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Competing conventions: The Big Branders' struggle to incorporate new quality conceptions in the Norwegian food market

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(first draft)

Abstract. The paper addresses recent changes in the Norwegian agrifood industry from the analytical perspective of quality conventions. Storper and Salais' "worlds of production" plus Boltanski and Thévenots' "orders of worth" are used as a basis for the empirical study. First, the paper discusses how the largest Norwegian branders try to strategically adapt to "novel" quality attributes like health-enhancing food, origin/terroir, environmental sustainability and ethics. Second, the paper investigates the companies' quality signalling strategy: How are these "novel" qualities communicated to consumers? Multiple options are available: Do they attempt to systematically incorporate "novel qualities" into their private brand equity ("conventionalizing qualities")? Do they prefer a co-labelling scheme with a third party control, or do they use any other measures for quality signalling? The paper thereby discusses how the largest Norwegian branders in the food sector cope with conflicting and competing quality conventions.

Keywords: Food quality, economics of convention.

1. Introduction

The background for this paper is the assumption in the scholarly literature on convention theory that *"a movement occurs from the "industrialized world", with its heavily standardized quality conventions and logic of mass commodity production to the "domestic world" where quality conventions embedded in trust, tradition and place support more differentiated, localized and "ecological" products and forms of economic organization* (Editorial, Journal of Rural Studies, 2003, 19, 1-7). To some extent, I endorse this interpretation, but it's incompleteness must be recognized also. The "quality turn" (Goodman, 2003) is not only associated with the proliferation of alternative agro-food networks operating at the outskirts of the mainstream industrial world. A more complete interpretation must take into account that the so-called standardized quality of the industrialized world is a flexible and adaptive phenomenon. Said differently, it's insufficient to depict the quality turn as a shift *between* different worlds of productions only, since what's happening *within* each world of production is ignored. The large-scale branders (both processors and retailers) are currently exposed to multiple "novel" quality conceptions and attributes. Even the "standard" food is expected to be health-enhancing and produced according to high environmental and ethical standards. The quality turn is thereby also a process by which the term "standardized quality" is gradually adapted to "novel" conceptions of quality which are articulated by consumers as well as other stakeholders.

The article discusses strategies and experiences from five market-dominating agri-food processors in the Norwegian food sector, plus the four retailer chains that entirely control the Norwegian market. How do they strategically adapt to these "novel" challenges, given their emphasis on utilizing economies of scale, generic market approach and standardized production technology? More specifically, these questions are addressed:

- First, how do the largest Norwegian branders (both processors and retailers) try to strategically adapt to "novel" quality attributes and conceptions, associated with topics like health-enhancing food, origin (terroir), environmental sustainability and ethics?

- Second, how (i.e. in what quality signalling format) are these "novel" qualities communicated to consumers? Do they attempt to systematically incorporate "novel qualities" into their private brand equity ("conventionalizing qualities")? Do they prefer a co-labelling scheme with 3.party control, and/or do they use any other measures for quality signalling? The paper thereby explores how the largest Norwegian branders in the food sector cope with conflicting and competing quality conventions. Has a general movement occurred away from the "industrialized world" with its inherent emphasis on standardized technology, generic market approach and standard product quality, over to other worlds of production?

