Innovations in small food and drink production companies in Sweden:
the case of Skåne region

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Abstract

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It is claimed that economic and social changes are having effects on innovations. Today, innovations have shifted from being only techno-scientific to increasingly also being based on socio-cultural dynamics, with culture, fashion and aesthetic aspects becoming important factors within products. The aim of this study is to research how small food and drink producers in Skåne region innovate and add value to their products. Data was gathered with semi-structured interviews taken with eleven small food production companies and three interviews with people working with regional development. The thesis uses the differential knowledge base model and theories about the experience economy and regional innovation networks, linking the research to regional development. The results indicate that innovations in the food and drink industry are still technologically driven but showing some signs of non-technical elements. This was observable in the companies’ use of stories and symbols as part of the innovations. Most of the producers were adding value to their products by the use of experience staging and storytelling. Participation in networks seemed to enhance the companies’ innovation capabilities. The thesis contributes to studies within economic geography and regional studies by studying innovation, the experience economy and regional innovation networks.

Key words: innovation, differential knowledge bases, the experience economy, networks, regional development, food and drink industry, Skåne, Sweden.
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I want to thank all the people that I interviewed for taking their time to talk to me and showing an interest in what I was doing. I hope this thesis will provide some inspiration.

I want to thank Laura James for the guidance and supervision.

Stockholm 4th June 2014,
Gunnar Magnússon

Information about cover photo

Apples in a production line at Kivikås Frukt production facility in Kivik getting ready to be pressed and made into an apple juice.

Photo: Author
Summary

The purpose of this study was to research how small regional food and drink producers in Skåne region innovate and add value to their products. To research this, the thesis used the knowledge bases model and the experience economy as frameworks. It also linked innovation to regional development and networks and looked into how the region of Skåne and its policies and actions are supporting the food industry in the region.

The findings from the research showed that the government in Skåne assists industries and companies in the region mainly through clusters and industry networks. The regional innovation policies can be said to be focused on R&D in universities and research institutions and emphasise high technology innovations. The cluster that helps develop the food industry in Skåne is Skåne Food Innovation Network (SFIN). It is an umbrella network that works as a mediator between food production companies and other actors in the region. The cluster is managed in a triple helix policy, with a contribution from private firms, the government and the universities in Skåne. The findings indicated that SFIN, especially the regional developmental initiative Tasting Skåne (Smaka på Skåne), is using the concepts of the experience economy in managing their work in regional development and innovation. This is evident in the promotion of regional products under the brand name Smaka på Skåne in retail stores, which encourages food producers to produce regional food with regional identity and in a craftsmanship way. This can also be seen in the work of SFIN in trying to develop Skåne into a culinary region, by staging experiences for tourists.

The companies that participated in this research were all small, relatively young companies with fewer than 10 employees. They produced different kinds of products, but they all seemed to identify themselves with similar kind of product and process features. They were all concerned with using raw material from the region and producing locally and in an ecological way. They identified themselves with quality features, such as artisanal and handmade products. Findings indicated that knowledge as an input into innovations in those eleven companies mostly came from the synthetic knowledge base (technological innovations). But symbolic knowledge components were also found to be present (non-technological innovations). This was seen in the fact that most of the producers relate their companies and brands to places within Skåne or to Skåne region. This was also observable in the use of stories and symbols as part of the innovations. So the research points to innovations that are still very much technically oriented but showing signs of non-technological elements. Most of the producers were adding value to their products by using the concepts of the experiences economy, which is about experience staging and storytelling (which has connections to the symbolic knowledge base). The results revealed that the most important reason for the food producers being in networks was to share knowledge and learn, components adding to their innovation capabilities. So it can be argued that regional networks play a role in innovation. But the research also showed that the producers used the networks for other purposes, such as for marketing and selling together.

Although the food and drink producers are using non-technological elements already, they could utilize them even more in their innovations, to differentiate themselves from other producers and add value to their products. This they could for example do through cooperation with cultural and design institutions as a complement to research institutions. They could also cooperate more with creative people within the cultural industries (such as media, entertainment and tourism). At the regional level, Region Skåne and Skåne Food Innovation Network could also do more to link their work with cultural institutions that for example develop design, art and media content. Also by looking more towards the experience economy as an option in regional development.
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1 Introduction

The thesis is about innovation in the Swedish food and drink industry and discusses the results from a study about innovation in small food and drink production companies in Skåne region, southern Sweden. Skåne region is the biggest food production region in Sweden and the industry is considered very important for Skåne region, both in terms of economic output and employment (Martin and Moodysson, 2011a). The government of Skåne puts an emphasis on developing the food and drink industry within the region. One of the ways to develop the industry is through innovation and network building. This has seen the creation of a network called Skåne Food Innovation Network (Livsmedelsakademin), focusing on enhancing the innovativeness of the industry within the region (Interview with Gudmundur Kristjansson, 2014-03-28). This makes Skåne an interesting region to focus on when studying innovation within the food and drink industry in Sweden.

The food industry is very important in the world economy (Avermaete et al., 2004). Within EU it is the largest manufacturing sector and one of the main drivers of the EU economy, contributing extensively to economic output and employment (Baregheh, Rowley, Sambrook and Davids, 2012). Within Sweden it is also important, being the fourth largest industry in the country (Jordbruksverket, 2012). Small food production companies are considered to play a big role in economic development, especially in rural areas and local economies, because they process products from local agriculture and are important source of employment (Avermaete et al., 2004; Baregheh et al., 2012). The food production industry within EU and in many other places has been changing in recent decades. Conventional standardized mass food production has been criticised because of health and environmental issues and also for being responsible for weakening small scale farmers and producers. This has seen the development of producers that focus more on quality (such as organic production or hand-made products) and regional or local processing (Morgan, Marsden and Murdoch, 2006).

Within innovation studies it is more common to research high-tech industries so low-tech industries tend to be neglected (Asheim and Coenen, 2005; Triguero, Córcoles and Cuerva, 2013). The food- and drink production industry is considered to be a low tech industry with low levels of research and development (R&D) activity and fewer products being patented than in other manufacturing sectors (Martinez and Briz, 2000; Triguero et al., 2013). Although the industry is considered a low-tech industry, innovation is still considered one of the most important factors in the competitiveness of the industry (Baregheh et al., 2012), so studying innovation in the food industry is important.

Research about innovation in the food production industry has mainly been done with case studies, focusing on large firms (Avermaete et al., 2004). Number of studies have researched innovations in the European food production industry, all focusing on different aspects of firms’ innovation behaviour (Capitanio, Coppola and Pascucci, 2010; Martinez and Briz, 2000; Traill and Meulenber, 2002; Triguero et al., 2013). There is little research on SMEs and their innovation patterns and processes (Avermaete et al., 2004; Baregheh et al., 2012). One of a few studies done about innovation in small food production companies was conducted in two regions in Belgium (Avermaete, Viane, Morgan and Crawford, 2003). Another study about innovation in small food firms researched the determinants of product and process innovations of 177 firms, located in six rural areas in EU (Avermaete et al., 2004). One study about innovation in SME food companies in Skåne has been conducted. This research studied innovation in 28 firms that were defined as being the most innovative companies in Skåne (Martin and Moodysson, 2011a). More research about innovation in small food production companies seems to be needed.

1.1 Purpose

It is claimed that economic and social changes are having effects on innovations. Today, innovations have shifted from being only techno-scientific to increasingly also being based on socio-cultural dynamics. This change has meant an increase in culture, fashion and aesthetic aspects as important factors within products and has also contributed to the increased development of the so-called experience economy. This increased emphasis on socio-cultural dynamics has increased the value of
symbolic knowledge as inputs in innovations and increased the importance of customers in the production-consumption value chain (Crevoisier and Jeannerat, 2011).

The purpose of this study is to research how small regional food and drink producers in Skåne region innovate and add value to their products based on these recent economic and social changes. The research questions are:

1. What role does non-technological inputs (symbolic knowledge) play in innovation as opposed to technological inputs (analytical/synthetic knowledge)?

2. How do small food- and drink producers in Skåne innovate and add value to their products?

3. What role do regional food networks play in innovation?

Additionally, the thesis will explore the link between the regional developmental policies and actions of Skåne Region and Skåne Food Innovation Network and the innovations of the small food and drink producers.

The research is based on primary and secondary data. Primary data was gathered with semi-structured interviews during the period 24-28 March 2014. Eleven interviews with small food and drink production companies in Skåne region were conducted. Two interviews with persons working for Skåne Food Innovation Network and one interview with a person working for Skåne Region were also conducted to explore the link between regional development and innovations in the food and drink industry in the region. The interviews were recorded, then transcribed and analysed. Secondary data comprised of product labels from the companies that were participating in the research, reports, articles and web pages. The thesis reports the findings from this research and links it to theories about regional development and innovation, with a special emphasis on the differential knowledge base model, the experience economy and networks.

This research topic is important, both in societal and academic terms. For society, this research could help regions develop the right kind of developmental policies and it could also provide knowledge that would hopefully help small food and drink production firms in their innovation strategies and business development. In academic terms this research contributes to studies in economic geography and regional studies. The thesis contributes to studies about regional development by looking at an alternative regional development policy, the experience economy, and how it links to innovation. The research also contributes to innovation studies by studying innovation in the food industry through the differential knowledge base model, which is a model that originates from economic geography (Asheim and Gertler, 2005; Asheim, 2007). The research fills a gap by also looking at the symbolic knowledge base of the model, which is a knowledge base seldom studied (Manniche and Larsen, 2012). The research also contributes to studies about innovation and networks by looking at how networks contribute to innovation in the food and drink industry.

1.2 Structure of the thesis

The thesis will start, in chapter 2, with theories about regional development and the role of the experience economy in regional development. The chapter will then move on to discuss theories about innovation and knowledge. The chapter will end by discussing the innovation framework used in the study, the differential knowledge base model. In chapter 3, the research methods will be explained. The chapter will also discuss how the participants in the study were selected and approached. The chapter will end with ethical discussions. Chapter 4 will describe the case study area, Skåne region, and the role of the food industry within the region. Chapter 5 will report the findings and analysis from the primary study. The chapter will start with a short summary about the companies that participated in the research and the companies’ product and process features. After that, innovation will be discussed with different themes. The chapter will end with a section about the role of networks in innovation. In chapter 6, the theories, the research results and the research analysis will be discussed and conclusions made. References and appendixes are found at the end of the thesis.
2 Theories
This chapter will start by discussing theories about regional development and how the experience economy links to regional development. This will be followed by sections with theories about innovation and knowledge.

2.1 Regional development
Regional development is about creating and increasing regional welfare. Knowledge, entrepreneurship and innovations are the modern drivers of regional development and regional development policies have been moving increasingly towards being knowledge and innovation policies (Nijkamp and Abreu, 2009). The goals of innovation policies of most regions are to improve the regional innovation infrastructure and to encourage cooperation between actors, with the aim of increasing economic welfare (Sternberg, 2009). Regions have thus become important places for knowledge creation and learning (Florida, 1995) and regions are now considered to be the sites of innovation and competitiveness in the global economy (Asheim and Coenen, 2005). Regional development progresses in a dynamic manner in an interplay of various stakeholders (the business sector, households/workers and government bodies) that all influence the outcome (Nijkamp and Abreu, 2009).

Regions have moved down different paths to develop and facilitate their regional development and innovation capabilities. The policies they have used have changed considerable over the course of the last 50-60 years or so. Research on different policies in different regions and industries has resulted in many models about regional innovation being constructed by researchers. These models bear the names of Innovative milieu, Industrial districts, New industrial spaces, Clusters of innovation, Regional innovation systems and Learning regions. An overview of all those models was published in an article in 2003 by Moulaert and Sekia. In their article the authors suggest that these innovation models be named Territorial Innovation Models or TIMs. All these models have different approach to innovation and relations among actors. In their article, Moulaert and Sekia (2003) view the models according to different innovation features, such as the core of the innovation dynamics, role of institutions, type of relations among agents and the contribution to regional development. According to their summary, different models have different approaches to all of those features. The models will not all be compared here but according to Asheim and Coenen (2005), clusters of innovation and regional innovation systems have become the most widely used policy tools, so those models will be discussed here below.

Cluster policies have become very popular in recent years. One of the biggest contributors to the cluster theories is considered to be Porter. His theories about clusters have both been embraced (Moulaert and Sekia, 2003) and criticized (Asheim, 2007; Moulaert and Sekia, 2003). One of the most cited researchers on clusters is Saxenian with her research on Silicon Valley and Route 128 (Moulaert and Sekia, 2003). Below five factors have been identified to be present in cluster policies (Dahlström and James, 2012, p. 1870, citing Raines, 2002):
(1) A focus on groups of firms and their institutional environment;
(2) The stimulation of social processes to support trust building and promote knowledge flow;
(3) An emphasis on the possibilities of endogenous growth over inward investment;
(4) A prioritization of knowledge creation and innovation within selected networks to act as drivers for general economic growth;
(5) A stress on the role of public institutions as facilitators and brokers within networks of firms and knowledge providers.

Regional innovation systems (RIS) are considered to play a strategic role in the innovativeness and competitiveness of regions (Asheim, 2007). Asheim and Coenen (2005) write that RIS can be viewed in a narrow and broad sense. The narrow definition includes only R&D functions of universities, research institutions (both public and private) and firms. They identify this as a top down model of innovations, as is found in a triple helix approach. The broad definition includes all actors and
institutions in a region that have an influence on learning and innovation. They consider the broad definition as a bottom up approach to innovation or what might alternatively be called a learning region. In both views, a RIS is considered to comprise of these three elements within a region (Isaksen and Nilsson, 2012, p. 3):

1. All firms in the main industries, networks or clusters
2. Universities and organizations concerned with learning, knowledge and research
3. Other organizations, that are often publicly funded, that have the task to support the economy and the regional innovation system in different ways

These three elements then work together to enhance learning, knowledge and innovation within the region (Isaksen and Nilsson, 2012). Asheim and Coenen (2005) identify three types of RIS. One of these types, regarded as the ideal type of RIS, common in Germany, Austria and the Nordic countries, is called the regionally networked innovation system. It is identified by localized interactive learning between firms and organizations where public and private co-operation is emphasised. In this system the regional institutional infrastructure, such as R&D institutions, vocational training organizations and other local organizations involved in firms’ innovation processes are systematically developed to enhance innovation in a region. Clusters and RIS are policies that are considered to be able to work together within a region because clusters are about firms within the same industry or similar industries concentrated in a small geographic area while regional innovation systems include all actors in a region that work with learning, knowledge creation and innovation in a region (Asheim and Coenen, 2005).

Although all the models mentioned above, including clusters and RIS, possess different features, one of their main common feature is the network element. Networks play an important role in innovation, constructed from the basic features of reciprocity, interdependence, loose coupling and power (Moulaert and Sekia, 2003). In networks, firms create knowledge inside their own firms, but also across firms. It is recognized that firms in a group that work together can create more knowledge than any one firm can do individually (Bathelt, Malmberg and Maskell, 2004). Network and cluster structures can have dimensions that are both horizontal as well as vertical. The horizontal dimension consists of firms that produce similar goods and compete with one another. These companies benefit from one another by monitoring and comparing what the other related companies in the cluster are doing. The vertical dimension consists of firms that are complementary and are interlinked to the horizontal firms through network relationships, by providing services and supplies to the horizontal firms. These vertical and horizontal linkages in a cluster enables firms to combine and re-combine resources and create knowledge and innovations. This knowledge transfer within a cluster has been termed atmosphere, broadcasting, noise and buzz (Bathelt et al., 2004). Spatial proximity is considered to play a role when firms network because it gives opportunities for intensified face-to-face interaction, trust building, easier observation and immediate comparison. So spatial proximity seems to enhance knowledge exchange (Malmberg and Power, 2005), especially for tacit knowledge and localized learning (Vale, 2010), and aid the processes that bring forth innovations (Malmberg and Power, 2005). Spatial proximity is considered to be especially important in clusters (Vale, 2010). But research also suggests that cooperation with actors outside networks and further away (outside regions) is important in knowledge creation, sharing and innovation (Bathelt et al., 2004; Crevoliser and Jeannerat, 2009; Malmberg and Power, 2005). This has seen change in the way firms and regions develop their innovation strategies. But distant networks are not thought to replace local networks, they can rather be said to complement firms’ local networks, both in the initial stages of cluster formation and also to avoid lock-in effects on later stages (Vale, 2010).

The traditional innovation and regional development models mentioned above have been criticized for being too focused on R&D and high tech industries (such as biotechnology), as well as too focused on copying of best practices and policies (like Silicon Valley). It has been recognized that the same models don’t fit all regions because the models can’t be embedded in specific regional spatial settings (Asheim, Boschma and Cook, 2011).
2.2 The experience economy and regional development

Crevoisier and Jeannerat (2011) claim that the economic and social changes that have been materializing in the past decades are having effects on innovation and product and service development today. These changes are developments in information technology and the internet, increase in mobility of goods, capital, information and the labour force and the change from techno-scientific innovations towards innovations that are more based on socio-cultural dynamics. According to Crevoisier and Jeannerat (2011) there are three factors that have influenced the changes from techno-scientific innovations towards socio-cultural ones. The first is the growth of cultural industries (such as media, entertainment, sport, tourism and leisure, cinema and video games) that require socio-cultural knowledge in their making. The second factor is that culture, fashion and aesthetic aspects are becoming an important factor within products, even in traditional industries such as clothing, watchmaking and the automobile industry. Crevoisier and Jeannerat are not the only authors to discuss the importance of symbols and culture in today’s economy. Lash and Urry (1994) for example discuss these same changes in their book Economies of signs and space. They discuss the increasing importance of symbols and cultural content for both production and consumption. They also discuss the increasing importance of customers in the production process (Lash and Urry, 1994). Lash and Urry’s (1994) arguments can also be related to Crevoisier and Jeannerat’s (2011) third factor, which is the increasing development of the experience economy, which has increased the importance of customers in the production-consumption value chain.

