Creating A Valuable B2B Platform

An exploratory study of how a social-maximizing organization can create a valuable B2B platform for an industry

Lokalmat – The Norwegian Local Food Platform

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Abstract

Sustainable industries are becoming increasingly important, but to entice companies to seek sustainable industries, barriers to market entry must be lowered. Platforms have become a well-known and used service from consumers space, and consumerization is increasing the desire for familiar experiences for businesses. To increase the sales and consumption of Norwegian local food, Matmerk, a social-maximizing organization, has established a B2B multi-sided platform, *Lokalmat*, to provide services to help producers and buyers sell and purchase local food products. A local food platform that can positively enhance its members' activities and accelerate problem solving initiatives can provide the industry with a valuable and constructive tool, which erodes the barriers to growth.

This thesis aims to investigate how a social-maximizing organization can create a valuable B2B platform for an industry. To reach these objectives, our investigation focuses on uncovering the needs and challenges of producers and buyers within the Norwegian food industry. Simultaneously, we explore how these players currently mitigate these challenges and investigate the inter-firm relationships. In this exploratory study we leverage open innovation and platform theories to explore if services to aid the expressed needs, challenges and collaborations can be feasible on a B2B platform. To provide insight on how to create a valuable B2B platform, in-depth interviews were performed with sixteen industry players including buyers, producers and geographically dependent networks. To support the qualitative data, questionnaires were issued to all current members of the platform. This was done in the attempt to acquire both a broad and in-depth understanding to adequately explore and provide suggestions to contribute to research.

We find that platform members are heterogeneous, and thus hold widely differing needs. To provide a valuable B2B platform, a social-maximizing organization thus has to be able to identify the needs which are perceived as both important and difficult. Our study reveals that these needs are attempted to be solved through collaborative efforts. Thus we find that a social-maximizing organization can create a valuable B2B platform by facilitating collaborations on needs perceived as both important and difficult.

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We truly acknowledge that this project is the result of synergy effects. It has been a true pleasure to work together, and as Chesbrough (2003) says; a single *individual* cannot innovate in isolation, but rather must cooperate to acquire ideas and capabilities beyond its boundaries.

Chapter 1: Introduction

The relationship between the market and the natural environment surrounding it is becoming increasingly important (Reijonen & Tryggestad, 2012). Nidumolu, Prahalad and Rangaswami (2009) find that neither education nor legislation will solve the current problems of unsustainable developments. While you cannot force sustainability upon organizations, you can facilitate it by encouraging participation in sustainable product development and processes. By lowering the barriers of market entry, it may become easier for organizations to select sustainable choices and develop products and services to grow such industries.

Individuals are bringing what they know from consumer space into enterprise space ("Consumerization," 2012) and as such, businesses are demanding services and platforms to hold similarities to consumer experiences ("Building the B2B," n.d.). Social platforms and collaborative innovations are becoming a significant aspect within business-to-consumer (B2C) markets (Di Fiore & Vetter, 2016). However, we observe that most business-to- business (B2B) platforms operate within e-commerce. We further find a limited amount of literature covering this B2B platform topic. As such, it sparked our interest to investigate how a B2B platform could lower the barriers to create sustainable product developments and grow sustainable markets.

Daniel Pink (2006) wrote that "abundance has satisfied, and even over-satisfied, the material needs of millions - boosting the significance of beauty and emotion and accelerating individuals' search for meaning." This shift has been significant within the food industry; consumers are more concerned with what they eat, how the food is produced, and the impact its production has on the world. Consumers are moving beyond mass produced food, demanding experiences and products that satisfy their needs beyond simple consumption ("Trendforsker tror vi," 2016). Norway is experiencing an increased trend towards local food (Virke, 2015) and to enable industry growth and reach governmental goals, social-maximizing organization Matmerk has developed a local food platform, *Lokalmat*. Matmerk does not aim to make Lokalmat a marketplace, however wishes to create a compelling and valuable platform where organizations actively engage; making it flourish beyond the capabilities of a database. We find that local food producers extensively collaborate, and as organizations engaging in collaborations beyond borders reach an improved performance than companies innovating and developing alone (Chesbrough, 2003), we want to investigate if inter-firm collaborations facilitated by a platform can help grow an industry.

1.1 Problem Statement

Accordingly, this thesis will aim to answer the following research question;

> *How can a social-maximizing organization create a valuable B2B platform for an industry?*

Thus, we aim to contribute to theory and academia in the crossing between collaborations and platforms, as depicted in figure 1.1.

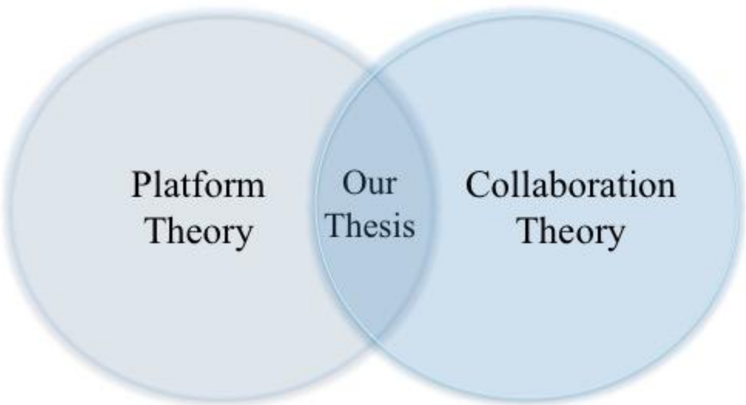

Figure 1. 1: Our Contribution to Theory and Research

1.2 Delimitation

To answer the problem statement, we limit our research and data collection pertaining to the players on the platform, and consider the platform developer beyond the scope of this thesis. Our investigation is exclusively conducted in relation to Lokalmat, as we do not consider Matmerk's other services. However, as the platform was recently launched, we investigate the current 'off the platform'-activities of platform members. Although there may be competing platforms, we do not investigate these platforms. Further, end-consumers are beyond the scope of this thesis, however, we recognize that buyers mimic end consumer behavior. We acknowledge and investigate network effects, but consider initial membership attraction outside the research focus. We assume all members of Lokalmat are profit maximizing.

1.3 Thesis Structure

The thesis' structure is depicted in figure 1.2 below. *Chapter Two* provides insight into the theoretical frameworks and strands of research relevant for this thesis. How the research is conducted to answer the problem statement will be elaborated in *Chapter Three*. *Chapter Four* presents the quantitative dataset description and *Chapter Five* contains the empirical setting, subsequently followed by the analysis in *Chapter Six*. The paper is concluded with *Chapter Seven* containing the final discussion and *Chapter Eight* containing conclusion, implications, limitations, and further research.

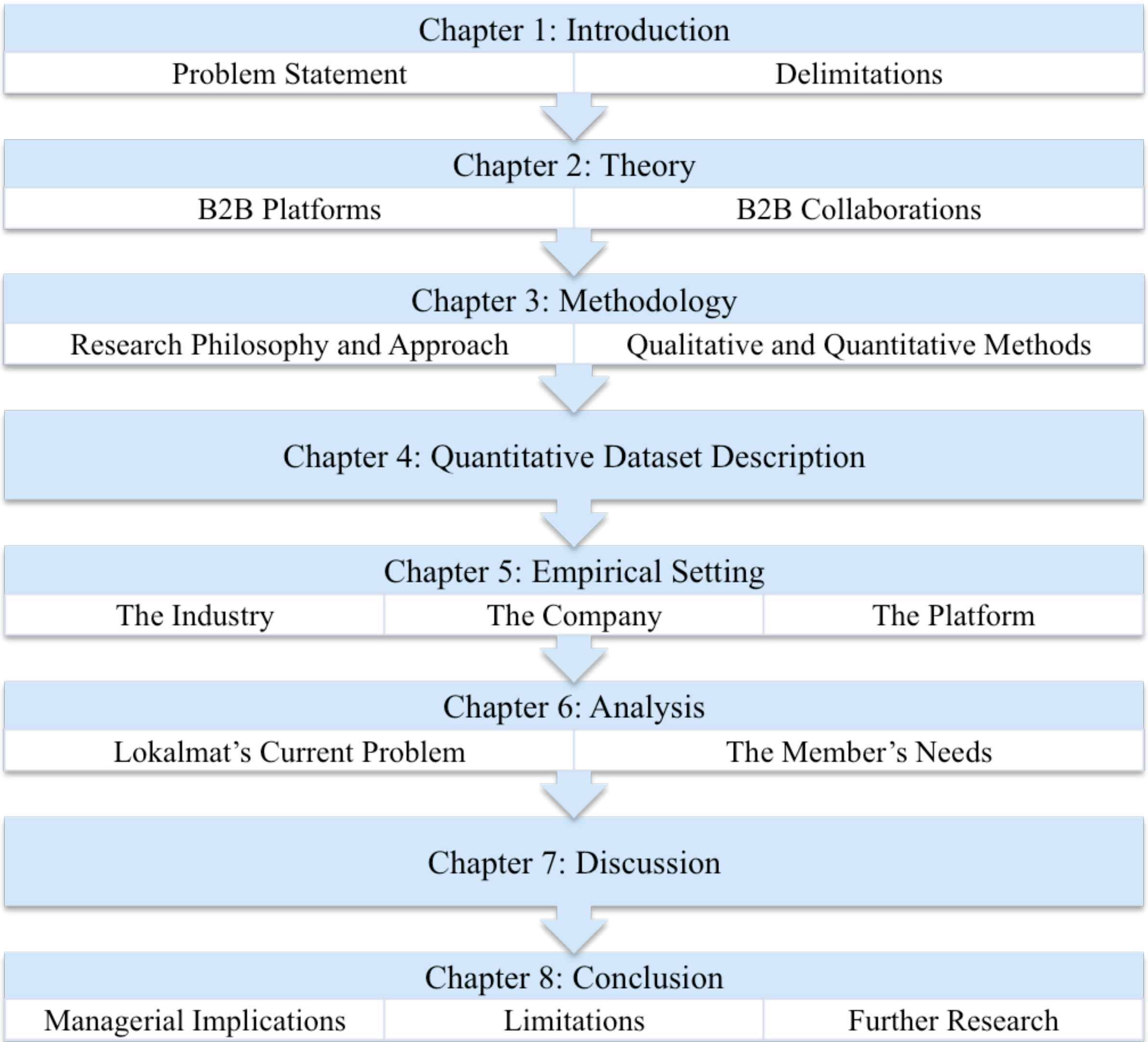

Figure 1. 2: Thesis Structure

Chapter 2: Theory

2.1 Business-to-Business Platforms and Business Models

By investigating business model and platform research an understanding of the foundational considerations for creating a platform can be achieved. This understanding is important to enable research into what a platform should offer and how that can be experienced as value creating. Accordingly, this section is important to generate the foundation for understanding what is attempted to be achieved, whether or not it should or could be done, and if the achieved contribution will be valuable to provide through a B2B platform.

2.1.1 Business Models

A well-defined and thought-out business model is important to new entrepreneurs as well as established conglomerates (Magretta, 2002). No generally accepted definition for business models has been established, however authors agree that a business model should articulate who the customer is, what the customer values, how the firm will deliver value, and how the firm will appropriate rents (Magretta, 2002; Morris, Schindehutte & Allen, 2005). Amit and Zott (2010, p.219) define a business model as "the content, structure, and governance of transactions designed so as to create value through the exploitation of business opportunities." Amit and Zott (2012, p.217) suggest that a business model is also designed to "fulfill customers' needs and create customer surplus while generating a profit for the focal firm and its partners." The essence of business models, as such, is to offer a value proposition to customers and receive revenue for creating that value (Amit & Zott, 2010; Morris et al., 2005; Teece, 2000).

Profit-maximization is a main objective in business model creation, however, there are many rising non-profit firms whose focus is to achieve social objectives; where the focus is on stakeholders not shareholders (Yunus, Moingeon & Lehmann-Ortega, 2010). These social businesses hold business models which focus on social maximization, not profit maximization, and whose sole purpose and motivation is to serve society to the best of its ability. Social firms aim at being self-sustaining so to be able to continuously offer its services.

Yunus et al. (2010) suggest that complementary partners are important to social firms as they can leverage the expertise and resources needed to offer their service or product. This is a great advantage for these firms as the need to create resources in-house is eliminated. Yunus et al. (2010) further argue that people are unable to imagine novel offerings, so they cannot provide ideas on what a potential innovation could be like to suffice their needs. Therefore, it is up to the firm to continuously learn and experiment to find potential opportunities.

A firm's business model is dependent on the set of unique system of activities, resources and capabilities that a firm performs internally, for its customers, or in cooperation with partners and suppliers (Amit & Zott, 2010; Magretta, 2002). Decisions on which activities and capabilities to perform directly influence which investments are needed, the prices which should be charged for services or products, the consumers and competitors who will be considered, and the suppliers and networks which will be needed (Amit & Zott, 2010; Morris et al., 2005). Additionally, Teece (2000) explains dominantly, "customers don't just want products; they want solutions to their perceived needs"; highlighting that firms must devise or revise business models to provide transactions which are not yet offered in the market.

Amit and Zott (2010) describe dominant value creation drivers as design elements that can create advantages and new value. *Novelty*, *lock-in*, *complementarities* and *efficiency* are considered to be drivers of value. A novel activity design can be the application of new content, linking activities in new ways or adapting the governance of activities. These novelty-centered activities can be applied simultaneously or individually. Lock-in activities are designed to keep third parties attracted and involved by creating continuous potential and benefits. Lock-in features can be seen in, for instance network externalities. Complementarities are present when activities create more potential when grouped than when performed separately. Efficiency efforts are implemented when activities are designed to increase efficiencies and decrease transaction costs.

2.1.2 Multi-sided Platforms

Multi-sided platforms are becoming increasingly important to many different companies in distinct industries (Eisenmann, Parker & Van Alstyne, 2006). Platforms can be important to the Norwegian local food industry, as it enables the connection of people across a long geographical area. As described by Evans (2003) multi-sided platforms provide unique service opportunities to connect distinct members or groups who need each other. B2B online platforms organize and enable direct transactions between partners, thus providing matching and trading services to facilitate exchanges (Evans, 2003; Li & Penard, 2013). Platforms create significant value by enabling communication and exchanges that may otherwise not occur (Edelman, 2015). This can directly improve how partners conduct business, such as achieving consensus on the terms of their relationship or proceeding without negotiated contracts (Kaplan & Sawhney, 2000). Evans (2003) argues that for a platform to increase social connections there are three conditions that must be true (1) there are distinct groups of members (2) members benefits from having their demands coordinated with other members on the platform (3) the platform facilitates connections and coordinates members more efficiently than if members connected off the platform.

B2B platforms are typically classified by their ownership and management structure, and can be categorized as neutral or non-neutral, and vertical or horizontal (Li & Penard, 2013). A neutral platform is where a third party independent of the buyers and sellers manages the platform, as where a non-neutral platform is owned by either suppliers or buyers. Horizontal platforms incorporate more than one industry, and vertical B2B platforms connect suppliers and buyers within a single industry.

The most successful online platforms are able to not only connect two or more types of members, but also have them actively engaging with one another, as members rarely leave an active platform community (Edelman, 2015). Lee, Pak and Lee (2002) make a distinction between B2B platforms which simply replace traditional communications such as e-mail or fax, and those which create collaborative and integrative partnerships. The authors find that 'basic' transactional platforms have a limited potential to offer value creation. Collaborative platforms advance inter-firm dependencies by enabling companies to manage cross-functional activities with channel partners more efficiently, which propels partners' performance. B2B platforms and their networks do not improve performance alone, but allows for members to adequately implement processes and activities that do (Lee et al., 2002). As the authors state, "this research provides clear evidence that B2B networks should be used to establish new collaboration with channel partners, rather than just to exchange business documents" (Lee et al., 2002, p.360).

2.1.2.1 Network Effects

A platform can provide its members with indirect or 'cross-side' network effects, as well as direct or 'same-side' network effects (Eisenmann et al., 2006). As defined by Caillaud and Jullien (2003) indirect network externalities are when members have larger expected gains due to the number of members on the other side of a platform. Evans (2003) highlights that the benefit enjoyed by one side of a platform is dependent on how well a platform encourages the other side to participate. Capturing cross-side network effects is a requisite for platforms success (Eisenmann et al., 2006). Two-sided platforms create indirect network effects by increasing the number and variety of members on the platform (Evans, 2003; Li & Penard, 2013). A neutral platform is a typical example of a two-sided market with indirect network effects (Li & Penard, 2013). Members of a B2B platform are often concerned with the quantity, heterogeneity and quality of members present with whom they can engage in exchanges (Li & Penard, 2013). Members want to have access to a great diversity, meaning many members of different types, to receive options and substitutes (Edelman, 2015; Caillaud & Jullien, 2003). Additionally, a dominant feature B2B platforms must possess is the ability to effectively match and connect members who are relevant for engaging in activities (Caillaud & Jullien, 2003). Evans (2003) and Li and Penard (2013) highlight that members will value a platform's service if there are more, and willing, members on the other side, as it will increase the probability and decrease the time it takes to locate an accurate match. Eisenmann et al. (2006) bring focus to same-side network effects, stating that attracting members to one side of a platform helps entice more members onto that side. Having partners on the same side to rely on for advice or knowledge improves performance of members, thus giving an incentive to recruit others while at the same time providing a credible reason to join (Edelman, 2015). However, this can have negative consequences in B2B marketplaces, as sellers prefer to have fewer direct rivals and substitutes for buyers to choose from (Eisenmann et al., 2006).

Platforms should not only connect members but also provide information on members' facilities or certifications for potential partners to consider significant quality information (Caillaud & Jullien, 2003). In their empirical study of B2B platform marketplaces, Li and Penard (2013) found that quality issues are extremely important, and platform managers should design screening mechanisms to ensure those present on the platform meet minimum quality standards. The study revealed that in the early stages of a platform the number of suppliers present was crucial for buyers, however, later on buyers were more concerned with supplier quality. As such, this underscores that a competitive advantage for a platform's marketplace can be created by a combination of both quantitative and qualitative network effects (Li & Penard, 2013). However, attracting a great number and a variety of members poses a difficult challenge for platform managers (Edelman, 2015). If demand on one side of the platform is nonexistent, than members on the other side will abandon the platform, regardless of strategically chosen motivational factors (Evan, 2003).

Members who are active on more than one platform engage in ‘multi-homing,’ as opposed to members who choose one platform and thus engage in ‘single-homing.’ (Caillaud & Jullien, 2003; Evans, 2003). Members engaging in multi-homing may find that their probability of acquiring a match is higher when they join multiple platforms, thereby increasing their transaction opportunities (Evans, 2003; Eisenmann et al., 2006). To decrease user incentives to multi-home, platform managers need to increase their exclusive or unique services to create differentiated advantages (Caillaud & Jullien, 2003; Eisenmann et al., 2006; Evans, 2003). As such, it can be interpreted that platforms must attend to members needs. Evans (2003) suggests that by providing multiple benefits to one side of the platform can discourage the use of a competing platform, as it induces their participation to that platform and leaves less time to view other platforms.

Pricing strategies are essential for enabling indirect network effects and for encouraging members from both sides to join the platform (Edelman, 2015; Eisenmann et al., 2006; Evans, 2003). Evans (2003) offers that platform managers often skew prices towards one side depending on the indirect network externalities generated from that side. Therefore, if one side of a platform generates a greater degree of externalities, that side will typically be subsidized to obtain members onto the platform (Eisenmann et al., 2006; Evans, 2003; Caillaud & Jullien, 2003).

2.1.2.2 Transaction Costs Effects

Transaction cost economics (TCE) considers that partnerships and contracts are not easy to manage and those firms who invest in interfirm activities expose themselves to uncertainty and risk (Shelanski & Klein, 1995). In interfirm relationships both human and physical capital are shared, and when making economic exchanges in an uncertain relationship a firm is expected to incur a variety of costs to conduct those activities (Shelanski & Klein, 1995; Dahlander & Gann, 2010). Dependent on the type of transaction between partners certain transaction costs will incur, and therefore require specific governance structures to mitigate them (Shelanski & Klein, 1995). Li and Penard (2013, p.2) claim that B2B platforms can “increase the efficiency and fluidity of markets by reducing transaction costs and facilitating productivity gains for firms." Similarly, Kaplan and Sawhney (2000, p.98) highlight that by connecting an extensive number of buyers and sellers, and by enabling transactions, B2B platforms can "expand the choices available to buyers, give sellers access to new customers, and reduce transaction costs for all the players." B2B platforms can reduce procurement transaction costs by releasing managers of the hassle to search for products or services by offering a catalog of products which buyers can choose from (Kaplan & Sawhney, 2000). As such, the platform becomes a one-stop shop that brings large numbers of participants to one virtual location, making it more efficient to locate counterparts (Kaplan & Sawhney, 2000; Ordanini & Pol, 2001). Ordanini and Pol (2001, p.281) claim that B2B digital marketplaces can increase transparency of product and price information not only making it easier for buyers to make decisions on cost and quality, but also reduce “information asymmetry opportunism and adverse selection phenomenon.” However, Pavlou (2002) states that it is harder to establish a trust based relationship on an online platform compared to face-to-face communications, as online exchanges are associated with a higher level of uncertainty.

Although Kaplan and Sawhney (2000), Ordanini and Pol (2001) and Lee et al. (2000) focus primarily on e-hubs in their articles, the searching, cost reductions and interactions offered in e-hubs can be similarly compared to those on a B2B multi-sided platform in general, as is the focus of this thesis. Members’ need to search, match and communicate are still significant on a non e-marketplace.

2.2 Business-to-Business Collaboration

While social-maximizing organizations are often limited by their capabilities to make investments, it does not entail that the industry it serves will not benefit from the many opportunities made possible by platforms. However, we investigate if an organization can facilitate the collaborative development of activities, and thus provide solutions to industry challenges without having to offer services itself. It is important to understand how research on platforms and collaborations can be combined to investigate in which ways resource-limited firms can deliver a value-adding platform. Accordingly, this section is relevant to build a foundation for answering the research question and identify how to create a valuable B2B multi-sided platform.

The ideology behind collaborations and partnerships is that a single firm cannot innovate in isolation, but rather must cooperate to acquire ideas and capabilities beyond its boundaries (Dahlander & Gann, 2010; Vanhaverbeke & Chesbrough, 2006; Chesbrough, 2003, 2006). Companies are increasingly engaging in collaborations to leverage external competencies, knowledge and resources to improve their competitive advantage and advance their mutual objectives, rather than being self-reliant (Lambert, 2012; Chesbrough, 2003). Chesbrough (2011) further finds that commoditization should entice companies to focus on a combination of products and services to enable sustainable growth and a competitive advantage. Organizations and firms can be part of a complex community of entities that have the potential to exchange services, create reciprocal value, and exchange feedback on activities. When companies collaborate, their business activities, process, skills, and knowledge are linked together to create new valuable capabilities (Lambert, 2012).

Laursen and Salter (2006) emphasize that swift trust is a foundation for collaborations of innovation, referring to trust that develops over a short period of time based on reciprocity and close interdependence (Brown & Duguid, 2000). Fawcett, Jones and Fawcett (2012) emphasize that trust is crucial in collaborative alliances; collaboration is the basis for building and sustaining trust and without it synergies cannot be created. Companies that are without a trusted intermediary or supplier must develop contractual agreements and management systems to ensure the agreed-upon outcome is achieved.

2.2.1 Open Innovation

Laursen and Salter (2006, p.131) define open innovation as "using a wide range of external actors and sources to help [companies] achieve and sustain innovation." Open innovation is the purposive use of inflows and outflows of knowledge that stimulates and accelerates new innovations with commercial potential (Chesbrough, 2006; Asakawa, Song & Kim, 2014; Vanhaverbeke & Chesbrough, 2006). Von Hippel (1988) states innovation strategies conducted with external business partners is a way for firms to gain ‘know-how knowledge’ - an expertise or skill that enables a company to perform its activities with superior efficiency. External partners of open innovation can include suppliers, entrepreneurs, clients, consumers, and competitors (Asakawa et al., 2014; Chesbrough, 2006). A company should devise a strategy for its breadth and depth of external partners which are appropriate for their needs (Laursen & Salter, 2006).

By broadening the scope of exploration companies have access to readily available ideas, technologies and resources, which are then further merged with internal capabilities and constructed into new innovations for commercialization; bringing potential value and revenue for the company (Chesbrough, 2003, 2006; Chesbrough & Vanhaverbeke, 2006). Further, Gassman, Enkel & Chesbrough (2010) suggest the results of openness and collaborations can be reducing costs, over capacities, and risks, and the opportunity of growth through complementary assets.

As open innovation enables companies to develop offerings demanded by the market, it facilitates companies to advance with emerging trends and satisfy the needs’ of the market to remain relevant amongst consumers (Asakawa et al., 2014; Chesbrough, 2003). Simatupang and Sridharan (2002) state that high-paced change in consumers demands should be met by a collaborative supply chain. Furthermore, by leveraging the market familiarity and knowledge of other firms within the industry, companies can eliminate uncertainties and retrieve direct insight about the market (Asakawa et al., 2014). As such, open innovation can improve product and service development efforts by closing research gaps about customers’ desires (Gassmann et al., 2010). However, Laursen and Salter (2006) argue that open innovation poses a considerable challenge with attention allocation and the ability to identify knowledge and ideas of higher quality. The authors suggest drawing knowledge from a small number of external sources at a time, to mitigate the difficulty of managing knowledge and relationships.

Open innovation allows companies who hold superior skills to benefit from sharing them with external parties (Asakawa et al., 2014). Dahlander and Gann (2010) argue that companies remain competitive and can gain an advantage by expanding their capabilities and knowledge. Laursen and Salter (2006) suggest that firms in benefit-rich networks, who actively search for new opportunities, have a high innovative performance compared to those who do not. Further, firms who invest in an extensive external knowledge search have a greater ability to adapt to environmental changes.

In open innovation, research, knowledge and capabilities must be acquired, integrated and leveraged by partners to establish a successful partnership (Asakawa et al., 2014). To do this adequately firms must possess absorptive capacity, where strong internal capabilities are necessary to utilize external knowledge and technology (Chesbrough, 2006; Chesbrough & Vanhaverbeke, 2006). The geographical location of knowledge or ideas can impact the success of sourcing and exploiting external resources. The mobility of knowledge and ideas can be challenging in a geographically dispersed context, making it difficult to absorb the knowledge offered (Asakawa et al., 2014). Although open innovation is not geographically restricted, strategies to mitigate the challenges of external sourcing must be created to allow for knowledge and skill transfer. A solution could be to create a cluster where partners can collaborate (Asakawa et al., 2014).

Open innovation is about sharing know-how, technology, expertise and knowledge, therefore requiring companies to make capabilities available for others to leverage and benefit from (Dahlander & Gann, 2010). This makes it difficult for companies to protect their practices or ideas which they would like to commercialize. As such, firms must be willing to be open or must devise clearly articulated limits to what can be shared to ensure they have control and there is no ambiguity in intent (Chesbrough, 2003; Dahlander & Gann, 2010; Gassmann et al., 2010). Before partners develop a relationship, the uncertainty and lack of trust can create tension between partners. To reduce tension, partners must seek and foster mutual trust to diminish opportunistic behavior (Asakawa et al., 2014; Dahlander & Gann, 2010). Horvath (2001) establishes that open innovation practices crucially depend upon an infrastructure that allows for easy and comfortable establishment of contracts.

2.2.1.2 Co-creation

Open innovation is a broad term with the ability to cover wide areas of research. Co-creation is part of the open innovation model, however it can be argued that co-creational relationships to a larger extent entail partners actively implementing each other into the process or production of innovation. As such, one can claim that open innovation is a process of inside-out or outside-in integration of knowledge, while co-creation is the combined effort of the two. Such a close integration can make it more challenging for companies to keep their product or process secrets, as the relationship calls for linking such aspects.

Co-creation between professional partners can occur in business-to-stakeholder relationships and business-to-business relationships. Business-to-stakeholder co-creation includes co-creation with employees, customers, clients, suppliers, partners and competitors (Frow, Nenonen, Payne & Storbacka, 2015; Roser, DeFillippi, & Samson, 2013). Business-to-business (B2B) co-creation specifically focuses on relationships with suppliers, business clients, competitors, business networks and business partners (Jaakkola & Hakanen, 2013; Vargo & Lusch, 2010; Gassman et al., 2009). Roser et al. (2013) argue there is no one-size fits all approach to co-creation, therefore companies must first decide which B2B partners are important and devise a plan for managing co-creation developments. As every company has its own perspective of what is valuable, co-creation entails that partners will have to uncover and understand differing considerations.

Co-creation offers significant potential for companies to create greater value in their services or processes when they integrate or insource resources, knowledge and capabilities from other actors (Jaakkola & Hakanen, 2013). As such, it is underlined that co-creation is an aspect of open innovation. Roser et al. (2013, p.23) defines co-creation as an "interactive, creative and social process between stakeholders that is initiated by the firm at different stages of the value creation process." Similarly, Frow et al. (2015, p.464) state, "co-creation involves the joint creation of value by the firm and its network of various entities (such as customers, suppliers, and distributors) termed actors." B2B co-creation differs from other types of co-creation as it typically involves a one-to-one or one-to-few relationship, as opposed to the one-to-many relationship typically observed in B2C co-creation (Roser et al., 2013). B2B co-creation is often focused on co-innovation through supply chain integration or by strategic alliances where ideas are formulated by shared knowledge and expertise (Fawcett et al., 2012; Roser et al., 2013).

The relationship between two companies may be simple such as requiring ordinary coordination or may be complex such as requiring joint development of a new process or product. Therefore the nature of a relationship is contingent on the activities required to reach the mutual purpose of co-creation (Jaakkola & Hakanen, 2013). B2B co-creation can take the form of, for instance co-branding (Ballantyne & Aitken, 2007), co-conception, co-design, co-production, co-promotion or co-distribution, determined by the type of co-creation conducted and the partner involved (Frow et al., 2015; Roser et al., 2013). Typically, co-creation involves the formulation of problem-solving solutions (Jaakkola & Hakanen, 2013), business strategies, new innovations, new services, or new capabilities (Roser et al., 2013). Integrated solution strategies can create “superior or simplified operations, cost saving, performance guarantees, convenience, customized services and state-of-the-art offerings” (Jaakkola & Hakanen, 2013, p.48).

Value creating activities are developed when actors combine, develop or create capabilities using their own individual capabilities and resources and linking them (Ballantyne & Aitken, 2007; Jaakkola & Hakanen, 2013; Lambert, 2012). As such, co-creation in a B2B context is about identifying a collaborative partner and maintaining a relationship for the purpose of enhancing the performance or capabilities of the parties involved (Vargo & Lusch, 2010). An important principle of co-creation is that exchange, collaboration and reciprocal roles are value-creating activities that establish interdependent relationships, which can go beyond financial transaction and economic exchange (Vargo & Lusch, 2010).

In their case study, Jaakkola and Hakanen (2013) found that non-competing suppliers were able to satisfy their individual consumers’ needs by integrating a variety of resources and knowledge from each partner. Alone, these suppliers would not have been able to provide value for customers, but when collaborating they were able to develop services or products that were demanded. Suppliers found that by integrating external sources into their production they were able to differentiate themselves. This was especially beneficial for the small companies, where being a member of a network provided credibility and access to capabilities that were beyond their internal reach; “co-operation with bigger, well-known companies in the industry was important for their image and made them more attractive to the customers” (Jaakkola & Hakanen, 2013, p. 53). Additionally, Jaakkola and Hakanen (2013) revealed that a network brought more flexibility to resource allocation, as tasks could be divided amongst the suppliers. The partners were able to rely on their networks’ knowledge, positioning, and resources to coordinate activities, eliminating the strain of having to conduct tasks individually. This is important to the food industry, as consumer perception and behaviour are communicated to the producers through for instance feedback from grocery stores.

As the primary motive for B2B co-creation is to gain access to resources and capabilities, companies need to acquire assurance that access to such assets will be given (Jaakkola &

Hakanen, 2013; Fawcett et al., 2012). For successful co-creation, alignment of expectations and unambiguous understanding of objectives are crucial and must be accomplished by all individuals involved (Roser et al., 2013; Fawcett et al., 2012; Lambert, 2012). Additionally, relationships that facilitate learning require constant open communication, which demands a high level of intimacy between companies. To learn from partners dialogue is essential and it must be open-ended and learning-oriented to foster knowledge sharing (Ballantyne & Aitken, 2007; Roser et al., 2013). Lambert (2012) argues that a lack of communication can make partners unaware of the value that is co-created in different activities and may cause diverging perceptions for success, which can jeopardizing the duration of the partnership. Conditional to the complexity of co-creation and the type of actors involved, partnerships may be contractually based or equity based and determine the longevity of the relationship (Roser et al., 2013). However, regardless of how companies decide to minister their relationship, a partnership requires alignment between partners, boundaries of co-development, and a high level of engagement (Lambert, 2012; Roser et al., 2013).