2. Theory and analytical framework

As argued by Harrison White (2004), markets cannot be properly understood as aggregates of individuals. To understand the structure and dynamics of markets, it's necessary to account for *social structures* in markets, like institutions, networks and conventions. Institutions serve as the external memory of the economy. They focus collective attention, and encode norms and rules. Networks are “where knowledge resides and action transpires” (Powell, 1990). Both institutions and networks enable coordination in markets to take place. The same holds true for quality conventions, although the processes by which quality conventions work are less studied, and perhaps less obvious. Bessy (2002) underlines that the economics of conventions studies coordination rules which defy the binary opposition between rules designed to balance inter-individual interests and rules considered to be pure constraints. Interactions between agents – even if they are simply exchanging goods – are impossible without a common framework – i.e. a constituent convention. There exists no rules or institutions without an underlying convention. More specifically, Ponte (2002) defines conventions as “*shared templates for interpreting situations and planning courses of action in mutually comprehensive ways that involve social accountability, that is, they provide a basis for judging the appropriateness of action by self and others*”. Said differently, “conventions are schemata or ways of thinking, evaluating and acting in a social situation” (Diaz-Bone, 2008). These schemata are neither incorporated automatically executed rules of coordination nor are they simple forms of rationality grounded on some logical principles like the rational choice and homo oeconomicus model suggests. Instead, conventions are inventions of agents which are capable to evaluate different logics of action for problems in situations (Diaz-Bone, op.cit). The word “evaluation” is of particular interest here. Convention theory explores the way in which persons and things are evaluated as moral or political agents, and the way things are caught up in such evaluations (Thevenot, 2002). In the vocabulary of Boltanski and Thevenot (1999), there are different “orders of worth” (also referred to as “worlds”). They all contribute to coordinate individuals' actions and firm behaviour, although in very different manners. The different “orders of worth” that Boltanski and Thevenot suggests, are “inspired”, “domestic”, “civic”, “opinion”, “market” and “industrial”, respectively. Each of these worlds is organized around different types of human qualification and subject to equally different forms of justification and challenges. Diaz-Bone (2002) summarizes that without conventions no market would exist, since conventions ground the rules of the market game. Convention-based actions construct the economic objects and quality definitions. Without conventions, enterprises and markets would not be reproduced because conventions form the collective evaluation about future events as risks and expectable states (Diaz-Bone, op.cit). Furthermore, Bessy (2002) holds that a convention makes it possible to formally solve problems of indeterminacy of interactions when several solutions exist to achieve equilibrium. Its self-enforcing nature derives from the fact that it is in everybody's interest to comply when everyone is complying. (cf. equilibrium in non-cooperative games).

Quality signals (interpersonal reputation, product labelling etc.) are formatted in very different manners and tend to be convention-specific (Diaz-Bone, op.cit). Thereby, conventions get a manifest cognitive infrastructure. Actors in tasks of evaluation and coordination can rely on them. In this way, a convention becomes a socio-cognitive reality. Conventions can also be seen as overarching principles, which integrate chains of markets, encompassing persons, companies, material and immaterial things (Busch 2004). Typically, one quality convention gains a *hegemonial status* in a market, notwithstanding the fact that every market can be characterized by a plurality of existing quality conventions. An intriguing theme for empirical studies of specific markets, is therefore which quality conventions gain a hegemonial position – how, why and with what implications. This theme is subject to exploration in the remaining part of this paper.

Conventions in the food sector: Storper and Salais' “world of production”

Storper and Salais (1997) have introduced the notion “worlds of production”, understood as “coherent combinations of technologies and markets, product qualities and quantitative practices of resource use”. Hence, a “world of production” is a convention that represents and reflects a logical interlinkage between individuals, organizations, objects and ideas. Following the modelling of Storper and Salais, a world of production is structured around two dimensions: (a) Applied technology/organization of production (standardized technology vs. specialized technology) and (b) The firms' market orientation (generic market approach vs. dedicated market approach). The former refers to the supply side of the economy, whereas the latter refers to the demand side. A standardized product is “made with a known, widely diffused production technology in which quality is so widely attainable that competition comes to be inevitably centred on price” (op.cit., 1997:109). A specialized product is “made with technology and know-how that are restricted to a community of specialists. The quality of the product is always an important ingredient in the competitive strategy of these firms, where, in the extreme case, price becomes a secondary element in competition. A *generic* product can be sold directly on the market,

because its qualities are so well known, but this market is predictable because “its appeal to a large number of potential buyers at any given moment allows producers to estimate fluctuations of the market and thus plan their investments and allocation of resources. A *dedicated* product has specifications or qualities adjusted to the needs of a particular client or type of client. This market is characterized by interpersonal negotiations rather than supply and demand curves found in the generic market. Salais and Storper suggest the following idealtypical worlds of production: (a) The industrial world of standardized generic products, (b) The market world of specialized, dedicated products, (c) The network market world of standardized dedicated products and (d) The world of innovation of specialized generic products. Each world of production has its specific mode of evaluation of quality and flexibility which in turn defines patterns of competition and co-operation. Hence, all four “worlds of production” are dependent on the development of appropriate methods of co-ordination which deal respectively with the quality of the product and the degree of flexibility in the organization of resources. Stræte (2004) has adjusted this framework to his study of the Norwegian dairy sector. He has renamed the idealtypical worlds of productions as follows:

- *Mass production*, characterized by standard products of constant quality, relatively low price and large sales volumes. The strong emphasis on productivity, heavy investments, and efficiency is related to their emphasis on utilizing economies of scale. (Cf. the terms “Taylorism”, “Fordism” and “McDonalim”).
- *Industrialized niche production*, which differs from mass production in its emphasis on developing flexible production capacities, so that dedicated markets can be approached and utilized (cf. also the terms “neofordism” and “flexible specialization” as used by Piore and Sabel, 1984)
- *High-tech production*, characterized by specialized technology and a generic market approach. Some large-scale functional foods may exemplify.
- *Specialities*, where products are designed and produced in a special craft-based way based on local traditions and local embeddedness. The production technology is limited to a community of specialists. The market and distribution is targeted to certain groups, and sales are often based on interpersonal relations and trust.

This basic framework shall be used to structure the remaining discussion of this paper. It’s illuminating to use this type of theory because quality conventions channel actors` choices through impacting their overall opportunity- and incentive structures. (Stræte and Jacobsen, 2002). Quality conventions do not *determine* individual actions; conventions are not fiat-structures. Conventions are occasionally under public scrutiny and sometimes broken. The important point is that quality conventions have a boundary-setting function: It specifies which ideas, persons, objects and practice that are qualified as being “inside” (accepted as relevant and appropriate within the world of the convention in question), and what’s considered irrelevant and outside. A quality convention creates lock-in and lock-out effects in the market.

The data is drawn from 5 market leading food processors in the Norwegian market. They are known as the strongest agrifood branders in Norway: Orkla, Tine, Nortura, Rieber and Mills. They are all under pressure to incorporate new quality topics and attributes, and in position to form and implement new quality standards. In addition, I draw on data from the four retailer chains that have succeeded in sharing the domestic market between them (Coop, Norgesgruppen, ICA, Rimi). Multiple secondary and primary data sources are combined (annual reports, brochures, strategic reports), plus interviews with key persons from the companies in question as well as other observers of the sector.

3. Findings and discussion

In a brief stocktaking of quality signalling devices at the Norwegian food market, Borgen (2009) found that quality labels and brands that signal “standard quality” have a remarkably strong market position as compared to “non-standard”-products (encompassing premium quality and economy quality). In the public debate in Norway, substantial attention has been paid to the advantages of organics, ethics, eco-labelling and origin. Nonetheless, the market leading labels and brand continue to serve as formats for standard quality – no more, no less (cf. table 1). This study reflects that a strong “standard product quality”-convention has gradually developed in the Norwegian food market through the last decades.

Category of quality label/brand	Extension as per June 2009
1. Producer-owned brands	<ul style="list-style-type: none"> •Umbrella/family brands (Tine, Gilde, Prior, Orkla, Mills) dominate within their respective categorie/segments at the Norwegian market. Market shares of 50-100%. •Increasing degree of category-brands that target life-styles and age. convenience etc..
2. Private Labels, owned by retailer chains	Marketshares of 10-15 % within most categories. Strong indications of growth, particularly for "me too, but cheaper"-produkter.
3. Origin	<ul style="list-style-type: none"> • "Nyt Norge" (Norwegian origin) under implementation as per summer 2009. Expected to be widely used by Norwegian producers. •Specialities and PDI marginal in terms of market shares. Other examples: Gårdsmat. Øverland Gård (CSA=Community supported Agriculture).
4. Organic	Marginal extension as measured in market shares (1-2%), but increasing.
5. Fair trade (working conditions)	Used on selectec imports (coffee, bananas etc.) Marginal in terms of market shares (less than 1 %).
6. Health, nutrition	"Keyhole" implemented. To be used on all eligible products (Fat,sugar,salt) GDA (Guided Daily Amount) implemented by two companies (Orkla, Rieber).
7.Eco-labelling	Marine Stewardship Council (MSC) (eks, Sei/Domstein). Svanen/Blomsten not used on foodstuffs so far.

