Norwegian University of Life Sciences
Faculty of Chemistry, Biotechnology and Food Science

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# Local food entrepreneurs in Norway: Case studies on successful practices for network learning and market development

## Lokalmatentreprenører i Norge: Casestudier av vellykket praksis for markedsutvikling og læring i nettverk

Stine Alm Hersleth

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Stine Alm Hersleth

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# Abbreviations and Definitions

| | |
|---|---|
| COI | Community of Inquiry |
| EL | Entrepreneurial Learning |
| EM | Entrepreneurial Marketing |
| EMM | Entrepreneurial Marketing Mix |
| EO | Entrepreneurial Orientation |
| EU | European Union |
| EUR | Euro |
| FEMM | Farm-based Entrepreneurs' Marketing Mix |
| FFL | Norwegian Fund for Research Fees for Agricultural Products |
| FLN | Facilitated Learning Network |
| GDPR | General Data Protection Regulation |
| HORECA | Hotels, Restaurants and Canteens |
| KBM | Faculty of Chemistry, Biotechnology and Food Science |
| NOFIMA | Norwegian Food Research Institute |
| NORSI | Nordic Research School in Innovation and Entrepreneurship |
| NMBU | Norwegian University of Life Sciences |
| NOK | Norwegian kroner |
| NSD | Norwegian Centre for Research Data |
| OECD | Organisation for Economic Co-operation and Development |
| PHD | Philosophiae Doctor |
| REKO | Rettferdig Konsum (Fair Consumption) |
| SME | Small and medium-sized enterprise |

# List of Papers

1. Hersleth, S. A., Kubberød, E., & Gonera, A. (2022). Informal social learning dynamics and entrepreneurial knowledge acquisition in a micro food learning network. *The International Journal of Entrepreneurship and Innovation.* https://doi.org/10.1177/14657503221086099

2. Hersleth, S. A., Kubberød, E., & Gonera, A. (2022). The farm-based entrepreneur's marketing mix: a case study from the local food sector. *Journal of Research in Marketing and Entrepreneurship*, *24*(1), 176-194. Doi:10.1108/JRME-12-2020-0166

3. Hersleth, S. A., Gonera, A., & Kubberød, E. (2023). Micro-businesses in the driver's seat: a qualitative study of market-driving practices in the food sector. Accepted for publication (April 19th 2023) in *Journal of Small Business and Enterprise Development*. https://doi.org/10.1108/JSBED-06-2022-0280

# Summary

Local food has been compared to a "quiet culinary revolution" in Norway, one initiated by a governmental strategy more than 20 years ago. The aim was to provide more local specialties—"food and drink products with a defined origin and local identity or with distinct qualities based on recipes, processes or tradition" (Norwegian Food Foundation, 2019)—in the Norwegian market. Since then, local food and drinks have attracted a substantial number of farm-based food entrepreneurs, contributing to value creation and market sales of 11.5 billion NOK in 2022 (Norwegian Food Foundation, 2022).

The food sector in Norway is a highly competitive market due to high tolls and taxes, efficiency-focused prominent industry actors, and only three dominating grocery chains controlling the national market (Organisation for Economic Co-operation and Development [OECD], 2020). Local food, therefore, provides an intriguing option for customers who value variety. The interest from customers, producers, and policymakers is therefore growing in both direct-to-consumer markets and the grocery market (Low et al., 2015). In these past 20 years of local food, many new direct-to-consumer markets have been introduced, like the farmers' markets, farm shops, Internet sales, REKO rings[1], and gourmet food stores, where local food entrepreneurs can utilize direct customer contact to build unique relationships (Milford et al., 2021).

Many researchers have targeted the progress of local food in the Norwegian market as an interesting phenomenon, studying customer preferences and adoption, supply

[1] REKO is short for the Swedish “Rejäl Konsumtion”, a direct-sales channel based on social media.

chain parameters, and governmental policy or sales channels (e.g., Bentsen & Pedersen, 2020; Dreyer et al., 2016; Halkier et al., 2017; Milford et al., 2021; Skallerud & Wien, 2019). However, little is known about the activities or practices used by local food entrepreneurs to build their businesses, develop innovative food specialties, and enter the market. The thesis contributes to the field of rural entrepreneurship through a practice-based perspective. Its main contribution is its development and expansion of theoretical frameworks on farm-based entrepreneurship. The thesis draws upon several theoretical lenses to study and identify successful practices for entrepreneurial activity in local food farm-based businesses. More specifically, the thesis aims to improve researchers' understanding of how local food entrepreneurs utilize their place specific farm-based resources, become food producers, and learn to build a market for their unique products. Three branches of entrepreneurship literature will be explored to enhance our understanding of this topic: social entrepreneurial learning, entrepreneurial marketing, and entrepreneurial orientation/market-driving. Three research papers appended to the thesis address this further, using local food and farm-based businesses in Norway as the research context for discussion of a range of theoretical and applied topics in entrepreneurship literature. The first paper contributes to the social entrepreneurial learning literature by advancing a community learning perspective for farm-based entrepreneurs who build businesses based on their local farm resources. It identifies social learning mechanisms and learning outcomes for the individual entrepreneur. The second paper contributes to entrepreneurial marketing literature by identifying market development practices used by entrepreneurs in a farm-based micro-business context. The third paper contributes to the market-driving literature by identifying pioneering practices leading to market expansion. Further, this thesis demonstrates that policy, society, and academic institutions can support entrepreneurial activity and improve practitioners' learning within an industry.

The three papers are:

**Paper 1, Informal social learning dynamics and entrepreneurial knowledge acquisition in a micro food learning network**, focuses on the social perspectives on entrepreneurial learning by considering the informal learning dynamics and outcomes in a facilitated learning network targeting farm-based businesses within the local food industry. This research builds new theoretical and empirical knowledge on the contributions of a facilitated learning network as a community of inquiry to support entrepreneurial knowledge acquisition. A single embedded case study was

chosen as the research design, focusing on the Competence Network for Local Food Production (the facilitated learning network) with 12 farm-based food entrepreneurs within meat production as the embedded units. The units represented different experiences and frequencies of interaction with the facilitated learning network. The founder-managers from the embedded units were interviewed, reflecting on their learning from others. Findings show that informal regulating mechanisms for knowledge sharing influence social entrepreneurial learning. Enabling a community of inquiry to develop within the learning network increased the knowledge acquisition, and potential learning outcomes, for the individual entrepreneur. A conceptual framework was developed to show informal knowledge-sharing mechanisms and the local food entrepreneurs' entrepreneurial knowledge acquisition in a community of inquiry.

**Paper 2, The farm-based entrepreneur's marketing mix: a case study from the local food sector**, explores the market creation practices of farm-based entrepreneurs in the local food sector. A multiple case study with 11 successful farm-based entrepreneurs from 10 micro-businesses in Norway was chosen to conduct in-depth retrospective interviews with the founder-managers. We found that the farm-based entrepreneurs used slightly different entrepreneurial marketing practices depending on their purpose to transfer or transform their farms. A framework: the farm-based entrepreneur's marketing mix (FEMM) was developed. The practices described using FEMM (person, purpose, practices, and process) can be used to illustrate how local food entrepreneurs create and expand the markets for their unique products.

**Paper 3, Micro-businesses in the driver's seat: a qualitative study of market-driving practices in the food sector**, marks the fact that food micro-businesses (farm-based food entrepreneurs), despite their resource constraints, manage to drive markets using market-driving practices. They build new product categories in the competitive grocery market and thus contribute to market expansion with their innovative local food products. In a multiple case study, four pioneering food micro-businesses within the Norwegian local food sector were analyzed, building on in-depth interviews with the individual founder-managers. We found that food micro-businesses can disrupt the grocery market using pioneering market-driving practices by taking significant personal risks and following their passion, being innovative, and creating passionate unique value propositions. Local food entrepreneurs proactively and perseveringly build new categories in the grocery market, not necessarily

outcompeting the larger industry but instead expanding the market by providing customers with unique local food products. The study offers a novel attempt to explore and conceptualize market-driving practices in a micro-business context. A framework for market-driving practices in the local food sector was developed.

Based on the identified practices in the three papers, an interesting dynamic interrelationship between social entrepreneurial learning, entrepreneurial marketing, and entrepreneurial orientation/market-driving literature was observed. All seemed to contribute in various ways to the successful community learning and market practices of the local food entrepreneurs. This underlines the fact that there is no "one size fits all" recipe for local food entrepreneurs' market success but that the entrepreneurs must learn, work and collaborate along several dimensions and apply a variety of practices in order to succeed.

# Sammendrag

Lokalmat har blitt sammenlignet med en "stille kulinarisk revolusjon" i Norge, initiert av en statlig strategi for mer enn 20 år siden. Målet var å tilby flere lokale matspesialiteter i det norske markedet: «mat- og drikkeprodukter med en lokal identitet, særegen opprinnelse eller spesielle kvaliteter knyttet til produksjonsmetode, tradisjon eller historie» (Norwegian Food Foundation, 2019). Siden den gang har lokalmat og drikke nådd et betydelig antall gårdsbaserte matentreprenører, og i 2022 bidro disse til en verdiskaping og omsetning på over 11,5 milliarder NOK (Norwegian Food Foundation, 2022).

Den norske matsektoren representerer et sterkt konkurranseutsatt marked på grunn av høye tollbarrierer, skatter og avgifter, en matindustri med stort fokus på kostnadsbesparelser og effektivisering, og kun tre dominerende dagligvarekjeder som kontrollerer det nasjonale markedet (OECD, 2020). Lokalmat representerer derfor et spennende alternativ for kunder som verdsetter større produktmangfold. Interessen for lokalmat, med hensyn til økt salg i direktesalgskanaler og i dagligvaremarkedet, er derfor økende hos forbrukere, aktører i matindustrien og politikere (Low et al., 2015). I løpet av de siste tjue årene har lokalmat ført til flere nye direktesalgskanaler, som bondens marked, gårdsmatbutikker, internettsalg, REKO-ringer[1] og delikatessebutikker, hvor lokalmatentreprenører kan bruke den direkte kundekontakten til å bygge unike relasjoner (Milford et al., 2021).

Forskere har tidligere studert lokalmatfenomenet med hensyn til kundepreferanser, logistikk og distribusjon, ulike salgskanaler og politikkutforming (f.eks. Bentsen & Pedersen, 2020; Dreyer et al., 2016; Halkier et al., 2017; Milford et al., 2021; Skallerud & Wien, 2019). Det er imidlertid lite kunnskap om hvilke aktiviteter eller praksiser som brukes av lokale matentreprenører når de etablerer sin virksomhet, utvikler innovative matspesialiteter eller markedsretter sine produkter. Denne avhandlingen bidrar til forskningen på ruralt entreprenørskap gjennom å ta et praksisbasert perspektiv. Hovedbidraget er utvikling og utvidelse av teoretiske rammeverk for entreprenørskap innen landbrukssektoren. Avhandlingen tar i bruk flere teoretiske linser for å studere og identifisere suksessfulle praksiser ved den entreprenørielle aktiviteten i lokalmatbedrifter. Spesifikt tar avhandlingen sikte på å øke forskernes forståelse av hvordan lokalmatentreprenører utnytter sine områdespesifikke og gårdsbaserte ressurser, blir lokalmat produsenter og lærer seg å markedsrette sine

unike produkter. Tre grener av entreprenørskapslitteraturen vil bli utforsket: sosial entreprenøriell læring, entreprenøriell markedsføring og entreprenøriell orientering/markedsdrivende («market-driving» på engelsk). Tre forskningsartikler vedlagt i denne avhandlingen vil utdype dette nærmere ved å benytte flere teoretiske, og anvendte, aspekter fra entreprenørskapslitteraturen, og ved å bruke lokalmat og norske mikrobedrifter som forskningskontekst. Den første artikkelen bidrar til litteraturen om sosial entreprenøriell læring ved å studere et læringsfellesskap for gårdsbaserte entreprenører som bygger en virksomhet basert på sine lokale gårdsressurser, identifisere sosiale læringsmekanismer og læringsutbytte for den enkelte entreprenør. Artikkel to bidrar til entreprenøriell markedsføringslitteratur ved å identifisere markedsutviklingspraksiser brukt av entreprenører i en mikrobedriftskontekst. Artikkel tre bidrar til litteraturen om markedsutvikling ved å identifisere banebrytende praksiser som fører til nye markedsmuligheter. Videre bidrar denne studien til bedre forståelse av at politikk, samfunn og akademiske institusjoner kan tilrettelegge for entreprenøriell aktivitet og bidra til kunnskapsutvikling for utøvere innen en bransje.

De tre artiklene som er vedlagt denne avhandlingen er:

**Artikkel 1, Informal social learning dynamics and entrepreneurial knowledge acquisition in a micro food learning network,** fokuserer på de sosiale perspektivene på entreprenøriell læring ved å vurdere den uformelle læringsdynamikken og -resultatene fra et tilrettelagt læringsnettverk rettet mot lokalmatbedrifter. Tolv gårdsbaserte entreprenører innen lokal kjøttproduksjon utgjorde analyseenhetene i en singel case studie, og eieren/entreprenøren i hver enkelt enhet ble intervjuet, der de reflekterte over sin egen læring fra andre. Vi fant ut at sosial entreprenøriell læring påvirkes av uformelle reguleringsmekanismer for kunnskapsdeling. Ved å gjøre det mulig for et utforskende fellesskap (Community of Inquiry) å utvikle seg innenfor læringsnettverket, økte kunnskapstilegnelsen og det potensielle læringsutbytte for den enkelte entreprenøren. Det ble utviklet et konseptuelt rammeverk som viser uformelle mekanismer for kunnskapsdeling og den enkelte lokalmatentreprenørs kunnskapsinnhenting i en Community of Inquiry.

**Artikkel 2, The farm-based entrepreneur's marketing mix: a case study from the local food sector**, utforsker markedsrettingspraksisen til gårdsbaserte entreprenører innen lokalmatsektoren. En multippel case studie med 11 vellykkede, lokalmatentreprenører fra 10 mikrobedrifter i Norge ble valgt for å gjennomføre dybdeintervjuer med de respektive eierne. Vi fant ut at lokalmatentreprenørene

brukte forskjellig entreprenøriell markedsføringspraksis avhengig av formålet, enten å videreføre eller å endre sin gårds produksjon. Et rammeverk, den gårdsbaserte entreprenørens markedsføringsmiks (FEMM), ble utviklet. Praksisen som beskrives ved bruk av FEMM (person, formål, praksis og prosess) kan brukes til å illustrere hvordan lokalmatentreprenører skaper, eller også utvider, markedet for sine unike produkter.

**Artikkel 3, Micro-businesses in the driver's seat: a qualitative study of market-driving practices in the food sector**, markerer det faktum at gårdsbaserte lokalmatbedrifter, til tross for ressursbegrensninger, klarer å påvirke markedet gjennom markedsdrivende praksiser. Slik etablerer de nye produktkategorier i det konkurranseutsatte dagligvaremarkedet og dermed bidrar til markedsekspansjon med sine innovative lokalmatprodukter. I en multippel case studie ble fire nyskapende mikrobedrifter innen norsk lokalmatsektor analysert basert på dybdeintervjuer med den enkelte eier og entreprenør. Vi fant ut at lokalmatbedrifter kan påvirke dagligvaremarkedet ved å bruke banebrytende markedsdrivende praksiser der de tar en betydelig personlig risiko og følger sin lidenskap, er innovative, og presenterer et emosjonelt og unikt verdiforslag. Lokalmatentreprenører er proaktive og utholdende i arbeidet med å skape nye kategorier i dagligvaremarkedet, og utkonkurrerer ikke nødvendigvis den større matindustrien, men utvider i stedet markedet ved å tilby kundene særegne lokalmatprodukter. Studien bidrar med et forsøk på å utforske og konseptualisere markedsdrivende praksiser i en mikrobedriftskontekst. Det ble utviklet et rammeverk for markedsdrivende praksiser i lokalmatsektoren.

Basert på de tre artiklene ble det observert en interessant dynamisk sammenheng mellom sosial entreprenøriell læring, entreprenøriell markedsføring og entreprenøriell orientering/markedsdriving, der alle tre greiner av litteraturen så ut til å bidra til vellykket nettverkslæring og markedspraksis hos de lokale matentreprenørene. Dette understreker det faktum at det ikke finnes noen «one size fits all» oppskrift for lokale matentreprenørers markedssuksess, men at entreprenørene må lære, jobbe og samarbeide langs flere dimensjoner og anvende en rekke praksiser for å lykkes.

# 1 Introduction and Objectives

The food industry is essential all over the world. Climate change, the COVID-19 pandemic, and the war in Ukraine have led to a more unstable and vulnerable food supply worldwide (World Food Program, 2022). The situation also affects Norway, where as much as 60% of food is based on imported goods (Risbråthe, 2020). These issues have led to an increased political focus on food production and self-sufficiency, including at the local level (Government of Norway, 2022a). The United Nations Sustainable Development Goals, signed in 2015, emphasize the importance of sustainable food production by committing world leaders to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity (European Commission, 2022; United Nations [UN], 2015). Food and food production play an important role in future solutions: the 17 goals listed include improved agricultural productivity and income of small-scale food producers and farmers (Goal 2) and improved support for entrepreneurship, creativity, and innovation that leads to the formalization of micro-, small-, and medium-sized enterprises (Goal 8). These two goals are relevant to this thesis, which considers successful practices for network learning and market development, and thus success as a small-scale business in the local food industry.

In the EU as well as in Norway (SMB Norway, 2022), small and medium-sized enterprises[2] (SMEs) represent about 99% of all businesses (European Union [EU],

[2] Following the EU definition of SMEs, a microenterprise employs fewer than ten persons, and the annual turnover does not exceed EUR 2 million, a small enterprise employs fewer than 50 persons, and the annual turnover does not exceed EUR 50 million; and a medium enterprise employs fewer than 250 persons, and annual turnover does not exceed EUR 43 million (EU, 2022).

2022). In the EU, the food system (i.e., production, processing, distribution, retailing, and consumption) involves more than 13 million enterprises and more than 29 million workers (Rossi, 2020). The numbers in Norway are equally significant. The country's food system involves 2,900 enterprises and more than 52,000 workers (Prestegard, 2018). A close look at the Norwegian food sector reveals that about 94% of the market players are SMEs, with as many as 74% representing enterprises with less than 10 employees (Prestegard, 2018). Most food businesses are small, which makes it particularly important to include them in a future solution for increased food production and self-sufficiency. Therefore, more attention should be paid to a micro-business perspective on food production and market development, as these SMEs' contributions as serious market actors can no longer be ignored. Here, an enterprise is defined as an entity engaged in economic activity, irrespective of its legal form, determined by its headcount and financial ceilings (EU, 2022).

The Norwegian Minister of Agriculture announced in October 2022 that the government would increase the focus on Norway's self-sufficiency and maintain a greater emphasis on farm-based food production all over the country (Government of Norway, 2022b). This statement recognized that farm-based microenterprises contribute to food production, increased self-sufficiency, employment, and growth nationwide. In this study, I follow the EU definition of a microenterprise as one with fewer than 10 employees. In Norway, more than 70% of all food businesses fall into this category.

Most local food entrepreneurs are farm-based, with origins in the rural districts of Norway. This is a direct consequence of the Government of Norway's strategy to maintain farm-based food production in all areas of the country (Government of Norway, 2022b; White Paper 31, 2014-2015). In the past 20 years, a growing interest in local food production has motivated many farmers to formalize micro-businesses (Bjørkhaug & Kvam, 2011; White Paper 31, 2014-2015) and utilize their farm-based resources in new and creative ways (Alsos et al., 2003; Grande et al., 2011; Vik & McElwee, 2011). By complementing the mainstream market with many direct sales channels, farm-based entrepreneurs reach different customer segments based on their values, ambitions, and skills (Milford et al., 2021). There is no recipe for success, as entrepreneurship is not something one can see or learn from reading a textbook but rather something one must experience (Anderson & Gaddefors, 2016; Minniti & Bygrave, 2001). The entrepreneurship literature highlights many factors that influence an entrepreneurial business's success (Pittaway & Thorpe, 2012; Wang &

Chugh, 2014). Importantly, learning, understood as an intrinsically social process influenced by social relationships and the entrepreneurs' embeddedness in different learning environments (Pittaway & Thorpe, 2012), is one of these factors.

Personal skills and prior experiences are essential for entrepreneurs. They affect how the individual entrepreneur acquires new knowledge using entrepreneurial learning (EL) (Cope, 2011; Erikson, 2002; Lans et al., 2011; Levfebre et al., 2015; Mueller & Sheperd, 2016; Rae, 2000, 2005; Toutain et al., 2017), enters a market using entrepreneurial marketing (EM) (Fillis, 2010; Gaddefors & Anderson, 2008; Martin, 2009; Morrish, 2011; Read et al., 2009; Sarasvathy, 2001; Sarasvathy & Dew, 2005), and influences their market through an entrepreneurial orientation (EO) strategy (Gerschewski et al., 2016; Lumpkin & Dess, 1996; Rauch et al., 2009; Santos et al., 2020). Local food entrepreneurs invest considerable time and effort in the quality of their products, using means like traditional handicraft production, to achieve distinctiveness in more competitive markets (Kvam et al., 2014). The food science and technology research identifies an additional concern that entrepreneurs face a high demand for knowledge of food production and regulations that ensure safe and healthy food products, as well as for high quality standards that enable them to stand out in the market with superior and safe products.

This thesis focuses on the daily practices employed by farm-based food entrepreneurs to successfully learn from peers, develop markets for their local food products, and expand those markets. In this setting, innovation is the outcome of entrepreneurial activities and practices, also referred to as innovativeness in the entrepreneurial-oriented strategy (Wiklund & Shepard, 2005). Here innovation is defined as: "[t]he multi-stage process whereby organizations transform ideas into new/improved products, services, or processes, in order to advance, compete and differentiate themselves successfully in their marketplace" (Baregheh et al., 2009, p. 1334).

Thus, the thesis aims to build new knowledge about the successful entrepreneurial practices of rural farm-based entrepreneurs within local food aiming to transform their farm-based resources into new and unique products in order to compete in the constrained food market. Its main contributions are developing and expanding theoretical frameworks on entrepreneurial practices, advancing knowledge of successful learning and market practices for developing and growing a farm-based business within local food, and providing valuable advice for entrepreneurs.

This doctoral thesis has three objectives:

- How do local food entrepreneurs learn from each other to build a successful business?
- How do local food entrepreneurs build a market for their unique products?
- How do local food entrepreneurs influence their market?

To address the first objective, the thesis investigates individual entrepreneurs' knowledge acquisition and learning outcomes from participating in a facilitated learning network (FLN) targeting micro-entrepreneurs in the local food sector. Here, it challenges the individual learning-by-doing phenomenon (Cope & Watts, 2000) by taking a social perspective on EL (Rae 2000, 2005) and emphasizing learning from others in a community of inquiry (CoI) (Davies & Mason-Jones, 2017; Shepherd et al., 2022). To address the second objective, the thesis explores the EM practices used in micro-businesses to create and expand the market for their unique local food products. Here, the entrepreneurial marketing mix (EMM) with the 4 Ps—person, purpose, practice, and process (Martin, 2009; Zontanos & Anderson, 2004; Kubberød et al., 2019)—is used to investigate the practices and skills of the individual food entrepreneurs. To address the third objective, the thesis investigates market expansion by market-driving local food entrepreneurs. Here, the market-driving practices of pioneering local food entrepreneurs are investigated through the lens of EO. Figure 1.1 illustrates the objectives of the thesis.

| | | Practice-based theories | Rural farm-based entrepreneurs' successful practices |
|---|---|---|---|
| **Objective** | **Paper** | **Research literature** | **Community learning** / **Market access** / **Market expansion** |
| How do local food entrepreneurs learn from each other to build a successful business? | Paper 1 | • Facilitated Learning Network<br>• Social Entrepreneurial Learning<br>• Community of Inquiry | |
| How do local food entrepreneurs build a market for their unique products? | Paper 2 | • Entrepreneurial Marketing<br>• Entrepreneurial Marketing Mix | |
| How do local food entrepreneurs influence their market? | Paper 3 | • Entrepreneurial Orientation<br>• Market-Driving | |

*Figure 1.1. Objectives of the thesis.*

# 2 Theoretical Background

The following chapters elaborate on a theoretical framework for the thesis. Through a literature review, the research gaps underpinning the research question are outlined. With a practice-based approach, this thesis is informed by and aims to contribute to the rural entrepreneurship literature in general and the farm-based entrepreneurship literature in particular by studying local food entrepreneurs in Norway.

Prior research within rural entrepreneurship has focused on how place and space affect opportunities and challenges for the entrepreneur, often compared to urban entrepreneurship, where businesses have greater access to dense business networks, academic institutions, and more significant demand for products and services (Acs & Armington, 2006; Fortunato, 2014; Henry & McElwee, 2014). Accepting the differences between urban and rural entrepreneurship and how the context influences the mobilization of resources (Fortunato, 2014; Henry & McElwee, 2014; Korsgaard et al., 2015a, 2015b; Müller & Korsgaard, 2018), this thesis aims to expand prior research on local resource mobilization and offers an in-depth study of how these are leveraged into successful market development practices for local food entrepreneurs operating from their farms in rural areas.

The thesis draws upon several theoretical lenses to study these practices. Firstly, this thesis draws upon the social entrepreneurial learning literature and builds new theoretical and empirical knowledge on FLNs' contribution to entrepreneurial knowledge acquisition from a social perspective. Secondly, the thesis explores and conceptualizes how the market creation process is operationalized into the daily practices of farm-based food entrepreneurs through an EM lens. It also considers how the underlying practices lead to success in the marketplace. Thirdly, this thesis conceptualizes market-driving in the context of rural and farm-based entrepreneurship, leaning on the EO and market-driving literature and showcasing how pioneering local food entrepreneurs manage to expand their market through market-driving practices. The use of "pioneer" in this context follows Brush (2008), who defined entrepreneurs as pioneers in innovating new products and services, creating new processes, opening new markets, or organizing new industries. The pioneering aspect of rural entrepreneurship has hitherto rarely been studied in the rural entrepreneurship literature.

The entrepreneur as a practicing actor is the fundamental standpoint, and the thesis draws upon the practice-based perspective (Champenois et al., 2020; Davies & Mason-Jones, 2017; Santos et al., 2021) to develop new frameworks that deepen researchers' knowledge of the practices used by local food entrepreneurs. A practice perspective conceives entrepreneurial resource mobilization and market development to be situated in the daily practice of the entrepreneur (Champenois et al., 2020; Jørgensen & Mathisen, 2021; Thompson et al., 2020; Tuitjer, 2022) and enables an actor dependent and means driven study focus (Sarasvathy, 2001). Grounded in this backdrop, the following main research question guided this research:

> How do local food entrepreneurs acquire new knowledge to build a successful micro-business, and which operational practices are involved in their market development?

## 2.1 Foundations of rural entrepreneurship

Entrepreneurship is described as the orchestration of resources in the creation and development of opportunities (Shane & Venkataraman, 2000). Building on this notion, Wortman (1990) was one of the first researchers to define rural entrepreneurship as the creation of a new business that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment. This perspective considers the necessity of researching the shifts and changes that occur in rural society due to an increasingly globalized economy, which has occurred alongside declining industry-related and farm-based jobs. The increase in rural poverty made policymakers in the USA and Europe aware of the need to customize approaches in order to build rural social capital according to the specific needs of entrepreneurs in rural areas (Stathopoulou et al., 2004).

Older mainstream economic and business theories argued that entrepreneurs are motivated by profit and exploitation for personal and financial gain (Kirzner, 1973 in Fortunato, 2014). However, this characterization does not fit the diversity of perspectives on entrepreneurship in rural areas and delimits the existence of rural entrepreneurship (Fortunato, 2014). Such a narrow perspective on profit and financial gain has grown into a more nuanced understanding of the differences in the local context of entrepreneurship and what motivates entrepreneurs in rural areas. An early review by Fortunato (2014) argued that rural entrepreneurship is a distinct area of entrepreneurship research and practice that does not necessarily follow the

mainstream literature developed around high-growth and high-tech entrepreneurs in urban areas (like Silicon Valley). Rural businesses face different barriers due to their location, such as isolation from important business-support networks and limited local demand for innovative products and services. Researchers have also argued that remote and rural areas must be treated differently from more urbanized areas due to their lack of knowledge production organizations like universities, limited access to human capital, lower service levels, and weaker institutional structures (also referred to as "institutional thinness,") (Tödtling et al., 2011). Acknowledgment of this has contributed to the establishment of the field of rural entrepreneurship research in academic literature (Baumgartner et al., 2013; Gaddefors & Anderson, 2019; McElwee & Smith, 2014; Tödtling et al., 2011).

Rural entrepreneurship is a progressive field of research that constitutes several streams (Shrivastava & Dwivedi, 2021). In their review article, Shrivastava and Dwivedi (2021) arranged existing research literature under four themes with potential research gaps: spatial dimension, sustainability, income generation, and barriers. This thesis situates itself within the "spatial" category, understood as research "on the regional and behavioral aspects of rural entrepreneurship within the spatial context" (Shrivastava & Dwivedi, 2021, p. 764).

Departing from the spatial perspective, rural entrepreneurship could therefore be understood as the orchestration and enactment of local resources under unique resource circumstances (Korsgaard et al., 2015b; Müller & Korsgaard, 2018). Rural entrepreneurs face several place-specific obstacles, such as limited access to capital, resources, and markets, as well as a lack of infrastructure and business development, and training services (Fortunato, 2014). However, they can also leverage the strengths of rural environments, such as the availability of natural resources; the strong sense of community and identity; traditions; and the opportunity to combine living and business (Fortunato, 2014; Islas-Moreno et al., 2021). Rural entrepreneurship can thus benefit both the individuals involved and their local communities (Islas-Moreno et al., 2021; Müller & Korsgaard, 2018). In rural areas, entrepreneurs can benefit from lower raw-material and building costs, the ability to pay more modest wages, greater room for expansion due lower land cost, and more attractive housing (Annibal, et al., 2013). The local community can benefit from the image of an enhanced quality of life associated with living and working in a rural setting, which can impact competitiveness and attract new businesses that energize economic, political, and cultural life in rural areas (Annibal et al., 2013).

Korsgaard et al. (2015a, 2015b) differentiate between two ideal types of entrepreneurship in rural areas: "rural entrepreneurship" and "entrepreneurship in the rural." The first type of entrepreneurship leverages local resources and refers to rural entrepreneurs who connect place to space, taking advantage of combining locally available resources and specific competitive advantages anchored to that place. Entrepreneurs in this category seem less concerned with financial incentives and personal economic gain and more concerned with the economic, social, and cultural development of the particular rural location or region (Islas-Moreno et al., 2021; Korsgaard et al., 2015a, 2015b). The second type, "entrepreneurship in the rural," describes activities with little embeddedness in the rural locality. Entrepreneurs engage with their unique location mainly for profit, and there is a greater probability of relocation due to their mobile space utilization. These entrepreneurs do not emphasize the valuation of local resources unless it represents a practical or economic advantage, like cheap land or labor. They do not relate (or at least relate to a lesser degree) to the collective well-being and development of rural areas. Typical examples of "entrepreneurs in the rural" are manufacturers that see the rural area purely as a geographical locality (Müller & Korsgaard, 2018). However, they might still contribute to the community through other means, such as helping to generate rapid economic growth and job creation (Islas-Moreno et al., 2021). Even though "rural entrepreneurship" is likely to develop more slowly and modestly than the more opportunistic "entrepreneurship in the rural," the contribution of rural entrepreneurship to value creation should not be overlooked (Korsgaard et al., 2015b). This thesis, which focuses on local food entrepreneurs in Norway, farm-based activities, and business development, will use the interpretation "rural entrepreneurship," in which the local food entrepreneurs are often small firms rooted in agricultural production based on the ideas and working capacity of the family farm (Haugum & Grande, 2017) in rural Norway.

All over the world, rural areas cover most of the land area, indicating the importance of research that studies the opportunities and constraints of rural entrepreneurship as a discipline in its own right (Fortunato, 2014). The United Nations Sustainable Development Goals highlight food and food production as part of a future solution and specifically emphasize farm-based entrepreneurs' contribution (European Commission, 2022; UN, 2015). This points to a renewed focus on rural entrepreneurship research.

## 2.2 Rural entrepreneurship and the importance of the context

It is important to look beyond the individual entrepreneur and focus on the entrepreneurial process in circumstances where entrepreneurs are socially embedded (Jack & Anderson, 2002). The concept of embeddedness originates from a study by Granovetter (1985), while the term "local embeddedness" refers to an entrepreneur-environment relationship that is based on "the nature, depth, and extent of an individual's ties with a local environment" (Jack & Anderson, 2002, p. 484). Social embeddedness in the rural context is relevant to entrepreneurship as it provides entrepreneurs with intimate knowledge, contacts, sources of advice, resources, information, and support from the local community, which enable entrepreneurs to recognize and realize opportunities (Jack & Anderson, 2002; McKeever et el., 2015; Müller & Korsgaard, 2018). However, being embedded in a specific context can enable and constrain an entrepreneur's activity (Korsgaard et al., 2015a). Embedding will most likely involve compliance with the accepted norms in a particular social, spatial, or another context; this can enable but also restrict entrepreneurial activity (Berglund et al., 2016; Jack & Anderson, 2002).

Prior research studying the role of context and embeddedness in rural entrepreneurship has mainly focused on social networks and economic and institutional contexts, leaving out the influence of the spatial aspects of place—"topographical, geographical and infrastructural elements as well as the meaning, experiences and heritage of locations"—which provide a more comprehensive understanding of rural entrepreneurship (Korsgaard et al., 2015a, p. 575). Here, the researchers described embeddedness as a micro-level process in a local spatial context, which led to the concept of "placial embeddedness"—"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". Further, Korsgaard et al. (2015a) demonstrated that entrepreneurs are not simply present in a local spatial context but that they are actually embedded in the place, with a strong understanding of the resources available in the local context and how to access these resources. Similarly, this thesis departs from the notion that in the context of local food in Norway, the concept of placial embeddedness relates to the opportunities and constraints faced by farm-based entrepreneurs being embedded on their farms in rural areas utilizing their farm-based and local resources.

Even though the entrepreneurial process in rural areas has mainly focused on the benefit to entrepreneurs of using resources from a context that is being exploited, these entrepreneurial processes will also likely generate benefits that contribute to the area's development (Fortunato, 2014; Islas-Moreno et al., 2021; Müller & Korsgaard, 2018). Thus, entrepreneurs in rural areas benefit from engaging in social networks and communities to gain access to local resources and thereby gain the local community's support as community members see that their venture contributes positively to the local area (Korsgaard et al., 2015a). An example of this would be a local quality-food producer that creates value for the business in the form of income as well as contributing to the brand-building of the business' location by highlighting the pride and community life of the place and the people living there. Korsgaard et al. (2015a) also discussed how rural entrepreneurs do not solely rely on local networks or local support but also tend to mix the best from their placial embeddedness with the best of strategically built non-local networks to access non-local resources. Rural entrepreneurs' ability to look outside the local community and connect with non-local networks for better access to funding, marketing, and sale of products, and to acquire specialized knowledge about production processes, contributes to a deeper understanding of the role of context and how bridging multiple contexts contributes to rural entrepreneurs' opportunity creation (Korsgaard et al., 2015a). This aspect is more fully elaborated through a practice perspective in in section 2.4.

Newer research on rural entrepreneurship has raised a debate about whether the importance of context for understanding entrepreneurship can also be misleading, as it tends to romanticize rural life as idyllic (Gaddefors & Anderson, 2019). Gaddefors and Anderson (2019), therefore, reconceptualized rural entrepreneurship as "engagement with contexts," arguing that "contexts provide the resources to which entrepreneurs connect to create value, and consequently, these entrepreneurial engagements are the phenomenon and thus, the practices that carry explanatory power" (Gaddefors & Anderson, 2019, p. 162). Pursuing this line of inquiry, which focuses on the importance of the nature of entrepreneurs' engagement (here conceptualized into daily practices) with their contexts, this thesis extends the research by Korsgaard et al. (2015b, 2021) and Müller and Korsgaard (2018), who emphasize this engagement as an enactment of locally embedded resources (Jack & Anderson, 2002; Korsgaard et al., 2022; Roos, 2019). In a recent study, entrepreneurs' engagement was found to encompass and combine multiple layers of their rural context—what they were doing in their businesses, their interactions with academic institutions, the utilization of spatial layers like geographical location, their shaping

of networks, and collaboration in favor of the local business environment (Jørgensen & Mathisen, 2023). This thesis builds on these recent insights through an EL and EM lens to improve our current understanding of these contextual links for entrepreneurial market development and success.