Fawcett et al. (2012) emphasize that trust and synergies are crucial in relationships and without it collaborative alliances can not be sustained. In the authors' study of supply chain alliances, they found that trust is the basis for aligning incentives and instilling commitment, which motivates relational behavior and collaborative intent. Further, relationship capabilities often lagged behind performance capabilities, meaning that companies needed to build trust before they were open to share information, strategic details or technological developments. Collaborative innovation can only occur when companies are open to share with one another and therefore affirms the need for partners to achieve trust maturity (Fawcett et al., 2012). Business partners want to have transparency and honesty about pricing, goals and capabilities (Roser et al., 2013).

As value is defined differently, perceptions of collaborative intent and commitment to objectives may also be viewed differently, potentially causing challenges in finding a partner who holds similar value creation views (Fawcett et al., 2012; Lambert, 2012). Additionally, partners will hold different approaches towards communication and companies cannot control how partner will decide to construct their business alliance (Roser et al., 2013). Before a company can delve into co-creation, executives and managers must adapt their collaboration practices so to develop profound communication and activities with their business partners (Roser et al., 2013; Jaakkola & Hakanen, 2013). An infrastructure that allows for easy and comfortable negotiations between partners is crucial to establishing well thought out agreements quickly (Horvath, 2001). This emphasizes the importance of reciprocity and trust as it encourages each side to be dedicated to the successful outcome of the alliance (Roser et al., 2013).

2.2.1.3 Limitations to the Research Due to the Application of Open Innovation

Majority of the open innovation literature is focused on large firms with extensive R&D divisions. However, this thesis will apply the knowledge from open innovation research to an industry with many small firms consisting of few employees. By applying the research in a smaller setting, some of the inherent limitations of open innovation, such as the 'not invented here syndrome' and difficulties with organizational governance and acceptance (Asakawa et al., 2014; Chesbrough, 2006; Laursen & Salter, 2006) become less critical. While it simplifies the application of open innovation, it weakens the fit of the empirical foundation. Open innovation research mainly focuses on the sharing of knowledge, resources and capabilities within technologically driven industries, dependent upon advanced R&D. While applying it to smaller low-tech companies may significantly reduces challenges with, for instance absorptive capacity, it also decreases the applicability of the research. Additionally, theories applied in this thesis are predominantly based on profit maximizing organization as opposed to social-maximizing organizations. As the goals of these two types of organizations are significantly different the theoretical findings do not align directly with the organization analyzed in this thesis. This creates a misalignment of foundational assumptions about the nature of organizations, what they attempt to achieve and how. The consequence of applying findings which are based on a different foundation is that the experienced dynamics might be significantly different than anticipated based on a theoretical analysis. As such, it might weaken the proposed implications for the platform. Additionally, platforms, open innovation and co-creation are relatively new strands of research and theory, and as such there is limited research in these areas which are conducted in a B2B context, in comparison to B2C. This in particular pertains to the research in co-creation; while the co-creation articles cited in this thesis are peer-reviewed, they are not all heavily cited.

2.3 The Importance of Quality

This thesis aims to investigate how a valuable B2B platform can aid in the challenges of the local food industry. To determine what contributes value, an understanding of quality, and in particular food quality, can help differentiate between what should or should not be offered on the specific B2B platform in question.

Cooperation with other parties is a noncompetitive, mutually beneficial relationship which can be applied to coordinate activities or personnel to achieve high quality (Anderson et al., 1994). As forefather of quality Edward Deming highlighted, “when the focus of cooperation between competitors is to provide better service to the customer…, everyone comes out ahead” (Anderson et al., 1994, p.484). To facilitate a win-win improvement process, removing barriers and instilling collaborative thinking is a prerequisite (Anderson et al., 1994).

According to Juran and Godfrey (1999) there are two definitions of quality. Quality can be defined as the *features of products that meet customer needs*. A product or service of high quality results in increased customer satisfaction, and accordingly allows a company the ability to increase its income. However, quality often requires significant investments and thus increases the cost of a product. As such, higher quality entails higher costs. This definition of quality is dependent upon dedication towards understanding what consumers need and desire, now and in the future, so products and services can be designed to satisfy those demands (Anderson et al., 1994). There is an inherent difficulty in basing quality on customer needs, as there are many differing foundational attributes of quality. The second definition of quality entail a product’s *freedom from deficiencies* (Juran & Godfrey, 1999). When a product is of high quality, the need for rework decreases along with customer dissatisfaction. Accordingly, higher quality in this sense entails lower costs.

A long standing operating definition of quality was *conformance to specification*, assuming that if a product, process or service complied with specifications, it would automatically meet customer needs (Juran & Godfrey, 1999). However, product specifications do not include all customer needs, and as such this definition is flawed. Further, to base the goals of quality on market standards and competitors is superior to basing it on past quality performance.

2.3.1 Food Quality

High and persistent quality is an important aspect within food, as the consequences of low quality can significantly impact the entire supply chain (Burlingame & Pineiro, 2007). As a response to consumers' concern for food safety, multiple global systems developed for the production and distribution of food, resulting in the development of public and private standards of food safety, quality and traceability (Trienekens & Zuurbier, 2007). As a result of this, there has been an increase in the marginal cost of quality certification. This lies upon governmental agencies to validate through audits (Trienekens & Zuurbier, 2007). Brimer (Bosona & Gebresenbet, 2011, p. 294) found that food producers are dependent upon efficient logistics, and that the quality of these systems significantly influence "the profit of producers, the price of food products, and the satisfaction of customers." For distribution and logistics to be of quality, the process must entail delivery of the right product, in the right quantity, at the right location, time and condition, at the right costs. Bosona and Gebresenbet (2011) found clusterings and logistics integration could positively affect efficiency of distribution, food quality and the possibility of local food producers reaching a market.

The food industry is an industry with multiple stakeholders both within and beyond the supply chain. As such, conveying and fulfilling quality to suffice the requirements of all stakeholders is demanding and requires extensive knowledge and information (Trienekens & Zuurbier, 2007). This extensive presence of stakeholders is further complicated by the management of relationships within the value chain typically being insufficient. Trienekens and Zuurbier (2007) found that lacking consumer knowledge, insufficient risk communication and low dissemination of R&D knowledge are significant bottlenecks for European food systems. The authors claim that loosely tied relationships with insignificant knowledge of partners pose a hazard to quality production and distribution of food. As such, tighter collaboration could increase the level of food safety. Further, ingredient sourcing is emphasized to be a significant challenge to food quality.

De Cherantony, Harris and Riley (2000) found that added value can guide customers' purchasing decision when considering multiple products. As such, added value can differentiate one product from another. While the authors did not find grounds for the application of added value to attain a price premium, added value can enable an attractive price for both the producer and customer, allowing a long relationship of repurchases. Trienekens and Zuurbier (2007) claim food producers should differentiate themselves by producing specialities, as formal quality is becoming highly standardized. Accordingly, they are indirectly supporting the notion of added value.

2.3.2 The Effect of Quality

A product or service can obtain loyal customers from having a high perceived level of customer satisfaction, and as such a high perceived level of quality (Matzler & Hinterhuber, 1998). Business customers differ from individuals as customers when demanding customization of offerings and prices (Rauyruen & Miller, 2007). As a result of customer satisfaction product experience reduces price sensitivity, indicating that customers are willing to pay more to obtain a product or service of high quality. Furthermore, customers who perceive a product or service to have quality are likely to have higher recurrence in purchasing. Milgrom and Roberts (1986) differentiate between a 'search good' and an 'experience good' when investigating the relationship between quality and price. While the quality of a search good can be easily established, the same is not true for an experience good, where significant details about quality are unverifiable without personal experience of use. Furthermore, as information provided through advertising cannot be verified, a high price can be used to signal high quality (Milgrom & Roberts, 1986). However, for this strategy to be efficient in ensuring repeat purchases, it is dependent on the perceived quality of use to meet expectations.

If a company is able to retain a customer over an extended period of time, a two way learning process can be established (Reichheld & Sasser, 1990). On the one hand, the customer is able to learn about the product or service, and accordingly use that knowledge to achieve a higher level of satisfaction and a greater value of use. On the other hand, the company is able to obtain information about the customer, and to a large extent uncover the needs of individual customers. This enables greater satisfaction of needs, and accordingly an increased level of perceived quality.

Matzler and Hinterhuber (1998) found that customers experiencing products and services surpassing their expectations become loyal, while customer loyalty is unaffected with only moderate satisfaction. One can distinguish between behavioral loyalty and attitudinal loyalty. Behavioral loyalty is "the willingness of average business customers to repurchase the service and the product of the service provider and to maintain a relationship with the service provider/supplier." Attitudinal loyalty is "the level of customer's psychological attachments and attitudinal advocacy towards the service provider/supplier." Attitudinal loyalty entails that when customers perceive a product or service to be of quality, they are part of a circle of positive word-of-mouth, that can attract new customers (Rauyruen & Miller, 2007). Rauyruen & Miller (2007) found that overall satisfaction and service quality affect behavioural loyalty, while trust in the supplier, affective commitment to the supplier, satisfaction, and overall service quality affect attitudinal loyalty. Further, research by Molinari, Abratt and Dion (2008) found that perceived value is an important factor in addition to satisfaction.

Quality is about satisfying customer needs, and perceived quality is higher when needs are satisfied (Juran & Godfrey, 1999). This was supported by the findings of Rauyruen and Miller (2007) for B2B relationships. However, customers have different needs, and ascribe different levels of value to the fulfillment of different needs. Accordingly, the fulfilment of needs in itselves does not contribute value (Matzler & Hinterhuber, 1998). According to Kano's model of customer satisfaction, there are three levels of requirements affecting customer satisfaction; 'must-be' requirements, one-dimensional requirements, and attractive requirements (Matzler & Hinterhuber, 1998). The ability to fulfill 'must-be' requirements does not lead to customers' satisfaction, as these are requirements considered prerequisites. However, a failure to fulfill 'must-be' requirements leads to customer dissatisfaction. One-dimensional requirements are stated demands, and fulfillment leads to increased customer satisfaction. What creates significant customer satisfaction, and as such loyalty, is attractive requirements where the product or service elements exceeds customer expectations.

There is no extensive research on loyalty and quality in relation to B2B relationships (Rauyruen & Miller, 2007; Molinari et al., 2008). While the findings of Matzler and Hinterhuber (1998), Milgrom and Roberts (1986) and Reichheld and Sasser (1990) are based on B2C relationships, one can assume that some of the effects will be similar for a B2B relationship. This can be assumed as articles focusing on B2B relationships also quote these articles as foundations for their research, and as such the findings of these articles can to some extent be implemented to B2B relationships, but with caution. Further, these articles are appropriate despite their B2C relation, as retail is a direct link between businesses and end consumers, which is a prominent phenomenon in the food industry. Consumer information that is related to grocery stores, for example, is often the foundation for what is communicated down the supply chain.

2.4 Combining Research on Platforms and Collaborations

This thesis aims to perform research in the theoretical and empirical gap between platforms and collaboration, and thus investigate the opportunity for social-maximizing organizations to leverage platform dynamics to grow an industry. Chesbrough (2003) states that although open innovation brings great opportunities for firms to locate and commercialize novel ideas, open innovation poses different challenges that underscores its limitations. Implementing open innovation requires an extensive investment of effort, time, money, and other resources to establish and sustain a viable partnership (Laursen & Salter, 2006). As open innovation profoundly relies on a continuous supply of inputs, firms must first determine and design a strategy for gaining access to partners who wish to share their ideas, knowledge or technologies (Chesbrough, 2003). Determining the optimal search strategy for finding a partner and extracting external knowledge can be very difficult and companies often have to go through a trial and error period of learning (Laursen & Salter, 2006). These same challenges further pertain to co-creation. However, due to the nature of the co-creational relationships, there is a greater need for extensive mutual trust to enable successful outcomes (Fawcett et al., 2012).

Platform theory (Evans, 2003; Edelman, 2015; Eisenmann et al., 2006) indicates that the role of platforms is to enable connections, and permit members to exchange information, services and resources. While B2C platforms exist in a wide variety, B2B platforms are often limited to transactional activities such as platform marketplaces (Lee et al., 2002). However, Evans (2003) finds that social connections on a platform can also be created if distinct groups benefit from having needs more efficiently coordinated and communicated. Accordingly, platforms can lower the barriers of finding and maintaining relationships, and thus possibly mitigate the challenges of open innovation and co-creation. By lowering transaction costs, open innovation and co-creation may be more accessible and applicable, and thus facilitate a higher level of growth for companies within an industry. Ordanini and Pol (2001) find that platforms can help partners create trust and other resources aiding relationships.

Eisenmann et al. (2006) find platforms that are fulfilling a broader range of needs at a lower or equal price, pose a significant threat to the survival and success of an organization's platform. If the value proposition and business model are not ideally suited to fulfill the needs of its members, a platform may be outcompeted. To create a successful offering, a platform must fulfill customers' needs (Teece, 2000; Juran & Godfrey, 1999), however Matzler and Hinterhuber (1998) found that customers have different needs, and ascribe different levels of value to the fulfillment of different needs. Accordingly, creating a platform for diverse groups of members poses a significant challenge.

Chapter 3: Methodology

Methodology reflects the notions and techniques which can be adopted to obtain and analyze data to answer a research question (Bryman, 2008; Saunders, Lewis and Thornhill, 2009). This chapter highlights foundations adopted in this thesis, determining the methods and their implications for the research. Subsequently how methodological shortcomings will influence the validity and reliability of findings are discussed.

3.1 Research Philosophy

A research philosophy considers the development of knowledge in a specific field, and the nature of that knowledge (Saunders et al., 2009). It is important to distinguish the research philosophy adopted, as it establishes a foundation for choosing specific strategies and methods to answer the research question. To adequately interpret local food producers and buyers' needs, how they collaborate, and the challenges the industry faces, it is necessary to distinguish a philosophy that enhances this understanding. To answer the research question we apply a constructivist paradigm, as defined by the ontological and epistemological perspectives.

3.1.1 Ontology

Ontology is concerned with the assumptions individuals make about how the world operates and the nature of reality, and contains two approaches; objectivistic and subjectivistic (Saunders et al., 2009). As this thesis aims to analyze social constructs such as collaborations and platforms, we favor a subjectivistic perspective to investigate the meanings of behaviors and responses (Bryman, 2008). As such, we acknowledge the world is constructed by its subjects' relations and the context in which these exist. A subjectivistic approach enables us to study how local food producers and buyers make sense of certain phenomena, such as collaboration, through expressed interpretations and meanings. Taking this view enables us to understand the subjective reality of platform members, and dissect their discourse of needs. As we are not expecting to uncover universal truths valid for all local food producers, we are not adopting a firm objectivistic ontology, and thus do not hold a naturalist paradigm. We recognize the heterogeneity of local food players, and thus expect to find multiple realities influenced by human involvement. The subjectivistic approach implies the findings of this thesis may be hard to generalize, and that other researchers may experience the data differently.

3.1.2 Epistemology

Epistemology is concerned with what is acceptable knowledge in a particular discipline (Saunders et al., 2009), and how access to the world is given. There are multiple philosophical positions within epistemology where positivism and interpretivism are the two most radically different. While positivism focuses on the notion of natural sciences, interpretivism advocates adopting an empathetic stance and interpret the meanings of responses to understand the point of view of social actors (Saunders et al., 2009). This thesis concerns feelings and attitudes as opposed to facts or 'real' objects, accordingly, we adopt an interpretivist philosophy. This view permits us to subjectively study the social world of human perception and behavior. We recognize that players within the Norwegian local food industry hold diverse views, and as such, interpreting actors' unique expressions is needed to understand their perception of the industry and the challenges within it (Saunders et al., 2009). The importance of social actors is recognized in this thesis, as interpreting platform members' needs and challenges is critical for answering the research question. The choice of epistemological approach allows us to observe and take into consideration multiple nuances, and thus consequently affects our findings.

3.1.3 Axiology

Axiology pertains to the study of judgements about value (Saunders et al., 2009). By applying a subjectivistic and interpretivistic approach, we imprint our value system onto the thesis. As we are students of business and the social actors we are interpreting are creative individuals and organizations with differing values, there may be a mismatch between intent and interpretation. We share sustainable values with the actors of this industry. The enthusiasm expressed by producers and buyers tainted us, and brought an extensive focus to opportunities rather than constraints. The values we possess impact the questions we asked, and the manner in which we asked them; we may have been too uncritical because we hold a favored view towards sustainability focused players, while on the contrary our quest for sensational findings may have made us too critical. Further, we are slightly naturalistic by nature, attempting to fit the world into a set frame of rules, and detect what is right or wrong. As such, we recognize that research methodology related choices are not choices between extreme options, but decisions along a continuum - we do not claim to be constructivist beyond reason.

3.1.4 Hermeneutic Understanding

A hermeneutic understanding entails a continuous process of learning (Moses & Knudsen, 2012), indicating previous knowledge and experience highly influences the new. As such, what we learn during the research process continuously affects the interpretivist approach foundational to this thesis. This entails that experiences and statements of one actor influences our interpretation of later actors. It further entails that we are shaped by the theoretical foundation, regardless of the research approach selected. These are all factors influencing the outcome of this research and the validity of our findings. While continuous development enables a higher level of learning and knowledge, the constructivist paradigm might also bring a bias based on earlier observations. The existence of hermeneutic understanding further turns the process of research iterative, blurring the borders of data collection and analysis.

3.1.5 Applied Philosophy

The ontological and epistemological approach chosen supports a constructivist paradigm for this research. Due to the heterogeneity of local food players, we expect to find that needs differ in perceived importance, and that relationships differ based on the partners involved and the needs it tries to fulfill. As such, a purely naturalist paradigm will not suffice, as we do not expect to find a universal truth. However, the inherent subjectivism we possess is not exclusively value adding for the research, and given our strong axiological imprint we should possibly have applied a more objectivistic approach to not influence the findings so strongly.

3.2 Research Approach

There are arguably two research approaches that can be adopted in a project; a deductive approach applied to test theory, or an inductive approach applied to develop theory (Saunders et al., 2009). This thesis initially attempted to apply a deductive research approach to merge with an explanatory approach. We were presented with the platform case, and thus wanted to see how we could test theories to explain what we find.

However, it early on became apparent that Lokalmat does not possess the characteristics of a platform, making observations in relation to platform theory impossible, as one cannot observe actions and transactions that are not taking place. As such, we adopted a more inductive approach, investigating the current off the platform status, to make a contribution to theory. This research is influenced by Matmerk's social-maximizing nature, in addition to the context of the local food industry. There is a strong interdependence between the context and the findings, indicating the appropriateness of an inductive approach, as this is less concerned with generalisability. Further, the lack of research on B2B platforms indicates an inductive approach is more appropriate.

3.3 Methods

Methodology constitutes direction, whereas methods are the portfolio of tools applied (Moses & Knutsen, 2012). The choice of data collected strongly influences the outcome, and is determined by the research philosophy.

3.3.1 Purpose of Research

There are three classifications of research purpose; exploratory, descriptive and explanatory study (Saunders et al., 2009). The purpose of the research performed evolved during the course of the process, highly influenced by the hermeneutic understanding. Initially, the purpose of research was to explain why the platform lacked activity, and thus this thesis was intended to be an explanatory study. However, the purpose changed away from a desire to understand the causal relationship between activity and social actors. The adoption of an exploratory approach implies that we are flexible and let the research guide the development of what we find (Saunders et al., 2009). This is in conjunction with the applied research philosophies and the presence of hermeneutic understanding. An important purpose of the thesis is to identify the needs and challenges of heterogeneous users. By applying a low level of descriptive research to the thesis, we purpose a clear picture of the social actors present in the industry, while the application of exploratory research techniques allows us to conclude and interpret. Data collection indicated a high presence of collaborative relationships, which our exploratory study approach allowed us to incorporate into the thesis.

3.3.2 Primary Data

A researcher can adopt a quantitative or qualitative data collection and analysis procedure, or a combination of the two (Saunders et al., 2009). Due to this thesis' objective to understand the platform members' needs and challenges, it is crucial to have rich data. Our study approach indicates choosing smaller samples, in a specific attempt to establish different views and understand why, rather than describe what is observed (Saunders et al., 2009). As such, a qualitative approach is selected for data collection. A limitation to qualitative data collection is that it is dependent upon a subjective analysis and relies significantly on researcher's views about what is important. Further, the approach is claimed to be unstructured, making it impossible for true replication, and thus hard to generalise. The use of small samples might result in non-representative findings. To mitigate these challenges, we apply quantitative data collection methods. Quantitative data allow us to collect numerous members' perceptions, and will thus improve the generalizability of findings, in addition to enable a better understanding of the phenomenon. The application of multiple methods implies that we are better able to answer our research question. Using two research techniques can be mutually reinforcing or ensure that what did not appear by one technique can be identified by another (Saunders et al., 2009). This implies that our concern for missing data may be decreased and constitute a greater confidence in the conclusions, as a more dynamic understanding of the local food industry and its challenges can be achieved.

The primary data collection methods selected for this thesis are in-depth, semi-structured interviews and self-administered questionnaires. Pilot tests were conducted prior to data collection. This enabled confidence that the questions were understandable and relevant, to increase our response rate and reliability (Saunders et al., 2009). The interviewees and respondents were asked what their needs are and how they could imagine a platform helping satisfy these needs, instead of being asked what they would want from a platform. We subsequently interpret and evaluate how needs potentially can be solved by Lokalmat.

3.3.2.1 Qualitative Interviews

For the in-depth, semi-structured interviews, we created interview guides (Appendix 1), containing introductory paragraphs to create a mutual understanding of concepts. The questions were developed to research three main areas to answer this thesis' research question; the members' needs, attention to quality and perception of relationships. The questions were phrased differently for producers and buyers, as they have distinctive views of the market. The open-ended questions gave leeway for the interviewee to reply based on importance, and how they best felt they could answer the question. The predetermined questions were worded in a very similar way from respondent to respondent, and all questions were attempted to be conveyed without leading the respondent and manipulating the answers. The semi-structured method, allowed us to ask respondents follow-up questions to clarify or seek elaborations. After conducting the first interviews, hermeneutic understanding influenced our attention. It is possible that this may have impacted the focus of interviewees, thus leading or manipulating their answers.

There is an inherent weakness to the qualitative data collection where either the interviewee or interviewer were disadvantageously dependent upon a secondary language or translator. Most interviewees opted for English interviews, after being assured in advance that it was dependent on their preference. Respondents were given full control of the language spoken throughout the interview, however we cannot be sure this freedom was practiced. If respondents needed help finding a word we offered what we believed they were looking for. This is a practice we wished to refrain from as much as possible, as by doing this we interpreted their statements, and thus helped them frame comments. Before we began the interview, interviewees were asked about their confidentiality preferences. The interviewee could at any time state that a specific discussion was confidential. While this option was used twice, the respondents provided similar examples which were not confidential, and therefore applied. Thus, this did not greatly affect the thesis.

Interviewees who were not able to participate in a face-to-face interview were asked to partake in a Skype interview. Although, it was beneficial to gain insight from these respondents, such means of communication has limitations. It is easier for respondents to shorten the interview when it is conducted through Skype, as opposed to when interviews are conducted face-to-face. We experienced that, while it is not uncomfortable for interviewees to converse through Skype, it was more uncomfortable for them to hold longer monologues compared to face-to-face interviews. Recording during all interviews may have influenced the interviewees, by making them uncomfortable (Saunders et al., 2009), and thus less willing to share. These choices might have impacted the detail the interviewee went into, in addition to limiting their ability to not censor themselves.

Producers were asked to tour us through the business. The purpose for partaking was to get a better understanding of the interviewees' tasks and develop a bond that made the interviewee more comfortable sharing their thoughts. The tours allowed us to conduct short observations to gain a better understanding of activities and challenges. By combining the semi-structured interviews and the unstructured observations, hermeneutic understandings put the interviews into context, allowing us to better interpret and conduct our analysis. Despite inherent benefits by conducting interviews and observations, the close connection may have influenced our findings by making us less objective and more prone to a positive interpretation.

There are multiple approaches to sample selection (Saunders et al., 2009). However, these are all made difficult by a lacking overview of the local food industry. As no formal record of who produces or sells local food exists the overall population is unknown. We conducted sixteen interviews of which nine were producers, six were buyers and two were industry networks, as depicted in figure 3.1.

Member Group	Interviewee	Company	Business Focus	Interview Type
Producer	Ole Ivar Bakken	Annes Hage	Fish	Face to face
Producer	Peder Egge	Egge Gård	Fruit beverages	Face to face
Producer	Joar Ek	Ek Gårdskjøkken	Eggs	Face to face
Producer	Hans Olav Bjerketvedt	Dyre Gård	Fruit beverages	Face to face
Producer	Andreas Kleven-Felloni	Felloni Spekehus	Cured meats	Face to face
Producer	Marita Hagen & Anne Marie Sando	Eiker Gårdsysteri	Cheese	Face to face
Producer	Runa Klock	Epleslang	Fruit beverages	Face to face
Producer	Kristin Waagen	Tingvollost	Cheese	E-mail
Buyer	Judit Dahl	Servicegrossistene	Wholesaler	Face to face
Buyer	Eivind Haalien	Norgesgruppen	Wholesaler	Face to face
Buyer	Rico Rasmussen & Peter Frydkjær	Lysebu	Hotel	Face to face
Buyer	Harald Lasskogen	Joker Vaset	Grocery store	Skype
Buyer	Kristina Finne	Kolonihagen	Food boxes	Skype
Buyer	Nils Arne Kvilekval	Rå Smak	Speciality store	Face to face
Network	Ann Irene Haugen	Hallingkost SA	Geographically dependent network	Skype
Network	Bernt Bucher Johannessen	Hanen	Industry dependent network	Skype

Figure 3. 1: Qualitative Interviewees

The selection of interviewees intended to cover the players on the platform, as well as including players who became relevant as we conducted interviews. This is a natural part of exploratory research, as it is highly flexible (Saunders et al., 2009). As such, we included representatives from two collaborative local food networks. By acquiring interviews from these industry players we were able to receive different perspectives on the challenges of producing and selling local food. Given the geographical distance selected interviewees were in a radius close to Oslo, Norway. This may have impacted our findings, as the interviewees are confined to a geographical area, and thus may perceive needs and challenges in an unrepresentative manner for the entire local food industry, presenting a sample bias.

We were reliant upon Matmerk to provide us with a list of producers and buyers. To increase our chances of interviewees accepting an interview, Matmerk e-mailed the interviewees to make an introduction to us and our purpose for interviewing. By taking this approach interviewees may have perceived us to be closely affiliated with Matmerk. This may have made interviewees hesitant to reveal negative perceptions of the platform or prone to offer responses that would please us or Matmerk, creating the potential for missing important data and creating a subject bias (Saunders et al., 2009). Although this may have prevented us from receiving genuine answers, we deemed it more important to receive interviews and have a broad sample. This posed a choice between two lesser options, where neither choice gives an ideal foundation for research.

3.3.2.2 Qualitative Interview Analysis

To be of value, qualitative statements must be analyzed and understood, however no formal procedure exists (Saunders et al., 2009). The process of analyzing data commences as the data are collected, and as topics emerge they influence analysis and interpretation of data through hermeneutic understandings. Due to the length and extent of interviews, we opted not to transcribe them in full, and apply a process of data sampling. This impacts our research as we may be unable to include all relevant areas, and as such miss significant statements. Due to interviews in interviewees' secondary language, there was hesitation and misapplication of words. When transcribing, we excluded sounds of hesitation, translated Norwegian to English, and interpreted the words that did not make immediate sense. As such, *"for **produsent** that have a low knowledge level"* was interpreted to be *"for **a producer** that have a low knowledge level."* While this process constitutes a limitation, we attempted to mitigate it by separately re-listening and categorizing interviews, before coming together and discussing gaps in interpretation. The categorizations were loosely adopted, and went through a process of further grouping that underlines the structure of Chapter Six, as exemplified in figure 3.2. Based on the categorizations, we additionally briefly analyzed the qualitative data using quantitative methods of numerical observations, thus applying a mixed methods approach (Saunders et al., 2009). This allowed us to make initial assumptions about relative importance and difficulty, later supported and elaborated by the quantitative data.

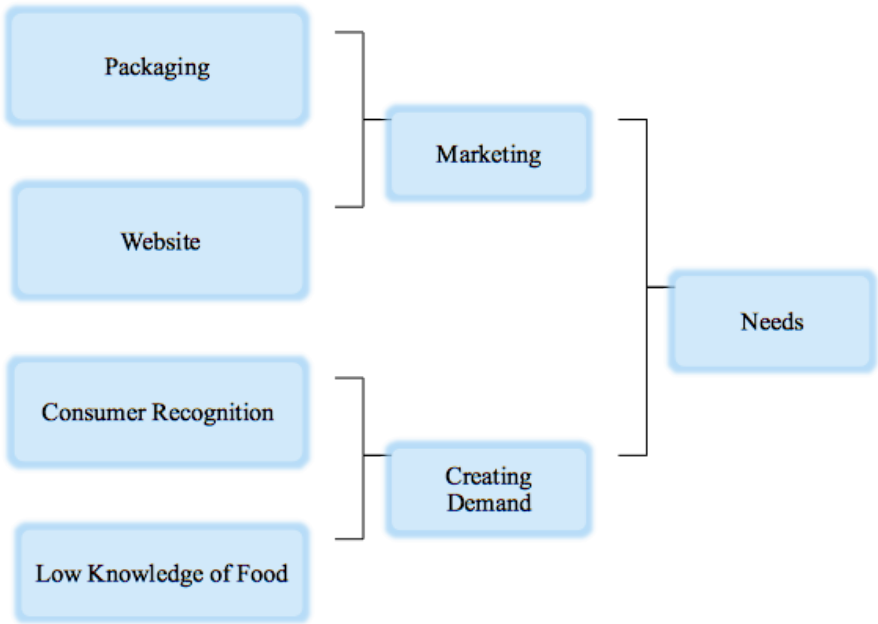

Figure 3. 2: Examples of Qualitative Interview Classifications

We hold differing levels of context understanding. While this was to some extent mitigated by observations, we occasionally interpret statements differently. The thesis is thus impacted by an analytical edge in relation to a high level of knowledge, but simultaneously may have been too extensively influenced by our subjectivistic perceptions and interpretations.

3.3.2.3 Quantitative Questionnaire

The collection of quantitative data were conducted to establish similarities in views of phenomena (Saunders et al., 2009). As such, the questions and answers in the questionnaire (Appendix 2) are based on categorizations performed in qualitative data analysis. Like the in-depth interviews, buyers and producers were given similar self-administered questionnaires, which were created on *SurveyXact*. Although closed questions are easier for respondents (Saunders et al., 2009), to answer this thesis' research question, the questionnaire contained both closed and open-ended questions. The closed questions' lists of alternative answers often included the option of 'other,' if the respondent did not find a fitting alternative. As we were conducting exploratory research, we were unsure of respondents' answers to some questions, thus implemented three open qualitative questions to investigate how respondents could imagine the platform.

The questionnaire sample were all members of the platform. This ensured that the questionnaire was sent to a specified group of respondents who held the right characteristics. However, as there is no control of the industry population, we cannot comment upon the exhaustiveness of our sample. This implies that we are unable to correctly assess the generalisability of the data. Our sample consisted of 45 buyers and 275 producers. The response rate for buyers was 40 percent. However, 4 of the 18 respondents opted to partially complete the questionnaire, as depicted in figure 3.3. While this response rate is tolerable in itself, the low population size implies a significant bias. The producer response rate was 27 percent, where 16 percent of these partially completed.

	Population	Completed		Partially Completed		Non-responsive	
Producers	275	73	26,5 %	12	4,4 %	202	73,5 %
Buyers	45	18	40,0 %	4	8,9 %	27	60,0 %

Figure 3. 3: Questionnaire Response Rates

The data collected for buyers and producers is skewed, however this was expected due to the distribution of members on the platform. The relatively low response rates increase the risk of bias, therefore we especially interpret buyer observations with extreme caution.