Table 1: Various categories of quality labels/brands in the Norwegian food market

Why and how has the "standard product quality"-convention gained such a hegemonial position? The standard product quality-convention seems to represent the simultaneous and equi-final solution to multiple self-interests, objectives and means (Borgen, op.cit.). More specifically;

- Retailers` objective to maximize turnover per square meter in shops, and their optimal position in the market as not only *chain* captains but also *quality convention* captains.
- The leading cooperatively owned producers` emphasize on utilizing economies of scale and provide their owners with maximum product prices, on an "average of all members"-basis.
- The emphasis in agricultural regulatory measures to levelling out natural variation among farmers, in order to secure their overall income level. The consumers – often tacitly – endorse the "standard product quality"-convention. Their taste has been formed by the domestic provisioning system (producers, processors, retailers) over a long time period. As formulated by one observer of this market: *"The clue is to make products that have so broad /wide taste that nobody can dislike them"* (Selfors,2002)

For large-scale producers and retailers, as well as regulators and consumers, the gains from conforming to this "standard product quality"-convention – which they have themselves formed more or less deliberately – appears to be considerable. Thereby, the "standard quality"-convention seems to serve as an effective, low-cost coordination mechanism for several categories of actors that have diverse and conflicting interests (producers, retailers, regulators and consumers).

Given these situational characteristics, the rest is of this paper is devoted to the following question; How flexible and "stretchy" is the notion of standard quality? More precisely, how do the largest Norwegian branders try to strategically adapt to "novel" quality attributes like more health-enhancing food, origin/terroir, environmental sustainability and ethics? Thereafter, some short comments are devoted to these two derived questions:

- How are these "novel" qualities communicated to consumers? What quality signalling format is used? Multiple options are available: Do they attempt to systematically incorporate "novel qualities" into their private brand equity ("conventionalizing qualities")? Do they prefer a co-labelling scheme with a third party control, or do they use any other measures for quality signalling?
- In the subsequent conclusive remark, I end up with commenting on the starting question of this paper: Has a general movement occurred away from the "industrialized world" with its inherent emphasis on standardized technology, generic market approach and standard product quality, over to other worlds of production?

3.1 How “stretchy” is the notion of standard product quality?

The big branders under scrutiny here struggle to develop and modernize their quality profiles. They are expected to be “good in everything”: environmental sustainability, healthiness, ethical production, origin etc...They are exposed to increasingly demanding normative prescriptions. An intriguing question is how they meet the challenges from “non-standard” values and qualities such as organic (pressure from agricultural authorities), origin (pressure from specific customer segments), human healthiness/obesity (pressure from health authorities), animal welfare (pressure from NGOs). In short, how do the largest Norwegian branders try to strategically adapt to “novel”, non-standard values and quality attributes?

Before addressing this question, a remark on the intensified competition between producer-owned and retailer-owned brands is relevant. My investigation shows that the retailer chains in the Norwegian food market now try to challenge the hegemony of the producer brands through a “me too, but cheaper” rivalry (Borgen, op.cit). The current financial crisis is likely to reinforce this price-oriented rivalry between producer-owned and retailer-owned brands. The situation in Norway is very different from what can be observed in among others the British food market, where Sainsbury and Tesco have invested heavily in their own private labels. There are signs now that the Norwegian retailers want to breach this pattern. They are in the process of gearing up their private labelling-strategy. The important point here, however, is that this intensified rivalry seems to add little new and “exciting” when it comes to quality. This rivalry is centred around, and probably reinforces, the “standard quality”-convention. What the retailer-owned, private labels add to the market, is essentially increased flexibility to different needs of customer groups (as interpreted and channelled by the retailers). Subsequently, the efforts to penetrate the market with private, retailer-owned labels seems to fold out not only within the “mass production” regime, but also in the field of industrialized niche production (cf. figure 1 below).

From standard to “more healthy food”?