Following the previous description of rural entrepreneurs, Norwegian farmers fall within the definition of social and local (placial) embeddedness due to the rural structure and heritage of family farms in Norway. The following section will elucidate the specific field of farm-based entrepreneurship as a subcategory of rural entrepreneurship.

## 2.3 Farmers as rural entrepreneurs

Agricultural entrepreneurship is an important dimension of rural entrepreneurship (Fortunato, 2014; Shrivastava & Dwivedi, 2021). Despite its importance in society, agricultural entrepreneurship seemed to be underrepresented in entrepreneurship research up until 2013, with only a few published studies in scientific journals per year (Dias et al., 2019a, 2019b). Then, after 2013, an increase in agricultural entrepreneurship research was detected alongside the emerging interest in rural entrepreneurship (Dias et al., 2019b) and the increasing number of farmers focusing on diversification strategies for their farms due to changing demands from society and a desire to explore new opportunities (Hassink et al., 2016). Similar attention among researchers was detected in the Norwegian context; there were studies on farmers' motivations for branching out into new business activities rather than simply staying with traditional farming (Alsos et al., 2003, 2011; Brandth & Haugen, 2011; Grande et al., 2011; Haugen & Vik, 2008; Vik & McElwee, 2011).

In early 2000, researchers and governments started to recognize the need for a more entrepreneurial culture in farming (McElwee 2006). Many strategies have been available to farmers to help them survive and successfully maintain and develop their economic environments (Man et al., 2002). Even though traditional farming that incorporated an intensification of conventional production through an increase in volume and effectiveness was always an option, another option for farm-business growth was diversification into areas like tourism and other non-agricultural options, or an integration (forward or backward) of the value chain through engaging in food processing, direct marketing, or niche production (McElwee, 2006; McElwee & Robson, 2005; Vik & McElwee, 2011). The farm diversification strategy initiated by the Norwegian government in 2002 (Government of Norway, 2001) is one such

example that motivated farmers to move into local food production. Farm diversification and farmers' exploitation of the multifaceted nature of agriculture were effective policy prescriptions to increase farm income and develop the rural economy (Vik & McElwee, 2011; Yoshida et al., 2020). Political support systems encouraged more entrepreneurial behavior among farmers to improve future farm income and the viability of family farms (European Parliament, 2014). Farmers are here defined as "persons occupied on a part- or full-time basis and engaged in a range of activities that are primarily dependent on the farm and agriculture in the practice of cultivating soil, growing crops and raising livestock as the main source of income" (McElwee, 2006, p. 191).

Fortunato (2014) made an effort to categorize rural entrepreneurs into six categories: traditional and service-sector entrepreneurs (farming, mining, manufacturing, or construction and maintenance); farmers (agritourism or value-added agriculture like food processing); lone eagles and high fliers (drawn to scenic areas to escape the pressure from urban life using the internet or emerging technology to start information-based businesses); lifestyle entrepreneurs (attracted by local conditions, personal choices, and the prospect of a better living when initiating a business); and social entrepreneurs (who pursue opportunities to catalyze social change or social needs). The first two categories involve farmers directly. In this thesis, the category of farmers, translated into farm-based entrepreneurs, is particularly interesting. These entrepreneurs represent family farms (or farm-based businesses) that explore new sources of farm income by moving into agritourism and value-added agriculture.

Local food entrepreneurs utilizing their farm-based resources to make products with a higher profit margin than their initial raw products—like meat, milk, grains, vegetables, or berries—are examples of such rural entrepreneurs. Their value-added agriculture represents an important business diversification strategy for many farm families (McElwee, 2006) that helps to maintain farm survival and growth. By going against the urban tendency to mass-produce agricultural and manufactured goods, the rural industry has the advantage of being able to return to more traditional means of craftmanship and organic growing, making high-quality, high-margin alternatives to everyday products (Fortunato, 2014). The category of lifestyle entrepreneurs is also interesting in the context of farm-based entrepreneurs. In a study identifying motivations among Norwegian farmers for choosing a diversification strategy, Vik and McElwee (2011) found that farmers' motivations for diversification went beyond

the need for new income or survival of the farm to other financial motivations, like better use of unutilized resources or opening up a job opportunity for a partner, as well as other social motivations like a wish to meet new people, an urge to create something, or the identification of new possibilities within the local culture and local networks (Vik & McElwee, 2011). Thus, one can assume there are traditional farmers, entrepreneurial farmers, and lifestyle entrepreneurs among the local food entrepreneurs in Norway.

Farm-based entrepreneurs' motivations for extending their businesses vary. However, farm-based entrepreneurs motivated by factors like utilizing a favorable location or recognizing a market niche seemed to be more successful than those motivated by a need for better income or employment (Riepponen, 1995, in McElwee, 2006). Grande et al. (2011) found that a good financial position, access to networks, and possessing a unique competence contributed positively to business success. Here, farm-exploiting entrepreneurs who managed to recognize the value of this individual combination of unique competencies, often learned outside the farm, and their unique farm-based resources, improved their entrepreneurial performance (Alsos et al., 2003). This also resulted in a competitive advantage based on uniqueness in regulated and mature markets (Grande et al., 2011). Not all farmers are born entrepreneurs, and for many, entrepreneurship—as in new entry—must be learned. Successfully managing a small business depends on its owner, and the practices used will thus depend on the person in charge, indicating the need for economic support and greater emphasis on education and training to develop farmers' entrepreneurial skills (McElwee, 2006).

To create a successful business, farmers need to manage opportunity recognition and business planning, where cooperation and networking skills, innovative abilities, and risk-taking are important requirements (McElwee, 2008). In his typology of the "farmer as entrepreneur," McElwee (2008) described innovative and opportunity-oriented farmers seeking to become involved in flexible and diverse economic activities like tourism, hospitality, culture, and high-value agriculture and food production. These farmers adopt diversification strategies, combining other agricultural or non-agricultural activities with their farm businesses. Thus, they move away from their core activities by providing goods or services based on locally embedded farm resources (Vik & McElwee, 2011). Entering farm-based food production was identified as an important diversification strategy by Dias et al. (2019b), as was diversification in marketing activities through selling products via

direct sales channels and farmers' markets (Migliore et al., 2015). The concept of "farmer as entrepreneur" is intriguing from a research point of view, as it expands our conception of agricultural value creation for rural development and entrepreneurship.

Farmers' entrepreneurial activity is essential for coping with a changing environment (Alsos et al., 2003; McElwee, 2006). Factors involving social (McKeever et al., 2014), spatial (Korsgaard et al., 2015a), and geographical (Anderson et al., 2010) attributes contribute to shaping the processes and outcomes of rural entrepreneurship (Gaddefors & Anderson, 2019). Several barriers have been identified that can hinder farm diversification and farm-based entrepreneurs' growth, one being the personal and business characteristics of the individual farm and farmer (McElwee, 2006) and others being their level of education and readiness to cooperate with others. Farm-based entrepreneurs are bound to their farms in their rural locations as they are most often involved in farming on a daily basis. They, therefore, have limited access to outside business advice networks, and often have rather narrow social networks beyond their families and neighboring farms. Many attempts have been made by researchers, academics, and public interest groups to explore how businesses come into existence in rural areas. Conceptualizing the rural entrepreneurial process as an interaction of four elements—the process, the entrepreneurs, the context, and the community benefits—Islas-Moreno et al. (2021) described a set of stages where entrepreneurs transform their ideas into businesses, taking advantage of opportunities provided by the rural environment at the same time as the entrepreneurs generate benefits for their community. Even though the rural entrepreneurship process is well understood, there is still a need for more research to specify the conditions or practices that favor these processes (Islas-Moreno et al., 2021) and to make a contribution to future research on what underpins and constitutes the success of a local entrepreneur in this context.

While the studies mentioned above have contributed significantly to our understanding of entrepreneurial processes in rural areas in the past 20 years, there is still a need for more research to understand the way farmers work when diversifying into new activities like food processing. Transitioning from traditional farm activities to managing a food micro-business is not easy (Alsos et al., 2003). It implies a greater focus on understanding the entrepreneurial process in rural areas through the practices used by local food entrepreneurs who have moved into food processing, marketing, and developing a market for their products. Contributing to

the call for more research on the factors that make it feasible for farmers to manage the entrepreneurial process (Islas-Moreno et al., 2021), this thesis will use a practice-based perspective to study the underlying practices of farm-based food entrepreneurs. In doing so, it will explore what entrepreneurs actually do and how they mobilize their unique resources to develop a market for their local food products.

## 2.4 A practice-based approach to farm-based entrepreneurship

Taking a practice-based approach in entrepreneurship means considering practices as the fundamental unit of analysis. In their review, Champenois et al. (2020) pointed out that researchers need to conduct empirical studies of the real-time doings and sayings of practitioners involved in entrepreneurship. They discuss how researchers have drawn from other traditional practice approaches like the social sciences and contemporary "practice turn". Despite the heterogeneity in theoretical underpinnings, methodologies applied, and questions asked, a practice turn adopts "entrepreneuring", doing entrepreneurship, as the common understanding of the complex social activities connected to founding, running, and growing a business (Steyaert, 2007). Acknowledging this diversity, I draw upon and employ practice-oriented frameworks to understand successful "entrepreneuring" in the farm-based context. With regard to Norwegian local food entrepreneurs, locally embedded in their rural areas and farm-sites, this means studying the farm-based entrepreneurs' doing entrepreneurship when utilizing their local resources, networking (locally and non-locally) to develop a market for their products, and deal with the many constraints of being rural entrepreneurs.

Taking a practice turn to entrepreneurship research foregrounds the actual work of entrepreneurship and the everyday practices through which opportunities are discovered, created, or transformed (Thompson et al., 2020). This perspective is often neglected when studying the more common perspectives of individual entrepreneurs' behaviors, feelings, or motivations, and organizations' strategies, orientations, and management (Thompson et al., 2020). Commonly, the contribution from a research study will be achieved through providing rigorous and convincing accounts that "zoom in" to examine and explain the enactment of practices, and then "zoom out" to grasp the connections between practices that constitute larger social phenomena (Nicolini, 2009). Hence, researchers within the practice tradition must consider not only the "doing" of entrepreneurs but also the "doing" of society, as the

contextual circumstances will affect the practices in which they are entangled (Thompson et al., 2020).

Some researchers have made an attempt to investigate the actual work of entrepreneurs and thus contribute to the so far neglected area of entrepreneurship research. In a recent study of craft-food businesses in rural Germany, Tuitjer (2022) found that the entrepreneurial practices of producing products and networking within the craft-food niche were held together by an important shared understanding of the uniqueness and distinctiveness of the products and the interest in other craft-food producers' machinery and production processes. Taking great pride in what they were doing, these food entrepreneurs shared knowledge and cooperated with peers to spread the craft-food philosophy and contribute to the greater good. Even though their shared idea of practicing craft-food production worked well within their niches, it seemed to be an incompatible practice beyond the niche, where collaboration with the larger food industry revealed irreconcilable practices, showing that successful practices identified in one context do not necessarily work in another. In another study looking at rural entrepreneurs in Denmark, Müller and Korsgaard (2018) characterized rural entrepreneurs based on their resource endowments, as in their utilization of spatially bound resources and their engagement across spatial contexts (meaning their activities across multiple locations). Their findings placed farm-based food entrepreneurs into the typologies of place-specific entrepreneurs. Place-specific entrepreneurs either practice marketing of their products locally within their region or engage both locally and non-locally to sell their products outside their region. Local food entrepreneurs in Norway typically fall into these typologies as they are place-specific to their farms, and the entrepreneurs do not have the opportunity to relocate their businesses without losing their key value proposition.

Even though a few studies have investigated rural entrepreneurs' practices (Müller & Korsgaard, 2018; Tuitjer, 2022), there is still a need for more empirical studies to deepen our knowledge of the real "doings" and "sayings" (in society) of rural entrepreneurs' practices. Through a practice perspective, this thesis will contribute to the call for a greater empirical and theoretical understanding of rural and farm-based entrepreneurship by studying the practices used for knowledge acquisition, market development and market expansion by local food entrepreneurs in the rural Norwegian context.

In the next sections an overview of the theoretical lenses used to study local food entrepreneurs' practices is presented. Local food entrepreneurs' practices are

situated in the social context of a larger industry. The farm-based entrepreneurs are, therefore, illustrated as part of a multilayered context that includes their individual local food business, the local food industry, and the Norwegian food market.

## 2.5 Local food entrepreneurs' practices

As known from the EL literature, entrepreneurs learn by doing and as they go (Cope & Watts, 2000). To be able to explore the practices used by local food entrepreneurs as they learn how to build their businesses and enter their markets, there is a need to investigate the daily activities of these farm-based entrepreneurial ventures. Here, *practice* refers to repeated patterns of behavior that are reproduced over space and time and involve both doing and saying; practices involve the social interaction of individuals (Teague et al., 2021).

There is no recipe for becoming a successful entrepreneur. The individual entrepreneur must cope with both the liability of newness (entering a new knowledge area) and smallness (having a limited amount of resources) (Politis, 2005). Entrepreneurial activities are also strongly influenced by the context in which they take place (Korsgaard et al., 2015a). In a farm-based entrepreneurial context, the founder-manager is the individual entrepreneur and sole decisionmaker (Bolton & Lane, 2012; Lumpkin & Dess, 1996). However, as learning is a process of social interaction and relationships, this study first places the farm-based entrepreneur at the center of a social learning process of acquiring new knowledge and legitimizing themselves in the local food sector. Second, it describes the skills needed to gain market access using EM. Third, the study demonstrates that successful micro-businesses can influence or drive their markets by following an EO strategy. Figure 2.1 shows how the rural farm-based entrepreneur is socially situated in the local food industry, operating alongside their peers in the Norwegian food market.

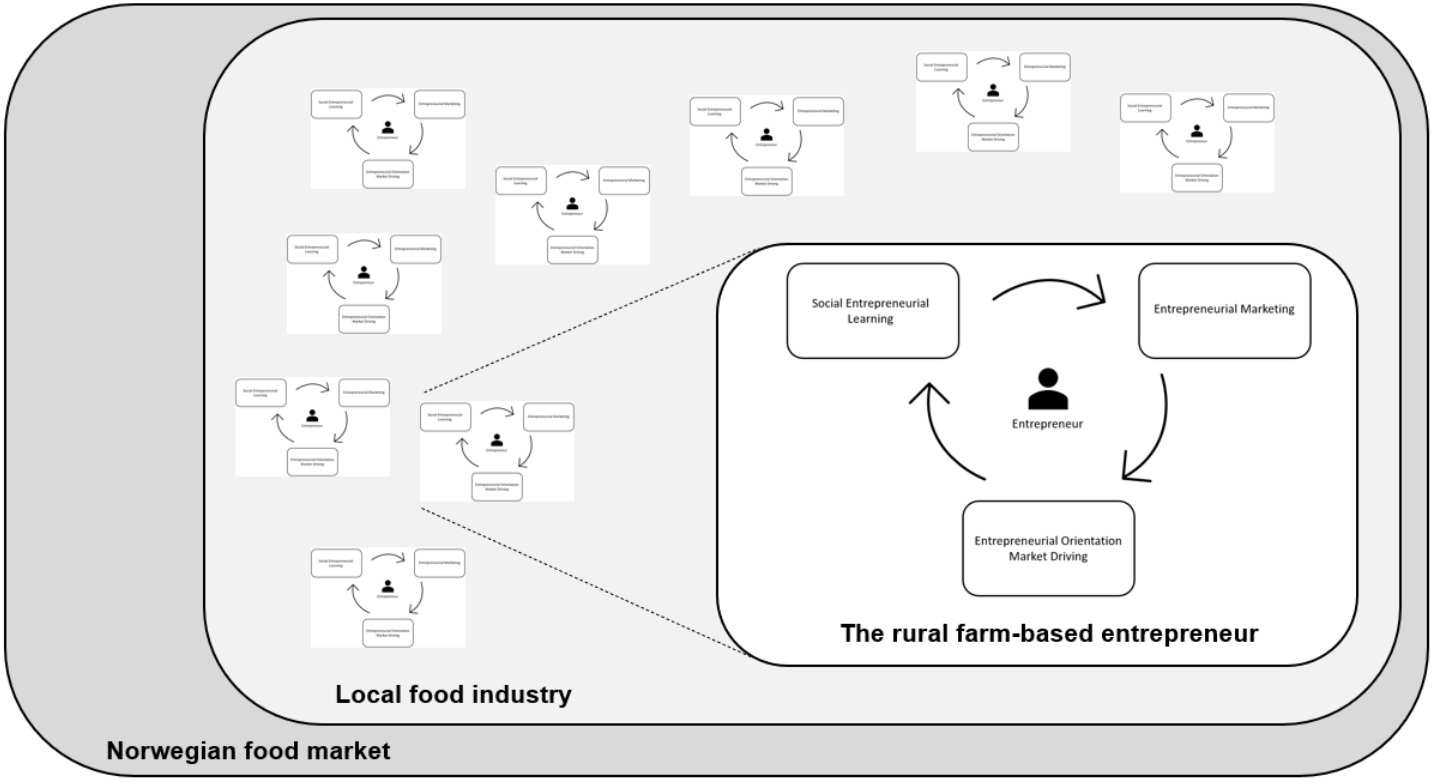


*Figure 2.1. The rural farm-based entrepreneur as situated in the local food industry and the Norwegian food market.*

## 2.6 Entrepreneurial learning and knowledge acquisition through a facilitated learning network for local food

There are many obstacles that local food entrepreneurs in rural areas face when building a successful business. They must overcome both a lack of resources (due to their business's smallness) and prior background (due to its newness) (Politis, 2005). It is widely acknowledged in the entrepreneurship literature that entrepreneurs learn from solving their daily tasks following a learning-by-doing mode (Cope & Watts, 2000; Gibb, 1997). Entrepreneurs are viewed as action-oriented and inclined to experimentally based learning (Rae & Carswell, 2000), and EL is commonly described as an ongoing process that facilitates the knowledge needed to establish and maintain a business (Politis, 2005). A micro-business with only a few employees, or in some cases with the sole employee being the founder-manager, must rely on their prior knowledge and varying backgrounds when starting up and expanding (Alsos et al., 2003; Alsos & Kaikkonen, 2002; Politis 2005). Thus, local food entrepreneurs enter the food sector with very different knowledge needs. A social view of EL (Rae, 2000, 2005) suggests that to overcome the knowledge constraints and lack of resources (Politis, 2005), learning in a social context together with others is more beneficial to the individual entrepreneur. Formal learning networks, facilitating both theoretical and practical learning together with others, have been proven to have a positive learning outcome (Rigg et al., 2021). Being united around a joint interest helps entrepreneurs to identify a common ground for knowledge sharing that facilitates learning in a community of inquiry (CoI) (Davis & Mason-Jones, 2017).

Access to knowledge is a limiting factor in rural entrepreneurship, and bridging to non-local resources (Korsgaard et al., 2015b) is a mechanism rural farm-based entrepreneurs use, i.e., through participation in a learning network. A learning network is valuable for the individual food entrepreneur, independent of the entrepreneur's prior background and experience, as learning from others improves entrepreneurial knowledge acquisition (Rigg et al., 2021; Shepherd et al., 2022) and leads to self-efficacy and market opportunities (Sarasvathy & Dew, 2005). Access to tacit, industry-specific knowledge is often based on trust and develops from mutual engagement and peer exploration (Rigg et al., 2021). Still, the informal conditions of a learning network that support and regulate the learning environment have received little attention in the literature. This research examines the informal social regulation mechanisms that influence the knowledge acquisition between fellow entrepreneurs in a CoI. It also provides new insight into how the transformation of knowledge

residing in a CoI can lead to new opportunities through individual entrepreneurs' exploitation and exploration (Politis, 2005). There is a need to improve the current understanding of how learning together with others can enhance individual entrepreneurs' knowledge development and lead to learning outcomes from participating in an FLN. The phenomenon of EL in a social learning network consisting of local food entrepreneurs was studied in Paper 1 to address the above theoretical challenges. Many have studied the different learning processes and modes of learning that one can undertake in a learning network (Bessant & Tsekouras, 2001; Nieminen & Hytti, 2016; Reinl et al., 2015; Rigg et al., 2021). Still, the informal social learning dynamics and the ways an individual entrepreneur acquires knowledge in a learning network are rarely studied. Paper 1 focuses on the individual entrepreneur's learning in a social context.

## 2.7 Entrepreneurial marketing practices of rural farm-based food entrepreneurs

Three primary motivations that drive rural farm-based entrepreneurs' activity have been previously identified as continuing the farm, maximizing their unique set of resources, and exploring opportunity-centered ideas (Alsos et al., 2003). For rural farm-based entrepreneurs with a basis in traditional agriculture, the initial motivation for building a local food business can be self-employment or to ensure the family farm's survival (Alsos et al., 2003; Alsos et al., 2011). In some cases, it can be a lifestyle choice made to adhere to a value or follow a passion, rather than to maximize profits and growth (Müller & Korsgaard, 2018; Vik & McElwee, 2011). For farm-based entrepreneurs who return to their family farms after pursuing different careers, a greater motivation is that transforming the farms' resources into unique and new offerings allows them to combine those resources and experience from prior work outside the farm (Alsos et al., 2003).

The entrepreneurs' personal roles, which are influenced by their individual backgrounds, impact the process of targeting a market (Morrish et al., 2011). It is generally accepted that small businesses do marketing differently than larger businesses (Harris & Deacon, 2011; Stokes, 2000a, 2000b) and that entrepreneurs are often specialists in fields other than marketing (Stokes, 2000a, 2000b; Zontanos & Anderson, 2004). Even if EM in smaller businesses usually follows a more unplanned, informal, simple, and random approach (Jones & Rowley, 2011), it is not less sophisticated than that of larger businesses (Gilmore et al., 2001). EM is a context-specific area (Harris & Deacon, 2011), and there is a need for theoretical

improvements that speak the language of smaller business owners to help small businesses perform better within a specific industry.

Following EM, the entrepreneur tends to be more innovation-oriented and driven by new ideas and an intuitive market feel (Stokes, 2000a, 2000b). Taking a behavioral approach to EM (Stokes, 2000b), this study will define EM in terms of the behaviors and actions typically involved in micro-businesses, aiming for a better understanding of the market practices used in daily work in entrepreneurial ventures. A benefit of being a small business is the close relationships, alliances, and networks between entrepreneurs and customers (Zontanos & Anderson, 2004). As an alternative to the classical 4 Ps framework—product, price, place, and promotion—often found in larger businesses, Zontanos and Anderson (2004) presented the entrepreneurial marketing mix (EMM) and another set of 4 Ps suitable for small businesses: person, purpose, practices, and process.

The EMM framework is rarely employed by EM researchers. In an effort to understand the market creation practices within a particular context, this study will adopt the elements of EMM to contribute to the development of a practice-related framework. In the case of rural farm-based food entrepreneurs who specialize in the creative transformation of their local resources into a higher market value (Korsgaard et al., 2015a; Müller & Korsgaard, 2018), local and non-local markets will play an important role when creating unique benefits for their products. There is a need to improve the understanding of the operationalization of market creation practices in the daily practices of farm-based micro-businesses and how underlying practices lead to success in the marketplace. Paper 2 will address the above-mentioned research gap in the EM literature.

## 2.8 Driving the food market with an entrepreneurial orientation

Market-driving is a phenomenon characterized by radical or disruptive innovations that fundamentally modify existing markets through new or unique value propositions (Carrillat et al., 2004; Kumar et al., 2000; Schindehutte et al., 2008). In prior research, market-driving has been identified primarily with larger businesses (Agarwal et al., 2018; Carrillat et al., 2004; Ghauri et al., 2016; Stathakopoulos et al., 2019; Stathakopoulos et al., 2022). As introducing a new and innovative value proposition can create a dilemma for most established businesses, market-driving behavior was initially understood as an entrepreneurial action and practice

(Schindehutte et al., 2008). Typically, a market-driving business is a small or new entrant to an established market (Kumar et al., 2000), exploiting opportunities that would mean obstacles for the established industry actors (Harris & Deacon, 2011; Kumar et al., 2000). Still, only a few studies have focused on how managers of smaller businesses can shape their market conditions by influencing their external stakeholders (Ottesen & Grønhaug, 2007) or on establishing a link between small firms' EO and their ability to change customer behaviors (Zortea-Johnston et al., 2012).

Prior research has suggested that EO and its components of innovativeness, risk-taking, and proactiveness are linked to improved business performance (Wiklund & Shepard, 2005). Here, EO is defined as the process, practice, and decision-making that leads to new business ventures (Lumpkin & Dess, 1996). Small businesses with a high EO are also more likely to develop market-driving innovations (Zortea-Johnston et al., 2012) that can potentially lead to further market expansion. High innovativeness reflects a business's tendency to engage in and support new ideas, novel experimentation, and creative processes. Proactiveness means pursuing new market opportunities to shape the environment, and risk-taking involves uncertainty and personal, social, and psychological risk (Lumpkin & Dess, 1996). Adding passion and perseverance to the list of EO components, Santos et al. (2020) have described passion as a fundamental emotion that affects entrepreneurs' motivation and business growth, and perseverance as an ability to sustain goal-oriented behavior and fight to achieve ongoing goals.

Market-driving within a micro-business context is an underdeveloped area within existing research. More work is needed to understand micro-businesses role as market drivers based on their unique product innovations in an established market. Accordingly, this thesis is focused on studying the market-driving practices of pioneering local food entrepreneurs with a high EO in which the individual entrepreneur plays the central role in the business.

## 2.9 Boundaries of the research

Studying the local food sector meant setting some limits on the scope of the study, as many factors influence the market situation for a rural farm-based entrepreneur in the Norwegian food sector. The first limit was to focus solely on the individual, local food entrepreneurs' daily practices in building a business, developing their products, and entering or expanding their markets. The intent of the phenomenological

approach was to gain in-depth knowledge of the actual practices of the rural farm-based entrepreneurs. As this study does not encompass the entire food sector, no comparison of micro and large businesses could be made. Secondly, the impact of the Norwegian government's agricultural politics and the influence of tariffs and trade were excluded from consideration. As one of the countries with the highest agricultural subsidies in the world (OECD, 2020), Norway must be seen as a unique research context that cannot be compared to other countries.

This thesis is based solely on qualitative case studies, which are designed to produce deep insight into a phenomenon under investigation. Many quantitative studies and annual reports within the Norwegian food sector document the growth in local food (Government of Norway, 2022b; Knutsen, 2021; White Paper 31, 2014- 2015; Østebø, 2021). However, none of these have considered the phenomenon of being a local food entrepreneur or the practices used by local food entrepreneurs. There is a missing theoretical understanding or language to describe rural farm-based entrepreneurs' contribution to the food market. This case study approach, therefore, allowed for the development of a new theoretical understanding rather than formal generalization (Flyvbjerg, 2006). Local food entrepreneurs' successful practices in developing and expanding a market were selected as the main topic of interest for this research.

# 3 Research Context

Choosing to study the context of rural farm-based entrepreneurship and local food was not random, but more a result of nearly 22 years of personal experience in product development and innovation projects in both the large food industry and food micro-businesses at the Norwegian Food Research Institute, Nofima. My interest in local food and farm-based food entrepreneurs was also strongly related to my background growing up and living on a farm and experiencing the many sides of the food supply chain. In 2017, I contributed as a co-author of a Nofima book about innovation in the food value chain, which describes both small and large innovations that have taken place among Norwegian food industry actors in recent decades, and where Nofima has played an essential part in the innovation journey (Christensen et al., 2017). Many of the success stories told in this book, and not least why they have succeeded, involved rural farm-based entrepreneurs with an innovative, proactive, and risk-taking approach. The role played by local food entrepreneurs in the food value chain (a farm-to-fork strategy) has been an eye-opener and an essential motivation for this study.

## 3.1 The Norwegian food sector – a historical perspective

As a member of the European Free Trade Association and the European Economic Area, Norway is an open economy for all products except agriculture. Norway is a net importer of agri-food products (excluding fish) (OECD, 2020). Norwegian farmers receive, on average, 59% of their revenue from agricultural support measures, which is the highest level across all OECD countries. It is more than three times higher than the OECD average (OECD, 2020). Import barriers like tolls and taxes, mainly on dairy products, meat, and grain, protect and support local food production in Norway. The import regime for agricultural products is closely linked to domestic market regulations (OECD, 2020). Only 3% of the Norwegian land area is suitable for agricultural activity. Nevertheless, farming properties exist in around 70% of Norway. The regional distribution of agriculture has been a goal of the Norwegian government. Support policies have succeeded in maintaining agricultural activity, and thus local food production, in rural and remote areas (OECD, 2020).

The Norwegian food value chain operates in a well-established grocery market with a given market structure (Pettersen & Kårstad, 2021). Three main grocery actors,

vertically integrated from wholesale to retail, constitute Norway's dominant food grocery chains (OECD, 2020; Østebø, 2021). The majority of food products are represented by a few large companies covering most national food production and sales (OECD, 2020). One important reason for this dominant structure is the strong position of the agricultural cooperatives that produce and market food products on behalf of the farmers (Bjørkhaug & Kvam, 2011). Market concentration is high, food prices are higher than in neighboring countries, and price differentials have increased, partly due to tariffs and market regulations (OECD, 2020). The competitive market is dominated by a focus on large volumes and low prices, which contributes to discrimination against the less well-resourced small and micro-businesses in the food sector (Milford et al., 2021). In comparison, food micro-businesses follow a more entrepreneurial-oriented strategy, allowing them to be more experimental and willing to take risks (Brush, 2008; Lumpkin & Dess, 1996). Therefore, they are better suited to seeking new opportunities outside the mainstream market, even though that market still is the most enticing arena for local food entrepreneurs due to lower marketing costs, transparent pricing, and less risk overall (Kim et al., 2014).

## 3.2 Local food production in Norway

> "Food and drink products with a defined origin and local identity or with distinct qualities based on recipes, processes or tradition" (Norwegian Food Foundation, 2019, p. 2)

The above definition of local food is the most common definition in Norway. In the Norwegian language, the term *lokalmat* ("local food," in English) is well established. The term *local food entrepreneur* was used to identify the context-specific rural and farm-based entrepreneurs in this thesis. To be interpreted as a successful local food entrepreneurial venture according to the criteria used in this thesis, a business had to be operative and selling in a local or non-local market at the time the study was performed. The Norwegian government's goal to reach an annual turnover of 10 billion NOK before 2025—accomplished 5 years ahead of time (Norwegian Food Foundation, 2019)—demonstrates local food success on a broader level.

In Norway, several programs stimulate innovation, entrepreneurship in agriculture-based industry, and the creation of alternative businesses on farms and alternative employment in rural areas (e.g., agri-tourism, local food, green care, and energy production) (OECD, 2020). An ambition to increase the amount of local food in the Norwegian market by motivating farmers to develop their farm-based food products

started in 2002 when the Norwegian government launched its first strategy for local food as a supplement to the traditional agricultural industry (Alsos et al., 2003; Alsos et al., 2011; Government of Norway, 2001; Gustavsen & Hegnes, 2020; Vik & McElwee, 2011). Part of the strategy was to facilitate a learning network, the Competence Network for Local Food Production, to make entrepreneurs' transition from farmers to food producers easier (Kvam et al., 2003). Food technology, business development, and marketing were included in a support system managed by several institutions in Norway, in the governmental, financial, food research, or education sectors. This led to a growing interest in local food and contributed to a variety of farm-based food businesses utilizing their farm resources in new and innovative ways. They began providing products for local markets and direct sales channels as well as non-local markets like Horeca (hotels, restaurants, and canteens) and the more competitive grocery market (Enger & Loe, 2013; Kvam & Magnus, 2012). Local food specialties had certain qualities that customers were willing to pay a premium price for, embedding the local aspect, traditions, and history in their value proposition (Stræte, 2008).

The past years have shown an increase in local food sales in the grocery market, in the Horeca market, and in direct sales channels. Despite the challenging years (2020–2021) of the pandemic, which reduced the Horeca market's sales by 24%, the value creation from local food reached an annual turnover of NOK 11.5 billion in 2022 (Norwegian Food Foundation, 2022). Even though consumer interest in Norwegian specialty foods is increasing, it is still a demanding task for food micro-businesses to establish a stable market with profitable sales. The grocery chains often demand the same conditions for purchase from micro-businesses as from the more prominent businesses due to logistics, volume, shelf-life, and returns of goods that have not been sold, at a very high cost for the entrepreneurs. Therefore, it is rare for a local food entrepreneur to start a career as a food producer with the grocery market as their primary market channel. More often, direct sales channels like farmers' markets, farm shops, or specialty food stores, in addition to the restaurant market, provide a more flexible situation for micro-businesses. The challenges micro-businesses meet when they fight to establish a profitable market make it interesting to study the practices of existing local food entrepreneurs and learn from their business development and success in the market. The Norwegian policy document "Food Nation Norway" (Government of Norway, 2021) acknowledges the importance of local food production as a source of market variety and cultural heritage, and as a basis for more sustainable food production. Given the desire for more sustainable food and farm-

based local food at the same time, and the fact that local food entrepreneurs must overcome many challenges to profit from their micro-businesses, more knowledge about the actual daily practices that lead to market development and market success is needed.

## 3.3 The Competence Network for Local Food Production – a place for community learning

When the Competence Network for Local Food Production (hereafter also referred to as the competence network) was implemented as a part of the governmental strategy more than 20 years ago, Nofima was responsible for two out of five regional parts of it: the south and east regions. The primary role of the learning network has been to provide knowledge of food technology and support to farm-based food entrepreneurs entering the local food sector. The network acknowledges the need for a closer-to-practice learning environment for micro-businesses (Kelliher et al., 2009) and a more action-based problem-solving integrated with theoretical knowledge (Reinl & Kelliher, 2014; Rigg et al., 2021; Pittaway et al., 2009). Building on the recognition that a transition from traditional farming to managing a food micro-business can be challenging (Alsos et al., 2003), the competence network tries to compensate for the knowledge gap between conventional agriculture, food production, and business by offering tailor-made industry-related courses, one-on-one mentoring, and advisory services to provide professional know-how to food entrepreneurs. The advisory service is open access and free of charge, focusing on defining the competence needs and solving specific challenges through telephone or in-person meetings with a network facilitator often taking place at the local food entrepreneurs' location. All courses are theoretically and practically oriented, lasting from 1 to 7 days, depending on the topic.

Rich access to local food entrepreneurs, deep insight into the network's facilitated training and mentoring activities, and knowledge of the national support system for local food entrepreneurs have provided a critical knowledge base for conducting the research in this PhD thesis. As project manager of the competence networks' east region for the past 15 years, I have had a unique opportunity to understand both the practical issues and the academic issues related to social learning in a network as well as to gain deep knowledge about the phenomenon of being a local food entrepreneur in Norway. In this thesis, the competence network represents an FLN defined by Bessant and Tsekouras (2001, p. 88) as a "network formally set up for the purpose of increasing knowledge, expressed as an increased capacity to do something".

# 4 Research Design and Methodology

The purpose of this section is to provide an overview of the overall research design used to answer this thesis's research question and fulfil the study's overarching purpose. The section includes the selected research design and case study approach and describes how data was collected and analyzed. Further, a methodological reflection on the limitations of the research design, data source, and sampling is presented. Lastly, my personal bias toward the study context and ethical considerations are discussed. The three appended papers will provide a more detailed description of the methods used.