The concept the experience economy was first described in a book by Pine and Gilmore in 2009 (Bille, 2012). Pine and Gilmore (2009) describe experiences as the fourth economic output. The other three being commodities, goods and services. According to the authors, experiences have always been there, but have not been articulated before. Experiences have sometimes been considered part of services but the authors argue that decoupling experiences from services and looking at them as distinct economic offerings provides the key to further economic growth. Pine and Gilmore (2009, p. 2) write:

> When a person buys a service, he purchases a set of intangible activities carried out on his behalf. But when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages – as in a theatrical play – to engage him in a personal way.

According to Pine and Gilmore (2009), every business is a stage and work is theatre in the experience economy. An experience product is born when a company intentionally uses a service offering as a stage and goods as props to engage a customer. So after the experience has been consumed, the value of the experience lingers in the memory of the customer that was engaged in the servicing of the experience product. The activity of engaging the customer is the most important thing in the experience staging.

Coffee is a good example about the difference in value between the four economic outputs of commodity, good, service and experience (Pine and Gilmore, 2009). The coffee bean as a commodity doesn’t cost much in the commodity market and has marginal value for the seller. Coffee costs more when it has been grinded and roasted (made into a good) and you buy it in a package at the supermarket. So coffee at this stage brings more value to the producer than coffee as a commodity. When the same roasted and grinded coffee is coupled with a service, as in a coffee house, it costs even more for the consumer and brings added value to the seller. When you buy a cup of coffee, standing at the spot where it was made, and the person that personally grinded and roasted the coffee tells you stories about the establishment and how the coffee was made from the bean to the cup, then you are not only buying a cup of coffee, but also an experience. This also makes it easier for the producer of the experience to charge you more and thus it adds further value to the product.

Table 1 shows in detail the economic distinction between the four offerings.
Table 1 shows the difference between the economic offerings of commodities, goods, services and experiences (seen on the horizontal axis) based on eight different factors (seen on the vertical axis). So for example if services and experiences are compared, the economic function of a service is to deliver while the economic function of an experience is to stage. In services, the nature of the offering is intangible while in experience offerings, it is memorable. Key attributes in services are customized while they are personal in experiences. The method of supply in services is to deliver the service on demand while the method in experience offering is to reveal the product over a duration. In service offerings, the person that is selling the service is called a provider, while in experience offerings he is called a stager. In services, the customer is called a client and in experience offerings he is called a guest. Finally, the factors of demand (the things that the customers is seeking) are benefits in the service offerings while they are sensations in experience offerings. Pine and Gilmore (2009) conclude that to stage experiences requires a sense of place to make customers want to spend time engaged in the experience offering. So based on that, the place where the experience is offered, is one of the most important aspect of the experience offering.

The concepts of the experience economy have been proposed as tools that could possibly be used in regional development (Lorentzen and Jeannerat, 2012) and according to Bille (2012) they have been used as part of development policies for local and regional authorities in Scandinavia in recent years. In the Scandinavian approach the experience economy is said to be influenced by Pine and Gilmore’s approach among other sources. The experience economy as a developmental policy is said to challenge older regional development models in three ways. The first issue is that the experience economy has a different perspective on economic value and competitiveness by suggesting that consumers participate in the economic value creation. The second issue is that the concepts of the experience economy place an increasing role on space and place in economic development. With this change, a place stops being only a production system and becomes a consumption site, where the quality of products and the quality of place become two sites of the same coin. The third issue is about a different approach to policy and planning, increasing the strategic importance of attractive shops and high-quality living spaces as well as festivals, fairs, exhibitions and other cultural events, when cities and regions plan their landscapes for residences and guest (Lorentzen and Jeannerat, 2012).

In regards to experience staging in a territorial setting, the concept of a territorial staging system (TSS) has been developed (Manniche and Larson, 2012). The concept describes a “dynamic, territorially and culturally embedded economic systems for creation, commercialization, validation and consumption of experiences” (Manniche and Larson, 2012, p. 404). This system has a production side, a consumption side and a stage where these two sites meet. The production side in this system comprises of different territorial assets (natural, historical and culinary), found in a specific location that are used as ingredients into making products, which are then brought to the market through the stage. The consumption side comprises of the knowledge, income and social capital of consumers that influences their engagement on the stage. The experiences that become part of the end product then

<table>
<thead>
<tr>
<th>Economic offering</th>
<th>Commodities</th>
<th>Goods</th>
<th>Services</th>
<th>Experiences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Agrarian</td>
<td>Industrial</td>
<td>Service</td>
<td>Experience</td>
</tr>
<tr>
<td>Economic function</td>
<td>Extract</td>
<td>Make</td>
<td>Deliver</td>
<td>Stage</td>
</tr>
<tr>
<td>Nature of offering</td>
<td>Fungible</td>
<td>Tangible</td>
<td>Intangible</td>
<td>Memorable</td>
</tr>
<tr>
<td>Key attribute</td>
<td>Natural</td>
<td>Standardized</td>
<td>Customized</td>
<td>Personal</td>
</tr>
<tr>
<td>Methods of supply</td>
<td>Stored in bulk</td>
<td>Inventoried after production</td>
<td>Delivered on demand</td>
<td>Revealed over a duration</td>
</tr>
<tr>
<td>Seller</td>
<td>Trader</td>
<td>Manufacturer</td>
<td>Provider</td>
<td>Stager</td>
</tr>
<tr>
<td>Buyer</td>
<td>Market</td>
<td>User</td>
<td>Client</td>
<td>Guest</td>
</tr>
<tr>
<td>Factors of demand</td>
<td>Characteristics</td>
<td>Features</td>
<td>Benefits</td>
<td>Sensations</td>
</tr>
</tbody>
</table>

Table 1: Economic distinctions (Pine and Gilmore, 2009, p. 6)
materialize when these two sides meet on the stage. According to Manniche and Larson (2012) the stage can either be a physical place providing an attendance-based experience (such as the facility of a producer) or a virtual place providing a distributed experience (such as the internet or media).

Number of studies have been done on the link between regional development and innovation with the aid of the experience economy in food production companies (Everett, 2012; Holm, Pedersen and Sørensen, 2013; Kjeldsen, Deleuran and Noe, 2013; Manniche and Larson, 2012; Mykletun and Gyimóthy, 2010). As an example, Manniche and Larson (2012) studied innovation and marketing of culinary products from the Danish island of Bornholm through the theoretical framework of the experience economy. Another example is Everett (2012) examining how food producers are innovating by transforming food production places into consumption spaces in west Ireland and Scotland and how their innovation efforts and the regional development initiatives in these areas are resulting in food trails, festivals and the areas now having reputation as food tourism destinations. Next section will discuss what innovation is and explain the differential knowledge base model.

2.3 Innovation

Innovation, when looked at from a firm perspective, is about taking an invention, a new idea or technology and develop new economic activities (Aoyama, Murphy and Hanson, 2011). Innovations were first looked at as a linear process (scientific discovery leading to product development leading to market introduction leading to diffusion). Today, the innovation process is commonly thought of as a chain that links components with each other back and forth, with numerous feedbacks between the stages in the innovation process (discovery, development and commercialization) (OECD, 1996; Sternberg, 2009).

Innovation can be classified on the degree of innovation or on the type of innovation. The degree of innovation relates to the novelty involved, whether innovations are considered to be radical or incremental. The type of innovation relates to the outcome of the innovation process (Baregheh et al., 2012). The concept of innovation is not only about introduction of technology-based product innovation or innovations that require radical changes in production processes. Innovations can also cover incremental changes in products and processes, as well as changes in the organization and exploitation of new markets and market segments (Avermaete et al., 2003). Innovation is said to occur in all industries, regardless of their science and technology levels (Martin and Moodysson, 2011a).

There are many categorizations available about types of innovation that have been developed. Baregheh et al. (2012) provide a good overview of the development of earlier models. One of the newest categorization identifies four types of innovation; product, process, position and paradigm. Baregheh et al. (2012, p. 1642) define these innovation types as such:

- Product innovation, changes in the things (products/services) which an organization offers
- Process innovation, changes in the way in which things (products/services) are created and delivered
- Position innovation, changes in the context in which products/services are introduced
- Paradigm innovation, changes in the underlying mental models which frame what the organization does

Examples of position innovation mentioned in Baregheh et al. (2012) is developing online marketing tools and expanding into new markets. Examples of paradigm innovation is outsourcing part of a company’s operations and partnering with other companies (Baregheh et al., 2012).

This model is said to build on earlier models. The model is supposed to cover all types of innovations developed in firms, regardless of the tangibility and visibility of the innovations and is also said to be equally good in research about high-tech and low-tech industries (Baregheh et al., 2012). Innovation is often the result of mix of changes that occur in different areas in a firm (Avermaete et al., 2003). So an innovation can, for example, possible be the result of changes in the product and process domains or, for example, changes in the position and paradigm domains, or all of the domains
at the same time. Result from the study by Baregheh et al. (2012) about above presented model indicates that there is not a clear difference between these types of innovations and that these types tend to be inter-related.

2.4 Knowledge

Knowledge is considered an important asset for firms and regions (Asheim and Coenen, 2005; Hudson, 1999). Institutions (for example OECD, 1996) and scholars (for example Hudson, 1999 and Martin and Moodyson, 2011a) discuss different types of knowledge. One categorization discussed by many (for example Asheim and Gertler, 2005; Hudson, 1999; OECD, 1996) differences between codified knowledge and tacit knowledge. Codified knowledge is considered to be knowledge that is more universal, easily written down and easily transferred, for example over computer networks and the internet. It can thus be used as an input into products and traded between individuals or firms. Tacit knowledge on the other hand is the form of knowledge that can’t easily be codified or easily made available. This is because tacit knowledge is in some way connected to the individual that possesses the knowledge and the environment he comes from (thus often locally produced and place specific). So this kind of knowledge is embedded in unwritten codes of meaning and not easily communicated to others (Hudson, 1999).

When looking at knowledge as an input into innovation processes of firms and industries, Asheim and Gertler (2005) argue that different combinations of codified and tacit knowledge are present in different industries, making knowledge and innovation complex and in need of a more detailed categorization. Because of that the authors introduced a model about knowledge bases that different industries possess. They distinguished between two knowledge bases, analytical and synthetic.

Analytical knowledge base relies heavily on scientific knowledge, which is obtained with deductive processes and formal models. This knowledge is obtained through basic and applied research and systematic development of products and processes. Companies that tap into this knowledge base tend to have their own research and development departments and they also rely on research done by universities and research institutions. So they are in a good connection with universities, often through networks. This knowledge base relies more on codified knowledge than tacit knowledge in the knowledge input. This input often comes from reviews over existing studies and scientific principles and methods. The knowledge output is also more often codified into reports, electronic files or patent descriptions. The innovations that come from industries that rely on this knowledge base tend to be radical. Examples of industries which can be identified with this knowledge base are genetics, biotechnology and information technology (Asheim and Coenen, 2005).

Synthetic knowledge base is claimed to be dominant in industries that apply new combination of existing knowledge in their innovations. Innovations often occur as a response to customer and supplier requests and innovations are often developed in interaction with them. Knowledge as an input into innovations often comes from inductive processes, through testing, experimenting or practical work. Research as part of the innovation process is more done in the form of applied research and through product or process development. Research and development is not as important as in the analytical knowledge base and industries using synthetic knowledge base tend to have fewer links with universities than industries that rely on analytical knowledge base. The knowledge that is used in the innovation is partially codified but tacit knowledge is considered to be more important. Knowledge is formalized with experiences in the workplace and with learning by doing, learning by using and learning by interacting. So the knowledge input is more related to practical skills and crafts than in the analytical knowledge base. This way of innovating leads to more incremental way of innovating, usually with modifications of existing products and processes. Examples of industries where this is the case are plant engineering and shipbuilding (Asheim and Coenen, 2005).

Asheim and Coenen (2005) used this definition of knowledge bases into analytical and synthetic bases when comparing five industry clusters of SMEs in Denmark, Norway and Sweden to
see what knowledge base each possessed and how they connected with the regional innovation system in the area the clusters were situated.

A third knowledge base was later introduced, called symbolic knowledge base (Asheim, 2007). It uses knowledge that comes from culture, images, aesthetic symbols, designs, artefacts, sounds and narratives. This kind of knowledge has links to habits, norms and culture of social groups and therefore relies on knowledge that has high level of tacit components. Innovations that use symbolic knowledge result in aesthetic attributes in products, the creation of designs and images and the adding of economic use to various cultural artefacts. These outputs are formed through creation and tend to add to sign-value rather than use-value of products. The innovation is often created through temporary projects with collaboration of people in groups, possessing different kind of skills. These people can come from diverse directions, ranging from the artisanal world to the business world. Examples of industries which can be identified with this knowledge base are cultural industries, such as media, advertising, design and fashion (Asheim, 2007).

Table 2 summarises the typology into these three knowledge bases after six variables that can be read on the vertical axis.

<table>
<thead>
<tr>
<th>Rational for knowledge creation</th>
<th>Analytical (science based)</th>
<th>Synthetic (engineering based)</th>
<th>Symbolic (arts based)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing new knowledge about natural systems by applying scientific laws; know why</td>
<td>Applying and combining existing knowledge in new ways; know how</td>
<td>Creating meaning, desire, aesthetic qualities, affects, intangibles, symbols, images; know why</td>
<td></td>
</tr>
<tr>
<td>Development and use of knowledge</td>
<td>Scientific knowledge, models, deductive</td>
<td>Problem solving, custom production, inductive</td>
<td>Creative process</td>
</tr>
<tr>
<td>Actors involved</td>
<td>Collaboration within and between research units</td>
<td>Interactive learning with customers and suppliers</td>
<td>Experimentation in studios, project teams</td>
</tr>
<tr>
<td>Knowledge types</td>
<td>Strong codified knowledge content, highly abstract, universal</td>
<td>Partially codified knowledge, strong tacit component, more context specific</td>
<td>Importance of interpretation, creativity, cultural knowledge, sign values; implies strong context specificity</td>
</tr>
<tr>
<td>Importance of spatial proximity</td>
<td>Meaning relatively constant between places</td>
<td>Meaning varies substantially between places</td>
<td>Meaning highly variable between place, class and gender</td>
</tr>
<tr>
<td>Outcome</td>
<td>Drug development</td>
<td>Mechanical engineering</td>
<td>Cultural production, design, brands</td>
</tr>
</tbody>
</table>

Table 2: Typology of knowledge bases (Asheim, Boschma and Cooke, 2011, p. 898)

As table 2 shows, the knowledge bases of different industries have different rational for creating knowledge, they use knowledge in different ways, the creation of knowledge requires different actors in the knowledge process, they comprise of different combinations of codified and tacit knowledge inputs in the innovation processes and the importance of spatial proximity between the actors involved in the process is different depending on the knowledge base utilized. The table also gives examples of the innovation output from each knowledge base.

According to Asheim (2007) most industries use knowledge from all three types in their innovation processes, but it is different depending on the industry what knowledge base is the most dominant one in the process. It can also be different within an industry what knowledge base is used in different phases of the innovation process (Asheim et al., 2011). The knowledge base model is considered helpful when assessing knowledge inputs because it doesn’t judge the knowledge input by saying that one kind of knowledge is more advanced or sophisticated than other kind of knowledge in
innovation processes. It for example doesn’t favour science based knowledge over other kinds of knowledge as more important for the competence of firms and industries (Asheim et al., 2011).

Manniche (2012) provides a good account on the theoretical and empirical dimensions of the knowledge base model as a tool for researching innovation. He finds the model to be strong because it includes all the three knowledge bases. The inclusion of the symbolic knowledge base is especially brought forth as a strength of the model in his opinion, because it gives an opportunity to study non-technological socio-cultural innovations as opposed to only studying technological innovations. Another strength of the model in his opinion is that it breaks away from the binary thinking of only treating knowledge as codified or tacit knowledge, but treats knowledge as a combination of these two knowledge types. It also breaks away from the binary of high-tech and low-tech. He suggests, based on prior empirical research, that all three knowledge bases be included when researching knowledge and learning in industrial innovation, because firms and clusters rely on combinatorial knowledge bases. Although he is in general positive towards the model he finds that applying it in empirical research possess a challenge. This is because it can be hard to determine in which knowledge base real world knowledge activities should be based, because the definitions of the categories are somewhat fuzzy. Manniche (2012) also criticizes the model for lacking a dimension that deals with how processing of useful knowledge is managed. That is how “organizations generate, adapt and finally utilize knowledge through interaction within and across differing knowledge bases” (Manniche, 2012, p. 1827). In his article Manniche (2012) proposes that this dimension be added to the model and gives examples of how that would be done. So according to Manniche (2012), the model has some limitations but is still considered a useful model.

