

When do trademarks create new markets? Entrepreneurship, brands and growth – experiences from small scale cheese production in Austria, Spain and Sweden

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Abstract: *The rationalization pressure of agro-food globalization requires strong tools to help small scale producers to survive in a market. For that reason, the EU developed a quality certification system that offer tools for farmers and small scale food producers that enable them to create strong local collective brands and promote rural entrepreneurship. The strongest tool is the PDO certification. Some European countries have been successful using these tools to create strong collective brands through PDOs, while others have adopted other strategies. An important difference is how the entrepreneurial function develops and how the local agri-food system is articulated. This article highlights how collective brands, with and without PDOs are created to support small scale cheese producers in Austria, Spain and Sweden and how these promote entrepreneurship and rural development. An important contribution is the analysis of differences in the entrepreneurial function and the articulation of the local agri-food system in these three cases. Two of the most important findings are that the PDO was superior than a non formalized form of regional branding in offering market protection and that the invisible hand of the market could generate entrepreneurial functions to strengthen the local agri-food system and generate synergies for stakeholders, but the visible hand of the state was decisively more powerful to support, promote and articulate a strong local agri-food system that generates strong synergies for all stakeholders.*

Keywords: *local agri-food systems, entrepreneurship, collective brands*

Introduction

The agricultural sector is considered as one of the more important economic sectors in Europe. The role of agriculture for national food security during the early 20th Century set the stage for the development and implementation of the CAP during the last five decades. Today, when food insecurity is a memory in the history of Europe, we expect the sector to meet new challenges and expectations, such as improving rural livelihoods, promoting tourism, and to guarantee that the countryside continues to be a place to live, work and visit (EU, 2010).

Globalization constitutes the main source of transformation pressure over food and agriculture. Since the 1980's, the number of mergers and strategic alliances at industry level has increased dramatically, but also at farm level a far reaching process of concentration and rationalization has taken place. This is still an ongoing process. For the cheese sector in particular, the pressure of globalization has meant that the number of processing industries and dairy farms dropped, while productivity rose (IDF, 2009).

The development of the quality regulations within the CAP concerning certification and protection of denomination of Origin and of agricultural products and food is a direct consequence of the increased level of competition and structural rationalization caused by globalization and by the process of regional European economic convergence fueled by the creation of the common European market. The cost for establishing brands is quite high and it might be difficult for small scale food producers, therefore the countries that promoted the quality certification choose to create a

certification system that could function as a collective brand. The main tool within this certification is the PDO.

Theoretical considerations

The contemporary debate on agriculture and food is highlighted by different schools of thought. Two important, interlinked but contrasting debates are *the new political economy of agriculture* and *the localized production systems approach (SYAL)*. While the first stresses the internationalization and globalization of agriculture and food production (McMichael, etc), the second highlights the role of the local through the study of localized agri-food systems, i. e. “*an organization of producers and services linked by their characteristics and their function in a specific territory that includes the environment, the product, the individuals, the Savoir faire, the institutions, and the consumers as well as their food and culture* (SYAL, 2007). The SYAL concept sprang out of the shortcomings of single disciplinary studies on the complex problems presented by the changing dynamics of rural livelihoods and entrepreneurship. SYAL integrates practical and theoretical dimensions, such as the coordination of stakeholders, social networks, collective actions, the qualification of products (institutional frameworks, rules and regulations), resource management of natural resources, cultural heritage and appropriation methods with knowledge and competences, both scientific, as well as traditional skills. Previous research has focused on cultural, territorial, the landscape, the conceptual tensions between the territory and sustainability, time dimensions, availability and the participation of local society. (Requier Desjardin, 2007; Muchnik, 2009; Vandecandelaere et al, 2009; Vamslebrouck et al, 2005). It has also deepened our understanding about differences between economic and cultural perceptions of food. (Appadurai, 1986) But even though quality certification often has been part of previous theoretical and empirical studies, questions about the connection between certification, brands and entrepreneurship have barely been asked (Holt et al, 2007). This article contributes to current research by highlighting the link between certifications, brands and entrepreneurship in localized agri-food systems.