3.3.2.4 Questionnaire Analysis

To analyze the quantitative data we employed simple descriptive statistics and cross-tabulations. To get an overview of the data, we plotted tables and graphs to investigate if some answers stood out as significantly more frequent than others. Consequently, we were able to support qualitative interview findings, adding a level of objectivity and generalizability to the thesis which could not have been achieved by solely relying on qualitative data collection and analysis. Cross-tabulations were employed to investigate relationships between variables. This allowed us to observe, for example, needs perceived as both among the most important, and the most difficult. While quantitative data are supposed to be objective and less biased, both the questions and possible answers were interpreted and developed by us. Accordingly, the more objective numeric approach becomes highly subjective. This bias is further highlighted as the categories of answer alternatives are developed from the qualitative data analysis. A further explanation of the quantitative data is provided in the *Chapter Four*.

The qualitative questions of the questionnaire were analyzed as the qualitative data above; subjective interpretations of written answers, in addition to simple quantitative frequency analysis.

3.3.3 Secondary Data

The secondary data sources provided insights to the context, industry and its players. These sources include academic articles, news articles, reports, and internal strategic documents from the platform creator. The primary source of academic articles were the CBS online library database '*Libsearch*' (http://www.libsearch.cbs.dk). News articles and industry reports highlighted the challenges and aspirations, in addition to the current focus on local food in Norway.

3.4 Limitations

As we have opted for a multiple method approach, we triangulate our data and thus can ensure that the data are telling us what we believe they are telling us (Saunders et al., 2009).

3.4.1 Reliability

Reliability refers to the extent to which data collection techniques and analysis procedures yield consistent findings (Saunders et al., 2009). Some subjects may have perceived us to be closely affiliated with Matmerk possibly causing subject bias, where answers given may have been reserved. As we both actively participated in the interviews the questions may have been posed slightly inconsistently. This could have been mitigated by having only one of us conducting the interviews, however we saw it beneficial for both of us to partake. As the research is conducted within a constructivist paradigm the thesis may be impacted by observer bias. Further, the hermeneutic understanding we acknowledge to possess entails that we could not ask questions or interpret the answers the exact same way with every interviewee. As such, the later data collection is influenced by what we learnt in earlier steps of the research process.

3.4.2 Validity

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2009). The fact that we investigate the platform so close to its release might consequently influence the impression and opinion of members, limiting their level of knowledge and imagination. We attempted to mitigate this by, to a large extent, taking the platform out of the data collection process. Further, being asked about challenges may cause the interviewees and respondents to feel conscious, and thus be hesitant to admit challenges. We have opted to be careful to interpret causal relationships from qualitative data, and when it came to quantitative data, we have completely refrained from making such assumptions about relationships.

When including a large range and number of organizations to this thesis, we attempt to create a higher level of external validity, or generalizability (Saunders et al., 2009). However, the samples are particularly prone to geographical and selection bias, consequently reducing the generalizability of this thesis. Further, the lack of overview of the industry entails that we are unable to correctly assess the reach of our population. This is particularly pressing in relation to buyers, as we suspect the population is significantly larger than our sample. The producers data appears more complete. However, it is important to recognize that the quantitative dataset is collected to support the qualitative data. Thus our findings can be generalized with caution to the local food industry, but may not be easily applied to other industries.

Chapter 4: Quantitative Dataset Description

The quantitative datasets are collected through questionnaires issued to producers and buyers, and mainly consist of categorical data. The data were collected between the 15th of March and the 19th of April (Appendix 2). The main themes we aim to cover by asking respondents the relative importance and difficulty, relate to the key terms 'valuable' and 'collaborative.' We intend to uncover what makes Lokalmat valuable for its members by investigating three categories; player needs, how to convey or demand quality and how players manage current relationships.

In a majority of questions, respondents were asked to identify their top three most relevant alternatives within a closed question. As such, responses are not exhaustive and do not suggest other alternatives are not important, however they were not prioritized. The data was collected based on the respondent's perception, and thus pertains to their particular experiences. As a consequence of this subjectivity we are dependent upon a representative and extensive sample. However, as our buyer sample is particularly small, this may entail an issue with generalizability of the data. The extent to this issue is unknown due to the lack of industry overview. We assume, from the nature of these organizations, the respondents are central players with extensive internal knowledge, as well as knowledge of the industry context.

As there exists no formal registry of local food producers or buyers, we were dependent upon the questionnaires to generate initial classification of industry players. As such, we asked buyers to classify their geographical location, size and years of local food experience. As depicted in figure 4.1, we grouped the answers into broader categories based on our interpretation (Appendix 3). There is a strong geographical sample bias in the buyer data, as only two regions are represented. Consequently, it indicates that the stated needs and relationships are not representative of the Norwegian population of buyers. This significantly impacts our findings, as many of the local food challenges are associated with geographical location, such as distribution. There is further a strong sample bias in relation to size, where medium and small buyers are not significantly represented, and thus we cannot use quantitative data to comment on their needs and relationships in particular. The lack of HORECA players significantly impacts the validity of our findings, as they are intended to be a major user group on Lokalmat. The vast majority of respondents represent companies that are either new to, or very established within, the local food industry. This may indicate that we have a sample bias. However, we expected to see this, as the local food industry is recently gaining popularity.

Geographical location	**Buyers**	**Producers**
Nord-Norge	0	11
Midt-Norge	0	6
Vestlandet	3	13
Sørlandet	0	7
Østlandet	9	35
National	5	0
Size		
Small	2	44
Medium	0	21
Large	13	8
Years of Experience		
Young	5	25
Established	13	48

Figure 4. 1: Presence of Classifications relating to Buyers and Producers

We further asked producers to classify their geographical location, size and years of local food experience. As with buyers, a majority of producers are either young or well established. All regions are represented, as depicted in figure 4.1. When based on regions, all counties are on average represented by at least three buyers. This indicates a representative sample. Thus, the quantitative data enables a broader view of the industry, as per its intention. Due to diversity of producers, classifying by size was difficult as we could not identify a relevant foundation for classification. Accordingly, we encouraged classification *relative* to other local food producers, as opposed to sales volume or revenue. Consequently, the entire questionnaire pertains to subjective and relative categorization, making the validity dependent upon all relevant players being represented. As this, to the best of our knowledge, is achieved, the producer data add value to this thesis. However, data indicate producers do not find, for example, conveying quality as one of the most difficult needs, even though they perceive it as one of the most important. This finding could be a consequence of the chosen population of respondents, as it was distributed to producers who were present on the platform. As such, the respondents' opinion may be affected, as they now have a viable way of conveying quality.

Chapter 5: Empirical Setting

Many food markets are currently experiencing an increased interest from consumers in relation to the origin of food, how it is produced, and what it contains ("Trendforsker tror vi," 2016). Simultaneously, according to Virke (2015), Norway is seeing a polarization of the food market, where consumers are moving towards two ends of a continuum spanning from low price and low quality, to high price and high quality. In this development there is an increased demand for local food. The Norwegian government set a 10 billion kroner revenue goal for the local food industry by 2025 ("Omsetningen," 2016). The Norwegian food and safety authorities define local food as small-scale food productions and offerings which are closely related to the producer and have a clear feeling of craftsmanship ("Lokalmat," 2014). Production of local food in Norway entails that producers must give special attention to their production and ensure the use of safe ingredients ("Lokalmat," 2014). Traditional methods and knowledge that have been passed down by generations must be matched with the satisfactory level of hygiene that is required today. To ensure food safety the Norwegian food and safety authorities require food producers to have internal control that manages health hazards, provides necessary training for those who handle the food, and design a facility that does not cross clean and unclean zones ("Lokalmat," 2014).

5.1 The Company - Matmerk and the Platform

5.1.1 Matmerk – The Foundation and its Purpose

Matmerk is a Norwegian independent foundation contributing to increased diversity, quality and value creation in food production ("Om Matmerk," n.d.). Matmerk aims to strengthen the reputation of Norwegian food products as perceived by consumers, and as such strengthen these products' competitiveness. This is achieved by improving quality assurance, developming competences, and by making the origin and quality of food products more visible ("Om Matmerk," n.d.). Detailed in Matmerk's organizational goals, its purpose is to perform tasks in developing quality systems in agriculture, establish and administer standardized quality systems, develop and promote labelling systems that identify unique Norwegian flavor, and offer market services to advise small producers.

Matmerk was reestablished by the Ministry of Agriculture and Food in 2007 ("Om Matmerk," n.d.). Matmerk is not a for-profit business, however, it is neither prohibited from generating revenue and further investing this to develop its purposes. Matmerk's board consists of representatives from the entire value chain, including representatives from primary production, food production (refinement) and retail ("Styret i Matmerk," (n.d.), thus making Matmerk a public-private foundation.

5.1.2 The Local Food Platform – Lokalmat

Matmerk's vision is to make consumers choose Norwegian food products. In addition to the Spesialitet label, Matmerk has launched Lokalmat as a step in the direction of increasing the sales of local food and to reach the Government's goal by 2025. According to the minister of Agriculture and Food, Jon Georg Dale, Lokalmat is an important step to reach this goal ("Lokalmat - Ministeren," 2016). The B2B platform aims at connecting the producers of local food with the businesses buying these products, and as such increase the offerings to the market, as depicted in figure 5.1. For this thesis we consider customers to only pertain to business customers. Further, players present on the platform are termed members, producers are called complementors, and the term users is applied to buyers. As a collaboration between Matmerk, the Ministry of Agriculture and Food, representatives for retail, and HORECA, Lokalmat is developed with wide support from government and the buyer-side of the platform (Matmerk, personal communication, Feb. 8, 2016). Further, the platform is financed extensively through both the buyer and producer side of the platform, indicating industry wide support for this platform.

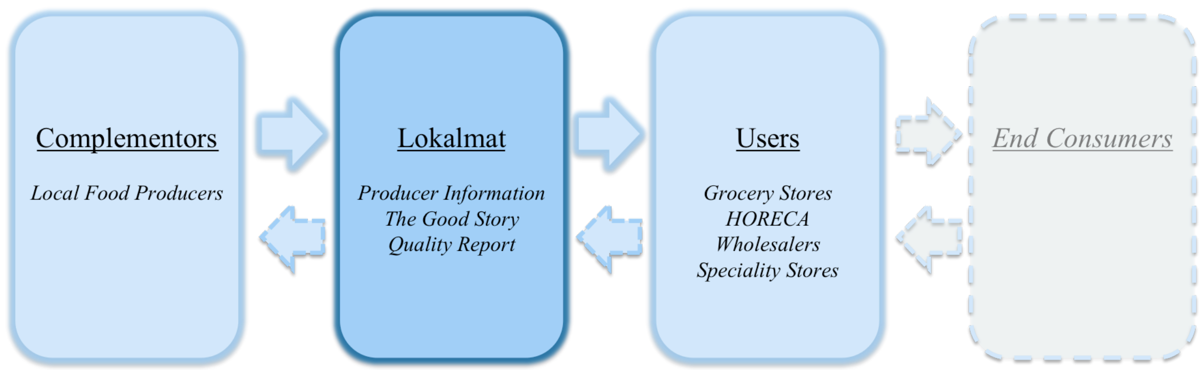

Figure 5. 1: The Lokalmat Platform Structure

Lokalmat is aimed at providing value for the local food industry by offering key information about products and producers, telling the good story of local food products, and by making it easier to document food safety, as depicted in figure 5.1 (Matmerk, personal communication, Feb. 8, 2016). Matmerk's goal is to make it easier for buyers to get an overview of which products and producers exists and, accordingly, make it easier for buyers to purchase these products. In the sales and marketing of local food the story of the product and the producer is vital, as this is what distinguishes local food from ordinary food (Matmerk, personal communication, Feb. 8, 2016). In the industry, both buyers and producers have differing needs when it comes to food safety, animal welfare and human safety. As such, the task of quality control is time consuming and costly. To mitigate this, the buyer-side has united to develop a universal industry standard for quality, which Matmerk hopes to get accepted as an official industry standard (Matmerk, personal communication, Feb. 8, 2016).

Chapter 6: Analysis

By interpreting the observations and findings from qualitative and quantitative research, based on the theoretical foundation, insights can be uncovered to devise how an organization can create a valuable B2B platform. To devise how an organization can create a valuable B2B platform, insights into three areas of importance must be found. Our analysis will uncover which needs contribute value, how and if these needs are currently solved, and whether or not these solutions would be appropriate to offer on Lokalmat.

The first section of analysis investigates the nature of the problem to confirm initial assumptions about the challenges and barriers of Lokalmat. The subsequent sections will be structured based on the expressed needs, and the interorganizational relationships communicated within these needs.

6.1 Analysis of Lokalmat

To confirm the nature of the challenges and opportunities of Lokalmat, this section applies platform and business model research to analyze the motivation and foundations for establishing the local food platform. This understanding will enable further analysis into the current offerings, and allow the generation of implications for how Lokalmat can become a valuable contribution to the local food industry. As Lokalmat focuses on a specific industry it can be categorized as a vertical platform (Li & Penard, 2013). However, whether it is a neutral or non-neutral platform becomes blurred by the ownership structure of Matmerk, as suppliers and buyers partly own Matmerk (Matmerk, personal communication, Feb. 8, 2016). While Matmerk to some extent is a non-biased third party, the organization's strategies and goals are greatly influenced by the aims of producers and buyers.

When launching Lokalmat Matmerk opted to subsidize the complementors (producers) allowing them free sign-up, while procuring a membership fee from the users' (buyers') side. However, the producers are not free-riding, as both sides have financially invested in the development of the platform. The choice to claim a membership fee supports that while Matmerk is not profit-maximizing they strive to make Lokalmat self-sustaining (Matmerk, personal communication, Feb. 8, 2016; Yunus et al., 2010). Accordingly, this supports the notion of Matmerk as a social-maximizing organization. Yunus et al. (2010) indicate that such organizations have limited financial means, and thus are reliant upon leveraging the capabilities and resources of external partners.

Matmerk intends for the price subsidization strategy to lower barriers of entry onto the platform for the complementors, so to be able to display the diversity of local food producers in Norway (Matmerk, personal communication, Feb. 8, 2016). The local food industry is relatively small and immature, and the producers are often non-professionalized (Bucher-Johannessen, 2016, quote 1[1]) and find it difficult to generate income (Bucher-Johannessen, 2016, quote 2; Waagen, 2016, quote 1). Based on producers' financial means and stability, Matmerk acknowledges subsidizing the complementors' side would be advantageous for encouraging them to join Lokalmat. This is in accordance with platform theory, where it is found that subsidies can be used to attract members onto a platform, to benefit the other side through network externalities (Eisenmann et al., 2006; Evans, 2003; Caillaud & Jullien, 2003).

By establishing a quality report in cooperation with industry players, multiple significant buyers find that it covers their need of quality assurance (Matmerk, 2016 quote 3; Dahl, 2016, quote 1). As such, buyers state they will require producers to be present on the platform and use the quality report to be eligible for sales. This *"mild force"* (Matmerk, 2016, quote 1) will generate a lock-in effect where the platform is able to attract and retain complementors, as they are granted the possibility to sell products (Amit & Zott, 2010). The consequence of complementor lock-in dynamics should entice smaller users, such as restaurants and speciality stores to join the platform. This will allow them to ensure quality and see the diversity of Norwegian local food. Thus, Matmerk is leveraging network externalities by attracting members onto one side of a platform as a strategy to attract members of the other side (Edelman, 2015; Eisenmann et al., 2006; Evans, 2003; Caillaud & Jullien, 2003). Lock-in effects thus allow Lokalmat to grow the member base without continuous interference and investments from Matmerk, and as such is a driver of value creation (Amit & Zott, 2010) fit for a social-maximizing organization.

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[1] See Appendix 4 to view referenced quotes from interviewees and Matmerk

In accordance with Magretta (2002) and Morris et al. (2005), Matmerk has identified their customers. Despite Matmerk being a social-maximizing organization, as opposed to profit-maximizing, it still needs to provide platform members with a value proposition (Yunus et al., 2010). However, initial analysis indicates that while buyers appear to experience that value is created, producers are forced onto the platform; *"we have a whip for the producers, but lack a carrot"* (Matmerk, 2016). This is supported by the questionnaire, where only 14 of 73 complementor-respondents provide qualitative statements regarding how they could imagine the platform satisfying their needs with the current value propositions of Lokalmat (Appendix 2).

Currently Lokalmat complementors cannot see which users are present, and are thus unable to initiate contact, as stated by a producer; *"the other people are not visible and if you cannot reach them what is the point to reach out to them"* (Kleven-Felloni, 2016). As such, the platform is not currently connecting members, which is indicated by Evans (2003) to be the main aim of a platform. Kleven-Felloni further highlights the need for visibility and dialogue;

> *"You cannot see [the other side of the platform]. It would actually be interesting to know who are the people who are interested in me. Because it could go both ways, they contact us if they need it or we could contact them."*

As Lokalmat is not enabling communication or exchanges, Edelman (2015) implies the platform will not create significant value. The lack of communication and exchanges on the platform entails that Lokalmat can be considered 'basic' providing limited value creation (Lee et al., 2002). This is highlighted by complementors and users expressing a need for a collaborative and active community (Egge, 2016; Dahl, 2016);

> *"Get a community in this page, and make sure people are active. It can be a community, but it can be a dead community - and then it won't do any good."*

> *"Basically, it is a database…"*

In conclusion, the problems associated with the success of Lokalmat does not appear to be related to attracting members onto the platform, as there is a presence of subsidization, network effects, and lock-in. This partly contradicts Edelman (2015) who finds that attracting a great number is typically difficult. The author further finds that attracting a variety of members can prove to be difficult, however to conclude on whether or not Matmerk is experiencing difficulties with attracting a great variety is premature, as the platform was launched close to the start of this thesis' research. Matmerk (personal communication, Feb. 8, 2016) considers the problems with Lokalmat to be (1) complementors updating their organization's information and keeping their quality reports current, and (2) complementors continuously communicating by adding further content to the platform. These two problems are seen as barriers to success, as it facilitates low levels of transactions, exchanges, and social engagement. This is in accordance with Edelman (2015) who finds that an active engagement characterizes successful platforms. Further Eisenmann et al. (2006) find that capturing cross-side network effects is a requisite for successful platforms. However, the problems might be caused by the platforms' lack of abiding by Evans' (2003) three conditions for a successful social platform; (1) distinct groups of members, (2) experienced benefits from coordinated needs, and (3) facilitation of efficient connections. The scope of this thesis is to investigate how a social-maximizing organization can create a valuable B2B collaborative platform for an industry. Thus, we indirectly aim to see how Matmerk can make Lokalmat a valuable B2B collaborative platform for the local food industry.

6.2 The Need for Distribution

All interviewees mention distribution as a challenge for the local food industry. This was supported by quantitative data for producers and buyers, as depicted in figure 6.1. A slight minority of both producers and buyers indicate distribution as among the most important needs to fulfill, while half indicate distribution is among the most difficult needs to fulfill. A slight majority of the producers and buyers who find distribution among the most important needs, also deem it as one of the most difficult. However, the observations of buyers' perceptions must in general be considered with caution, as the number of respondents is too low to attribute significant value, and as such to contribute to a conclusive result.

	Important		Difficult		Important and Difficult
Producers (66)	27	40,9 %	33	50,0 %	16
Buyers (15)	6	40,0 %	7	46,7 %	4

Figure 6. 1: Respondents who find distribution to be among the top three most important or difficult needs to satisfy.

Grocer Lasskogen (2016) highlights the industry struggle, emphasizing how; *"distribution is something that has been a challenge for local food - and it still is."* This is further supported by producers Bakken (2016) and Waagen (2016);

> "It is very much about distribution, I believe that it is in the top three of important things."

> "Logistics is the most important, and that is what all the customers ask about in the first client meeting."

Producers further emphasize that due to the geographical challenges, local food producers must rely on professional distribution;

> *"The main problem for producers in Norway is logistics, because the geography of Norway is so long ... it is the main problem to reach the total market."* (Ek, 2016)

> *"Some [producers] have very big problems with distribution ... If you are living in the Northern part of Norway or in Gudbrandsdalen, then you have a long way to the places where most people live."* (Bakken, 2016)

Brimer (Bosona & Gebresenbet, 2011) finds that efficient logistics positively impacts the success of local food producers, as it affects the producer's profits, product prices, and customer satisfaction. Accordingly, improving distribution is important, as in accordance with Rauyruen and Miller (2007) who find that the overall level of customer satisfaction determines the likelihood of repurchase.

Chefs Rasmussen and Frydkjær (2016) highlight the inefficiency of distribution within local food, stating that;

> *"If you have 30 small suppliers, that is 30 small orders to be made, and it is also 30 small deliveries to receive and check, and 30 bills to pay."*

Producers collaboration can improve distribution activities and make it more efficient not only for themselves but also buyers. As such, when producers collaborate on business activities, processes and resources are linked to create new and improved capabilities (Ballantyne & Aitken, 2007; Jaakkola & Hakanen, 2013; Lambert, 2012). Buyer Haalien

(2016) exemplifies how producer collaboration on distribution makes it more efficient for the entire supply chain;

> *"I like for small producers to go together, like Rørosmat, to make it more efficient. If you have one order, one delivery, one bill - perfect! This is an efficient way to come to the store."*

As such, Haalien, with support from Bucher-Johannessen (2016, quote 6), implies that producers, through for instance geographically dependent collaborations, have the opportunity to improve on activities that create mutual value (Ballantyne & Aitken, 2007; Jaakkola & Hakanen, 2013; Lambert, 2012). Bosona and Gebresenbet (2011) support the notion of geographically dependent collaborations and state that logistics integration can positively affect efficiency of distribution. Klock (2016) demonstrates producer-producer collaboration on co-distribution (Frow et al., 2015; Thorsten et al., 2013);

> *"We sell to the same cafes and bars, so instead of us both driving and transporting we cooperate on sales and transport and deliveries..."*

In this way producers make transportation processes more efficient and are able to save on overlapping activities and costs, as in accordance with Jaakkola and Hakanen (2013). This notion of co-distribution is perceived as a value-adding feature, in conjunction with Ballantyne and Aitken (2007). Buyer Finne (2016) suggests that a local food platform should aid producers in creating advantageous collaborations;

> *"[A platform] should help more suppliers cooperate - if they could combine transportation in a way that more suppliers could cooperate."*

This suggestion is in accordance with Li and Penard (2013) who claim that B2B platforms can be used to lower transaction costs and facilitate productivity gains. Finne's proposal is supported by qualitative questionnaire responses; when asked to imagine how a local food platform could help satisfy needs, five producers offered answers containing the word 'distribution' (Appendix 2). Furthermore, shop owner Kvilekval (2016) and Hanen CEO Bucher-Johannessen (2016) points out that producers have previously worked together in an ad hoc way that is not necessarily dependable;

"Part of the distribution has been done in kind of an unprofessional way and if you grow the business and have more stores and higher turnover this is not the way you can do it."

"Many [of the producers] are professional in the area of production, but when it comes to marketing or distribution or whatever, they are not."

Bosona and Gebresenbet (2011) state that for distribution to be of quality, it must deliver the right product, at the right quantity, at the right location, time and condition, at the right cost. Buyer Finne (2016, quote 5) proposes that this unprofessional approach to distribution might be mitigated by a local food platform enabling higher quality distribution. By creating a network where members share resources and capabilities, organizations can create superior or improved activities for a more value creating distribution system (Asakawa et al., 2014; Jaakkola & Hakanen, 2013). Additionally, organizations who participate in benefit-rich networks can co-create innovative solutions to problems (Laursen & Salter, 2006; Jaakkola & Hakanen, 2013). Evans (2003) and Li and Penard (2013) suggest that B2B online platforms can facilitate exchanges and transactions between partners by matching and trading services. Thus, a B2B local food platform can help producers achieve high quality by aiding collaboration on distribution, as in accordance with Anderson et al. (1994).

Both producers and buyers underline that transportation costs are a significant hurdle for the local food industry;

"The biggest issue for local food is distribution, because if people want to buy this living a long way from here I have to send it by post during the night over and it is really very expensive." (Bakken, 2016)

"The wholesaler in the middle takes out a lot of money, and then product in the shop is getting out even more expensive." (Sando & Hagen, 2016)

"Transportation cost can kill us." (Kvilekval, 2016)

Accordingly, players indicate that neither traditional distribution nor wholesalers are perfectly viable options. Gassman et al., (2010) find collaborations can be applied to reduce members' transportation costs. Collaborations on distribution can be established by both producers and buyers. Kvilekval (2016) exemplifies the presence of a buyer-buyer distribution collaboration to lower costs;

> *"Sometimes the transportation costs is quite high so we have cooperated with a couple of other stores, so we buy a pallet and we take it to our warehouse and we take what we need and we split the cost of the transportation."*

This collaborative effort designs distribution activities to increase efficiencies and decrease transaction costs. As such, this efficiency driver is stated by Amit and Zott (2010) as a way to create value for an organization's business model. Such an inter-firm solution could be achieved on a collaborative platform that fosters new relationships and cross-functional activities, which is in accordance with Lee et al. (2002) stating these activities are made more efficient, improving partners' performance. This is further supported by a producer in the questionnaire imagining a platform could help satisfy distribution needs by enabling; *"carpooling of distribution with other producers."* Bakken (2016, quote 12, 13) emphasizes that some smaller producers deliver products themselves, stating it is a very time consuming way of managing distribution, taking attention away from production. As such, by linking distribution activities in a different way, a local food platform can create value through novelty (Amit & Zott, 2010). Further, the quantitative data shows that nearly half the producers who actively collaborate do so on distribution, as depicted in figure 6.2.

	Producer-Producer Collaboration	
Collaborative Population	38	62,3 %
Non-collaborative Population	23	37,7 %
Collaboration on Distribution	17	44,7 %

Figure 6. 2: Current Producer Collaborations on Distribution

Evans (2003) and Li and Penard (2013) propose that these connections can be made on a multi-sided platform, as the purpose of such a platform is to enable direct transactions and facilitate matching and trading services. The need to distribute might require communication and exchanges with producers outside the focal producer's network, and as such these connections can be made on a B2B platform (Edelman, 2015). Carpooling entails a low level of co-creation which is only dependent upon coordination, and as such is classified as a 'simple' co-creational relationship, as proposed by Jaakkola & Hakanen (2013). The low level of co-creation and simple relationship indicates that contracts will not need to be negotiated, and as such a B2B platform can contribute to enabling this, as offered by the findings of Kaplan and Sawhney (2000). Ek (2016) further elaborates how a platform could help relieve the challenges of distribution;

> *"You cannot be excellent at doing everything, so you should maybe concentrate on doing your products, doing your marketing, and doing everything, and then asking somebody else to professionalize the distribution side."*

As such, using partners' capabilities and complementary assets can create an opportunity for growth, while simultaneously reducing the risk of investing in multiple resources, as suggested by Gassman et al. (2010). When activities can be combined and thus create more value, they are value creation drivers (Amit & Zott, 2010). Gassman et al. (2010) further suggest that collaboration can also reduce overcapacities and overlapping work, a problem highlighted by network employee Haugen (2016);

> *"Like it is today, they need help with sales and transportation of their products… They need one person who does this. Instead of there being ten people sitting and doing the same."*

Accordingly, industry players see value in collaboration in relation to distribution. As there is an opportunity for collaboration, Lokalmat has the opportunity to leverage same-side network effects to attract members onto the platform (Eisenmann et al., 2006). However, Matmerk expressed concerns about being able to provide services to aid distribution needs, despite possessing significant knowledge of the industry (Waagen, 2016, quote 20; Bakken, 2016, quote 16), believing it to be too extensive and challenging to offer (Matmerk, personal communication, Feb. 8, 2016).

6.3 The Need for Creating Demand

Basic economics dictates that demand must be created in the marketplace for a product to succeed commercially. However, producer Ek (2016) highlights this is not an simple task;

> *"The easy part is making the product, almost everyone can have an idea and produce a product. The problem or the big question is how to put it into the market, or how to communicate it to the market..."*

Adding to the existing challenge, Norwegian consumers are continuously choosing the same product (Haalien, 2016, quote 10). Accordingly, this habitual behaviour limits the demand for other products (Haalien, 2016);

> *"I am working with several hundred of these producers and I know them personally, everyone of them… And [I] say [to the consumers] 'you as a customer, you are voting every day you are going into one of our stores...'."*

Haalien thus supports that there is a relationship between buyers and producers, where buyers are the connector between producers and end consumers. By communicating analyzed consumer behavior, buyers offer their market familiarity and knowledge of customers' desires to help simplify innovation and product development (Asakawa et al., 2014; Chesbrough, 2003). Reichheld and Sasser (1990) find that two-way learning processes caused by repeat purchases can increase customer satisfaction and enable greater value of use through increased customer knowledge and needs satisfaction. The relationship Haalien depicts is to a large extent intentionally collaborative, compared to a simple relationship of replenishment. The more collaborative approach is in accordance with Simatupang and Sridharan (2002), who state that a supply chain within the food industry should be collaborative to make offerings better for the end consumers. This is supported by Trienekens and Zuurbier (2007), who claim that loosely tied relationships pose a significant hazard to quality of food products.

One third of both producers and buyers find creating demand among the most important and difficult needs to fulfill, as depicted in figure 6.3. This entails a significant amount of players deeming it to be a central challenge, supporting the interview findings. Approximately half the producers and buyers who find creating demand among the most important needs to satisfy also deem it to be one of the most difficult. Further, as depicted in figure 6.4, a lower percentage of established producers find it important, than younger producers. However, a higher percentage of established producers find creating demand among the top three most difficult needs to satisfy.

	Important		Difficult		Important and Difficult
Producers (66)	24	36,4 %	22	33,3 %	11
Buyers (15)	5	33,3 %	5	33,3 %	3

Figure 6. 3: The amount of respondents finding creating demand to be among the top three most important or difficult needs to satisfy.

	Total (66)	Young (25) (38% population)		Established (41) (62% population)		Percentage of Total Population	Percentage of Young Population	Percentage of Established Population
Creating demand Important	24	12	50,0 %	12	50,0 %	36,4 %	48,0 %	29,3 %
Creating demand Difficult	22	5	22,7 %	17	77,3 %	33,3 %	20,0 %	41,5 %

Figure 6. 4: The amount of producers who find creating demand among the most important or difficult needs to satisfy, based on industry experience.

Producer Bjerketvedt (2016) and buyer Haalien (2016) further emphasize consumer behavior, and the difficulty in getting consumer recognition in stores;

> *"It is not like you go in a store and choose products - you go in a store and choose away products, because there is so much offered of different kinds."*

> *"People in Norway aren't* ***'choosing'*** *groceries, they are* ***'not choosing'*** *them."*

This notion is supported by Rasmussen and Frydkjær (2016, quote 14) and Kleven-Felloni (2016, quote 5). Actors indicate the problem lies further down the supply chain in creating demand at the level of the end consumer. This is supported by producers in the questionnaire stating that the platform could be a *"good meeting point for actors that have a same goal."* Lambert (2012) states that to advance mutual objectives and increase competitive advantage organizations are leveraging external competencies and resources. A B2B multi-sided platform can enable this by connecting members who need each other's capabilities (Evans, 2003). As such, there is an opportunity for the buyers to work with the producers to co-create a product that stimulates demand from the end consumer (Asakawa et al., 2014; Simatupang & Sridharan, 2002; Fawcett et al., 2012; Roser et al., 2013).

When buyers are actively looking for a specific product, this can be viewed as a buyer looking to satisfy an observed consumer need by bringing the product to their store. Buyers Lasskogen (2016, quote 9) and Finne (2016, quote 9) express that communication between buyers and suppliers enables producers to tap into unmet segments of the market. He hints that dialogue must be open-ended to foster knowledge sharing (Ballantyne & Aitken, 2007; Roser et al., 2013). He further highlights that when buyers find a product missing in their store he can collaborate with suppliers by sharing his knowledge to encourage the production and innovation of a new commercializable product (Chesbrough & Vanhaverbeke, 2006; Chesbrough, 2006). Furthermore, by these partners bringing their ideas and knowledge together to create a new product, they are engaging in co-conception as suggestion by Frow et al. (2015) and Roser et al. (2013). By achieving this, an outcome of producer-buyer collaboration is ensuring demand and higher potential for commercial success for such products (Lasskogen, 2016);

> *"The individual grocer knows his market, and his customer base, and makes orders [to fill his store] accordingly."*

This notion of sharing knowledge and capabilities in the aim of co-conception was further emphasized by Rasmussen and Frydkjær (2016) exemplifying that collaborations could also take place between restaurants and producers; *"it is not always the producers see the potential of their own products."* This collaboration enables producers to access the external knowledge they are given, and thus can have greater adaptability to market changes, as offered by Laursen and Salter (2006). The willingness to share knowledge and ideas was supported by buyers in qualitative sections of the questionnaire. When asked to indicate the top three ways of how buyers find products to use or sell, a buyer wrote, *"... some we take direct contact with where we see that collaboration is beneficial for both parties."*

The quantitative data reveals that more than half of the producers who do collaborate with buyers do so by collaborating on *making products to order*, as depicted in figure 6.5.

