the small sample in itself might prove to be a limitation. However, keeping in mind that our intention has been to get a deeper understanding of the phenomenon of PE through the rural businesses' own experience.

6.3 Recommendations for future research

After finalising this thesis, we have found the field of rural entrepreneurship and embeddedness to become increasingly interesting. However, there is a need to undertake more research projects that combine research on embeddedness with a local spatial context. By undertaking similar studies focused on concretising embedding practices that rural businesses utilise to become placially embedded, we believe that this most definitely will result in the discovery of other embedding practices. These potentially new embedding practices might be the outcome of other local spatial contexts and samples than what is presented in this thesis. Therefore, it can provide a more diversified understanding of the phenomenon.

Additionally, we call for more research on bridging practices, as this proved to be as prominent amongst the rural businesses of our sample as the embedding practices. This could potentially provide relevant insights into how rural businesses can create even more opportunities and value for their business.

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8.0 Appendix

8.1 Interview guide (in english)

1. **Welcoming the informant**

2. **Set structure for interview**

3. **Tell the story - transitional question**

    a. Can you tell us the story of your rural business and how you came to work here?

    b. What product/service do you deliver?

    c. What is the story behind the product/service?

    d. Why was the business established here in the North Cape?

    e. How was it to establish yourself/your business in the North Cape?

    f. What opportunities or barriers did you experience when establishing the business, and today?

4. **Focusing - Key questions**

    You deliver [product or service]...

    a) What would you say are the most important local resources that enable the value creation of [product/service]?

    b) In what way have [resource 1, resource 2, etc.] been important for your value creation? (Give examples)

    c) How did you acquire these local resources?

    d) Did you establish any corporations to acquire these resources and/or further develop you [product/service]?

    e) If so, how did you initiate and build these relations and/or networks?

    f) What are the most important non-local resources that your business depends upon?

    g) Where were [resource a, resource b, etc] located, and how did you acquire them?

    h) Taking into account where your business is today, how do you view your access to these local or non-local resources in the future?

    i) What do you see as possible opportunities and/or barriers to operate here in the North Cape in the future?

5. **Concluding the interview**

8.2 Operationalisation of interview guide

	Interview guide divided to showcase operationalisation	
Research questions	**Interview questions**	**Main topics of conversation**
RQ1: How do rural businesses experience that placial embeddedness enables or restricts opportunity and value creation?	- Can you tell us the story of your rural business and how you came to work here? - What product/service do you deliver? - What is the story behind the product/service? - Why was the business established here in the North Cape? - How was it to establish yourself/your business in the North Cape? - What opportunities or barriers did you experience when establishing the business, and today?	Story of rural business & Story of informant
RQ2: *How do rural businesses placially embed themselves through resource mobilisation?*	You deliver [product or service]... - What would you say are the most important local resources that enable the value creation of [product/service]? - In what way have [resource 1, resource 2, etc.] been important for your value creation? (Give examples)	The most important local resources
RQ2	- How did you acquire these local resources? - Did you establish any corporations to acquire these resources and/or further develop you [product/service]? - If so, how did you initiate and build these relations and/or networks?	The location and mobilisation of local resources
RQ2	- What are the most important non-local resources that your business depends upon? - Where were [resource a, resource b, etc] located, and how did you acquire them?	The location and mobilisation of potential non-local resources
RQ1	- Taking into account where your business is today, how do you view your access to these local or non-local resources in the future? - What do you see as possible opportunities and/or barriers to operate here in the North Cape in the future?	Future opportunities and barriers

8.3 Letter of consent (in norwegian)

Vil du delta i forskningsprosjektet:

«Fra hjørnesteinsbedrifter til hjørnesteinsressurser»?

Dette er et spørsmål til deg om å delta i et forskningsprosjekt hvor formålet er å kartlegge hvilke stedbundne ressurser som inngår i din virksomhets daglige drift, og hvordan disse ressursene anskaffes eller mobiliseres. I dette skrivet gir vi deg informasjon om målene for prosjektet og hva deltakelse vil innebære for deg.

Bakgrunn og formål
Våre navn er Marte Sivertsen og Erik Burman. Vi er masterstudenter innen studieprogrammet entreprenørskap og innovasjon ved Norges miljø- og biovitenskapelige universitet (NMBU). Formålet med masteroppgaven er å studere hvordan små og mellomstore bedrifter skaper muligheter og verdi ved å mobilisere og forankre sine ressurser. Vår problemstilling er derfor:

- Hvordan skaper rurale bedrifter muligheter og verdi gjennom stedlig forankring?

Opplysningene skal hovedsakelig samles inn i tilknytning til masterprosjektet, men det skal lagres på en felles server med hele masterklassen hvor dataene (anonymisert) kan brukes til videre forskning via NMBU.