The knowledge base model has been used to study innovation in different industries in number of studies (see for example Asheim and Coenen, 2005; Manniche and Larsen, 2012; Manniche and Testa, 2010; Martin and Moodysson, 2011a; Moodyson, Coenen and Asheim, 2008). According to Manniche and Larson (2012), studies about industries that use analytical and synthetic knowledge bases as the main input in innovations are more common and fewer studies on innovations have been conducted that research industries which use the symbolic knowledge base as the main input.

This theoretical chapter has discussed regional development and different models about innovation in a regional setting. It has also discussed the changes that are taking place, where innovations are not only considered to be technological but also having a socio-cultural elements. The chapter has discussed the experience economy as a new approach to regional development and innovation because of its ability to enhance socio-cultural innovations. The chapter has also discussed what innovation and knowledge is. It has introduced the theoretical framework differential knowledge bases and how the model can be used to study innovations in different industries. It has especially discussed the use of the model to research non-technological innovations.

The purpose of this study is to research how small regional food- and drink producers in Skåne region innovate and add value to their products by using the knowledge base model and the experience economy as the analytical framework. This research contributes to studies that use the knowledge base model and it also fills a gap by especially studying the symbolic knowledge base in conjunction to the analytical and synthetic knowledge bases. In that way the research is studying combinatorial knowledge bases, as proposed as the appropriate way by Manniche (2012) to study innovation in industries when using the model. The research questions are:

1) What role does non-technological inputs (symbolic knowledge) play in innovation as opposed to technological inputs (analytical/synthetic knowledge)?

2) How do small food- and drink producers in Skåne innovate and add value to their products?

3) What role do regional food networks play in innovation?

Next chapter will introduce the methods used in the primary research that was conducted as part of this thesis.
3 Methods
This research used qualitative research methods to gather primary data. Qualitative research methods are considered particularly well suited to study complex issues and to study processes that occur over time (Snape and Spencer, 2003). There are many definitions available about what qualitative research is. Snape and Spencer (2003, p. 3-4) highlight the key elements of its character as:

- aims which are directed at providing an in-depth and interpreted understanding of the social world of research participants by learning about their social and material circumstances, their experiences, perspectives and histories
- samples that are small in scale and purposively selected on the basis of salient criteria
- data collection methods which usually involve close contact between the researcher and the research participants, which are interactive and developmental and allow for emergent issues to be explored
- data which are very detailed, information rich and extensive
- analysis which is open to emergent concepts and ideas and which may produce detailed description and classification, identify patterns of association, or develop typologies and explanations
- outputs which tend to focus on the interpretation of social meaning through mapping and ‘representing’ the social world of research participants

There are several qualitative research methods available and the choice of method depends on the research topic. Ritchie (2003) categorizes the methods into the ones that gather data in natural settings and the ones that gather data in generated settings. Naturally occurring data is data that becomes available for the researcher in real world context. That is these methods gather data which “is an ‘enactment’ of social behaviour in its own social setting, rather than a ‘recounting’ of it generated specifically for the research study” (Ritchie, 2003, p. 34). These methods include observations and participant observations, document analysis and conversation analysis. Generated data methods involve re-processing and re-telling of the attitudes, beliefs and behaviour of the study participants. So generated data “gives insights into people’s own perspectives on and interpretation of their beliefs and behaviours – and, most crucially, an understanding of the meaning that they attach to them” (Ritchie, 2003, p. 36). These methods include interviews and focus groups (Ritchie, 2003).

Interviewing is the most widely used qualitative research method (McDowell, 2010; Ritchie, 2003; Taylor and Bogdan, 1998). The aim with an interview is to probe an issue in depth and gain a detailed understanding (McDowell, 2010). Interviewing is a good method to choose when relatively many people have to be interviewed in a relatively short period of time. So studies based on interviews can be completed in a shorter period of time than for example participant observations (Taylor and Bogdan, 1998).

3.1 Methods used in the research
This research used semi-structured interviews as the main data gathering method. Product labels from the participating companies were also analysed thematically to compliment the data that was acquired from the interviews. This was done to better understand the symbolic innovation elements of the products the companies produced.

Face-to-face interviews with owners and managers in the small food production companies were conducted by the author of this thesis, to discuss innovations in their companies. One interview was conducted for each firm that was participating in the research, at the firms’ location. The interviews were conducted in the English language. They were recorded and lasted from 60-90 minutes. All the interviews except one were interviews with one person. In one instance two persons were interviewed at the same time. This was done because they represented two companies that had merged into one. Three additional interviews were conducted with persons working with innovation and regional development within the region to get the regional perspective on innovation within the
food and drink industry in Skåne. A list of the interviewees and the companies that they represent can be found in appendix 1.

The interviews followed a semi structured interview guide made by the author of this thesis with open ended questions (see the interview guide in appendix 3). Asking open ended questions is considered a good approach so that participants can freely speak about the topics being discussed (Legard, Keegan and Ward, 2003). When conducting the interviews, guidelines from Legard et al. (2003) were followed. During the analysis phase, the interviews were listened to and transcribed word by word, to better draw out the meanings and aid in the interpretation of the data. In general, the analysis followed guidelines from Spencer, Ritchie and O’Connor (2003) and Ritchie, Spencer and O’Connor (2003).

Interviews have their limitations. One criticism about interviews is that they tend to reveal differences rather than similarities in experiences, so it is hard to generalize with the use of interviews as a data collection technique (McDowell, 2010). Another issue is that people say and do different things depending on their situation. An interview is a particular kind of situation. So people might say one thing in the interview situation and then say different things about the same topic in other situations. Third limitation is that researchers’ don’t observe people in their everyday life since they only spend a limited time with them. So researchers’ don’t have all of the necessary context needed to understand the participants’ perspectives and views. The different use of language between researcher and the people being interviewed can also be a limitation (Taylor and Bogdan, 1998).

Despite their limitations, interviews are considered an appropriate method to use when studying innovation and knowledge within industries, because they give researchers opportunity to understand better the context that the innovations and knowledge elements are involved in (Manniche and Testa, 2010). Investigation into the research method used in studies about innovation reveals number of studies that use interviews as the data gathering method. Examples are Jeannerat and Crevoisier (2011) in their study on innovation in the watch industry in Swiss and Martin and Moodyson (2011b) in their study on innovation in the media industry in southern Sweden. For studies about innovations in the food industry, examples are Traill and Meulenberg (2002) studying innovation in twelve food manufacturing companies in six European countries, Manniche and Larsson (2012) studying innovation in small food production companies on an island in Southern Denmark and Martin and Moodyson (2011a) studying innovation in SMEs food production and processing companies in Skåne, Sweden.

3.2 Participants
The population for the study was defined as small food production companies in the region of Skåne. Companies that were considered part of the research were chosen through a purposive sample. A purposive sample is generated by applying a criteria that is decided by the researcher. In theory, the criteria used can be any kind of phenomena (for example characteristics, circumstances, experiences or attitudes) (Ritchie, Lewis & Elman, 2003). For this research the main criteria was defined as:

- Small food production companies (having 1-50 employees)
- Companies that process raw materials in some way. That is they transform raw materials into a product by adding some other ingredient or changing the look of the product by manipulating it in some way (for example by cutting, reshaping, etc.)
- Companies that also sell their products outside their production facility or on-site store

To find participating companies, the author first contacted the food industry cluster in Skåne, Skåne Food Innovation Network (SFIN) to get help in finding suitable companies. A contact from SFIN named few regional food networks to contact. The author then decided to choose three of those networks and contact suitable companies within them. Those networks were Regional Culinary Heritage Network Skåne, Matrundan Österlen and Smaker från Söderåsen. Those three were chosen as they best fulfilled the author’s criteria. Later on in the process of finding companies, the internet page Gårdsnära (http://en.gardsnara.se/Skåne/), which is a page that lists locally produced food after
region’s in Sweden, was used to find additional companies. The author found 50 companies in total to contact. All of those companies were sent an email message to ask if they would be interested to participate in the research. The message was sent out in English to the email address that was listed as the contact mail on the companies’ homepage. The original email was then followed with a second email a week after the original email was sent. In few instances the researcher also tried to reach the companies by phone. Of those 50 companies, 11 companies said yes to participating, 11 companies said they were not interested in participating and 28 companies didn’t respond. The companies that were willing to participate were then contacted to arrange a meeting at a suitable time during the period that the research was conducted. All the companies that had agreed to take part in the study were able to participate during that time and all the interviews were conducted without any problems.

3.3 Ethical issues
There are many ethical issues that researchers have to take into consideration. When conducting the research, analysing the findings and writing the theses, guidelines from The Swedish Research Council (Vetenskapsrådet) were considered (Vetenskapsrådet, 2011).

Vetenskapsrådet (2011) stresses that the researcher has a responsibility towards the people that participate in his research and also that he takes into consideration that people that are not directly involved in the research can be effected indirectly by the research results. So in other words, a research should not be harmful to others. Vetenskapsrådet (2011) also stresses that in general, researchers should conduct high quality research. Part of that is to be free from outside influences and manipulation, always tell the truth and openly account for all aspect of the research (such as what is the purpose of the study, what methods are used, what are the results and what commercial interests are involved). According to Vetenskapsrådet (2011) it is important to get a consent from participants before a research begins and protect their identity if applicable. When writing a thesis, it is important to give references in a right way and not use text produced by others without referring to the author(s) (Vetenskapsrådet, 2011).

In this research a consent from participating companies for taking part in the research was gained prior to the interviews taking place. The author of the research informed all the participating companies of the purpose of the research both prior to the interviews taking place and also when the actual interviews took place. During the meeting, when the interviews were conducted, the author further explained what the research was about and informed all the companies about all the other companies that were also participating. All the companies and the people being interviewed agreed that their names could be used in the research. When conducting the interviews all the people being interview agreed to the interview being recorded. All the companies gave their consent for using the recorded material as part of this thesis. It can thus be said that good research practice was followed when conducting the research.

Next chapter will describe the cast study area in the primary research.
4 The case study area

This chapter will describe Skåne, the area where the primary research was conducted. It will start with a section on the region, describing it in general terms and also discussing how regional development is managed in the region. After that, a section discussing the food industry in Skåne will follow. The chapter will end by describing Skåne Food Innovation Network and its link to regional development and innovation in the food industry in Skåne.

4.1 Skåne region

Skåne is the most southerly region of Sweden. It has a population of over 1,2 million and is considered a relatively densely populated area. Skåne borders Denmark to the West, across the Öresund Strait and the Swedish regions of Halland and Kronoberg to the north and Blekinge to the north-east. The region of Skåne is comprised of 33 municipalities. The area around Malmö and Lund is the area with the most population growth and most economic activities (OECD, 2012). Skåne possesses Sweden’s most fertile farmland and half of the land in Skåne is devoted to farming (Region Skåne, 2010).

Skåne region has a different status within Sweden than most other regions in the country. The region governs its own internal affairs, such as health care, public transport, culture and regional development (Interview with Gudmundur Kristjansson, 2014-03-28). The region is governed by 149 elected members that sit in a Regional Council. The body that manages the regional matters for the Regional Council is called Region Skåne (Region Skåne, 2014a). The regional development office that is concerned with developing industries and firms in Skåne is called Business Skåne (Näringsliv Skåne). Business Skåne is responsible for developing the infrastructure and environment around the industries, so that the industries and the companies within them can grow and prosper. The entity does this by cooperating with all the municipalities in Skåne, the universities in Skåne and other organizations. This development is also done through clusters and networks. So Business Skåne is not in direct contact with companies in Skåne, but works through others (Interview with Gudmundur Kristjansson, 2014-03-28).

Within Skåne there are two industries that are considered very strong, that is the food industry and the life science industry. Other sectors that have been growing are the ICT industry and environmental technologies. Most of the industries in Skåne have active clusters that Skåne Region owns part in and finances in some way. This means that employees from Business Skåne sit as board members in those clusters, along with people from private companies and organizations, such as universities in Skåne (triple helix model). Examples of clusters in Skåne working within different industries is Skåne Food Innovation Network for the food industry, Sustainable Business Hub for the environmental technology industry, Mobile Heights for the ICT industry and Media Evolution for the media industry. Business Skåne often acts as the application party when these clusters apply for funding from the Swedish state or EU (Interview with Gudmundur Kristjansson, 2014-03-28).

4.2 The food industry in Skåne

Skåne has a long history of agriculture and food production (Isaksen and Nilson, 2012; Region Skåne, 2014b). The industry plays an important role in the regional economy as well as in the Swedish national economy. 45% of Swedish turnover in the food sector comes from Skåne. The industry employees 40,000 people, of them 25,000 in food production and processing and 15,000 people in supporting and related industries (packaging, machinery manufacturing, research) (Martin and Moodyson, 2011a). The industry is characterized by several big food production companies that are now all owned by international companies (Interview with Jannie Vestergaard, 2014-03-26; Interview with Rolf Bjerndell, 2014-03-25). Those companies include Findus, Danisco Sugar, Procordia Foods, Unilever, Nestlé, Lantmännen, Culinar, Absolut Company, Skånemejerier and Scan (Region Skåne, 2014b).

According to Rolf Bjerndell (Interview, 2014-03-25) the reason for this is lack of innovative skills in the Swedish food industry. The food industry in Skåne is also characterized by many small food production companies and some medium sized ones. Their number has been increasing in recent years (Interview with Jannie Vestergaard, 2014-03-26; Interview with Rolf Bjerndell, 2014-03-25). Some of the SMEs
are high-tech and high-innovation companies. Several of the innovative food SMEs have developed in cooperation with the universities in the region (Isaksen and Nilson, 2012). Skåne region is strong in research and education in food. The institutions that support the industry with research and education are Lund University, Lund Tekniska Högskola, University of Agricultural Science (Sveriges Lantbruksuniveristet, SLU) and Kristianstad University (Isaksen and Nilson, 2012; Region Skåne, 2014b).

The structure of the food and drink industry in Skåne is that there are currently three big development initiatives, all funded partly by the EU. The biggest project is Tasting Skåne (described in the next chapter). The others are TransforMat and Centre for Innovative beverages. The Swedish rural economy and agricultural societies (Hushållningssällskapet) also contributes to the development of the industry (see appendix 4 for information about organizations) (Interview with Jannie Vestergaard, 2014-03-26).

The food industry in Skåne and the links to innovation has been researched in a couple of studies. See for example Asheim and Coenen (2005), Martin and Moodysson (2011a) and Isaksen and Nilson (2012).

4.3 Skåne Food Innovation Network (SFIN)

Skåne Food Innovation Network (Livsmedelsakademin) was founded in 1994 to address threats and opportunities that Sweden’s entry into EU would bring and to enhance the competitiveness of Skåne’s food industry (Interview with Rolf Bjerndell, 2014-03-25). Further history and development of SFIN can be found in Isaksen and Nilson (2012), so it will not be repeated here.

SFIN’s main goal today is to develop the food sector in Skåne and help speed up the pace of innovations (Livsmedelsakademin, 2014). This is partly done by being one step ahead of the industry and trying to develop what is thought to be tomorrow’s food industry (Interview with Rolf Bjerndell, 2014-03-25). The network has more than 120 partners and members, which include private companies of all sizes (big international companies as well as SMEs), universities, institutions and municipalities. Companies can also partake in the network’s activities without being members or partners. The network is managed in a triple helix structure (with the private side, the university side and the governmental side) (Interview with Jannie Vestergaard, 2014-03-26). According to both Rolf Bjerndell (Interview, 2014-03-25) and Jannie Vestergaard (Interview, 2014-03-26) the concepts of the experience economy, such as experience staging and storytelling, are concepts that are known and used purposely in the work of SFIN, both in the innovation work with companies and also by the emphasis on events. Part of the work of SFIN is also to help producers establish and operate their own local independent networks with the aim to work together and increase their capabilities (including innovation capabilities). Examples of networks that SFIN cooperates with are Regional Culinary Heritage Network Skåne, Matrundan Österlen and Smaker från Söderåsen (Interview with Jannie Vestergaard, 2014-03-26). One important component in the operation of SFIN is the CEO Network. In this network, CEO’s of both big international companies and CEO’s from SME’s meet number of times a year to discuss the industry together and how it might be developed (Interview with Gudmundur Kristjansson, 2014-03-28). SFIN is organized into number of activity areas and networks. The activity areas are seven (Cooperation and Strategies, Recruitment, Joyful Meals, Innovation and Entrepreneurship, Tasting Skåne, Food Packages and Tomorrow Meal Services). There are then various networks and projects under each activity area (Livsmedelsakademin, 2014).

The role of the activity area Innovation and Entrepreneurship is to help entrepreneurs, start-ups and SME’s to develop their business ideas and products. This is done by connecting them with other companies, big and small, and to assist them in navigating the innovation system. The activity area doesn’t provide financial help but instead directs the companies that come to them for help in the right directions (Interview with Rolf Bjurndell, 2014-03-25).