	Producers with Buyers		Buyers with Producers	
Collaborative Population	42	68,9 %	12	85,7 %
Collaborate on Making Products to Order	23	54,8 %	6	50,0 %

Figure 6. 5: The amount of respondents who actively collaborate on making products to order.

As such, a majority of producers co-create through co-conception of products with buyers by adding aspects of the product which are suggested based on buyers' knowledge and expertise of the market. In this way, buyers and producers combine ideas and knowledge to create products that meet end consumers' demand (Asakawa et al., 2014; Chesbrough 2006; Chesbrough & Vanhaverbeke, 2006; Roser et al., 2013). Additionally, as offered by Gassman et al. (2010), products innovated through a collaborative effort across the supply chain are found to give superior performance and help close gaps relating to customers' desires. However, Lasskogen (2016) states that; *"there must be a greater will from the producers to make something [to order],"* indicating he sometimes experiences an unwillingness from producers to continuously innovate and learn from external partners to co-create value. As such, producers sometimes oppose the definition of open innovation and co-creation, as found by Laursen & Salter (2006). However, this can be an indication of players having differing perspectives on what is valuable to co-create (Roser et al., 2013).

The level of co-creation found within *creating demand* entails the co-development of a new product or process to reach a mutual purpose, thus it can be categorized as a complex relationship (Jaakkolla & Hakanen, 2013). Roser et al. (2013) find that these relationships may need a contractual foundation, however according to Kaplan and Sawhney (2000) a platform can allow partners to conduct business without negotiated contracts.

6.4 The Need for Marketing

Marketing is undoubtedly among the most important and difficult needs for producers, as depicted in figure 6.6, while buyers only indicated that marketing was among the most difficult. As marketing efforts are a way to create demand these two needs are highly interrelated. Therefore, as creating demand is considered both important and difficult, the interdependency between creating demand and marketing, supports the assumption that marketing may also be important and difficult for both industry players. A slight majority of producers who perceive marketing as among the most important, also deem it to be among the most difficult. However, all buyers finding marketing to be among the most important, also find it to be among the most difficult. This finding contributes further to the confusion regarding the perception of marketing as a need.

	Important		**Difficult**		**Important and Difficult**
Producers (66)	29	43,9 %	24	36,4 %	16
Buyers (15)	3	20,0 %	6	40,0 %	3

Figure 6. 6: The amount of respondents who find marketing to be among the top three most important or difficult needs to satisfy.

The in-depth interviews shed light on the difficulty of achieving marketing efforts for many producers as hinted by Kleven-Felloni (2016, quote 3)**,** Egge (2016) and Klock (2016) taking financial resources and capabilities into consideration;

> *"Marketing I think is the hardest part for local producers because it is so expensive to get good marketing. It's so important, but it's so hard to do."*

"We have had so many people cooperating with us along the way on [brand building and product development]. Because we don't have a lot of money, but we have a great product."

Further, based on his many years of experience helping producers, network leader Bucher-Johannessen (2016) shares his perception of producer's marketing capabilities;

"Many of [the producers] are professional in the area of production, but when it comes to marketing or distribution or whatever, they are not."

The quantitative data indicates that while both young and established producers find marketing equally important, marketing is perceived as easier for established producers, as shown in figure 6.7. As such, due to the percentage of young producers claiming marketing is difficult, there appears to be grounds for producer-producer collaboration, where established producers can advise young producers on marketing.

	Total (66)	Young (25) (38% population)		Established (41) (62% population)		Percentage of Total Population	Percentage of Young Population	Percentage of Established Population
Marketing Important	29	11	37,9 %	18	62,1 %	43,9 %	44,0 %	43,9 %
Marketing Difficult	24	11	45,8 %	13	54,2 %	36,4 %	44,0 %	31,7 %

Figure 6. 7: The amount of producers perceiving marketing among the most important and difficult needs, divided by level of experience.

However, retail buyer Haalien (2016, quote 15) suggests that insights from buyers can be superior to leveraging the knowledge of other producers.

Given the qualitative and quantitative data, it can be argued that marketing collaborations can be established between producers and between producers and buyers. Producers should not solely attempt to improve in isolation, but instead acquire knowledge and capabilities by cooperating with partners (Dahlander & Gann, 2010; Vanhaverbeke & Chesbrough, 2006; Chesbrough, 2003). By working together, buyers and producers can create improved marketing aspects to better ensure products are well presented to consumers, and as such become increasingly sellable in the market. By applying buyers' knowledge, the producers can remain competitive, and even gain a competitive advantage, by improving their capabilities (Dahlander & Gann, 2010; Chesbrough, 2003).

In the questionnaire twelve respondents explicitly used the word marketing when asked how they could imagine a local food platform satisfying their needs (Appendix 2). This implies that respondents have a need for collaboration regarding marketing ideas and see the potential for a local food platform assisting with marketing challenges. Lee et al.

(2002) find that a collaborative platform can foster these initiatives and enable partners to manage their activities more efficiently to propel productivity.

Packaging was revealed as an important aspect of marketing for buyers (Lasskogen, 2016, quote 15) as discussed by shop owner Kvilekval (2016); *"if we find a very nice product, but it doesn't have a very nice wrapping, then we won't buy it."* Producers have expressed they understand the importance of packaging and see there is need for it (Bakken, 2016, quote 11; Klock, 2016, quote 3), however from a buyer's perspective Kvilekval (2016) perceives some producers as insufficient in creating attractive and efficient packaging for selling in stores;

> *"There are a lot of local producers who are very skilled at what they do, they make excellent products, but they don't know anything about marketing and [packaging]- they don't know the selling in store."*

Producer Bjerketvedt (2016) states his willingness to work with buyers and indicates that co-designing can improve the product as a whole;

> *"We listen to our customers. For example when it comes to fruit. If we should have one kilo packages, or if we should have five kilo packages."*

By taking buyers' suggestions and continuously improving the packaging, producers can create a product with commercial potential (Chesbrough, 2006; Asakawa et al., 2014; Vanhaverbeke & Chesbrough, 2006). As such, through buyer-producer co-design there is the opportunity to not only receive feedback, but also create reciprocal value on activities (Lambert, 2012; Roser et al., 2013). The benefit of receiving and providing feedback is acknowledged by both producers (Egge, 2016, qoute 8, 10; Kleven-Felloni, 2016, quote 4) and buyers (Judith, 2016, quote 13; Lasskogen, 2016, quote 16). Hagen and Sando (2016) state that; *"the more opinions you have - the better product you will get in the end."*

Bjerketvedt (2016) illustrates, in conjunction with Laursen and Salter (2006), that it is a challenge to consider and incorporate all feedback, knowledge and ideas gained through an open innovation mindset;

"We always adapt to customers wishes. But we get a lot of advices and tips. And some feel what we do is good, while others think 'can't you do it this way instead'..."

This emphasizes the importance of incorporating external knowledge and ideas of high quality, which according to Laursen and Salter (2006) can be more easily identified and managed through leveraging a smaller number of sources. However, these sources should be chosen based on a carefully devised strategy to ensure that the partners are appropriate to leverage.

Samples and tastings were discussed by multiple producers as a way to market products (Bakken, 2016, quote 9; Bjerketvedt, 2016, quote 4). By showing the quality in the taste, producers can entice consumer consumption (Egge, 2016); *"when people taste, that's our best reach."* By leveraging 'consumer voting' a producer can ensure customers will repurchase the product (Haalien, 2016, quote 11). The quantitative dataset thus supports the importance found in qualitative interviews, as it shows that 21 percent of producers who currently collaborate with producers state '*tastings in store*' as one of their top three ways of collaborating, as shown in figure 6.8.

	Producers with Producers		**Producers with Buyers**	
Collaborative Population	38	62,3 %	42	68,9 %
Collaboration on Tastings in Store	8	21,05 %	19	45,24 %

Figure 6. 8: The number of respondents collaborating on tastings in store.

Bakken (2016) describes how he co-markets his products with other producers' to provide taste samples in stores;

"I cooperate with two other firms when I have tasting in shops ... and that makes the costs lower..."

By co-marketing, producers are able to create superior marketing efforts and deliver a stronger performance for customers (Jaakkola & Hakanen, 2013) while simultaneously saving on costs (Gassman et al., 2010). Buyers affirm that offering sampling and tasting is an important way to get recognition from consumers;

"I can see it the times we have had [stands in store], that it is very fruitful - very smart." (Lasskogen, 2016)

"To be visible and to stand there and try to make your own farmer market into the store is how you should do it. You should stand; sampling, sampling, smile, sampling." (Haalien, 2016)

A slight minority of producers who currently collaborate with buyers state collaboration in relation to 'tastings in stores' as one of their top three ways of collaborating, as shown in figure 6.8 above. Lasskogen (2016, 13) iterates how this is an activity he wants to improve, as it is advantageous for both buyers and producers. He thus hints that producers and buyers need to collaborate to sell the products to end consumers. By working closely partners can create value, improve competitiveness, and achieve mutual goals (Lambert, 2012). Although Bakken (2016) sees the importance of having tastings, the cost and time consumed significantly limits his engagement;

"A thing that we do not do enough is to have the demonstrations in the shop. Tastings in the shop. We should have done that a lot more. But it costs money and I cannot stay there all the time. The girls are doing this and that works for more..."

To be able to engage in co-marketing, like tastings, a producer must be aware of which products match best. As such, producers Egge (2016) and Kleven-Felloni (2016) offer how the platform could help producers find other producers whom they could engage in collaboration and co-creations with;

"One thing about the [platform] that would make it better for us, is if they could organize it by trying to match matching products, because we are making drinks and if they could match it with food or come with recommendations..."

"Its easier to begin cooperating if we know that our products match."

By the platform having the ability to match products, members can reduce their search time and efficiently locate counter partners who are relevant for collaborations (Caillaud & Jullien, 2003; Evans, 2003; Li & Penard, 2013). These matches are considered significantly valuable by buyer Lasskogen (2016);

"Co-exposure can create more added sales in an easier way. One can see a little more clearly that if one is buying this product, there is a local supplementary product that can be used together with it."

As such, he offers that these connections can be beneficial for buyers who are present on the platform. The desire to be matched could entice producers onto the platform, and as such will also draw buyers onto the platform to enable them to create added sales by knowing which products have been matched. Thus, matching can be a way to create both cross-side and same-side network effects, allowing members to experience increased benefit from platform membership and improved performance, as in accordance with platform theory (Caillaud and Jullien, 2003; Evans, 2003; Eisenmann et al., 2006). An example of matching that could be facilitated by the platform is given by apple juice and alcohol beverage producer Egge (2016) who gives insights to a co-marketing collaboration;

"We had a launch with meat from [Smak As] at the Oslo Congress Centre. So they made ribs from the pigs that ate the apples we made our aquavit from."

By collaborating these producers attempted to develop a stronger marketing effort (Egge, 2016, quote 6), than had they done it on their own (Dahlander & Gann, 2010; Vanhaverbeke & Chesbrough, 2006; Chesbrough, 2003, 2006; Lambert, 2012). As such, producers leverage each other's positioning and capabilities to increase competitiveness (Chesbrough, 2003).

6.5 The Need for Pricing and Flexible Quantities

There is a close relationship between price and quantities, and as such these two needs have been grouped within this section. Norwegian consumers have historically valued low price higher than product quality when it comes to purchasing food, and are thus perceived as very price sensitive. Despite recent changes showing an increased willingness to pay, price is still important for consumers and they remain relatively price sensitive (Bakken, 2016, quote 5; Haalien, 2016, quote 3). Based on the nature of the relationship between retail buyers and end consumers this translates directly into price sensitivity for the buyers. However, as highlighted by Hagen and Sando (2016, quote 3), the price sensitivity decreases with higher levels of knowledge held by buyers in regards to the product and production. Hagen and Sando, like many producers (Bakken, 2016, quote 6; Bjerketvedt, 2016, quote 3) have opted for a business model based on handcraft and non-industrialized production, and their prices are set accordingly (Amit & Zott, 2010; Morris et al., 2005). High-end cheesemaker Waagen (2016) has recognized the value of this, and stresses the importance of having a deliberate pricing strategy from the very beginning;

> *"It is not easy to increase the price once you have become established, but it is simple to price high from the beginning."*

Further, Waagen (2016, quote 9) acknowledge that while it is important, it might be neglected by many producers. If producers are able to devise a deliberate pricing strategy that clearly reflects the business model there is still a challenge with getting buyers to understand the implications of the chosen price. According to Ordanini and Pol (2001) a platform can increase transparency of pricing and product information, and thus reduce information asymmetry and decrease adverse selection, thus reducing transaction costs. Simultaneously, it can enable producer-producer collaboration on pricing strategies, contributing to better producer success.

Haalien (2016) highlights the struggle related to pricings from a buyer's perspective;

> *"[Local food] producers do not understand what works in retail and what lacks. The psychology when it comes to pricing."*

Haalien (2016, quote 14) provides an example of how local food producers are insufficiently skilled in the area of strategic pricing; producers do not understand that if they offer an expensive cheese at 400 per kilo, it could be wiser to charge 40 kroners for a 100 grams, as these cheeses are easily compared to industry produced cheeses at 79 kroners per kilo. As such, he implies he possesses knowledge and know-how that producers can benefit from leveraging, as stated by Dahlander and Gann (2010). Buyer Dahl (2016) emphasizes that producers are unattentive to the dynamics of pricing in a supply chain;

> *"It is difficult, very difficult [to manage my relationships] because you need to sell firstly to the purchasing organizations at a discount price, and you also need to give discounts to the end users, the canteens and restaurants."*

This is exemplified by buyer Kvilekval (2016, 38:39-39:25) explaining that one producer would not offer him a discount despite him buying in bulk. The producer offered the same price given to end consumers, and as such was not accommodating Kvilekval's need for a margin. He further emphasizes that;

> *"[Price] is important, we cannot be extremely expensive, but most people will expect the products coming out of our store is more expensive than from Prix or Rema 1000, because of their origin and their story."*

The expressed need for customization of prices is in accordance with Rauyruen and Miller (2007) who emphasize this creates satisfaction for business customers. Buyers Kvilekval (2016) and Rasmussen and Frydkjær (2016) state that ultimately the right price is dependent upon the relative relationship between price and other product attributes;

> *"We are always interested in new products, but what is important to us is the quality and the wrapping, the expiration date, and obviously the price."*

> *"I believe many have the same criteria, and those are found in the relationship between quality, deliverability, and price..."*

Accordingly, buyers highlight that an understanding of price is dependent upon transparency and honesty about the product and production processes (Roser et al., 2013). Buyers need to understand the reasoning behind a price, and this demand for transparency supports the findings from the producer analysis - a platform can contribute with value within this area of business (Ordani & Pol, 2001).

Producers find pricing as the fourth most difficult need to satisfy, and thus support the qualitative data. However, twice as many find it among the most difficult compared to how many find it to be among the most important, as depicted in figure 6.9. Based on the quantitative data, pricing is deemed by buyers as both relatively important and difficult. However, buyer numbers are not conclusive. Three out of the four buyers find it to be both amongst the most important, and the most difficult. Contrasting this, less than half the producers who deem pricing among the three most important needs find it among the most difficult. This is, despite the significantly higher amount of producers perceiving it to be difficult.

	Important		Difficult		Important and Difficult
Producers (66)	11	16,7 %	21	31,8 %	4
Buyers (15)	4	26,7 %	4	26,7 %	3

Figure 6. 9: The number of respondents who find pricing to be among the top three most important or difficult needs to satisfy.

As depicted in figure 6.10, a slight majority of the young companies who responded to the questionnaire find pricing to be among the top three most difficult needs to satisfy, and find it to be significantly more difficult than established ones. As depicted in figure 6.11, a clear majority of the companies who find pricing as one of the three most difficult needs to satisfy are 'small.' Even when considering the relative size of the populations, it is evident that small companies find pricing significantly more difficult than medium and large ones. Based on these observations, it can be suggested that established or larger companies can aid young or small companies in pricing. As such, the quantitative data indicate that same-side collaborations on pricing can take place on the platform. This is further supported by qualitative data from Waagen. When asked what she would like to share with the rest of the industry, the successful and well established cheesemaker mentioned pricing strategies specifically (Waagen, 2016, quote 4, 9).

	Total (66)	Young (25) (38% population)		Established (41) (62% population)		Percentage of Total Population	Percentage of Young Population	Percentage of Established Population
Pricing Important	11	5	45,5 %	6	54,5 %	16,7 %	20,0 %	14,6 %
Pricing Difficult	21	13	61,9 %	8	38,1 %	31,8 %	52,0 %	19,5 %

Figure 6. 10: The number of producers who find pricing to be among the most important or the most difficult, depicted by experience.

	Total (66)	Small (40) (61% population)		Medium (20) (30%population)		Large (6) (9% population)	
Pricing Important	11	7	64 %	2	18 %	2	18 %
Pricing Difficult	21	18	86 %	2	10 %	1	5 %
	Percentage of Total Population	**Percentage of Small Population**		**Percentage of Medium**		**Percentage of Large Population**	
Pricing Important	16,7 %	17,5 %		10,0 %		33,3 %	
Pricing Difficult	31,8 %	45,0 %		10,0 %		16,7 %	

Figure 6. 11: The number of producers who find pricing to be among the top three most important or difficult, depicted by size.

The demand for customized offerings is further witnessed in the area of quantities, which is closely related to price. Buyers Kvilekval (2016) and Haalien (2016) emphasized the importance of flexible offerings;

> *"It's important for us to have flexible producer, in terms of delivery volumes. With the type of store we have, we cannot buy huge quantities."*

"If you sell me a box of six cheeses, I will dare to buy it because then the risk is so much smaller and I know I will sell four and maybe I can sell the next two as well."

Quantitative data uncovers that having flexible quantities is neither seen as the most important, nor the most difficult need to satisfy for buyers, as depicted in figure 6.12.

	Important		Difficult		Important and Difficult
Buyers (15)	3	20,0 %	2	13,3 %	1

Figure 6. 12: The number of buyers who perceive flexible quantities to be among the three most important or difficult needs to satisfy.

The ability to establish relationships to enhance transparency was found to indicate the need for a local food platform. With an increased transparency and overview, buyers may perceive the platform as a one-stop shop where a large number of participants are gathered, making connections to counterparts more efficient (Kaplan & Sawhney, 2000; Ordanini & Pol, 2001). Buyer Finne (2016) perceives cross-side and same-side networks effect to positively influence the industry;

"Competition is always good, to a certain level, and today we could be stuck with only having one choice for that type of deliverable. Such a platform could make it an arena for competition in a healthy way."

However producers might perceive same-side effects as negative, as it entails an increase in rivals to compete with (Eisenmann et al., 2006).

6.6 The Need for Finding Buyers, Producers and Networking

Finding buyers, producers and creating a network are similar needs all under the umbrella of connecting. Evans (2003) finds that a multi-sided platform can connect distinct members or groups who need each other. A local food platform can be important for the Norwegian food industry, as it enables the connection of people across a long geographical area, as in accordance with Eisenmann et al. (2006). As there is a significant amount of producers who perceive finding buyers as among the most difficult, it is implied that Lokalmat can aid players in finding each other (Hagen & Sando, 2016);

"And I also think in a bigger scale, this is a really good thing for everybody who is making this kind of food in Norway, that we get them all in one place so that the big customers can see what we really have to offer in Norway."

This notion was supported by chefs Rasmussen and Frydkjær (2016);

"That is exactly what this platform must be made to do I think - to create this contact. That it becomes a search-and-find - to make the job easier."

It is implied that a platform can create value by enabling connections and transactions that might otherwise not occur (Edelman, 2015). Buyers suggest that a B2B platform can reduce procurement costs by relieving the hassle of searching for products as it establishes a catalog of products (Kaplan & Sawhney, 2000). By having a high number of members present on Lokalmat, cross-side network effects can be created (Evans, 2003; Li & Penard, 2013). Producer Klock (2016) stated that she had a hard time finding companies with capabilities, resources and knowledge complementing her needs;

"When it came to pressing the apples, we did so much research trying to find out who is working in apples, and there is no database where you can find everyone who has these facilities or this service - so being able to see these services; an overview of what was out there."

This illustrates a flexibility of resource allocation obtained through a collaborative network (Jaakkola & Hakanen, 2013), where Caillud and Jullien (2003) state that these connections can be made on a platform (Caillaud and Jullien, 2003). It can thus be inferred that Klock assumes she will be more likely to join a platform if it has a wide range of members, giving her an adequate overview. As such, she confirms the notion of same-side network effects, as proposed by Eisenmann et al. (2006).

Some producers cross the border between being a producer or buyer (Hagen & Sando, 2016);

"And we as producers can also get in and see if there are something we want to maybe sell in our store - we can also find it there."

This further implies a presence of same-side network effects, enticing more producers onto Lokalmat (Eisenmann et al., 2006). While the platform gathers all producers in one place, as in accordance with Kaplan and Sawhney's (2000) notion of a B2B marketplace, some information is hidden to producers, as explained by Hagen and Sando (2016);

> *"... I wish I could find a little more information, because as small producers we don't always have good enough websites."*

As such, producers are unable to gather all information needed about other companies' capabilities, knowledge, resources, and products.

Transparency is claimed by Ordani and Pol (2001) to be one of the key attributes of platforms. However, producer Kleven-Felloni (2016) points to a significant weakness of Lokalmat;

> *"In order to get growth you have to get more customers, and it's interesting with lokalmat.no, because it should be a place where it connects producer and buyer."*

The foundation of platform theory is that the role of a platform is to connect two or more groups who would benefit from each other. However, on Lokalmat the user side is hidden to the complementor side. As only one side is able to connect to the other, Lokalmat is only partially in accordance with platform theories (Evans, 2003; Edelman, 2015). Further, the platform is not providing the complementors with the opportunity to assess the knowledge, capabilities, and resources of the user side. This limits their ability to assess whether value can be created through collaborations and transactions (Lambert, 2012). Producer Egge (2016) indirectly emphasizes the invisibility of one side of the platform;

> *"I'm hoping bars and restaurants will find our products, and want to maybe get a picture of what we actually have to offer."*

Producers are left hoping buyers will find them, without the ability to actively attract their attention. If demand on one side of the platform is nonexistent, members on the other side will abandon the platform (Evans, 2003). As such, the platform risks losing dissatisfied producers. In the case of Lokalmat, abandonment will entail a lack of updates and activity, as producers are forced to have a profile to convey formal quality. Contradicting the views of other interviewed producers, Waagen (2016; quote 12, 14) explains that the value of a local food platform may be limited as they are very selective in choosing customers;

> *"And we have been very picky on which customers we want, and say no to 80 percent of all requests."*

However, as platform may be able to suffice producers with such selectiveness providing them an overview, not all collaborations are beneficial. As such, members should devise a strategy for their breadth and depth of external partners which is appropriate for their needs, as there is no one-size fits all approach to collaboration and communication (Laursen & Salter, 2006; Roser et al., 2013).

Bjerketvedt (2016, quote 8) express his desire for Lokalmat to become the go-to place for local food in Norway;

> *"... it cannot be so that there are many different platforms. Because that will make the customers confused. And a producers do not want to be on [every platform] either, because usually it is expensive to be on all platforms."*

Accordingly, he emphasizes the importance of 'single-homing,' rather than 'multi-homing' (Caillaud & Jullien, 2003; Evans, 2003; Eisenmann et al., 2006). Multi-homing can be discouraged by providing members with unique services that fulfill specific needs. Evans (2003) further suggests that benefits for one side can keep members attracted to a single platform. It can be interpreted that Matmerk is trying to leverage this dynamic by providing buyers with a quality report it hopes to make an industry standard, thus forcing producers onto Lokalmat.

The accuracy of information provided on the platform was repeatedly mentioned during qualitative interviews (Dahl, 2016, quote 8; Haalien, 2016, quote 1). Platform members are not only concerned with having access to a large quantity of potential partners, but also to be able to connect with a great diversity of high quality members which they can engage in transactions (Li & Penard, 2013; Edelman, 2015; Caillaud & Jullien, 2003). Li and Penard (2013) find that quality issues are extremely important and platform managers should design screening mechanisms to ensure those present on the platform meet minimum quality standards. Screening is demanded by multiple buyers (Rasmussen & Frydkjær, 2016, quote 12, 13; Dahl, 2016, quote 10; Kvilekval, 2016, quote 4), highlighting that for Lokalmat to become a successful platform, it should create both qualitative and quantitative network effects (Li & Penard, 2013).

A low share of producers find locating buyers as one of the most important needs, however, one fourth of all producers find it a difficult need to satisfy, as depicted in figure 6.13. Buyers indicate that finding producers is neither important nor difficult. This is contrasted by qualitative data, indicating that it is time consuming, but not necessarily difficult. However, the two buyers who find it to be among the most important, also find it to be among the most difficult. Networking is considered by a low amount of buyers to be among the most important or the most difficult need to satisfy. However, twice as many producers find networking among their most important need, as opposed to finding it among the most difficult. While only two buyers find it among the most important need and none find it difficult. Thus quantitative data supports qualitative data for these needs.

Finding Buyers					
	Important		**Difficult**		**Important and Difficult**
Producers (66)	4	6,1 %	17	25,8 %	3
Finding Producers					
	Important		**Difficult**		**Important and Difficult**
Buyers (15)	2	13,3 %	2	13,3 %	2
Networking					
	Important		**Difficult**		**Important and Difficult**
Producers (66)	12	18,2 %	6	9,1 %	3
Buyers (15)	2	13,3 %	0	0,0 %	0

Figure 6. 13: The number of respondents who find finding buyers, finding produers or networking among the top three most important or difficult needs to satisfy.

Based on qualitative statements from buyers (Dahl, 20016, quote 15; Lasskogen, 2016, quote 18, 19; Rasmussen & Frydkjær**,** 2016, quote 15) finding producers is indicated to be more important than the questionnaire uncovered. As such, *finding producers* can be considered among the most important, but not the most difficult.

6.7 The Need for Stable Supply and Satisfying Demand

In qualitative interviews, buyers directed a particular focus to the quantities producers are able to deliver (Rasmussen & Frydkjær, 2016, quote 16);

> *"The sourcing is very difficult as well because since you have a limited volume of the products. So everytime I speak with a supplier I need to evaluate how big their volume is, so it can be divided between two regions."* (Dahl, 2016)

“Knowing that we will have the quantity we need is extremely important.” (Finne, 2016)

Buyer Finne (2016) highlights the high risk related to production, and that a buyer-buyer collaboration could be beneficial for enticing producers to provide buyers with the products they need; *“a purchasing corporation would be a way to guarantee the production of a producer.”* Buyers can thus enable production and ensure producers have a sufficient demand. Buyers co-purchasing creates problem-solving solutions for both sides which may mitigate the problem of quantities producers are able to deliver. Evans (2003) states that a platform should group members, coordinate demands and facilitate coordinations more efficiently. As such, a platform can connect buyers and coordinate co-purchasing to create a stable and acceptable demand for the producer.

Producers occasionally experience being unable to satisfy demand due to a lack of coordination with wholesalers (Hagen & Sando, 2016);

“Sometimes we are contacted by restaurants who say ‘we are trying to get a hold of Holtefjell from Tine, have you stopped [producing] it, or what is going on?’.”

This implies a weakness in the connection between restaurants and wholesalers that directly affects producers’ ability to satisfy demand. This can be mitigated by a higher level of supply chain coordination, which according to Evans (2003) can be accomplished by applying platform dynamics to the purchasing activities.

Almost twice as many producers find satisfying demand among the most important need to satisfy, compared to those who find it among the most difficult to satisfy, as depicted in figure 6.14. Contradicting this, four buyers find the need for a stable supply among the most difficult need to satisfy, while only one find it among the most important. The one buyer who deem it among the most important also consider it to be one of the most difficult. Accordingly, the quantitative data supports our interpretation of qualitative data.

	Satisfying Demand				
	Important		**Difficult**		**Important and Difficult**
Producers (66)	19	28,8 %	11	16,7 %	4
	Stable Supply				
	Important		**Difficult**		**Important and Difficult**
Buyers (15)	1	6,7 %	4	26,7 %	1

Figure 6. 14: The number of respondents who find satisfying demand or stable supply among the top three most important or difficult needs to satisfy.

6.8 The Need for Obtaining Ingredients

Producers Kleven-Felloni (2016) and Egge (2016) illustrate the importance of acquiring the right ingredients;

> *"We have a deal with a little producer ... they have competence that we liked and what we are looking for. Together we do the value chain in another way."*

> *"With Whiskey you have to have the right ingredients, it has to be the right type of grain or yeast or water to call it whiskey. If you don't use it, it isn't whiskey."*

A platform can facilitate the process of identifying potential partners, and reduce search time of finding ingredients (Kaplan & Sawhney, 2000; Ordanini & Pol, 2001). To find raw ingredients from non-local food producers are beyond the current scope of the platform, however, producer Ek (2016) states;

> *"We try to reach out to other local producers, searching if they had any product which we could use as ingredients in our production. An example of this, these days is, we are working with Egge Gård ... we have started a cooperation, we are using their Ice Apple as an ingredients of the panna cotta."*

As such, Ek exemplifies a vertical collaboration were producers are co-producing a product (Frow et al., 2015; Roser et al., 2013). Ek implies he lacks the capabilities and resources to create each product alone, and as such needs to connect with external partners (Von Hippel, 1988). By co-creating products, each supplier can accomplish their diverse needs and mutual goals by combining resources and knowledge (Jaakkola & Hakanen, 2013). Further, these producers are co-branding (Ballantyne & Aitken, 2007) their products. This entails a relatively complex relationship (Jaakkola & Hakanen, 2013) which should have a contractual foundation (Roser et al., 2013), however Horvath (2001) establishes that open innovation practices crucially depend upon an infrastructure that allows for easy and comfortable establishment of contracts. This infrastructure could be provided by a platform, as found by Kaplan and Sawhney (2000).

Further, Klock (2016, 10:30) and Ek (2016, quote 6) explain how they make use of chefs for getting the right tastes and learn more about which ingredients should be added. Chefs' skills can thus improve the end product. Accordingly, it can be inferred that chefs and producers, through the process of co-conception, develop products that surpass the performance of what the producers could develop alone (Laursen & Salter, 2006). This taps at the core of open innovation as defined by Chesbrough (2006). A platform can be leveraged to find chefs with the right set of know-how knowledge (Evans, 2003; Li & Penard, 2013), creating cross-side network effects. However, the tasting itself is a physical activity outside the scope of a digital platform.

A low amount of producers deem attaining the right ingredients or raw materials as among the most important or difficult needs to satisfy to be able to produce and sell local food, as depicted in figure 6.15. This supports the qualitative findings, as it is not of significantly low importance nor difficulty. However, Trienekens and Zuurbier (2007) find ingredient sourcing a significant challenge for food quality.

	Important		**Difficult**		**Important and Difficult**
Producers (66)	6	9,1 %	10	15,2 %	3

Figure 6. 15: The number of producers who find getting ingredients as among the top three most important or difficult needs to satisfy.

6.9 The Need for Conveying Formal Quality

Consumers are increasingly concerned with quality aspects of the food they consume, such as safety, sustainability, health, traceability, and ethics ("Trendforsker tror vi," 2016; Burlingame & Pineiro, 2007; Trienekens & Zuurbier, 2007), thus confirming the contrasting definitions of quality presented by Juran and Godfrey (1999); meeting customers needs and freedom from deficiencies. This change in consumer behavior is recognized by buyers (Kvilekval, 2016, quote 3). Historically Norwegian consumers put great emphasis on price, regarding it a more imperative attribute than quality (Bakken, 2016, quote 5; Haalien, 2016, quote 3). However, the sense of pride and nationality is very strong, contributing significant value towards experiencing and preserving tradition and history (Dahl, 2016, quote 3; Egge, 2016, quote 6; Haalien, 2016, quote 4). Accordingly, local food producers are perfectly situated to take advantage of the increasing desire for quality food with a local identity (Ek, 2016, quote 2).