The creation of strong brands can be useful for companies as an entrepreneurial tool, this is however, rarely addressed by policy or in theories. Brands are presented in research as an increasingly important resource to survive globalization. Since contemporary society is characterized by a significant flow of information, the use of brands, a companies means to communicate with consumers have become strategic resources for companies. The value of some brands is estimated to enormous values. The fact that a brand requires an entrepreneur or a bearing business idea to function is a fundamental aspect that the theoretical discussion often neglects to acknowledge. An important issue in the current brand discussion is the difference between using a brand as the signature of a product or a brand used as the signature of a company, a corporate brand, for example IKEA and Nike (Ind, 1998).

Large industrial companies have been the main subject of previous trademark research. Entrepreneurship, innovations and brands are therefore often been described from an industrial product perspective. Entrepreneurship was mainly connected to a heroes' creative organization of resources in a new company and innovations as well as entrepreneurship were often defined as new technologies, new forms of organization, new sources of raw material, new markets and new products (Johannisson, 2009; SchumpeterXXXX). This perspective has its roots in an older business paradigm that emerged during the industrial revolution by the end of the 19th Century. Consequently, many people believed that innovations were the same as the adoption of technical innovations, such as the steam engine or about how companies have launched new industrial production methods. The objects studied in these meritorious studies were often older, American industrial companies (Da Silva and Casson, 2007). Their results can therefore not be applied directly to the European context. Moreover, the results have a lower explanation value for relatively new and small firms with activities outside traditional industries, such as the service sector, trade or agriculture.

A more recent discussion highlights the creation of "intellectual property" as a means of innovation. "Intellectual property" includes patents, copyrights, trademarks and organizational solutions.

Consequently, just as the steam engine during the second half of the 19th Century was an important innovation and vehicle as well as expression of entrepreneurial acts, these types of intellectual property are important vehicles for entrepreneurial acts in current times. If these properties are properly protected they can provide comparative advantages for firms. Protected denominations of origin (PDO) are a type of collective intellectual property rights. The use of a denomination of origin singles out goods according to their established national, regional or local origins as opposed to others with a different geographical origin. A PDO can also work as a tool for quality guarantee. In that sense a PDO can be interpreted as a collective regional brand and a carrier of a potential contribution to the development of the countryside. PDO production also gives the producing region a comparative competitive advantage by anchoring the production to a specific place. Our study describes two cases in which producers succeeded in acquiring a PDO-certificate, Quesos de Cantabria and Gailtaler Almkäse. The PDO has in both cases contributed to enhancing the corporate brand of cheese producers. This has turned out to be economically successful, not only for the firms but also for the region. Finally we have a third case, in which a regional brand has been established, but without a PDO, it is the case of Gotland in Sweden. Also in this case there are some positive outcomes, but a main difference, besides the lack of the PDO, is that the branding process was not initiated focusing on the interest of the cheese makers. The focus was on the region as a whole and all economic activities within the region.

Quality certification and branding in Cantabria, Spain

Cantabria is an autonomous region and historical landscape in the North West part of Spain with almost 600 thousand inhabitants. This region is characterized by abundant rain and its mountains and the agricultural land is mainly used for pasture and herding. Cantabria is located in the Spanish dairy belt, and dairy production has been historically important and dairy production has always been conducted in the coastal areas as well as in the mountains. In spite of the process of structural rationalization that the sector underwent during the 20th Century, when Spain prepared to enter to the European Community¹ more than 50% of dairy farms has only 5-6 cows, the technological level was generally low, and the government was seriously concerned about the future survival of the sector after the entrance to the EU. Some concrete problems that needed to be addressed were the extreme atomization of the sector, poor infrastructure and shortcomings concerning product hygiene and food safety. (Capdevilla Battles, 1985: 97-99). In the coastal areas dairy production was dominated by intensive and large scale production of milk and dairy products, while in the mountains micro farms dominated and the cheese was elaborated with ancient technologies and under rudimentary conditions.

Manuel Lainz, director of the food quality office in Cantabria (ODECA), referred to how the state addressed this problem: “Through the establishment of a vast agricultural extension service we could help farmers establish denominations of origin. We had no choice, the northern countries and England produced large quantities of milk and our closest neighbour (he pointed to France) has all these gastronomic products. For us this was the only way to defend ourselves”. Thus the establishment of PDOs was a state initiated strategy to help artisan cheese producers to survive. Cantabria has three cheese PDOs and ODECA performs the control of the production chain.² In theory, producers should form a regulatory committee to conduct the process of certification and control – in practice it is the regional Government through that initiated and coordinated all steps, from helping the producers to become organized, helping them to apply for funding from the EU for the application process, to marketing the new certification (Lainz 2009).