The activity area Tasting Skåne (Smaka på Skåne) is about helping small food production companies to develop their products and capabilities. This is done by connecting companies together and by raising questions. For example how street food should be developed or how arena/event food...
should be developed. The focus is on food production companies that use local ingredients and produce a quality products that have some connections with Skåne’s culture, history, landscape and soil. This is done through projects and networks. One network is to expand the market for local products by linking food producers and retailers together (The Retailer Network). The aim is that retail chains like ICA sell local products in their stores under the logo *Smaka på Skåne* (Tasting Skåne). Another network (The Producers Group) is meant to bring food producers together to tackle specific issues (for example how to get local producers into the public kitchens) (Interview with Jannie Vestergaard, 2014-03-26). Big part of the work of this activity area is to increase the awareness of food from Skåne so that Skåne will become a gastronomic region that will attract culinary tourists to the region. This is done with all sorts of events. One example is a food festival that is held yearly. Another thing is to encourage the producers to become part of the culinary tourism initiative by focusing their production on authenticity, uniqueness and terrior (where terrior is not only about climate, soil and landscape but also about the story, the tradition and the culture of Skåne) (Interview with Jannie Vestergaard, 2014-03-26).

Next chapter will report the findings from the primary research.
5 Findings and analysis

This chapter will report the findings and analysis from the primary research that was conducted in Skåne region, during the period 24-28th March 2014, by the author of this thesis. The chapter will start by a section about the companies that participated in the research. After that, the companies’ products and how they are produced will be discussed. This will be followed with a discussion about the companies’ innovations, in different sections. Three of these topics (place identity, stories and experience staging) are discussing non-technological elements. Lastly the role networks play in the companies’ innovation and development will be explored.

5.1 The companies

There were eleven small food and drink production companies that participated in the research. The companies are Ådala Gård, Bjäre Chips, Brygghus Finn, Chokladkultur, FoodArt på GoaGård, Fruemöllans Bär, Hällåkra Vingård, Kikvikås Frukt, Linas och Binas, Lundabryggeriet and Österlenskryddor. Table 3 shows what products they produce, what year the firms were founded, approximately how many employees they have and it also shows if they are officially part of a local network in Skåne. More information about the companies can be found in appendix 2.

<table>
<thead>
<tr>
<th>Company</th>
<th>Products</th>
<th>Founded</th>
<th>Number of employees</th>
<th>Part of network in Skåne</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ådala Gård</td>
<td>Cheese and butter from cow milk, herb salts, chili sauces, jellies, jams and vinegars</td>
<td>2012</td>
<td>1.5</td>
<td>Smaker på Söderåsen</td>
</tr>
<tr>
<td>Bjäre Chips</td>
<td>Potato chips</td>
<td>2011</td>
<td>8</td>
<td>Not in any official network</td>
</tr>
<tr>
<td>Brygghuset Finn</td>
<td>Beer</td>
<td>2011</td>
<td>3</td>
<td>Not in any official network</td>
</tr>
<tr>
<td>Chokladkultur</td>
<td>Chocolate, truffles and chocolate drinks in many varieties</td>
<td>2004</td>
<td>1.5</td>
<td>Not in any official network</td>
</tr>
<tr>
<td>FoodArt på GoaGård</td>
<td>Cheese from goat milk and sausages</td>
<td>2006</td>
<td>2</td>
<td>Regional Culinary Heritage Network</td>
</tr>
<tr>
<td>Fruemöllans Bär</td>
<td>Drinks, jams and marmalade from berries and other fruits</td>
<td>2004</td>
<td>2</td>
<td>Smaker på Söderåsen</td>
</tr>
<tr>
<td>Hällåkra Vingård</td>
<td>Wines (red, white and sparkling)</td>
<td>2007</td>
<td>2</td>
<td>Regional Culinary Heritage Network</td>
</tr>
<tr>
<td>Kikvikås Frukt AB</td>
<td>Apples and apple juice, marmalade and dried apples</td>
<td>1999</td>
<td>7</td>
<td>Regional Culinary Heritage Network, Mattrundan Osterlen</td>
</tr>
<tr>
<td>Linas och Binas</td>
<td>Honey, apple juice, marmalades, chutneys, jellies and mustards</td>
<td>2008</td>
<td>2.5</td>
<td>Regional Culinary Heritage Network</td>
</tr>
<tr>
<td>Lundabryggeriet</td>
<td>Beer</td>
<td>2009</td>
<td>4</td>
<td>Not in any official network</td>
</tr>
<tr>
<td>Österlenskryddor</td>
<td>Spices</td>
<td>2002</td>
<td>5</td>
<td>Mattrundan Osterlen</td>
</tr>
</tbody>
</table>

Table 3: Overview of participating companies

As table 3 shows, the companies produce different kinds of products. They are all relatively young companies and they don’t have many employees (all have less than 10). The table also shows that majority of them are part of a local network in Skåne.

5.2 Products and processes

Food products and how they are produced can be identified after different qualities. One model puts food production into four categories (or worlds). The first is the industrial world which relates to producers who produce generic products in a standardised production processes for mass markets (for example Coca-Cola). The second is the world of intellectual resources which relates to producers that produce generic products with specialized production processes for mass markets (for example genetically modified soya). The third is the market world which relates to producers that produce differentiated products with standard production processes that are marketed to specialized market segments. The fourth world is the interpersonal world which relates to producers that produce dedicated products with specialized production processes. This category has a reference to localized and speciality food production and consumption, where consumption culture and regional ecology are linked together (for example food promoted by the Slow Food movement). Concern among
consumers for better health and environmental matters are having an influence on what kinds of products producers offer and in what way they produce them. Many food producers today identify themselves with qualities that can be identified as being part of the interpersonal world, such as local production or organic production. This has seen an increased intention being put on places, nature and culture as part of products (Morgan, Marsden and Murdoch, 2006).

The firms in this research offer different kinds of products and the range and number of products are different for each of them. Despite this, number of common traits came up in all the interviews as important features of the products and how they are produced. It is possible to distinguish between the producers that use local raw materials and the ones that source them from outside the region of Skåne. Majority of the producers use raw materials from the region. Those are Ådala Gård, Bjäre Chips, Fruemöllans Bär, FoodArt på GoaGård, Hällåkra Vingård, Kikvikås Frukt, Linas och Binas and Österlenskryddor. Within this group, it is also possible to distinguish between the ones that produce the majority of their own raw materials (growing or milking for example) and the ones that source the material from other raw material producers. The ones that produce their own material are Fruemöllans Bär, FoodArt på GoaGård, Hällåkra Vingård, Kikvikås Frukt, Linas och Binas and Österlenskryddor. Ådala Gård both produces the ingredient (vegetables, fruits and spices) and sources from other raw material producer (the milk for cheese and butter making). Bjäre Chips is the only producer in this group that buys all of the ingredient from others (potatoes and spices), but the raw material is sourced from the near vicinity. The ones that don’t use local raw materials are Lundabryggeriet, Brygghus Finn and Chokladkultur (partially). The reason for this is that the material they use as input into the production is hard to source, both locally and also in Sweden. Chokladkultur uses some raw material, for example the toppings on the chocolate such as berries or apples, that is bought locally. But the main ingredient, chocolate, is sourced from South America. Both Lundabryggeriet and Brygghus Finn are interested in sourcing part of the raw material locally and discuss both malt and hops in this regard.

Ecological and ecologically produced is a theme that is brought up by all the producers. Using ecological raw materials and producing in a sustainable manner is something that is important for all of the producers in their product development. Three of the producers have KRAV ecological certification. They are Ådala Gård (for the cheeses and butter), Fruemöllans Bär and Linas och Binas. Asked why they produce in an ecological manner and get certified the answer from Linas och Binas was simple: “It is by heart” and “it is just the way we like to do it” (Interview with Eva Norrsell, 2014-03-27). The answers from Ådala Gård and Fruemöllans Bär was similar. That is treating the earth and the soil was important for themselves. Not that customers influenced them to do it, it was just important for themselves, part of their own values so to say. For others ecology is also important although they have not been KRAV certified. FoodArt på GoaGård, Hällåkra Vingård, Kikvikås Frukt and Österlenskryddor produce their raw material in as ecological way as possible. Kikvikås Frukt has a certification that is less demanding than KRAV called IP produced. Bjäre Chips, Brygghus Finn, Chokladkultur, Lundabryggeriet and Österlenskryddor consider ecologically produced to be important although they are not in a position to achieve it for their products because of number of reasons.

Although the products the firms produce are different in nature, they seem to share couple of features that the producers have identified as the core feature. Product quality was a feature that all of the producers identified as the most important feature of their products. Like Ådala Gård says:

You can make so much things without any good taste or anything but for me it is extremely important that they have this high quality so I can be proud of it and it will be as exclusive as it is (Interview with Malin Kumberg, 2014-03-24).

So tasting good is one aspect of quality. That aspect was also especially mentioned by Brygghus Finn, FoodArt på GoaGård and Lundabryggeriet. Producing the product in an organic way was mentioned...
as an important feature of the products by Linas och Binas, Ådala Gård, Fruemöllans Bär and FoodArt på GoaGård. Adding no sugar or preservatives to the products was also considered an important feature, mentioned by Ådala Gård, Chokladkultur, Kikvikås Frukt, Fruemöllans Bär and Linas och Binas (for the honey). Developing and producing the products without pasteurization was a feature that Ådala Gård, FoodArt på GoaGård and Lundabryggeriet mentioned as important because that makes the products unique and distinguishes them from other products that are pasteurized and thus tend to taste the same. Producing the products with your hands and in a craftsmanship way was also especially mentioned by Ådala Gård, FoodArt på GoaGård and Lundabryggeriet as an important feature.

As above results reveal, all of the producers identify themselves with similar qualities. That is they are all interested and concerned with using raw material from the region and producing in a local way and in an ecological way. They identify themselves with quality features, such producing in an artisanal and handmade kind of way and offering products that can be differentiated from products that are mass produced. Without putting each producer into category (production world), it can be argued that the producers that are part of the study can either be said to come from the market world, the interpersonal world or perhaps the mix of both of these worlds. It can also be suggested that their position within the production worlds could have an influence on how they innovate.

5.3 Knowledge sourcing

As Asheim and Gertler (2005) and Asheim (2007) have argued, knowledge as an input into innovation processes of different industries can come from three knowledge bases. The analytical knowledge base is more about codified knowledge and development of new knowledge. The synthetic knowledge base uses existing knowledge in the innovations that is partially codified but tacit knowledge is considered to be dominant. Earlier research has shown that the food industry uses mainly knowledge from the synthetic knowledge base (Asheim, 2007; Martin and Moodysson, 2011a). Knowledge as an input into the synthetic knowledge base comes through testing, experimenting or practical work. Knowledge is formalized with experiences in the workplace and with learning by doing, learning by using and learning by interacting. So the knowledge input is more related to practical skills and crafts than in the analytical knowledge base. This way of innovating leads to more incremental way of innovating, usually with modifications of existing products and processes. Customers and suppliers often have an influence on innovations (Asheim, 2007).

All of the producers in this research say that they didn’t have formal education in food- or drink production prior to starting producing their products. For many of them their interest in food- and drink and food and drink making as a hobby was the base for their knowledge before they started up. Some of the producers had knowledge in related fields. For example, the representative from FoodArt på Goagård had owned and managed a restaurant prior to starting the company and that is where her knowledge came from and the representative from Lundabryggeriet had been a self-learned beer brewer for many years before turning into a professional brewer. Some of the producers however mention taking courses in food production shortly after the company was started. The representatives from Ådala Gård, Chokladkultur, Fruemöllans Bär and FoodArt på GoaGård talk about having taken courses related to the products they produce. Eldrimner and the Swedish rural economy and agricultural societies in Kristianstad (Hushållningssällskapet) were mentioned in this respect. So practical education in food making has been one way of gaining the knowledge they have.

The representatives from the companies in this research also mention that the company’s knowledge and know how has been developed with self-learning by reading books, talking to others, experimenting and experiencing. Ådala Gård says: “To do something good you have to know a lot of things about it. You have to read what other people think about it” (Interview with Malin Kumberg, 2014-03-24).

Above mentioned results indicate that the knowledge the companies gather are mix of codified and tacit knowledge, sourced mostly from the synthetic knowledge base. Reading books and taking courses can be said to be codified knowledge and those are information that can be linked both
to the analytical and synthetic knowledge bases. Talking to others, experimenting and experience is more related to the synthetic knowledge base and relates to learning by doing, learning by using and learning by interacting. This kind of learning is more related to tacit knowledge.

Some of the companies mention cooperating with institutions and universities in Skåne region to develop knowledge about the raw material, the products themselves or the processes needed to develop and produce the products. Those companies were Chokladkultur, Fruemöllans Bär, Hällåkra Vingård, Lundabryggeriet and Österlenskryddor. Chokladkultur has been in cooperation with Krinova in Kristianstad (TransforMat) regarding the business and product development. Fruemöllans Bär cooperates with the Swedish rural economy and agricultural societies in Kristianstad (Hushållningssällskapet) and the Swedish board of agriculture (Jordbruksverket) when it comes to growing the berries and the company’s drink products have been developed in cooperation with an institution in Kristianstad called Center for innovative beverages (Centrum för Innovativa Drycker) (see information about those organizations in appendix 4). Hällåkra Vingård works in cooperation with the universities in Skåne to develop different aspects of the production process. For growing the berries they work with the Agricultural University in Malmö. For the wine making process they are collaborating with the University of Lund and Lund Tekniska Högskola and for the taste they are in collaboration with Center for innovative beverages. Lundabryggeriet is in cooperation with Lund Tekniska Högskola regarding the production process. Österlenskryddor has been in cooperation with different universities in Skåne to develop new spices and tastes. Students from the universities have frequently been at Österlenskryddor doing research that the company gets access to. Table 4 gives a summary about what institutions and universities the above mentioned companies have been cooperating with where the X mark indicates the institution that the company has been cooperating with.

<table>
<thead>
<tr>
<th></th>
<th>Transformat</th>
<th>Hushållningssällskapet</th>
<th>Centrum för Innovativa Drycker</th>
<th>Jordbruksverket</th>
<th>Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chokladkultur</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fruemöllans Bär</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Hällåkra Vingård</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Lundabryggeriet</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Österlenskryddor</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Table 4: Research institutions and universities in Skåne

As table 4 shows, majority of this subsample has connections with the universities in Skåne to develop new knowledge. As Asheim and Gertler (2005) state, industries that source from both the analytical and synthetic knowledge base use knowledge sourced from universities and cooperate with them in the innovation process. It is interesting to see this link and cooperation that Chokladkultur, Fruemöllans Bär, Hällåkra Vingård, Lundabryggeriet and Österlenskryddor have with the universities and institutions in Skåne. It indicates that possible are these companies not only using the synthetic knowledge base but also tapping into the analytical knowledge base to some extent, utilizing new scientific knowledge (technological knowledge). This knowledge is for example about how to grow new varieties of plants and fruits (raw material) that go into the production.

5.4 New product development

The research results show that developing a new product can take a different amount of time for all the producers. Some of them mention that developing a new product sometimes only takes couple of days and sometimes it can take one or two years. Examples of producers where this is the case are Bjäre Chips and Österlenskryddor. For Brygghus Finn new product development always takes a long time because they want to be certain that they are offering a quality product. They have for example not released their third type of beer (Indian Pale Ale) out on the market because they are not happy
with the result and have been testing and experimenting with the product for a long time. For the others, new product development takes shorter time.

Regarding the development process, all the producers say that new products are developed gradually over time in small steps. For Linas och Binas new products are developed if they find an interesting recipe or if a customer requests a certain product. For Ådala Gård new products are developed according to what ingredients are found in the nature, at the production site (the farm) and in the surrounding nature. Chokladkultur has the same approach. That is first examining the closest environment. But for Chokladkultur it is also important to bring ideas and good things from other parts of the world and mix things together. Some of the producers also mention growing new varieties (of fruits and vegetables for example) especially to be able to produce new products. This is the case with Ådala Gård, Fruemöllans Bär, Härläkra Vingård, Linas och Binas and Österlenskryddor.

Sometimes new products are developed with experiments. Kikvikås Frukts products are at the core old fashioned apple juices with everything included (nothing filtered and nothing added). So those have been simple products to develop. But sometimes they do experiments where they mix something with the apples when making the juice, such as raspberries. Fruemöllans Bär is also doing a lot of experiments as they are still developing their drink products. That is changing the recipes and trying new varieties of fruits. Those changes come gradually, even in products they have already launched to the market. Experimenting is also an important element for Lundabryggeriet. Part of the experimenting is to put different yeast strains into the brewing to test different tastes.

Part of making an end product is by working in a trial and error kind of fashion. When giving an example of a product that was made in a trial and error process, Linas och Binas describe a mint jelly that a customer requested. The company had never made this product before but was able to develop the product only after having made many different batches that were not successful. Ådala Gård describes new product development process this way:

I have the idea what it would taste and then I make it. You always have to be sensitive what kind of ingredient you have. Sometimes it is trial and error but I try to think out how it would work and maybe I make a little bit better next year, for the next season (Interview with Malin Kumberg, 2014-03-24).

This describes a kind of mix of trial and error and an incremental approach.