## 4.1 Research design

Throughout this PhD project, I have studied how local food entrepreneurs acquire new knowledge from others to build successful micro-businesses and which operational practices are involved in their market development. The intention was to fill the gaps in existing literature where local food production is regarded as an interesting diversification strategy for rural farm-based entrepreneurs (Alsos & Carter, 2006; Dias et al., 2019a, 2019b; Fortunato, 2014; Grande et al., 2011; Korsgaard et al., 2015a, 2015b; Vik & McElwee, 2011), using their place-specific local resources in local and non-local markets (Müller & Korsgaard, 2018; Korsgaard et al., 2015a) by describing how entrepreneurial practices and behaviors lead to success in a micro-business context. As prior research in farm-based entrepreneurship has mainly focused on what farmers do to generate new farm income or act on new opportunities based on their rural location and local resources. This study answers the call for more research on the practice-based approach within entrepreneurship research (Champenois et al., 2020), asking how farmers acquire new knowledge to build a food micro-business and how they develop their markets. Champenois et al. suggested that one way to generalize findings from a practice-based approach could be to multiply contexts and perspectives in situated entrepreneurial activities and reveal "entrepreneurial practice(s)" patterns (Champenois et al., 2020, p. 302), as this study will aim to contribute to. My research is based on multiple theoretical perspectives, explored through a case study methodology, using in-depth interviews as the primary source of qualitative data.

A case study methodology was chosen because of its applicability in investigating a real-life phenomenon in a dynamic context, asking "how" or "why" questions (Simons, 2009; Yin, 2018). Piekkari et al. (2009) define a case study as a research strategy that examines, through a variety of data sources, a phenomenon in its naturalistic context, with the purpose of "confronting" theory with the empirical world. It focuses first, not trying to control the entrepreneurs' behavior but rather on trying to document their actual practices and, secondly, on the dominance of "how" questions, which indicate a more exploratory approach (Eisenhardt, 1989; Yin, 2018). The case study structure was designed to reflect the overall research question and the research questions in each of the three appended papers.

I began by using an inductive approach to data collection, asking open-ended and exploratory questions to reveal local food entrepreneurs' "lived lives" and discover new things to answer the research questions. Moving back and forth between this and a deductive approach based on current theory, I arrived at an abductive approach to this thesis (Braun & Clarke, 2012; Dubois & Gadde, 2002). That approach allowed for generating new theoretical frameworks resulting from the unanticipated empirical findings and the theoretical insight gained during the process (Dubois & Gadde, 2002).

The empirical context of the local food industry and the Norwegian learning network enabled the research. The contextual dependency of this research was essential in providing the overarching aim for this study—namely, to achieve a practical consequence of the research (Neergaard & Ulhøy, 2007). Importantly, a case cannot be understood in isolation but only through the interaction between the case and the context (Yin 2013, 2018). Hence, the social, institutional, economic, and spatial contexts frame entrepreneurial activities and shape the content and outcomes of these activities. These contextual issues have gained increasing attention from academics in entrepreneurship research (Korsgaard et al., 2015a, 2015b; Lang et al., 2014; Müller & Korsgaard, 2018; Thornton, 1999; Welter, 2011; Zahra, 2007) acknowledging that the entrepreneurial process is constrained and enabled by the context where it takes place (Anderson, 2000; Welter, 2011). Prior research on the role of context and embeddedness has centered on social networks and institutional contexts (Welter, 2011), but for rural farm-based entrepreneurs, the place and spatial context must also be addressed (Korsgaard et al., 2015a; Müller & Korsgaard, 2018), as it will contribute to explain the way local food entrepreneurs acquire new knowledge, build their business and develop their market. Hence, the place in which

they operate (Korsgaard et al., 2015a), like the unique contextual issues surrounding the local food entrepreneurs in Norway: the agricultural politics, the market structure, their access to the competence network and financial support systems, will influence entrepreneurial processes and thus constrain our possibility to generalize (to other contexts) from this study.

Furthermore, the specific context and my interest and knowledge in this field were essential motivations for conducting this research and choosing the specific research design. My long-term experience in the field and everyday life in the local food sector, as well as my rich network of contacts and holistic overview of the context (Miles & Huberman, 1994), gave me a unique position from which to collect data and capture the inner lives of local food entrepreneurs. The data collection was mainly conducted through interview data using in-depht interviews, supported by secondary data from field observations, media coverage, and archival data (Miles & Huberman, 1994). Interview data commonly means that the researcher collects and analyses written or spoken words, compared to quantitative research, which uses numbers as data and analyze by statistical techniques (Clarke & Braun, 2013). The direct contact with respondents in this thesis provided data based on the entrepreneurs' experiences and descriptions of their daily routines, allowing me to explore and understand the meaning-making within this specific context (Clarke & Braun, 2013). Even though an interview can only represent a subjective piece of a bigger picture and only provides a partial truth about the phenomenon under study (Clarke & Braun, 2013), it suits the purpose of a case study approach aiming to provide narrow but rich data, extracted from carefully selected participants who represent the phenomenon under study.

## 4.2 Case study approaches employed

According to Yin (2018), there are four basic types of case study design: single and multiple case designs, which can be either holistic (single unit of analysis) or embedded (multiple units of analysis). The first paper used a single case study with 12 embedded units to reflect on the local food entrepreneurs' knowledge acquisition and learning outcomes from participating in an FLN. The units were chosen based on purposeful sampling to represent different experiences and frequencies of interaction with the FLN. In papers 2 and 3, a multiple case study methodology was used (paper 2 contained 10 cases, and paper 3 contained 4 cases). The cases were purposefully selected, based on a set of theoretically derived criteria, to illustrate the phenomenon under study. They were chosen to replicate previous ones, allowing for comparing the findings across and within the cases (Yin, 2018). In paper 3, the four

selected cases, which represented extreme instances, were chosen, based on their similarities, to fill a specific theoretical category (Eisenhardt & Grabner, 2007; Yin, 2018). A theoretical sampling approach was used in all three papers, as the aim was to extend existing theories or build a new theory based on the empirical data.

Prior research shows a debate about the number of case units in a case study sufficient to provide reliable and credible data (Eisenhardt, 1989; Eisenhardt & Grabner, 2007; Goffin et al., 2019). Goffin et al. (2019) have argued that studies based on up to three cases show significantly lower quality scores than those with more than three. According to Eisenhardt (1989), four to 10 cases are the ideal number to provide desired richness in the data. Flyvbjerg's (2006) line of thought will apply to this thesis. When investigating a specific topic or situation, the atypical or extreme cases will provide more in-depth and rich information (Flyvbjerg, 2006).

In-depth knowledge of the Norwegian local food sector allowed me to apply additional expertise in the case selection and the interpretation of data. Deep knowledge and understanding of an area are considered essential for the reliability of concepts and constructs from data (Carson & Coviello, 1996) and can also uncover desirable or acceptable deviations significant for the interpretations of the data (Yin, 2018). Choosing a case study methodology also offered a unique opportunity to compare findings across the case units and theorize interesting dimensions related to entrepreneurial practices among the micro-businesses (Carson & Coviello, 1996). Compared to quantitative methodology, where one seeks value detachment and impartiality, it is impossible to be impartial in a face-to-face interview. In fact, personal involvement and partiality, where the researcher must handle subjectivity and reflexivity to avoid bias, are valued attributes within qualitative research (Clarke & Braun, 2013). Subjectivity here means that the researcher brings his/her views, perspectives, politics, passions, and frameworks for making sense of the world into the data collection and analysis of the research process (Clarke & Braun, 2013). Reflexivity means the researcher's ability to take a step back and critically reflect on the knowledge produced and how the interview guide, interview setting, and the researcher him- or herself influence knowledge production (Clarke & Braun, 2013; Creswell, 2013).

## 4.3 Methodological reflections on the limitations of the research design and data sources

When the aim is to understand what is going on in people's heads and study their everyday practices and behaviors, a qualitative approach allows a focus on the respondents' framing of the issue instead of the researcher's framing, as would be the alternative using a quantitative approach. Still, my choice to use a qualitative approach involving case study designs and in-depth interviews implied some limitations I had to consider when drawing conclusions and reflecting on the generalization of findings to other populations. Some of the strengths and weaknesses of choosing case studies as a research strategy, in-depth interviews as a primary data source, and the one-sided sampling of successful local food entrepreneurs will be discussed, as well as their influence on the generalizability of this study's findings.

### 4.3.1 Strengths and weaknesses of case study designs

A case study approach was chosen as a research strategy to advance our understanding of local food entrepreneurs' successful learning and market development in the Norwegian food industry. Case studies were relevant because of the advantages of studying a real-time phenomenon in an environment that is hard to control for the researcher and because the research questions were formulated as "how" and "why" questions (Yin, 2018). Case studies have been criticized for lacking rigor and reliability and not satisfying generalizability issues (Flyvbjerg, 2006; Welch & Piekkari, 2017; Yin, 2018). Still, a key strength of case studies is that they enable a holistic view of a phenomenon by using many sources of evidence (Yin, 2018). Regarding the context dependency of the phenomenon of interest, case study research allows consideration of a diverse set of methodologies and the flexibility to study an ongoing entrepreneurial process and activity. To avoid ambiguity in the interpretation of the phenomenon defining the case, context, and boundaries for each case—the selected cases in papers 1–3 were discussed among the researchers in the initial phase of the study before the sample units were selected and the data collected (Yin, 2018). The case study strategy allowed us to gain deep insights based on extensive in-depth empirical data and identify the complex meanings and qualities attached to local food entrepreneurs' practices in the real world. The use of case studies offered a valuable opportunity to explore this contextual phenomenon in order to extend and build new theory.

A case study's main strength is reconciling theory and context by generating contextualized explanations and acknowledging the context as a vital source for interpreting data. In this study, my own involvement and deep knowledge of the local food industry in Norway, and my familiarity with the respondents from the competence network, provided an extra contextual dimension that was used to make sense of the data. Papers 1–3 are, therefore, products of context-dependent knowledge; this is often not appropriate or possible to generalize to a broader or different population (Clarke & Braun, 2013; Flyvbjerg, 2006). Still, using an abductive analysis approach, going back and forth between empirical findings and theory, the findings from this study can inform knowledge development within the field of farm-based and local food entrepreneurship in rural areas, and the empirical knowledge can be generalized back to theory (Flyvbjerg, 2006).

Here, the case study methodology provided a deep and contextualized understanding of the practices used by local food entrepreneurs to build their businesses and develop a market for their products within the Norwegian food industry. Paper 1 used an embedded case study, and papers 2 and 3 used multiple case studies. Even if we could compare data from multiple cases, the small number of cases limits the generalizability to other contexts or other locations. The unique context of the Norwegian food industry, which includes elements like agricultural support measures, high import barriers, the constraining of the grocery market, and a policy of maintaining agricultural food production all over Norway, also limits the generalizability of this study's findings to other groups of entrepreneurs or other countries. A fruitful avenue for future research would be to validate the findings from this study outside the unique context of the Norwegian food industry.

I could have chosen to use other methods to triangulate the data or strengthen the case study design. A common practice in case study research is to utilize a mixed-methods approach, combining both quantitative and qualitative methods (Morse, 2015; Yin, 2018). When used for triangulation purposes within a single study, the methods being mixed—for example a survey and in-depth interviews—must aspire to answer the same research question and collect complementary data. This contributes to the production of a richer and stronger array of evidence than the single method alone, and thus improves the validity of the case study design (Yin, 2018). In the case of local food entrepreneurs' knowledge acquisition and market development, a survey in the initial phase of the study, covering a larger section of local food entrepreneurs in Norway (and/or other countries), might have contributed

to a more nuanced understanding of the different structural, financial, and governmental issues affecting entrepreneurial success, and could have been augmented by enriching in-depth interviews and participant observations that provide a deeper insight into the topic of interest.

### 4.3.2 Strengths and weaknesses of data sources

In-depth interviews were chosen as the primary data source to examine the phenomenon of local food entrepreneurs' learning and market development practices in their real-life environments (Flick, 2018). The use of secondary data sources, like field observation (paper 1) and document data gathered from media coverage and internet sources on the local food entrepreneurs (papers 1–3), as well as market data (paper 3), helped validate events and circumstances discussed in the primary interview data, contributing to triangulation of the data sources (Miles & Huberman, 1994).

Choosing in-depth interviews as the primary data source was immediately beneficial to this study. I knew from my work in the competence network that local food entrepreneurs could be a "hard-to-reach" participant group (Flick, 2018) due to the time and resource constraints that come with running micro-businesses. These entrepreneurs prefer direct contact and dialog with the interviewer in familiar locations in order to feel comfortable and relaxed during the interviews (Flick, 2018). By choosing interviews with founder-managers from within the competence network, we were able to gain insider knowledge and trust due to prior relations with the local food entrepreneurs, and I knew that an interview would be perceived as a low-threshold request. Conducting the interviews in the participants' own environments also allowed us to experience the entrepreneurs' farms and gain insights into their everyday activities. During the interviews, an interview guide with open-ended questions was used, combining both question-answer parts and an invitation to recount relevant situations in a narrative, which allowed different forms of knowledge to materialize (Flick, 2018), thus leading to a richer and deeper understanding.

There were also some disadvantages to the use of in-depth interviews, including my personal involvement in the data collection process. It is commonly known that researchers might be biased and anticipate what is to be said (confirmation bias) or be value-laden during data analysis (analysis bias), which can lead to missing out on surprising or contradictory factors that could be valuable to the data analysis and

study findings. A known strategy for increasing the validity of interview data is to triangulate the data by combining multiple interviewers or observers, theories, methods, and empirical materials (Morse, 2015). A triangulation strategy was thus implemented in the three enclosed papers. Firstly, independent researchers with no prior relationship with the participants conducted the interviews (Flick, 2018) to reduce subjectivity and avoid any concerns regarding my expert bias, as I knew the respondents from the competence network. However, this may have caused a lack of contextual understanding; essential nuances in the interview data could have been lost, as the interviewers did not have the same contextual experience. The interviewing researchers, therefore, discussed their notes and field observations with the authors of the enclosed papers to unify the collective understanding. Secondly, three independent researchers participated in the thematic analysis to strengthen the reliability of the data analysis. The abductive approach used in all three analyses made it necessary to return to the initial data several times, strengthening the reflexivity of my "expert researcher" involvement in the data collection and analysis. It allowed me to step back and reflect on the data, see the data from different perspectives, read and re-read the transcribed data, and listen to the audio recordings to get to know the data well (Braun & Clarke, 2012).

Using interview data and narratives in the data analysis also raised a concern about retrospective bias. Respondents are likely to present themselves and their experiences in a self-preserving mode that makes them appear one way or another (often more positive), as they feel "at risk" and exposed in an interview situation (Wengraf, 2001). The constraint of using open-ended questions and narration can create a "retrospective illusion," where the respondent unconsciously talks through the past, present, and future; at the same time, describing not only the person they have become but also the person they would like to be (Wengraf, 2001). One other bias that can influence data comes from entrepreneurs' tendency to take greater risks than non-entrepreneurs, and thus their tendency to be over-optimistic and overconfident (Busenitz, 1999; Grichnik, 2008). This bias is also context-dependent, as the degree of over-optimism and overconfidence will depend on the stage entrepreneurs are at in the entrepreneurial process (Cossette, 2014). Researchers must be aware that a reconstruction of memories in an interview might be affected by the respondents' tendency to overlook uncertainty and potential negative outcomes (Zhang & Cueto, 2017). In this study, using secondary data like media coverage, market data, and field observations contributed to harmonizing and

contextualizing the data analysis to increase validity in the interpretation of the respondents' narratives.

In-depth interviews are hard to replicate in other studies. There are so many factors that can influence the interview situation. The interview process depends heavily on the interviewer's skills and behavior; the trust gained from the respondents; the interviewer's state of mind; and many other circumstantial factors. Different interviewers would likely extract different answers from the same respondents. In-depth interviews can therefore be seen as interviewer/respondent co-productions (Lucas, 2014) that only provide a snapshot of the phenomenon under study. Combining in-depth interviews with other methods to triangulate the data from different sources could have strengthened the data in this study. Extended use of field observations could have increased this study's validity.

### 4.3.3 Strengths and weaknesses of sampling

Qualitative methods like in-depth interviews are time-consuming and often result in a limited number of samples, perfectly chosen for a study. Good sampling techniques thus provide better validity (Morse, 2015). The three enclosed papers used careful theoretical sampling (Neergaard &Ulhøy, 2007) to provide rich, contextual data to answer the research questions. Based on the main research question in this thesis, I chose to study local food entrepreneurs with some experience and success in their market—a subjective focus. Sampling successful local food entrepreneurs, especially in papers 2 and 3, implies a success bias and causal inferences in the data collection and analysis (Collier, 1995; Lucas, 2014). The farm-based food entrepreneurs participating in papers 2 (and 3) were selected based on criteria to ensure they had genuine market development experience in local and non-local markets. The idea was not to specifically select successful cases but to enhance replicability based on cases with a similar history of building a local food business and developing a market, allowing for a comparison across and within the cases. Success bias in the case selection could thus affect the interpretation of practices used by the founder-managers to develop or extend their markets in an opportunistic direction. This meant that we, as researchers, had to be extra conscious not to conclude without considering other factors, like luck or undisclosed expert skills within business management or marketing, that could lead to contradictory explanations for their successful practices. At the stage of sample selection, this was impossible to reveal through the objective selection criteria, and we, therefore, relied on our interview data to uncover such undisclosed dimensions. However, after a careful discussion

with the researchers involved, I did not uncover any negative consequences of any success bias in the sampling. We, on the contrary, found it necessary to choose successful entrepreneurs as this was relevant to theorizing a route to future local food entrepreneurs' success. The strengths and weaknesses of the study's sampling are discussed below.

In paper 1, the sample of local meat entrepreneurs was selected on the basis of their experience in a learning network. Both new and more experienced participants were selected to illuminate the difference in experiences with regard to familiarity with and prior knowledge of meat production, the amount of time they had been local food entrepreneurs and activity in the learning network. Involving new and more experienced entrepreneurs reduced any bias toward a narrow focus on successful ventures, as there was no indication of the participants' success or failure at the time of the study. This allowed a nuanced interpretation of local food entrepreneurs' practices. Within the sample, some participants also turned out to be negative cases. A negative case is a case in which respondents' experiences or viewpoints differ from the main body of evidence (Morse, 2015). This sheds light on disconfirming evidence and provides a realistic assessment of the phenomenon under study. We discovered that new participants in the learning network who did not pay attention to the sharing culture and did not socialize with the other participants would drop out of the learning trajectory and miss out on knowledge. Here, the negative cases strengthened the general explanation for the "typical" case and contributed to the development of validity (Morse, 2015). As this study focused mainly on entrepreneurs' learning acquisition and learning outcomes in a single learning network, no generalization to other learning networks could be made. The unique context of the Norwegian food industry and access to support systems and financial aid not found in other countries also makes the results difficult to generalize to other countries.

Papers 2 and 3 were derived from the same data source; paper 2 contained the total sample of 10 local food entrepreneurs. In contrast, paper 3 only contained four participants out of the total sample, representing comparable extreme cases of market-driving entrepreneurs. The sample of participants in paper 2 received funding through the growth-funding program of Innovation Norway (Innovation Norway, 2020), indicating that they were expanding to new markets, scaling up their production, or adding new employees to their businesses. Even though the selection of successful local food entrepreneurs was intentional, a potential success bias in the sample must be considered when drawing conclusions based on this study. The

success sample bias addresses an important limitation to the generalizability of this study's findings. The findings are based solely on successful case samples and do not consider that the practices leading to success could be the same for not-so-successful entrepreneurial ventures, if they had been included in the sample. Other factors that could have caused someone's success and others' failures, like financial situation and access to skilled employees, were not considered. This disadvantage could have been addressed if both successful and not-so-successful entrepreneurs had been included in the sampling for paper 2. The information gained would then have been on a more diverse set of practices and would have added to the robustness of the data (Wengraf, 2001).

In paper 3, additional sales statistics from the grocery market were retrieved to validate the case samples' ability to drive their markets. The aim of this study was to show that micro-businesses within a constrained sector like the Norwegian food industry can be market-driving, despite their smallness. The intention of this paper was never to generalize, but rather to provide insight into a relatively unexplored phenomenon, even though the generalizability of case studies can be increased through a strategic selection of cases, where the atypical or extreme cases often reveal more information about the phenomenon under study (Flyvbjerg, 2001, p. 11). The unique context of Norwegian local food entrepreneurs also restrains our ability to generalize from this study to a broader population or other nationalities. A follow-up study could explore market-driving practices in other sectors and other countries to verify the successful practices suggested for local food entrepreneurs on the basis of the findings in paper 3.

Using case studies as a research strategy in this study deliberately trades depth and contextualized understanding for the more generalizable approach of choosing quantitative research methods. Consequently, the study's findings are not statistically generalizable to all local food entrepreneurs in Norway or to local food entrepreneurs in other countries, nor are they generalizable to other contexts or other groups of entrepreneurs. The study can, though, be generalized in the sense of analytic generalization, where the goal is to expand and generalize theories (Yin, 2018), informing local food entrepreneurs in Norway and other similar contexts through the practice-based frameworks presented.

## 4.4 Research context – understanding and interacting

Addressing my involvement in the research context provided some advantages and disadvantages related to this PhD project. From my experience as the project manager for the competence network, I had the benefit of being familiar with the research context and having direct relations with local food entrepreneurs. This produced deep knowledge I could use to select cases relevant to the research questions. It also offered access to interesting entrepreneurs willing to participate in the research, as they already trusted the competence network and willingly shared their experiences and stories from their daily lives. It also provided the author team for each of the three papers (1–3) with a unique contextual understanding for interpreting the data and conducting the analyses, as deep knowledge and understanding about an area are considered essential for the reliability of concepts and constructs from data (Carson & Coviello, 1996).

On the other side, my close relationships and experience in the research context could also have meant a bias in interpreting the results from this research. To accommodate this bias, the in-depth interviews were conducted by two outside researchers, making the interview setting and dialog with the participants more neutral and objective.

## 4.5 Ethical considerations

Before starting the data collection for this thesis, the PhD project was registered with the Norwegian Centre for Research Data (NSD). This was primarily done to safeguard the privacy and personal information of the participants. One requirement from the NSD was to inform all participants of the purpose of the research project, how the data would be used, the timeline for the research project, and routines for the safe storage of research data. Based on the General Data Protection Regulation (GDPR), the NSD also required a participant to be given information regarding their right to withdraw from the study at any time, and imposed a requirement that data from that particular participant be deleted. All information about participants was anonymized throughout this thesis, and following the requirements from NSD datafiles, transcripts and audio files will be deleted or anonymized at the finalization of this PhD project in 2023.

# 5 Summary of Papers and Findings

This section provides a brief overview of the papers contained in this thesis and the key findings from each paper. The thesis addresses three practice-based topics in the entrepreneurship literature:

- Social entrepreneurial learning
- Entrepreneurial marketing
- Entrepreneurial orientation as a lens to study market-driving practices

The papers are presented in the following order: first, studying how local food entrepreneurs learn from each other to build a successful business (Paper 1), second, studying how local food entrepreneurs build a market for their unique products (Paper 2) and third, studying how local food entrepreneurs influence their market (Paper 3).

## 5.1 Key findings from paper 1, Informal social learning dynamics and entrepreneurial knowledge acquisition in a micro food learning network

Paper 1 addresses the social perspectives of EL and how entrepreneurs can acquire new entrepreneurial knowledge through participation in an FLN targeting local food entrepreneurs. The following research questions informed the study:

> Which informal mechanisms regulate knowledge acquisition in a community of inquiry? How does a community of inquiry contribute to entrepreneurial knowledge acquisition for the individual entrepreneur?

In an FLN, new and experienced entrepreneurs benefit from an informal and open engagement that moves beyond simple information seeking (Rigg et al., 2021) and extends into a CoI surrounding a shared interest (Davies & Mason-Jones, 2017). Here, the shared interest was in meat production. Based on in-depth interviews with 12 local food entrepreneurs, we studied the informal mechanisms regulating knowledge acquisition in a CoI and how the CoI contributed to entrepreneurial knowledge acquisition for individual entrepreneurs.

In this case study, we identified informal mechanisms that regulate knowledge acquisition and sharing between peers in an FLN. A conceptual framework was

developed (Figure 5.1), showing that as a prerequisite to gaining access to valuable knowledge, members must pay attention to and follow the underlying cultural norms and boundaries within the CoI. Engagement in the practices of others regulates access to community knowledge and vital learning. Increased knowledge acquisition leads to opportunity development for new and more experienced members of the CoI. The FLN trainer plays an essential role as a motivator for all members and reflects all levels of skills.

In summary, we found that local food entrepreneurs' social learning in an FLN contributes to vital knowledge acquisition for the individual entrepreneur independent of prior knowledge and level of expertise. It enhances the individual entrepreneurs' opportunity recognition and innovativeness, and it develops a safety net and common ground that legitimizes the individual entrepreneur in the local food sector. Eventually, this leads to legitimizing all local food entrepreneurs at a sector level, enhancing the market opportunities for all, as participants in a trustworthy and respectable industry.

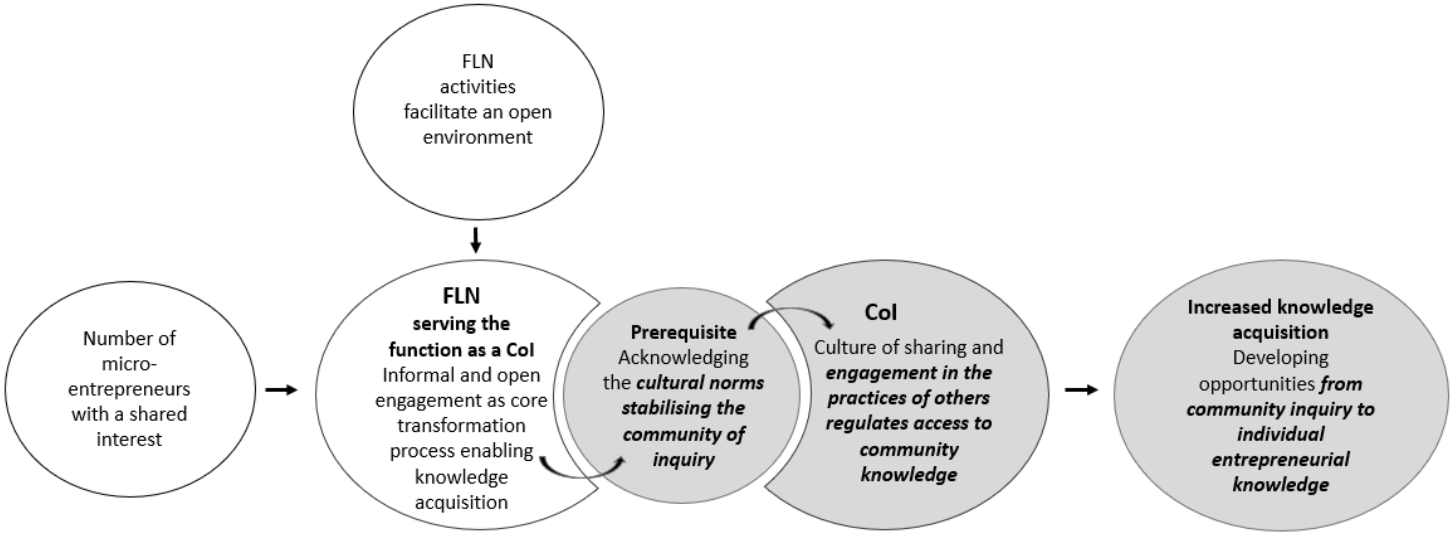


*Figure 5.1. The individual micro-entrepreneurs' entrepreneurial knowledge acquisition in a CoI.*

## 5.2 Key findings from paper 2, The farm-based entrepreneur's marketing mix: a case study from the local food sector

Paper 2 focuses on the EM practices among farm-based food entrepreneurs answering the following research question:

> What particular practices have led to the farm-based entrepreneurs' success in the markets they operate, and how do the entrepreneurs' initial motivations influence the market creation process?

Unlike larger businesses, these small and resource-constrained businesses rely on the marketing skills of their founder-managers to succeed. They often use their local resources and unconventional marketing practices (Müller & Korsgaard, 2018; Korsgaard et al., 2015; Kubberød et al., 2019), described as their entrepreneurial marketing mix (EMM), to establish a unique place in the market (Martin, 2009; Zontanos & Anderson, 2004). Using a qualitative methods approach with a multiple case study design, we interviewed 11 founder-managers of 10 food micro-businesses to gain insight into their EM practices.

We identified two purposes for using farms in entrepreneurial endeavors. In transferring farms, entrepreneurs drew upon local and farm-related expertise and resources in a bottom-up strategy, starting with the farm instead of with a business idea (Stokes, 2000a, 2000b). In transforming farms, entrepreneurs used farm-resources in active and goal-driven searches for opportunities (Sarasvathy, 2001) outside their local contexts. The study also identified practices that farm-based entrepreneurs can use to create and expand the markets for their unique products, thereby contributing to an enhanced understanding of farm-based entrepreneurship (Alsos et al., 2003; Alsos et al., 2011; Dias et al., 2019b; Vik & McElwee, 2011). Farm-based entrepreneurs who successfully use this study's proposed FEMM framework (Figure 5.2) can reduce uncertainty and risk, creating a favorable market environment for their products (Haden et al., 2016).

Eventually, by using their unique resources and EM practices, outlined in Figure 5.2, the farm-based food entrepreneurs can achieve product success in either the local or the non-local market, dependent on the individual entrepreneurs' networking and farm-based experience and their primary purpose for transferring or transforming the farms.

| | | PRACTICES | PROCESS | | PRACTICES | |
|---|---|---|---|---|---|---|
| **PERSON**  Local networking; farm-based experience **PURPOSE**  **Transferring the farm as the primary purpose** | **Flexible and controllable market expansion practices** | Co-creation instead of market research | Means driven co-creation | Own experience first then adjustments through co-creation | Co-creation instead of market research | **PERSON**  Non-local networking; business experience **PURPOSE**  **Transforming the farm as the primary purpose** |
| | | Teaching the market through the sense of taste | Non-predictive control strategy | Taste demos to convince customers | Teaching the market through the sense of taste | |
| | | Networking as market orientation | Alertness to contingencies | Direct access to customer' opinions | Networking as market orientation | |
| | **Using a personal networking approach in the market development process** | Lead user networking approach | Goal driven | Approaching chefs for promotion | Lead user networking approach | |
| | | The local networking approach | Means driven | | The non-local networking approach | |
| | | | Use local contacts first for access | Use non-local contacts first for access | | |
| | **Legitimising a local brand through uniqueness of person, purpose and place** | Using distinctive design to link a unique taste with a unique place | Goal-driven | Stand-out deliberate strategy | Using distinctive design to link a unique taste with a unique place | |
| | | Establish a link between happy living animals to good quality | Means-driven | | Using personal credibility to establish a link to exquisite taste | |
| | | | Employ animal welfare in a bottom-up manner to build a brand | Employ personal experiences to build strong local brands | | |

*Figure 5.2. The Farm-based Entrepreneur's Marketing Mix (FEMM)*

## 5.3 Key findings from paper 3, Micro-businesses in the driver's seat: a qualitative study of market-driving practices in the food sector

Paper 3 addresses the research gap in the market-driving literature by studying market-driving in a micro-business context. The following research question was presented:

> How is market-driving operationalized through the practices of entrepreneurs in food micro-businesses?

Four pioneering local food entrepreneurs were purposefully selected in a multiple case study (Eisenhardt, 1989) based on their experience and documented capability to drive new categories for their unique products in the grocery market. Looking through the lens of EO and the entrepreneurs' innovativeness, proactiveness, risk-taking (Lumpkin & Dess, 1996), passion, and perseverance (Santos et al., 2020), we investigated how market-driving became operationalized through the practices of founder-managers in food micro-businesses.

We developed a framework of practices (Figure 5.3) illustrating the influence of EO dimensions on market expansion driven by food micro-businesses. The main themes describing entrepreneurs' market-driving practices were: 1) taking risks and following their passion, 2) innovativeness led by a passionate personal value proposition, and 3) proactively and perseveringly building a new category.

The study shows how pioneering food micro-businesses can drive their markets and influence market expansion. Even though the findings cannot be generalized, additional empirical case studies in similar contexts (i.e., local food or artisanal food in other countries) can further substantiate the market-driving practices of micro-businesses entrepreneurs and verify our proposed framework.

By consciously applying the framework outlined in this paper, more micro-business entrepreneurs can learn to trust their intuitive market-driving practices. They can benefit from specific examples and create new practices that will help them to develop superior products and value propositions and gain access to the grocery market/established markets.

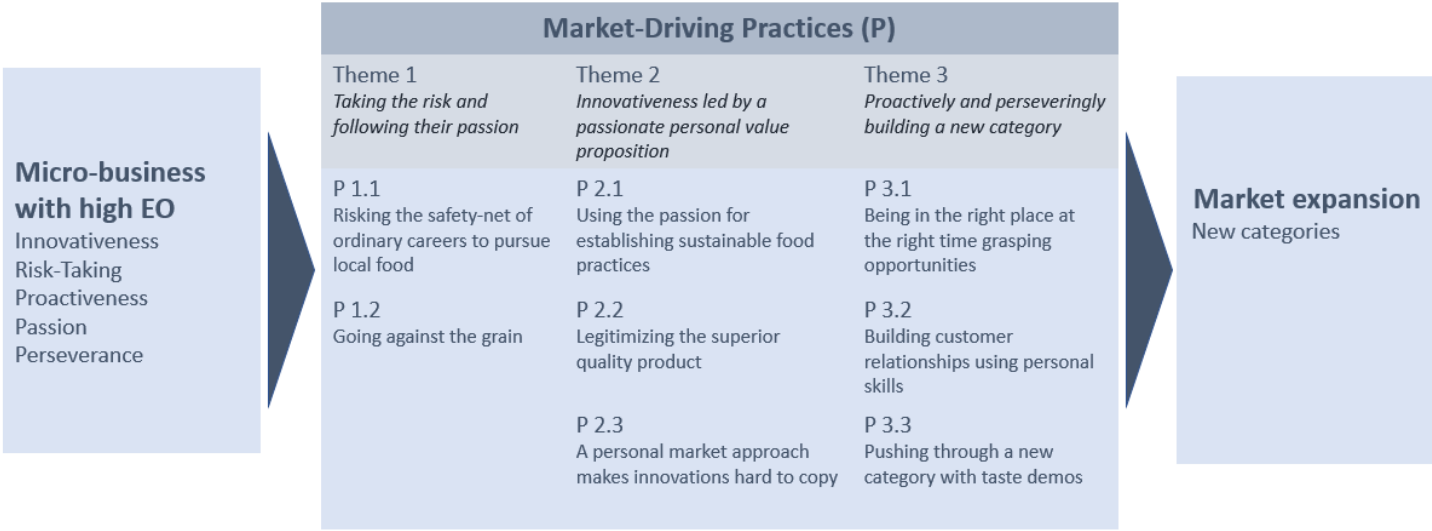


*Figure 5.3. Market-driving practices of food micro-businesses manifested in EO and leading to market expansion.*

# 6 Discussion

Rural farm-based entrepreneurship, particularly within local food, are an under-researched area in the entrepreneurship literature, especially concerning the practice-based approach of studying the complex social activities connected to growing a business and developing a market (Steyaert, 2007). Taking a practice-based approach to entrepreneurial market development (Champenois et al., 2020; Steyaert, 2007), the overall aim of this thesis was to contribute theoretically and empirically to the understanding of rural farm-based entrepreneurs' daily practices, and specifically how local food entrepreneurs acquire new knowledge that enables them to develop a marketplace for their products locally and non-locally.