Ansvarlig for forskningsprosjektet
NMBU er ansvarlig for prosjektet, som er en del av en tverrfaglig masterklasse i Nordkapp kommune. Nordkapp kommune er dermed involvert som en samarbeidsaktør.

Hvorfor får du spørsmål om å delta?
Basert på forskningsprosjektets tematikk og begrensninger har vi gjort et utvalg av relevante aktører innen fiskeri- og turistnæringen i Nordkapp. Vi har mottatt din kontaktinformasjon fra representanter i kommunen, som mener du besitter nødvendig kunnskap og relevant erfaring om vår tematikk.

Hva innebærer det for deg å delta?
Hvis du velger å delta i prosjektet innebærer dette å sette av ca en time til deltakelse i et intervju. Intervjuet vil inneholde spørsmål om ressursene deres virksomhet har og hvordan dere har muliggjort ressursene og ressursbruken. Vi vil få be om mulighet til å ta lydopptak av intervjuet for å forenkle transkriberingen, og vil kunne sende over intervjutranskript for gjennomlesning og revidering i etterkant av intervjuet. Merk at vi gjerne ønsker å se på deres fasiliteter eller annen type omvisning av lokalsamfunnet dersom det er mulig.

Det er frivillig å delta
Det er frivillig å delta i prosjektet. Hvis du velger å delta, kan du når som helst trekke samtykket tilbake uten å oppgi noen grunn. Alle dine personopplysninger vil da bli slettet.

Det vil ikke ha noen negative konsekvenser for deg hvis du ikke vil delta eller senere velger å trekke deg.

Ditt personvern – hvordan vi oppbevarer og bruker dine opplysninger
Vi vil bare bruke opplysningene om deg til formålene vi har fortalt om i dette skrivet. Vi behandler opplysningene konfidensielt og i samsvar med personvernregelverket.

Alle i prosjektgruppen «Masterklasse Nordkapp» vil ha tilgang til innsamlede data, dette involverer 8 studenter og 2 veiledere ved NMBU. Opplysningene vil lagres på en sikret forskningsserver tilhørende universitetet hvor det kun er medlemmer i prosjektgruppen som vil ha tilgang. Navnet og kontaktopplysningene dine vil vi også erstatte med en kode som lagres på egen navneliste adskilt fra øvrige data. I selve masteroppgaven vil alle data anonymiseres slik at dere ikke vil bli gjenkjent.

Hva skjer med opplysningene dine når vi avslutter forskningsprosjektet?
Opplysningene anonymiseres når prosjektet avsluttes og oppgaven er godkjent, noe som etter planen skjer i slutten av mai. Etter prosjektslutt vil opplysningene lagres på sikret server ved NMBU i ca. 10 år, og vil kunne bli brukt i senere forskning av medstudenter/veiledere på prosjektet.

Dine rettigheter
Så lenge du kan identifiseres i datamaterialet, har du rett til:
- innsyn i hvilke personopplysninger som er registrert om deg, og å få utlevert en kopi av opplysningene,
- å få rettet personopplysninger om deg,
- å få slettet personopplysninger om deg, og
- å sende klage til Datatilsynet om behandlingen av dine personopplysninger.

Hva gir oss rett til å behandle personopplysninger om deg?
Vi behandler opplysninger om deg basert på ditt samtykke.

På oppdrag fra NMBU har NSD – Norsk senter for forskningsdata AS vurdert at behandlingen av personopplysninger i dette prosjektet er i samsvar med personvernregelverket.

Hvor kan jeg finne ut mer?
Hvis du har spørsmål til studien, eller ønsker å benytte deg av dine rettigheter, ta kontakt med masterstudentene eller noen av disse ved NMBU:
- Hovedveileder:
  Elin Kubberød, tlf.: +47 41 04 24 35, e-post: elin.kubberod@nmbu.no
- Biveileder:
  Marius Grønning, tlf.: +47 67 23 12 25, e-post: marius.gronning@nmbu.no
- Vårt personvernombud:

Hanne Pernille Gulbrandsen, Tlf.: +47 402 81 558, e-post:
personvernombud@nmbu.no

Hvis du har spørsmål knyttet til NSD sin vurdering av prosjektet, kan du ta kontakt med:
- NSD – Norsk senter for forskningsdata AS på epost (personverntjenester@nsd.no)
  eller på telefon: 55 58 21 17.

Med vennlig hilsen

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Samtykkeerklæring

Jeg har mottatt og forstått informasjon om prosjektet *«Fra hjørnesteinsbedrifter til
hjørnesteinsressurser»* og har fått anledning til å stille spørsmål. Jeg samtykker til:

- ☐ å delta i intervju
- ☐ at mine personopplysninger lagres etter prosjektslutt, til eventuell fremtidig forskning
  på feltet

Jeg samtykker til at mine opplysninger behandles frem til prosjektet er avsluttet

----
(Signert av prosjektdeltaker, dato)