¹ Since the European Community changed to European Union we will refer to it as EU throughout the article.

² The three denominations are Queso Nata de Cantabria, Quesucos de Liébana and Picón Bejes Tresviso.

Building up the collective brand

One of the keys to succeed in making the PDO a successful branding tool was the use of massive marketing campaigns that targeted the local population. The aim was to create a strong connection between the local population and local artisan cheese to protect local producers against foreign competitors (Lainz, 2009). Another measure was the emergence of collaboration actions between the local government, cheese producers, local restaurants and well known chefs (Velarde Collado, 2009). The involvement of different stakeholders, such as well known chefs (Puentes de Herbozo, 2006) led to the establishment of the gastronomic association “Cofradía del Queso” in 1985. This association has organized gastronomic journeys in local restaurants, instated yearly cheese quality competitions, supported the participation of artisan cheese producers in different competitions outside of Cantabria. They have acted as ambassadors for Cantabrian cheese all over Spain. (Alvarez, 2006:15)

An important characteristic of Cantabria today is that the local cuisine is deeply rooted in the consumption habits of the population. Local products are sold even in local coffee shops and it is evident that the strategy to promote the local PDO cheeses succeeded. The Cantabrian cheeses are also sold in local food stores and supermarkets where they are almost without exception displayed in a special place. Cantabrian cheese producers are reluctant to receive tourists or visitors in their facilities, with the exception of the Las Brañas dairy that only recently opened for tourists. The main reasons are the sanitary risk and the producers lack of time to engage in activities beyond the production process (Lainz, 2009).

According to the owner of the Las Brañas dairy, the PDO certification has served as a life jacket for cheese producers. In 1987 there were many micro dairies in 1987, now there are only seven left and all are part of PDO cheese production. Before 1987, farmers went to Sunday market in Potes (local town) and exchanged their cheese for other products. The PDO transformed the cheese into a cash product, which opened up new possibilities for producers, such as savings, investments and expansion. Before 1987 producers also owned their own cows and goats, now most producers buy their milk. Most cheese producers that left the business shifted their activity to meat cattle production as a result of high prices of meat after the entrance to the EU. Generational issues were also important because many cheese farmers were passed retirement age and thus reluctant to invest in new technologies (Velarde Collado, 2009).

The Cantabrian PDO's as brands and the local agri-food system

In the Cantabrian case the PDO's have worked as collective brands that helped creating a shift from an exchange to a cash economy. The PDO's offers some protection against foreign and domestic competition. But the PDO's are value adding tools only because the local population, that constitutes their main market, is willing to choose these local cheeses, over other ones from other parts of Spain or Europe. The act of adding value was achieved by the actions of others than the producers.

The local government took on some the entrepreneurial functions that the cheese producers lacked when they promoted the certification of the cheeses, when they contributed to the improvement of quality and when they financed and performed the massive marketing of the cheeses to Cantabrian consumers. While providing a service to cheese producers, the authorities also benefited from increased taxes and improvement of food security. They also benefit from slowing down the depopulation of rural areas. An entrepreneurial function was also present in the actions of local chefs and restaurant owners that also were and still are involved in the promotion of the cheeses. These stakeholders play a double role, they promote their own business highlighting the culinary benefits of Cantabrian cheese, and doing so they provide a service to the cheese producers and vice versa, the cheese producers provide a service to the Cantabrian cuisine business. Another important service provided by the PDO is that helped cheese production to survive. The articulation of the local agri-food system in Cantabria is in the case of traditional cheese directly dependent on the entrepreneurial functions provided and interlinked by a variety of stakeholders. But the outcomes of entrepreneurial activities under the local agri-good system would be weaker without the value

adding, collective brand provided by the PDO. The most important market protection feature of the PDO is its territorial link. The articulation of the local agri-food system would also be weaker without the entrepreneurial function that provides mutual benefits for all stakeholders.

Quality certification of cheese in Carinthia, Austria

Carinthia is a small remote region in Austria with half million inhabitants that for a long time has been considered to be peripheral. Structural features as a high reliance on commodity-based industry and a low proportion of service-related activities have been cited as obstacles to regional development. Carinthia has a per capita income that ascends to only 85% of the average for Austria. The economy has been characterized by a declining population base and a sharp influence of seasonal variations in the service sector (Halbjahresbericht, 2009). The agricultural sector has for a long time been subject to a pressure for change that caused the decline of farms and dairies. Carinthia was therefore often presented as the tail light in the Austrian economic train (Kleinezeitung, 2010).