Food micro-businesses constitute the majority of market actors in the food industry (Prestegard, 2018; Rossi, 2020), but they have not received the same attention in research as their larger counterparts, which has left a gap in the literature. So far, most research on market development (and especially the ability to drive the market) has focused on larger businesses (Agarwal et al., 2018; Carrillat et al., 2004; Ghauri et al., 2016; Jaworski et al., 2000; Jaworski et al., 2020; Kumar et al., 2000; Schindehutte et al., 2008; Stathakopoulos et al., 2022), leaving out the fact that entrepreneurial activities of micro-businesses are strongly influenced by the contexts in which they operate (Korsgaard et al., 2015a). Answering the need for further development of rural and farm-based entrepreneurship (Islas-Moreno et al., 2020; Shrivastava & Dwivedi, 2021), this thesis contributes to filling the research gap by studying local food entrepreneurs in their rural farm-based spatial context. Through this, studying the local food entrepreneurial phenomenon in its actual context to detect and describe which practices lead to success. By performing an in-depth study of how rural farm-based entrepreneurs mobilize their local resources and leverage these into successful market development practices for local food in local and non-local markets, this thesis contributes to prior research on farm-based entrepreneurship in rural areas. This thesis focused on the need for theoretical improvements expressed in the language of local food entrepreneurs. This will help small businesses to understand and implement new practices and, consequently, to perform better within a specific industry.

Prior research in rural farm-based entrepreneurship has focused on the many opportunities and constraints of being an entrepreneur in rural areas (Fortunato, 2014; Islas-Moreno et al., 2021; Korsgaard et al., 2015a; Müller & Korsgaard, 2018; Tödtling et al., 2011). Focusing on "rural entrepreneurship", as described by Korsgaard et al. (2015b), this thesis has illustrated how local food entrepreneurs that are place-specific connect place to space in their farm-based food processing, selling, and market development. Adding to the prior knowledge of Jørgensen and Mathisen (2023), who found that rural entrepreneurs' engagement encompasses and combines multiple layers of their rural context, this thesis provides in-depth insight into the specific practices of entrepreneurs as they learn to build their business, interact with academic institutions through the competence network, learn from peers through the development of a CoI, support each other and collaborate to benefit the local food industry. It is acknowledged that access to knowledge is a limiting factor in rural entrepreneurship and that bridging to non-local networks like learning networks is a mechanism rural entrepreneurs use (Korsgaard et al., 2015b). The thesis shows that a nationally organized FLN, with regional and local adaption, can contribute to overcome the limitation of "institutional thinness" (Tödtling et al., 2011) in rural areas. Hence the competence network contributes to essential information, practical training, peer-to-peer knowledge sharing, and business development support to local food entrepreneurs in rural areas by bridging to a professional learning network tailor-made for rural farm-based entrepreneurs. This thesis adds to prior knowledge by illustrating how an FLN contributes to important knowledge and training in food production as well as facilitating informal knowledge sharing, which transfers into a CoI to support entrepreneurial knowledge acquisition in many areas of food processing and market development.

Micro-entrepreneurs learn and develop their businesses in a social environment (Davies & Mason-Jones, 2017; Pittaway & Thorpe, 2012; Shepherd et al., 2022), in close relationships with their customers, competitors, suppliers, and other network contacts (Shepherd et al., 2022). Adding to the findings of Shepherd et al. (2022), who found that openness to others' perspectives generates more opportunities and thus better progress toward market development, the conceptual framework in paper 1 describes how informal learning mechanisms regulate openness and knowledge sharing from others in a CoI. This represents a new and important foundation for micro-business EL in an FLN. This thesis thus adds to the prior research on learning networks (Bessant & Tsekouras, 2001; Lefebvre et al., 2015; Reinl & Kelliher, 2015;

Rigg et al., 2021; Pittaway et al., 2009) by describing the social mechanisms that influence the transition from a traditional FLN toward a CoI.

Through socially engaging in others' practices and learning from others, local food entrepreneurs benefit from knowledge acquisition in more ways than the intended seek-and-take advice on food technology (Rigg et al., 2021). Not only do the entrepreneurs learn how to make an innovative product and manage their daily business (explicit knowledge in technology or business management), but they also learn informally from others how to make the right decisions and avoid making mistakes (tacit and industry-specific knowledge not easily found elsewhere). This confirms prior knowledge from Müller and Korsgaard (2018) that social embeddedness in the rural context is relevant to entrepreneurs as it provides access to intimate knowledge, contacts, sources of advice, information, and support from others. In addition, the CoI provides them with essential legitimization as local food producers that builds their self-confidence and provides network contacts useful for the market access and market development activities studied in paper 2 and paper 3. The informal social learning and knowledge acquisition continue outside the FLN and provide a vital safety net and companionship for all members, maintaining and building a local food industry. Through friendship and solidarity gained from the FLN/CoI, the local food entrepreneurs support each other and collaborate to drive and expand their common market. This profound insight contributes to our understanding that participation in a learning network can enhance local food entrepreneurs' market success. A good financial position, access to networks, and identifying one owns unique competence and unique farm-based resources are essential for entrepreneurs' success in mature markets (Alsos et al., 2003; Grande et al., 2011) and based on this thesis' research, it is shown how participation in an FLN can contribute to building competent, self-confident local food entrepreneurs who support each other and provide legitimacy in their local food industry.

Prior literature has discussed how the marketing practices of smaller businesses differ from larger ones (Fillis, 2010; Franco et al., 2014; Harris & Deacon, 2011; Haugum & Grande, 2017; Hills & Hultman, 2013; Jones & Rowley, 2011; Stokes, 2000a, 2000b; Zontanos & Anderson, 2004). Through the findings in paper 2, this thesis has identified a set of practices for creating and expanding a market for unique local food products showing how farm-based food entrepreneurs can compensate for their lack of marketing expertise and resources (Stokes, 2000a, 2000b). The new framework for the farm-based entrepreneurs' marketing mix (FEMM) expands the

present EMM framework (Martin, 2009; Zontanos & Anderson, 2004), describing the context-specific market practices of farm-based entrepreneurs. This contributes to the EM literature by emphasizing the importance of local food entrepreneurs' initial purpose, personal skills, knowledge base, and background for their market success. It also points out how local food entrepreneurs leverage their local or non-local network contacts to target their initial market, a finding which supports prior research on place-specific entrepreneurs' engagement in local and/or non-local markets when marketing and selling their products (Müller & Korsgaard, 2018). The FEMM framework differentiates between entrepreneurs who are transforming the farm (Stokes, 2000a, 2000b) and those who are transferring the farm (Sarasvathy, 2001). This classification clearly links the concept of bridging (Korsgaard et al., 2015a) to farm transformation, and thus extends the understanding of different rural entrepreneurs' practices for market development. Prior research has pointed out the need to differentiate between the farmer as a traditional farmer with agricultural production as primary focus and the farmer as entrepreneur; the latter describes innovative and opportunity-oriented farmers seeking flexible and diverse economic activities like food production (McElwee, 2008). This thesis contributes to research describing the farmer as entrepreneur by highlighting some of the difficulties farmers must overcome when entering the local food industry, such as lack of food processing knowledge and business and market-development knowledge. It also contributes by visualizing the advantages of local food entrepreneurs from participating in a learning network for knowledge acquisition. As identified in paper 1, having a CoI to lean on for advice and collaboration, as well as new network contacts, can play an essential role in the choice of practices and, thus, market success. Being aware of the proposed FEMM framework, local food entrepreneurs can actively choose which practices to use when addressing a local or non-local market. This knowledge adds to the prior research literature on EM by making a pioneering attempt to explore and conceptualize EM within micro-business and farm-based entrepreneurship.

Market-driving as a phenomenon is rarely described in the micro-business literature (Humphreys & Carpenter, 2018; Ottesen & Grønhaug, 2007; Zortea-Johnston et al., 2012) even though it is widely recognized that successful entrepreneurs intuitively show market-driving capabilities (Jaworski et al., 2000; Kumar et al., 2000; Schindehutte et al., 2008). In paper 1, community members with expert skills and high self-efficacy were seen to challenge their market environment, resembling pioneering entrepreneurs with high EO. Using the FEMM framework from paper 2, we found that the pioneering entrepreneurs studied in paper 3 all aimed at

transforming the farm as their primary purpose. To do that, they used their non-local networking skills and prior business experience from outside the farm in a bridging manner (Korsgaard et al., 2015a). In contrast to larger businesses, the local food entrepreneurs used a more personal value-proposition and passionate approach to drive new categories in the market. The identified market-driving practices of pioneering local food entrepreneurs suggest that rural entrepreneurship can be reconceptualized as engagement with context, where the unique context provides the resources to which entrepreneurs connect to create value (Gaddefors & Anderson, 2019). Paper 3 presents a novel attempt to conceptualize market-driving practices in a micro-business context, thus filling the gap in prior research. The framework shows how micro-businesses can compete in a market dominated by more prominent actors and contribute to expanding their market.

As a starting point for this thesis, elements from the research stream of social entrepreneurial learning, EM, and EO/market-driving literature were presented (Figure 2.1) in a literature review of rural farm-based entrepreneurship. As indicated in the prior theory section, all three elements and the embeddedness in a rural farm-based context affect local food entrepreneurs' learning, marketing, and business development strategies. This thesis proposes a dynamic interrelationship between the three research streams (EL, EM, and EO/market-driving), as they all contribute to the rural farm-based entrepreneurs' market success and business development. Figure 6.1. visualizes the proposed dynamic interrelationship of social entrepreneurial learning (increased knowledge acquisition, opportunity recognition and innovativeness, and legitimization for local food entrepreneurs), entrepreneurial marketing (practices used to create a local and/or non-local market based on the entrepreneurs' personal experience and purpose), and entrepreneurial orientation and market-driving (local food entrepreneurs with high EO who expand the market through market-driving practices that benefit the entire local food industry) in the context of the rural farm-based entrepreneurs in Norway.

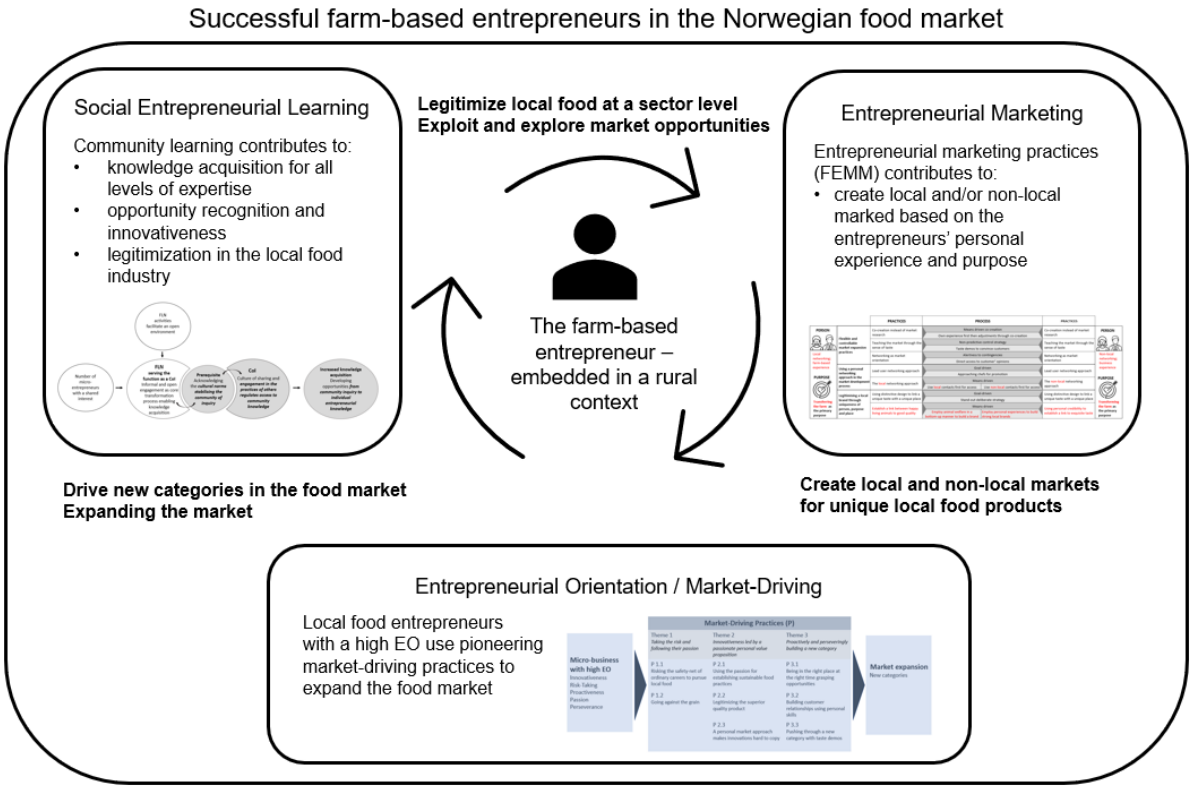


*Figure 6.1. The farm-based entrepreneurs' interdependency and dynamic interrelationship of community learning and market practices leading to success in the Norwegian food market.*

This thesis contributes to the discussion about rural entrepreneurship, supporting the argument that rural farm-based entrepreneurship should not be regarded as less important even if rural entrepreneurs might grow more slowly and at a lower rate than the more opportunistic entrepreneurs in urban areas (Korsgaard et al., 2015b). It shows that rural farm-based entrepreneurship within local food production contributes to farm income and employment, and provides attractive craft-food products that drive new categories in the dominant and national grocery market. Local food entrepreneurs' activities thus contribute to value creation through 1) diversification into food processing and selling through farm-shops, delicacy stores and local cafes, highlighting local culture and heritage; 2) making a regional impact by promoting their locally embedded farm businesses and selling through farmers market's, Horeca and grocery stores; bridging to non-local markets; and building brands that positively impact local areas' reputations; and 3) making a national impact by contributing to the goal of maintaining agricultural production and farm activity all over Norway, improving self-sufficiency, and providing sustainable food production.

# 7 Contributions

Aiming to build new knowledge about the successful entrepreneurial practices of local food entrepreneurs in rural areas of Norway, this thesis contributes to the literature and theory of rural farm-based entrepreneurship and provides valuable advice for policy and practice.

## 7.1 Contributions to literature and theory

This thesis has enhanced the understanding of rural farm-based entrepreneurship, focusing on how local food entrepreneurs acquire new knowledge to build a successful farm-based business and which operational practices are involved in their market development. Its main contribution is thus the development and extension of theoretical frameworks on entrepreneurial practices in this rural farm-based context. Supporting the call for a more practice-based approach to rural entrepreneurship research, this thesis provides new insight to substantiate the concept of "farmer as entrepreneur" (McElwee, 2008)—leading to more sustainable and self-sufficient food production. Building new theory on farm-based entrepreneurs' successful practices when diverging into local food production, this thesis exemplifies how local food entrepreneurs in rural Norway can combine both traditional farming and food processing, selling and marketing their products. By uncovering the actual practices local food entrepreneurs use as they build their businesses and develop a market for their unique local food products, this thesis also contributes to rural farm-based entrepreneurship literature by providing new insight into the pioneering aspects of market development in a competitive and dominant national food industry.

Throughout this thesis, I have taken a phenomenological approach to study the practices within local food entrepreneurs' network learning and market development in the Norwegian food industry. As Flyvbjerg et al. (2006) suggested, we can only develop a deeper meaning by studying the real practice in its natural context. Therefore, contributing to the recent focus on entrepreneurs' doings and sayings in their everyday life, this thesis has taken a practice-based approach (Champenois et al., 2020; Thompson et al., 2020). Through the three appended papers (1–3), I have demonstrated that learning from unique cases provides new theoretical knowledge about food micro-businesses operating in a rural farm-based context. In my work, I have found that many obstacles to being a rural farm-based micro-business in a

competitive industry, like the food industry, can be overcome by community learning and support from others.

In line with its first objective, this thesis contributes to social entrepreneurial learning theory and learning network theory (Bessant & Tsakouras, 2001; Davies & Mason-Jones et al., 2017; Shepherd et al., 2022) by providing in-depth knowledge of informal social regulation mechanisms that create an open learning environment for participants in a learning network. Thus, this thesis expands prior knowledge regarding individual entrepreneurs' knowledge acquisition and learning outcomes in an FLN, demonstrating the importance of engaging in others' practices and experiences to advance as local food entrepreneurs. It is known from prior research that micro-entrepreneurs benefit from their communities of interest to succeed (Shepherd et al., 2022). Supporting and complementing the findings of Shepherd et al. (2022), this thesis identifies the informal social learning mechanisms that regulate individual entrepreneurs' access to the CoI, and, thereby, access to the important know-how they gain from peers. The rural farm-based entrepreneurship literature has pointed out that rural entrepreneurs lack access to urban infrastructure, collaboration with other SMEs or knowledge-producing organizations like universities to provide resources like knowledge about food production and access to sales channels and larger markets (Fortunato, 2014; Henry & McElwee, 2014; Korsgaard et al., 2015a, 2015b; Müller & Korsgaard, 2018; Tödtling et al., 2011). As a contribution to the rural farm-based entrepreneurship literature, this thesis has demonstrated how social EL within an FLN and its inherent CoI, can generate an effective bridging to community learning, which improves entrepreneurs' knowledge basis, network contacts, collaboration partners, and market opportunities that compensate for their lack of locally available resources. Adding to prior literature on the importance of social embeddedness in a rural context (Berglund et al., 2016; Jack & Anderson, 2002; Korsgaard et al., 2015a), this thesis illustrates how social embeddedness in multiple layers (Jørgensen & Mathisen, 2023), the FLN and its inherent CoI representing one such layer, provide intimate knowledge supporting the individual local food entrepreneurs' compliance with the accepted norms in the social, spatial context of local food and thus enables entrepreneurial activity.

The second objective of this thesis was to establish new knowledge about the market practices of rural farm-based entrepreneurs. The developed FEMM framework contributes to the EM literature by presenting a set of strategies for entering a local and/or non-local market with unique local food products. This knowledge advances

prior EM literature (Kubberød et al., 2019; Martin, 2009; Whalen & Akaka, 2016; Zontanos & Andersen, 2004) and provides a context-specific understanding of individual local food entrepreneurs' market practices and market strategies. As identified in this thesis, members in a learning community have the advantage of openly sharing best practices and learning from others, getting advice on business and market development from peers. Awareness of the market practices described in the FEMM framework adds to prior knowledge in both the learning network literature and EM literature, as it provides a valuable tool for market entry and further advancement of the local food industry. The FEMM framework further advances prior literature on place-specific farm-based entrepreneurs' utilization of spatially bound resources (Müller & Korsgaard, 2018) by providing new insight into the doings and sayings of practicing local food entrepreneurs' engagement in their local markets and/or bridging to non-local markets.

Market expansion through market-driving practices of local food entrepreneurs was investigated as a third objective. This thesis has challenged prior research literature on market-driving (Carrillat et al., 2004; Jaworski et al., 2000; Jaworski, 2020; Kumar et al., 2000; Schindehutte et al., 2008; Stathakopoulos et al., 2019) by showing that pioneering micro-businesses within the local food industry can drive new categories for their unique food products in the competitive food market. By presenting a novel framework of market-driving practices in a rural farm-based entrepreneurial context, this thesis contributes to filling the gap in the market-driving literature by describing the micro-business perspective. It demonstrates that micro-businesses can redefine their market premises even though they are small and have limited resources compared to larger businesses. Prior research describing the "farmer as entrepreneur" has pointed out the many skills needed for a local food entrepreneur to successfully create and manage a business (McElwee, 2008). This thesis has extended the existing knowledge of farmers as entrepreneurs by taking a practice turn to entrepreneurship and providing new insight into the practices used by pioneering local food entrepreneurs to extend and drive their markets and contribute to the rural farm-based entrepreneurship literature.

A relation between the entrepreneurs' knowledge acquisition in a learning community, the individual food entrepreneurs' EM practices, and the pioneering local food entrepreneurs' market-driving practices has been identified in this thesis (Figure 6.1). This interaction creates a relational dynamic so far not described in the EL domain or the EM/market-driving domain. By studying the phenomenon of local

food through three theoretical lenses in light of the rural farm-based entrepreneurship literature, this thesis has established the idea of a dynamic relationship between the farm-based entrepreneurs' knowledge acquisition and community learning and their market development and market expansion. Through identifying pioneering local food entrepreneurs with a high EO and whose expert skills are highly recognized by their peers, this thesis has also shown that micro-businesses can drive their market and expand the food sector with benefits for the whole local food industry, despite being embedded in a rural farm-based context. Thus, this thesis contributes to giving content to what "bridging" entails in practice when mobilizing both local and non-local resources in market development.

## 7.2 Implications for policy and practice

New theoretical and practical knowledge about how local food entrepreneurs can better succeed in their markets is of considerable interest in enhancing the understanding of rural farm-based entrepreneurship in a micro-business context. The new knowledge regarding rural farm-based entrepreneurial practices leading to local food success will also be of great interest to policymakers, academic institutions, and society, which are increasingly preoccupied with locally produced food and securing national self-sufficiency (European Commission, 2022; Government of Norway, 2022a; UN, 2015). In order to move beyond the idea of the farmer as the traditional farmer (raw material producer) and supplier to the larger food industry and to recognize the farmer as entrepreneur (i.e., food processing, selling, and marketing) (McElwee, 2008), this thesis has identified some implications that may be of interest to the future development of rural farm-based entrepreneurship in Norway.

The Norwegian Government has supported Norwegian local food entrepreneurs for many years (Alsos et al., 2003; Alsos et al., 2011; Gustavsen & Hegnes, 2020) through financial support systems and knowledge support systems like the competence network. The three papers appended in this thesis confirm the benefits of having well-functioning support systems for rural farm-based entrepreneurship. Even though there are already many well-organized support systems for local food entrepreneurs in Norway, there is a need for improved strategies and/or new strategies in order to challenge more farmers to see themselves as rural entrepreneurs who can diversify their farms into local food or other farm-based activities for new income and employment. In the next section, I will present some recommendations for policy and practice that could impact the central actors making

decisions and implementing strategies for local food (instruments and schemes) in the farm-based entrepreneurs' support system in Norway.

The local support system consists of a chain of public and semi-public support systems that aim to help farm-based food entrepreneurs to develop and improve their products and assist in market development. The most important actors in Norway today related to this thesis are:

- The Ministry of Agriculture and Food; responsible for food and agricultural policymaking, financial support systems, and knowledge development institution.
- Innovation Norway; the Norwegian Government's most important instrument for innovation and development of Norwegian enterprises and industry. They support companies in developing their competitive advantage to enhance innovation and administrate many of the key financial support systems related to farm diversification, including local food.
- The County Municipality; Norway is divided into 11 county municipalities. A county municipality is a publicly elected body responsible for certain public administrative and service tasks within a county, and among the many responsibilities are culture, cultural heritage management, land use planning, and business development. Business life in each county municipality is diverse and innovative, and each county council collaborates with the business community. They manage several grant schemes and both facilitate and develop a vital and sustainable business life. The county municipalities of five regions are responsible for each of the five competence networks in Norway.
- The Competence Network for Local Food Production is detailed in section 3.3. Assist farmers who want to process their raw materials and build a local food business. The Ministry of Agriculture and Food funds the competence network.
- The Norwegian Food Foundation; an independent institution that aims at contributing to more diversity, quality, and value creation in the Norwegian food chain. They aim to strengthen the reputation of Norwegian food products towards Norwegian customers. The Norwegian Food Foundation coordinates several Norwegian quality schemes for protecting food products from Norway, geographical origins, traditional handcrafted products, or organic foods. They administer a Market Advisory Service funded by the Ministry of Agriculture and Food to help farm-based food entrepreneurs to sell their products at the right price and in the right market.

First, some implications for the policy and structural level. Through this thesis, I have identified a need for a new rural farm-based strategy that aspires to see the "farmer as entrepreneur" and not primarily as a "traditional farmer" (McElwee, 2008) with training or educational systems that support the needs of a rural farm-based entrepreneur. Such a strategy must consider the obstacles of being located in rural Norway with its geographical constraints and tradition of family-owned farms and offer solutions that deal with them. Many of the incentives for farmers are negotiated through the annual agricultural agreement (in Norwegian "jordbruksoppgjøret") between the farmers' unions and the Ministry of Agriculture and Food, dealing mostly with the production and sale of raw materials for further food processing in the larger food industry. Only a few policy instruments cover entrepreneurial activity. This implies considering a change in policy instruments that aim to support the transition from farmers to entrepreneurs or consciously leveraging both roles.

Farmers are locally embedded in their rural communities as they are place-specific to their farm's origin. Even though many farmers intuitively show entrepreneurial behavior, McElwee (2006) concluded that there is a major challenge for the agricultural sector to enable farmers to develop their entrepreneurial skills. This area needs both financial support and greater emphasis on education and training. Therefore, the Ministry of Agriculture and Food could consider this thesis as an inspiration for future policymaking, targeting rural farm-based entrepreneurship in Norway. This could extend the existing policy documents, acknowledging the importance of local food production as a source of market variety and cultural heritage and as a basis for more sustainable food production (Government of Norway, 2021) and a source for increased self-sufficiency with farm-based activity in all parts of Norway (Government of Norway, 2022b; White Paper 31, 2014-2015), to specifically aim for an increase in farm-based entrepreneurship. Today, most Norwegian farmers operate in dual or more roles: as traditional farmers, farm-based entrepreneurs and/or non-farm employees. Here are some suggestions which could provide the "farmers as entrepreneurs" with important instruments to cope with the duality of being a farmer, entrepreneur, and business manager:

- New financial support systems must be developed that do not follow mainstream economics and business theories of profit motivation and exploitation for personal and financial gain (Kirzner, 1973, in Fortunato, 2014). These financial support systems should cover all phases of the entrepreneurial process (Islas-Moreno et al., 2021) and be adaptable to the rural farm-based entrepreneurs' less

opportunistic growth rate (Korsgaard et al., 2015b). Different measurements for economic growth and societal impact will make the rural farm-based entrepreneurs' contribution to value creation in society more visible.

- To fulfil the national goal of self-sufficiency and sustainable food production, more local food should be directed towards larger market actors like the grocery market, Horeca, and public procurement. New market subsidies could be considered to make prioritizing Norwegian local food specialties more profitable.
- New knowledge of successful community learning and market practices should be considered in developing and planning future learning networks directed at rural farm-based entrepreneurs—beyond food processing. By implementing the practice-based frameworks presented in this thesis, future FLNs can bring the practices for community learning, market development (FEMM), and market-driving to future local food entrepreneurs. Advice on overcoming the many obstacles of being a newcomer in an industry and providing a strategy for gaining legitimacy in the local food industry should be shared more proactively. Being aware of the important socialization of participants in an FLN and adding social activities that spark the transition from an FLN towards a CoI would also be advisable. The training of skilled facilitators of FLNs will be essential in the development of new or improved FLNs. This could be accomplished by extending the existing Competence Network for Local Food Production to take into account the entrepreneurial process and include entrepreneurship training and facilitate an equal support system for knowledge exchange and informal peer-to-peer learning in CoIs as identified in this thesis.
- Initiation of a local food accelerator program for rural farm-based entrepreneurs with advanced technological, business, or market hurdles could be considered to reduce the potential risks of diverging into farm-based food production and underpin the innovativeness and proactiveness of local food entrepreneurs. A local food accelerator could be organized by a knowledge-producing organization like a research institute (i.e., Nofima) in close cooperation with regional and local business advisors at the County Municipality, Innovation Norway, or others to implement local knowledge and expertise as well as support from available financial and business development schemes.
- Based on the research in this thesis, I would also recommend increasing the use of highly experienced local food entrepreneurs in an FLN as peer-to-peer mentors helping others through their industry-specific knowledge to complement theoretically based professional advisors' recommendations.

- New digital platforms and social media could be considered new tools for networking and learning to overcome the limited access to knowledge resources in rural areas. This thesis has shown that networking and knowledge sharing among farm-based entrepreneurs in rural areas are important for knowledge acquisition and market development. Digital platforms could be integrated with existing knowledge support systems like the competence network, where experiences from networking, mentoring, and digital training activities during the COVID-19 pandemic showed that digital activities could be an important supplement to physical training activities and networking. To succeed with new digital activities, i.e., in the competence network, a new strategy for digital knowledge-sharing platforms must be developed in close cooperation with representatives for the rural farm-based entrepreneurs.

On a practical level, this thesis has demonstrated that moving from traditional farming to farm-based entrepreneurship and succeeding within the local food industry is a demanding task. Not only must local food entrepreneurs learn the skills of food technology, food regulations, marketing, and sales, but they must also have advanced social skills and cope with being embedded in their rural farm-based context. This thesis has highlighted the importance of the rural farm-based entrepreneur's personal approach toward learning in a social learning network and indicated how one's personality and social skills affect the transition from an initial seek-and-take strategy to acquiring knowledge in a CoI by sharing experiences with others in the local food industry. As micro-business owners seldom have the time or resources to formally educate themselves in a new profession, they often choose learning-by-doing as a strategy. In this thesis, I have shown that learning from others and leaning on support from a CoI is less time-consuming and less risky as the local food entrepreneurs learn how to prevent making mistakes. The importance of having a facilitated learning network that provides professional advice matching the need from rural farm-based entrepreneurs, like the competence network, is demonstrated through this thesis and can be used as an example of how rural local food entrepreneurs bridge to centralized knowledge institutions when needed. Further, access to a learning network and its inherent CoIs provide industry-specific knowledge invaluable for new entrants to the local food industry. Local food entrepreneurs also get advice and support from others in their phase of building their business, and through their interaction with peers, they become legitimized as local food producers, which eases their market entry and market development. By sharing knowledge and engaging in others' practices, new entrants in a learning network are

empowered to build their businesses and create a market. Together with peers, they contribute to the common understanding of local food and shared values that maintain and expand the local food industry on a sector level.

The most significant advantage of studying practices in food micro-businesses is the direct relevance of training or education through FLNs or other learning networks targeting rural entrepreneurs. The Competence Network for Local Food Production is a concrete example of how the conceptual frameworks in papers 1–3 can result in training activities preparing farm-based entrepreneurs to cope with the actual market situation through a learning network. For example, adding new topics to FLN setups, such as adding the FEMM framework (from paper 2) and other topics from EM literature and the conceptual framework for market-driving practices (from paper 3), could improve the participants' learning outcomes and make learning communities even more relevant for rural farm-based entrepreneurs. Academic institutions facilitating learning networks for local food entrepreneurs could explore a more systematic use of entrepreneurs with expert skills as co-facilitators in FLNs, as they contribute to community learning for all participants and bring updated and relevant industry-specific knowledge to the network. For the food industry in general, new knowledge explaining local food success will be of interest, as it represents a growing product niche that attracts consumers (Norwegian Food Foundation, 2019, 2022).

This thesis has indicated a need for a market development program that provides specific training in marketing practices targeting local, regional, and national markets. Such training activities could be included as a part of the existing Competence Network for Local Food Production or the Market Advisory Service given by the Norwegian Food Foundation, or it could be organized as a separate Competence Network for Rural Farm-based Entrepreneurship following a similar structure as the existing competence network. Both new and more experienced local food entrepreneurs will benefit from the new FEMM framework in their future product innovation and market development, as it proposes concrete practices for market development activities leading to success. From the FEMM framework, we have learned that their initial purpose highly influences individual local food entrepreneurs' strategies and choices of practices. A traditional farmer (transferring the farm as primary purpose) will most likely use different practices in their market strategy than a farmer moving back to the farm after pursuing a different career (transforming the farm as primary purpose). To prevent a narrow-sighted focus on

the customers and market (Stokes, 2000a, 2000b), the FEMM framework can guide traditional farm-based local food entrepreneurs to move beyond their initial local networking approach to release a bigger market potential. Conversely, the returned-to-the-farm farmer can use the FEMM framework to give a finishing touch to their value proposition by linking their unique raw materials to exquisite taste, providing credibility to their personal experiences when building their brand.

This thesis has shown that micro-businesses use market-driving practices and intentionally contribute to market expansion by introducing new categories in the dominating grocery market. This reveals that micro-business can open new avenues for specialty food products in the market and that premium products in the high-price and low-volume categories can create new categories better suited for local food products. New local food categories represent an opportunity for other food businesses, also the larger food industry, to learn from the local food entrepreneurs' value propositions and explore the new niche categories either in cooperation with local food entrepreneurs or in their product development of premium products within the definition of local food. Contributions from other industry actors to grow the categories for local food could benefit the entire local food industry, support more sustainable food production, and contribute to Norway's self-sufficiency.

The frameworks describing EM practices and successful community learning provide valuable knowledge adaptable for similar local food entrepreneurs or entrepreneurs in creative, tourism, or handicraft industries in other countries, thus contributing to rural farm-based entrepreneurship and micro-businesses' success outside Norway.

# 8 Future Perspectives

As this thesis has demonstrated, the phenomenon of local food entrepreneurs' market success is complex. Here, rural farm-based entrepreneurship and three practice-based branches of literature regarding entrepreneurial success have been explored. Adding other branches will most likely enrich the present understanding of the entrepreneurial practices leading to local food entrepreneurs' success and bring researchers and practitioners closer to a roadmap for achieving market success in a rural farm-based entrepreneurship context.

The positive outcome for all entrepreneurs participating in an FLN described in this thesis indicates that more research on learning networks and the entrepreneurial knowledge acquisition taking place in a CoI could be a fruitful avenue for further research on rural farm-based food entrepreneurs' market development and market expansion. As this thesis was limited by the focus on a micro-business perspective, knowledge acquisition from participating in FLNs welcoming all business sizes was not examined. Exploring the practices and outcomes that arise from a learning community with both micro-businesses and larger food businesses could therefore be an interesting topic for future research.

As the Norwegian food market is a restricted one, exploring market potential outside Norway could be a future area of local food research. Here, a collaboration between food micro-businesses and their larger counterparts in the food industry could be an interesting approach and potentially lead to further product development, innovation, and market development in the Norwegian food sector.

New knowledge illustrating that micro-businesses in the local food sector can, in fact, drive their market through new categories should interest a larger audience, not the least the larger food businesses. It also opens new avenues for future research on market-driving in micro-business in other contexts and industries.

Another suggestion for future research could be to pursue the implied dynamic interrelationship between EL, EM, and EO (market-driving) in a micro-business context to prove that such an interrelationship exists. As indicated, not one but more branches of entrepreneurship literature are needed to explain the phenomenon of local food entrepreneurs' successful community learning and market practices, thus

making it interesting to explore more branches of entrepreneurship literature in future studies.

The contextualized nature of this thesis limits its generalizability to other contexts. However, it can be argued that similar contexts like the creative industries, tourism, or other handicraft business ventures could benefit from the practice-based frameworks presented. As this thesis has focused on a narrow context to explore Norwegian local food producers in a competitive food market, it should be understood as a snapshot of the phenomenon and the specific context. The limitations have also been addressed in each publication contained in the thesis. Paper 1 was limited by the single case study, only representing an FLN with units from the local food meat industry. Paper 2 was limited by the multiple case study, only representing successful cases from the local food industry. More empirical research is therefore needed to verify the proposed models. Paper 3 was also limited by the small case sample, and even though we were able to identify market-driving practices in the local food context, more studies in other similar contexts are needed to verify that micro-businesses can drive their markets regardless of their small business size and limited resources.

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# Enclosed Papers (1–3)

# Paper 1

## Informal social learning dynamics and entrepreneurial knowledge acquisition in a micro food learning network

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# Informal social learning dynamics and entrepreneurial knowledge acquisition in a micro food learning network

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**Abstract**
This paper expands and contextualises social perspectives on entrepreneurial learning by considering the informal learning dynamics and outcomes in a facilitated learning network (FLN) targeting micro-entrepreneurs within the local food sector. This research builds new theoretical and empirical knowledge on the contributions of FLN as a community of inquiry (CoI) to support entrepreneurial knowledge acquisition. Our research strategy was a single embedded case study with the units of analysis consisting of 12 micro-firms within the local meat industry in Norway. In retrospective in-depth interviews, founder-managers reflected on their learning from others from participation in a local-food learning network. Three main themes emerged from our analysis, reflecting the informal regulating mechanisms for knowledge sharing and how entrepreneurs acquired new entrepreneurial knowledge: (1) *cultural norms stabilising the community of inquiry*, (2) *engagement in the practices of others regulates access to community knowledge* and (3) *from community inquiry to individual entrepreneurial knowledge*. Based on these themes, we built a conceptual framework showing informal knowledge-sharing mechanisms and the individual micro-entrepreneurs' entrepreneurial knowledge acquisition in a CoI. Our study contributes to the research stream on social entrepreneurial learning and how learning from others in a CoI enhances entrepreneurial learning.