Local food producer Bjerketvedt (2016) states;

> *"We experience that the demand [for local food] is growing bigger and bigger, and that people are becoming more and more occupied with traceability in the products they buy."*

This implies that consumers are putting increased emphasis on food safety, and producers are recognizing the importance of communicating their achieved level of quality. In parallel, producers see a need for educating consumers about how the product is made and where it comes from (Dahl, 2016, quote 4; Waagen, 2016, quote 2). This in accordance with Trienekens & Zuurbier (2007) who underline the need to eliminate the barrier of low consumer knowledge.

The supply chain within the food industry is complex, making abiding by quality standards and conveying it a demanding process requiring extensive knowledge and know-how (Trienekens & Zuurbier, 2007). The authors further find that this can be complicated by loosely tied relationships with insufficient levels of knowledge. Interfirm relationships and contracts are hard to manage, and as firms exploring outside their boundaries expose themselves to uncertainty and risks, they typically incur transaction costs (Shelanski & Klein, 1995; Dahlander & Gann, 2010). A multi-sided platform can create value by enabling communication between members or groups who can help each other with information and expertise on quality assurance (Edelman, 2015; Evans, 2003; Caillaud & Jullien, 2003). However, as previously stated by producer Kleven-Felloni (2016, quote 2), the buyers are currently invisible to producers. This complicates the process of two-sided knowledge sharing in relation to quality. Chefs Rasmussen and Frydkjær (2016) emphasize that *"quality is above everything. It is not like preferring local rather than quality. Quality is alpha and omega,"* contending that quality is a prerequisite. As such, it can be drawn that quality is a significant aspect in local food, and reaching a sufficiently high standard requires industry players collaborating through knowledge sharing.

The importance of quality is supported by quantitative data showing that almost half the producers deem conveying quality as one of their top three needs to satisfy, as depicted in figure 6.16. However, while a low percentage of producers found it among their top three most difficult, none of the producers who considered it within their top three most important needs regarded it difficult.

	Important		**Difficult**		**Important and Difficult**
Producers (66)	26	39,4 %	7	10,6 %	0

Figure 6. 16: The number of producers who find conveying quality among the top three most important or difficult needs to satisfy.

The control of the quality report, just as the control of the pre-platform system of quality assurance, is based on Matmerk as an independent third-party auditing local food producers when requested (Matmerk, 2016, quote 12; Trienekens & Zuurbier, 2007). Accordingly, the Norwegian local food industry is in accordance with the picture of quality assurance processes painted by Trienekens and Zuurbier (2007).

Matmerk launched the platform with a quality report, under the assumption producers considered conveying formal quality of their products, production, and processes as demanding (Matmerk, 2016, quote 5). The assumption of quality as being extensive was supported by buyers (Haalien, 2016, quote 5; Dahl, 2016, quote 5), who observed that producers they work with struggle with the quality reports. However, quantitative data reveals that a majority of producers find ensuring formal quality easy, as depicted in figure 6.17. Of these, half state that it takes too much paperwork to establish formal quality in accordance with industry standards, as depicted in figure 6.18. Of the remaining producers who perceive quality assurance as difficult, a majority experience the process as containing too much paperwork.

	Difficulty				**Time Consuming**			
	Easy		**Hard**		**Not too much**		**Too much**	
Producers (64)	38	59,4 %	24	37,5 %	26	40,6 %	36	56,3 %

Figure 6. 17: The number of producers who find formal quality difficult or time consuming.

	Producers (64)	
It is easy, and not too much paperwork	18	28,1 %
It is easy, but too much paperwork	19	29,7 %
It is difficult, but not too much paperwork	6	9,4 %
It is difficult, and too much paperwork	17	26,6 %
Other	4	6,3 %

Figure 6. 18: The number of producers who find formal quality difficult or time consuming/containing too much paperwork.

Producers Bjerketvedt (2016) and Hagen and Sando (2016) highlight the burden of providing quality is saturated by repetitive work;

> *"But each and every group, whether it is Norgesgruppen or Rema 1000, or whoever it is, have their own [quality] reports. But [buyers] are mostly demanding the same information."*

> *"It is difficult to navigate in this jungle of papers."*

As such, qualitative and quantitative data supports each other when indicating that formal quality is among the most important, but not the most difficult needs. The questionnaire revealed a tendency for medium sized producers to struggle more with quality reporting than small ones, however once a producer grows into a large company, quality reporting becomes significantly easier, as portrayed in figure 6.19a. When based on the number of years a producer has been established, it was expected to see an increasing ease of experience in reporting quality as organizations got older and gained more experienced. The questionnaire data exposed a falling perception of ease from birth up to ten years, as depicted in figure 6.19b. This suggests a foundation for the possibility of producers with more than ten years of experience to collaborate with younger producers on quality reporting. To conclude, based on qualitative data supported by quantitative, relieving the burden of paperwork will be beneficial for producers, and there seems to be grounds for producer-producer knowledge sharing.

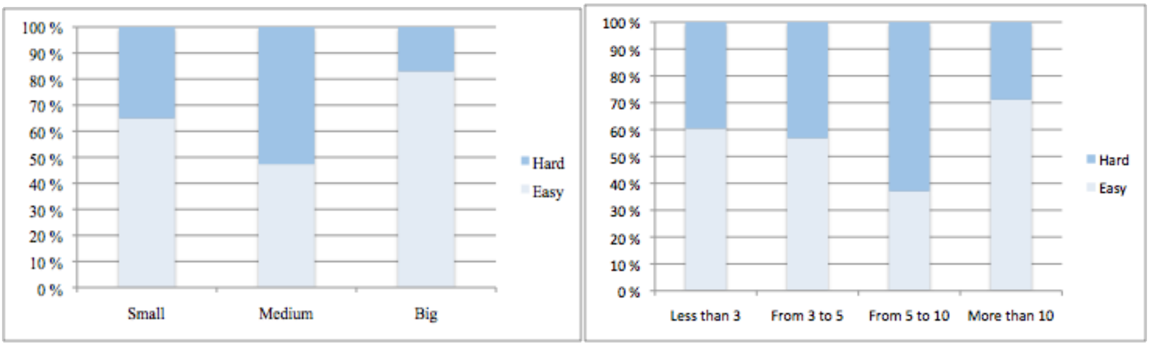

Figure 6. 19: The relative number of producers who find formal quality difficult, depicted by size (a) and experience (b).

From a buyer's perspective, Dahl (2016) elaborates that assuring quality of a large range of products is time consuming for buyers;

> *"[Producers] don't understand the importance of control over all 40,000 product lines. It's very demanding work."*

This notion was partially supported by questionnaire data uncovering a slight minority of buyers perceive ensuring quality as time consuming, as depicted in figure 6.20.

	Difficulty						Accuracy					
	Easy/Not Time Consuming		Ok/Time Consuming		Hard/Too Time Consuming		Good		Ok		Hard	
Buyers (15)	5	33,3 %	4	26,7 %	3	20,0 %	5	33,3 %	5	33,3 %	5	33,3 %

Figure 6. 20: The number of buyers who perceive quality to be difficult or not sufficiently accurate.

Based on producer and buyer information gathered from the questionnaire and interviews, it can be concluded that players within the local food industry need help with reporting formal quality. Wholesaler Dahl (2016) and buyer Haalien (2016) describe how extensive documentation of quality can be decreased with the platform;

> *"If I can have [a quality check] on lokalmat.no, I can save one administrative position in the company that has to administrate all this documentation."*

> *"With lokalmat.no we are little bit hands free, and it's a rational, so I don't have to do five or ten inspections, but one"*

However, producers filling out a single platform-based quality report for buyers can only be considered making documentation transfers more efficient. As such, it does not necessarily create significant value (Lee et al., 2002). The need for knowledge sharing on what is expected is underlined by buyers disappointment in the level of accuracy in quality documentation, as a third of buyers state that the level of accuracy is too low and that quality is not sufficiently ensured, as depicted in figure 6.20 above.

Buyers express the need to ensure the products they purchase from producers are safe and of high quality (Haalien, 2016, quote 6; Lasskogen, 2016, quote 2);

> *"My responsibility as a buyer is to make sure that food you are eating is all the time controlled for proper quality and that I know you are not eating horse meat."* (Dahl, 2016)

The buyers' suggestions support that a platform can provide information on producers' facilities or certification for potential partners to view significant quality information (Caillaud & Jullien, 2003), however this information must be accurate to offer any value. A way buyers can better ensure that producers understand the need to not only abide by quality standards, but also accurately report it, is by sharing knowledge (Haalien, 2016);

"It is hard for supermarkets to take these local products, because they don't fill the standards. So it is really not efficient at all and what we are trying to do is help them to get the standards so it is easier for the store manager to actually buy this food."

Grocer Lasskogen (2016) states that *"there has to be dialog there, so that [producers] add the information we expect to get."* Dialog enables buyers to communicate defined aspects and can better confirm that producers understand the requirements clearly; *"my biggest advice is to demand [high quality products] and be very critical regarding the quality"* (Rasmussen & Frydkjær, 2016). This is in accordance with Trienekens and Zuurbier (2007) notion that collaboration with industry partners creates a higher level of safe and high-quality food for consumers.

Buyers Finne (2016) and Lasskogen (2016) describe how they build trust through communicating closely with their suppliers;

"We are on a first name basis with our supplier, we know them by heart. We know how they run their business and we trust them very much."

"Where one has a dialog with the producer, there I believe the trust is very big."

As such, it can be drawn that trust is created through communication, and according to Fawcett et al. (2012) trust is vital for establishing a long-lasting beneficial collaborative relationship. As such, communication and engagement will ensure opportunistic behaviour is not exhibited and buyers will be more open to work with producers without the need of extensive contractual agreements (Asakawa et al., 2014; Dahlander & Gann, 2010; Fawcett et al., 2012). This is highlighted by chefs Rasmussen and Frydkjær (2016) stating that;

"We take for granted that when we have a relationship with a producer that he is abiding by the rules and requirements that lie upon him as a producer..."

Matmerk (2016, quote 2) recognizes that trust is the foundation for quality reporting on the platform. With trust both parties can ensure agreed upon goals on quality are established and efforts are aligned (Fawcett et al., 2012). However, Pavlou (2002) states that it is harder to establish a trust based relationship on an online platform compared to face-to-face communications, as online exchanges are associated with a higher level of uncertainty. Chefs Rasmussen & Frydkjær (2016, quote 9) state that a local food platform can create the initial contact, which is where they establish the level expected. As such, it is indicated that users can imagine partially relying on a platform to create trust and knowledge sharing on quality.

Buyer Dahl (2016, quote 9) proposes a potential collaboration between buyers; through a collaborative effort of controlling producer quality documents, a more in-depth quality check can be created and shared. The result of this effort is a higher level of quality assurance. This can be enabled by a local food platform if buyers can offer their reports and share intel (Evans, 2003). Matmerk can contribute to this collaborative effort by creating a screening mechanism for distinguishing which producers should be allowed onto the platform, which is in accordance with Li and Penard's (2013) notion that supplier quality is essential for buyers. By creating high levels of trust buyers may attain an attitudinal loyalty towards producers (Rauyruen & Miller, 2007), increasing their willingness to positively talk to other buyers about the producer. As such, it may enable communication to locate and collaboration to support quality producers (Rasmussen & Frydkjær, 2016);

> *"If you find a producer who delivers some fantastic currants, and you wish for him to keep producing these currants it is important for him to be able to sell what he has. If you keep it secret and are the only one to buy the berries, he will not be able to live off it, and [the product] will disappear."*

While the analysis of formal quality has shown a need for knowledge sharing, some buyers state formal quality assurance has become a prerequisite (Lasskogen, 2016, quote 7; Rasmussen & Frydkjær, 2016, quote 4, 8). The questionnaire uncovers that producers perceive informal quality aspects more important than formal aspects, when conveying quality to buyers, as depicted in figure 6.21. Thus, this supports the notion of formal quality as a prerequisite or 'must-be' requirement, indicating that failure to fulfill formal quality leads to customer dissatisfaction (Matzler & Hinterhuber, 1998).

	Producers (64)	Percentage
Convey Mattilsynets standards	38	59,4 %
Convey Work Authorities standards	7	10,9 %
Convey the story behind the product	49	76,6 %
Convey own standards in relation to product and production	29	45,3 %
Convey handcraft behind product	42	65,6 %
Convey specific standards related to product and production	4	6,3 %
Other	6	9,4 %

Figure 6. 21: How producers currently convey quality to buyers.

Regardless of whether or not formal quality has become a 'must-be' requirement, local food is an immature part of the food industry. As such, there needs to be further knowledge collaboration regarding education on formal quality. It can be drawn from the analysis that developing collaboration between players supports Dahlander and Gann's (2010) notion of open innovation stating that sharing knowledge, know-how and specific expertise allows partners to leverage and benefit from the information. As such, by creating a collaborative platform based on a high level of voluntary knowledge sharing, the industry will continue to improve upon the formal quality assurance of local food.

6.10 The Need for Informal Quality

The value adding features of informal quality can be perceived as one-dimensional or attractive requirements (Matzler & Hinterhuber, 1998). As such, informal quality should lead to customer satisfaction, or even loyalty. Despite a consumer shift towards quality network leader Bucher-Johannessen (2016), claims;

> *"Price is the main focus of the customer. It is strange, we do not have that quality tradition. We are the richest customers is the world, but still price is the most important."*

Producers are dependent upon charging a higher price, which is partly to cover their higher cost of production, as indicated by producers Bakken (2016) and Waagen (2016);

> *"It is important that it tells the customer this is handwork and this is real food, it's nothing mixing, no chemicals - it has not been in China."*

> *"And then there is this with taking a high enough price from the beginning. It is not easy increasing the price once one it's established, but it's simple to price high from the beginning."*

This further indicates that producers need to signal from the beginning that their products are differentiated based on superior quality. According to Milgrom and Roberts (1986) price can be a tool to achieve this. This is acknowledged by Bakken (2016); *"it costs a little bit more - but it tastes a hell more."* As such, he touches upon the relationship between price and quality, where added value can play a part in differentiation and creating an attractive price for both producer and consumer (De Cherantony et al., 2000). Chefs Rasmussen and Frydkjær (2016) illustrate their willingness to pay a higher price for quality aspects that surpasses standards;

> *"We pay extra for good quality. It provides an added value that you have an origin and that you almost can tell the name of the cow."*

The notion of added value within food has been recognized in research by Trienekens and Zuurbier (2007), stating that producers should divert towards creating specialities, as formal quality has become highly standardized. Accordingly, producing safe food alone is no longer grounds for competitive advantage, and does not entice customers to purchase the product. Buyer Haalien (2016) proclaims that *"it's easy to get into our store, but the hard thing is to get out into the basket or cart - that is where the game is."* As such, presentation of quality must be strong at the point of sale for the customer to justify paying a higher price. To be sellable, grocer Lasskogen (2016) states;

> *"It is very important that a [local food product] is a little different and that it has an anchoring either local, or that there is something special about it."*

By highlighting the need to provide more than formal quality, the local food industry is complying with Juran and Godfrey's (1999) notion of quality as more than *conformance to specification*.

Interviewees imply 'telling the story' and delivering on 'taste' are important aspects of informal quality. These elements of added value will be elaborated in the two following sections.

6.10.1 Telling the story

Sharing the view of chefs Rasmussen and Frydkjær (2016, quote 5), store owner Kvilekval (2016) emphasizes he sells products by adding a story; *"we are selling meat* *with an address..."* He further elaborates the importance of telling the story to offer an additional service to the product;

> *"The taste and quality of the product has to be good, but we also like to have a story. If the story can go together with the product it means we are kind of a different store."*

As such, Kvilekval underlines telling the story is an added value he can provide to increase the perceived quality of products and as such increase customer satisfaction (Juran & Godfrey, 1999). When asked to identify their three most important needs to have fulfilled, nearly half the buyers indicated 'telling the story,' as depicted in figure 6.22. As such, the quantitative data supports the qualitative findings that telling the story and history of the product is important. However, the amount of buyers who find telling the story difficult is significantly lower.

Telling the story					
	Important		Difficult		Important and Difficult
Producers (66)	29	43,9 %	3	4,5 %	1
Buyers (15)	6	40,0 %	2	13,3 %	2

Figure 6. 22: The number of respondents who find telling the story among the top three most important or difficult needs to satisfy.

In accordance with producers Bakken (2016, quote 7) and Waagen (2016, quote 2), Bjerketvedt (2016) highlights that the ability to persuade customers to buy local food lies in the ability to tell the story;

> *"The customer needs to know the difference between an apple juice from Dyre Gård, and an apple nectar that has been produced in great quantities based on imported apples that you have no idea where comes from."*

This was supported by quantitative data indicating that almost half the producers state 'telling the story' as one of their three most important needs, as depicted in figure 6.22 above. Producers Hagen and Sando (2016, quote 1) specify that they find telling the history of products and production challenging. This is confirmed by quantitative data, where a very low percentage of producers state that telling the story is among their top three most difficult needs to satisfy. However, producers Hagen and Sando (2016) highlight the importance of two-way communication with buyers;

"A good dialogue with the customers is really important, and it's nice for us also, to show them what we do."

Building communication enables them to share their expertise and describe the added value. This enables buyers to easily distinguish quality, and thus judge products in relation to cost (Ordanini & Pol, 2001). Similarly, buyer Haalien (2016) suggests that it is advantageous for buyers and producers to work together;

"Consumers are asking question about the origin, the quality, if it is ecological, and where does it come from. So everyone needs to be more transparent and we have to be better to tell these stories."

By communicating effectively producers can increase the transparency of their product's, allowing the buyers to effectively present the product to end consumers (Ordanini & Pol, 2001).

While data might show low support for extensive collaboration through knowledge sharing, there is a high need for efficient transfer of information regarding the history of the products. This is supported by producer Waagen (2016), who imagine communication of product information as a potential way the platform can contribute with value for its members;

"By a good selling text and a wide use of pictures, such a platform can contribute to increased knowledge about our products, in addition to building a stronger relation to us."

6.10.2 Tastings in Stores

An important activity for local food producer is travelling to provide consumers with taste samples (Haalien, 2016, quote 8; Egge, 2016, quote 3);

"We use 30 days a year in the shops with tasting to show people what this is." (Bakken, 2016)

"It is important for us to meet our customers directly, and give them tastings and tell them the story of how we run our business." (Bjerketvedt, 2016)

Producers and buyers thus recognize advertising is not enough to convey quality to customers, as subjective testaments cannot prove the claim of taste. Local food can accordingly be classified as an 'experience good' which has to be tested (Milgrom & Roberts, 1986). This understanding is highlighted by grocer Lasskogen (2016); *"if you use a lot of marketing on a bad product, it has a short lifespan."*

Apple juice supplier Klock (2016) highlights the importance of the taste;

> *"The story sells, maybe once, but then the quality in taste has to be good. Because if it is not good people won't buy twice."*

Accordingly, she emphasizes the contradicting elements within the term quality, suggesting that even if a product is of high quality when it comes to production, it is not valuable without quality in taste. She further highlights quality in experience must abide by expectations to trigger repeat purchases, as in accordance with Milgrom and Roberts (1986). However, to go from repeat purchase to loyalty Matzler and Hinterhuber (1986) find that expectations must be surpassed. This is in accordance with the findings of Rauyruen and Miller (2007) regarding behavioural loyalty.

Local food producers have a limited marketing budget (Waagen, 2016, quote 10). As providing samples is associated with expenses (Bakken, 2016, quote 10) food producers must apply further tools to signal a higher quality. According to Milgrom and Roberts (1986) charging a higher price can be implemented to signal high quality. While statements (Bakken, 2016, quote 1; Waagen, 2016, quote 4) analyzed in section 6.5 indicate that producers are aware of this connection, wholesaler Dahl (2016) argues that producers lack an informed pricing strategy;

> *"The producers don't understand the product pricing, there is no strategy pricing, no demand based pricing whatsoever, they have a cost-plus pricing."*

That producers lack relevant competencies regarding areas such as pricing supported by buyer Haalien (2016);

> *"There are a lot of competence gaps."*

The statements indicate buyers are frustrated with producers lacking knowledge within at least some aspects of the dynamics related to pricing strategies. Taking into consideration the findings of section 6.5, this supports the conclusion that there is a foundation for buyers and producers to collaborate regarding pricings on the platform.

6.11 The Need for Recruiting

Recruiting personnel was mentioned by Hagen and Sando (2016, quote 11) as a difficult need to satisfy. The problem pertained to being able to attract employees with diverse skill sets. While they believe cheese making can alway be taught, the producers expressed a desire to obtain internal skills and capacities relating to other areas of business. This contradicts the notion of open innovation, where capabilities can be obtained beyond firm boundaries, instead of being held internal to the firm. However, as highlighted by Laursen and Salter (2006) it is a considerable challenge to be able to identify external knowledge and ideas of higher quality. Accordingly, it is important to obtain a certain level of knowledge internally, to be able to adequately adopt external knowledge and capabilities.

The quantitative data supports the low number of interviewees stating recruiting was an important need as four questionnaire respondents stated it was important while one said it was difficult, as depicted in figure 6.23.

	Important		Difficult		Important and Difficult
Producers (66)	1	1,5 %	4	6,1 %	0

Figure 6. 23: The number of producers who stated recruiting was among the top three most important or difficult needs to satisfy.

6.12 Knowledge Sharing and Collaboration

As elaborated in each of the needs discussed, our research explicitly depicted that knowledge sharing and collaboration are activities that players in the local food industry partake in to solve challenges, increase their innovations and remain competitive in the market. Interviewees and respondents expressed and provided many examples of how crucial knowledge sharing and collaboration is to their success. Producers Kleven-Felloni (2016, quote 10, 13), Klock (2016) and Bakken (2016) share their eagerness to collaborate to benefit from the creation of value adding activities and knowledge sharing;

> *"We have been very eager to cooperate because we see a lot of pros in getting help from each other."*

"For me it's important to work with people that see me happy and I see them happy - we want to make each other good."

These producers' willingness to collaborate indicate that self-reliance may be obsolete and collaboration is the new model for leveraging new opportunities and improving activities - benefits which go beyond just financial exchanges (Chesbrough, 2003; Ballantyne & Atkin, 2007; Vargo & Lusch, 2010). It has become apparent that this is the ideology of many members in the local food industry. Producers Waagen (2016, quote 18) and Klock (2016) highlight the significance of collaborations;

"People have been down this road before and they have been doing mistakes that maybe we don't have to do when it comes to sales, or product development or how to do logistics better, there are so many things we try to improve all the time."

As such, she suggests that by remaining independent one can miss out on receiving advantageous knowledge and skill (Chesbrough, 2003). The eagerness to collaborate is supported by quantitative data, where a majority of both producers and buyers state that they collaborate today, as depicted in figure 6.24. Among the producers who do not collaborate today, a slight majority state that they wish to do so in the future, as depicted in figure 6.25.

	Producers (61) With Producers		Producers (61) With Buyers		Buyers (14) With Producers	
Collaborate	38	62,3 %	42	68,9 %	12	85,7 %
Do Not Collaborate	23	37,7 %	19	31,1 %	2	14,3 %

Figure 6. 24: The number of respondents who currently collaborate.

	Producers (19) With buyers		Buyers (2) With producers	
Do not, but want to in the future	10	52,6 %	1	50,0 %
Do not	9	47,4 %	1	50,0 %

Figure 6. 25: The number of respondents who do not currently collaborate.

Producer Egge (2016, quote 11) claims producers often are engaged in discovering new possibilities and problem-solving strategies to fulfill market needs. In addition to being perceived as solution-oriented, many producers have expressed their appreciation for collaborating with producers, as highlighted by Waagen (2016, quote 17) and Klock (2016);

"[Dyre Gård] are a huge help for us, they have been helping us in the best ways. And it's nice because we are actually competing but they don't see it that way and we don't see it that way..."

Being open to collaborations and in possession of a problem-solving mentality, local food producers might be able to provide new innovations to the market through co-creation, as in accordance with Jaakkola and Hakanen (2013).

Haalien (2016, quote 10) indicates that Norwegian consumers are brand conscious, always choosing the same products which they are comfortable with. However, contradicting this view, producer Klock (2016) highlights the difficulty in fulfilling the desires of end consumers, as demands are continuously changing; *"customers always want something new and exciting and that can be a challenge."* Simatupang and Sridharan (2002) state that this high-paced change in consumer demand should be met by a collaborative supply chain. By engaging in innovation and co-creation producers can develop innovations demanded by the market and offer products which truly satisfy consumers' needs (Asakawa et al., 2014; Jaakkola & Hakanen, 2013; Chesbrough, 2003).

During observations, all interviewed producers mentioned a geographically dependent network. These networks were also brought up by buyers (Lasskogen, 2016, quote 11; Kvilekval, 2016, quote 13; Haalien, 2016, quote 2). The importance of geographically dependent networks is supported by quantitative data as depicted in figure 6.26 where a substantial amount of buyers and producers respond they actively use and benefit from these networks.

Buyers who find products to sell or use	35,7 %
Producers who find buyers to sell products	14,8 %
Buyers who find producers to collaborate with	28,6 %
Producers who find producers to collaborate with	29,5 %
Producers who find buyers to collaborate with	18,0 %

Figure 6. 26: How respondents currently collaborate within a geographically dependent network.

Haalien (2016, quote 2) highlights that geographically dependent networks can be used to sell and distribute through one shared channel, as such the networks can be a way to 'co-sell' to buyers. Hagen and Sando (2016) explain that they have taken this collaboration one step further into co-promotion; *"we are now going to make one cheese that we call Eventyrost." Eventyrost* is a collaboration between network organization Eventyrsmak and Eiker Gårdsysteri. Eventyrsmak is a producer initiated collaboration where local food producers within a geographical area combine capabilities to promote a common brand, sales and marketing efforts ("Eventyrsmak," n.d.) (Frow et al., 2015; Roser et al., 2013). Other organizations, such as Rørosmat, allow users to co-brand, as they do not abandon their own brand on the specific products ("Rørosmat," n.d). By being associated with a successful external brand, Røros-based producers are able to differentiate themselves from other local food producers. As such, smaller producers benefit from larger geographically dependent organizations by providing them with credibility and allowing access to capabilities they do not possess internally (Jaakkola & Hakanen, 2013). However, despite its benefits, geographically dependent cooperative Hallingkost (2016, quote 2) emphasizes that brand-related co-creations are not easily achieved. This emphasizes the inherent difficulty of open innovation, as mentioned by Chesbrough (2006) and Laursen and Salter (2006).

Through cooperative Rørosmat, the Røros region has become a successful and critically acclaimed tourist food destination (Skaug, 2016). With this co-promotion producers are able to transform local food products into experiences, and provide superior customer experiences (Chesbrough, 2011). Thus, the companies can generate satisfaction, and as such loyal customers (Matzler & Hinterhuber, 1998). This was hinted to by buyer Dahl (2016, quote 14), highlighting that producers like to experience local food when they are out travelling, and then repurchase. Waagen (2016, quote 7) additionally emphasizes the importance of sending tourists to each other.

Klock (2016) found an opportunity to create a new product with a partner that would use the meat of the apple which is left once pressed;

> *"I contacted Kulinaris, a small ice cream company, and asked them if they were interested in cooperating with us in making Epleslang ice cream or sorbet. ... We will produce it and co-brand it together."*

This example displays that by collaborating with a partner that holds complementing capabilities and resources, a new creation can be born (Jaakkola & Hakanen, 2013). As such, two non-competing suppliers bring their diverse skills and market positioning, and coordinate their individual activities to develop a new product. By co-creating a product producers are implementing co-branding, which can simultaneously promote and strengthen their individual brands (Ballantyne & Aitken, 2007).

The existence of co-production is supported by quantitative data where 6,6 percent of producers state that one of their top three ways to collaborate with other producers is through shared production facilities (Appendix 2).

To have efficient collaborations producers must, to a certain extent, be open towards sharing their insight and knowledge on process and product specifications (Chesbrough, 2003; Dahlander & Gann, 2010; Gassman et al, 2010). However, producers have limits to the knowledge they are willing to share (Egge, 2016, quote 17). This is exemplified by Ek (2016);

> *"We do not mind sharing, expect things that we have achieved and developed to make a very special product, that we will protect of course, otherwise we are open."*

Open innovations may make companies feel that it is difficult to protect their product or production secrets. Therefore, producers and buyers must devise clearly articulated limits to what they are willing to share, to ensure there is no ambiguity in intent when entering into collaborations (Dahlander & Gann, 2010). As the primary motive behind co-creation is to gain access to resources and capabilities, companies should provide assurance that such access will be given (Jaakkola & Hakanen, 2013; Fawcett et al., 2013).

Co-creation may require partners to work especially close with one another to be able to understand each other's production processes and create a successful partnership (Asakawa et al., 2014). This is explained further by producer Kleven-Felloni (2016);

> *"Some knowledge is tacit, you have to really be there and look at the process, you cannot explain it. Even if you explain it it is not easy to replicate."*

As some knowledge is difficult to understand and particular to a specific producer not all knowledge or capabilities can be transferred or learned by other producers. To be able to adequately replicate the knowledge that is taught producers must have absorptive capacity, where they need strong internal capabilities, specific resources and proper technology to utilize the external knowledge (Chesbrough & Vanhaverbeke, 2006).

Facilitating this type of extensive know-how may require more active knowledge sharing participation where partners may have to engage in physical activities to teach and learn from one another. As such, this is an activity that goes beyond the facilitation capabilities of a platform.

Before partners develop a relationship, the uncertainty and lack of trust can create tension (Asakawa et al., 2014), as partners are not necessarily willing to share knowledge before trust is established (Fawcett et al., 2012). The need for trust in close collaboration is highlighted by producer Klock (2016);

> *"[Trust] is very important, I think we should probably make more contracts, but I think the mutual interest of making something good and new and helping each other."*

This decision to not establish contractual partnerships, but instead depend on alignment of goals and engagement in co-creation is dependent on trust (Lambert, 2012; Roser et al., 2013). It can be suggested that due to her willingness to set relationships based on trust, her partnerships has reached a mature collaborative trust (Fawcett et al., 2012). Producers Kleven-Felloni (2016, quote 12) and Klock (2016, quote 14) further elaborate that collaboration requires alignment between partners and it is important to share goals and skills. Buyer Finne (2016) shares Klock's ideology on sharing collaborative objectives, expressing;

> *"We are close, honest and transparent with our producers. Because we are in this business for the same reason and we need to support each other and help each other out."*

This supports that collaboration can only commence when supply chain partners are open about their partnership intentions to ensure there is commitment (Fawcett et al., 2012). There needs to be reciprocity and trust to create successful outcomes, however if success is not defined or communicated prior to entering into co-creation, the success of the relationship may be jeopardized (Lambert, 2012; Roser at el., 2013; Jaakkola & Hakanen, 2013). Lokalmat can be the starting point for creating this trust and alignment of goals. By facilitating communication and enabling partners to engage with one another an initial level of understanding and consensus on topics or issues can be created. As partners become more interlinked they are able to learn more about each other and a level of trust can be built, however according to Pavlou (2002) it is harder to establish a trust based relationship on an online platform compared to face-to-face communications.

According to questionnaire data, a low amount of producers find collaboration among the most important or difficult needs to satisfy, as depicted in figure 6.27. Further, none of the ones who found it to be among the most important found it to be among the most difficult. Simultaneously, a low amount of buyers find collaboration to be among the most difficult needs to satisfy, while a significant amount deem it to be among the most important. As such, the quantitative data does not support the qualitative data, where we interpret collaborations to be of high importance. However, the reason for this misalignment in perception may be that collaborations are considered a solution to a need, rather than a need itself, as which has been clearly apparent in the interviews. As such it is mistakenly presented in the questionnaire, and should not have been an alternative to choose from. Very few producers deem obtaining knowledge to be among the most important or the most difficult needs to satisfy.

Collaboration					
	Important		Difficult		Important and Difficult
Producers (66)	5	7,6 %	5	7,6 %	0
Buyers (15)	4	26,7 %	2	13,3 %	2
Obtain Knowledge					
	Important		**Difficult**		**Important and Difficult**
Producers (66)	1	1,5 %	2	3,0 %	0

Figure 6. 27: The number of respondents who perceive collaboration and obtaining knowledge as among the top three most important or difficult needs to satisfy.