There is a difference between the producers regarding how many products they want to develop. Some of them are more comfortable developing new products in a slow pace and having few products while others think it is important to always continue to develop new products with time and having many products. The companies that seem to want to take it slow are Bjäre Chips, Brygghus Finn, FoodArt på GoaGård and Kikvikås Frukt. The reason for taking it slow are both based on a market strategy and also a quality perspective. Bjäre Chips doesn’t want to develop new products too fast because they are afraid that they won’t get shelf space in stores. Too many products could thus mean that the stores take away one of their established product to make room for the new one. So for them it doesn’t make sense to develop more products all the time because they wouldn’t be able to introduce them to the market in a successful way. The others discuss quality. FoodArt på GoaGård for example rather wants to make few good cheeses rather than many half good ones. So it is not important for them to come up with new types of cheeses all the time. Brygghus Finn discusses the same reason. They are not comfortable having too many products that do not fulfil their quality standards. So fewer good products are better than many less good. They also discuss the complications that too many products have on their production line as one reason for developing few products. The other companies seem to have more products and develop new type of products at a faster pace. All the producers mention the same reasons for this. One of the reason is to keep the customers interested in the company and the products and the other is to keep the products interesting and fun for themselves. Lundabryggeriet says this on the topic:
You have to make new beers all the time to keep up the interest for our brewery. There is a huge amount of people that wants to taste new products and it’s very important to make new products and develop over time (Interview with Bosse Bergenståhl, 2014-03-24).

Österlenskryddor talks along similar lines:

You must develop all the time if you should be an interesting company. So people will come back. And they want to see what is new this year. And also for ourselves. We think it is very nice to develop new products and new tastes and we are very interested in it (Interview with Olle Olsson, 2014-03-27).

For Hällåkra Vingård the reason for having different products is also to test the market. The company is still exploring how their different products are received by consumers and by offering four different types of wines (red, white, sweet and sparkling) and different grapes they are in a better position to learn which products will work best and in what direction they want to steer the production into the future. So Hällåkra Vingård is in a way trying to feel what customers want by introducing new products.

Market information from customers are considered important when small food firms develop innovations (Avermaete et al., 2004). When discussing if customers influence new product development most of the producers say they do indirectly by asking if the company can make certain kind of products and also with feedbacks about already made products. Fruemöllans Bär, when discussing this, takes an example about how a customer asked the company to use a real citrus in one of their drinks instead of citrus acid. That influenced them to try and change and they managed to make a nice product that was without citrus acid by using real citrus fruit instead. Fruemöllans Bär says: “They give us feedback and we try to see if we could produce what they want” (Interview with Calle Laurén, 2014-03-24).

Above research results reveal that majority of the companies develop products gradually over time in an incremental fashion. The products tend to be developed with experiments, which are mostly done in a trial and error kind of fashion (applied research). The results also indicate that most of the companies find it important to develop new products all the time to keep the customers interested in the company and customers tend to influence new product development. All these features indicate that knowledge for the companies in new product development are sourced from the synthetic knowledge base.

5.5 Place identity

Asheim (2007) states that the symbolic knowledge inputs come from culture, images, aesthetic symbols, de(signs), artefacts, sounds and narratives. These knowledge inputs have links to habits, norms and culture of specific social groups and therefore rely on knowledge that has high level of tacit components. Asheim (2007) also states that the symbolic innovation outputs are formed through creation and tend to add to the sign-value rather than use-value of products. Food and wine is often associated with the place it originates from and has links to a distinctive geographical origin (Hall et al., 2012). Food is often identified as regional or local and tends to be marketed as being of high quality, artisanal and specialized in contract to “placeless” standardized foods marketed through mass retail stores (Kneafsey, 2010). In France the term **terrior** is used to describe the effects a place and it’s characteristics have on food and wine products. This term incorporates the combination of all aspects of soil, climate and landscape presented in a wine region (Hall, Mitchell and Sharples, 2003). This connection between companies, products and place and the qualities they possess in terms of culture, traditions, heritage etc. can be said to rely on symbolic knowledge, so this is a theme that is relevant to explore in relation to the companies’ innovations.

When looking at the names of the companies and how they present themselves on the products, it can be seen that number of them tap into the symbolic knowledge base by connecting
themselves with places and their histories and traditions. Ådala Gård, Bjäre Chips, Fruemöllans Bär, Hälläkra Vingård, Kikvikås Frukt, Lundabryggeriet and Österlenskryddor mention that this is done to relate to the area and its history. Ådala is the name of the farm where the firm Ådala Gård is situated. The farm has had that name for a long time and the firm uses that on the products, both as part of the product name and also as the company name. Figure 1 shows an example of how this connection is done on products from Ådala Gård.

![Figure 1: Product from Ådala Gård (picture: author)](image)

Fruemöllan is named after a mill that used to be located close to the production site (möllan means mill in Swedish) and before the company started another company had been in the same location that was named Fruemöllans Handelsgård, so the name was already recognized in the area. Fruemöllans Bär also identifies the products with Söderåsen, which is the area where the company is located, as seen from figure 2.

![Figure 2: Fruemöllans Bär product label (picture: author)](image)

Asking why the company does that, the answer is:

> I think it is very important. If you see now, if you talk to Matlandet Sverige, you talk to the ministry of agriculture, its main issue is gastronomic regions. So he is also into that now. We started that from the beginning. We had our phone number with 0435, it is the area
here. Söderåsen that is not a mountain, but that is the hill. So we have it in the beginning, from the start. So that is important (Interview with Calle Laurén, 2014-03-24).

This indicates the importance of place identity in product and positioning development. Similar kind of connections between a place and a company and the products it makes is made by Hällåkra and Kivikås, which are both names of farms with a long history. In Hällåkra there had been traditional farming before current owner took over the place and Kivikås has a long history as an apple farm. Kivikås has a reference to the town (area) of Kivik as well, which has a tradition and history as an apple growing area. Bjäre Chips, Lundabryggeriet and Österlenskryddor are referring to bigger geographical areas within Skåne. Bjäre Chips uses the name of the area, named Bjärehalvön (Bjäre peninsula), where it is located. This area is well known for potato growing and has had potato growing tradition for a long time. Lundabryggeriet (refering to Lund) and Österlenskryddor (referring to Österlen) are also using names of well-known areas that have a lot of history in Skåne. All the producers tap into the symbolic knowledge base by creating these connections to a place on their products and by this they differentiate themselves from other producers and add value to their products and companies.

Brygghus Finn, Chokladkultur, FoodArt på Goagård and Linas och Binas use a more general name. Brygghus Finn is used purposely not to relate to any specific place, so the company can establish itself in a wider area. But their name also has a reference to history of the area where the company was founded (Lund and surrounding area) and people from that area can easily relate to the Finn name and know who Finn is (the troll that built the Cathedral in Lund). So it can be argued that they are also tapping into the symbolic knowledge base in their product and positioning (marketing) innovations.

When the producers are asked if they use Skåne as a source for symbolic knowledge innovations in their product development and marketing, most of them say they do and also that Skåne is important for them. Ådala Gård, Chokladkultur and Hällåkra Vingård mention especially that it is important to relate to Skåne because it is such an important food production region in Sweden. Lundabryggeriet says that Skåne is a source for inspiration and brand names. Bjäre Chips and Lundabryggeriet are however the only producers who seem to use the Skåne identity on their labels and especially say that their products are from Skåne, as seen from figure 3 and figure 4 here below.

Figure 3: Bjäre Chips product label (picture: author)
With this they are relating the product to the history, culture and the traditions that Skåne possesses. Above results indicate that places are an important source for symbolic knowledge. They provide the producers with stories and traditions that they can use in their innovations. Relating to places close by, such as the farm where the company is located, is more common that relating to the region of Skåne. On the other hand, all these farms, towns and geographical areas are part of Skåne, so in a way all the producers are relating to Skåne in one way or another when they relate to a place within the region.

5.6 Stories
Stories are input into the symbolic knowledge base. Stories relate to culture, images, aesthetic symbols, de(sign)s, artefacts, sounds and narratives (Asheim, 2007). Stories help to add value to products and create experiences for consumers (Pine and Gilmore, 2009).

All of the producers have told me stories about their company and how and why certain products were made. Some of these stories are drawn from the symbolic knowledge base and influence their innovations. But not all of them play on these stories in their product development, labels, packaging or in their marketing activities. Some of them do however use this approach in their innovation. This is especially observable in Ådala Gård, Bjäre Chips, FoodArt på GoaGård, Hällåkra Vingård, Kvikikås Frukt, Linas och Binas and Lundabryggeriet.

Ådala Gård, for example, uses stories as part of the product development of the cheeses. The cheeses are named after the stars that shine above the farm and they also have a connection to France, where the influence to make them comes from. The cheeses are named Tomme d’Ådala, Tomme du Soleil, La Petite and La Grande Etoile.

Lundabryggeriet brews the beers after an American beer style, so some of the influences come from there. But they have a policy that all of their brand names should be in Swedish and have a local connection, either to Lund or to Skåne. Most of their product names have historical connection with Lund or Skåne and those stories influence the product development. Their beers are for example named Djengis, Piraten, Flygande Tunnan, Kralling and Redig. Djengis is named after a well-known theatre in Lund from the sixties and has a reference to a well-known Swedish director who wrote a play about Gengis Khan, which was showed in that theatre. Piraten (the pirate) has a reference to a well-known writer from Skåne. Flygande Tunnan (the flying barrel) was a name given to a Swedish military aircraft that was used around 1950. Those planes were flown from an airbase not far from Lund. Kralling is a Skåne expression for a very strong person (this beer has high alcohol volume). The beer Redig has a picture of the Skåne regional bird (a goose) and has a reference to that bird (see picture of the label in figure 4). It is also a word play. A person that keeps his head clear, he is considered to be redig (this beer is low alcohol beer). So the message is that even after a person drinks...
the beer, he can still be redig (clear in his head). Figure 5 shows an example of a beer label from Lundabryggeriet, Flygande Tunnan.

![Lundabryggeriet product label](image)

**Figure 5: Lundabryggeriet product label (picture: author)**

On their labels Lundabryggeriet always informs customers where the beer was brewed and by what persons, as seen in figure 5. The text says (translated from Swedish by author):


With this Lundabryggeriet is personalizing the product (putting a date, place and a face on the product). That is the customer gets to know exactly what date the product was made, in exactly what place and by exactly what people. Customers are also informed exactly what ingredients go into the product. So there are no secrets, everything is transparent and up on the table, giving the customer a sense of trust in the product. So as is evident from figure 5, the product label is used to tell a story. This is observable on product labels of some of the other producers as well, such as from Bjäre Chips, FoodArt på GoaGård, Hällåkra Vingård, Kikvikås Frukt and Linas och Binas.

Bjäre Chips tells the story of Bjärehalvön, the area where the factory is situate and where all the potatoes come from (figure 6).

![Story on the back of a Bjäre chips bag](image)

**Figure 6: Story on the back of a Bjäre chips bag (picture: author)**
The text on the bag says (translated from Swedish by author):

The Skåne Bjäre peninsula is Sweden’s biggest and probably the most beautiful fresh potato district. On the fertile hills, with the sea around as far as the eye can see, has the ground been used for generations. Here fresh potatoes, dill, blueberries, salad, rapeseed, root crops and now two chosen potato varieties for Bjäre Chips grow. Proud are the Bjäre farmers who know their soil and know which kind of potatoes thrive, and thus taste the best, on their fields.

The text above describes the qualities of the area and the nature around. It also talks about the farmers that provide the potato to the company and their knowledge about the soil and potato growing. This can said to be an inspiration into the chips making and can also be said to establish a further local link to the area. The woman on the bag is supposed to be mother earth, further establishing a symbolic link to nature and the soil (figure 7).

Figure 7: On the front of a Bjäre chips bag (picture: author)

FoodArt på GoaGård has the producer’s name on the cheeses (Katrina) and tells the story about in what way the cheeses are produced and by whom. So the product is personalized by using the name of the cheese maker as part of the product. Holy kitt is a word play (sounds similar to holy shit) but it also has a reference to the fact that the cheeses and the bacteria in them are washed with shit. The goat gives a symbolic reference to nature and from where the milk to make the cheese comes from, as seen in figure 8.

Figure 8: FoodArt på Goagård product label (picture: author)
Other product names from FoodArt på Goagård are for example Holy Moses, Snow White, which is a Bree cheese (white) and Noir, which is a hard cheese, named after the cheese maker’s granddaughter. So here again are references to stories (Snow White) and people (Noir), sourced from the symbolic knowledge base.

Hällåkra Vingård tells the story about the landscape, the nature and the soil were the wine grapes are grown in on their labels, as seen in figure 9.

Figure 9: Story on the back of a product from Hällåkra Vingård (picture: author)

The product label says (translated from Swedish by author):

In Norra Grönby, where the hilly south slopes meet the southern planes, is Hällåkra Vingård. Since 2003 we have with a gentle hand made our wine plants grow in the favourable conditions that nature has created, which is necessary for the wine stock to grow — and that reflects in the wine’s colour, smell and taste.

Hällåkra Solaris 2012 is the yard’s fourth white wine – produced by the grape Solaris. A fine bouquet in combination of fresh acid with a touch of apple, which makes the wine ideal in a warm summer day with or without light summer dishes.

The wine has a light yellow clear colour and an acid which relates to Skåne terroir, with summer vegetables such as elder flower, wine- and gooseberries and apple.

The label also tells in what way the wine is made and it describes the product. The description of the wine also relates to nature by making reference to the Skåne terroir. The label also connects the product to the wine farmer (Håkan Hansson) and the winemaker (Peter-Bo Jørgensen) by adding their name and signature to the product label. The logo on the front of the wine bottle is also supposed to link the product with Skåne (see figure 10).
As seen from figure 10 the label shows a classical Skåne stable window and by that symbolises a historical connection to Skåne, sourced from the symbolic knowledge base.

Kikvikås Frukt is using an old label from the thirties that was put on boxes when fruits were sold from the farm in older days. The label was made by the former owners of the farm. The label can be seen in figure 11.

Kivikås Frukt tells the story behind the label this way:

It was quite big and they put them on small wooden boxes when they drove to Malmö with their fruits to sell them. So we took that one. And we think that it is genuine and it is very nice and we have talked to some PR people and they say it is very beautiful because it is made of two colours only. It is only green and red and they have put green and red on top of each other to make the brown. And that is how you made labels a long time ago to save the colours (Interview with Anna-Märty Wisén, 2014-03-26).

So it can be said that the story, the history of the place, the history of the label and traditions have influenced the symbolic innovation element of the products that Kivikås Frukt makes. To further make a connection with the past, the apple juice is sold in see through glass bottles, which is supposed to be a reference to how traditional apple juice was made in the old days. All those elements can be said to be sourced from the symbolic knowledge base.
Linas och Binas are influenced by producing in an organic way. The company takes that story all the way in their product development. Their labels are supposed to symbolize that they are offering organic products and that they are producing in an organic way. Although they don’t provide much text, they relate to the nature by using flowers that grow in Skåne on the labels. They also only use natural colours on the labels, to further enhance the connection to organic production and to nature. These are elements that can be considered to be sourced from the symbolic knowledge base. Figure 12 shows two examples of their drink products. The drink on the left is an elder flower drink and the drink on the right is an apple juice, made from apples picked in Kivik.

![Figure 12: Linas och Binas product label (picture: author)](image)

To conclude, it can be argued that stories are an important element for most of the producers in their innovations. Those stories are sourced from the symbolic knowledge base. It can also be stated that Skåne, its history, heritage, landscape, soil and nature influences the product development of most of the producers, also elements sourced from the symbolic knowledge base. By using these stories as part of their products, these producers add value to their products. This value added can for example result in them being able to charge more for their products and it also makes them able to differentiate their products from other products and producers, which will most likely help them to sell their products. These stories and symbols will possible also create a special “mood” around the products which will result in distinct experiences that customers will possible have when consuming these products. For example, by knowing about the area around Hällåkra, it is perhaps possible for the consumer when drinking the wine to picture himself standing in the vineyard, looking over the hilly slopes and the southern planes with the sun and the warmth of the summer day on his face while smelling the grapes, apples, elderflowers and the earth beneath him. This will perhaps enhance his experience of consuming the product, resulting in him buying the product again or recommending it to someone else.

5.7 Experience staging
As Pine and Gilmore (2009) state, every business is a stage and work is a theatre in the experience economy. When staging experiences for consumers the activity of engaging the customer is the most important thing. The nature of the offering is to make the product memorable and provide them with sensations. The end result for the experience stager is to add value to his products (Pine and Gilmore, 2009).

Staging experiences for customers was an activity used by all of the producers, but in a different way. All of the producers allowed visitors to come to the production site to take a look at the facilities and see how the products are made. Some of the companies were open to the general public while others were only open for specific target groups (such as chefs or the media). The most exclusive one was Ådala Gård which only invited chefs and people that were very interested in what the company was doing. Lundabryggeriet only opened up for study visits from the universities in Skåne and even helped in courses linked to the universities, where students could come and learn about
brewing. Part of the reason for not opening up for everybody was that the establishment was not designed to take groups and because of hygienic reasons everybody couldn’t be allowed to visit. Fruemöllans Bär was also only open for study visits from institutions such as the Swedish board of agriculture (Jordbrugsverket) and the Swedish rural economy and agricultural societies in Kristianstad (Hushållningssällskapet). All the other companies were open for the general public but they only opened up as part of a predefined schedule. So people couldn’t just come and start looking. They usually had to be in a group or they could come if they were chefs or store owners for example, to learn about the products. Generally the companies that also had shops on their premises were the ones that were the most open ones. Figure 13 shows an example of a production facility from one of the companies, Brygghus Finn.