**Keywords**
community of inquiry, facilitated learning network, entrepreneurial learning, knowledge acquisition, informal learning dynamics, food micro-entrepreneur

## Introduction

This paper expands and contextualises social perspectives on entrepreneurial learning by considering informal social learning[1] dynamics and knowledge acquisition in a facilitated learning network (FLN) targeting food micro-entrepreneurs within the local food sector. Several reviews have scrutinised how entrepreneurial learning positively affects performance and success (e.g. Pittaway and Thorpe, 2012; Wang and Chugh, 2014). As entrepreneurial knowledge acquisition is a function of experience evolving over time (Minniti and Bygrave, 2001; Politis, 2005), entrepreneurial learning is acknowledged as a resource-demanding task with an inherent high risk of failure and a high cost for entrepreneurs, both personally and financially (Cope, 2011; Erikson, 2002; Lans et al., 2011; Mueller and Shepherd, 2016). Evidently, learning from others to improve entrepreneurial performance has gained increased attention in the micro-firm context and industries (Abecassis-Moedas et al., 2016; Cope, 2003; Rigg et al., 2021; Soetanto, 2017; Soetanto and Jack, 2011). Hence, there is an urgent need to move beyond the focus on

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individual experiences in entrepreneurial learning research towards a more social perspective (Shepherd, 2015; Toutain et al., 2017). This is particularly interesting given the fact that micro-entrepreneurs in the same industry often have a reciprocal interest in sharing knowledge and supporting each other (Davies and Mason-Jones, 2017; Kuhn and Galloway, 2015).

In this respect, FLNs have emerged as intriguing research objects, as they enhance the entrepreneur's knowledge acquisition and learning opportunities (Bessant and Tsekouras, 2001; Lefebvre et al., 2015; Man, 2007; Nieminen and Hytti, 2016; Power et al., 2014; Quinn et al., 2014; Reinl and Kelliher, 2010, 2014; Reinl et al., 2015). We identified two important gaps in the literature on entrepreneurial knowledge acquisition in FLNs. First, what is missing from this body of research is an empirical in-depth understanding of the contribution of the network community to an entrepreneurial knowledge acquisition process for the competence building of single entrepreneurs taking part in the network (Lans et al., 2008, 2011). Second, studies on FLNs have largely focused on knowledge exchange criteria (Quinn et al., 2014; Reinl and Kelliher, 2014; Reinl et al., 2015) or various knowledge exchange practices within the network (McAdam et al., 2015; Power et al., 2014; Rigg et al., 2021) and network level characteristics and how the network itself is evolving (Bessant and Tsekouras, 2001; Lefebvre et al., 2015; Tell, 2000). Scant research exists on the more informal mechanisms that evidently regulate individual entrepreneurs' access to knowledge from others in a learning network. How entrepreneurs engage the network community members to acquire knowledge is therefore a focal point of interest in this research. Building on social learning theory and learning through interactions with others, Shepherd et al. (2022) introduced the community of inquiry (CoI) concept to develop a social model of opportunity development. A CoI is a group of people who 'critically inquire into areas of common interest,' and this community is represented by an 'environment where participants come together to explore an idea or resolve a dilemma, feel free to express their ideas, provide mutual support and constructive feedback' (Garrison, 2015: 8). More precisely, in a CoI of entrepreneurs within one particular industry, these entrepreneurs make sense of, discuss and solve common problems regarding their own practice with fellow entrepreneurs and relevant experts in order to develop their business. Moreover, they unite around a shared interest in their own industry domain (Davies and Mason-Jones, 2017). Employing the CoI framework, Shepherd et al. (2022) explored how entrepreneurs engaged stakeholders, potential customers, mentors, investors and technical experts in the opportunity development process (Shepherd, 2015). Extending the research of Shepherd et al. (2022), we are intrigued to explore how entrepreneurs who are taking part in a FLN engage other entrepreneurs to share ideas and solve common problems to learn, and to determine what comprises the 'hidden' rules and boundaries for knowledge access that ultimately contribute to entrepreneurial knowledge acquisitions for the individual entrepreneur.

We conducted an embedded single case study of 12 food micro-entrepreneurs taking part in an FLN within the local meat industry. With this study, we aim to justify a threefold contribution to the research stream of social entrepreneurial learning: (1) we build new theoretical and empirical knowledge on FLNs' contribution to entrepreneurial knowledge acquisition from a social perspective; (2) we employ a CoI perspective to make sense of the 'hidden' and informal dimensions that regulate knowledge access between peers in an FLN and (3) we contextualise social entrepreneurial learning in a Norwegian local food industry domain and present pioneering research that applies social-learning theory to a learning network of micro-entrepreneurs in this particular industry domain.

The paper is organised as follows. To develop a pre-understanding for our research, we introduce the CoI as a theoretical lens to explore social entrepreneurial learning and the informal mechanisms that regulate knowledge access and sharing among single entrepreneurs in an FLN. Then, we focus on the CoI's network community contributions to entrepreneurial knowledge acquisition for single entrepreneurs participating in FLNs. We further outline our methodology and chosen context, present our findings and discuss these against the theoretical framework and research questions. We conclude by outlining the contributions and implications of our research.

## Theoretical framework

### *A community of inquiry approach to social entrepreneurial learning*

Rae (2000, 2005) was the first entrepreneurial learning scholar to view entrepreneurs' learning experiences as a constructivist form of learning that develops from social interaction through participating in multiple communities. Recently, several scholars have increasingly taken entrepreneurial learning to the social sphere, where learning is considered to be a result of social interaction and community participation (Karataş-Özkan, 2011; Lefebvre et al., 2015; Toutain et al., 2017). Several learning network researchers (Lefebvre et al., 2015; Nieminen and Hytti, 2016; Reinl et al., 2015; Smith et al., 2019; Zhang and Hamilton, 2010) have used the community of practice (CoP) perspective (Lave and Wenger, 1991) as their lens to make sense of the learning dynamics among entrepreneurs participating in learning networks. We argue however, in line with Davies and Mason-Jones (2017), that independent actors within an industry do not participate in or belong to a common shared practice. Instead, they belong to multiple independent

practices and unite around a shared interest in developing craft-based micro-businesses to enhance their learning as independent entrepreneurs (Bessant and Tsekouras, 2001), thus engaging in a learning network to acquire inspiration and new input to solve common problems within their particular industries or domains.

Several studies have contributed to deepening our understanding of how FLNs should best be structured and managed to facilitate social learning and open knowledge sharing among entrepreneurs (Nieminen and Hytti, 2016; Reinl et al., 2015; Rigg et al., 2021). For example, a willingness to commit to an FLN and share experiences can be linked to mutual respect, trust and emotional support in the network (Bergh et al., 2011; Nieminen and Hytti, 2016; Smith et al., 2019; Zhang and Hamilton, 2010). This suggests that a learning network can move beyond a place for simple information seeking and extend into a CoI recognised by an open environment surrounding a shared interest (Davies and Mason-Jones, 2017; Garrison, 2015), bringing entrepreneurs together in a more informal manner that can lead to future companions and the exchange of knowledge that benefits all (Pittaway et al., 2009). The informal conditions of a learning network supporting and regulating such an environment have received little attention in the literature so far, and this represents the focus of our study. Evidently, there exist cultural aspects and social regulation mechanisms that influence the knowledge acquisition process yet are still not fully understood. This leads to the first research question:

*RQ1: Which informal mechanisms regulate knowledge acquisition in a community of inquiry?*

## *The contribution of a community of inquiry to entrepreneurial knowledge acquisition*

Learning from others might ultimately improve the entrepreneurial knowledge acquisition of a single micro-entrepreneur (Abecassis-Moedas et al., 2016; Lans et al., 2008, 2011; Lévesque et al., 2009; Rigg et al., 2021; Shepherd et al., 2022; Soetanto, 2017; Soetanto and Jack, 2011). The degree of involvement in an FLN and participation in interventions such as courses and one-on-one mentoring will likely evolve from an initial seek-and-take practice of simple participation, answering the more basic knowledge need, to a peer-exploration practice as people get to know each other, extending knowledge and sharing new ways of doing things, and eventually to a critical-reflection practice (Rigg et al., 2021) constituting a CoI (Garrison, 2015) that goes beyond simple participation. In the micro-food context, Rigg et al. (2021) explored how doing, learning and innovation are interwoven, presenting a model for knowledge-creating practices that support entrepreneurs' learning and innovation. Moreover, micro-entrepreneurs benefit from cooperation and learning in the specific domain of their business (Kelliher and Reinl, 2011; Kuhn and Galloway, 2015; Reinl and Kelliher, 2014); by sharing their experiences and knowledge with similar peers, they are likelier to engage themselves to improve their innovativeness and overcome knowledge resource constraints (Reinl and Kelliher, 2010). Therefore, acknowledging the socially situated and contextual experiences of individuals who participate in a learning network is likely to influence entrepreneurial learning outcomes for the individual entrepreneur (Karataş-Özkan, 2011).

Politis (2005) identified two distinctive learning outcomes for new entrepreneurial knowledge that represent the focus of our research: increased effectiveness in opportunity recognition and increased effectiveness in coping with the liabilities of newness. The first learning outcome refers to the entrepreneur's overall ability to discover new business opportunities and develop them into innovations. Here, innovation is broadly defined to include new products, new processes, new services, new forms of organisation, new markets and the development of new skills and human capital (Zhao, 2005). The second learning outcome assumes that new and small businesses face a greater risk of failure than established firms because they lack legitimacy, knowledge resources and networks. In this respect, Shepherd et al. (2022) found that entrepreneurs who had multiple, informal and open engagements with their CoI from early on in the entrepreneurial process were more open to others' perspectives, generated more alternative opportunities due to their ability to discard their own assumptions, and ultimately experienced better progress toward market launch than the more focused entrepreneurs with less engagements with their CoI, who were simply looking for specific information to confirm their own beliefs.

Politis (2005) pointed to two possible transformations of experience: exploitation (an adaptive learning method that builds on existing knowledge) and exploration (experimenting with new possibilities). In this research, we are interested in the transformation of knowledge residing in the CoI into new opportunities through individual entrepreneurs' exploitation and exploration. Inspired by the recent study by Shepherd et al. (2022) and the study by Rigg et al. (2021), we focus on the network community contributions to entrepreneurial knowledge acquisition for the entrepreneurs who take part in the FLN, leading us to put forward the second research question:

*RQ2: How does a community of inquiry contribute to entrepreneurial knowledge acquisition for the individual entrepreneur?*

This study theorises that taking part in a learning network can serve as a CoI recognised by an open

environment surrounding a shared interest in the context of key learning activities in a FLN (Bessant and Tsekouras, 2001), which in turn enhance knowledge acquisition for the individual entrepreneur, as shown in Figure 1.

## Methodology

### *Study context*

Acknowledging the need for a closer-to-practice learning environment for micro-firms (Kelliher et al., 2009) has led to the establishment of FLNs that focus on experimental or action-based problem solving integrated with theoretical knowledge (Reinl and Kelliher, 2015; Rigg et al., 2021; Pittaway et al., 2009). FLNs can be defined as 'networks formally set up for the purpose of increasing knowledge, expressed as increased capacity to do something' (Bessant and Tsekouras, 2001: 88). FLNs typically involve academic institutions or other external facilitators that contribute to establishing relevant arenas in which entrepreneurs also obtain informal access to other entrepreneurs' knowledge and experiences (Bergh, 2009).

The study context for the research involves a Norwegian government-funded FLN, the competence network for local food production. For more than 20 years, this learning network, facilitated by academic institutions, has provided knowledge on food technology to support farm-based food entrepreneurs entering the local food sector. This FLN recognises that the transition from traditional farming to managing a food micro-business can be challenging (Alsos et al., 2003). To compensate for the knowledge gap between traditional farming and food production and business knowledge, the FLN offers industry-related tailor-made courses, one-on-one mentoring and advisory services to professionalise food micro-entrepreneurs. The advisory service is based on open access and free of charge, with a focus on defining the competence needs and solving specific challenges through telephone or in-person meetings with a network facilitator. As in the case of meat production, courses centre around specific topics like sausage making, meat deboning, the fermentation processes, product development, packaging, and food safety. All courses are both theoretically and practically oriented, and last from one or two days up to seven days depending on the topic. The

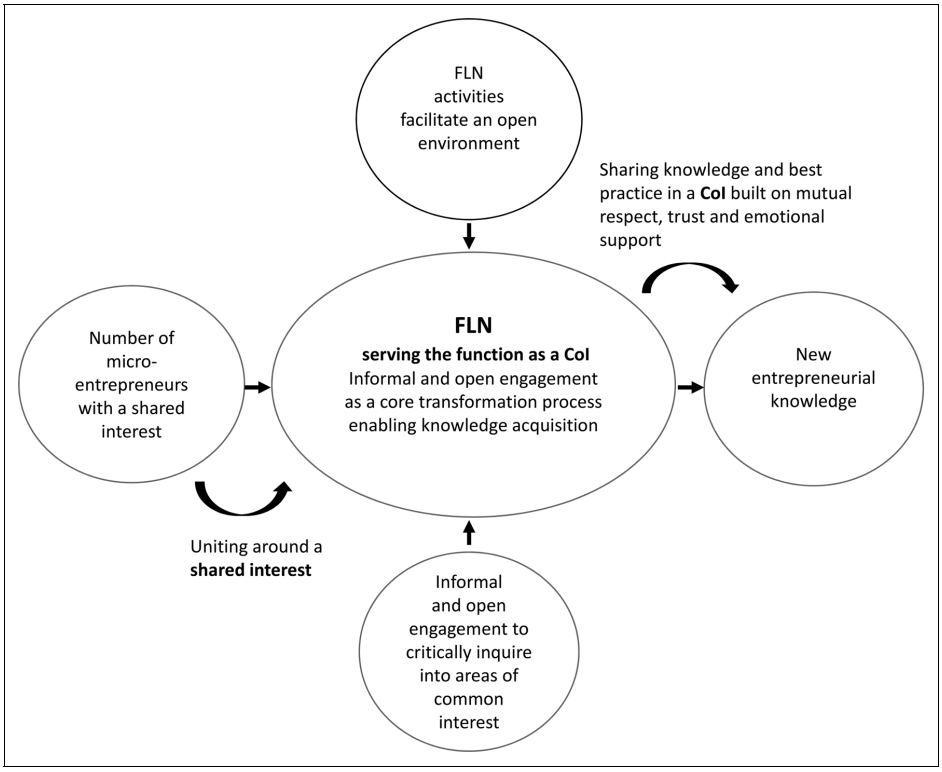


**Figure 1.** Key elements in a learning network (modified from Bessant and Tsekouras, 2001) influenced by a shared interest in a specific industry domain (Davies and Mason-Jones, 2017) serving the function of a CoI (Shepherd et al., 2022).

network is organised in five independent regions in Norway (North, Middle, West, South and East), and it is hosted and administrated by professional food and agricultural research institutes or educational institutions.

Courses are important arenas for social interactions and include frequent coffee breaks and social events, such as company visits. Participation in food micro-entrepreneurs is open without any formal registration or membership. Participants sign up for courses on the FLNs' web page and can subscribe to newsletters and social media to learn about future course activities. Keeping a low threshold for contacting the learning network and signing up for activities is regarded as one of the most important success factors enabling socialisation that can lead to a learning community grounded in the participants' own experiences from their own sites of practice (Smith et al., 2019).

### Research design and data collection

We chose a case study research design because it effectively investigates phenomena in a real-life context (Yin, 2014). This study is a single embedded case study, and the units of analysis are 12 food micro-entrepreneurs who have all participated in the FLN.

The study participants were purposefully chosen from among food micro-entrepreneurs (<10 employees) with different experiences and frequencies of interaction with the FLN. All participants were selected from the East region due to the first author's in-depth knowledge as the administrator of this region since 2008. This familiarity provided a rich contextual understanding of the participants and the FLNs' history and development. Selection from the same region and sector also provided the best basis for comparison. The sample criteria for selection are shown in Table 1.

Out of 22 food micro-entrepreneurs matching the selection criteria, 12 were willing to participate. To account for variations in prior experience in the FLN and the individual entrepreneurs' learning needs, the participants were assigned to two groups. Five companies were new to the network and are therefore called new members (NM), while the other seven are referred to as experienced members (EM). To ensure anonymity, the participants will be further addressed as NM 1–NM 5 and EM 1–EM 7 when quoted. Table 2 introduces the participants' background and prior experience in meat production and provides an overview of the interactions with each participant.

**Table 1.** Overview of the selection criteria.

| Selection criteria | |
|---|---|
| Sector | Local food production within the meat industry |
| Size | Micro-firm, <10 employees |
| Main contact person | Founder-manager |
| Relationship to the FLN | |
| - New member (NM) | <1 year of experience, participant in 1–2 courses and 1 mentoring activity |
| - Experienced member (EM) | >1 year or experience, participant in >2 courses and >1 mentoring activity |

The primary data collection consisted of in-depth interviews, observations during on-site visits and participant observations in FLN activities, as shown in Table 3. An interview with the FLN trainer, an educated butcher and meat technologist, was also conducted as part of the data source. The interviews followed a semi-structured interview guide, deduced from theory and from the familiarity of the first author, as previously noted. The critical incident technique (Cope, 2003) was used to identify causal relationships between the participation/activities in the FLN and knowledge sharing or learning outcomes. All except two interviews were performed at the business sites of the microentrepreneurs, thus making the setting as authentic as possible and strengthening the reliability of the data collection. The other two interviews were conducted off-site. An FLN trainer was interviewed to get a first-hand impression of the deliberate practice in lectures and demonstrations, as well as how this was implemented in the learning network and their facilitation role in network activities. The first author's knowledge about the FLN strengthened the interpretation of the data; however, due to a potential bias in the data collection, the in-depth interviews were conducted by a team of two independent researchers acting on behalf of the authors.

### Data analysis

After each interview, the interviewing researchers discussed their notes and observations with the authors to unify the collective understanding. All interviews were audio recorded and then manually transcribed, after which the authors independently read the transcripts and openly coded them. In the second step of coding, a manual thematic analysis (Mason, 2002) was performed to build on existing knowledge from the theoretical framework and explore the main patterns emerging from the data. In this step, the authors first analysed each interview to identify unique patterns from the embedded case units' perspective before comparing the units. We confirmed the main patterns found in the data and discussed their interpretations. Three main themes emerged from the analysis (see Findings). In the final step of the analysis, we manually performed an open coding of all data to confirm the themes derived from their main structures. The observational data and historical insider knowledge were used to enrich and validate the final interpretations of the themes.

## Findings

Three main themes emerged from the analysis of the informal mechanisms that enable knowledge sharing, access and the subsequent entrepreneurial learning outcomes from

**Table 2.** Participant background and data collection interactions.

| Participant code | Age | Gender | Founder-manager background | Prior experience in meat production | Length of interview | On-site visit |
|---|---|---|---|---|---|---|
| NM1 | 44 | F | Traditional pig-farmer running the meat business and catering together with her brother who is a trained chef. | None | 42 min | Yes |
| NM2 | 50 | M | Traditional farmer raising cattle for meat production. | None | 55 min | Yes |
| NM3 | 49 | F | Married couple running a traditional farm with a livestock of both lamb, pigs and cattle. | None | 71 min | Yes |
| NM4 | 52 | F | In the early stage of starting a meat business. The farm livestock consists of alpacas mainly used for wool production. | None | 76 min | Yes |
| NM5 | 55 | M | Married couple in their early stages of starting a meat business. They are traditional farmers raising venison. | None | 54 min | Yes |
| EM1 | 50 | M | Married couple running a dairy farm with both cheese and meat production. Partner is a trained chef. | None | 62 min | No |
| EM2 | 55 | F | Traditional farmer with both a meat production and a catering business. | Experience as a chef | 56 min | Yes |
| EM3 | 55 | M | Meat producer cooperating with local farmers to buy meat from pigs, moose etc. | Experience as a butcher | 70 min | Yes |
| EM4 | 45 | F | Married couple running a traditional farm that raises mutton. | Food scientist and work experience from the Food Safety Authority | 64 min | Yes |
| EM5 | 39 | M | Not a farmer but cooperates with farmers to buy meat. | Educated butcher and some experience in meat production | 46 min | Yes |
| EM6 | 54 | M | Married couple running a traditional farm raising venison. | Experienced hunter | 45 min | Yes |
| EM7 | 66 | M | Experienced venison farmer and meat producer. Involved in a union for venison farmers. | Some experience in meat production | 58 min | No |

NM: new member; EM: experienced member.

**Table 3.** Overview of data collection.

| Data collection | Total length | Period and year | Data source |
|---|---|---|---|
| *Interviews* | | | |
| In-depth interviews with 12 participants | 700 min | Feb. and Mar. 2019 | Sound files, fully transcribed interviews |
| Interview with an FLN trainer; on-going conversations | 60 min | Feb.–Apr. 2019 | Transcribed sections, field notes |
| *Observations* | | | |
| In-course observations following both theoretical and practical sessions | 2 × 240 min | Jan.–Mar. 2019 | Field notes |
| On-site visits of 10 participants | 580 min | Feb. and Mar. 2019 | Field notes |

taking part in the learning community: (1) *cultural norms stabilising the community of inquiry*, (2) *engagement in the practices of others regulates access to community knowledge* and (3) *from community inquiry to individual entrepreneurial knowledge*. The following subsection outlines how the theoretical framework comes into play through these overall themes and their underlying subdimensions and illustrates the findings through selected quotes from the food micro-entrepreneurs. Data from all respondents were equally handled in the search for illustrative quotes; however, two experienced members (EM 3 and EM 5) appear more frequently than others as they expressed our findings very descriptively.

## *Cultural norms stabilising the community of inquiry*

The thematic analysis uncovered three underlying cultural norms that frame the important prerequisite for knowledge

sharing that secure the single entrepreneur and stabilise the CoI: (i) *sharing experiences benefits all,* (ii) *securing the knowledge boundaries of the CoI* and (iii) *acknowledging respect for the craft secures community reputation*.

For the first sub-theme, *sharing experiences benefits all*, the analysis reveals that new members who join the FLN are surprised by the openness and generous informal sharing from peers of what works and what does not (Rae, 2005), putting aside the fact that they all compete in the same food sector. Their shared interest in local food initiates the sharing of practical know-how about equipment and production facilities and experiences with food safety and food production, alongside advice on business development. This is evidence of the reciprocal sharing that describes a culture of trust and collaboration (Davies and Mason-Jones, 2017), typical for a CoI (Shepherd et al., 2022), facilitating members to reflect collectively on their prior knowledge and experiences (Cope, 2003) and saving many from costly mistakes. New members are introduced to this norm by the more experienced members:

> *They* [experienced members] *willingly share their knowledge, and I didn't feel they kept things a secret or looked at us as a future competition. … It was more like they wanted to share, giving us tips so we didn't have to make the same mistakes*. (NM 4)

The willingness to share seems more dominant than the fear of competition because sharing benefits all parties and, ultimately, the growth of the entire local food sector.

Although knowledge is openly shared, there is a limit to what is being shared, represented by the sub-theme *securing the knowledge boundaries of the CoI*. All entrepreneurs respect the tacit expectation to create their own unique identity through their products. What is being learnt and transferred among members who take part in the FLN is restricted to common problem solving and best practice. Both new and experienced members intuitively accept this boundary:

> *You don't share your recipes and your specialties* [secret behind a unique product] – *no one does*. (EM 3)

This norm prevents businesses from developing a competitive attitude and stabilises the ongoing sharing among members of the community.

The third sub-theme, *acknowledging respect for the craft secures community reputation*, centres around respect for the knowledge domain and craftsmanship of local food. New members entering the FLN, who are unaware of the informal community, are expected to exhibit a basic understanding of the practice within the craft of meat production and the local food industry, and this is recognised as a criterion for separating the serious actors from the less intentional ones:

> *I have a friend who has made a lot of mistakes. He is one who never pays attention. He does not follow the practices or methods taught. … You need to be able to follow a good manufacturing practice if you want to succeed*. (EM 3)

Therefore, each member is acknowledged by the community due to their efforts to respectfully behave in accordance with the standards of the craft of meat production. This socially transmitted understanding defines the CoI and sets the agenda for sharing best practices between individual entrepreneurs in the community. In this manner, respect for the craft is fundamental for the community's reputation as serious actors.

### *Engagement in the practices of others regulates access to community knowledge*

The thematic analysis uncovered three sub-themes constituting the social regulation mechanisms that give individual food entrepreneurs access to other community members' knowledge: *acknowledging the culture of sharing*, *engaging in the practices of others* and the *social recognition of expert skills*.

The first regulating mechanism, *acknowledging the culture of sharing*, centres on new FLN members' ability to gain access to the community's more informal knowledge resources. New members were often found to have some initial interpretations that influenced their ability to share their experiences, underestimating their contribution to the culture of sharing:

> *I felt like a first grader, a novice, and didn't have so much experience of interest to the others. … I was more like an observer*. (NM 4)

Unlocking these initial reservations is important, as new members' motivations to engage are interpreted by the more experienced members as genuine interest in the domain of inquiry. The ones who hesitate or ignore the implicit dimension of the culture of sharing are kept in the periphery of the community until they either grasp this cultural norm or drop out:

> *A few who attend a course keep their cards close to their chest. Then you realise they don't want to let people in, and they never participate much either. They attend once, and then they are gone*. (EM 3)

The FLN trainer plays an important role in creating an atmosphere of companionship through the ability to socialise with all participants, ultimately lowering the threshold for people to lean on and learn from each other:

> *… we keep an informal tone during courses, humour – yes, I often spend time with those who are quiet,*

*loosening them up with a quick humoristic remark. … Some have been to a course before. They are more relaxed, and I use them actively in courses* [for socialising purposes]. (FLN trainer)

Motivating new members to think out loud and engage in an exercise to make the perfect sausage recipe together with the FLN trainer and then demonstrating this in practice, is one way that the FLN trainer manages to involve all members in a reciprocal discussion on why something will or will not work.

The second regulating mechanism, *engaging in the practices of others*, occurs when members exhibit more involvement in the community. An increased best practice sharing leads to self-awareness, which makes it easier to attend discussions, ask for advice and approach others in the community with more qualified questions, and hence enhances the quality of the knowledge acquired. Through this process, the experienced members are patient and choose to look beyond the repeating trivial questions from the new members, as they identify this as 'role play' and an important step in learning in the craft – they even value repetition as a confirmation of their own competency:

*The ones asking the most questions are the most recent ones. That is quite good. It brings up the basic, for even though you have been around for a while, you need to get things highlighted in a new way. And we who have some experience can contribute the other way*. (EM 2)

Continuous informal knowledge sharing between new and experienced members brings everyone closer and builds a relationship in which everyone realises they have something to learn due to their shared interest.

The third regulating mechanism, the *social recognition of expert skills*, deals with the community members' recognition of the more experienced members' status in the community. Such experienced entrepreneurs have a confident way of sharing their experiences and are recognised by their ability to challenge the FLN trainer by constantly questioning current industry standards. Showing a high self-awareness regarding one's own skills as a food entrepreneur is therefore indicative of the social recognition of expert skills:

*After all, I've been practicing for some years. I'm a trained butcher, have a letter of honour as a slaughterer and have worked as a slaughterer for six years before I started my own business. … I think I can speak with a certain weight on what I do*. (EM 5)

These highly self-confident members and the way they pursue relevant discussions with the FLN trainer put extra weight on the benefits of engaging in the practices of others, as they provide access to exclusive industry-specific knowledge in the local food sector which challenge the established formal knowledge.

However, the community risks losing these highly confident members. Thus, the FLN trainer plays an important role in retaining these knowledgeable members by providing them with access to FLN learning activities and offering them more formal roles as instructors, mentors and company visit hosts. This social recognition reinforces new members' self-efficacy and serves as a valuable reference inside and outside the boundary of the FLN:

*… I will be a partner in the course … I get to show potential customers what my profession is. And it is a great reference to be able to say that I have been arranging courses together with [the FLN trainer]*. (EM 5)

Cooperation with these knowledgeable members is a win-win situation that contributes to the continuous development of the shared interest domain and keeps community learning relevant for all.

## *From community inquiry to individual entrepreneurial knowledge*

Building on the theoretical backdrop of social entrepreneurial learning for the individual entrepreneur, we identified two sub-themes for entrepreneurial knowledge acquisition based on community inquiry: (i) *exploiting and exploring community knowledge to develop opportunities* and (ii) *the community as a safety net for legitimising oneself in the local food sector*. These are valid for both new and experienced entrepreneurs; however, they evolve differently based on the members' individual business experience and participation in the FLN.

The first sub-theme, *exploiting and exploring community knowledge to develop opportunities*, describes how the unifying shared interest in local food and informal experience sharing with others contributes to opportunity development (Politis, 2005) for food micro-entrepreneurs. Due to the individual entrepreneurs' level of experience and knowledge needs, new members and experienced members gain different outcomes from engaging in the FLN.

New members, who lack industry-specific experience, develop important basic skills within the craft, leaning on other members' experience and picking up explicit 'how to' advice and tacit knowledge from the community. This learning outcome is particularly centred on informal exploitative learning from others' start-up experiences, preventing new members from making costly failures. Thus, benefiting from others' experiences increases effectiveness and accelerates the ability to make the right business decisions regarding, for example, investments:

*We're newbies, really, and we have to learn everything from scratch. It's valuable to lean on those in our profession who know. … When we invest and try to build something durable, it's valuable to do it right the first time*. (NM 2)

New members may not immediately act on new ideas because of their scarce knowledge resources, but these ideas are stored for later explorative learning (Politis, 2005). In contrast, experienced members use the CoI to refine and validate their prior knowledge, accelerating updates on food legislation and technological improvements to expand the business through exploitative entrepreneurial learning. In addition, experienced community members actively explore new knowledge to improve their products and come up with new ideas for further business development and innovation:

*I didn't use to cut* [the flat iron filet] *out before I attended that meat-cutting course … they are fantastically tender. I used to cut it as stew meat – I didn't know how good it was. … So, this is a perfect example of how I have benefited greatly from that course; it made me realise that I should experiment with new cuts*. (EM 5)

There is also evidence that informal collaboration within the community on the one hand affects individual food entrepreneurs' access to knowledge resources, such as skills and experience in operating expensive meat processing machinery. Especially new members benefit from an easier market entry by cooperating with others, making them less vulnerable during the early start-up when the knowledge acquisition and costs associated with establishing a business are high. Cooperation on production, on the other hand, gives experienced members new financial opportunities as they make their equipment and expertise available for others in the community:

*… Many come to us with products they want us to produce for them. The equipment we have, they will never be able to purchase themselves if they plan to keep it small*. (EM 3)

In the FLN, the informal culture of sharing and knowledge acquisition within the craft improves the learning outcomes of all members and provides new business opportunities, products and innovations, eventually expanding the market for the entire local food sector.

The second sub-theme, *the community as a safety net for legitimising oneself in the local food sector*, relates to how the CoI enables food entrepreneurs to cope with the liability of newness through their shared interest in the local food domain (Politis, 2005). Both new and experienced members consider the FLN an important contributor to their legitimacy as meat producers by enhancing their entrepreneurial self-confidence. We found that emotional support from the community provide a safety net and a sounding board so that each member can make qualified entrepreneurial decisions and reduce the emotional stress of decision making. For this reason, new members especially lean on the community:

*… now that we are building our own production facility, it* [FLN] *has been an invaluable support. It gives us faith in our ability to actually be able to produce quality products … to have* [the FLN trainers] *to lean on offers a kind of support and the reassurance that we can get help*. (NM 3)

Experienced members, on the other hand, extend the safety net to value the community as an arena for meeting friends and fellow entrepreneurs, signalising that community relationships lead over time to a social network of trusted peers:

[FLN] *is an important meeting point. It provides both a safety dimension and a quality dimension. … There are always some familiar faces. … You kind of become like a small family*. (EM 1)

A unified voice and emotional support from the community are valuable when individual entrepreneurs engage with larger market actors and authorities. The community provides legitimacy beyond the individual food entrepreneur, and our analysis reveals how a unified voice can positively change food legislation to benefit all:

[The Norwegian Ministry of Agriculture and Food] *wanted me to participate with my experience and represent my part of the value chain. To get a broader view, I called a few other meat businesses. … A small change in food regulation can have a huge influence. In these matters, it is important to have a network to refer to*. (EM 5)

Membership in the learning community thus enhances legitimacy at the sector level, allowing the individual entrepreneur access to the larger local food market as part of a trustworthy and respected industry.

## Discussion

This study explores the social perspectives on entrepreneurial learning by considering informal social learning dynamics and individual entrepreneurs' knowledge acquisition in an FLN targeting food micro-entrepreneurs with a shared interest in local food. Our findings provide new insight into the socially situated and contextual experiences of individual entrepreneurs' learning in an FLN that serves as a CoI and how this influences their learning outcomes. The present study was approached by asking two research

questions. In the following section, we discuss the findings along the lines of these questions; however, as the construction of our theoretical framework was challenged by our findings, indicating that there was a strong interdependency between our two research questions, these questions will be discussed in light of each other.

Our findings revealed a shared interest in the craft of local food, echoing the findings of Davies and Mason-Jones (2017). The shared interest nurtures an informal and open learning community among food micro-entrepreneurs involving the FLN trainer as a facilitator for the informal and open tone that also situates the facilitator as a fellow member in the group, revealing a CoI consisting of multiple stakeholders: fellow food micro-entrepreneurs, potential competitors and a professional meat expert. This corresponds to the findings of Shepherd et al. (2022) who discuss the opportunities created by adding potential stakeholders to the body of contacts in a CoI to promote social learning for opportunity development. Adding to the knowledge stream on learning networks, this study reveals that access to the CoI's valuable knowledge was given only to the members who paid attention to and followed the underlying cultural norms and boundaries within the community, as in the theme of *cultural norms stabilising the community of inquiry*. These cultural norms and boundaries are socially transmitted to new members by more experienced members as a result of continuous effort to secure the reputation of the local food industry and maintain a certain level of expertise within the craft. It was also acknowledged as an important prerequisite preventing individual entrepreneurs from developing a competitive attitude and stabilising the culture of sharing. This finding helps explain the importance of acknowledging and respecting the cultural norms that give access to knowledge sharing in the CoI and maximises the individual entrepreneurs' knowledge acquisition from their participation in a FLN.

In the context of food micro-entrepreneurs sharing a joint interest in local food, this study confirms that the CoI framework is an interesting lens through which to explore individual food entrepreneurs' informal knowledge acquisition in a FLN. Regarding the notion that both new and experienced members had something to learn, the overall respect for others' knowledge and practice was seen as a motivation to get engaged and access knowledge in the CoI. The mechanisms regulating access to informal knowledge sharing, described as *engagement in the practices of others regulates access to community knowledge,* provide community members with important industry-specific knowledge, building a unique learning environment inside the CoI. These findings nuance prior research in explaining how membership in a FLN enhances individual entrepreneurs' knowledge acquisition and learning opportunities (Bessant and Tsekouras, 2001; Reinl and Kelliher, 2010, 2014; Reinl et al., 2015; Shepherd et al., 2022). Our findings also provide additional insight into the informal mechanisms that develop and maintain the enriching knowledge flow among members in a learning community in which the FLN trainer also plays an important role as a motivator for all members reflecting all levels of skills. Our research contributes to new knowledge describing the importance of retaining the most experienced members in the learning community, as they play an important role by challenging existing industry norms and thus advance the inquiry level in the community.

In this study, all community members reflected on their increased knowledge acquisition and improved skills in meat production, as described by the theme *from community inquiry to individual entrepreneurial knowledge*. Acquiring knowledge in a CoI based on community members' own experiences and common respect for the craft were found to build an improved ability to discover new opportunities and to develop these into innovations (Politis, 2005) for both new and experienced members. The more experienced members with a higher knowledge basis were found to be more explorative in developing innovations and new business opportunities, supporting the research of Shepherd et al. (2022), which revealed that founders' open engagement with CoIs to gather and collect new information, and sometimes also unexpected information, are likelier to experience opportunity development. The newest members, on the other hand, were more exploitative in using community knowledge to build a sustainable business and learnt from others' mistakes before doing the same themselves. Interestingly, our research found that receiving support from a network community by engaging in a CoI helped individual entrepreneurs to make more qualified strategic business decisions, initiated valuable business collaboration and provided them with a stronger voice when interacting with policy makers and authorities, which validates opportunity development in line with Shepherd et al. (2022). Our findings also suggest that knowledge acquisition in a learning community confers on members an important legitimacy as local food producers, gives them access to valuable knowledge resources, provides emotional support and expands their network of contacts, and thus their CoIs; this is useful for business development and innovation. The emotional dimension of CoIs represents a contribution to Shepherd et al. (2022)'s research in that open engagement supports the individual entrepreneur on a deeper and personal level in developing opportunities.