To address the general problems of the region, the ministry of agriculture anticipated the entrance to the EU by initiating the foundation of the organization Kärntern Agrarmarketing in 1989 and appointing them as responsible for preparing local organizations for the EU membership. The explicit goal was to increase the value added for farms and food producers and to apply for funding for achieving the goals.

One of the most important activities was to initiate and activate Local Action Groups (LAGs). In 1995 the regional government of Kärnten initiated the project Gailtaler almkäse and even though it was a large project, it was not difficult to obtain the PDO because they could implement a simplified application process. Another product that obtained a certification was Gailtaler speck, that obtained a PGI. All activities in Carinthia (and the rest of Austria) have a multi-layered foundation. They are based on tourism, gastronomy, agriculture and handicraft. This created a broader approach even for the PDOs and PGIs right from the start. During the certification process of the Gailtaler almkäse, the chalet owners and farmers initiated the Gailtaler Alm protocole, an agreement that defined the technical specification of the PDO and that also led to the negotiation of a price floor. An important criteria was that the price must be an incentive to stop the decline of dairy production (Burgstaller, 2010). The LAGs, farmers and other stakeholders became self going and the process of enhancing possibilities for the region became quite strong, therefore authorities decided to put Kärntern Agrarmarketing to rest. The state actions in Carinthia is part of a national structure to promote traditional foods and thereby rural development. At the national level there is Region of delight Austria, this is followed by a Federal state level with 12 regions of delight, in this case "Region of delight Carinthia" and finally, at regional level we find producer organizations, for example the Gailtal Almkäse cooperative. (<http://www.gailtaler-almkaese.at/download> 2010-04-22). Each brand level has the responsibility to strengthen the regional identity and thereby providing an "experienced quality" that can be linked to a certain price level (Aaker et al, 2000) and enhance incomes for farmers and food producers Carinthia has succeeded in adding value to its products and doing that they also became "European champions in attracting EU funding" (Landesrat, 2010). The development funds attracted per year sum up to 85 million euros (EU-Programme, 2007-2013).

Building the collective brand of Gailtaler Almkäse

The cooperative in Gailtal consists of 13 different cheese-producing chalets that are normally located at the tree line at the altitude of 1600 meters. A special feature of the economy is that the farms send up their animals to the chalets during the production period and the chalet owners pay the farmers in cheese. Since total production only amounts to 50 tons per year, a large amount of the cheese is used in private transactions and very little of it reaches the market. The value of the economic "side-effects" have been estimated to exceed the value of the cheese production. An example of how the chalets operate can be seen through the Tressdorfer Alm chalet. When the

chalet is operating, there is often a strong flow of tourists who visit the mountain pasture to see the production. Tourists are guided through the production unit according to a schedule with regular intervals. They get the opportunity to buy cheese and other dairy products in the chalet shop and eat in the restaurant. The tourists are transported to 1600 meters altitude with a cableway, bus shuttle or by car. The chalets celebrate the “first cheese cutting” every year and they have quality awards. (Oberluggauer, 2008 and Burgstaller, 2010) The goal of the brand of Gailtal Almkäse is to reflect a romantic image of the alps, with green hills and flowers, cows, sunshine, and good food and drinks. The projection of that image has been conveyed through advertising campaigns, but also through all concrete activities performed to promote and sell the Gailtal Almkäse. The chalets participate in a number of tourism activities in addition to the side activities on the chalets. One of the activities that has created the largest benefits for the region is the Gailtaler Almkäse festival, a festival that attracts thousands of tourists every year. It started with a festival organized by the local producers, but it has grown over the years and today it includes around 100 cheese producers from other areas (and countries). Since the produced amount of cheese in the region is small, the main profits from the festival are obtained by the restaurants, hotels, and the local commerce. The four axes of regional development – tourism, gastronomy, agriculture and handicraft - are always present in all promotion activities. Local authorities, the town major and all local stakeholders get involved in all activities, because they all win through the reputation of the Gailtal Almkäse. The tradition of festivals was developed when the festival for Gailtaler Speck started around 20 years ago. It was so successful (20-25 000 visitors) that it was copied and festivals are now used for all kinds of traditional food.