![Figure 13: Brygghus Finn production facility (picture: author)](image)

The figure shows tanks were the beers are brewed in, which is just one part of the facility. The company invites guest to come every other week in groups of about 20-30 people to have a look around. They have also had open houses, where people from the area around Lund and Landskrona are invited to come.

So what kind of added value does this bring to the producers? One of the reason is to connect to people. Brygghus Finn says:

> When we bring people here to give them a tour, it´s not just them getting a tour. They are actually forming a bond with us and the brewery as well. So they have a deeper connection to us once they see us at Systembolaget or at restaurants. So hopefully they are more likely to recommend us to friends or try themselves (Interview with Joacim Larsen, 2014-03-25).

So this is about making spokespersons out of guests that will spread words about the company and the products. This was a reason mentioned by Brygghus Finn, Hällåkra Vingård and Linas och Binas. Brygghus Finn adds:

> Producing the beer….you can always produce beer. You just need the equipment and la vola you can produce beer. The main difficulty is actually selling the beer afterwards. So we have worked a lot with social media to get the word out and getting people aware of our beers. We also work a lot with visitors coming here on tours and things like that. Sort
of spread the word. Since this is alcohol and this is Sweden we can’t really market it directly but we need to sort of spread awareness of our existence in a hope that people try out on their own (Interview with Joacim Larsen, 2014-03-25).

So, as Brygghus Finn says, all this is eventually done to sell more products. To sell more products was mentioned as the biggest reason for staging experiences by Chokladkultur, FoodArt på GoaGård, Hållåkra Vingård, Kikvikås Frukt, Linas och Binas and Österlenskryddor. FoodArt på GoaGård even had happenings like showing people the animals (goats and pigs) or grill sausages, to try to attract people to come and buy their products. While on the premises, people could look through windows and see the production facility, where the cheeses are made and stored. Part of the production facility was a shop were cheeses and other products could be sold.

Apart from showing the establishment and how the products are made, some of the producers have made actual products out of this experience staging. For these products people have to pay. The companies that do this are Chokladkultur, FoodArt på GoaGård, Hållåkra Vingård, Linas och Binas, Lundabryggeriet and Österlenskryddor. Chokladkultur and FoodArt på GoaGård have courses. Chokladkultur has courses in chocolate making, where the history of chocolate is also told and people taste different kinds of chocolate. FoodArt på GoaGård has a course in cheese making. Hållåkra Vingård has a vinotek, where people can come and taste wines and eat Swedish small dishes (Swedish tapas). In the vinotek, people can see the production facility through a window. They see where the wines are made and stored. They also have a wine trail where people can walk and see the vineyard, the wine grapes and the hills were the wine grapes are grown. Along the wine trail you can read information about the vineyard and the wines etc. Linas och Binas are starting with a product called Beesafari. This will be a trip out into the nature were customers will be shown the bee hives and told about the bees in their natural surroundings. There will be a showing hive with glass so people will see the bees working. Then people will taste different kinds of honey and see the difference. Part of this will be an exhibition place where people can see and feel different tools that are used when harvesting the honey. Linas och Binas says:

It is promotion. Promotion and of course some money. We will take a bit of money for it. And we hope that people will buy more in the shop here. Also to find good ambassadors to tell people what is the difference between ecological honey and not ecological honey. So a little bit of education and people make ambassadors with promotions (Interview with Eva Norrsell, 2014-03-27).

Österlenskryddor has an excursion were they take people around for one hour and look at the spice fields. Customers hear the story about the products and how they are made. Then they will get herb tea afterwards. The company representative says:

Our company is one of the best experiences you can have when you are on a vacation because this is unique. You know, normal tourist shops that are selling souvenirs, it is not good. It is not that kind of shops you are looking for when you are out as a tourist...You are going because there is something to experience. And this is one of this. You couldn’t have anything better (Interview with Olle Olsson, 2014-03-27).

Pine and Gilmore (2009) write that to stage experiences requires a sense of place to make customers want to spend time engaged in the experience offering. So based on that, the place where the experience is offered, is one of the most important aspect of the experience offering. Experience staging can happen at a physical location such as a production sites, called an attendance-based experience (Manniche and Larson, 2012). But experiences can happen in other physical places than at production sites. Because of alcohol laws, Lundabryggeriet can’t offer tastings at their production site.
So instead they offer tastings in restaurants two times a month. Which is an important income for the company and important for spreading word of mouth as well. Lundabryggeriet’s representative says:

For a tasting event we get paid and people think it is very amusing to talk with a real brewer and taste some malt and sniff in a glass with a pure hops in and learn a lot about beer production and so on. And of course I try to make it a bit funny. And tell them about the first man that brewed beer and so on. Some stories (Interview with Bosse Bergenståhl, 2014-03-24).

Experiences can also be staged in markets and in festivals. Hällåkra Vingård goes to events and festivals and the wine farmer and owner, Håkan Hansson, uses his own persona in the marketing of the products by telling stories about himself, the vineyard and the wines. Håkan says:

When we have arrangement and events I go there personally. I’m part of the storytelling and introduction (Interview with Håkan Hansson, 2014-03-26).

This is the same view that is expressed by Linas och Binas and Österlenskryddor. Linas och Binas believe that small companies and their owners are interrelated. That is the person becomes the company and visa versa. Lina says: “I think also that when they meet us in markets they feel that we are the products” (Interview with Lina Norrsell, 2014-03-27) and Eva adds:

If you work with things like these you always tell and people always ask what is this and what does it come from and how do you make this honey. Ongoing storytelling (Interview with Eva Norrsell, 2014-03-27).

Österlenskryddor has noticed that they sell more products in markets if they tell the customers that stop at their stall what the products are and the background and everything about the company. So storytelling and experience staging adds value to the products they offer.

Storytelling and experience staging has also increasingly been moving to the internet. Manniche and Larson (2012) relate to that as virtual places providing distributed experiences. Some of the companies talk about the use of their homepage’s and Facebook and other social media to spread the word about the company and its products. They use sites as Facebook to tell stories about their products and what they are doing and create an experience for people. The companies that talk about using this medium are Bjäre Chips, Bryghhus Finn, Chokladkultur, Fruemöllans Bär, FoodArt på GoaGård, Hällåkra Vingård, Linas och Binas, Lundabryggeriet and Österlenskryddor. Fruemöllans Bär and Hällåkra Vingård also talk about how interest from traditional media (such as TV and magazines) has helped them develop their stories and increase awareness. Fruemöllans Bär talks about Magazine Skåne and BBC in this regard. Hällåkra Vingård mentions a cooking show on TV4 that the company and their wines were part of. Hällåkra Vingård says in a conclusion, when discussing experience staging:

I think it is very important to have a combination of this different channels of introducing your wines. I following this project for channel 4 for example, that is a one way to build up your market. And the same is with this open Vinotek. It will never be the big volumes you sell. But it is a very, very important showroom where people can come here and just see and feel all this storytelling I have (Interview with Håkan Hansson, 2014-03-26).

Above results reveal that the companies are using experience staging to add value to their products. This they do by staging experiences for customers, both at their product site and also in events and festivals. Experience staging has also been moving to the internet and to other media. Experiences are staged to add value to products. This is mainly done to raise awareness of the products so customers will buy more or talk to others about the products. It is also about educating the
customers about the products. Creating new experience products around the company and the products, that the company can sell, was also increasingly being done, as exemplified by some of the producers. These experiences can be said to be about storytelling for the most part. Stories that relate to the history of the products or production methods. In that way, experience staging can be said to be linked to the symbolic knowledge base. In that way, experience staging is part of the companies’ innovation processes.

5.8 Networks
Being part of networks can be important for companies to develop and innovate. Having information contacts and inter-firm linkages with similar firms tends to be important for small firms’ innovation performance (Avermaete et al., 2004). Knowledge can be created when firms are part of clusters/networks, which can be local, regional or national. Spatial proximity seems to enhance knowledge exchange (Malmberg and Power, 2005), especially for tacit knowledge and localized learning (Vale, 2010), and aid the processes that create innovations (Malmberg and Power, 2005). In networks, firms create knowledge inside their own firms, but also across firms. It is recognized that firms in a group that work together can create more knowledge than any one firm can do individually. Companies benefit from one another by monitoring and comparing what the other related companies in the network are doing. These linkages in a network enables firms to combine and re-combine resources and create knowledge and innovations. This knowledge transfer within a network has been termed atmosphere, broadcasting, noise and buzz (Bathelt et al., 2004).

This theme will explore if and how the eleven food and drink companies use networks to help them to innovate and develop their products and their companies. The focus will be on local networks in Skåne and Skåne Food Innovation Network. The local networks that were looked into were Regional Culinary Heritage Network Skåne, Smaker från Söderåsen and Matrundan Österlen.

The Regional Culinary Heritage Network was founded in Skåne and on the Danish island of Bornholm in 1995. The network was expanded to other European countries in 1998. The goal is to develop regions by the use of regional food and culinary traditions. Also to increase the establishment of small scale firms and to increase employment. Environmental and health issues are also part of the goals. The network has some links with EU projects and funds. The ambition of the network is to offer consumers regional food. Restaurants, food production companies and farms that connect their food with their region’s identities are allowed to become members. To become a member in the network the companies have to offer products that have a local origin or use raw ingredients from the region (Culinary Heritage, 2014a). Study trips for members between the regions are part of the network’s activities (Interview with Eva Norrsell, 2014-03-27). The Skåne part of the network currently has 64 member companies (mix of restaurants, farm shops and food production companies) (Culinary Heritage, 2014b). It publishes a brochure ones a year, with information about the network and the members, which is distributed all over Skåne. Meetings between the members are held couple of times a year. The network also has a webpage to promote the network (Interview with Eva Norrsell, 2014-03-27).

Matrundan Österlen was founded in 2006. It was established to develop rural tourism by using local identities and to create culinary experiences. The main activity of the network is to hold a food tourism event in early summer each year. The duration of the event is from Thursday to Sunday. During the event guests can visit the food production companies that are participating in the event and taste their products and look at their production site. The network is situated in the Ystad-Österlen area, southern Skåne (Backe, 2013). The network currently has 23 members. The network receives support from the Tomelilla Municipality, Ystad Municipality, Simrishamn Municipality, Länsstyrelsen Skåne, Skåne Food Innovation Network and Region Skåne. The network has a webpage to promote the network (Matrundan Österlen, 2014).

Smaker från Söderåsen is a network of food production companies that was founded in 2010 in the area around Söderåsen, northwest Skåne. The network started with three companies that wanted to cooperate together and find benefits in buying, selling and marketing together. The
network has been growing each year with more companies participating in the network. Currently the members are 22. The criteria for companies to be allowed to participate is that they are small scale producers that produce quality products. In the beginning the network got a grant from EU (a LEADER project) for three years. The purpose of the network has changed now and is currently about attracting tourists to the area in the low season (early spring, autumn and winter) by holding events (food markets). The funds to manage the network come from member fees and from the four municipalities in Söderåsen. The network produces a brochure each year that is distributed in tourist information centres and in the ferries between Sweden and Denmark, with information about the network’s activities. The network also has a webpage to promote it’s activities (Interview with Calle Laurén, 2014-03-24).

Majority of the companies that participated in the research were part of either Regional Culinary Heritage Network, Smaker från Söderåsen or Matrundan Österlen. Ådala Gård and Fruemöllans Bär were part of Smaker från Söderåsen, FoodArt på GoaGård, Hällåkra Vingård, Kikvikås Frukt and Linas och Binas were part of Regional Culinary Heritage Network Skåne and Kikvikås Frukt and Österlenskryddor were part of Matrundan Österlen. All the companies also mentioned other networks they were participating in, both regional and national ones. Bjäre Chips, Brygghus Finn, Chokladkultur and Lundabryggeriet were not part of any of those three networks. Bjäre Chips was however cooperating with two other producerss in their local area, Lundabryggeriet was part of a national network of independent small breweries and was also, as was Brygghus Finn, cooperating with other beer producers in Skåne in an unofficial way. Chokladkultur had been part of Regional Culinary Heritage Network but had stopped being part of the network two years earlier.

Discussing the reasons why they network with other companies, the producers give some interesting reasons. In general being part of a network is about making connections with other companies and individuals. That was a reason mentioned by everybody. The representative from FoodArt på GoaGår, when talking about why she started in Regional Culinary Heritage Network, says:

In the beginning I didn’t know anybody here, because I didn’t live here in Skåne before.
So this was pretty new to me. If I had lived where I lived before and had my restaurant I already have all my networking people. So I think it is good networking. You meet all the people you need to meet, the producers. And I met a lot of new people. So I tried to be pretty active (Interview with Katrina af Wetterstedt, 2014-03-25).

Apart from connecting with others, the biggest advantage of being part of a network is to share information, gain knowledge and learn from others. This reason was mentioned by Ådala Gård, Brygghus Finn, Chokladkultur, Fruemöllans Bär, FoodArt på GoaGår, Hällåkra Vingår, Kikvikås Frukt, Linas och Binas and Lundabryggeriet. Kikvikås Frukt says: “It is good to network with other producers. You always learn something new” (Interview with Anna-Märit Wisén, 2014-03-26). Hällåkra Vingår discusses similar things when he says this about cooperating in the Regional Culinary Heritage Network:

I use it in that way that we pick up other local producers’ products. Using them together with our wines. Especially here at our vineyard at the vinotek here. We combine our wine with good culinary products from other local producers and marry them together (Interview with Håkan Hansson, 2014-03-26).

Hällåkra Vingår is by this also talking about product development. That was also mentioned by Kikvikås Frukt and Österlenskryddor. All of these producers are cooperating with other producers, exchanging ingredients and mixing ingredients from others into their (or the other producer’s) products to develop new products. As Kikvikås Frukt says: “So that is always interesting to mix and make new products together” (Interview with Anna-Märit Wisén, 2014-03-26).
Marketing together was mentioned by Ådala Gård, Bjäre Chips, Fruemöllans Bär, Hällåkra Vingård, Kikvikås Frukt, Linas och Binas and Österlenskryddor as a reason to be in a network. This marketing was done through the networks’ homepage, through the brochures and through the events. So the networks are responsible for marketing the events and everybody in the networks benefits from selling their products together.

All the above can also be taken together to be named helping each other. That was a reason mentioned by Ådala Gård, Bjäre Chips, Brygghus Finn, Fruemöllans Bär and Lundabryggeriet. Bjäre Chips says:

But mostly it is when you are going somewhere, you are doing something and you can see that you are gaining something on bringing someone else with or bringing someone’s else product with you. You take a company that is local. Because you are watching each other’s back kind of (Interview with Ing-Marie Persson, 2014-03-28).

Being able to sell more was also a reason for being in a network that was mentioned by Ådala Gård, Bjäre Chips, Brygghus Finn, Fruemöllans Bär and Österlenskryddor. Selling to other producers that are part of the network can be said to be part of this reason. That is the networks help you meet other producers that you can sell your products to. This was mentioned by Kikvikås Frukt, FoodArt på GoaGård, Hällåkra Vingård, Linas och Binas and Österlenskryddor.

As a conclusion for discussing why they are in networks Fruemöllans Bär says:

Marketing, connection, new people that look at things in a new ways, technical matters, they help me with new machines, how to measure the sugar in our products. If I need a new apple variety...who has a new apple variety for me...I ask in the network. So it is really...You have to be in a network and in a lot of networks to manage (Interview with Calle Laurén, 2014-03-24).

His answer indicates that the knowledge sharing is mostly about technological matters sourced from the synthetic knowledge base.

Being part of a network can also have a negative side. Chokladkultur and Österlenskryddor mention that being part of networks can be time consuming and that you have to be selective and focused in networks so being part of them doesn’t take too much time. Österlenskryddor says:

It is very good to work in networks but it is very important also in networks to be very exact and say: in this network we are doing this and in this network we are doing this. So all the networks don’t do the same things. It is a problem normally. You must be very focused in a network. The problem is that you are doing the same thing in many networks. And that is a spill of time. You don’t use your time optimally (Interview with Olle Olsson, 2014-03-27).

That it took too much time was the reason why Chokladkultur had to quit in the Regional Culinary Heritage network and it is also the reason why Bjäre Chips and Brygghus Finn are not in any network, because they don’t have time for it. Fruemöllans Bär also mentions cost as a negative thing about networks. That is being part of networks can be expensive.

Some of the producers have been using Skåne Food Innovation Network (SFIN) to help themselves to develop. The producers that have been participating in the work of Skåne Food Innovation Network are Brygghus Finn, Fruemöllans Bär, FoodArt på GoaGård, Hällåkra Vingård, Linas och Binas, Lundabryggeriet and Österlenskryddor. Fruemöllans Bär, FoodArt på Goagården, Linas och Binas talk about using SFIN for courses, seminars and information meetings. FoodArt på Goagården says:
They have a lot of meetings and things in Malmö. And I have been there. I try to be active, especially in the winter when we are not milking. We try to learn new things and get new influences (Interview with Katrina af Wetterstedt, 2014-03-25).