In order to provide an overall structure for our empirical analysis and discussion, we present in Figure 2 an extended conceptual framework based on Bessant and Tsekouras' work (2001: 89), which summarises our research findings.

## Conclusions and implications

Through our study, we aimed to contribute to the research stream on social entrepreneurial learning (Karataş-Özkan,

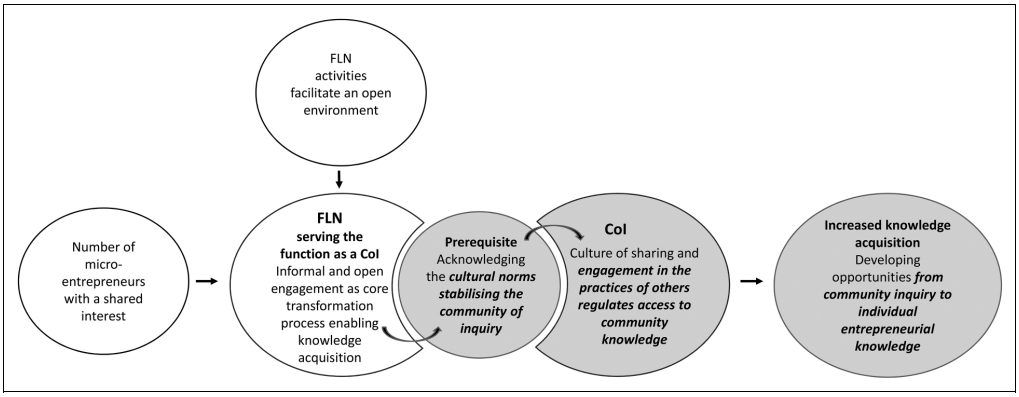


**Figure 2.** Conceptual framework: The individual micro-entrepreneurs' entrepreneurial knowledge acquisition in a community of inquiry.

2011; Lefebvre et al., 2015; Toutain et al., 2017), more specifically, we contribute a CoI approach (Garrison, 2015; Shepherd et al., 2022) to entrepreneurial knowledge acquisition and, in particular, how informal learning from others enhances this process (Abecassis-Moedas et al., 2016; Lans et al., 2008, 2011; Lévesque et al., 2009; Rigg et al., 2021; Shepherd et al., 2022; Soetanto, 2017; Soetanto and Jack, 2011). Via an in-depth study of an FLN of food micro-entrepreneurs in the local food sector in Norway, we set out to explore how micro-entrepreneurs in the same industry choose to support each other and share their experiences to advance their learning despite representing different levels of expertise and being competitors. Moreover, by drawing on the CoI perspective, we illuminate the informal mechanisms that regulate knowledge acquisition and sharing between fellow peers in an FLN. This study therefore contributes an in-depth knowledge of the informal social regulation mechanisms creating an open and informal learning environment surrounding a shared interest (Davies and Mason-Jones, 2017; Garrison, 2015) enriching previous learning network research (Bessant and Tsekouras, 2001; Lefebvre et al., 2015; Man, 2007; Nieminen and Hytti, 2016; Power et al., 2014; Quinn et al., 2014; Reinl and Kelliher, 2010, 2014; Reinl et al., 2015). Thus, we extended Bessant and Tsekouras' (2001) framework to incorporate the CoI perspective for entrepreneurial knowledge acquisition (see Figure 2), presenting pioneering research in the field.

Although illustrative, the results are still limited to our research context of micro-entrepreneurs in the domain of the food sector. Therefore, future research could examine how FLN in other entrepreneurial sectors resemble similar informal learning communities and to what extent a CoI materialises into individuals supporting each other and continuing to contribute to entrepreneurial knowledge acquisition. We cannot generalise the knowledge from this case study, but our findings will likely reflect similar experiences of micro-entrepreneurs who strongly share an interest in a specific industry domain.

The study's implications for social entrepreneurial learning point to the importance of informal learning dynamics in facilitating knowledge acquisition and hence innovation possibilities for the individual entrepreneur. It also illustrates that informal learning is situated and dependent on a formal learning environment enabled by the FLN and its setup. A fruitful avenue for future studies would be to look more into the interplay and dynamics between these forms of learning along the entrepreneurial process. Scholars within social entrepreneurial-learning perspectives would benefit from acknowledging the mutual importance of informal learning in learning networks and what regulates it and its effect on entrepreneurial-learning outcomes.

Considering the insights gained from this case study, we provide some practical implications that serve as inspiration for policymakers, learning network organisers and micro-entrepreneurs in similar learning network contexts. For policymakers, future quests for learning network funding can involve the combination of both formal and informal learning activities facilitated by an experienced mediator to enhance the individual entrepreneurial learning in a CoI, moving beyond the basic seek-and-take practice in traditional networks. Learning network organisers can benefit from understanding the importance of the social aspect of an FLN and how their role as facilitators nurtures the FLN to be a core transformation process enabling learning in a CoI by making room for informal social events and contributing to the socialisation and knowledge sharing among all levels of participants in the learning community. The importance of having an experienced facilitator who possesses both the expert skills and the social skills that nurture the interplay between formal and informal parts of a learning network is often underestimated and raising the awareness of these

skills will be useful to future FLN facilitators. Both learning network organisers and participants in learning networks can benefit from the recognition of a cultural norm that functions as a prerequisite for engagement in a CoI and which can be a barrier for knowledge acquisition for the individual entrepreneur. Therefore, individual entrepreneurs can benefit from understanding that their willingness to openly share their own experiences and show interest in others' community members' practices gives them access to a unique knowledge resource and important learning from others in a CoI.

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## Note

1. Informal learning in this setting is understood as a contrast to formal learning or training activities that take place in the facilitated learning network and recognise the social significance of learning from other members. In accordance with Eraut's (2004) work it implies a greater scope for individual development than just socialisation. Informal learning can depart from a formal activity and draw the attention to the learning that moves beyond its formal purpose (which was intended and facilitated). It is therefore complementary to learning from one's own experience, as it taps into interpersonal exchanges of experience.

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# Paper 2

## The farm-based entrepreneur's marketing mix: a case study from the local food sector

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# The farm-based entrepreneur's marketing mix: a case study from the local food sector

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## Abstract

**Purpose** – This paper aims to explore the market creation practices of farm-based entrepreneurs in the local food sector. Alternative marketing channels for farm-based products increase, but it is not known how entrepreneurs work to position their products in the marketplace. By expanding on the research of farm-based entrepreneurship and entrepreneurial marketing (EM), this study explores the entrepreneurial practices that farm-based entrepreneurs use through the lens of the EM mix (EMM) and its constituent dimensions: person, purpose, practice and process.

**Design/methodology/approach** – The study uses a multiple case study design and follows a phenomenological approach in conducting in-depth retrospective interviews with 11 successful farm-based entrepreneurs in the local food sector in Norway.

**Findings** – The thematic analysis revealed four key EM practices of the study's farm-based entrepreneurs: transferring the farm or transforming the farm as the primary purpose; legitimising a local brand through the uniqueness of person, purpose and place; using a personal networking approach in the market development process and flexible and controllable market expansion practices. These elements constitute the pillars of successful, creative and resource-efficient market development.

**Originality/value** – The study represents a pioneering attempt to explore and conceptualise EM within farm-based entrepreneurship. The findings ultimately give rise to a novel framework: the farm-based entrepreneur's marketing mix (FEMM).

**Keywords** Farm-based entrepreneurship, Entrepreneurial marketing, Entrepreneurial marketing mix, Local food, Micro-business

**Paper type** Research paper

## Introduction

This paper explores the market creation practices of farm-based entrepreneurs in the local food sector. In doing so, we intend to enhance our understanding of farm-based

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entrepreneurship from an entrepreneurial marketing (EM) perspective. Seminal research contributions within this particular journal have highlighted the fit between the entrepreneurial process and marketing (Kraus *et al.*, 2012; Lehman *et al.*, 2014; Montiel-Campos, 2018; Haden *et al.*, 2016; Solé, 2013), developing EM into a prosperous field and motivating further understanding of entrepreneurship as a market development process.

Following this line of inquiry, the EM literature reveals that marketing in start-ups and small businesses is often creative and leverages a scarce resource base (Fillis, 2010; Gaddefors and Anderson, 2008; Morris *et al.*, 2002). In this respect, farm-based entrepreneurs specialise in the creative transformation of their local resources into a higher market value, creating unique benefits from their particular context (Alsos *et al.*, 2003; Alsos *et al.*, 2014; Müller and Korsgaard, 2018), representing an interesting context for EM studies. Farm-based businesses in the local food sector are often connecting directly with consumers to fit their capacities and abilities; they also co-create with other producers to solve marketing challenges through networking and regional branding (Haugum and Grande, 2017). In the niche market of local food, the market development endeavour is particularly challenging, as these businesses must uniquely position themselves in non-local, constrained market channels dominated by larger actors and food companies (Abate-Kassa and Peterson, 2011; Harris and Deacon, 2011; Haugum and Grande, 2017).

Originally grounded in restrictions in the form of policy, quotas and seasonal fluctuations, the agricultural industry has experienced increased growth in entrepreneurial farm diversification, as farms generate value besides agriculture (Alsos *et al.*, 2003; Alsos *et al.*, 2011; Vik and McElwee, 2011). Farm-based entrepreneurship has, therefore, become an important stream of research (Alsos *et al.*, 2011; Dias *et al.*, 2019). In parallel, the interest in alternative marketing channels for farm-based products is increasing (Dias *et al.*, 2019; Haugum and Grande, 2017), but we do not know how entrepreneurs work in entrepreneurial ways to position their products in the marketplace. Furthermore, the initial motivation for using the farm for entrepreneurial purposes may vary between the entrepreneurs (Alsos *et al.*, 2003; Vik and McElwee, 2011) and is largely dependent on the founder-managers' connections and previous careers. Thus, the farm-based entrepreneur's initial motivations as drivers of the market creation process warrant further attention; they have yet to be explored through the lens of EM.

Unlike larger businesses, small and resource-constrained businesses rely on the marketing skills and strategies of their founder-managers to succeed (Fillis, 2010; Franco *et al.*, 2014; Hills and Hultman, 2013). Founder-managers of micro-businesses use unconventional marketing practices to establish a unique place in markets (Gaddefors and Anderson, 2008; Martin, 2009; Morrish, 2011; Zontanos and Anderson, 2004), typically without relying on conventional planning or marketing frameworks, such as the 4 P's of Kotler and Keller (2011): product, price, place and promotion of goods and services. Instead, small-business owners rely on available resources integrated into their EM mix (EMM) (Martin, 2009) and configured into interactive, informal practices when entering the market (Carson *et al.*, 1995; Fillis, 2010; Franco *et al.*, 2014; Kubberød *et al.*, 2019; Stokes, 2000; Zontanos and Anderson, 2004). Little is known about how this market creation process operationalises into the daily practices of farm-based micro-businesses and how the underlying practices lead to success in the marketplace. Against this backdrop, we seek to enhance our further understanding of the market creation practices of the farm-based entrepreneur within a particular market, a hitherto under-investigated area in EM research. To do this, we draw upon another set of 4 P's, from Zontanos and Anderson (2004): person, purpose, practice and process, later conceptualised as the EMM by Martin (2009). The EMM framework is rarely adopted by EM researchers, and in an effort to understand the market

creation practices within a particular context, we will adopt the elements of EMM to contribute to the development of a practice-related framework. We use a multiple case study design and follow a phenomenological approach to conduct in-depth retrospective interviews with 11 farm-based entrepreneurs in the local food sector, successful in both their local and their non-local market channels in Norway.

Our research was guided by the following research question:

*RQ1*. What particular practices have led to the farm-based entrepreneurs' success in the markets they operate, and how do the entrepreneur's initial motivations influence the market creation process?

The rest of the paper is structured as follows: firstly, we review the literature on farm-based entrepreneurship and EM, situating our research and developing our theoretical framework. We then outline our methodology, analysis and findings and we discuss these in light of the literature. We conclude by stating our contribution and suggesting implications of our study.

## Theoretical framework

### *Farm-based resources and entrepreneurial motivations*

The decision to become a farm-based entrepreneur is driven by socio-cultural motives such as generating consistent income from the farm, ensuring family farm survival and maintaining self-employed freedom (Alsos *et al.*, 2003; Alsos *et al.*, 2011). Some entrepreneurs are lifestyle entrepreneurs (Marcketti *et al.*, 2006): owner-founder-managers who begin a farm-based business as a lifestyle strategy, following their values and passions rather than seeking to maximise profits and growth (Müller and Korsgaard, 2018). The network, experience and knowledge gained by farm-based entrepreneurs through traditional agriculture are important resources for developing opportunities (Alsos *et al.*, 2003; Haugum and Grande, 2017).

Farm-based entrepreneurs may also be founder-managers less strongly attached to their farms, having returned to family farms (Gaddefors and Cronsell, 2009) with ambitions to transform their original land and its resources into unique and new offerings. Farm-based entrepreneurs are here typically motivated to combine their farm-based resources and experiences with those from careers outside their farms (Alsos *et al.*, 2003). In their empirical study, Alsos *et al.* (2003) found that farm-based entrepreneurs have three primary motivations for their entrepreneurial activities: continuing the farm, maximising their unique set of resources and exploring opportunity-centred ideas. In this study, we investigate how such motivations influence the market development process. Hence, the initial motivation of farm-based entrepreneurs is essential for developing both local and non-local markets.

### *Entrepreneurial marketing: a framework for understanding farm-based entrepreneurship*

The concept of EM is multifaceted (Haden *et al.*, 2016; Kraus *et al.*, 2012; Montiel-Campos, 2018; Solé, 2013), but many researchers have suggested that EM practices are more co-creative and proactive than traditional marketing practices of large corporations and marketing managers (Fillis, 2010; Gaddefors and Anderson, 2008; Martin, 2009; Morris *et al.*, 2002). When managers of local small businesses enter new non-local markets, they often lack experience (Kubberød *et al.*, 2019) and have limited knowledge about existing market conditions, but they can create a market by using their locally acquired resources (Read *et al.*, 2009; Sarasvathy, 2001; Sarasvathy and Dew, 2005). In this paper, we investigate how

farm-based entrepreneurs create local and non-local market channels by leveraging their own personal resources.

Zontanos and Anderson (2004) claimed that successful marketing in small firms is tied to the founder manager's actions and daily contacts. Subsequent scholars have questioned how the classical 4 P's framework (Porter, 1980) applies to and aligns with entrepreneurs (Fillis, 2010; Gaddefors and Anderson, 2008; Ismail *et al.*, 2018; Martin, 2009; Schindehutte *et al.*, 2009). We, thus, revise and fit the 4 P's to the EMM (Martin, 2009; Zontanos and Anderson, 2004; Kubberød *et al.*, 2019) and use this broad framework to explore entrepreneurial practices from the perspective of a farm-based founder manager's market development. This EM framework delineates the four elements of person, purpose, practice and process to explore how marketing routines emerge in entrepreneurial small businesses (Zontanos and Anderson, 2004). Next, we describe the elements of the EMM and their relevance to our research.

*Person.* Founder-managers of small firms tend to be central to and influential in all firm-level activities (Simsek *et al.*, 2015). However, founder-managers often are not marketing experts and have a limited understanding of marketing frameworks (Stokes, 2000; Martin, 2009). They instead possess domain-specific expertise, such as farming expertise (Alsos *et al.*, 2003; Alsos *et al.*, 2011). Also, they value the personal promotion of their products (Haugum and Grande, 2017), despite not considering this as marketing (Zontanos and Anderson, 2004). Scholars emphasise that such a personal impact and relational capability are resources in EM (Morrish *et al.*, 2010). To further understand the farm-based entrepreneur (McElwee, 2008; Vik and McElwee, 2011), we explore who the farm-based entrepreneurs are and how they use their background to move into the marketplace.

*Purpose.* Evidence suggests that underlying purpose drives marketing efforts (Martin, 2009; Morris *et al.*, 2002) and is important for marketing success (Laaksonen *et al.*, 2011). Because small firms are often characterised by strong entrepreneurial leadership (Koryak *et al.*, 2015), the entrepreneur's own aspirations are operationalised through their communication and marketing efforts (Martin, 2009; Zontanos and Anderson, 2004). As indicated, farm-based entrepreneurs can have various motivations for their farms in the entrepreneurial process (Alsos *et al.*, 2003). These motivations serve a purpose and are a valuable resource for founder-managers in the market development process.

*Practices.* Small and micro food companies with limited influence on larger market conditions can become more creative and foster new opportunities and resource configurations that derive unique benefits from their local smallness (Jones and Rowley, 2011; Korsgaard *et al.*, 2015; Müller and Korsgaard, 2018). Research on EM converges on informal, personal and creative ways of entering the marketplace (Gilmore *et al.*, 2001; Hill and Wright, 2000), where entrepreneurs know their customers personally and often co-create with them (Kubberød *et al.*, 2019; Zontanos and Anderson, 2004). Stokes (2000) found that successful entrepreneurs focus first on product development and then on customers through a bottom-up process without relying on tools such as classical market segmentation. Hills *et al.* (2008) found that, unlike larger marketing and strategic firms, EM firms tend to be tactically flexible and adaptive, preferring hands-on experience to formal marketing research. These entrepreneurs leverage themselves and their personal resources in new and creative ways to promote their company (Kubberød *et al.*, 2019; Martin, 2009). In this research, we investigate the daily practices underlying the farm-based entrepreneur's market development of their products.

*Process.* Because farm-based entrepreneurs must recombine and leverage their farm-based resources with other resources (Alsos *et al.*, 2003; Alsos *et al.*, 2011; Müller and Korsgaard, 2018), we argue in agreement with EM theorists Haden *et al.* (2016): this market

creations process represents an entrepreneurial challenge loaded with uncertainty (Sarasvathy and Dew, 2005) and:

> An entrepreneur who markets his or her business in a way that reduces uncertainty and risk and who knows how to engage in calculated risk-taking can more effectively manage risk (Haden *et al.*, 2016; p. 115).

To control the market development process and reduce the risk, the farm-based entrepreneurs should thus focus on who they are (background attributes related to context and ambitions), what they know (knowledge, skills and experience from both local or non-local markets) and whom they know (existing networks – both business and personal) and they should use these as resources and assets in a means-driven co-creation and networking process (Kubberød *et al.*, 2019; Sarasvathy, 2001). This is an alternative to linear marketing and planning, in which the entrepreneur relies on causal thinking and predictive strategies (Sarasvathy, 2001; Wiltbank *et al.*, 2006). In our study, we explore to what extent farm-based entrepreneurs rely on effectual and control strategies instead of causal and predictive strategies.

## Research design and methodology

We use a multiple case study design with a phenomenological approach because it is suitable for investigating real-life phenomena in changing contexts (Simons, 2009; Yin, 2013). We focus on the phenomenon of the market development practices of entrepreneurs developing local and non-local markets for their products, with the founder-managers representing the units of analysis. This strategy allows us to compare findings across and within units and to explore and theorise on marketing practices from a phenomenological standpoint. The case study approach therefore allows us to build new theoretical understanding, rather than formal generalisation (Flyvbjerg, 2006).

### *The market for Norwegian farm-based foods*

Interest in the farm-based food sector is growing among Norwegian farmers because of a government policy that motivates farmers to move from traditional farming towards other farm-related sectors, such as local food (Vik and McElwee, 2011). The Norwegian local food sector has expanded rapidly in recent years, with an annual market growth of more than 5% between 2016 and 2019 and a total turnover of NOK 11.25bn in 2019 (Matmerk, 2019). According to the Norwegian government, Government.no (2020), 70% of Norwegian consumers are willing to pay extra for local food, defined as "food and drink products with a defined origin and local identity or with distinct qualities based on recipes, processes or tradition" (Matmerk, 2019). The Norwegian food market consists of several market channels, which attracts local food entrepreneurs. The indirect and usually non-local markets include grocery stores, caterers, restaurants, hotels and delicacy stores in cities. The grocery market is the largest and most competitive market. These non-local markets require a lot of follow-up and professionalism in building relationships between merchants and chefs. However, local markets sell products directly to consumers. In Norway, direct markets include farmers' markets, REKO rings (Rejäl Konsumtion, a direct distribution system that uses Facebook to coordinate orders and deliveries) and the farm-based entrepreneur's own outlets or farm-based cafés. These local and direct market channels require fewer investments and are valuable for accessing local resources and networks.

*Data sources, selection criteria and entrepreneur sample*

We draw on in-depth and semi-structured retrospective interviews. We first retrieved a list of about 150 businesses from Innovation Norway, which oversees the Norwegian Growth Financing Program for entrepreneurs (Innovation Norway, 2020). An expert interview approach (Neergaard, 2007) guided our sampling of interesting cases as we sought to draw a comprehensive data set from successful local food entrepreneurs with comprehensive market experience in local and non-local markets. This sampling process was designed to enable insights into the market creation practices of the farm-based entrepreneurs in the local food sector and to enable comparisons between cases and within cases in our analytical work (Glaser and Strauss, 1967). We contacted 14 businesses matching our selection criteria (Table 1) and of these, 11 farm-based food entrepreneurs from 10 micro-businesses located in south-eastern Norway agreed to participate in the study. Table 2 lists the farm-based food entrepreneurs, anonymised to ensure confidentiality.

The interviews were conducted in February 2019 at the respective farms of the founder-managers. The on-site visits provided a good contextual understanding of the individual founder-managers at home, creating a relaxing atmosphere in which they could share their experiences in product marketing.

*Data analysis process*

The interviews were recorded and then fully transcribed. Firstly, we developed a broad coding scheme of the main marketing practices found in the transcripts. Secondly, we used thematic analysis Mason (2002) by building on knowledge deduced from our broad EMM framework to identify the underlying patterns in our raw data. These patterns were categorised in relation to the *person* (background, career experience and network), *purpose* (continuing the farm, maximising unique resources and exploiting new business ideas),

| Criteria | Description |
|---|---|
| Businesses in a phase of growth, indicating success | The farm-based food entrepreneur has received funding from The Growth Financing Program of Innovation Norway (Innovation Norway, 2020). The business is entrepreneurial and expanding into new market channels to fulfil the following criteria:<br>• Will increase turnover by at least 30% in the next three years<br>• Employs more than one person<br>• Achieves annual turnover of 1 million NOK or more |
| Size | Micro-businesses (<10 employees) |
| Founder-manager present | The founder-manager is still present and active in all business operations |
| Classified as local food | The business falls under the definition of local food (Matmerk, 2019) |
| Farm-based entrepreneur | The business originates from a farm (in accordance with Alsos *et al.*, 2003) |
| Product assortment and success | Sells more than one product, which indicates experience and success. This is because we want to examine how local and non-local networks are exploited in the market |
| Market channels | Operates in local market channels and in at least two non-local market channels to ensure enough variability along important dimensions of operational practices |

**Table 1.**
Selection criteria for farm-based food entrepreneurs

| Interviewed founder-manager | Core activity and products | Background | Operating market channels | |
|---|---|---|---|---|
| | | | Local | Non-local |
| Håvard | Egg production, desserts | Grew up on a farm but chose another career before taking over family farm; marketing background; worked many years prior to start-up; strong network from agricultural business. | Delicacy grocery store | Dominant national grocery chains, HORECA* |
| Kristian | Ecological apple production, apple juice, vegetable and apple mixed juices | Grew up on a farm but chose another career; non-native farm-based entrepreneur. Trained and worked in construction, studied business economics and real estate. Also, a real estate entrepreneur investing in local value creation. | Farm outlet, farmers' market | Dominant national grocery chain, HORECA |
| Anne | Black oat production and products | No farming background but took over family farm; master's in economics and business; long business career prior to start-up. | Farm Web store, farm outlet and farm café | Dominant national grocery chains, independent grocery stores |
| Petter | Apple and cherry production, apple and cherry juices | No farming background but took over family farm; trained and works 100% as a manager in the landscaping business in addition to the farm-based business. | Farm outlet | Urban restaurants and delicacy stores |
| Anders | Ecological cured meat | No farming background but took over family farm; worked 15 years in art and design prior to start-up. | Farm Web store, local delicacy store | Urban delicacy stores, selected national grocery chains, exclusive restaurants |
| Hanne | Cakes from own home bakery | No farming background; trained as chef and helicopter pilot; works as a pilot and also runs the cake business from the family farm. | Farmers' market, farm outlet, selected local grocery shops, REKO** | Urban hotels, selected delicacy stores, caterers |
| Harald | Milk production, cheese and ice cream | Farming background and short career in accounting prior to start-up. | Selected local grocery stores | Exclusive urban restaurants – one being a Michelin Guide restaurant, urban delicacy stores, HORECA |

(*continued*)

**Table 2.**
Sample of entrepreneurs

| Interviewed founder-manager | Core activity and products | Background | Operating market channels | |
|---|---|---|---|---|
| | | | Local | Non-local |
| Ole | Egg production, ice cream | Farming background; trained in engineering and worked 11 years in the city prior to start-up | Farm outlet and farm banqueting, Farmer's market, restaurants, cafés and selected local grocery stores, REKO | National and urban grocery chains |
| Marius and Silje | Raspberry production and juice | Farming backgrounds; both work 100% in an additional job. | Selected local grocery stores, REKO | Urban restaurants, cafés and hotels |
| Mari | Milk production and cheese | Farming background | Farm outlet, farmers' market, selected local grocery stores | Selected national and urban grocery chains, urban restaurants and delicacy stores |

**Notes:** *HORECA = hotel, restaurant and canteen market; **REKO = Rejäl konsumtion, a direct-sales channel based on social media

**Table 2.**

*practice* (promotional activities and product/market development) and *process* (effectual co-creation instead of linear marketing process). We initially analysed each interview to identify patterns and unique themes across these 4 P's. Using a process-relational perspective, we then analysed how the farm-based motivations materialised in the market development processes across the cases and within the main 4 P categories. This step in the analysis of the entrepreneur narratives uncovered four main themes of market development practices, representing the underlying interplay between the original 4 P's deduced from our theoretical framework and the patterns found inductively in the data. In the final step, we returned to the data set and expanded the broad coding scheme to confirm that our four final themes reflected the main structures and data richness, thus building on the theoretical framework. The themes were *transferring the farm or transforming the farm as the primary purpose; legitimising a local brand through uniqueness of person, purpose and place; using a personal networking approach in the market development process* and *flexible and controllable market expansion practices.*

## Findings

Our study's farm-based entrepreneurs use various practices in the process of developing markets for their unique products. We illustrate the four themes found in the thematic analysis using selected quotes from the narratives.

### *Transferring the farm or transforming the farm as the primary purpose*

Our analysis identified two primary farm-based motivations that underlie the purpose of market development:

- the farm as the primary motivation and most important resource (the farm is *transferred* into a business that contributes to sustaining primary production while improving how available farm-based resources are used); and

- the farm as one of several resources for seeking and exploiting new ideas (the farm is *transformed* through acquired career experience and non-local networks where the primary motivation is a renewal).

In the *transferring the farm* group, we found entrepreneurs with a lifelong involvement in farming and a unique attachment to place. Marius and Silje, Harald, Ole and Mari are founder-managers who are strongly committed to the survival and continuance of their family farms. They have limited business experience but have specific local and/or farming expertise that they draw upon as their purpose when entering the market:

> *Originally, I come from a dairy farm.* [. . .] *We* [neighbouring farms] *agreed upon a dairy farm milk cooperation.* [. . .] [One of the partners] *had an idea to try to make something new out of the milk as we already had started the dairy cooperation. So far, we had only delivered the milk, the grain and the meat to industry companies without doing much ourselves. I found the idea intriguing* [. . .] *We entered a course* [milk processing] and *I realised what an incredible raw material milk is* [. . .] *So, we ended up expanding our farm and starting the business here.* (Mari)

This learning account shows that going against the grain is a valuable resource in its own right. Building on another purpose, such as moving away from modern farming practices, can legitimise more sustainable practices and increase profits. The entrepreneurs in this group possess unique localised knowledge derived from their long history in farming.

In *transforming the farm* group, we found founder-managers without farming backgrounds. Håvard, Kristian, Anne, Petter Anders and Hanne all grew up on family farms (except for Kristian, who bought a farm) but pursued other careers. They are idea-exploiting entrepreneurs (Alsos *et al.*, 2003) who invested in the farm and used it as one of several resources for creating new business opportunities. For their resource base, these entrepreneurs draw upon non-local business networks and general business experience. When moving into the market, they actively search outside the local market and differentiate themselves through their local uniqueness to create their purpose and achieve their goals:

> *We took over the farm in 2014 and were not sure about what to do besides something like "farm-to-fork."* [. . .] *Eventually, we landed on going back to the roots where the land has been cultivated since the Viking Age.* [. . .] *At that time, it was black oats. We wanted to do something special. So, we had this unique grain and were early to launch steel-cut.* (Anne)

In the following analysis, we use the terms *transferring the farm* and *transforming the farm* to differentiate between the initial purposes of these two groups of entrepreneurs.

### *Legitimising a local brand through uniqueness of person, purpose and place*

The founder-managers participate in all business operations and fully control the value chain. This constitutes a unique and valuable localised resource that facilitates transparency and credibility and can be used for storytelling in the marketplace (Barney, 1991). Moreover, founder-managers speak passionately and proudly about their products and their farms and their confidence can build market legitimacy. We analysed how the entrepreneurs leveraged this benefit to create a unique local brand and we uncovered three patterns in brand-building practices that leveraged the distinctiveness of product stories: *using distinctive design to link a unique taste with a unique place*; *establishing a link between happy living animals and good quality*; and *using personal credibility to establish a link to exquisite taste*.

In the first branding practice, entrepreneurs communicate distinctiveness in a goal-driven manner through bold product and label designs that deviate from mainstream

products. By this stand-out deliberate practice, Anders draws upon his artistic background to create unique messages and creative names for his meat products:

> *So, I think it was a good thing that both my wife and I have a design and art background.* [. . .] *This meant that we quite early were able to stand out in the market; we saw what was missing in a way and what was not.* [. . .]. *We somehow approached the project in the opposite direction of what I think the meat industry is doing.* (Anders)

Ole and Anne use retro designs to promote the fact that their products are locally produced in a traditional, almost homemade fashion. These two entrepreneurs have chosen to stand out from the crowd, to advertise that they come from a local place and to differentiate themselves from the mainstream products in grocery stores:

> *At* [a Norwegian supermarket chain] *there are 15,000 items and you need perhaps only 100 of them. The trick is to catch the attention straight away, with some help of design. We saw that some made a few mistakes. They have many good products, but the packaging is wrong and not suitable for the product they are selling.* (Ole)

In the next category of branding practices, we find that solely the *transferring the farm* entrepreneurs using animal welfare in a bottom-up manner (Stokes, 2000) to link their purpose with superior product quality: these farmers connect the happy living animals on their farms with the superior taste of their products. To send this message, they tell stories about their background and production practices and use farm pictures and animal logos. This imprints the message of "the happy cow" and "the award-winning product" in customers' minds:

> *They* [other dairies] *tell the history of the dairy, the people or place, they talk about the milk from the Norwegian farms, but not about the cow. So, I talk about the cow.* [. . .] *They* [a top Norwegian restaurant] *wanted to make a story about a cow, they would trace the milk from it, to see how it tasted different.* [. . .]. *The cow Isrosa was the one with the best milk. And Isrosa has a good name and a good story to why she is called Isrosa. So, we milked Isrosa in buckets and drove the milk to* [a top Norwegian restaurant]. (Harald)

The last category of branding practice represents a means-driven approach (Sarasvathy, 2001) in which the entrepreneurs draw upon personal experiences to build strong local brands. Brand associations should reflect the credibility of the people behind the products (Skarderud and Kubberød, 2016). In the *transforming the farm* group, Håvard is a businessman working in agriculture and Hanne has a chef background; they both have credibility in the local food sector and use their previous careers to build legitimacy:

> *It must be genuine and trustworthy and we try to communicate that through our packaging – we are out there showing our faces, right? It should create confidence – that you tell who you are; that you dare to show your face and write who you are.* (Håvard)

Building the self into the brand has been important for Håvard and Hanne, who each appear on their product labels.

These unique local products earned distinction and awards in national and international competitions and food exhibitions, which help to build brand value (Skarderud and Kubberød, 2016). The corresponding free media coverage is also continuously promoted on the entrepreneur's websites, paving the way for local foods to enter niche markets in restaurants and supermarkets.

### *Using a personal networking approach in the market development process*

A feature common to all cases in this study is the challenge of being a farm-based entrepreneur with a scarce resource base and working to find a place in a mature non-local

food market dominated by grocery chains and large food producers. The entrepreneurs use personal contacts and tell stories about their products, giving them control over the market development process:

> *Without me, it* [the products] *wouldn't have been sold. I'm the one who made it and I'm the one who travelled. If I had hired someone else, they might not have gained the same trust as me, because the one being trusted is the one who created the product. This way you gain credibility.* (Harald)

We found three patterns through which the entrepreneurs leveraged this personalised approach to mobilise their resources into developing the market: the *non-local networking approach*, the *lead user networking approach* and the *local networking approach*.

The *non-local networking approach* includes entrepreneurs from the *transforming the farm* group who possess unique local products and believe strongly in first using their non-local contacts from their previous careers (Sarasvathy, 2001) in the process of developing a market for their products. In the following learning account, Håvard describes how he gained direct access to a national grocery chain through his former non-local business network:

> *Again – networking. The one, responsible for developing the food concept in* [a Norwegian supermarket] *– I knew him from before. That too was a coincidence.* [. . .] *He asked what I was doing now.* "Well, we have taken over this damn farm – these chickens in cages are no good –so, I would like to do something about that," I said. "Well, we can do that together," he responded. So, things come "served on a silver platter" constantly, you know – so it does to everyone – and then it's all about holding on to it or letting it go. (Håvard)

The *lead user networking approach* includes both *transferring the farm* and *transforming the farm* entrepreneurs who approach chefs in a goal-driven manner to promote their products and create a reputation, as in the following account:

> *I just made contact, hoping that since we produce high-quality products and knowing that chefs are always looking for new things they have not tasted before, they are initially very positive when you say you have something new and exciting – at least to taste, but then they are terribly critical, so we depend on the products being good.* (Anders)

The founder-managers in *transforming the farm* group generally harvest from non-local contacts – for example, through storytelling at urban events. They strategically use word of mouth from local contacts who have moved to cities to work in relevant market channels. Our findings indicate that these founders use their networks as a strategic advantage to open doors when entering national market channels.

The *local networking approach* includes entrepreneurs solely from the *transferring the farm* group; they have a stronger local attachment, and in the market development process, they first begin with their local contacts; local farmers' markets, farm outlets or local cafés, to promote their products, using these as test markets before approaching larger non-local grocery chains:

> *We are present in local bakery shops and cafés, some exclusive restaurants in* [a local region] *and we have sold to the Royal Castle – they call us now and then or send text messages – and there is the local grocery store, our best seller. Perhaps because it is local, our name is kind of known there. So, it has been kind of word-of-mouth, really and acquaintanceship. We have gained access to some self-owned merchants.* [. . .]. *At markets and such, chefs and merchants look around. We get a few orders from that.* (Marius and Silje)

Being present in local markets has also provided these entrepreneurs with word-of-mouth endorsements, which leads to new non-local contacts that can be leveraged in non-local markets (Sarasvathy, 2001).

Our findings show that *transferring the farm* entrepreneurs learn through trial and error during their market development processes. Many of the entrepreneurs struggle to enter non-local markets because they have no external business contacts. To compensate for this, they co-created several local markets and actively used social media channels. This strategy ultimately secured access to non-local markets through efficient digital spreading.