As such, we refer back to the problem of the platform, and wish to see if a platform can increase social connection, as stated by Evans (2003). If collaborations can be facilitated on a platform within valuable needs, Lokalmat may be leveraged to grow and flourish the local food industry. Producer Ek (2016) highlights what Lokalmat can offer;

> *"It would be more clever to use each other. Lokalmat.no is a good way to be part of a network."*

Chapter 7: Discussion

The aim of this thesis is to understand what Lokalmat should offer and if this can be possible for a social-maximizing organization to provide without too extensive investments. As such, in this chapter we aim to dive deeper into the significant findings of Chapter Six pertaining to what Norwegian local food producers and buyers currently do, or need help doing. After having identified what is valuable to provide, we discuss the appropriateness of what is currently provided on Lokalmat, subsequently deliberating the needs which analysis indicated would be valuable to provide. This understanding will enable us to answer the research question of how a social-maximizing organization can create a valuable B2B platform for an industry.

As every product or service must fulfill its customers' needs, or at the very least live up to expectations to generate customer satisfaction, it is important that Matmerk is aware of customers' needs and expectations for the platform (Teece, 2000). It is a reasonable assumption that members will not utilize or actively engage on a platform that does not fulfill needs or live up to expectations. To create social engagements, Evans (2003) states a platform must contain a diverse group of members. Lokalmat consists of two groups of members, producers and buyers. However, we find that the players within these two groups differ widely. The group of buyers consist of grocers, restaurateurs and wholesalers, while the group of producers consist of unique businesses with differing focuses. Accordingly, our analysis uncovers a wide variety of needs. We further find that not all needs are equally important, difficult nor the combination of the two. When a need is categorized as important to have satisfied, it indicates the need should be considered a foundational aspect of the local food industry. Accordingly, Matmerk should consider all thirteen needs mentioned in qualitative interviews when deciding what to offer on the platform to generate value and member satisfaction. However, the relative importance of needs can be used as the foundation to prioritize which needs should be attended to first. This knowledge is obtained through questionnaire insights, where respondents identified their top three most important and difficult needs. A need that is difficult to satisfy represents a challenge for the producer or buyer in their attempt to sell local products, which prevent them from thriving. Thus, if a need is considered by many industry players as difficult, it is perceived as a barrier to industry growth. As Matmerk's aim is to aid the growth of Norwegian local food production and consumption, needs which are classified as difficult should be prioritized on the platform.

Our analysis identified four categories which can provide the platform developer suggestions for prioritizing what should be offered on the platform to create value; (1) among the most important and the most difficult needs to satisfy, (2) among the most difficult, but not the most important needs to satisfy, (3) among the most important, but not the most difficult needs to satisfy, and (4) neither among the most important nor the most difficult needs to satisfy. Our analysis uncovered that producers identified *distribution*, *creating demand* and *marketing* as both among the most important and the most difficult, as depicted in figure 7.1. Buyers identified *distribution*, *creating demand*, *pricing and marketing* within the same category. Producers identified *finding buyers* and *pricing* as among the most difficult, but not the most important. Buyers classified *stable supply from producers* within the same category. Producers identified *conveying quality*, *telling the story of the product*, *satisfying demand*, and *networking* to be among the most important but not among the most difficult to fulfill. Buyers identified *telling the story of the product* and *finding producers* within the same category. Producers identified *getting ingredients*, *recruiting* and *getting knowledge* was classified as neither among the most important nor difficult needs to satisfy. Buyers identified *networking* and *flexible quantities* within the same category. Our analysis indicates that collaboration was a solution to needs, rather than a need itself. As such, it is excluded from categorization.

	Category One Needs	**Category Two Needs**	**Category Three Needs**	**Category Four Needs**
	Among the most important, and most difficult	*Among the most difficult, but not the most important*	*Among the most important, but not the most difficult*	*Neither among the most important nor difficult*
Producers	Distribution	Finding Buyers	Conveying Quality	Get Ingredients
	Creating Demand	Pricing	Telling the Story	Recruiting
	Marketing		Satisfying Demand	Getting Knowledge
			Networking	
Buyers	Distribution	Stabe Supply	Telling the Story	Networking
	Creating Demand		Finding Producers	Flexible Quantities
	Pricing			
	Marketing			

Figure 7. 1: Categorization of Needs Based on Analysis.

The needs considered within *Category One* stand out as significant issues which should be assisted on a local food platform. *Category Two* needs are considered difficult to achieve and thus distinguish themselves as aspects which the platform can significantly aid its members. However, since the majority of respondents did not find these needs their most important, these are not as pressing to fulfill as *Category One* needs. Some needs were classified in *Category Three* as among the most important, but not the most difficult needs to satisfy. Accordingly, these aspects create less value than *Category One* and *Two* needs, as adding platform services to aid the fulfillment of these needs may mainly contribute value by making the process more efficient. These needs do not represent essential challenges to solve, but rather processes to make more efficient. The needs categorized as *Category Four* needs are neither among the most important nor the most difficult, and should as such be given the least amount of attention. Attending to *Category Four Needs* would mainly contribute to making one of the less important processes more efficient.

Our analysis identifies multiple types of collaborations within the industry. In addition to collaborations across the supply chain between producers and buyers, we also find evidence of activities of open innovation among producers and among buyers. Depicted in figure 7.2 are examples of the types of collaborations we identified. These pertain to the needs that are currently offered on Lokalmat, or the needs which should be offered on Lokalmat, based on the above discussion. Producers collaborate with other producers in relation to *distribution*, *creating demand*, *marketing*, *pricing*, *conveying quality*, and *finding buyers*. Producers and buyers collaborate in relation to *creating demand*, *marketing*, *pricing*, and *conveying quality*. Our analysis shows that buyers mainly collaborate with other buyers in relation to *distribution*. Except for illegal communication on pricing between buyers, we find evidence for communication or collaboration within all needs. Accordingly, we find evidence of valuable aspects for the creation of a platform which can ease the industry's interorganizational relationships. The high presence of producer-producer collaborations is somewhat surprising, as these players in reality are competitors. However, this finding supports that producers recognize the ideology behind open innovation - that a single firm cannot innovate in isolation, but should rather cooperate to acquire capabilities and knowledge beyond its boundaries (Dahlander & Gann, 2010; Vanhaverbeke & Chesbrough, 2006; Chesbrough, 2003; 2006).

	Producer-Producer	Buyer-Producer	Buyer-Buyer
Distribution	Co-distribution	*Communication*	Co-distribution
Creating Demand	Co-marketing	Co-conception	*Communication*
Marketing	Co-marketing	Co-marketing	*Communication*
Pricing	Knowledge Sharing	Knowledge Sharing	
Conveying Quality	Knowledge Sharing	Knowledge Sharing	*Communication*
Telling the Story	*Communication*	*Communication*	*Communication*
Finding Players	*Communication*	*Communication*	*Communication*

Figure 7. 2: Examples of Collaborations Currently Observed within the Local Food Industry.

As depicted in figure 7.2 extensive co-creational collaborations are mainly identified within needs that are perceived to be both important and difficult, such as *distribution*, *creating demand* and *marketing*. As such, the presence of high levels of collaboration within *Category One* needs is a key finding of this thesis, indicating industry players perceive collaboration as a way to solve significant challenges. Co-distribution, co-marketing, co-branding, co-production, and co-conception are examples of open innovation processes identified in the local food industry. These activities require involved parties to have a higher level of engagement, in addition to significant investments in establishing and sustaining viable partnerships (Laursen & Salter, 2006). In *Chapter Six*, we find that these investments can be lowered on Lokalmat, as platforms can connect members and facilitate exchanges (Evans, 2003; Edelman, 2015). However, the willingness to enter into collaborative relationships is dependent upon a level of trust we find may be hard to create on the platform.

We find that there is a relationship between the perceived importance and difficulty of needs, and the level to which local food players collaborate to satisfy these needs. The following discussion will examine findings regarding the services provided to aid needs which are currently offered by Lokalmat. Subsequently we will deliberate whether collaborations and needs, such as the ones identified in *Category One*, are possible to offer on Lokalmat.

7.1 Needs Which Lokalmat Currently Offers Services to Aid

Currently, the first value proposition of Lokalmat is focused on providing its complementors and users with the ability to convey and establish formal and informal quality of the local food products. The second value proposition gathers complementors and users onto a common place, aiming to create an overview of industry players. Our categorization of needs indicates that the B2B platform today makes the local food industry more efficient, but does not enable growth. As time can be saved on quality assurance and identification of players, it can be allocated to other activities. Thus Lokalmat may indirectly contribute to aid the industry, as it allows the producers to focus on solving greater challenges and barriers to growth.

7.1.1 Value Proposition 1: Quality

Our analysis indicates that quality is a *Category Three Need* - while definitely important, a majority of producers and buyers find it time consuming more than difficult. Accordingly, the quality offerings on the platform may simply give members a more efficient way of communicating. By making the process of quality assurance more efficient, Matmerk is creating value but not necessarily helping the industry overcome a significant barrier to growth. We do not propose that Matmerk remove the quality offering from the platform, however it has to truly increase efficiencies to be of value. Our analysis finds trust to be a critical aspect of the current quality assurance offering.

In open innovation and platform theory having and enabling trust is discussed as a fundamental attribute needed for building and sustaining relationships (Laursen & Salter, 2006; Fawcett et al., 2012; Kaplan & Sawhney, 2000). As producers are authorized to complete the quality report themselves, the reporting system is viewed as a trust-based system, where buyers are expected to trust the information provided by producers. Producers are trusted to be honest and transparent in their reporting, however if producers breach this trust it can entail a detrimental risk for the platform's credibility. If producers are continuously found to be either dishonest or unable to fill the quality report correctly, buyers will begin to lose confidence in the trust-based system. This could thus cause buyers to rely heavily on Matmerk's external audits to ensure the reporting of quality is accurate, forcing Matmerk to revert back to performing the service as a consultancy task. Accordingly, Lokalmat may lose its proposed value for buyers, causing the viability of the platform to be questioned. As uncovered in our analysis, buyers want Matmerk to perform a more extensive screening of the producers who are accepted onto the platform, which is found by Li and Penard (2013) to ensure quality of platform members. Accordingly, the trust based system entails that Matmerk is not sufficiently leveraging the association it holds to quality. If Matmerk was to engage in screening and actively communicate this quality assurance of members, it could ensure a higher level of quality is associated with the members on Lokalmat, and thus increase the level of trust to be experienced. Buyers propose to partake in this screening and confirmation process, by collaborating on quality assurance. This could increase the trust in Lokalmat, without requiring Matmerk to extensively invest time, money and efforts. Our analysis uncovers, in accordance with platform theory (Evans, 2003), that this collaborative effort can be performed on the platform.

Contrasting the trust buyers are expected to put in producers, producers are expected to trust the intent of buyers. Matmerk opted to include Norwegian grocery stores in the development of the quality report. Consequently the report may have been created with a slight bias towards the interest of buyers. Matmerk deliberately leveraged buyers' commitment to the quality report to create network effects by pressuring producers to become members of the platform. Eisenmann et al., (2006) find that network effects are a detrimental requisite of a successful, well-functioning platform, and our analysis supports this finding. The inclusion of buyers in the development of the quality report may have been part of a deliberate strategy, rather than a way of prioritizing their needs. Accordingly, Matmerk opted to slightly force producers onto the platform through buyers, and leverage network effects to build a member base. However, grocery chains and wholesalers are profit maximizing organizations who prioritize internal firm considerations, as such, it can be argued that by having buyers define quality requirements and set specific standards, it risks misrepresenting or neglecting the interest of both producers and consumers. For this reason, aspects of quality are typically defined by independent parties to ensure the standards are separated from the personal interest of parties, and is overall non-biased (Trienekens & Zuurbier, 2007). As a partially public organization, Matmerk could have provided a non-biased quality report with a perceived high-level of credibility from all industry players. Additionally, our analysis indicates the organization was unaware of the importance and difficulty of needs, which underlines the above categorization where we find quality to be a *Category Three* need. Matmerk's mix of roles and buyers' slight use of force on producers does not particularly add value for producers on the platform, and may thus not entice them to actively participate on the platform. With one inactive side, we find that a B2B platform will not be valuable for any industry.

7.1.2 Value Proposition 2: Creating an Overview

Matmerk wanted buyers and producers to easily generate connections on their own. The previously offered consultancy service was not an efficient way to generate an overview and accessibility for neither producers nor buyers. As such, the platform was intended to provide value by enabling growth through access. Our analysis indicates that finding buyers is a *Category Two Need*, while finding producers is a *Category Three Need*. Accordingly, this service may add value to Lokalmat.

The analysis of industry responses indicates that all services imagined, desired or mentioned in relation to the platform requires at least a basic level of communication or exchange. This notion is in accordance with the foundation of platform theory (Evans, 2003; Edelman, 2015). However, our analysis identifies a fundamental lack of reciprocal communication or transaction on the platform. While buyers are able to discover new producers, the platform does not allow for initiation of contact, as there are no functions enabling connections to be made. Contact information is provided, but there is no opportunity for 'on the platform' communication through, for instance, messaging. While a B2B marketplace enables companies to make purchases, and as such indirectly communicate (Evans, 2003; Li & Penard, 2013), there is no connection between the complementors and users on Lokalmat. Despite the lack of 'on the platform' communication, buyers are able to make 'off the platform' contact with producers. In reverse, the platform does not offer this possibility to producers as buyers' profiles are invisible; producers cannot identify which buyers are in the industry, and accordingly cannot contact them.

Allowing the producers to discover and connect with buyers on the platform could help the local food industry grow, as this is considered a *Category Two* need. The invisibility of buyers constitutes a severe limitation of the possible creation of value on the platform, as it restricts the essential contribution of connections the platform can offer. While the decision to keep buyers hidden was a deliberate strategy devised by Matmerk, the analysis strongly indicates that this decision should be revised. The consequence of invisibility is a dysfunctional platform that greatly restricts the possibilities of value creation, and as such Lokalmat's ability to help generate growth for the industry is low.

7.2 Needs Which Lokalmat Should Offer Services to Aid

Our analysis reveals that *distribution*, *marketing*, *creating demand*, and *pricing* are considered by buyers and producers as among the three most important and difficult needs to satisfy. Accordingly, the needs are classified as *Category One*, which should be prioritized by Matmerk on the platform. Matmerk initially expressed that aiding with, for instance distribution, is too extensive for the company to provide. However, by combining platform and collaboration theory with our empirical findings of needs and collaborations, we suggest that it would be sufficient to enable the connection of members in need of the same activities. As such, Matmerk as a social-maximizing organization does not need to offer the services themselves, only enable the members of the platform to collaborate on performing the services and activities. Producers and buyers each hold significant specialized and experiential knowledge, and express the wish to collaborate and offer each other a helping hand.

To enable a fruitful discussion of the needs we find Matmerk should attend to, we will in the following subsections disregard the inherent dysfunctionality of the platform, where one side is invisible. We suggest collaboration as a possible solution to the important and difficult needs of the local food industry, based on our findings. To discuss the viability and value of facilitating the current collaborations on a platform, we imagine a local food platform in accordance with platform theory (Evans, 2003; Edelman, 2015), and investigate the value of platform-enabled open innovation to create value for the industry (Chesbrough, 2003).

7.2.1 Distribution

Our analysis shows that producers currently collaborate on distribution by delivering products through shared transportation. Producers express a wish to expand these distribution collaborations, for example through engaging in extensive carpooling, as it lowers costs and work redundancies. Further, our analysis indicates that smaller buyers benefit from similar collaborations regarding distribution, such as sharing a pallet, and state that this is a collaboration which should be advanced to save on transportation costs. However, we do not find current examples supporting the notion of buyer-producer collaborations on distribution. As of now, it seems producers and buyers have not yet discovered ways in which collaborating on distribution could be mutually beneficial. As there are transaction costs associated with collaborations (Shelanski & Klein, 1995), collaborative activities must generate enough value to outweigh the costs. The current lack of cross-side collaborations does not indicate that it cannot be achieved nor that it is not beneficial, but merely that cross-side members have not uncovered significantly beneficial possibilities for collaborative interactions. However, there is no indication that highly beneficial co-distribution, as seen between same-side actors, could not be achieved cross-side, as such implying this may be a future activity for Lokalmat to enable.

We find in analysis that new producer-producer, buyer-buyer, or producer-buyer collaborations can only be created if members are able to share their needs and specifications of what they are looking for in a partner. Providing a distribution subsite, for example, can help members meet partners whom they have not been connected with before and assist them in organizing transportation (Caillaud & Jullien, 2003). We find that many members rely heavily upon geographically dependent collaborations for distribution. By solely leveraging these connections, members may limit the amount of potential partners. The consequence of such a search strategy may limit valuable connections, as producers have a tendency to perceive members in a close geographical location as the best match for collaboration. However, it may actually be more beneficial to collaborate with a member from a different region. We find that the platform can help members see unexplored collaborations and create new links, where members did not imagine any potential, such as regarding buyer-producer collaborations on distribution. By establishing networks, producers and buyers can generate new opportunities and capabilities that are mutually beneficial (Laursen & Salter, 2006). By connecting producers and buyers from different regions of Norway, Lokalmat can further aid the challenge of having distribution lines across the country. Producers and buyers can devise new plans in which they can offer or use each other's transportation services. These connections are however limited by the inherent dysfunctionalities of the platform as it neither enables communication, nor allows members to see who they can communicate with.

We find that buyers experience a high level of unprofessionalism from producers. While they excel in the production of food, other related areas of business such as distribution and marketing suffer. By having the platform facilitate new collaborations, distribution can become more consistent and reliable, increasing the level of professionalism, as in accordance with the findings of Bosona and Gebresenbet (2011). However, as local food products have special storage requirements, such as needing to be kept at a special temperature, it can restrain distribution collaborations. Producers who have unique product requirements may find it difficult to find partners who have the same needs, and this may limit how often they can rely on others' transportation offerings, and who they can cooperate with. This can be a similar issue for producers whose products have a short shelf life, as the timing of transportation is critical for products that spoil easily. Laursen and Salter (2006) propose that extensive breadth and depth is necessary to find partners with complementary resources. A platform can help players create this breadth, as it enables connections with new partners (Evans, 2003). Lokalmat should thus, ideally consider a way for producers with special needs to find each other easily and enable them to create tools that mitigate these issues.

Some producers want Lokalmat to help members with distribution by actively offering the service, as this would allow them to focus strictly on the production of products. In such a case Matmerk has the option of owning assets and entering the market as a distributor. This is an option based on heavy investments which would entail purchasing transportation trucks and employing drivers. A less financially and labor demanding option entails purchasing transportation trucks and having members on the platform use them as needed. However, our findings of high-level collaborations on *Category One* needs, entails that Matmerk instead can enable its members to implement processes and activities to improve performance on their own. As Matmerk expressed entering the distribution market was beyond the scope of their abilities, creating a collaborative platform which connects producers with the intention to drive with those in need of transportation is a value adding option that requires a significantly lower investment.

In analysis we find that 'carpooling' is recognized by industry players as a way the local food platform can help satisfy producers' needs for distribution. Carpooling in this sense entails two or more producers making a journey in a single vehicle, rather than individually in multiple vehicles. As such, this can be considered co-creation, or by its nature; co-distribution, an activity that is already performed off-platform for geographically linked players. Our analysis finds that these connections can be made on a platform, in accordance with theory (Evans, 2003). For carpooling to be a valuable exchange for producers, there needs to be a substantial member base on the producer-side. The more producers who are present on the complementor side, the more producers can offer carpooling services. As such, the value of coordinating carpooling on the platform increases with the number of producers present, in accordance with the notion of same-side network effects (Eisenmann et al., 2006). Consequently, with such offerings, the platform could be part of growing the local food industry by helping with such a critical need.

Enabling a distribution community and facilitating efficient communication between the right players is necessary for members, and we find it to be viable to implement on Lokalmat. To enable collaboration on distribution, the platform needs to facilitate communication and provide tools for members to organize and establish relations. The platform should be built to create new potential links, match the right members, enable communication and collaboration, so members can organize and establish transportation partnerships. However, as same-side members are not able to communicate and cross-side members cannot even see each other, it underlines how these issues make Lokalmat a dysfunctional platform.

7.2.2 Creating Demand and Marketing

Our analysis shows that both producers and buyers classify *creating demand* and *marketing* as *Category One* needs, indicating that they are among the most important and difficult needs to satisfy. We further find that industry players are currently partaking in collaborations ranging from knowledge sharing to co-creation, and that among the co-creational activities are co-conception, co-branding, co-design, co-marketing, co-promotion, co-sales, and co-production. These co-creational relationships can be placed on a continuum dependent upon the complexity of the relationship required. A relatively complex relationship (Jaakkola & Hakanen, 2013) should have a contractual foundation (Roser et al., 2013), however Horvath (2001) establishes that open innovation practices crucially depend upon an infrastructure that allows for easy and comfortable establishment of contracts. This infrastructure could be provided by a platform, as found by Kaplan and Sawhney (2000). The notion of co-conception may be considered the lowest level of complexity, where no physical product is made, thus requiring no more than idea generation. On the other end of the continuum one might consider co-production, the actual process of producing a product. The appropriateness of enabling collaborations on a platform ranges dependent upon the type of activities needed.

Co-conception is found to be significant amongst producers, and between producers and buyers, to create demand and succeed within marketing efforts. This is because it enables buyers to share their ideas and knowledge of a potentially commercializable products and provide producers with the opportunity to innovate their current products, as in accordance with Chesbrough (2003, 2006) and Chesbrough & Vanhaverbeke (2006). One example of this is seen in relation to creating demand, where we find that 'make to order' collaborations are a significant aspect buyers and producers currently partake in and want to continuously engage in to meet or exceed market needs. By having this type of relationship, local food producers can gain a competitive advantage over mass produced food by offering more variations or substitutes for end consumers to choose from (Chesbrough, 2003).

As a platform can connect members and facilitate communication and connections (Evans, 2003), Lokalmat can provide a function that allows buyers to express their demands and needed products to find an adequate producer. Further, for Lokalmat to facilitate producer-producer co-conceptions, a three way communication is needed where buyers can relay their missing needs and producers have the opportunity to jointly offer a product by collaborating. This would permit those producers who are lacking certain capabilities to match with other producers that do have them (Caillaud & Jullien, 2003). Combined they can insure that the buyer is receiving the product he finds missing in the market and the producers can remain competitive by collaborating (Chesbrough, 2003). The matching, coordinating and idea generation between producers can be facilitated on the platform as suggested by Evans (2003) and Caillaud and Jullien (2003) however, the co-production and co-branding which is required for production of a new product are not activities that can be facilitated on the platform. Similarly, as exposed in our analysis, chefs want to be actively involved in evaluating the taste and providing experimental advice to developed products. As such co-creation activities which move into the area of co-production, co-branding and co-tasting, are activities which go beyond the capabilities of a digital platform.

Co-creation, in its many forms, requires idea generation, having an overview of players, providing and receiving feedback, and problem-solving, which are all aspects that can be facilitated on Lokalmat. As these are only some aspects of co-creation it is clearly evident that platforms have inherent limits when it comes to certain co-creational activities, as they cannot complete development of a physical product. This is in parallel with section 7.2.1 where co-distribution can be coordinated and facilitated, but not actually performed on the platform.

7.2.3 Pricing

Our analysis shows that producers find pricing not among the most important needs, however among the most difficult needs, therefore classifying pricing as *Category Two Need*. Simultaneously, buyers classify pricing as a *Category One Need*, indicating that it is among the most important and difficult needs to satisfy. We find there are contradicting perceptions on how the process of pricing should be performed, and which considerations should be taken into account. While buyers demand customization in accordance with Rauyruen & Miller (2007), producers are afraid to not be able to cover their costs, due to a cost-intensive business model (Amit & Zott, 2010; Morris et al., 2005). This indicates there is an unsynchronized perception of the importance of pricing strategies and what those pricing strategies should be, which industry players need to achieve alignment on. Kaplan and Sawhney (2000) find that consensus on relationship terms can be achieved on a B2B platform. Thus, it is supported that knowledge sharing collaborations on pricing can be achieved on Lokalmat. However, to create a mutual understanding and appreciation of the chosen price entails a significant challenge to overcome, which might be hard for Lokalmat to enable as the level of communication required might be beyond the scope of what a platform can facilitate, as supported by Pavlou (2012). However, we find indications that both buyers and producers reach a greater level of understanding when transparency in relation to price and product is achieved, and we further find that they believe transparency can be achieved on the platform. This notion is supported by Ordanini and Pol (2001) who find that platforms can increase the transparency of products and price information, therefore enabling easier selection of products. Thus, it may be possible for Lokalmat to implement aspects that make it easier for such information to be revealed for members' consideration.

Section 7.2 suggests that while platforms enable connections between members who need each other in some way, our findings show that members should not feel obligated to automatically collaborate with everyone. The platform should provide an overview and information on producers and buyers, to enable the selection of the right potential partner (Kaplan & Sawhney, 2000). Our analysis presents that producers have found success in their strategic selectiveness when it comes to who they collaborate with. Both theory and our analysis shows that selecting a partner with complementary capabilities, knowledge and resources can create a competitive advantage (Chesbrough, 2003). We find that producers and buyers currently show a high propensity to collaborate based their geographical location or product specific industries, therefore limiting or neglecting other possibilities of collaboration. Lokalmat has the opportunity to encourage members to look beyond what players they initially think may be right to engage with. As such, we find in conjunction with the applied platform theory that the search process should not only lower the barriers and make it simple to collaborate, but should also stimulate members' reflections of who they collaborate with.

Our analysis indicates that both producers and buyers are heavily dependent upon, and greatly benefit from, geographically dependent networks. However, Matmerk is attempting to grow a national local food industry and therefore aims to disperse the knowledge from geographical locations to throughout all of Norway. Although open innovation and co-creation are not always geographically restricted, strategies to mitigate the challenges of external knowledge sourcing must be created to allow for mobility of know-how and skill. According to Asakawa et al. (2014) clusters can mitigate these challenges and a digital platform can be a cluster that is not limited to its geographical location. As such, a community or a hub of knowledge can be created to increase knowledge sharing and transfer, as in accordance with Laursen and Salter (2006).

Chapter 8: Conclusion

By investigating the needs and relationships of players within the local food industry, we suggest how a social-maximizing organization can create a valuable B2B platform for an industry. Diversity of multi-sided platform members is crucial, as we find that members must be able to locate partners with complementary knowledge, capabilities and assets. However, due to the heterogeneity of platform members, there are many important needs to attend to. If platform creators are unable to identify the important and difficult needs, they risk only being able to increase the efficiency of a process members already are sufficiently managing. While this might create value, we suggest that attending to the needs perceived as the most important and difficult will provide superior value.

We find that platform members currently attempt to solve the needs perceived as most important and difficult by participating in collaborative efforts ranging from knowledge sharing to co-creation. It implies that a platform can offer value to its members by facilitating collaborations on a platform. This can relieve a social-maximizing organization of heavy investments, and thus increase its ability to attend to the needs perceived to create superior value. However, we identify inherent limitations to the collaborations a digital B2B platform can facilitate, indicating that physical aspects of co-creation must be taken off the platform. This does not however limit the value of our findings, as the concept of open innovation entails companies participating in collaborations experience superior performance (Chesbrough, 2006; Vanhaverbeke & Chesbrough, 2006; Dahlander & Gann, 2010). Accordingly, a platform can create value by allowing companies to more easily engage in interorganizational relationships and facilitate aspects of collaborations. We thus conclude that a social-maximizing organization can create a valuable B2B platform by facilitating collaborations on needs considered to be both important and difficult.

8.1 Implications

8.1.1 Theoretical Implications

Through the study of a social-maximizing organization attempting to leverage platform dynamics to create value for an industry, the aim of this thesis is to contribute with an exploratory study in the theoretical and empirical gap between platforms and collaborations. The findings offer that a platform can significantly aid in the creation and maintenance of collaborative relationships, by reducing the cost associated with identifying partners and allowing members to easily communicate and share knowledge. We find that collaborative functionalities should be provided on a well-functioning platform to create an active community of interfirm exchanges. This is a valuable contribution as we are able to provide proof of a significant area of research, however, we are unable to assess the dynamics and contributions in practice, as the platform in focus is dysfunctional. Thus, our findings are in accordance with the nature of our study, were a valuable contribution can be the implications that something is worth spending more time on.

8.1.2 Managerial Implications

Creating a valuable B2B multi-sided platform which considers members' needs requires careful consideration. A social-maximizing organization attempting to create a valuable platform should not attempt to solve the first need which may be perceived to be of either importance or difficulty. Our findings conclude that for a platform creator to know which services should be offered on the platform, an in-depth search must be conducted to truly understand which needs are most important and difficult. Conducting a search to get an accurate overview of the industry's needs can be time consuming. Additionally, unarticulated needs may cause complications in the understanding of which needs and challenges are most pertinent and can thus increase the risk that what the platform is tending to may not be valuable.

The implication of our research is that a platform creator with limited resources should not refrain from offering a service due to limited resources or capabilities. A social-maximizing organization without extensive means do not necessarily have to provide the service to its full extent, it is sufficient to facilitate interorganizational collaborations to solve industry challenges. For this to be a valuable contribution to the industry, platform facilitators must confirm or create a willingness among players to leverage the external knowledge and capabilities available.

8.2 Limitations

Throughout our thesis we have established the three main limitations are; (1) the assumptions of the theoretical foundations and strands of research, (2) the biases of empirical data, and (3) the lack of platform activity due to the inherent dysfunctionality of Lokalmat.

The theories assume large profit-maximizing companies focus on advancing technologies and extensive R&D. We investigate small profit-maximizing companies with an extensive focus on handcraft, in addition to a social-maximizing platform facilitator. This may cause us to search for the wrong activities, relational dynamics, causes and consequences. Therefore we may be interpreting our findings to fit an inappropriate theoretical context, and analyze what we find contradictory to what the data are actually telling us. Further, this may lead us to ignore important findings, as the theoretical foundations do not provide the adequate tools to analyze the context our thesis is researching. An approach to mitigate these problems could have been to apply theory that is set in a B2C context, as the organizations we studied possess characteristics which are similar to those of individuals. However, local food companies are profit maximizing and thus behave differently. We find this to be a significant attribute we could not ignore.

Despite our multiple methods approach, our datasets are influenced by sample bias, and may be affected by subject or observer bias. Most critically, the buyer response rate is too low to attribute significant value, in addition to limitations to the size of the population. This implies that our findings may not be generalizable across the industry, and that what we find to be most important and difficult, and the collaborations within these may not be true. Further, as the populations consist of platform members, subjects may already experience the platform has changed what they perceive to be important or difficult. Thus, despite our attempt to exclude the platform from our research, what Lokamat currently offers impacts the findings. Further, our sample populations are taken from a single industry, indicating that our findings may only pertain to the local food industry, and thus not generalizable across multiple industries. A considerable limitation is whether future research conducted on this topic can replicate the research processes and findings, as the research was performed under a constructivist paradigm.

As only what is currently happening on the platform and the value it provides can be analyzed, the point in time which this research was conducted significantly limits what is possible to analyze. As the platform was launched close to the start of our research, we could only investigate platform members' activities and needs off the platform. However, the presence of the platform may have changed the industry foundation.

8.3 Future Research

To answer the research question of this thesis, assumptions and delimitations of the scope were made to abide by time and resource constraints. Our research was conducted on smaller companies who may not experience difficulties when partaking in collaborative efforts on a platform. However, more extensive companies often struggle with aspects such as creating organization wide acceptance for open innovation, a presence of the 'not invented here' syndrome or rigid IP regimes (Laursen & Salter, 2006). Accordingly, larger organizations may experience it to be more challenging to partake in platform enabled collaborations. Further, this research investigates the dynamics when addressing a social-maximizing organization, however, the considerations and priorities of a profit-maximizing company may significantly differ. While a social-maximizing organization is more occupied with the value it can generate for platform members, a profit-maximizing company may focus on the value it can provide for itself. As such, the classifications of needs may not be equally guiding for these companies, and further research addressing the dynamics in profit-maximizing organizations may be beneficial. Lastly, and perhaps most pressing, future research should address the appropriateness and viability of creating a collaborative platform. We conducted research on a newly launched platform, which made us unable to analyze the actual occurrence of platform collaborations. Thus our findings are based on interpreting off-the-platform collaborations in light of platform and collaborative theories.