The Carinthian PDO as brand and the local agri-food system

Gailtaler Almkäse constitutes an example of how networks and groups of firms cooperate in entrepreneurial processes by creating conditions that are similar to monopsony and corporate brands for their products. The Austrian experience in general and the Carinthian in particular, clearly show that a decisive state intervention to promote the efficient use of rural development tools was decisive for activating stakeholders into developing strong local agri-food systems. Where the invisible hand of the market previously failed, the visible hand of the state paved the way to success.

Thus, the state took some entrepreneurial functions at the beginning of the process, but retired and transferred responsibilities when stakeholders became self sufficient. A feature of the local agri-food system is the reciprocal effect of the actions of individual stakeholders. All festivals for example benefit all stakeholders. The PDO was a tool used to project an image to consumers that benefited all economic activities in the area. One important reason is that from the beginning, all activities, including obtaining the PDO, started off from a platform that integrated for four axes of the local economy, namely tourism, gastronomy, agriculture and handicrafts. After the Austrian EU membership was consummated, the local agri-food system in Carinthia has clearly been strengthened, collectively and also by enhancing the capabilities of individual stakeholders. One of the most important features of the Austrian strategy in general and the Carinthian in particular is that the territorial anchorage is used from the national level through Region of Delight Austria all the way down to the local level.

Cheese production and certification in Gotland, Sweden

The dairy sector has and is considered as the flagship of Swedish agriculture. Due to its status in the minds and acts of society it has been a subject of substantial support to modernize and rationalize production throughout the 20th Century. This rationalization caused the disappearance of most dairies and cheeses. Today the sector is dominated by a few large cooperatives and the assortment is dominated by a few, quite homogenous cheeses, in fact, five types of hard cheese dominate the entire Swedish market (Gratzer et al, 2010). The Island of Gotland has experienced the same development as the rest of Sweden. At the beginning of the 20th century there were at least 50 micro dairies scattered around the island. In 1990, there was only one dairy left, a subsidiary of the national

cooperative Arla and the production of the only local cheese that survived rationalization, Blå Gotland, was shut down. (archive D1).

The Swedish EU membership accelerated structural rationalization, because of the impact of conversion and low farm gate prices³. As a counter reaction to rationalization, a number of new micro dairies that specialize on small scale cheese production have started to appear. In 2009 there were two micro dairies in Gotland and a third was under construction. The largest, Stafva Gårdsmejeri is located in Barlingsbo in the central part of the island and started operations a few years ago. Recently Stafva stopped delivering milk to the Arla cooperative in order to concentrate on cheese. Stafva is a large farm with 80 cows, a recently built stable and a milking robot. According to Inger von Corswant (owner), profitability of milk was quite low and the demand for their cheeses was quite high. In 2009 a restaurant was under construction to serve the tourists that visit the farm dairy every year. Their cheeses are sold to stores on the island and the main land, to restaurants and directly to tourists at the dairy (Inger von Corswant, 2009). The second dairy, Häftings gårdsmejeri, is a sheep farm located in the northern part of the island. They left the Arla cooperative and shifted from cows to sheep in 1999 and started cheese production, when the amount of work had increased while profitability dropped. The shift of species also implied that the owner of the dairy went from year-around milk production to seasonal production, which has made the family life much easier. It also meant that Maria Uhlén, the owner can work as a guide in truffle searching with tourists, which increased her income. Among these dairy's steady customers are more than 30 restaurants and 12 food stores. In addition, cheese is sold in the dairy to tourists during the summer (Uhlén, 2009). Both dairy owners underline how important their cooperation is with other local producers, stores and restaurants has been. Also the food expert at the Swedish rural economy and Agricultural societies at Gotland, highlight the importance of cooperation. When one producer does well everybody gains. Both owners claimed that low profitability was an important factor behind starting cheese production and both argue that writing Gotland on the label makes their products more desirable for consumers.