*Flexible and controllable market expansion practices*

The entrepreneurs consider their relationships with customers to be the art of small-scale marketing, representing their competitive advantage over mainstream industry actors. Inherent in this relational and flexible approach, we found three distinctive dimensions through which founder-managers expand the market for their products: *networking as market orientation*, *teaching the market through the sense of taste* and *co-creation instead of market research*. These dimensions describe the practices of both *transferring the farm* and *transforming the farm* entrepreneurs.

All entrepreneurs handled customer relations themselves and therefore had direct access to their customers' opinions. By being personally involved in promoting their products, entrepreneurs discover market trends and respond adaptively to customer needs. Furthermore, by networking at food events, festivals and competitions, entrepreneurs become relevant and expose themselves to new insights and contingencies. Our analysis reveals that alertness is used more often than identifying the most important stakeholder (Sarasvathy, 2001):

> *Networking and being present – I think that is very important. So, we spend a lot of resources and time on that. Being present in the right places to be always visible. I was at the cheese world championship even though we do not produce cheese. But the people you meet there who sell cheese probably sell cured meat too* [. . .]. *It is perhaps a bit typical when you are not born and raised within such an industry, that you lean a bit more forward and you are curious.* (Anders)

This quote represents a form of market orientation that favours learning about the market and customers' needs and preferences through alert networking.

The second sub-theme, *teaching the market through the sense of taste*, involves the common practice of taste demos in stores and on the entrepreneurs' farms. The entrepreneurs believe that the only way to convince customers to buy their unique products is through the customers' sense of taste:

> *We might also send off some tastings and invite the chefs here, which they really appreciate. They need some inspiration too* [. . .]. *Then they get involved in the production and some explanation as to what's going on from A to Z. And then many people say, "I'll never complain about the price again."* (Mari)

This account reflects an efficient control strategy entrepreneurs use to justify their products' high prices while educating buyers about the superiority of their products.

The last sub-theme, *co-creation instead of market research*, reflects how entrepreneurs rely on their intuition and taste instead of waterfall product development. Most entrepreneurs make strategic choices at the farm, first consulting with partners or family members and then involving non-local lead customers such as chefs and making adjustments through co-creation. This method is more efficient and less expensive than conventional market research with end consumers:

> *We cooperate much with chefs, so we send test batches to the chefs and get their feedback on what they think. Then we have the annual edition product. We invite different chefs to help make that product. The result is that we build a close relationship with those chefs* [. . .]. *We develop ourselves*

> *as producers, because we learn new things and are tested and must invent new recipes and new ways of thinking* [. . .]. *Both sides benefit from it.* (Anders)

Involving chefs in product development provides them with a unique sense of ownership and deepens their understanding of local food production, which increases their pre-commitment (Kubberød *et al.*, 2019; Sarasvathy, 2001). The chefs become ambassadors for the products they have helped to create. The chefs also stimulate creative ideas and encourage experimentation in developing new products.

As another example of means-driven co-creation in local networks (Sarasvathy and Dew, 2005), residual raw materials from one local product become ingredients for new products for another local entrepreneur:

> *Like the idea that came up during a chat at the farmers' market because we do not use the egg whites in the ice cream, just the yolk. So, we should come up with an idea to make use of the egg whites. And then there was this person* [an apple must producer] *who has leftovers from the apple must production that is not yet bottled and he asked for ideas what to do with it. It was wrong to throw it away or feed it to the pigs. So, then it became the apple sorbet.* (Ole)

This exemplifies the win-win pooling of resources contributing to shared risks in the local network and value chain.

Through these three network practices, the entrepreneur's control and develop their non-local market position, and their close relationships with customers become their most important asset.

## Discussion

Our results demonstrate how EM can inform the market development practices of farm-based entrepreneurs, a hitherto under-researched topic in both farm-based entrepreneurship and EM. Our findings uncover two purposes for using the farm in entrepreneurial endeavours: *transferring the farm* and *transforming the farm*. The *transferring the farm* entrepreneurs draw upon local and farm-related expertise and resources and use a bottom-up strategy to mobilise their resources, starting from the farm instead of from a product or a business idea (Stokes, 2000). By contrast, the *transforming the farm* entrepreneurs use farm-based and other resources in their active, goal-driven search for opportunities (Sarasvathy, 2001) outside their local context, turning their local uniqueness into an asset. Their initial purpose – at the expense of a clearly measurable market goal for their local product – nevertheless guides all entrepreneurs in their market development, reflecting a more effectual approach (Sarasvathy and Dew, 2005) to market creation.

Their inherent resource constraints mean that entrepreneurs lack the marketing budget for brand building, and their only currency is their distinctive stories that create a unique local brand. Our findings, thus, coincide with those of Haugum and Grande (2017), where local food producers use local place branding. In creating their brand, the entrepreneurs localise their approach and leverage their personas, local farm-based resources and primary purposes in three creative ways (Martin, 2009): *using distinctive design to link a unique taste with a unique place*, *establishing a link between happy living animals and good quality* and *using personal credibility to establish a link to exquisite taste*.

The market development process is represented by three different yet successful approaches the *non-local networking approach*, the *lead user approach* and the *local networking approach*. *Non-local networking* is used by the *transforming the farm* entrepreneurs and corresponds with the findings of Korsgaard *et al.* (2015), where in-migrant rural entrepreneurs go first to non-local markets to strategically position their products among known networks. The *lead user approach* is highly effective if the lead user

(i.e. the chef) decides to endorse the product, conferring a gourmet status and offering a shortcut to brand value (Skarderud and Kubberød, 2016). The *local networking approach* is used by the *transferring the farm* group and reflects a localised means-driven approach, where the founder-managers begin locally with family and friends, who spread the word and recommend the products. This low-cost strategy corresponds with research that emphasises the importance of close ties in obtaining market recognition (Franco *et al.*, 2014).

For our farm-based entrepreneurs, informal relationships with customers are the most crucial relationships for expanding the market for their products. This finding aligns with the EM literature that identifies personal networking as the most distinctive marketing advantage of small businesses (Jones and Rowley, 2011; Zontanos and Anderson, 2004). The first practice, *networking as market orientation*, relates to how EM processes are driven by contingencies and luck (Morris *et al.*, 2002): it is all about being in the right place at the right time and meeting people who offer valuable non-local contacts. The second practice, *teaching the market through the sense of taste*, reflects the entrepreneurs' pride and belief in the unique quality of their products. All the entrepreneurs use the predictive practice of taste demos in stores and on their farms, where they control the market at the expense of market prediction (Wiltbank *et al.*, 2006). The last practice, *co-creation instead of market research*, reveals that entrepreneurs rely on their own experience and relationships instead of formal marketing research (Hills *et al.*, 2008; Kubberød *et al.*, 2019; Stokes, 2000). Moreover, co-creating with local peers enables entrepreneurs to capitalise on local resources (Müller and Korsgaard, 2018). Taken together, these practices constitute a flexible yet controllable market expansion strategy, where entrepreneurs co-create opportunities by relying on themselves as persons and on their closest relationships and business networks (Kubberød *et al.*, 2019; Whalen and Akaka, 2016; Yang and Gabrielsson, 2017). Figure 1 shows the structure and conceptual model of the farm-based entrepreneur's marketing mix (FEMM) that we developed from of our empirical findings, illustrated through the four themes.

## Conclusion and implications

In this study, we identify practices that farm-based entrepreneurs can use to create and expand the markets for their unique products; thus, we contribute to an enhanced understanding of farm-based entrepreneurship (Alsos *et al.*, 2003; Alsos *et al.*, 2011; Dias *et al.*, 2019; Vik and McElwee, 2011). Farm-based entrepreneurs who successfully use our study's proposed FEMM framework can reduce uncertainty and risk, creating a favourable market environment for their products (Haden *et al.*, 2016).

This study represents a first attempt at contextualising EM in the context of farm-based entrepreneurship in the local food sector, highlighting the complexities and dynamics involved when farm-based entrepreneurs strive to creatively leverage themselves, their farm-based resources and their networks to secure a unique position in their market channels. In this way, we contextualises and extend the previous EMM frameworks of Martin (2009) and of Zontanos and Anderson (2004), contributing a novel approach to the field of EM. We hope that our proposed framework can serve as inspiration for future studies within farm-farm-based entrepreneurship from a qualitative as well as quantitative perspective. Being a neglected area for EM studies, we also recommend future studies using the co-creation perspective by Kasouf *et al.* (2008). Their framework can be used as a lens to further explore the patterns in co-creation and how these influence the farm-based entrepreneurs' practices from a more long-term market perspective.

The research is based on a multiple case study design; therefore, further empirical case studies in other rural and entrepreneurial contexts are thus needed to verify our proposed

**Figure 1.**
The farm-based entrepreneur's marketing mix (FEMM)

model (Flyvbjerg, 2006). However, our aim was not to generalise but to provide novel insights into a relatively unexplored phenomenon like market creation in the farm-based entrepreneurship field. In line with Flyvbjerg (2006), and although we cannot formally generalise our findings to other sectors, we nevertheless provide theoretical insights and present the experiences of comparable farm-based and other small businesses that are creating a market for their unique products.

Our study can inspire farm-based businesses to use and transform their unique resources to achieve product success. In light of policy, we recommend that it might be beneficial to establish policy programmes aiding farm-based entrepreneurs to thrive in the market. Likewise, it might be beneficial to introduce accelerator programmes specifically focusing on the relevance of the farm-based resources and farm-based entrepreneurs' existing networks and how to make more strategic use of these in market development. In such programmes, the FEMM framework can be used for educational purposes.

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# Paper 3

## Micro-businesses in the driver's seat: a qualitative study of market-driving practices in the food sector

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# Micro-Businesses in the Driver's Seat: A Qualitative Study of Market-Driving Practices in the Food Sector

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## ABSTRACT

**Purpose:** Previous research studying larger market-driving businesses argues that successful entrepreneurs intuitively show market-driving capabilities. Even though market-driving is acknowledged as entrepreneurial action and practice, this phenomenon has rarely been studied from a micro-business perspective. Representing more than 40% of all food businesses in Norway, micro-businesses contribute significantly to both value creation and variety in the marketplace, and this study addresses the existing research gap by examining market-driving practices in food micro-businesses in a competitive Norwegian grocery market.

**Design/methodology/approach:** The study employs a multiple-case-study approach with four pioneering food micro-businesses within the Norwegian local food sector. Data collected during in-depth interviews with the individual founder-managers provide insight into understanding market-driving practices through the lens of entrepreneurial orientation.

**Findings:** Our findings suggest that food micro-businesses are disrupting the grocery market through their pioneering practices. A three-pillared framework for market-driving practices in food micro-businesses was developed: 1) *taking the risk and following their passion,* 2) *innovativeness led by a passionate personal value proposition,* and 3) *proactively and perseveringly building a new category.*

**Originality:** The study offers a novel attempt to explore and conceptualize market-driving practices in a micro-business context. Our findings present a new framework for market-driving contextualized in the local food sector, representing an under-investigated area in micro-business and enterprise development.

**Keywords:** market-driving practices, entrepreneurial orientation, innovation, local food, micro-business

**Paper type:** Research paper

## Introduction

This study focuses on the market-driving practices of pioneering local food entrepreneurs operating in the Norwegian grocery market. Despite the fact that more than 70% of all Norwegian market players in the food sector are small businesses, and 40% are micro-businesses with less than 5 employees (Mat og industri, 2016), their contribution in the marketplace remains ignored. In a Norwegian policy document, Matnasjonen Norge (Government.no, 2021), the Norwegian Government acknowledges the importance of local food producers as an important source for market variety, cultural heritage, and sustainable food production. This aspiration contradicts the actual market situation, which is dominated by three main grocery chains (NHO Service og Handel, 2021) favoring the larger food producers that compete with high-volume and low-price strategies. Local food entrepreneurs (representing food micro-businesses) are often single farmers or a farm couple who utilize their farm-based resources in additional business activities (Alsos *et al.*, 2003; Alsos *et al.*, 2014). Due to their small size, these micro-businesses lack the resources to compete in the competitive grocery market (Harris and Deacon, 2011; Haugum and Grande, 2017). They therefore pursue different market strategies that involve a more flexible and personal approach, leading to successful, creative, and resource-efficient market development (Hersleth *et al.*, 2022; Humphreys and Carpenter, 2018; Ottesen and Grønhaug, 2007). They also exhibit an entrepreneurial orientation (EO) to their market entry and development (Bolton and Lane, 2011; Lumpkin and Dess, 1996; Rauch *et al.*, 2009).

Characterized by its variety of artisan production and product innovations based on locally produced raw materials and farm traditions (Haugum and Grande, 2017), local food often represents a high-value and low-volume niche. Food micro-businesses are innovators that recognize trends and bring innovative products to the market by creating new or potentially changing existing consumer preferences (Jaworski *et al.*, 2000). These dynamics give pioneering micro-businesses a head start (Brush, 2008) driving the market with distinctive product characteristics (Day, 1994; Stathakopoulos *et al*., 2022).

Market-driving is acknowledged as an entrepreneurial action and practice, typically initiated by a small business (Jaworski *et al.*, 2000; Schindehutte *et al.*, 2008) or new entrant in a market (Kumar *et al.*, 2000). Paradoxically, previous market-driving research has mainly focused on market-driving in larger businesses (Agarwal *et al.*, 2018; Carrillat *et al.*, 2004; Ghauri *et al.*, 2016; Jaworski *et al.*, 2000; Kumar *et al.*, 2000; Schindehutte *et al.*, 2008; Stathakopoulos *et al*., 2022). Only a

few examples of prior research have studied how small businesses with limited recourses can influence their markets (Ottesen and Grønhaug, 2007), shape or drive their markets (Zortea-Johnston *et al.,* 2012) or change consumer preferences (Humphreys and Carpenter, 2018). A recent study on growth inhibiting factors in the micro-business context also reveal that formal knowledge, experience and financial capital are significant factors for a micro-business' decision to switch into an enterprise (Hieu *et al.,* 2021). We therefore build on these insights to explore how experience can be gained through practice, building capabilities for future growth in the marketplace.

Market-driving can be characterized by exploring latent customer needs and pursuing more radical innovations that disrupt existing industry rules (Kumar *et al.*, 2000; Zortea-Johnston *et al.*, 2012), change a business's marketing environment (Jaworski *et al.*, 2000), and modify competition to one's advantage (Agarwal *et al.*, 2018; Kumar *et al.*, 2000), similar to an entrepreneurial oriented manner. A research gap still remains putting this theory into a micro-business context and this study aims to explore market-driving in that particular context, exemplified in the local food sector.

Following previous research on strategy and entrepreneurship that suggests a link between EO with its components of innovativeness, risk-taking and proactiveness, and improved small business performance (Wiklund and Shepherd, 2005), we chose EO as our theoretical lens to understand market-driving practices of pioneering micro-businesses. Zortea-Johnston *et al.* (2012) supported this approach by suggesting that small businesses with high EO are more likely to develop market-driving innovations, leading to market expansion. The study makes three contributions; firstly, it deepens the understanding of market-driving in a micro-business context through applying the theoretical lens of EO; secondly, it develops a framework of entrepreneurial market-driving practices in a specific context; and thirdly it offers valuable insights for micro-businesses, other practitioners, and policymakers to facilitate further development of the local food sector. Conceptually, our research is guided by the following research question:

How does market-driving operationalize through the practices of entrepreneurs in food micro-businesses?

## Theoretical Framework

*Market-Driving Behavior in a Micro-Business Context*

Market-driving is a phenomenon characterized by radical and/or disruptive innovations that fundamentally modify existing markets by offering new or unique value-propositions (Carrillat *et al.*, 2004; Kumar *et al.*, 2000; Schindehutte *et al.*, 2008). In former literature market-driving is associated with firms that focus on moving beyond customers' expressed preferences, hence market-driving businesses proactively influence or drive new customer demands by showing the market what is possible (Jaworski *et al.*, 2020; Kohli and Jaworski, 1990; Kumar *et al.*, 2000). The result of market-driving are changes in the composition of roles and relationships among players in a market (Ghauri *et al.*, 2016; Jaworski *et al.*, 2000).

Introducing a new and innovative value proposition creates a dilemma for most established businesses as it involves taking an entrepreneurial risk (Govindarajan and Kopalle, 2006). Therefore, market-driving behavior was initially understood as an entrepreneurial action and practice (Schindehutte *et al.,* 2008; Schumpeter, 1934), typically represented by new and smaller entrants to an established industry (Kumar *et al*., 2000) that exploit opportunities where the established industry actors see obstacles (Harris and Deacon, 2011; Kumar *et al*., 2000). Paradoxically, prior empirical research on market-driving has mainly focused on larger businesses (Jaworski *et al*., 2020; Stathakopoulos *et al*., 2019; Stathakopoulos *et al*., 2022), with a few exceptions; Ottesen and Grønhaug (2007) demonstrated how small-business managers shape their market conditions through influencing their external stakeholders, and Zortea-Johnston *et al.* (2012) quantitatively established a link between small firms EO and their ability to alter their customer behaviors.

Regarding the specific practices underlying market-driving, Jaworski *et al.* (2020) introduced a stepwise linear market-driving approach; first targeting initial customers with a value-proposition supported by a clear vision, before testing the value proposition that culminates in a concrete plan for market implementation. A recent review disputed such a linear and systematic approach to market-driving (Sprong *et al*., 2021). To exemplify this, Hersleth *et al.* (2022), Humphreys and Carpenter (2018) and Kubberød *et al.* (2019) found that small entrepreneurial businesses seldom use traditional market testing or frameworks (i.e Kotler, 2001), which raises the question on the relevancy of such a lens to study market-driving in a micro-business context. Micro-businesses are instead visionary pioneers who rely on the

entrepreneurial skills of their founder-managers (Franco *et al.*, 2014; Hersleth *et al.*, 2022; Kubberød *et al.*, 2019; Zortea-Johnston *et al.,* 2012), introducing not necessarily ground-breaking news, but products with a unique value-proposition: superior quality, history, or design (Harris and Deacon, 2011). In the recent market-driving literature, Rita *et al.* (2018) emphasized the role of the entrepreneur who anticipates and drives future market needs, but the distinct market-driving practices are yet to be explored more fully from a practice-based perspective. By practice we refer to repeated patterns of behavior that are reproduced over space and time and involve both doing and saying: practices involve social interaction of individuals (Teague *et al.*, 2021). This study therefore aims to fill a gap in the market-driving research literature, by offering new insights to the operationalization of market-driving in the daily practice of micro-businesses by using EO as our study lens.

*Entrepreneurial Orientation—A Practice Framework for Understanding Market-Driving in Micro-Businesses*

EO can be defined as the process, practice, and decision-making that lead to new business ventures (Lumpkin and Dess, 1996). Most studies highlight a three-dimensional conceptualization of EO, using innovativeness, proactiveness, and risk-taking (Miller, 1983; Rauch, *et al.,* 2009). In a micro-business, the founder-manager is often the main decision-maker, juxtaposing the micro-business with the individual entrepreneurs' EO (Bolton and Lane, 2012; Lumpkin and Dess, 1996). In addition to confirming innovativeness, proactiveness, and risk-taking as key dimensions in an individual entrepreneurial orientation (IEO) context, Bolton and Lane (2012) also identified passion and perseverance as EO dimensions that contribute to the understanding of EO in an individual entrepreneurial context (Gerschewski *et al.*, 2016; Santos *et al.*, 2020).

According to Lumpkin and Dess (1996, p.142), '*innovativeness* reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services, or technological processes. Placing entrepreneurial firms at the center of the innovation process, Roper and Hewitt-Dundas (2017) argue that micro-businesses are a source of new-to-the-market innovations. The degree of product innovation will positively influence the ability of market-driving (Kuncoro and Suriani, 2018).

*Proactiveness* means pursuing new market opportunities to shape the environment (Lumpkin and Dess, 1996, p.147). Proactive entrepreneurs, as in the case of pioneering food micro-businesses, are not passive recipients of external

environmental pressures but rather co-creators of the environment in which they operate (Hersleth *et al.*, 2022; Zhao and Smallbone, 2019). Changing customer perceptions is thus a proactive behavior that helps businesses create new markets (Hamal and Prahalad, 1994) and influence and educate customers about new products (Van Vuuren and Worgotter, 2013).

*Risk-taking,* within entrepreneurship literature, contains a sense of uncertainty and involves personal, social, or psychological risk. In a financial context, risk-taking can mean the willingness of a manager to make large and risky resource commitments, manage cash creatively, or learn to "bootstrap" (Brush, 2008). Entrepreneurs with a high EO see risks differently than others, sometimes not seeing the same "risk," as, to them, non-entrepreneurial behavior is riskier (Lumpkin and Dess, 1996).

*Passion and perseverance* have been described as influential conditions for entrepreneurial success (Santos *et al.*, 2020) and the development of entrepreneurial ventures (Baum and Locke, 2004). Passion is thus a fundamental emotion that has an important motivational effect and impact on business growth, opportunity-seeking, and the development of new ideas (Gerschewski *et al.*, 2016; Santos *et al.*, 2020). Perseverance is related to the ability to sustain goal-oriented actions and uphold the energy needed to face obstacles (Baum and Locke, 2004), fighting to achieve ongoing goals despite adversity to maintain firm survival (Santos *et al.*, 2020).

EO is recognized as a behavioral phenomenon (Covin and Lumpkin, 2011), and, as suggested by Rauch *et al.* (2009), smaller businesses have a greater performance effect of EO, as they are more flexible and quicker at taking advantage of new opportunities. Being small and agile, with less structural challenges and with an individual entrepreneur in the central position (Franco *et al.*, 2014; Hills and Hultman, 2013; Kubberød *et al.,* 2019), micro-businesses will likely benefit from a high EO when competing in a mature market, like the Norwegian grocery market. By investigating the operationalization of market-driving practices of successful food micro-businesses through the theoretical lens of EO, scholarly knowledge on market-driving behavior and practices will be extended from large and medium-sized companies to micro-businesses. A conceptual framework of the study illustrating the connection between EO, market-driving practices, and the resulting market expansion is illustrated in Figure 1.


*Figure 1: Conceptual framework of the study illustrating the connection between EO, market-driving practices, and the resulting market expansion (inspiration from Lumpkin and Dess (1996), Schindehutte et al. (2008), and Zortea-Johnston et al. (2012))*

## Research Design and Methodology

We chose a multiple-case-study approach with four cases based upon its applicability in investigating a real-life phenomenon in a dynamic context (Simons, 2009; Yin, 2013). The case-study methodology was used to explore the phenomenon of market-driving practices of local food micro-businesses represented by their founder-managers in the context of the Norwegian grocery market. When referring to micro-business in this study, we follow the European Union's definition of businesses employing less than 10 people (European Union, 2016). The four cases were purposefully chosen based on their ability to, and track record in driving new categories in the grocery market by introducing new and innovative products, following Eisenhardt's (1989) process of building theory from case studies. The cases were selected from a larger sample of a prior study (Hersleth *et al*., 2022), as these four cases distinguished themselves as more successful in the grocery market as they managed to create new categories not yet existing in the grocery market at the time of introduction. As argued by Eisenhardt (1989) four to ten cases are the ideal number to provide desired richness in the data, and as reasoned by Flyvbjerg (2006), the atypical or extreme cases will provide more in-depth and rich information valuable to investigate a specific topic or situation. The first author's in-depth knowledge of the Norwegian local food sector provided additional expertise in interpreting data (Welch and Piekkari, 2017), as deep knowledge and understanding about an area is considered important for the reliability of concepts and constructs from data (Carson and Coviello, 1996). This research strategy offered us a unique opportunity to compare findings across the case units and theorize on interesting dimensions related to market-driving practices among the micro-businesses (Carson and Coviello, 1996).

*The Context of the Norwegian Local Food Sector*

Norwegian farmers are increasingly moving from traditional farming towards local food production (Vik and McElwee, 2011). In recent years, the Norwegian local food sector has experienced rapid growth, and in 2021 local food represented an annual turnover of 11.3bn NOK (Government.no, 2022). Most local food entrepreneurs enter the food sector with limited experience and a varying knowledge base within food production or food markets (Hersleth *et al*., 2022). Their first market entry is often in one of the many direct-sales channels, like a farmer's market, food festivals, and farm shops, where they sell products directly to consumers. Secondarily, the indirect—and most often non-local—market channels consist of the grocery market and Horeca (hotels, restaurants, and catering), where the grocery market is the largest and most competitive market (Dreyer *et al.*, 2015), also representing the best opportunity to scale-up for food micro-businesses.

The Norwegian grocery market has three main actors and two gourmet supermarket chains (NHO Service og Handel, 2021), which represent the most enticing market for local food entrepreneurs. For micro-businesses, these supermarkets pose a challenge due to price pressure, the large volumes and requirements for logistics, and professionalism in follow-up activities towards marketing and customer relations. The big advantage in these markets is the opportunity to deliver significant quantities to a broad audience of consumers, which is highly relevant for local food entrepreneurs seeking growth opportunities. Food micro-businesses lack the resources larger food producers have and therefore must compete on other terms like uniqueness, tradition, and handicraft, which often makes them not directly comparable to large-industry produce.

*Entrepreneur Sample, Selection Process, and Data Sources*

As we study experience-based practices, we draw on semi-structured, retrospective, in-depth interviews (Malterud, 2001; Van Manen, 2016) with the founder-managers in the four selected micro-businesses in the Norwegian food sector.

Table I describes the four cases: Eggy, Apple Aroma, Ancient Oats and Meat Gourmet, using fictive names to warrant anonymity. The four businesses were selected using purposeful sampling (Eisenhardt, 1989) to ensure the selection of successful food micro-businesses. Four core criteria guided the choice of cases: (1) they all fall under the definition of local food (Government.no, 2022), (2) they were in a phase of growth and market expansion indicated by receiving funding from the Growth Financing Program of Innovation Norway (Innovation Norway, 2022), (3) they were still

in the market at the time of data collection, and (4) they should represent a new and/or innovative product that drives new categories in the grocery market. The four food micro-businesses were first identified in a larger research project examining entrepreneurial marketing practices constituting a total sample of ten micro-businesses (Hersleth *et al*., 2022). However, the businesses of this focal study stood out from the crowd with deviating and novel marketing practices that could be explained by a high EO towards the more competitive grocery market indicating market-driving. To substantiate that they were in fact market-driving businesses (to ensure our criterium 4), a market data report was retrieved from a Norwegian market analysis agency, Flesland Markedsinformasjoner AS. We specifically investigated the sales numbers of the largest grocery chain in Norway and the new local food categories represented by our four case businesses. We looked at the category development in a ten-year period from 2009–2019. This period was selected to include the actual point of market entry for all four case businesses independent of their founding year.

Table I. Case business description

| Case | Business Type | Business Age (Founding year) | Employ-ees | Background | Value-proposition | Market History | Interview Status |
|---|---|---|---|---|---|---|---|
| Eggy | Farm-based, Family business | 21 years (2001) | 9 | The founder-manager and his wife took over the family farm, changing their prior careers from sales and healthcare respectively. Both wanted to make a living by utilizing the farm-resources and follow their passion for food. A coincidental meeting with a former business contact led to a demonstration of eggs in a large gourmet supermarket. They made an egg-based sample of a traditional dessert using a family recipe. Observing customers' enthusiasm after tasting the home-made dessert was an eye-opener and inspiration for the farm-based dessert production. | Home-made products with authentic taste and natural ingredients. Maintaining a superior quality in all steps from "farm to fork" and allowing customers to familiarize themselves with the people behind the products. The desserts come in convenient single-person packaging for "people enjoying themselves." | First introduced to restaurants and some gourmet grocery stores in 2002, then introduced in the grocery market around 2009 after winning the award for best annual product in a Norwegian food contest in 2008. | In-depht interview with the founder-manager in February 2019.<br><br>Interview lasted 42 minutes |
| Apple Aroma | Farm-based, Family business | 11 years (2011) | 4 | The founder-manager and his wife got engaged in local food production after buying their neighboring farm. Traditional crops were substituted with apple trees, and, within five years, they expanded to become the largest organic apple producer in Norway. The founder-manager grew up on a farm but pursued a different career within real estate and construction. A modern apple juice production initiated on the farm, pressing juices and making jams. Their product range contains ready-to-drink small-sized bottles, table-sized bottles and bag-in-box for larger quantities. | The apple juice is certified organic to support an environmentally friendly production and unique product quality. "Everybody should be able to drink quality apple juice at everyday events" is their goal, selling their juices at local sporting arrangements as well as exclusive restaurants. | The exclusive apple juice category developed from around 2007–2008 and contains a group of apple producers, including Apple Aroma. | In-depth interview with the founder-manager in February 2019.<br><br>Interview lasted 42 minutes |
| Ancient Oats | Farm-based, Family business | 8 years (2015) | 5 | The founder-manager and his wife decided to take over the family farm and make something new from its resources. With a finance and telecom background, they had limited experience in farming and food production. After investigating possible niches, they decided on ancient black oats. The history behind Ancient Oats goes back to the Viking days and roots in the farm's history. Ancient Oats is the first producer of black oat flakes and steel-cut in Norway, as well as in the world. They restored the farm barn and turned it into a production plant and farm café/shop. | "The healthiest oat porridge there is" based on Norwegian oats from local farms rooted back to the Viking days. The product comes in a glass container with a convenient refill package. | The category for porridge grains containing Ancient Oats were developed around 2014 and introduced to the grocery market the same year. | In-depht interview with the founder-manager in February 2019.<br><br>Interview lasted 50 minutes |
| Meat Gourmet | Farm-based, Family business | 9 years (2013) | 5 | When the founder-manager and his wife moved to the family farm, neither had farming background, as both had prior careers within arts and design. Prior experience as artists allowed the entrepreneurs to think untraditionally regarding their storytelling, packaging, design, and product. Their inspiration came from a strong interest in food and the fact that their idea of superior quality fermented ham was not to be found in Norway. They built a meat production plant on the farm, focusing on superior product quality and taste. | Their products combine the best from Italian handicraft and Norwegian quality meat. The products are based on organic meat and focus heavily on superior taste, fun names, and packaging with a memorable design. | Their first product was introduced in 2018 after winning a national food award launched by the Norwegian grocery market. | In-depht interview with the founder-manager in February 2019<br><br>Interview lasted 52 minutes |

Analysis of the annual sales numbers in the largest Norwegian grocery chain for the respective local product categories of apple juice (Apple Aroma), cured meat (Meat Gourmet), dessert (Eggy), and porridge (Ancient Oats) in the period from 2009 to 2019 shows the respective market development. Figure 2 illustrates the local food products' contribution to the development and growth of new categories.

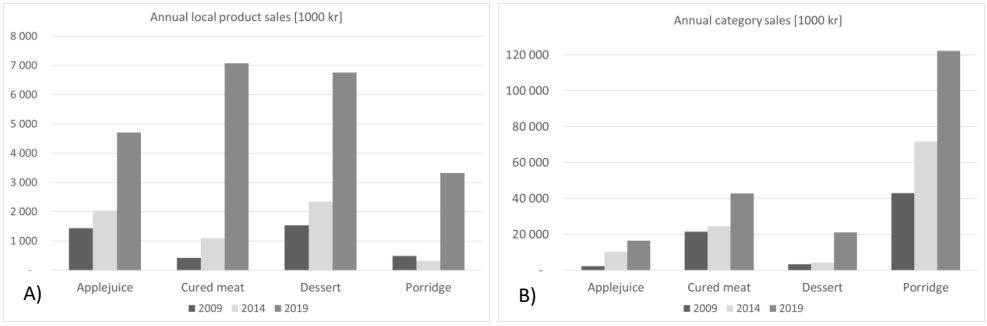


*Figure 2. Market development (sales numbers in NOK) for the four product categories 2009–2019, A) local food product sales B) category sales*

We found that all four categories experienced patterns of strong growth both in volume and value between 2009 and 2019. The growth in value was clearly higher than the growth in volume for all four categories, indicating a high-value price segment, which the food micro-businesses were actively developing (see Table A1 in Appendix). We also recognized that not only the sales numbers increased but also the number/diversity of individual products for both the local food product group and for other food producers. Interestingly, as the annual sales of local food products increased throughout the ten-year period, the total growth could not be explained by the local products' sales alone. The categories, apple juice, cured meat, dessert, and porridge also show an expansion in their number of products, indicating that driving the market through new local food categories makes way for other small and large food producers.

*Data Analysis Process*

The interviews took place at the founder-managers' respective farm, which also represents their main production facilities, making it more relaxing to discuss personal experiences related to their market introduction and market-driving practices. The interviews, each lasting from 42 to 52 minutes, were recorded and fully transcribed immediately afterward. For the data analysis process, a thematic approach was used, providing a systematic and stepwise procedure for synthesizing data from the interview narratives combining thematic analysis (Braun and Clarke, 2012) and the approach from Gioia (2013). We chose this method because we wanted a deep insight into the local food entrepreneurs' experiences and practices that focused on the totality of these experiences as well as interpretation of the content.

In a first step, the two first authors independently read and coded the interviews with first order codes in an inductive approach to extract the main structures from the data, which were potentially relevant to the research question. The use of multiple investigators allowed us to view the cases from different perspectives, building confidence in the findings and increasing the likelihood of surprising data (Eisenhardt, 1989). In the next phase, all three authors actively searched for themes by reviewing the coded data to identify similarities and overlap between the codes, thus developing second order themes (Braun and Clarke, 2012) and identifying deeper meanings and relational structures in the data (Gioia, 2013). In a further step we moved from an inductive to an abductive analytical step where data and existing theory are considered together (Gioia, 2013, p.12). The five EO dimensions—risk-taking, innovativeness, proactiveness, passion, and perseverance—as a lens to interpret our findings by searching for entrepreneurial practices related to market-driving were included, and the second-order themes were conceptualized into three theoretically anchored aggregate dimensions (see Figure 3 for the data structure). In a last step, the researchers revisited the dataset to assure that the richness and depth from the interviews is represented in the final structure.

## Findings

In our study, the four local food entrepreneurs employed various practices in their effort to introduce innovative and unique products in the mature grocery market, thus driving their market. In light of the EO dimensions used as our theoretical lens, we identified three main themes (aggregate dimensions) of market-driving practices (see Figure 3), that will be discussed in the following section: *taking the risk and following their passion, innovating the value proposition from a passionate personal approach,* and *proactively and perseveringly building a new category.* Appendices (Tables A2-A4) offer more detailed information on the second-order themes, their first order codes and representative quotes. This provides transparency and additional empirical evidence to substantiate the aggregate dimensions. During the analysis, we found that two dimensions—passion and perseverance—were underlying drivers of several of the market-driving practices and will therefore be discussed along with the other three dimensions. In the following, we illustrate the three themes using selected quotes from the local food entrepreneurs.

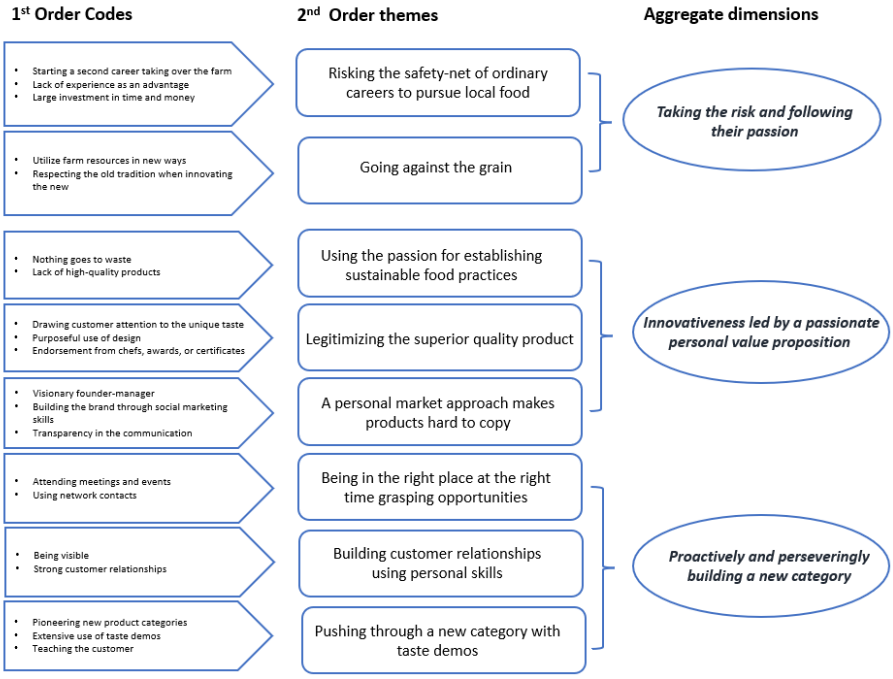


*Figure 3. Data structure of analysis and findings*

*Taking the risk and following their passion*

Our analysis identified two risk-taking practices that influenced the market expansion for the local food entrepreneurs. These were 1) *risking the safety net of an ordinary career to pursue local food* and 2) *going against the grain*.