Frumöllans Bär discusses one seminar the company recently attended that was organized by SFIN that was very useful for the company. The seminar was about how Skåne could become a strong culinary region and the role of food producers and other actors in that process. So above mentioned companies are using SFIN to develop their ideas for new products or new business ideas. Lundabryggeriet talks about cooperating with SFIN in marketing. Lundabryggeriet says:

Yes we have connection with them as well. And Smaka på Skåne. We have had a lot of good cooperation with them in marketing. Not all the other breweries are working with Livsmedelsakademin and Smaka på Skåne but I think that it is very important to keep up the connections there (Interview with Bosse Bergenståhl, 2014-03-24).

Linas och Binas and Lundabryggeriet also talk about participating in events as a good way to cooperate with SFIN and talk about them being good in organizing events. They especially discuss the food festival in this regard. Lundabryggeriet also talks about that cooperating with SFIN brings connections, for example with restaurants and with raw material producers such as hop growers.

Frumöllans Bär, Linas och Binas and Österlenskryddor are a little critical of SFIN. Frumöllans Bär says it is sometimes hard to know who the owner of which project is and who is in charge of each network within SFIN and how they connect together. Linas och Binas and Österlenskryddor say that SFIN is always starting new projects, which is not positive according to them. Linas och Binas says:

They are still a project and I think at least companies in Skåne are a little bit afraid of projects because we have had quite a few. And all of us that has been for long time we have seen them rise and fall and then there is nothing left (Interview with Eva Norrsell, 2014-03-27).

The results above show that being part of networks can benefit producers in many ways. It can be about practical things like marketing and selling together in the local networks. But it can also be argued that networks help the producers to gain knowledge, to learn and innovate. Regarding knowledge, learning and innovation, in the local networks this happens with learning by interacting, which is a tacit knowledge and a component especially mentioned in the synthetic knowledge base. In SFIN this happens with courses and seminars. So that knowledge is more a mix of codified and tacit knowledge, but still within the synthetic knowledge base. Being part of the networks can also add value to the producers’ products. This happens through events. On the local network level this happens in food markets and when producers take part in tourism initiative, like is the main activity of Matrundan Österlen. In the case with SFIN, this could happen if the producers used the retailer network and the Smaka på Skåne brand (which none of them is currently doing). But this also happens when the food producers participate in events that SFIN organizes, such as a food festival. SFIN seems to work quite well being a mediator for the food industry. But the result also indicates that SFIN can do better in organizing their work.
6 Discussion and conclusions
The purpose of this study was to research how small regional food and drink producers in Skåne region innovate and add value to their products. To able to research this, the thesis used the knowledge base model and the experience economy as frameworks. It also linked innovation to regional development and networks and looked into how the region of Skåne and its policies and actions are supporting the food industry in the region. In the introduction, these three research questions were presented:

1) What role does non-technological inputs (symbolic knowledge) play in innovation as opposed to technological inputs (analytical/synthetic knowledge)?
2) How do small food and drink producers in Skåne innovate and add value to their products?
3) What role do regional food networks play in innovation?

This chapter will discuss the research findings in relation to the theories presented in the thesis and answer the research questions. The chapter will start by linking the regional developmental policies in Skåne with theories about regional development. The chapter will then discuss the firms that participated in the research and their position within the food industry. The discussion will then move on to the main topic, innovation in small food and drink production firms, and answer the research questions in relation to the theories and the empirical data. Next will be a section with policy implications. The chapter will end with the author’s reflections about limitations and further research.

6.1 Regional development and innovation in Skåne
The research showed that Region Skåne, apart from developing the infrastructure in Skåne, assists industries and companies in the region mainly through clusters and industry networks. Interview with Gudmundur Kristjansson (2014-03-28) revealed a dedicated cluster for a number of industries, which can be identified with some of the factors mentioned by Dahlström and James (2012, drawing on Raines, 2002), as the factors commonly present in cluster polices. This is especially the case with factor one, which is about focusing on groups of firms and their institutional environment and factor five, which is about trying to increase the role of public institutions as knowledge facilitators within networks of firms. These two factors can also be seen in the emphasis on managing the clusters in a triple helix police. That means that region Skåne (the government side) contributes to the clusters’ development in cooperation with the private businesses and the universities in the region. So the polices in the region can said to be part of the established territorial innovation models with emphasis on R&D in universities and research institutions and emphasis on high technology innovations (Moulaert and Sekia (2003). The overall framework seems to be a regional innovation system (RIS) as mentioned by Asheim and Coenen (2005). It can be argued that the theories connected with the experience economy (Pine and Gilmore, 2009) don’t seem to be used at this macro policy level.

The cluster that helps develop the food industry in Skåne is Skåne Food Innovation Network (SFIN). That cluster is considered to be an umbrella network that works as a bridge or a mediator to assist the food industry and create the food industry of the future in the region. This assistance is mainly done through guidance. So if a company needs help to develop and innovate, the network can help the company to go to the right sources. Rolf Bjerndell (Interview, 2014-03-25) talks about helping companies navigate the innovation system in this respect. Jannie Veestergard (Interview, 2014-03-26) talks about the three biggest developmental initiatives in Skåne, which are Smaka på Skåne (part of SFIN), TransforMat and Center for innovative beverages. These three initiatives, along with the Swedish rural economy and agricultural society (Hushållningssälskapet) can be seen as part of the innovation system in Skåne and important components for the innovativeness of the food industry in the region. The universities in the region can also be considered part of the innovation system and they are also an important element in managing the SFIN in a triple helix fashion. Interviews with the food production companies confirms the importance of TransforMat, Center for innovative beverages and the Swedish rural economy and agricultural society in developing the companies’ capabilities and assisting in innovation and development. Again this mainly seems to be a support in the form of
research and development, knowledge sourced mostly from the synthetic knowledge base and perhaps a little from the analytical knowledge base (Asheim and Gertler, 2005).

Interview with Jannie Vestergaard (2014-03-26) suggests that SFIN and especially the regional developmental initiative Smaka på Skåne is using the concepts of the experience economy (Pine and Gilmore, 2009) in managing its work in regional development and innovation. This is evident in the promotion of regional products under the brand name Smaka på Skåne in retail stores, which encourages food producers to produce regional food with regional identity and in a craftsmanship way. This can also be seen in the work of SFIN in trying to develop the region into a culinary region by staging experiences for tourists. One of those experiences are food festivals. SFIN is also encouraging food producers to stage experiences on their own (for example inviting tourist to their facilities) and in that way SFIN possible effects the innovation and development of the companies in the industry.

6.2 Companies and innovations
The companies that participated in this research were all small, relatively young companies with fewer than 10 employees. They produced different kinds of products, but they all seemed to identify themselves with similar kinds of product and process features. They were all interested and concerned with using raw material from the region and producing in a local- and an ecological way. They identified themselves with quality features, such as producing artisanal and handmade products and offering products that can be differentiated from products that are mass produced. The thesis introduced four different worlds of producers and production methods. These were the industrial world, the world of intellectual resources, the market world and the interpersonal world (Morgan, Marsden and Murdoch, 2006). By comparing the producers’ identities and these production worlds it can be argued that the producers either come from the market world, the interpersonal world or perhaps the mix of both of these worlds. It can be argued that this affects their innovation behaviour. It affects the products they make, the production processes they have and how they position (market) their products. Thus perhaps influencing their connection to the knowledge bases they draw from and their links to the concepts of the experience economy, such as experience staging and storytelling.

According to (Baregheh et al., 2012) innovations can be classified on the degree of innovation or on the type of innovation. The degree of innovation relates to the novelty involved, whether innovations are considered to be radical or incremental. This innovation behaviour can be argued to have reference to the knowledge bases (Asheim and Gertler, 2005; Asheim, 2007) that go into the innovation. So the analytical knowledge base tends to produce radical innovations and the synthetic knowledge base and the symbolic knowledge base tends to produce incremental innovations. The type of innovation relates to the outcome of the innovation process, which can also be related to the knowledge bases output. Baregheh et al., (2012) define four types of innovations; product, process, position and paradigm. This research has focused on product innovation for the most part but has also discussed position innovation in relation to the symbolic knowledge inputs and outputs of the products and experience staging activities. The three next sections will discuss the companies’ innovations by answering the thesis research questions.

6.3 What role does non-technological inputs (symbolic knowledge) play in innovation as opposed to technological inputs (analytical/synthetic knowledge)?
As was referred to in the introduction, innovations are claimed to have shifted from being only technoscientific to increasingly also being based on socio-cultural dynamics with an increase in culture, fashion and aesthetic aspects as important factors within products. This increased emphasis on socio-cultural dynamics is said to have increased the value of symbolic knowledge as input in innovations (Crevoisier and Jeannerat, 2011). Is this the case when looking at these eleven small food and drink producers from Skåne? This research has revealed that knowledge as an input into product innovations mostly comes from the synthetic knowledge base. This can be seen in the fact that the knowledge the firms gathered were a mix of codified and tacit knowledge. Reading books and taking courses were the codified components and talking to others (learning by interacting), experimenting
(learning by doing) and experiencing things (learning by using) were the tacit components. So these are all existing knowledge that the producers can use in new ways. All those are components in the synthetic knowledge base (Asheim and Gertler, 2005; Asheim, 2007). But it was very interesting to learn that part of the knowledge came with cooperation with universities and research institutions. So part of the knowledge input can perhaps be said to be scientific knowledge (development of new knowledge), which can be linked to the analytical knowledge base.

When developing the products themselves (the use value of the products) the research revealed that majority of the companies developed products gradually over time in an incremental fashion. The products tended to be developed with experiments, which are mostly done in a trial and error kind of fashion (applied knowledge and research). The results also indicated that most companies found it important to develop new products all the time to keep the customers interested in the company and customers tended to influence new product development. All these features indicate that knowledge for the companies in new product development are sourced from the synthetic knowledge base.

But the research results also revealed that symbolic knowledge components are present in the innovation behaviour of the producers. This was observable in the fact that most of the companies relate their companies and brands to places within Skåne or to Skåne region. By doing that they are playing on a historical and symbolic meaning between the products and a place. By this they put an identity on the products and give them meaning. By this they also differentiate themselves from other producers that produce placeless products, which are products more connected with the industrial world (Morgan, Marsden and Murdoch, 2006). The symbolic knowledge component could also be seen in the fact that some of the producers took their influences from stories and historical events in Skåne, as well as the landscape, nature and the soil of Skåne. This could for example be seen on the product labels from some of the producers in the form of stories and symbols sourced from the symbolic knowledge base.

So above results show that innovations in the food industry are still very much technically oriented, mostly based on synthetic knowledge but perhaps also in a small part based on the analytical knowledge base. But the results also reveal a non-technological elements. This was mostly evident when looking on the products’ packaging, labels and how they were designed, branded and so on (product and positioning innovations). It doesn’t seem that symbols and stories influence so much the products themselves (the use value of the products). They however influence more the sign value of the products (Asheim, 2007). The reason for this could be linked back to the regional development policies of Skåne, which seem to be R&D oriented, with emphasis on knowledge sourced from universities and research institutions. Regional developmental policies that are connected to innovations systems and learning regions (Moulaert and Sekia, 2003; Asheim, 2007). These results indicate that technological innovations are still an important part of innovations in the food and drink industry in Skåne. But these results at the same time support Crevoisier and Jeannerat’s (2011) claims that economic and social changes are having effects on innovations being more non-technological.

6.4 How do small food and drink producers in Skåne innovate and add value to their products?
Crevoisier and Jeannerat (2011) claim that the increased emphasis on socio-cultural dynamics has increased the value of symbolic knowledge in innovations and increased the importance of customers in the production-consumption value chain. With this they are relating to the increased development of the experience economy, which is about adding value to products by experience staging and storytelling (Pine and Gilmore, 2009). The beginning of this chapter has reported that the concepts from the experience economy are used in the development policies within the Skåne Food Innovation Network to some extent. This is done with the increased emphasis on quality products that are branded as coming from Skåne (connecting product and place and adding value to the products). This is also done with events that have the purpose to build the region into a gastronomic region, to create experiences for tourists. But are the producers using these concepts? The results revealed that most of the producers are adding value to their products by using the concepts of the experiences economy.
The value adding could be seen in storytelling from many of the producers. Most of their stories are to further connect their products to the region of Skåne or the local area. Those stories also talk about the nature, the soil and landscape in the places the producers take their raw ingredients from to make the products. The stories also have connection to historical events in Skåne. These stories help the producers to add value to their products. They also help them differentiate their products from other producers and possibly helps them sell more products. These stories also helps them create a “mood” around the products that will possibly enhance the experience of consuming the products for the consumers, resulting in them buying the products again or recommending them to others.

This value adding is also seen in the fact that most of the producers open up their production site to consumers to stage experiences for them (or they stage experiences in restaurants or events). These kind of experiences are about tasting, smelling, touching and feeling things and also about hearing stories. Manniche and Larsson (2012) name this attendance-based experiences. The producers do this to sell more products and to create spokespersons out of customers. With this they are hoping that customers will spread the word about their products, further adding value to their products. Some of the producers have even taken experience staging to a new innovative level by making products around the concept experience staging that they earn money from. This they do by having tours around their premises where they explain about the raw material that goes into the products and how the products are made and so on. So these producers gain both more awareness for their food products and also gain money from making new products that play on culture and stories, tapping into the symbolic knowledge base (Asheim, 2007).

Crevoisier and Jeannerat (2011) mention the increasing use of information technology and the internet as one of the economic and social changes underlying the increase in innovations that are more based on socio-cultural dynamics. Manniche and Larsson (2012) call experience staging through the internet or TV distributed experiences. The research revealed that the eleven food and drink producers have been increasingly using the internet and media to tell their stories to create meaning and desire around their products. So innovations in the form of experience staging and storytelling have increasingly been moving to the internet, just like Crevoisier and Jeannerat (2011) claim.

### 6.5 What role do regional food networks play in innovation?

Regional developmental polices talk about the importance of networks in knowledge sharing, learning and innovation (Moulaert and Sekia, 2003; Malmberg and Power, 2005). Theories about networks and clusters also talk about the importance of spatial proximity to enhance this knowledge sharing and learning (Malmberg and Power, 2005), especially for tacit knowledge and localized learning (Vale, 2010). Regional developmental polices in Skåne showed the emphasis on network building as a way to enhance innovations, both through Skåne Food Innovation Network (SFIN) and through local networks like Cultural Heritage Network Skåne, Matrundan Österlen and Smaka på Söderåsen, which all can be said to be managed in a close spatial proximity.

The results revealed that one of the most important reason for the producers to be in networks was to share knowledge and learn. This is in line with the theories that state that companies benefit from one another by monitoring and comparing what the other related companies in networks are doing, enhancing something termed a buzz (Bathelt et al., 2004). In the local networks this happens with learning by interacting, which is a tacit knowledge and a component especially mentioned in the synthetic knowledge base. In SFIN this happens with courses and seminars. So that knowledge is more a mix of codified and tacit knowledge, but still within the synthetic knowledge base. It can be argued that these components add to the producers’ innovation capabilities. This knowledge is probably more about technological matter (what apple variety to use or how to measure the sugar level) rather than non-technological matters (culture, stories and symbols). Some of the producers also mention that connecting and cooperating with other producers in networks has helped them develop their own products. This cooperation included exchanging raw materials and products to make new products together and influence each other. Apart from knowledge sharing and learning, there were other more practical reasons for being in these networks, like marketing and selling.
together in the local networks. Being part of the networks can also be said to have added value to the producers’ products. This has happened through events. On the local network level this happened in food markets and when producers took part in tourism initiatives, like the one promoted in Matrundan Österlen. But this also happened through participation in events that SFIN organized, such as food festivals. These are all elements which can be related to the experience economy. So it can be said that some activities in the networks take their influences from the experience economy and the symbolic knowledge base. Based on this it can be argued that the regional networks have played a role in the innovations of the companies.

6.6 Policy implications
This thesis has discussed and researched innovation with the aim of finding out if the food industry is showing signs of moving towards non-technological innovations or if the innovations are still very much technologically based. These non-technological elements were connected with the symbolic knowledge base and the experience economy as influences for the non-technological innovations. If Crevoisier and Jeannerat (2011) are right about current consumer trends, then culture, fashion and aesthetic aspects, as well as experiences and stories, should have started to become an important factor within products because consumers look towards such kind of factors when buying products. The result has revealed that these eleven food and drink producers are in fact increasingly using elements from the symbolic knowledge base and from the experience economy in their innovations. They could however possible do more in integrating non-technological factors within their products. This they could for example do through cooperation with cultural and design institutions as a complement to research institutions. They could also cooperate more with creative people within the cultural industries (such as media, entertainment, sport, tourism and leisure and cinema). By this I’m not saying that technological innovations don’t matter. I think they still matter. I think that they are the base for developing the products. But I think today’s competitive environment demands more from producers. I think that the non-technological innovations are the factors that sets them aside, gives them that little extra to be able to compete effectively and come out on top.