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Appendix 1: Qualitative Interview Guides

Group	Producer
Interviewee	
Introduction (might be done on the tour)	To give you introduction about us...
Pitch Line	Platforms are a new technological addition to many industries, offering a lot of opportunities. However they have a tendency to not provide its users with what they truly need. To make lokalmat.no a powerful platform for the local food industry, we want to combine the best from theory and practices so the pitfalls that many platforms have fallen into can be avoided. Our goal in working with Matmerk and talking with you is to get valuable insights to find how lokalmat.no can add true value for you, other producers and buyers. We want to ensure that a constructive tool is created to foster the local food industry.
Topic A: To get started	*Pitch: Before we get started with our main questions, we would love to know...* 1. **Why, in your view, does local food matter to Norway?**
Topic B: Needs	*Pitch: Platforms tend to treat participants in a one size fits all way, and in such a case someone will be very unsatisfied. Reality is that there are very different players with very different needs present on a platform. This suggests that individuals' specific details do matter, and that a one size fits all platform will not be valued.* 1. **What are the most important needs for you to have satisfied to be able to provide local food?** a. Could you prioritize these?
Topic C: Expectation of Quality	*Pitch: We understand that as a producer, it is very important that the buyers see and understand the quality of your process and products. This creates trust between you and they buyer, and will ensure that they keep coming back to your quality products. To ensure this, you want to show the quality you offer.* 1. **How do you convey the quality of your production and product?**
Topic D:	*Pitch:*

Relationships	*The local food industry is perfectly situated to benefit from consumers' increasing interest in organizations meeting social objectives. A combination of great tasting products and a strong local food industry will provide consumers with the social aspects they are searching for.* 1. **How do you manage your relationships with stakeholders in the local food industry?**
Topic E: Platforms	*Pitch: Based on your previous answers to the three above questions, we want you to imagine the perfect digital platform.* 1. **How can you imagine your needs being helped by a digital local food platform?** 2. **How can a digital local food platform give you what matters most in terms of presentation of quality?** 3. **How can you imagine a digital local food platform creating positive outcomes in terms of building and maintaining relationships?**
Topic F: Additional information	*Pitch: This project has made us realize there is a tremendous amount of expertise spread around the Norway and we have really enjoyed learning from you.* 1. **Is there any particular knowledge, or good advice that you would like to share more broadly or teach the general local food industry?** 2. **Do you miss any help or guidance in relation to produce and offer local food?** 3. **Do you have any final words of advice for us?**

Group	Buyer
Interviewee	
Introduction (might be done on the tour)	To give you introduction about us...
Pitch Line	Platforms are a new technological addition to many industries, offering a lotof opportunities. However they have a tendency to not provide its users with what they truly need. To make lokalmat.no a powerful platform for the local food industry, we want to combine the best from theory and practices so the pitfalls that many platforms have fallen into can be avoided. Our goal in working with Matmerk and talking with you is to get valuable insights to find how lokalmat.no can add true value for you, other producers and buyers. We want to ensure that a constructive tool is created to foster the local food industry.
Topic A: To get started	*Pitch: Before we get started with our main questions, we would love to know...* 1. **Why, in your view, does local food matter to Norway?**
Topic B: Needs	*Pitch: Platforms tend to treat participants in a one size fits all way, and in such a case someone will be very unsatisfied. Reality is that there are very different players with very different needs present on a platform. This suggests that individuals' specific details do matter, and that a one size fits all platform will not be valued.* 1. **What are the most important needs for you to have satisfied to be able to provide local food?** b. Could you prioritize these?
Topic C: Expectation of Quality	*Pitch: We understand that as a buyer, it is very important that the producers understand the quality you request of their process and products. A clear understanding will create trust between you and they producer, and will ensure that you are continuously purchasing high quality food. To ensure this, you want to show the quality you expect.* 1. **How do you convey the quality you expect from producer's processes and products?**

Topic D: Relationships	*The local food industry is perfectly situated to benefit from consumers' increasing interest in organizations meeting social objectives. A combination of great tasting products and a strong local food industry will provide consumers with the social aspects they are searching for.* 1. **How do you manage your relationships with stakeholders in the local food industry?**
Topic E: Platforms	*Pitch: Based on your previous answers to the three above questions, we want you to imagine the perfect digital platform.* 1. **How can you imagine your needs being helped by a digital local food platform?** 2. **How can you imagine your expectation of quality being fulfilled by a local food platform?** 3. **How can you imagine a local food platform creating positive outcomes in terms of building and maintaining relationships?**
Topic F: Additional information	*Pitch: This project has made us realize there is a tremendous amount of expertise spread around Norway and we have really enjoyed learning from you. We are very happy that you have shared your knowledge with us?* 1. **Is there any particular knowledge, or good advice that you would like to share more broadly or teach the general local food industry?** 2. **Do you miss any help or guidance in relation to buying and offer local food?** 3. **Do you have any final words of advice for us?**

Appendix 2.1: Buyers Questionnaire Data

Innenfor hvilket av disse områdene opererer din bedrift?

	Respondents	Percent
Restaurant	0	0.0%
Matbutikk (kjede)	8	44.4%
Distributør	4	22.2%
Grossist	6	33.3%
Hotel	0	0.0%
Café	0	0.0%
Spesialbutikk	1	5.6%
Gårdsbutikk	1	5.6%
Annet (vennligst utdyp)	3	16.7%
Total	18	100.0%

Hvor mange år har din bedrift solgt/brukt lokalmat?

	Respondents	Percent
Mindre enn 3 år	5	27.8%
Mellom 3 og 5 år	1	5.6%
Mellom 5 og 10 år	1	5.6%
Mer enn 10 år	11	61.1%
Total	18	100.0%

Hvor er din bedrift lokalisert?

	Respondents	Percent
Østfold	0	0.0%
Vestfold	2	11.8%
Akershus	0	0.0%
Oslo	5	29.4%
Hedmark	0	0.0%
Oppland	0	0.0%
Buskerud	1	5.9%
Telemark	1	5.9%
Aust-Agder	0	0.0%
Vest-Agder	0	0.0%
Rogaland	0	0.0%
Hordaland	1	5.9%
Sogn og Fjordande	1	5.9%
Møre og Romsdal	1	5.9%
Sør-Trøndelag	0	0.0%
Nord-Trøndelag	0	0.0%
Nordland	0	0.0%
Troms	0	0.0%
Finnmark	0	0.0%
Mer enn en lokalisering (Nasjonalt)	5	29.4%
Internasjonalt	0	0.0%
Total	17	100.0%

I hvor stor grad fokuserer din bedrift på lokalmat?

	Respondents	Percent
Jeg har et bredt utvalg	12	66.7%
Jeg har et middels stort utvalg	6	33.3%
Jeg har et lite utvalg	0	0.0%
Total	18	100.0%

Hvilke behov er viktigst å tilfredsstille for at du skal kunne selge lokalmat? Vennligst velg dine topp tre behov.

	Respondents	Percent
Markedsføring	3	20.0%
Prissetting	4	26.7%
En interesse for lokalmat fra forbrukerens side	5	33.3%
Mulighet til å kjøpe fleksible kvantum	3	20.0%
Stabil leveranse av produkter fra produsent	1	6.7%
Distribusjon	6	40.0%
Nettverk	2	13.3%
Samarbeid	4	26.7%
Finne produsenter	2	13.3%
Fortelle produktets 'gode historie'	6	40.0%
Annet (vennligst utdyp)	5	33.3%
Total	15	100.0%

Hvilke av disse behovene er vanskeligst å tilfredsstille? Vennligst velg dine topp tre behov.

	Respondents	Percent
Markedsføring	6	40.0%
Prissetting	4	26.7%
En interesse for lokalmat fra forbrukerens side	5	33.3%
Mulighet til å kjøpe fleksible kvantum	2	13.3%
Stabil leveranse av produkter fra produsent	4	26.7%
Distribusjon	7	46.7%
Nettverk	0	0.0%
Samarbeid	2	13.3%
Finne produsenter	2	13.3%
Fortelle produktets 'gode historie'	2	13.3%
Annet (vennligst utdyp)	4	26.7%
Total	15	100.0%

Hvordan formidler du din bedrifts forventninger til kvaliteten av produkt og produksjon? Vennligst velg dine topp tre metoder.

	Respondents	Percent
Følger Mattilsynets standarder	9	60.0%
Følger Arbeidstilsynets standarder	4	26.7%
Formidler egne standarder med henhold til produkt og produksjon	7	46.7%
Annet (vennligst utdyp)	5	33.3%
Total	15	100.0%

Hvordan opplever du kvalitetsvurdering etter dagens ordninger?

	Respondents	Percent
Det er enkelt – ikke for mye papirarbeid og tar ikke for mye tid	5	33.3%
Det er ok – kan være tidskrevende	4	26.7%
Det er vanskelig – for mye papirarbeid og det er tidskrevende	3	20.0%
Annet (vennligst utdyp)	3	20.0%
Total	15	100.0%

Hvordan opplever du nøyaktigheten av kvalitetsrapportering idag?

	Respondents	Percent
Den er god – det er et høyt nivå av nøyaktighet	5	33.3%
Den er ok – det er et tilstrekkelig nivå av nøyaktighet	5	33.3%
Den er ikke god – det er et utilstrekkelig nivå av nøyaktighet	5	33.3%
Total	15	100.0%

Hvordan finner du idag produkter å selge eller benytte? Vennligst velg dine topp tre måter.

	Respondents	Percent
Leter aktivt etter relevante produsenter	7	50.0%
Møter og arrangementer	6	42.9%
Bondens Marked	0	0.0%
Et lokalmatnettverk (f.eks Hanen, Matmerk)	3	21.4%
Et produktspesifikt nettverk (f.eks Norsk Gardsost)	1	7.1%
Geografisk avhengig nettverk (f.eks Rørosmat)	5	35.7%
Annet (vennligst utdyp)	6	42.9%
Total	14	100.0%

Hvordan samarbeider du idag med lokalmatprodusenter? Vennligst velg dine topp tre måter.

	Respondents	Percent
Emballasje	5	35.7%
Markedsføring	5	35.7%
Smaksprøver	2	14.3%
Laget på bestilling	6	42.9%
Produktutviklingssamarbeid	7	50.0%
Jeg samarbeider ikke idag, men ønkser å gjøre det I fremtiden	1	7.1%
Jeg samarbeider ikke idag	1	7.1%
Annet (vennligst utdyp)	5	35.7%
Total	14	100.0%

Hvordan finner du idag produsenter å samarbeide med? Vennligst velg dine topp tre måter.

	Respondents	Percent
Leter aktivt etter relevante produsenter	8	57.1%
Møter og arrangementer	8	57.1%
Bondens Marked	1	7.1%
Et lokalmatnettverk (f.eks Hanen, Matmerk)	5	35.7%
Et produktspesifikt nettverk (f.eks Norsk Gardsost)	2	14.3%
Geografisk avhengig nettverk (f.eks Rørosmat)	4	28.6%

Annet (vennligst utdyp)	6	42.9%
Total	14	100.0%

Overall Status

	Respondents	Percent
New	0	0.0%
Distributed	13	41.9%
Partially Complete	5	16.1%
Complete	13	41.9%
Rejected	0	0.0%
Total	31	100.0%

Producers Questionnaire Data

Hvor mange år har din bedrift produsert og solgt lokalmat?

	Respondents	Percent
Mindre enn 3 år	25	34,2%
Mellom 3 og 5 år	9	12,3%
Mellom 5 og 10 år	11	15,1%
Mer enn 10 år	28	38,4%
Total	73	100,0%

Hvordan vil du klassifisere størrelsen på din bedrifts lokalmatproduksjon, sammenlignet med andre lokalmatprodusenter?

	Respondents	Percent
Liten	44	60,3%
Medium	21	28,8%
Stor	8	11,0%
Total	73	100,0%

Hvor er din bedrift lokalisert?

	Respondents	Percent
Østfold	2	2,7%
Vestfold	3	4,1%
Akershus	2	2,7%
Oslo	0	0,0%
Hedmark	6	8,2%
Oppland	5	6,8%
Buskerud	6	8,2%
Telemark	12	16,4%
Aust-Agder	3	4,1%
Vest-Agder	4	5,5%
Rogaland	3	4,1%
Hordaland	3	4,1%
Sogn og Fjordande	3	4,1%
Møre og Romsdal	4	5,5%
Sør-Trøndelag	2	2,7%
Nord-Trøndelag	4	5,5%
Nordland	8	11,0%
Troms	3	4,1%
Finnmark	0	0,0%
Mer enn en lokalisering (Nasjonalt)	0	0,0%
Internasjonalt	0	0,0%
Total	73	100,0%

Hvordan begynte din bedrift å produsere lokalmat?

	Respondents	Percent
Min produksjon av lokalmat var/er en sideproduksjon til gårdsdrift	31	42,5%
Min produksjon av lokalmat spant ut fra annet arbeide innen matindustrien	11	15,1%
Min produksjon av lokalmat er urelatert til tidligere arbeidserfaring	18	24,7%
Annet (vennligst utdyp)	13	17,8%
Total	73	100,0%

Hvilke behov er viktigst å tilfredsstille for at du skal kunne tilby lokalmat? Vennligst velg dine topp tre behov.

	Respondents	Percent
Markedsføring	29	43,9%
Prising	11	16,7%
Skape etterspørsel	24	36,4%
Tilfredsstille etterspørsel	19	28,8%
Anskaffe ingredienser	6	9,1%
Distribusjon	27	40,9%
Nettverking	12	18,2%
Samarbeide	5	7,6%
Finne innkjøpere	4	6,1%
Formilde kvalitet	26	39,4%
Rekruttere ansatte	1	1,5%
Anskaffe kunnskap	1	1,5%
Fortelle den gode historien om produktet	29	43,9%
Annet (vennligst utdyp)	4	6,1%
Total	66	100,0%

Hvilke av disse behovene er vanskeligst å tilfredsstille? Vennligst velg dine topp tre behov.

	Respondents	Percent
Markedsføring	24	36,4%
Prising	21	31,8%
Skape etterspørsel	22	33,3%
Tilfredsstille etterspørsel	11	16,7%
Anskaffe ingredienser	10	15,2%
Distribusjon	33	50,0%

Nettverking	6	9,1%
Samarbeide	5	7,6%
Finne innkjøpere	17	25,8%
Formilde kvalitet	7	10,6%
Rekruttere ansatte	4	6,1%
Anskaffe kunnskap	2	3,0%
Fortelle den gode historien om produktet	3	4,5%
Annet (vennligst utdyp)	4	6,1%
Total	66	100,0%

Hvordan formidler du kvaliteten av dine produkter til innkjøpere? Vennligst velg dine topp tre metoder.

	Respondents	Percent
Følger Mattilsynsets standarder	38	59,4%
Følger Arbeidstilsynets standarder	7	10,9%
Formidler historien bak produktet	49	76,6%
Formidler egne standarder med henhold til produkt og produksjon	29	45,3%
Formidler håndtverket bak produkt	42	65,6%
Følger spesifikke standarder forbundet med produkt og produksjon (f.eks standarder vedrørende produksjon av whiskey)	4	6,3%
Annet (vennligst utdyp)	6	9,4%
Total	64	100,0%

Hvordan opplever du kvalitetsvurdering etter dagens ordninger?

	Respondents	Percent
Det er enkelt, og ikke for mye papirarbeid	18	28,1%
Det er enkelt, men for mye papirarbeid	19	29,7%
Det er vanskelig, men ikke for mye papirarbeid	6	9,4%
Det er vanskelig, og for mye papirarbeid	17	26,6%
Annet (vennligst utdyp)	4	6,3%
Total	64	100,0%

Hvordan samarbeider du med andre lokalmatprodusenter per idag? Vennligst velg dine topp tre måter.

	Respondents	Percent
Deler produksjonslokaler	4	6,6%
Samarbeider angående smaksprøver I butikk	8	13,1%
Samarbeider angående salg	15	24,6%
Bidrar med produkter som ingredienser I andre produsenters produkter	9	14,8%
Mottar produkter fra andre produsenter som ingredienser I egne produkter	9	14,8%
Samarbeider angående salgspunkter (f.eks gårdsbutikker, bondens marked, spesialitetsbutikker)	17	27,9%
Distribusjon	17	27,9%
Arrangementer	16	26,2%
Jeg samarbeider ikke idag, men ønsker å gjøre det I fremtiden	10	16,4%
Jeg samarbeider ikke idag	13	21,3%
Annet (vennligst spesifiser)	8	13,1%
Total	61	100,0%

Hvordan finner du andre produsenter å samarbeide med per idag? Vennligst velg dine topp tre måter.

	Respondents	Percent
Leter aktivt etter relevante produsenter	17	27,9%
Møter og arrangementer	34	55,7%
Bondens Marked	16	26,2%
Et lokalmatnettverk (f.eks Hanen, Matmerk)	21	34,4%
Et produktspesifikt nettverk (f.eks Norsk Gardsost)	5	8,2%
Geografisk avhengig nettverk (f.eks Rørosmat)	18	29,5%
Annet (vennligst utdyp)	13	21,3%
Total	61	100,0%

Hvordan finner du innkjøpere (f.eks butikker, restauranter) å selge produktene dine til per idag? Vennligst velg dine topp tre måter.

	Respondents	Percent
Leter aktivt etter relevante innkjøpere	36	59,0%
Møter og arrangementer	23	37,7%
Bondens Marked	9	14,8%
Direkte salg	40	65,6%
Et lokalmatnettverk (f.eks Hanen, Matmerk)	11	18,0%
Et produktspesifikt nettverk (f.eks Norsk Gardsost)	0	0,0%
Geografisk avhengig nettverk (f.eks Rørosmat)	9	14,8%
Annet (vennligst utdyp)	13	21,3%
Total	61	100,0%

Hvordan samarbeider du med innkjøpere (f.eks butikker, restauranter) I lokalmatindustrien per idag? Vennligst velg dine topp tre måter.

	Respondents	Percent
Emballasje	5	8,2%
Markedsføring	23	37,7%
Smaksprøver	19	31,1%

Laget på bestilling	23	37,7%
Produktutviklingssamarbeid	8	13,1%
Jeg samarbeider ikke idag, men ønkser å gjøre det I fremtiden	10	16,4%
Jeg samarbeider ikke idag	9	14,8%
Annet (vennligst utdyp)	4	6,6%
Total	61	100,0%

Hvordan finner du innkjøpere (f.eks butikker, restauranter) å samarbeide med per idag? Vennligst velg dine topp tre måter.

	Respondents	Percent
Leter aktivt etter relevante innkjøpere	38	62,3%
Møter og arrangementer	28	45,9%
Bondens Marked	9	14,8%
Direkte salg	33	54,1%
Et lokalmatnettverk (f.eks Hanen, Matmerk)	12	19,7%
Et produktspesifikt nettverk (f.eks Norsk Gardsost)	2	3,3%
Geografisk avhengig nettverk (f.eks Rørosmat)	11	18,0%
Annet (vennligst utdyp)	6	9,8%
Total	61	100,0%

Overall Status

	Respondents	Percent
New	0	0,0%
Distributed	17	18,9%
Partially Complete	12	13,3%
Complete	61	67,8%
Rejected	0	0,0%
Total	90	100,0%

Appendix 2.2: Qualitative Statemements Questionnaire

Buyers

Hvordan kan du forestille deg at dine behov kan bli tilfredsstilt av en lokalmatplatform?

Kvalitetssikring

Meget god kvalitet på varedata og tilfredstillende kvalitetskontroll

Gir oversikt

Ingen kommentar

For min del kan jeg anvende plattformen til å komme i kontakt med nye potensielle samarbeidspartnere.

Lite

mm

dei må markedsføre seg i butikk/smaksprøver etc.

Det er allerde utviklet en lokalmatplattform, lokalmat.no - Matmerk er ansvarlig for Lokalmat.no, som er utviklet i samarbeid med Rema 1000, Coop/ICA, Norgesgruppen, NHO Innkjøpskjeden, Nores, Servicegrossistene, Systemkjøp og Landbruks- og matdepartementet.

Enklere å finne opplysninger om produkter/leverandører i lokal tilknytning til butikk

Produsenten må ha hjelp til å registrere produktene i Tradesolution, holdbarhetstesting og merking.

Bedre oversikt over kvalitet og tilgjengelighet på produkter/leverandører

Usikker

Bidra i lokalmat.no

Dette kan gjøres ved å sitte sammen et lokalmats forum av både prodsenter og kjøpmenn, slik at begge sider av Verdikjeden.

Hvordan kan du forestille deg at en lokalmatplatform kan hjelpe din bedrift å formidle forventninger til formell og uformell kvalitet?

Kvalitetssikringsstandard

Det bør gjøre kvalitetskontroll mer kostnadseffektivt

Lite

Ingen kommentar

x

Ingen forventninger

bb

makan til tullespørsmål

ingen kommentar

I første omgang blir den brukt til å velge leverandører som tilfredsstiller våre forventinger

Skjønner ikke denne delen av undersøkelsen

Må kunne sikre datakvalitet i større grad enn i dag.

Usikker

Vi kan selv bidra ovenfor lokalmat.no med vår kompetanse

Dette kan gjøres ved å ha et eget forum.

Hvordan kan du se for deg at en lokalmatplatform kan hjelpe deg å etablere og vedlikeholde dine relasjoner til produsenter?

TJA

Den bør effektivisere kommunikasjon og kvalitetskontroll. Forenkling av inngåelse i avtaleforhold

Ingen kommentar

x

Lite

ikkje peiling

Informasjon når nye produsenter har registrert seg, mere selgende informasjon

Dette må tas direkte med leverandør/produsent

Det vil være nyttig

Tilgjengelighet av produkter og leverandører.

Usikker

nye får vite om oss.

Dette vil gi et helt annet og tettere samarbeide, hvor vi kommer nærmere hverandre.

Producers

Hvordan kan du se for deg at dine behov kan bli tilfredsstilt av en lokalmatplatform?

bedre markedsføring	x
Nasjonal distribusjon	Produktet blir synlig, man kan se vhilke andre lokale aktører som finnes og eventuelt inngå et samarbeid og man kan bruke lokalmat i markedsføringen.
Bedre kjennskap og tilgjengelighetfor innkjøpere	anskaffe ingredienser fra andre, markedsføring
Større oppmerksomhet	Lokalplatformen bør være rettet ikke bare mot grossistene, men også mot slutt forbrukerne
vet ikke	Skape ettersørsel
Gjennom rådgivning og hjelp til å bruke plattformen	Gjøre oss synlige, slik at innkjøpere kan finne oss
Markedssføring	økt mulighet til å nå forbruker
Meir synleg	felles digital plattform, en database dete r enkelt for folk å finne frem i
kunnskap	Bedre kjennskap hos innkjøperne hvilke produkter vi faktisk kan levere.
Kobling mellom produsent og innkjøper	Å utvide mitt nettverk
Nettverking	finne leverandører av råvarer jeg trenger
Godt møtepunkt for aktørar som har eit felle mål.	Hvis lokalmatplatformen brukes aktivt av mange aktuelle kunder
som en god markedsføringskanal.	nettverksbygging,samarbeid med andre produsenter.
Godt møtepunkt for aktørar som har eit felle mål.	salgssamarbeid
bli kjent	Markedsføring
felles distribusjon og godkjennings/merkevaresikkerhet.	nettverking
Formidle produkter og kvalitet	Markedsføring
At kunden lettere finner oss	vet ikke
Samkjøring av transport/distribusjon med andre produsenter	Har ikke behov
Felles distribusjon/utsalgssteder	usikker
være et steg påveien	Nettverk
God markedsføring/annonsering	et sted å være synlig
Å kunne nå ut til potensielle kunder.	?
Synlighet	bli kjnet uten for høye kostnader
Vet ikke	Nå større marked
Vet ikke.	god markedføring
Det er ein kanal for markandsføring	Markedsføring
Større rekkevidde	bred
Samarbeide om distribusjon	Usikker

vet ikke Kanal for å nå ut til mange interesserte innkjøpere av våre nisjeprodukt.	Markedsføring

Hvordan kan du se for deg at en lokalmatplatform kan hjelpe deg å formidle formell og uformell kvalitet?

lette papirmølla	x
Inneha kunnskap nok om porteføljen	Usikker.
Tilgjengelighet og kjenneskap	ha en god design av platform
ingen formening	Den må være profesjonelt laget og kunne formidle kvalitets relatert informasjon til to forskjellige kundegrupper: innkjøpere og slutt forbrukere
informasjon	Hvis plattformen blir forbundet med kvalitet
Vet ikke	Via sin kvalitetsrevisjon
Markedsføring	kalibrering av krav / lover / regelverk
Felles merkeordning	Lettere for konsument/kunde å klikke seg til aktuelle produkter.
?	Absolutt tilstede
Gjennom å få vera med	Jeg ser ikke den
Network	vet ikke
Ja.	Vet ikke.
Usikker	Gjerne med en merking av kvalitetssikrede produkter
Ja.	standariserte skjema
viktig for markedsføringen	Markedsføring
kunnskapsdatabase og veiledning	Driver økologisk
Legge ut info om bakgrunn og produksjon	Markedsføring
vet ikke	ingen formening
Ingen umiddelbare ideer	Har ikke behov for lokalmatsplatform
godt	kan bli et godt hjelpemiddel med riktig oppbygging
?	etablere veiledere
Det er vanskelig å formidle.	vet ikke
Usikker	Merking
Vet ikke	Bekrefte at vi følger alle regler for vårt produkt
Vet ikke	Kan være til god hjelp
Det er ei kjelde til kommunikasjon med moglege kundar	nei
Ved å være seriøs og god formidler	Får mulighet til å fortelle
Informere om kvaliteten.	legge ut maler
vet ikke	Sikkert

Jeg er fornøyd med at plattformen ble etablert og intensjonen bak. Viktig at plattformen vies oppmerksomhet og kontinuerlig markedsføring framover til den blir godt etablert og akseptert som en naturlig arena for å hente inn opplysninger om lokal mat.	nei

Hvordan kan du se for deg at en lokalmatplatform kan hjelpe deg å etablere og vedlikeholde dine relasjoner til andre produsenter?

ved å samle kundene	enklere å finne små produsenter
Lettere info gjennom fellesskap	Jeg kan bli kjent med hvem som finnes av lokalmatprodusenter slik at man lettere kan velge hvem man ønskeer å inngå et samarbeid med.
speeddating - presentasjoner - events for dette	sende nyhetsoppdateringer
ingen formening	Litt skeptisk. Det er veldig avhengig av profesjonalismen og kvaliteten av platformen
vet ikke	Vet ikke
Informasjon	Bli synlig
Usikker det er mange fagfelt	lettere å komme i kontakt med og beholde kontakt med flere produsenter
samarbeid	felles tanke og møteplass for aktuelle brukere
Sjekke kven andre som er med	Klarer ikke helt å se det for vår del
Network	Å peke på forskjellen mellom lokalmat og masseproduksjon.
Lokalmat kan vere ein god portal som held oss oppdatert.	vet ikke
enkelt å finne samme bransje og /eller andre mulige samarbeidspartnere I nærområdet	Vet ikke
Lokalmat kan vere ein god portal som held oss oppdatert.	enkelt å finne samme bransje og /eller andre mulige samarbeidspartnere I nærområdet
bli kjent i markedet	salgssamarbeid
motta bestillinger, fakturering og embalering.	Markedsføring
Lettere å holde kontakt	nettverking
vet ikke	MArkedsføring
Man får tiilgang på et nettverk og slipper å lete selv	Har ikke behov for platform
vet ikke	kan lete etter andre på enkel måte
?	Nettverksarena
Vanskelig å svare på	holde kvalitetet på nettsiden opp og aktiv
Usikker	Synleg
Opplyse om aktuelle produsenter	Gjøre oss mer kjent
aner ikke	Kan være nyttig
Lokalmat.no kunne sende nyheitsbrev.	?
Forenkle innsalgsjobben	Ingen
Hvis innkjøper kan hente varer hos meg, kan jeg levere en del.	bred
vet ikke	Usikker
Kontunitet i arbeidet - at det er aktivt og målrettet over tid slik at det oppnår anerkjennelse. Gjerne tilby samling rundt faglige temaer en gang i året.	Nei

Hvordan kan du se for deg at en lokalmatplatform kan hjelpe deg å etablere og vedlikeholde dine relasjoner til innkjøpere?

arrangementer som messer o.s.v.	usikker.
Oppnår større oppmerksomhet som en enhet	en app eller chat
Treff - arrangementer - presentasjoner	Litt skeptisk. Det er veldig avhengig av profesjonalismen og kvaliteten av platformen
ingen formening	Vet ikke
informasjon	Bli synlig
Informasjon	lettere tilgang og lav terskel og å holde kontakt med de riktige folkene
Synlighet	nyttige info skriv
være synlig	Nye innkjøpere som ikke vet om oss, kan "se" oss.
Ved å vera kjend og i bruk	kunskap om hva er viktig informasjon til innkjøpere
Network	vet ikke
Lokalmat kan vere ein god portal som held oss oppdatert.	Informere om produkter
holder kontakten på en enkel måte	gjøre produktene kjent for relevante personer
Lokalmat kan vere ein god portal som held oss oppdatert.	aktivt salgssamarbeid
vet ikke	Markedsføring
salgskanal.	nettverkinh
Lettere å holde kontakt	Markedføring
vet ikke	
Felles distribusjon av informasjon, felles møter/events	Har ikke behov for platform
vet ikke	innkjøpere kan enkelt finne produktene jeg har
?	Veiledere til maler etc
Vanskelig å svare på.	måte å møtes
Usikker	Synleg
Blir et kontaktpunkt mellom produsent og innkjøper	formidle nyheter
aner ikke	Kan være nyttig
Lokalmat.no kunne sende nyheitsbrev	markedføring
Forenkle innslagsjobben	Vet ikke
Gjøre min virkomhet synlig.	bred
vet ikke	Usikker
Målrettet og kontinuerlig arbeid.	Nei

Appendix 3: Quantitative Classifications and Groupings

Years of Experience with Local Food (Buyers)

Less than three years	5	Between 3 to 5 years	1
		Between 5 to 10 years	1
		More than 10 years	11
Young	**5**	**Experienced**	**13**

Years of Experience with Local Food (Producers)

Less than three years	25	Between 3 to 5 years	9
		Between 5 to 10 years	11
		More than 10 years	28
Young	**25**	**Experienced**	**48**

Size (Buyers)

Café	0	Restaurant	0	Grocery Store (chain)	8
Speciality Store	1	Hotel	0	Distributor	3
Farm Store	1			Wholesaler	2
Small	**2**	**Medium**	**0**	**Large**	**13**

Geographical Location (Buyers)

Nordland	0	Nord-Trøndelag	0	Rogaland	0	Aust-Agder	0	Østfold	0
Troms	0	Sør-Trøndelag	0	Hordaland	1	Vest-Agder	0	Akerhus	0
Finnmark	0			Sogn og Fjordane	1			Oslo	5
				Møre og Romsdal	1			Hedmark	0
								Oppland	0
								Buskerud	1
								Vestfold	2
								Telemark	1
North Norway	**0**	**Middle Norway**	**0**	**Western Norway**	**3**	**Southern Norway**	**0**	**Eastern Norway**	**9**
Average North	0	Average Middle	0	Average West	0,8	Average South	0	Average East	1,1

Geographical Location (Producers)

Nordland	8	Nord-Trøndelag	2	Rogaland	3	Aust-Agder	3	Østfold	2
Troms	3	Sør-Trøndelag	4	Hordaland	3	Vest-Agder	4	Akerhus	2
Finnmark	0			Sogn og Fjordane	3			Oslo	0
				Møre og Romsdal	4			Hedmark	6
								Oppland	5
								Buskerud	6
								Vestfold	3
								Telemark	12
North Norway	**11**	**Middle Norway**	**6**	**Western Norway**	**13**	**Southern Norway**	**7**	**Eastern Norway**	**36**
Average North	3,7	Average Middle	3	Average West	3,3	Average South	3,5	Average East	4,5

Appendix 4: Quotes

Appendix 4.1: Bakken, Ole-Ivar (Annes Hage)

Quote 1	Many people today are more interested in what they eat, not just the price. Some ten years ago the main thing was the price. Now people are more concerned about what is in the product they eat. No [it is not just about the prices], we talk a lot about ecology in Norway now. People are concerned with what they are using … what chemicals, when they spray vegetables with chemicals. 'Is it good for me? Is it bad for me?'
Quote 2	The biggest issue for local food is distribution, because if people want to buy this living a long way from here I have to send it by post during the night over and it is very really expensive.
Quote 3	It is very much about distribution, I believe that it is in the top three of important thinkings. Of course the food is the most important, but how to manage to get [the product] to all the customer that's an issue you have to take very seriously.
Quote 4	Some [producers] have very big problems with distribution … If you are living in the Northern part of Norway or in Gudbrandsdalen, then you have a long way to the places where most people live.
Quote 5	More people today are more interested in what they eat not just the price. Some 10 years ago the main thing was the price, now people are more concerned about what is in the product.
Quote 6	All we do is hand made - we touch each fish five times. So as you understand it is a lot of work making this.
Quote 7	It is important that it tells the customer this is handwork and this is real food, it's nothing mixing, no chemicals - it has not been in China.
Quote 8	It costs a little bit more - but it tastes a hell more.
Quote 9	We use 30 days a year in the shops with tasting to show people what this is.
Quote 10	I cooperate with two other firms when I have tasting in shops. One of them is making sour cream, Røros Rømme, and the other one is making flatbread... and that makes the costs lower when we are in the shops. We help each other to sell these products.
Quote 11	How you present that product is important, because I think this is nice fish, with a nice taste, so that is important to show this.
Quote 12	A big problems is to get the fish to the stores, because I cannot drive to 50 or

	100 shops, just delivering fish.
Quote 13	In the start I was driving to every shop myself. I was driving around two days a week and working four-five days a week on the products.
Quote 14	A thing that we do not do enough is to have the demonstrations in the shop. Tastings in the shop. We should have done that a lot more. But it costs money and I cannot stay there all the time. The girls are doing this and that works for more. Especially, in Oslo, Baerum, because you have to do it in the shops where most of the people live.
Quote 15	For me it's important to work with people that see me happy and I see them happy - we want to make each other good. That's important.
Quote 16	I believe Matmerk is the one that can help you most with the distribution. In the start I was talking very much to him [Frode Kristensen] because I need some names, and he has the names.