Similar for all cases were the entrepreneur's bold decision to take over their family farm—or, in one, case their neighboring farm—as a second career, becoming farmers and local food producers. *Risking the safety-net of ordinary careers to pursue local food* meant taking a huge risk both personally and financially, as it entailed fundamentally changing one's career path and letting one's passion for food lead the way to unknown territory. Starting a local food business meant investing large amounts of time and money. Additionally, the local food entrepreneurs faced the risk of failing, as they knew little about farming, food production, customer behavior, or market development in advance. One interviewee reflected this reality:

> We had to think completely new. It cost 6 million NOK [production plant cost], without a customer. … You discover an opportunity. The train enters the station. Should I dare to jump, or should I not? That's what it's about—that risk. (Eggy)

Still, instead of fearing their disadvantages, the local food entrepreneurs focused on using their advantages from prior professions when pursuing entrepreneurship, even seeing their lack of experience in the food sector as an opportunity instead of a risk:

> We are educated in aesthetics and design, which meant we could easily stand out in the market, seeing what was missing there. … We entered the industry quite the opposite way, with no background in either breeding farm animals or meat production, but we focused on the design and marketing plan knowing who was going to be the consumer. (Meat Gourmet)

The interviews revealed that all entrepreneurs explored their possibilities to utilize farm resources in new and untraditional ways, thus *going against the grain*. Despite their lack of experience in farming and food production, all four local food entrepreneurs maintained a deep respect for farm traditions revealed in the way they talked about the farm's history, previous generations, and the importance of continuing farm production. Here illustrated by Ancient Oats:

> My father-in-law is a very precise and proper farmer. This is his life's work. …he is extremely good at agronomy. …We can see the importance of his work now that we convert to organic. (Ancient Oats)

Their care for farm traditions combined with radically new ideas concerning farm resources created a unique and passionate starting point for all four pioneering food entrepreneurs. They were willing to revitalize traditional farm production to follow a more innovative path:

> We wanted to run the farm ourselves but not with traditional agriculture. We wanted to do something innovative and new for our district. … We concluded that apples were something we should focus on, because there was a market for that. (Apple Aroma)

To a point, their deep passion for food and its origin and their untraditional utilization of farm resources seemed to surpass the concern for a successful outcome as local food producers, showing an optimistic and self-confident belief in the choice of concept. The bold choice of going against traditional farming did not seem to hinder the local food entrepreneurs in opportunity-seeking, though they did still consciously evaluate risks before identifying the best use of their skills, background, and farm resources in the initial phase of their business development. Their lack of farm experience seemed to lower the threshold for a more untraditional decision-making to follow their passion for food and choosing a niche market:

> We wanted to do something from farm to fork in a way, not just sell the grain... So, we spent much time traveling around, looking … we found out that we should go all the way back to the origin [of farming]. (Ancient Oats)

It became evident from the data analysis that the local food entrepreneurs' passion for food, perseverance, and willingness to take risks followed a strong belief in a more sustainable food production inspired by old farm traditions. Subsequently, they preferred to risk producing for a niche market rather than a volume one.

*Innovativeness led by a passionate personal value proposition*

The interviews revealed that the local food entrepreneurs' initial business idea stemmed from a passionate and self-experienced belief that the Norwegian grocery market lacked high-quality products. Regarding the local food entrepreneurs' development of a unique value proposition, we identified three underlying practices involving innovativeness towards a unique product and sustainable utilization of farm

resources: 1) *using the passion for establishing sustainable food practices*, 2) *legitimizing the superior quality product,* and 3) *a personal market approach makes innovations hard to copy.*

All four food entrepreneurs expressed a strong vision of doing something good for society, represented by innovative and passionate care for utilizing farm resources to their full extent. Their unique value-propositions, described in Table I, reflect this through *using the passion for establishing sustainable food practices,* wherein a high intrinsic motivation for sustainable food production is a starting point for their innovative attitude. Meat Gourmet expressed their strong belief and ambition for high-quality food as a "nose-to-tail" approach wherein the whole animal must be utilized to achieve a sustainable production practice:

> The first product was in fact three products, because we had to make use of the whole lamb. … Working with nose-to-tail, where the whole animal should be used, you must use all parts. (Meat Gourmet)

In another case, utilizing the raw materials that otherwise would have ended up as food waste was the origin for initiating egg-based dessert production:

> In food production, there are several variants [classifications of raw materials] that are not approved for consumer markets: too small eggs, too large eggs, rough shells, cracks in the shell. You don't get paid for those. … It irritated me, because what is inside an egg is just as valuable. (Eggy)

Their passion for food further entailed an extended list of intrinsic (personal) values like animal welfare, sustainability, tradition, and handcraft, all factors that spurred the local food entrepreneurs' innovativeness toward farming and food production.

> It is a matter of course that [a business' communication approach] is organic, that we produce food with the values behind it: animal welfare, sustainability, and crafts. So, that's the most important thing for us, that we work to ensure that the animals are well, that both what the animals eat and how they live is sustainable. (Meat Gourmet)

Importantly, visualizing a future where nothing goes to waste seemed to be a guiding star for the entrepreneurs' attitude and perseverance to uphold their personal approach towards their local food endeavor.

An authentic Italian-cured sausage or a flavorsome non-alcoholic beverage suitable for restaurant serving were non-existent when the case businesses launched their innovative products. Originating in their passion for food, all four founder-managers personally interpreted the customer need for local food innovations before engaging with customers in *legitimizing the superior quality product*. By transforming an ordinary farm-based produce like eggs, oats, apples, and meat into a refined, high-quality product with a brand identity, these four food micro-businesses differentiate themselves from mainstream products by presenting a value-based product with attributes suiting the discerning customer. One founder-manager explained this process as follows:

> It started with a unique product. I think that's what matters when taking the plunge in[to] a market. So, we had a unique product with a unique story. Then it was not so difficult to gain interest. … When people taste these steel-cuts, they get very excited—often people who think they do not like oats. (Ancient Oats)

A superior taste was an important factor representing the innovativeness of the local food product, and taste was synonymous with product quality in the mind of our interviewees. To call attention to market actors and consumers and make their products more memorable, the combination of a unique taste and design was purposefully used, as is here exemplified by a designed bottle specially made for Apple Aroma's apple juice:

> We are interested in design and hope many people think we have a nice design. I think the first purchase is often due to the eyes. The content must also meet the expectations, of course; it must taste good to get repurchases. (Apple Aroma)

To substantiate their perception of quality food, the local food entrepreneurs actively used endorsements from famous chefs, participation in food competitions, and different labels or "certificates" (i.e., Nyt Norge [Norwegian grown]) as methods to legitimize their products and gain external approval to support their self-experienced belief in product innovation.

> We competed in [a Norwegian food competition] in 2009 and were granted Norway's best product by [a famous Norwegian chef], who wrote, "The crème brulée is so good that it can be served in any restaurant, and it will always roll the dice six." (Eggy)

Building a brand that stands out in the market, where product taste also represents the business's image, is heavily dependent on the individual entrepreneur. This is demonstrated in our third underlying practice: using *a personal market approach makes innovations hard to copy*. A personal marketing approach favors the entrepreneurs, as they retain customer relationships and trust, but it is a disadvantage in that it is time-consuming to keep products visible in the market. As the below quote implies, seasonal product activities, social media, and mass media were frequently used by the food-entrepreneurs to remain visible:

> We deliberately try to be visible in media four times a year. If we cannot generate this through an award or something, we invite newspapers to write a story about us. It is important to always be relevant. …We have tried to find holidays every quarter so that each quarter has a holiday in which we can boost sales. … We made our own bacon sausage for the Easter, après ski [after-ski], as it is called. It should be a bit party and fun. (Meat Gourmet)

Pioneering marketing shows that the food entrepreneurs' attitude towards products involves transparency in their communication, which lays the foundation for their farm utilization and radical new innovations, making their products hard to copy:

> No one else sells fresh egg-masses without any kind of additives. We are concerned about communicating in everything we make: "This is completely absent from artificial additives." If we cannot make the product without additives, then we don't make it. … If you have success in the market, you must be true to the concept you built, which gave you your breakthrough. (Eggy)

*Proactively and perseveringly building a new category*

The data analysis yielded several examples of how serendipity benefited the food entrepreneurs in their initial market introduction and helped them gain knowledge to sustain and build their position in the competitive and mature grocery market. First experiencing that they did not fit anywhere in existing product categories, our analysis revealed three practices used by the food entrepreneurs to proactively drive a new category for their local food products: 1) *being in the right place at the right time grasping opportunities*, 2) *building customer relationships using personal skills*, and 3) *pushing through a new category with taste demos.*

*Being in the right place at the right time grasping opportunities* was mentioned by all four case businesses as an important part of their market introduction. Even if it might seem coincidental, it was not a coincidence that the founder-managers were

present at the right meetings, conferences, and events or would appear as participants in food competitions to meet potential new customers and business contacts. Their intuition and proactive attitude led to an important recognition and reputation in the food sector that helped them build a new market category for their products and strengthen customer relationships, as exemplified by the following quote:

> Being present at the right things is crucial—to always be seen. … If you are a little outgoing and social, you quickly become friends with many at social happenings. Then, of course, it helps to win competitions. ... If you attend a prize-gala-dinner and you win, then you have 15 minutes of fame afterward. (Meat Gourmet)

Also, using the local food entrepreneurs' former network contacts and friends from the past was viewed as important, and in one case, a coincidental meeting with a former business contact led to an unexpected invitation to a test sale in the grocery market:

> We met with great interest from [name of purchaser], who is the local food manager in [a large Norwegian grocery chain], so that was where we started. He was genuinely interested. … We got to try our hand in ten stores. It was really both a test for them and a test for us. (Ancient Oats)

Communicating the unique selling points in their market was mentioned as an important task often performed by the local food entrepreneur in person. Letting the passion shine through in every step and *building customer relationships using personal skills* was noted as an important tool for differentiating the new local food products from the mainstream product categories and competitors in the market. Their intuitive understanding of the importance of being visible and eager to please their customers built important network with all customers and helped develop interesting selling points, as commented on by Eggy's founder-manager:

> You must map out who you want to talk to in order to achieve what you want, then make sure you have a message [a value proposition] when you meet the person or network you want to get into. … I think we did a couple of things right. First, you need to consider whether you have any unique selling points, and then you must spell them out: "We have some unique selling points that we think you as our customer can benefit from in your work towards your own customers again." We have a long list of that. So, that's what we need to communicate. (Eggy)

With their unique product innovations, the four food entrepreneurs all introduced products that needed *pushing through a new category with taste demos.* Introducing product categories that did not yet exist allowed the local food innovations to co-exist next to more volume-based categories without any direct competition; Eggy had the only product of its kind when introduced to the grocery market; Apple Aromas' products were mostly known from restaurants as an alternative to soft drinks or a non-alcoholic alternative to wine; and steel-cut from Ancient Oats and fermented sausages from Meat Gourmet were new alternatives supplementing existing products that provided customers an optional choice. Standing out in the crowd offered a unique positioning for the food entrepreneurs' products, but all four struggled to maintain customer interest. All founder-managers reflected on their products being so unfamiliar to the consumers that demonstrations were necessary to reveal the benefits of their products. One said:

> This is a product we have had to do a lot of demos for because there are many customers who have never tried it before. They dare not take this glass jar without understanding [the value proposition]. So, we give a lot of demos in stores. … Such a product, which is completely new, no one has seen it before. Then the dialogue with the customers, and that they get to taste it, is extremely important. (Ancient Oats)

Through personal contact with chefs in restaurants and consumers in retail store demos, design and authenticity were communicated using both intrinsic and extrinsic product values. Tasting the product became a memorable, eye-opening experience.

> We handed out tastings of caramel pudding and said, "This pudding is so good and has such a nice color because the eggs are blah blah blah [referring to superior product qualities]". People went completely crazy with the caramel pudding. They started bidding on it: "We are going to the cabin for Easter. Can we buy it?" … The queue was very long. (Eggy)

Eggy knew it had something unique that would disrupt the market when they overheard a conversation between customers in a supermarket:

> We have examples of families discussing, as [the dessert] cost more than others. They say, "It was good," and when the kids taste it, they also say, "Yes, we have to buy it." And then the parents say, "You have to choose. Either you can have the sweets or the chocolate pudding," and then the kids say, "We take the chocolate pudding." (Eggy)

Thus, taste demos in the early phase provide an important test arena and valuable learning about what is needed to drive the grocery market. Personal demos are, therefore, a much-used practice in all four case businesses, where they strongly believe that "if you taste it, you will like it". Teaching the customer about the products' uniqueness and bringing chefs and retail managers to visit the farm and relay the history and vision told directly from the entrepreneurs were found vital for engaging customers and consumers. Here illustrated by Eggy's manager:

> We invited people [from different grocery chains], and they came here to our farm. Then, we gently pushed caramel pudding into their mouths—and they liked it. (Eggy)

## Discussion

The phenomenon of market-driving in the context of micro-businesses has rarely been documented in prior research. Our results therefore offer unique insights demonstrating how EO aids to inform market-driving practices of food micro-businesses. This study illustrates that food micro-businesses, representing a niche market of low-volume and high-price products, can drive the market with new categories better suited for their value proposition. This reinforces prior research on market-driving as identifying new niches based on latent customer needs (e.g., Agarwal *et al.*, 2018; Carrillat *et al.*, 2004; Govindarajan and Kopalle, 2006; Kumar *et al.*, 2000; Schindehutte *et al.*, 2008; Stathakopoulos, 2022; Van Vuuren and Worgotter, 2013). This study also deepens prior research on growth constraints facing the micro-businesses (Hieu *et al.*, 2021; Gherheres *et al*., 2016), particularly how the entrepreneurs can develop unique marketing capabilities that will secure market expansion and hence growth.

Through our thematic analysis, we revealed three aggregate themes, each representing a set of underlying market-driving practices. Based on these themes, we developed a framework of practices (see Figure 4) illustrating the influence of EO dimensions on market expansion driven by food micro-businesses.

The local food entrepreneurs saw no obstacles in **taking the risk and following their passion**, as reflected by the first theme. By, 1) risking the safety net of ordinary careers to pursue local food, and 2) going against the grain, they challenged both traditional farming and industry food production, typifying an inherent market-driving behavior (Schindehutte, 2008) and the envisioning of a future market (Rita *et al.*, 2018) for superior local food not yet explored by the incumbent food industry. Despite their

suboptimal resource conditions, the local food entrepreneurs' passion and perseverance towards their risky endeavors supported market-driving in the way that the risk of failure, both personally and financially, was ignored in favor of the confidence of success. This extends the understanding of risk-taking as previously described in research based on larger companies' market-driving behavior (Jaworski *et al.*, 2000; Kumar *et al.*, 2000; Schindehutte *et al.*, 2008; Stathakopoulos *et al.,* 2019). The local food entrepreneurs see the neglect of high-quality food in the grocery market as an opportunity to innovate and the opposite—not innovating—as riskier (Lumpkin and Dess, 1996). These market-driving practices show how local food entrepreneurs surmounted the risk of producing for a niche (Govindarajan and Kopalle, 2006; Jaworski *et al.*, 2020; Kohli and Jaworski, 1990; Kumar *et al.*, 2000).

As the grocery market at the time of product introduction did not have a perfect fit for local food innovations, the entrepreneurs had to diverge from their competitors to attract customer attention. They used their passion for establishing sustainable food practices, legitimizing the superior-quality product, and a personal market approach that makes products hard to copy, all driven by the second theme of **innovativeness led by a passionate personal value proposition**. Supplementing prior research on businesses' innovativeness (Lumpkin and Dess, 1996; Roper and Hewitt-Dundas, 2017), this insight places the local food entrepreneurs alongside their larger counterparts and at the center of the innovation process bringing "new-to the-market" innovations, despite being small businesses. For the first time, we show how the personal involvement of the entrepreneurs influenced their innovativeness and market-driving practices that make innovations difficult to replicate. Further, our results support the findings of Rita *et al.* (2018), who found that creating a unique value proposition is central to aligning customers with the entrepreneurs' vision.

In a micro-business context with limited resources, our study reveals valuable insights into the third theme of **proactively and perseveringly building a new category**, used by the local food entrepreneurs to drive their market through 1) being at the right place at the right time, 2) building customer relationships using personal skills, and 3) pushing through a new category with taste demos. The individual entrepreneur's ability to proactively utilize former network contacts as door-openers supports the market-driving process described by Jaworski *et al.* (2020). In line with prior research on unconventional marketing practices (Hersleth *et al.*, 2022; Kubberød *et al.*, 2019), the time-consuming focus on teaching the customer the unique value proposition and showcasing their superior quality was also seen as fundamental, emphasizing the importance of perseverance during market introduction and continuity.

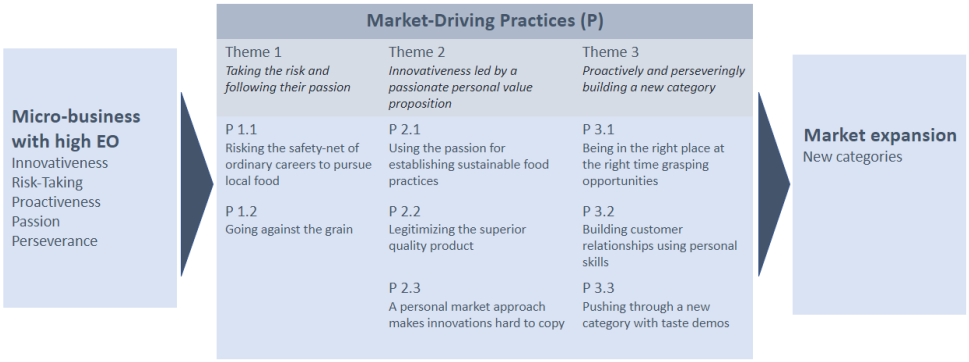


*Figure 4. Market-driving practices of food micro-businesses manifested in EO and leading to market expansion.*

Jaworski *et al.* (2020) described the process of market-driving in a linear and rather chronologic order with clear steps, here interpreted as practices in a wider sense. However, the market-driving practices of the case businesses are less linear and more dependent on the individual entrepreneurs' innovativeness, proactiveness, risk-taking, passion, and perseverance (Bolton and Lane, 2012; Santos, 2020; Sprong *et al.,* 2021; Stathakopoulos *et al.*, 2019).

## Conclusions and Implications

In this study, we identified market-driving practices that food micro-businesses can use to expand the mature grocery market. We were able to show that pioneering food micro-businesses can be in the drivers' seat for market-driving innovations. By using EO as an analytical framework, we contribute to close the existing research gap on how the market-driving phenomenon is manifested in micro-businesses' practices, contextualized in the Norwegian food market, thus extending the understanding of market-driving beyond only larger businesses.

This paper is based on a multiple case study of four micro-businesses in the local food sector in Norway. The findings of this study were not meant to be generalized but rather to provide insights into the relatively unexplored phenomenon of market-driving in the micro-business and farm-based entrepreneurship field. Additional empirical case studies in other comparable contexts (i.e., local food or artisan crafts in other countries) can further substantiate the market-driving practices of micro-business entrepreneurs and verify our proposed framework more thoroughly. This opens new

avenues for further research on market-driving in micro-businesses in other contexts and industries (Flyvbjerg, 2006).

For practitioners, our findings illustrate how a niche market can develop into an interesting market opportunity also for larger food actors. Micro-businesses operating in a niche within local food will not outcompete the larger food actors on price or volume. However, by creating a space for innovations within high-value, low-volume categories, these micro-businesses attract new customer groups and lead the way for innovation with differentiating value propositions. By consciously applying the market-driving practices from the framework outlined in Figure 4, more micro-business entrepreneurs can learn to trust their intuitive market-driving practices. They can benefit from the specific examples and attain new practices that help to develop superior products and value propositions and gain access to the grocery market/established markets. Moreover, larger businesses can learn from the micro-businesses by keeping an eye on their niche product innovations to identify forthcoming opportunities.

For policymakers, we recommend that future initiatives for competency-building of local food entrepreneurs should include elements from the market-driving practices framework developed here, focusing on utilizing the entrepreneurs' EO and personal entrepreneurial approach.

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## Appendices

Table A1. Market growth for different categories 2009–2019

| Category | Volume growth [%] | Value growth [%] |
|---|---|---|
| Apple juice | 439 | 651 |
| Cured meat | 10 | 100 |
| Dessert | 490 | 544 |
| Porridge | 110 | 185 |

Table A2. Data supporting interpretations of second order codes for “taking the risk and following their passion”

| Second-order themes | First order codes |
|---|---|
| *Risking the safety-net of ordinary careers to pursue local food* | |
| […] I worked as an artist for 15 years while we lived in Oslo. Then we moved to the country, to my wife's family farm. The initial idea was to continue being an artist, but instead we started a food production utilizing our own animals. That was fun! (Meat Gourmet) | Starting a second career taking over the farm |
| The story started when we took over the farm in 1988. I worked in the corporate business world for many years before that, until I was 50. […] we thought back then, in 1988 when we took over the farm, that this would be only a place to live, but then the idea came that we should take care of the value creation [farm resources] ourselves, instead of handing it out. So, we had to rethink, either we cut it out [the egg production] or we must think completely new. We made a family decision that when I passed 50, we would cut the life in Oslo and focus on making a sustainable life on the farm. (Eggy) | |
| […] I have a degree in civil economics and worked as a consultant for many years in both USA, Norway, and England. Until very recently, we both worked full time with Ancient Oats on the side as well as having three children. We discovered that Ancient Oats had grown so big that one of us had to take the main responsibility and move things to the next level. It is difficult to have it as a left-handed job. So, I took that step last year, leaving work in [large corporate business]. Now I'm working full time with Ancient Oats. (Ancient Oats) | |
| So, we're a bit on the countryside, and people probably think we're completely crazy for opening a farm shop in the middle of nowhere. But you kind of think–you must think the opposite and think that there is a lot to show off here. So, there are a lot of possibilities, which of course we didn't think about when we started. (Ancient Oats) | Lack of experience as an advantage |
| […] I think we entered the industry the opposite way, with no background in either breeding or meat production. We created the design and marketing plan first and knew who the consumer would be, or at least we thought so. Now it turned out in retrospect that it wasn't quite right what we thought. But I think this approach helped us, quite early, to make conscious choices in a way, which made it easier for us to stand out in the crowd. Very much that is what it is all about–to stand out and let people see that you exist, and then to have such good products and of such good quality that people want to buy again (Meat Gourmet). | |
| We built a 22 m2 sausage maker in the “stabbur” [a Scandinavian farm building historically used as a storage room for food]. We never had a year with negative operating result, and that is basically quite good for being a new start-up company that has relatively many millions of investments each year, e.g., building premises, buying machines, cars, trucks and all sorts of things (Meat gourmet) | Large investment in time and money |
| […] we planted 35 thousand apple trees from 2011 to 2016, which we now have in production, not all are in full production, but from 2019 everything is in full production. (Apple Aroma) | |
| *Going against the grain* | |
| […] we took over the farm operations in 2014 and then we were a bit unsure what we wanted, but we knew we wanted to do something from “farm-to-fork” in a way – not just sell the grain or the forest (Ancient Oats) | Utilize farm resources in new ways |
| […] we wanted to run the farm ourselves, but not with traditional agriculture. We wanted to do something innovative and new for the district. And doing something for which there was a market. And after doing some research, we decided on apples as there was a market for that. (Apple Aroma) | |
| Where I grew up, we had potatoes, vegetables, and grains. I am not a trained agronomist, but I have learned a lot from my upbringing, I actively participated in the operation at home throughout my childhood. […] we operate organically. There are many people who have divided opinions about organic farming, but I think that if you have a climate that can produce as good a volume organic as on conventional farming, then you should stick to organic farming. (Apple Aroma) | Respecting the old tradition when innovating the new |
| This [the farm] is important for the family! My father-in-law has spent all his time and reinvested everything he has earned in this. But then we found out that we should go all the way back to the origins, here we have cultivated land back to the Viking Age and before that (Ancient Oats) | |

Table A3. Data supporting interpretations of second order codes for “innovativeness led by a passionate personal value proposition”

| Second-order themes | First order codes |
|---|---|
| *Using the passion for establishing sustainable food practices* | |
| […] We have chosen an approach, a way of communicating, that it is a matter of course that it is organic. That is, we produce food with values; animal welfare, sustainability and craftsmanship. So that is the most important values for us. that we work to ensure that the animals are well, that both what the animals eat and the way they live are sustainable (Meat Gourmet)<br>We do grow apples, but then we have products that are a mixture of apple and carrot, apple-beetroot, apple-ginger, apple-carrot-chili, and a bit of different apple-raspberry and things like that. There are also the remains that are left after we have pressed, what we call apple pulp, which we are now looking at whether we can use for another product. The development of sourdough, for example, or shortbread. So, we have zero waste from our production, we use everything. (Apple Aroma) | Nothing goes to waste |
| […] we saw that there was a segment in the market that was missing, and that was organic cured meats. Also, that it should be handmade and of the highest quality, is what we put in craftsmanship.<br>[…] we have hit the right timing in the market, the fact that we work with organic and sustainability, all the things that are in vogue. So, in that sense, I think it suits the grocery market very well with the things we do (Meat Gourmet)<br>We wanted to do something that was unique. We had a unique grain, and we were early to launch steelcut. We noticed that there were some people who had been importing it. People who had lived in the US and had it sent to them. And they cheered; "Oh, so good, finally a Norwegian product has arrived on the market" (Ancient Oats)<br>Restaurants and chefs choose their products based on taste, so it's very easy. They should have the best. This is how we have chosen to approach the grocery industry too, that we should not be the cheapest, we should be the best (Meat Gourmet) | Lack of high-quality products |
| *Legitimizing the superior quality product* | |
| It was the local food manager in [large Norwegian grocery chain] who recommended that we should apply for the specialty label [Norwegian Specialty of Origin], and we had never heard of it before. Because this was a new industry for both of us, we had never been in the grocery market or anything like that. So, we got that label very early on (Ancient Oats)<br>The most important factor in our products is quality. Because that's what makes people buy them. So, we addressed this by traveling to Italy and studying the Italian cured meat tradition. They've been doing this the longest and we think it's the best taste. So, we use Italian craftsmanship and technique with the Norwegian raw materials. We believe this is the best way to make high-quality cured meats. The focus on product quality is the reason why we have succeeded, as well as design, business profile, and clarity in the communication around it. (Meat Gourmet) | Drawing customer attention to the unique taste |
| We have collaborated with a designer, and together we have come up with this [talking about the brand identity]. We think [brand identity] is very important. We wanted to create something that would radiate quality, and not least that there was quality in the packaging itself so that the taste is preserved. A lot of oats are sold in paper bags, and they will go rancid. Every week we get fan mail from people who just want to express how happy they are with our product. It's very fun! (Ancient Oats)<br>We are concerned with our design, and hope that many people think that we have a nice design. I believe that the first purchase is very much with the eyes. (Apple Aroma)<br>But what we do not adjust are two things: one is the logo, it should never be changed, it is sacred, second is the concept we manufacture our products according to - they must be free from artificial additives whatsoever. That's the thing, what we do has to be believable (Eggy) | Purposeful use of design |
| […] when it came to the crème brulée, we sought help from [name of a famous chef] to get the right consistency and so on. The last time I was at his restaurant with the samples, he tasted it and then his face got a little weird. “Is there something wrong”, I asked. "No, it's better than mine," he said. It's kind of fun. (Eggy)<br>A [famous TV-chef] has used our product several times, showing the bag, saying it can replace all kinds of couscous, rice, bulgur, that kind of things (Ancient Oats)<br>Apple Aroma has taken part in some competitions and was promoted both by [name of foundation supporting Norwegian specialty food] and Innovation Norway [Norwegian financial agency]. We were lucky to win the innovation award and specialty brands and were featured in various media with a positively mention. This is how the name Apple Aroma became a brand. (Apple Aroma) | Endorsement from chefs, awards, or certificates |

*(continued)*

| Second-order themes | First order codes |
|---|---|
| *A personal market approach makes products hard to copy* | |
| [...] we had a defined goal from the start, that we should make a caramel pudding that was fresh and without additives and had a shelf life long enough to target the grocery market. The vision was to enter all the country's chains. Especially the chains with a high profile of fresh produce, and we have been successful in that for a long time. You must know where you want to go or it's just fumbling (Eggy) | Visionary founder-manager |
| We just had a great desire to achieve this, and simply create our own brand–which was farm-based all the way from the farm to the consumer. That was our dream. And we managed to do that. (Ancient Oats) | |
| I talk to my customers every day. Maybe not the same ones every day, but I have customer contact every day. […] you must sell yourself. There is no shelf space waiting for you (Eggy) | Building the brand through social marketing skills |
| […] we must be visible. We support charity like this place for home-less people, where they can come and have a nice meal. And we look at kindergartens as our future customers and sponsor them with good prices so that the children can enjoy some tasteful meals. Our short-term goal is to maintain our good customer relationships, the ones that will nurture future relationships. We cannot afford newspaper- or TV commercials, but (Apple Aroma) | |
| It is about picking raw materials from the top shelf. It must be genuine and trustworthy. We try to communicate this on our packaging, we have put our faces there, have we not! It should create trust, telling who you are and that you dare show your face [on the packaging]. And my wife's phone number is there, so we get a lot of calls and text messages. People wonder if this is a gimmick. One Sunday morning, a text message suddenly is ticking in–and when they get a reply, the customers become like "Woho!" (Eggy) | Transparency in the communication |
| The more people concerned about "nose-to-tale" and that we use the whole animal, all these little things that you can check off. And the more you manage to check off, the steadier you can stand [in customer relationships], and the less chance there is to be caught in a lie (Meat Gourmet) | |

Table A4. Data supporting interpretations of second order codes for "proactively and perseveringly building a new category"

| Second-order themes | First order codes |
|---|---|
| *Being in the right place at the right time grasping opportunities* | |
| We are always at the food festival in Oslo, Matstreif. It's a fantastic arena, everyone who comes there is interested in food, so you're just talking to people who love food. You can talk about what you love to talk about, that's great. So, things like that are important. People think about oats as a breakfast cereal. Especially for a product like this, that is completely new, no one has seen it before– then that dialogue with the customers and giving out taste samples is extremely important. We have done a lot in the Oslo area, but it is on the plan this year to take part in a few more food festivals in other regions. Maybe go to Bergen, Trondheim for a few weekends. I spent a weekend in Trondheim last year, and it was exciting. People were extremely interested there. (Ancient Oats) | Attending meetings and events |
| So, we spend a lot of resources and time on that [attending different social arenas]. One example is the World Cheese Championship. I was there even though we don't produce cheese. But the people you meet there, who sell cheese, probably also sell cured meats. Or at least they are in the food industry, which in turn allows you to network and connect. So, I think that is extremely important (Meat Gourmet) | |
| So, we travelled around, especially my husband, talking to several grocery chains and presenting the products. The head of local food in [name of major Norwegian grocery chain] was particularly interested, so that's where we started. We then got to try out sales in 10 stores, that's right, basically both a test for them and a test for us (Ancient Oats). | Using network contacts |
| We made an agreement with [name of large grocery store] and got an exclusive agreement with them, so they only sold our eggs, and it was a huge success. He, who was responsible for building up [name of large grocery store]'s food concept, I knew him from before (laughing). They were important, you know. It was a reference to further market entry (Eggy) | |
| […] a grocer [from a local grocery store] called me and said he had tasted [Apple Aromas' juice] and said: "I must have it in my store because it was so good". And when one store took it in, everyone else wanted it too, so then they called one by one within [same grocery chain] (Apple Aroma) | |
| *Building customer relationships using personal skills* | |
| You notice very quickly if you have a good tone with a store manager. It means a lot that they feel they know us and vice versa. […] it's hugely important, also on the taste demo and everything. So, I think it's alpha omega. You must be proactive; you must be service-minded and solution-oriented - that's really important (Ancient Oats) | Being visible |
| I've knocked on a lot of doors, and we still do that today. It's not like that if you're inside everything is fixed. There are more people doing what we do. So, in a way you must have the best product, and you must knock on doors, because it is not self-evident that even if you have a customer and he buys from you now, it is not certain that he will do it next week, so you must nurture your network (Apple Aroma) | |
| […] I put my faith in getting ambassadors [customers] to talk warmly about us and be positive about the company. So, we kind of try to be available to them [customers]. I think it is much more important to have 40 of the positive ones, than 100 that are like: "I've never heard of you." So, we believe in working with one store at a time, getting them to become a Meat Gourmet-ambassador. The shops we have worked with, perhaps the most, are the smallest shops which, in a way, have struggled with sales. Because we kind of don't want to give them up. (Meat Gourmet) | Strong customer relationships |
| I know that the customers appreciate that it is the entrepreneur himself who comes to visit and not someone else who has been sent out. With all the customers we deal with, either I or my wife have done it. We will continue to be with the customers, we will continue in the markets, we will work as we do now. I believe that personal relationships are essential to success. (Eggy) | |

*(continued)*

| Second-order themes | First order codes |
|---|---|
| *Pushing through a new category with taste demos* | |
| […] but the fresh apple juice was something that started to gain momentum when we started making it. We had som initial thoughts about producing more fruit for direct consumption and using apples with blemishes, as I call them, for apple juice, but then it took off so completely. That apple juice became so popular, so now it's like we use edible fruit to make apple juice. So, then we must think about finances and what is best for us. (Apple Aroma) | Pioneering new product categories |
| Our message was that we thought we had something very special, something that was not on the market before. We had a special egg that no one else had, it's kind of hard to communicate though. But we felt, after all, we achieved a special brand [Norwegian Specialty of Origin] for our eggs, and no one else has it. And no one else had the product that we came up with, like the caramel pudding. (Eggy) | |
| Merchandising also requires follow-up activities you know? If you make a sale, or a deal, and think things will work themselves out you are mistaken. You must be there all the time; watching out for your space; create activities; run campaigns; do taste demos. We have run lots of demos! To get this thing going. (Eggy) | Extensive use of taste demos |
| Meet the customer one-on-one, stand demo in a grocery store, give out samples to customers, see them in the eyes. You can see whether they mean it or not. And therefore, I want to do exactly that myself (Apple Aroma) | |
| [...] we often invited to give lectures. We have [local social clubs] visiting, and we are an "inspirational farmer" in Oikos [label for organic food] to motivate others to invest in apple production as well. So, we have everything from sewing clubs to municipalities and ministries with lots of groups that we simply welcome on a farm tour. We then sell the products on the farm during the tour for those who want that. At the same time, we give out taste samples and hope to get some future customers. It is about making yourself visible. You must have a website, you must be around, you must give lectures, you have to accept farm visits, you have to be around, stand at demos, markets, be a little bit of everything (Apple Aroma) | Teaching the customer |
| We were running demos in stores once a week, for months, just to try to get customers convinced, and we also see that it helps. When the consumer tastes [the product], and again when the taste is good, they buy again. (Meat Gourmet) | |
| [...] there are many who have never tried it [black oats], and they dare not buy this glass without understanding a few things. So, we have a lot of demos in stores, we do. Norwegians eat a lot of ordinary oatmeal, it looks familiar, and they understand what to do with it. These [the steelcut] require a little more experience. But when people taste these steel-cuts, they get very excited, especially people who think they don't like oats. (Ancient Oats) | |

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