I think that the same can be said when looking at innovation in the food industry from the regional developmental perspective. The results show that the region is very good at providing help from the universities and other research institutions to develop the food industry’s technological innovation capabilities. But if Skåne Region is interested in increasing non-technological innovations in the food industry to further develop the industry’s competitiveness, it seems that they need to do some policy changes that can enhance the symbolic knowledge base as a source for innovativeness within their innovation system. This could be done by providing more assistance from institutions that develop design, art, and media content to the food industry. Also by looking more towards the experience economy as an option in regional development.

Skåne Food Innovation Network seems to be doing positive things for the food industry in Skåne. Especially because they seem to offer good support to the food production companies in the form of knowledge and learning (seminars and courses), marketing and connections to others in the industry. The same applies here, maybe SFIN should think about integrating more links with cultural industries and cultural elements into their work. The Smaka på Skåne project is generally well received by the food producers, although most of them don’t participate in most of the work that is being done there, for example the retailer network. Some projects within Smaka på Skåne, like the food festivals, seem to be better received by the producers. So they seem to be doing a good job as well in integrating the elements of the experience economy into their activities. But they should perhaps think about influencing individual food producers more to embrace the concepts of the experience economy in their innovation and business development work. The results indicate that SFIN can do better in organizing their internal work. Part of that could be to educate food production companies about the structure of the organization and the aim of projects. Part of that could also be to simplify the structure and be more dedicated in each project and not always starting new projects. Because always starting
new projects will possible confuse the food production companies and dissuade them from participating in the work of SFIN.

6.7 Limitation and further research
This thesis has revealed some interesting results that can hopefully be of some help, both in practical as well as in academic terms. It is a good research practice to reflect on the use of theories and methods used and propose further research.

This research related to theories about regional development and innovation models. It discussed what could possibly be a different approach to innovation and regional development, the experience economy. I would say that one limitation to referring to this approach is that is has not been researched much in relation to regional development and innovation. So it is still not a model like many of the older territorial innovation models mentioned in Moulart and Sekia (2003). So it is hard to know what factors should be identified as being part of this approach as a regional development model. So this approach could benefit from more research, to see how different regions apply it as part of their innovation policies.

This research was also based on the differential knowledge base model (Asheim and Gertler, 2005; Asheim, 2007). Although this model was good to apply to innovation, I thought that it was quite hard to evaluate in what base different innovation activities of the companies should be put. So I agree with Manniche (2012) when he writes that the definitions of the categories are somewhat fuzzy. I found it especially hard to research and find the symbolic knowledge components. So this model might benefit from being more detailed about what should be considered different kind of knowledge (analytical, synthetic, symbolic) and what kind of elements go into which base.

The research relied on interviews as a research technique. Although they’re considered a good research tool they of course have some limitations, as has been covered in chapter 3. One limitation I especially want to discuss here is the use of language which might be considered an influential factor in this research. This is because the interviews were conducted in English, which was not the native language of the author nor the people being interviewed. It might be that some of the interviewees could not have communicated in the right way what they wanted to say. This might be the case, although I didn’t get the feeling that any of the interviewees was struggling with the use of English to get their opinions and thoughts through to me. Another aspects of the use of English was related to which companies decided to participate and which decided not to. It might be that because the research was done in English, that this dissuaded some companies from taken part in the research. There was one company that wanted to take part but the person didn’t think his English was good enough, so the company decided not to participate. I think however that this has not affected the research results in any way.

This has been an interesting topic to research and discover. It would be interesting to see more research done on innovation in small food production companies. It could for example be interesting to do a comparative research that would compare small food production companies in different regions in Sweden with the same theories and models to see if there are differences or similarities. Linking that to regional innovation polices, it could be possible to see if different regional innovation polices have an effect on innovation behaviour of companies. This study has worked with the knowledge base model, the experience economy and networks to see the influence on innovation. But an idea could be to focus on only one of those elements. Further research on the influence of the experience economy in innovations of food and drink producers would for example be very interesting. Further digging into these three networks and how they influence the companies’ innovation behaviour could also be very interesting.
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Appendixes

Appendix 1: List of interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Role</th>
<th>Date of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calle Laurén</td>
<td>FrueMøllans Bær</td>
<td>Manager</td>
<td>2014-03-24</td>
</tr>
<tr>
<td>Håkan Hansson</td>
<td>Hallåkra Vingård</td>
<td>Manager</td>
<td>2014-03-26</td>
</tr>
<tr>
<td>Bosse Bergenståhl</td>
<td>Lundabryggeriet</td>
<td>Manager</td>
<td>2014-03-24</td>
</tr>
<tr>
<td>Agneta Sædén</td>
<td>Agneta Sædén &amp; Lüdahus Chokladkultur</td>
<td>Manager</td>
<td>2014-03-26</td>
</tr>
<tr>
<td>Eva Norrsell</td>
<td>Linas och binas</td>
<td>Manager</td>
<td>2014-03-27</td>
</tr>
<tr>
<td>Lina Norrsell</td>
<td>Linas och binas</td>
<td>Manager</td>
<td>2014-03-27</td>
</tr>
<tr>
<td>Eva Olsson</td>
<td>Österlenkryddor</td>
<td>Manager</td>
<td>2014-03-27</td>
</tr>
<tr>
<td>Malin Kumberg</td>
<td>Ådala Gård</td>
<td>Manager</td>
<td>2014-03-24</td>
</tr>
<tr>
<td>Joacim Larsen</td>
<td>Brygghuset Finn</td>
<td>Managing director</td>
<td>2014-03-25</td>
</tr>
<tr>
<td>Anna-Marit Wisén</td>
<td>Kwikås Frukt AB</td>
<td>Manager</td>
<td>2014-03-26</td>
</tr>
<tr>
<td>Katrina af Wetterstedt</td>
<td>FoodArt på GoaGård</td>
<td>Manager</td>
<td>2014-03-25</td>
</tr>
<tr>
<td>Ing-Marie Persson</td>
<td>Bjäre Chips</td>
<td>Production Manager</td>
<td>2014-03-28</td>
</tr>
<tr>
<td>Jannie Vestergaard</td>
<td>Skåne Food Innovation Network</td>
<td>Area Manager: Tasting Skåne</td>
<td>2014-03-26</td>
</tr>
<tr>
<td>Rolf Bjernedell</td>
<td>Skåne Food Innovation Network</td>
<td>Area Manager: Innovation &amp; Entrepreneurship</td>
<td>2014-03-25</td>
</tr>
<tr>
<td>Gudmundur Kristjansson</td>
<td>Region Skåne</td>
<td>Business Manager: Business Skåne</td>
<td>2014-03-28</td>
</tr>
</tbody>
</table>
Appendix 2: Information about the companies

There were eleven small food and drink production companies that participated in the research. The companies are Ådala Gård, Bjäre Chips, Brygghus Finn, Chokladkultur, FoodArt på GoaGård, Fruemöllans Bär, Hållåkra Vingård, Kikkikås Frukt, Linas och Binas, Lundabryggeriet and Österlenskryddor. Each company will be presented here below.

Ådala Gård produces cheeses and butter from cow milk. Aside from that the company produces, based on seasonality, herb salts, chili sauces, jellies, jams and vinegars. The company was started in 2012. It has one full time employee and one part time. The production facility is in Billinge. The company sells its cheeses (three types) and butter (one type) to high end restaurants in different cities in Sweden and the other products in a local farmers shop and in a local market that is held seasonally. The company was represented in the research by Malin Kumberg, Manager.
Company homepage: http://www.adalagard.se/

Bjäre Chips produces potato chips. They now have products with four different tastes, sold in two sizes of bags. The company started in 2011. It has eight employees. The production facility is in Båstad. The company sells its products to retail stores all over Sweden, but the distribution is still mostly concentrated in Skåne, Stockholm and Göteborg. The company was represented in the research by Ing-Marie Persson, Production Manager.
Company homepage: http://www.bjarehembygd.se/

Brygghus Finn produces beer (ales). They now have two ales on the market, American Pale Ale and Brown Ale. The company started in 2011. It has three employees. The production facility is in Landskrona. The company sells its beers to Systembolaget and to restaurants in Skåne. The company was represented in the research by Joacim Larsen, Managing Director.
Company homepage: http://www.brygghusetfinn.se/

Chokladkultur produces chocolate, truffles and chocolate drinks in many varieties. The company was started in 2004. It has one full time employee and one part time employee. The production facility is in Kivik and the products are sold in the company’s shop in Kivik. The company recently merged with another similar chocolate producer in Göteborg. So now the products are also sold in Göteborg. The company was represented in the research by Agneta Sædén, Manager.
Company homepage: http://www.chokladkultur.se/

FoodArt på GoaGård produces goat cheeses (from the company’s own milk) and sausages from pig meat as a side product. The company mostly produces hard cheeses with different kinds of bacteria. They produce approximately 5 types of cheeses. The company started in 2006. It has two employees and sometimes part time employees, depending on the season. The production facility is in Hasslarp. The products are sold at the companies store in Hasslarp, to restaurants in Sweden and in markets in Skåne. The company was represented in the research by Katrina af Wetterstedt, Manager.
Company homepage: http://www.foodart.info/

Fruemöllans Bär grows berries (sea-buckthorns, raspberries, blackberries and strawberries) and also produces drinks, jams and marmalade from different kinds of berries, apples, pears and carrot. The company started in 2004. The company has two part time employees. Production of marmalade and jam is done in Klippan and production of the drinks is done in Kristianstad. The products are mainly sold to shops and restaurants in Skåne, Stockholm and Göteborg and also in a local farmers market. The company was represented in the research by Calle Laurén, Manager.
Company homepage: http://www.fruemollansbar.se/
Hälläkra Vingård grows wine grapes (Rondo, Solaris, Pino Noir and Pino Green) and produces red wine, white wine and sweet wine, brewed from those varieties. The company started in 2007. It has two employees and many part time employees during harvesting and brewing season. The production facility is in Anderslöv. The products are sold at a conference centre that is located at the same place as the company. Also to Systembolaget’s three wine cellar stores in Stockholm, Göteborg and Malmö and to well-known restaurants in Sweden. The company was represented in the research by Håkan Hansson, Manager.
Company homepage: http://www.hallakra.com/

Kikvikås Frukt grows apples (25 varieties) and pears (10 varieties) and produces apple juice, apple marmalade and dried apples. The apple juice is sold in three different sized glass bottles. The company started in 1999. It has two steady employees and number of others depending on the season (at the time of the interview there were five other employees). The production facility is in Kivik. The products (drinks, marmalade and dried apples) are sold at the company’s own shop in Kivik and in cafés and restaurants, mainly in Skåne but also in Stockholm and Copenhagen. The company was represented in the research by Anna-Märit Wisén, Manager.
Company homepage: http://www.kivikås.com/

Linas och Binas produces honey, drinks from apples and elderflower, marmalades, chutneys, jellies and mustards. The company offers five different tastes of honey. The company in its current form is from 2013 when the companies Havängsprodukter and Linas och Binas merged into one. Earlier Havängsprodukter, starting in 1991 and producing marmalades, chutneys, jellies and mustards and Linas och Binas, started in 2008 and producing honey and apple juice had been two independent companies. The company has two full time and one part time employees. The production facility is in Brösarp, Degeberga and Kivik. The products are sold in the company’s shop in Brösarp, few retail stores and other farm shops. Also in cafés and restaurants in Skåne and Stockholm. The company was represented in the research by Eva Norrsell, founder of Havängsprodukter and Lina Norrsell founder of Linas och Binas.
Company homepage: http://linasochbinas.se/

Lundabryggeriet produces beer. They both produce low alcohol beers and regular beers. The company was started in 2009. It has 4 employees, one working full time and the others part time. The production facility is in Lund. The company sells its regular beers to Systembolaget and to restaurants and the low alcohol beers to grocery stores. The distribution is still local within Skåne, mostly in and around Lund and Malmö. The company was represented in the research by Bosse Bergenståhl, Manager.
Company homepage: http://lundabryggeriet.se/

Österlenskryddor grows herbs and produces spices, both with one kind of herb and mixes of herbs in the product. They offer about 70 different products, which are sold in glass jars. The company started in 2002. It has five employees. The production facility is in Köpingebro. The products are sold in the company’s store in Köpingebro and in small farmer shops and delicate shops, mostly in Skåne but also in other parts of Sweden. The company was represented in the research by Olle Olsson, Manager.
Company homepage: http://www.osterlenkryddor.se/
Appendix 3: Interview guide

Company
Tell me about the company?

Products
What kind of products/services do you produce?

Where did you get the knowledge and training to make these products?

What would you say is the most important feature of your product(s)?

Are these products hard (complicated) to produce?

Have you always produced the products in this way?

Can you explain to me how your method of producing the products has changed?
  Do changes in the product come with a trial and error method?
  Through knowledge seeking and searching?
  With outside help or consultancy?

Marketing
Tell me about the brand name, how was that created?

Is marketing, branding and symbols an important part of the product?

Is marketing/branding, symbols and stories important for your business when you present your products to the market?

How important is Skåne region - it’s heritage, history, nature, landscape – in your marketing/branding?

What about yourself as a person, do you use your own persona as part of the product’s marketing and branding?

Do you do marketing and branding yourself or do you get help from outside – from whom?

What kind of marketing channels do you use to present your products?

Customers
Who do you consider your customers?

From where do you consider your customers to be from?

How do you sell to your customers?

Innovation/Product/Business development
Is innovation or new product development an important part of the company’s business strategy?
  In other words, is it important for the company to keep finding new things and changing existing things to develop the business?
Who would you say is the most important influence for the firm in product/business development?

Are costumers and their feedback important for your product development? In what way do costumers have effect on your product development?

Do you use culture, symbols or stories as part of your innovations/product development? In what way?

What role does Skåne region with its heritage, history, nature, landscape play in your product development?

The innovation process
Do you consider the products/innovations you develop as technological innovations (use of chemicals, engineering, food technique, and packaging) or innovations that rely on non-technological features (culture/symbols/heritage/stories?)

Do you develop you products or processes in small steps at a time (incremental) or are new products or processes developed in a radical manner (with big shifts in the nature of products or product lines)?

Is the innovation regionally grounded? That is does the innovation use local ingredients, landscapes or heritage in the production/development?

Experience staging
Can customers visit the production site? Why? Why not? If yes: What kind of service do you offer when customers come and visit?

Why do you offer this service?

What is your attitude towards opening up your production site for customers/guest?

Networks
Is the company part of any network(s)

In what way does the company use the network? How does it affect the company, its development and innovation to be part of a network?

What is your attitude towards collaborating with other companies and being part of a network?

Future
Where do you see the company in the future (5 years time)?

Do you think that you will continue to offer access to your production site and visits by tourists/guests?

How important do you think that marketing, branding and storytelling will be for the company´s development in coming years?
Appendix 4: List of organizations

Skåne Food Innovation Network, see information on page 20.
More information: http://www.livsmedelsakademin.se/en

Regional Culinary Heritage Network Skåne, see information on page 39.

Matrundan Österlen, see information on page 39.
More information: http://www.matrundan.se

Smaker från Söderåsen, see information on page 39.
More information: http://www.smakerfransoderasen.se

TransforMAT (formerly named Smakplats Skåne) is an organization based in Kristianstad that helps people to start companies in food production and also assists (by acting as catalysts) small scale food producers to develop and innovate. The organization is funded by the Skåne’s Governmental Administrative Board (Länsstyrelsen Skåne).
More information: http://www.krinova.se/transformat/

Center for innovative beverages (Centrum för Innovativa Drycker) is a project managed by Swedish University of Agricultural Science (Sveriges Lantbruksuniversitetet, SLU) Balsgård. The aim of the project is to assist companies to develop their drink products. This assistance is done by providing consultancy and by giving the producers accesses to a product facility to experiment, test and develop drinks from raw ingredients. The project is financed by Länsstyrelsen Skåne, the Swedish board of agriculture (Jordbruksverket), SLU and EU.
More information: http://innovativadrycker.slu.se/Centrum_for_innovativa_drycker/Valkommen.html

Eldrimner is an organization on a national level in Sweden, a centre for artisan food (mathandverk). They help individuals to develop their capabilities in food making. They do this through consultancy, seminars, study trips and courses.
More information: http://www.eldrimner.com/

Swedish rural economy and agricultural societies (Hushållningssälskapet) is a private organization. Their goals is to help entrepreneurs and firms in rural areas to develop their capabilities. They have many fields of activities, such as agriculture, rural development, food and health, economic business and research and development. The organization’s office in Skåne is in Kristianstad.
More information: http://hs-l.hush.se/

Swedish board of agriculture (Jordbruksverket) is the Swedish government’s body that is in charge of agriculture and food policy in Sweden. They are also in charge of developing agriculture and farming in Sweden. Environmental matters and animal rights are also part of their agenda. This body both funds and helps develops farming and agriculture in Sweden, partly through research.
More information: http://www.jordbruksverket.se/swedishboardofagriculture.4.6621c2fb1231eb917e680002462.html

KRAV is an organization that develops organic standards and promotes the KRAV label. Currently there are about 4000 farmers and 2000 companies in Sweden using the standard. Food that carries the KRAV label has been produced in an environmental and ethical manner according to KRAV standards.
For more information: http://www.krav.se/english