Appendix 4.2: Bjerketvedt, Hans Olav (Dyre Gård)

Quote 1	We experience that the demand [for local food] is growing bigger and bigger, and that people are becoming more and more occupied with traceability in the products they buy. And that has to do with food safety of course.
Quote 2	But each and every group, whether it is Norgesgruppen or Rema 1000 or whoever it is, have their own [quality] reports. But [buyers] are mostly demanding the same information.
Quote 3	Then the customer needs to know the difference between an apple juice from Dyre Gård, and an apple nectar that has been produced in great quantities based on imported apples that you have no idea where it comes from.
Quote 4	It is important for us to meet our customers directly, and give them tastings and tell them the story of how we run our business.
Quote 5	It is not like you go in a store and choose products - you go in a store and choose away products, because there is so much offered of different kinds.
Quote 6	But then I usually say to them that it is not getting into the store that is difficult. What is difficult is to get the customer to buy your products.
Quote 7	We have produced apple juice for a restaurant chain - with the chain's own bottles that they had picked out and they had design their own labels too. It is about if they want special products on their own bottles with their own design, then we have done that for a restaurant chain.

Quote 8	I have a desire that lokalmat.no becomes the main platform most people choose to use. And the customers too, and that they know that they have one place to go in a search for local food, and that can be lokalmat.no. But I think that it cannot be so that there are many different platforms. Because that will make the customers confused. And a producers do not want to be on [every platform] either, because usually it is expensive to be on all platforms.
Quote 9	But I think that it cannot be so that there are many different platforms. Because that will make the customers confused. And a producers do not want to be on [every platform] either, because usually it is expensive to be on all platforms.
Quote 10	We always adapt to customers wishes. But we get a lot of advices and tips. And some feel what we do is good, while others think ‘can’t you do it this way instead?’. So we can’t change packaging and design every time we get a ‘you should have this’ or ‘you should have that’.
Quote 11	We listen to our customers. For example when it comes to fruit. If we should have one kilo packages, or if we should have five kilo packages.

Appendix 4.3: Bucher-Johannessen, Bernt (Hanen)

Quote 1	It’s a very small market, and it’s kind of premature - and there is very few really very professional producers.
Quote 2	If you run a small local farm that is typical for the Norwegian agriculture society, it’s hard to earn a living when most of the sector is focused on volume.
Quote 3	Many [of the producers] are professional in the area of production, but when it comes to marketing or distribution or whatever, they are not.
Quote 4	Price is the main focus of the customer. It is strange, we do not have that quality tradition. We are the richest customers is the world, but still price is the most important.
Quote 5	These are local producers - they connect locally in their village, municipality, or nearest larger city.
Quote 6	Of course as in Valdres or in Hallingdal, they have to reduce the price of the distribution. They have to go together because they don’t sell a large amount each time so to fill up this pallet they have to cooperate. And cooperation is of course, for most of these producers, is smart.
Quote 7	Price is the main focus of the customer. It is strange, we do not have that quality tradition. We are the richest customers is the world, but still price is the most important

Appendix 4.4: Dahl, Judith (Servicegrossisten)

Quote 1	I'm going to write a sentence that says 'You can either be certified at lokalmat.no or you can fill out the internal declaration form, but its a prerequisite that you are going to certify in one year at lokalmat.now, beucase in 2017 I will not accept the internal declaration form anymore. It's an acceptance period where I can accept both but, I am going to establish that they can only use lokalmat.no. And I know that all the retail companies agreed as well so everyone of us is going to force that they use them. And that is very good for us because a thousands local food producers producing 1, 2, 3 product lines while national suppliers producing 1500, so the same process to everyone.
Quote 2	"Basically, it is a database…"
Quote 3	I think Norway has so much tradition. Almost everything is ecological products so they are good quality and regulations are strong. It's a national treasure.
Quote 4	Build a national level of knowledge.
Quote 5	To show you how complicated *(Dahl shows us the form)* it's a lot information and for the producer that have a low knowledge level this is very scary for them. This is so scary for them I know. We try to take a careful look at what we could exclude, but we can't because the government has the rules of what you need to have control of, so you can't cut down.
Quote 6	[Producers] don't understand the importance of control over all 40,000 product lines. It's very demanding work.
Quote 7	If I can have [a quality check] on lokalmat.no, I can save one administrative position in the company that has to administrate all this documentation.
Quote 8	My responsibility as a buyer is to make sure that the food you are eating is all the time controlled for proper quality and that I know you are not eating horse meat.
Quote 9	We can do these unannounced visits, and we send this information to lokalmat.no as well. So if every company does this and lokalmat.no does too, it will be a much higher government of this type of check of national suppliers. And this is good because this is needed, then you can be sure.
Quote 10	They can't be considered, although they put on 50 percent local, it is not enough ... I just told Kay, 'you need to remove this because it is not local food at all'.
Quote 11	The producers don't understand the product pricing, there is no strategy

	pricing, no demand based pricing whatsoever, they have a cost-plus pricing.
Quote 12	It is difficult, very difficult [to manage my relationships] because you need to sell firstly to the purchasing organizations at a discount price, and you also need to give discounts to the end users, the canteens and restaurants. So it is difficult.
Quote 13	Lots of producer information, easy way to give feedback if something is wrong, geographical location is very important and the categories.
Quote 14	[Vikre]... had the daily expenses for their tourist and one of the things that was purchased and was increasing the daily purchases was that they were able to purchase local food.
Quote 15	When I started my project with local it was impossible to get an overview of the [producers]
Quote 16	The sourcing is very difficult as well because since you have a limited volume of the products. So everytime I speak with a supplier I need to evaluate how big their volume is, so it can be divided between two regions.

Appendix 4.5: Egge, Peder (Egge Gård)

Quote 1	I think also the users want new kinds of food now. They are more interested in what they are eating and how it's made and what it's made of.
Quote 2	We have been under very much pressure from the authorities because we were the first farm that began with alcohol products, so they're a lot. And its become sort of a routine. So if they find something we have to deal with it. I think that's become part of the process.
Quote 3	We bring taste samples to anyone, like farmer's market or other tasting arrangements.
Quote 4	They are doing a pretty good job [with the platform], I think, by letting us write about our products, and showing what is it and how it is made. But to get an active community, to talk and sort of rate or if we could get confirmation from someone else other than us, that would help.
Quote 5	Get a community in this page, and make sure people are active. It can be a community, but it can be a dead community - and then it won't do any good.
Quote 6	It's very funny to try find these links and make a bit of history, because people will find that great.
Quote 7	I'm hoping bars and restaurants will find our products, and want to maybe get a

	picture of what we actually have to offer.
Quote 8	Constructive feedback, there is nothing better … If you are doing something right you will get credit for it, and if you are doing something wrong you have to change your ways.
Quote 9	When people taste, that's our best reach.
Quote 10	Yes, of course, feedback is important and somethings sell and others doesn't and we have to e we don't make it.be selling otherwis
Quote 11	Many of these local food producers are entrepreneurs and always looking for opportunities and are usually very solution oriented.
Quote 12	Marketing I think is the hardest part for local producer because it is so expensive to get good marketing. It's so important, but it's so hard to do.
Quote 13	One thing about the [platform] that would make it better for us, is if they could organize it by trying to match matching products, because we are making drinks and if they could match it with food or come with recommendations, I think that would help us as a drink producers.
Quote 14	We had a launch with meat from [Smak As] at the Oslo Congress Centre. So they made ribs from the pigs that ate the apples we made our aquavit from.
Quote 15	With Whiskey you have to have the right ingredients, it has to be the right type of grain or yeast or water to call it whiskey. If you don't use it, it isn't whiskey.
Quote 16	And some things sell, and others doesn't. And we kind of are slave to that. It has to be selling, or else you cannot make it.
Quote 17	I think we are trying to be open as possible, but of course there are some information that would be just plain stupid to share.

Appendix 4.6: Ek, Joar (Ek Gårdskjøkken)

Quote 1	The main problem for producer in Norway is logistics, because the geography of Norway is so long...it is the main problem to reach the total market.
Quote 2	In the long run I think we will get paid for that because also in the mind of the consumers now they are more and more aware about what they are eating. They are reading more into the ingredients list on the products.
Quote 3	If we could 100 percent concentrate on producing and all distribution and logistics could be taken care of, because that is the hard work.
Quote 4	The easy part is making the product, almost everyone can have an idea and

	produce a product. The problem or the big question is how to put it into the market, or how to communicate it to the market, or get a sensible logistics.
Quote 5	We try to reach out to other local producers, searching if they had any product which we could use as ingredients in our production. An example of this, these days is, we are working with Egge Gard ...we have started a cooperation, we are using their Ice Apple as an ingredients of the panna cotta.
Quote 6	When we are trying to find the right tastings of things, then we have a network of chefs. We have a handful of highly profiled chefs, because the chefs on the high level they are honest, and willing to give feedback.
Quote 7	You cannot be excellent at doing everything, so you should maybe concentrate on doing your products, doing your marketing, and doing everything, and then asking somebody else to professionalize the distribution side.
Quote 8	We do not mind sharing, expect things that we have achieved and developed to make a very special product, that we will protect of course, otherwise we are open.
Quote 9	It would be more clever to use each other. Lokalmat.no is a good way to be part of a network.

Appendix 4.7: Finne, Kristina (Kolonihagen)

Quote 1	[A platform] should help more suppliers cooperate - if they could combine transportation in a way that more suppliers could cooperate.
Quote 2	We are on a first name basis with our suppliers, we know them by heart. We know how they run their business and we trust them very much. When you have strong relations and speak to people every week you become very secure about the details of the production.
Quote 3	We have all the time been conscious in using media for publicity, since our marketing budget long has been kroner 0,-.
Quote 4	A broader offer - so more suppliers. Competition is always good, to a certain level, and today we could be stuck with only having one choice for that type of deliverable. Such a platform could make it an arena for competition in a healthy way.
Quote 5	[The platform] could help with professionalizing things. That they have to deliver on this and that and KPIs that makes the standards, in terms of details. It could standardize and increase the quality on all levels.
Quote 6	Knowing that we will have the quantity we need is extremely important.

Quote 7	A purchasing corporation would be a way to guarantee the production of a producer.
Quote 8	Team up and predict some volume … secure increased production.
Quote 9	To put out there; ‘we are in need of this’ and a small producer can be able to have an offering or saying in the purchasing process. It is democracy at its best.

Appendix 4.8: Haalien, Eivind (Norgesgruppen)

Quote 1	Consumers are asking more questions about the origin, the quality, if it is ecological, and where does it come from. So everyone needs to be more transparent and we have to be better to tell these stories
Quote 2	I like for small producers to go together, like Rørosmat, to make it more efficient. If you have one order, one delivery, one bill - perfect! This is an efficient way to come to the store.
Quote 3	In Norway price is part of common culture more than quality.
Quote 4	Consumers are asking questions about the origin, the quality, if it ecological, and where does it come from. So everyone needs to be more transparent and we have to be better to tell these stories.”
Quote 5	I take contact with new producers on a daily bases and tell them what to do. Because, it says on our website that this information is hard. It’s there, but you need to read a lot of documents.
Quote 6	We need to be sure that what you are producing is safe.
Quote 7	It’s easy to get into our store, but the hard thing is to get out into the basket or cart - that is where the game is.
Quote 8	To be visible and to stand there and try to make your own farmer market into the store is how you should do it. You should stand; sampling, sampling, smile, sampling.
Quote 9	Producers do not understand what works in retail and what lacks - psychology when it comes to pricing … There are a lot of competence gaps. They have problems with knowing all these things that a producer has to do.
Quote 10	They are going like a robot choosing the same thing over and over again.
Quote 11	I am working with several hundred of these producers and I know them

	personally, everyone of them… And [I] say [to the consumers] 'you as a customer, you are voting every day you are going into one of our stores. If you buy that cheese or that cheese, that is a vote.'
Quote 12	...it is not getting into the store that is difficult. What is difficult is to get the customer to buy your products.
Quote 13	People in Norway aren't **'choosing'** groceries, they are **'not choosing'** them.
Quote 14	[Local food] producers do not understand what works in retail and what lacks. The psychology when it comes to pricing. These products are more expensive, so if the Norwegian consumer sees that this cheese costs 400 kroner per kilo and Jarsberg costs 79 per kilo. But if you change the weight and cut the cheese into 100 grams each cheese is only 40 kroner. Then consumers will go for the cheaper. This is price psychology, and [the producers] don't know that.
Quote 15	There should be more helpers from the industry or from retail, then from the farmers side when it comes to helping.
Quote 16	With lokalmat.no we are little bit hands free, and it's a rational, so I don't have to do five or ten inspections, but one.
Quote 17	If you sell me a box of six cheeses, I will dare to buy it because then the risk is so much smaller and I know I will sell four and maybe I can sell the next to as well.
Quote 18	It is hard for supermarkets to take these local products, because they don't fill the standards. So it is really not efficient at all and what we are trying to do is help them to get the standards so it is easier for the store manager to actually buy this food.

Appendix 4.9: Hagen, Marita and Sando, Anne Marie (Eiker Gårdsysteri)

Quote 1	We are not good at [telling the story].
Quote 2	A good dialogue with the customers is really important, and it's nice for us also, to show them what we do. Because we are quite proud of what we do - and then we can talk about it in another way.
Quote 3	The customers definitely care about the price, but it becomes less important when they see the work behind the product. The price becomes more understandable, and they as customers can also make money on the fact that they [can say] '[we] know the producer and know that they deliver a quality product that is made with love and care'.
Quote 4	We are now going to make one cheese that we call Eventyrost.

Quote 5	The wholesaler in the middle takes out a lot of money, and then the product in the shop is getting out even more expensive.
Quote 6	And I also think in a bigger scale, this is a really good thing for everybody who is making this kind of food in Norway, that we get them all in one place so that the big customers can see what we really have to offer in Norway.
Quote 7	And we as producers can also get in and see if there are something we want to maybe sell in our store - we can also find it there. We don't know about everyone in the small nooks and crannies of Norway - that is the problem for the chefs, they don't know how to find it.
Quote 8	The advantage is that now everyone is gathered at one tray, so we know where to find [the local food producers], but I wish I could find a little more information, because as small producers we don't always have good enough websites.
Quote 9	Sometimes we are contacted by restaurants who say 'we are trying to get a hold of Holtefjell from Tine, have you stopped [producing] it, or what is going on?'. [Tine/the wholesaler] takes in way too little to their storage…
Quote 10	It is difficult to navigate in this jungle of papers.
Quote 11	Teaching people [about cheese making] is not a problem, but we really want a person who knows a little bit about food, especially hygiene, because it helps me when I train them in the dairy. And also that they have a skill besides that we can use. If you are good at computing, if you love it as a hobby, then it's good for us because then we can use that skill also.

Appendix 4.10: Haugen, Ann Irene (Hallingkost)

Quote 1	Like it is today they need help with sales and transportation of their products. … They need one person who does this. Instead of there being ten people sitting and doing the same.
Quote 2	Branding has been put a little bit on hold in Hallingkost, because it does not give any immediate income. And both the producers and Hallingkost is dependent on stability in relation to income.

Appendix 4.11: Kleven-Felloni, Andreas (Felloni Spekehus)

Quote 1	The other people are not visible and if you cannot reach them what is the point to reach out to them.

Quote 2	You cannot see [the other side of the platform]. It would actually be interesting to know who are the people who are interested in me. Because it could go both ways, they contact us if they need it or we could contact them.
Quote 3 (19:00)	Marketing has to match your profile, if you saw you are local producer, in your marketing communication you should be able to give some information to the consumer in which way you are anchored to the area you work at.
Quote 4	I prefer to sell my product directly to these shops, because for me it is very valuable to have feedback on how people experience my products.
Quote 5	We have to educate customers in order to make them use our product.
Quote 6	Maybe if we get an expert panel, or chefs, or just people matching products, it would be easy for the producers to get in touch with each other also. Then you know what producers is worth, perhaps, contacting or talking with. Its easier to begin cooperating if we know that our products match.
Quote 7	In order to get growth you have to get more customers, and it's interesting with lokalmat.no, because it should be a place where it connects producer and buyer.
Quote 8	We have a deal with a little producer, a farm the produces ecological hairy pigs. They have competence that we liked and what we are looking for. Together we do the value chain in another way.
Quote 10	I have no problem to cooperate, I am very for business. If there is some business opportunity there is no problem.
Quote 11	Some knowledge is tacit, you have to really be there and look at the process, you cannot explain it. Even if you explain it, it is not easy to replicate.
Quote 12	You have to be good at saying what your skills are more than the product itself, and then it can open up opportunities in the way you can cooperate
Quote 13	The community has to in someway, base on its needs, communicate between them.

Appendix 4.12: Klock, Runa (Epleslang)

Quote 1	We are selling to Norgesgruppen and they have a strict rules. So we had to show them these our routines to show that we are doing the right thing.
Quote 2	The story sells, maybe once, but then the quality in taste has to be good. Because if it is not good people won't buy twice.
Quote 3	We have the packaging, and we have spent a lot of time making it. It's kind of

	like a newspaper, when you open it up you can read about the [product].
Quote 4	[Trust] is very important, I think we should probably make more contracts, but I think the mutual interest of making something good and new and helping each other. There is a lot of community feeling in the business that you want to help each other out.
Quote 5	I work a lot with [the product], like how can we use everything - like how can we make new products without making things complicated.
Quote 6	[Dyre Gård] are a huge help for us, they have been helping us in the best ways. And it's nice because we are actually competing but they don't see it that way and we don't see it that way, so it's nice that we are helping each other, because we think there is space for both of us in the market.
Quote 7	We have [Dyre Gård] who produces for us and also helps us with the transportation.
Quote 8	We sell to the same cafes and bars, so instead of us both driving and transporting we cooperate on sales and transport and deliveries and they have quite a big storage of our apple juice.
Quote 9	We have had so many people cooperating with us along the way on [brand building and product development]. Because we don't have a lot of money, but we have a great product.
Quote 8	We have been very eager to cooperate because we see a lot of pros in getting help from each other
Quote 9	People have been down this road before and they have been doing mistakes that maybe we don't have to do when it comes to sales, or product development or how to do logistics better, there are so many things we try to improve all the time.
Quote 10	Customers always want something new and exciting and that can be a challenge.
Quote 11	I contacted Kulinaris, a small ice cream company, and asked them if they were interested in cooperating with us in making Epleslang ice cream or sorbet. ... We will produce it and co-brand it together. Because for them we have a strong brand and they have a strong brand so I think we can help each other.
Quote 12	It is a nice way for us to use our product and for them to make a new product.
Quote 13	When it came to pressing the apples, we did so much research trying to find out who is working in apples, and there is no database where you can find

	everyone who has these facilities or this service - so being able to see these services; an overview of what was out there.
Quote 14	When it comes to cooperating you need to see what is out there, because you don't really know what the other producers want.

Appendix 4.13: Kvilekval, Nils Arne (Rå Smak)

Quote 1	Transportation cost can kill us.
Quote 2	Part of the distribution has been done in kind of an unprofessional way and if you grow the business and have more stores and higher turnover this is not the way you can do it.
Quote 3	We like to know what it's containing, how it is produced, and how the animals have been taken care of.
Quote 4 (24:00)	Something I think it a little strange is when you go through the list of all the companies, you come up with Gilde, and Gilde is the big cooperative...And I find it strange that the biggest animal in the zoo is registered on a lokalmat.no.
Quote 5	We are selling meat with an address - we know where it comes from.
Quote 6	The taste and quality of the product has to be good, but we also like to have a story. If the story can go together with the product it mean we are kind of a different store.
Quote 7	Sometimes the transportation costs is quite high so we have cooperated with a couple of other stores, so we buy a pallet and we take it to our warehouse and we take what we need and we split the cost of the transportation.
Quote 8	If we find a very nice product, but it doesn't have a very nice packaging, then we won't buy it.
Quote 9	There are a lot of local producers who are very skilled at what they do, they make excellent product, but they don't know anything about marketing, [packaging], wrapping - they don't know the selling in store.
Quote 10	When I order from Matcompaniet I can order products from five, six or seven suppliers and get one shipment so it easier.
Quote 11	[Price] is important, we cannot be extremely expensive, but most people will expect the products coming out of our store is more expensive than from Prix or Rema 1000, because of their origin and their story.
Quote 12	We are always interested in new products, but what is important to us is the quality and the wrapping, the expiration date, and obviously the price.

Quote 13	Gudbrandsdalsmat has done it, because they are a lot of local producers joining to make a common distribution. They are calling us every Monday or Tuesday asking us if there is anything we need and then they collect products from their local suppliers and we get one shipment.
Quote 14	It's important for us to have flexible producer, in terms of delivery volumes. With the type of store we have, we cannot buy huge quantities, We would like to have a big assortment in the shop, as big as possible, but that also means that we have to keep stock of each item.

Appendix 4.14: Lasskogen, Harald (Joker Vaset)

Quote 1	Distribution is something that has been a challenge for local food - and it still is.
Quote 2	Everything that has direct influence on quality on what you produce, it is important to find information about.
Quote 3	There has to be dialog there, so that [producers] add the information we expect to get.
Quote 4	Where one has a dialog with the producer, there I believe the trust is very big.
Quote 5	It is very important that a [local food product] is a little different and that it has an anchoring either local, or that there is something special about it.
Quote 6	If you use a lot of marketing on a bad product, it has a short lifespan.
Quote 7	We've come so far now, we've been working with local food for 12-15 years now really, with quality standards we were early. So I believe that, that should be the basis, that that is not something we are using now. Everyone has requirements on them in relation to food safety and traceability, and I set that as a prerequisite almost, that that is ok.
Quote 8	Distribution is something that has been a challenge for local food - and it still is.
Quote 9	I want this dialogue [between buyers and producers] because then maybe one could say that there are some products that we see are missing. Because I experience that there is many people working with cheese, and dairy products and cured meats, and that there could maybe be more in fresh meats.
Quote 10	The individual grocer knows his market, and his customer base, and makes orders [to fill his store] accordingly.
Quote 11	The dialogue that exists is often between a sales company, for example

	Gudbrandsdalsmat, that sell products from multiple producers.
Quote 12	I can see it the times we have had [stands in store], that it is very fruitful - very smart.
Quote 13	Demonstrations in store or taste samples is very beneficial. So I could be much better with doing that.
Quote 14	Co-exposure can create more added sales in an easier way. One can see a little more clearly that if one is buying this product, there is a local supplementary product that can be used together with it.
Quote 15	Us as stores should be part of facilitating how (a producer) should do it - what it takes to be able to sell products in stores. We can be part of seeing what is sellable.
Quote 16	I think it is very important to get some sort of two-way, some way or another, so one can provide feedback.
Quote 17	There must be a greater will from the producers to make something [to order].
Quote 18	First and foremost, the biggest need to know about the product, to get knowledge of the product. At least up until now, it has been us [buyers] that must go searching and, as i usually say, walk with my hat in my hand, and ask if i can buy some products
Quote	That is the biggest need - that it becomes visible which local food products exists

Appendix 4.15: Rasmussen, Rico and Frydkjær, Peter (Lysebu)

Quote 1	If you have 30 small suppliers, that is 30 small orders to be made, and it is also 30 small deliveries to receive and check, and 30 bills to pay.
Quote 2	Quality is above everything. It is not like preferring local rather than quality. Quality is alpha and omega.
Quote 3	My biggest advice is to demand [high quality products] and be very critical regarding the quality.
Quote 4	We take for granted that when we have a relationship with a producer that he is abiding by the rules and requirements that lie upon him as a producer, so that is not something we investigate closer in the seams.
Quote 5	We pay extra for good quality. It provides an added value that you have an origin and that you almost can tell the name of the cow.

Quote 6	If you find a producer who delivers some fantastic currants, you wish for him to keep producing these currants it is important for him to be able to sell what he has. If you keep it secret and are the only one to buy the berries, he will not be able to live off it, and [the product] will disappear.
Quote 7	In general, I think, this is a business where there aren't that many unserious actors - at least not producers.
Quote 8	We as buyers are occupied that there is no 'let down' in the process of (formal quality). We kind of buy products with a guarantee that it is produced after standards. That sort of has to be fundamental, that you have that (formal quality).
Quote 9	I believe many have the same criterias, and those are found in the relationship between quality, deliverability, and price - and then it is up to the producer himself to decide if he can accomplish those demands. The role of the platform is to create the contact, and make sure that there is a dialogue and then hopefully get a delivery going.
Quote 10	It is not always the producers are able to see the potential of their own things.
Quote 11	Chefs have a more creative way of thinking than producers, and can see more areas of use and how one can use things in a different or better way than the producers can. There are much greater areas of use, and much greater potential and [the producer] can portray the quality and the special about [the product] better by maybe treating it a different way than what the producers necessarily imagine it should. [Chefs] see things from a different angle [than the producers].
Quote 12	There has to be some sort of guidelines and criterias to become a member of such a platform so much of the paperwork is already done.
Quote 13	[If the platform] should work for me it's not so that you just sign-up the platform itself has to be a quality sign. And it is exactly the work of [quality assurance] that would be a benefit if the platform did, instead of me using multiple days a week of traveling around in car. Its should at least sort out the worst.
Quote 14	Norwegians just don't know how much power they really have as consumers - they have enormous power. But Norwegians are a little blue eyed and naive and aligned with what is there.
Quote 15	That is exactly what this platform must be made to do I think - to create this contact. That it becomes a search-and-find - to make the job easier.
Quote 16	The direct information that is available on the platform will save me a lot of

	work, because other wise I am just sitting there calling in vain to ten suppliers.

Appendix 4.16: Waagen, Kristin (Tingvollost)

Quote 1	But when we started Tingvollost we got a “no” from the bank to loan 50,000 kroners, and Innovation Norway did not believe in us either.
Quote 2	So [food knowledge] we are consciously working with, making our farm accessible so we can contribute to increase knowledge, that people get to see where the food is made, that the milk is not made in the dairy, but comes from the cow.
Quote 3	Another aspect we have part of the external threat in our SWOT analysis, is people’s lack of food knowledge, food becomes more and more distant from people, it’s not so anymore that everyone has a grandmother that lives on a farm.
Quote 4	And then there is this with taking a high enough price from the beginning. It is not easy increasing the price once one it’s established, but it’s simple to price high from the beginning.
Quote 5	Logistics is the most important, and that is what all the customers ask about in the first client meeting.
Quote 6	By a good selling text and a wide use of pictures, such a platform can contribute to increased knowledge about our products, in addition to building a stronger relation to us.
Quote 7	For example Den Glade Ku and us collaborate a lot - amongst other things; when she has a demo on the jelly or jams, she always serves them on our cheese. Additionally we sell her products in our farm store, and she sells our cheeses in her farm store. For Christmas we sell Christmas gifts to organizations together, since our product fit together so well. And we are good at sending tourists to each other, if they are one of the places and want tips on where to go next. If there is anything we wonder, whether it is wages, if a customer is ok, or whatever it would be, we can send each other a message and ask. And if it is messy in the store shelf with Den Glade Ku products, we of course tidy up in those at the same time as we are tidying up in our cheeses!
Quote 8	Very many think you HAVE to have a deal with the grocery chains to succeed. Our experience is that this is not necessary. If you have a good product that the grocery stores want, you will get into the chains regardless."
Quote 9	And additionally we are good at having yearly price adjustments that match the consumer price index. I think many forget [to adjust the prices].

Quote 10	We have all along been conscious to use the media for publicity, since our marketing budget has been 0,- for a long time.
Quote 11	And we have been very picky on which customers we want, and say no to 80 percent of all requests.
Quote 12	For us a digital local food platform will not be of much value, since we to such a large extent value direct contact with customers in addition to choosing our customers carefully.
Quote 13	We at every point in time have at least 50 stores and restaurants on a waiting list [to sell our products], because we do not have enough cheese to cover demand.
Quote 14	For us, per today since our capacity is blown, such a platform does not have any value in relation to sales.
Quote 15	The challenge with a digital platform is updates - how to make sure that the information available is updated at all times.
Quote 16	If such a platform can convey a little of what is good with our products, maybe it can be part of making the customers feel like they know us.
Quote 17	Us cheesemakers in Norway are like one big family - we are not first and foremost competitors, we help each other to the best of our abilities.
Quote 18	There is a lot of knowledgeable people around, but it is challenging to find out who is best at what.
Quote 19	All entrepreneurs need someone who roots for you and give you a push in the ass.
Quote 20	And then it is very important to get logistics that is priced right, and Frode Kristiansen in Matmerk has been a very important person for us in relation to logistics and knowledge of grocery store retail.

Appendix 4.17: Matmerk (Johnsen, Anne Mette & Nilsen, Kay)

Quote 1	The buyers are coming to together to tell the producers that in order to sell to Norgesgruppen, for example, you have to do it through this platform. It’s sort of a mild force. For now we have not showed them the carrot, just the wipe.
Quote 2	Buyers have to trust that the producers are filling it out truthfully.
Quote 3	This is way to do it so the producers have everything in one place, so there is an internal quality systems and the buyers can see if they are actually following it, if they are not sure if a producer is safe to buy from they can request an

	auditor and we will send the auditor to the farm.
Quote 4	We have a whip for the producers, but lack a carrot.
Quote 5	It's a report that all the buyers that are behind lokalmat.no have developed together. The point here is if you deliver to Rema or Norgesgruppen or the Historical hotels, you do the same documentation, you do not have to do it five times, but one time. It's visible to all the buyers, and it's supposed to make it easier for the producer.
Quote 6	It is a trust based system...for a lot of the small producer this is not something they are used to having. The producers think, 'I am okayed by the food safety authorities, I don't need to think about anything else.' But for the buyers that is not good enough. I don't think the producer have really seen this in action yet.
Quote 7	We want the buyers to tell the producers producer about the quality check. Matmerk cannot force them to do this, its the buyer that can.
Quote 8	[Buyers] didn't know about all the producers in that areas and it didn't exist any register that had producers and a quality check. What we really saw was that they really didn't know about all the opportunities and they needed a tool where they could find all local producer
Quote 9	We combined our expertise on local food and quality assurance and so we decided to create a platform.
Quote 10	I think we need have some type of add ons that generate some type of activity between themselves. What we have made is a platform that is kind of passive, does not have that two way communication that it probably could have.
Quote 11	We are getting funding from the public and private sector.
Quote 12	The buyers can request an external auditing, especially if it is a product of high risk, then an external auditing can be sent.