THE ROLE OF INNOVATIVE ENTREPRENEURS IN FOSTERING VALUE CREATION AND LOCAL DEVELOPMENT. A CASE OF SCANDINAVIAN RURAL GOURMET RESTAURATEURS (INTERACTIVE PAPER)

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Principal Topic

The increased interest in local and regional food revitalizes rural areas and creates opportunities for new entrepreneurial activities. The potential for increased value creation is growing and more and more entrepreneurs realize it. Extant research has shown that embeddedness in local structures is an important factor enabling creation of opportunities in rural areas (Jack & Anderson, 2002). To be able to introduce radically new offerings to the market, innovative entrepreneurs often need to work closely with their suppliers in creating new value. This may be difficult in areas where the rules of the game (values and behavioral norms) may differ from those represented by entrepreneurs. Subsequently, this paper explores how innovative entrepreneurs contribute to value creation in local spaces.

Methods/Key Propositions

While the process of value creation remains poorly understood; case studies present a suitable method for research in early theory development (Eisenhardt, 1989). The cases were selected using theoretical sampling (Eisenhardt & Graebner, 2007). In total, 26 semi-structured interviews with two Scandinavian rural gourmet restaurateurs and their social network were conducted. The context of the rural Scandinavia has been chosen because entrepreneurial activities and the dyadic cooperation between the entrepreneurs and their suppliers are easier to observe in a less complex rural context (Anderson, 2000). Additionally, gourmet restaurants represent a business genre that is innovative. The coding was performed using both a priori codes and emerging codes from the data. The analysis involved pattern matching and constant comparative method (Miles & Huberman, 1994).

Results/Implications

Based on an in-depth analysis of the two cases, this paper explored the collaborative process of creation of new economic activity. In doing so, the importance of close collaboration between local actors, i.e. restaurateurs and their suppliers is illustrated. More specifically, the paper suggests that innovative restaurateurs with their constant outlook for innovation and new value creation purposefully engage their suppliers in this process, subsequently contributing to emergence of new economic activity in the region but also carving own uniqueness. This paper contributes to a deeper and more contextualized view of emergence of new economic activity and its role in local development. The paper offers practical and policy implications.

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