The regional brand of Gotland

Gotland is an island a county and a municipality, thus all stakeholders are sitting "in the same boat". Local and regional authorities, firms and farms and non-governmental agents are all influenced by the actions of others. Gotland is a popular summer vacation place for Swedish as well as foreign tourists and since it was mainly seen as a vacation island, there was a need to increase economic activities all year around. Ten years ago the work to establish Gotland as a brand in the minds of consumers was initiated (Riina Nodaperä, 2009). These efforts became formalized when the municipality of Gotland created an umbrella organization, Tillväxt Gotland, to coordinate local stakeholders and actions for improving the brand of Gotland. This is not a registered trademark (Graffman, 2007), Gotland is a generic name and therefore it cannot be protected under current legislation. The brand is the projection of the image of Gotland that stakeholders strive to reflect to consumers (Tillväxt Gotland and the Municipality of Gotland, 2009). Both Maria Uhlén and Inger von Corswant claimed that using the name Gotland made their products more attractive. The establishment of a brand in the minds of consumers has been of great importance for their sales. In 2007, the perceptions about the island were evaluated and only 28 percent of the respondents linked Gotland to a culinary experience (Graffman, 2007). Thus there is still room for improvement. Regional branding is a new concept in Sweden and Gotland constitutes a pioneer. There are also other efforts to promote local food. For example Goda Gotland (Tasty Gotland), an umbrella organization that coordinates the efforts of several food networks, Culinary Gotland, a network of restaurants that jointly promote restaurants and local food. Culinary Gotland instated a price given

³ According to the International Dairy Federation farm gate prices were historically low in 2001 and 2002, and they dropped several times due to the Mohammed pictures scandal in Denmark in 2006 and many other occasions. For a few months prices rose during 2008, but they fell flat again to a level that is lower than the one before 2008. Prices of inputs that also rose during the same period have remained high.

every year to producers that promote the local food culture. In 2003 the price was given to Hälttings farm dairy (<http://www.haftings.se/>). All efforts to promote local food involve cheese.

The brand of Gotland and the local agri-food system

In Gotland, the municipality took on some of the entrepreneurial functions when they promoted the coordination of stakeholders through the creation of Tillväxt Gotland, they formalized the agenda for the establishment of a collective regional trademark. The cheese producers recognize the value of the regional trademark, but their only market protection is consumers' emotional association to the island. In this respect the strategy of Gotland is weaker than that of Gailtal and Cantabria. The outcomes of performed actions are positive, because all stakeholders benefit from the actions of others and in the long run it is expected to create more jobs, generate more taxes and decrease out migration. The entrepreneurial function is also present in the coordination efforts made by restaurants and other private firms. These stakeholders provide benefits for the cheese producers when they promote their activities and the cheese producers provide restaurants with local specialties. Moreover, the entrepreneurial function was present in the actions of the cheese producers, when they decided to start producing cheese instead of delivering their milk to the cooperative. By "doing things differently" they positioned themselves in an emerging market. An important weakness is that the brand image cannot be protected under legislation, even though the cheese is connected to a place and offers the consumer "a taste of Gotland", it can be exposed to competition and production can also be moved to other places because the use of the brand name is free. Also a variety of different products share the same brand, which decreases the uniqueness of the cheese. Thus, the regional brand of Gotland is not as strong as the PDO brands. However, the local agri-food system seems to yield strong ties that help creating a win-win situation for various stakeholders, which speaks for the potential of the agri-food system. The ultimate question is, has the regional trademark created growth? Both cheese producers answered yes. The regional brand has strengthened growth by contributing with one unique factor, namely origin. The downside is that they cannot be protected from competition.

Conclusions

The use of territorially anchored brands was in all three cases recognized as an important tool to compete in the market and the creation of an emotional link between products and consumers based on territoriality that strengthens the market position for cheese producers in the case of Austria and Sweden and to create a market in the case of Spain. Territorially anchored branding strategies yielded positive effects in all three cases because the actions of stakeholders in the localised agri-food system generated reciprocal benefits for all parties involved. This is a very important topic that needs further scrutiny. Even though all experiences can be considered as positive, differences in national policy goals led to different strategies at the local level. In all cases it was clear that the actions of the state in promoting and supporting the process to obtain PDOs was decisive. The Swedish state has not promoted PDO certifications, therefore stakeholders at the local level adopted a different strategy and even though it is successful, it yields a weaker protection for producers. An important lesson from this study is that European policies for rural development strike differently in different member countries. A deeper knowledge of this issue is therefore needed in order to address the challenges for European rurality. Finally, returning to our original question: When do trademarks create new markets? Since our study has been limited to collective brands and territorial anchorage our answer can only refer to these types of brands. In this case new markets, (e.g. growth) were created – not by the certification or the brand itself – the value of the brand, whether it was a PDO or just the projection of the image of a place, was created by the actions of local stakeholders, who by their actions, generated positive externalities to the entire locality.

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