“Standard product quality” is not equivalent with homogenous and completely equal products. The notion of “standard quality” can be stretched and adapted, according to changing normative prescriptions in the institutional framework into which the Big Branders are embedded. The emphasis on making standard products healthier illustrates the point. The debate about healthy and non-healthy food, and the subsequent consequences for obesity and various illnesses has increasingly imprinted the public agenda. Not surprisingly, the so-called “Top of the mind”-survey (2009) among European producers and retailers found that “consumer health and nutrition” was ranked as the number 1 issue by the majority of the respondents. This pattern seems to hold true in Norway as well. Food that fight obesity – through less/healthier fat acids, less sugar, less salt – is called for, and are given increasing attention in marketing. But to rank healthy from less-healthy food in a credible and systematic manner is not a trivial task. To ameliorate the problem, an independent 3-party-controlled quality scheme (“Nøkkelhullet”, translated to “Keyhole”) is under implementation. Nøkkelhullet was initially developed and implemented by the retailer chain ICA in Sweden, and is now (June 2009) jointly implemented in a revised form in Denmark, Sweden and Norway. The diffusion rate of Nøkkelhull-approved products is expected to be high in the years to come. The large producers and retailers have confirmed their intention to use Nøkkelhullet as their preferred co-label when it comes to signalling healthy food. This may be true for the quality scheme GDA (Guided Daily Amount) also, although the design of this scheme seems to be contested as per yet (cf. www.stopgda.eu). The rationality of Nøkkelhullet and GDA is not so much related to company-specific differentiation as to quality assurance. Their main purpose is to ameliorate information symmetry between producers/distributors and consumers. The labels might be used on both premium, standard and economy-products. Roos (2007) and Roos et.al. (2009) document consumers’ high interest for healthy nutrition-labelling. This collective scheme is obviously in tune with major consumer trends, and in line with the policy of health-authorities. It’s natural to interpret the big branders’ interest in these “healthy food”-labels as an effort to adapt to, incorporate and benefit from the strong “healthy food-trend” in society. It also represents some interesting business opportunities for some producers/distributors – and imposes much trouble for others. My study shows that the “Keyhole”-approval will be challenging for many of the big branders (Borgen, op.cit). For instance, only a handful of the dairy producer Tine’s product groups will be qualified as Keyhole-approved products. The most-selling dairy products will not be Keyhole-approved. The same hold true for the large conglomerate Orkla: only a marginal portion of their products will be approved according to the Keyhole-scheme. Consequently, Orkla has decided to also implement the GDA-scheme.

“Healthy food” has a double meaning, referring both to the immediate well-being of eating healthy food, and to the effects of eating healthy food in order to prevent diseases. The latter is related to terms “functional food” and “novel food”. This type of foodstuffs is subject to strict public regulation in EU, and thereby in Norway also

through the EEA-agreement. To be eligible for entering a novel food on the market, it must be approved by EU's Novel Food-regulation. Some of the Norwegian big branders have launched R&D-programmes in order to develop functional food-products. Most products are centered on probiotics, healthier fat acids (Omega) and antioxidants. These R&D-efforts are demanding in financial terms, and characterized by a high risk/reward-profile. This implies that the companies carefully select their investments in this field. Most attention is paid to functional foods that have the highest potential for being large-sellers, so that the unit costs can be as low as possible. With respect to labelling and branding of functional and novel foodstuffs, producers are more eager to "brand the ingredients" to the maximum possible extent, despite the generic nature of these ingredients. An increasing number of "Omega-brands" can be expected. The "Superba Krill Oil" owned by the company Aker Biomarine illustrates the point.

From "placeless" standard quality to geographical origin and terroir?

Is there a movement from "placeless standard quality" to geographical origin and terroir in the Norwegian food market? Based on my data, the general answer is no, but there are some modifications to take into account. Some of the market-leading big branders seem to pay much attention to "origin" in terms of *national* origin and thereby also traceability and food safety. This interest is manifested in their intentional agreement to use the upcoming quality scheme "Nyt Norge" ("Enjoy Norwegian food"). This voluntary quality scheme guarantees that a product consists of raw commodities and ingredients from Norway. "Nyt Norge" is administrated by KSL Matmerk (The Norwegian Agricultural Quality System and Food Branding Foundation), the mission of which is to develop quality and competitiveness in Norwegian food production. The upcoming label "Nyt Norge" is designed as a large-scale quality scheme, and may potentially be much more widespread than the labels within the "local origin" and "terroir". The ambition is that 8000 products shall be included in this quality scheme within the next five years KSL Matmerk has also been delegated the right to administer the "Spesialitet"-label ("Speciality") as well as the Norwegian equivalents to Protected Designation of Origin PDO, Protected Geographical Indication (PGI), and Traditional Speciality Guaranteed (TSG). The greater majority of the approved users of these origin-labels are small- and medium sized businesses (SMBs). They are small-scale and sell their products at dedicated market segments, which is not the different world of production that the "economies of scale"-driven producers and retailers prefer. Most SMB's are based on a very different production logic than the big branders. Nonetheless, some big branders use this labelling also, but in that case as a co-label for their niche-oriented products. Examples are Norturas Eldhus (Vossakorv) and Thulefjord-products. The control regime here is independent 3-party control, administered by Matmerk. The greater part of the specialities and products with protected designation are of a premium nature, reflecting that producers attempt to appropriate a quasi-rent that justifies the extra costs related to production. Measured in terms of market shares, these products so far play a minor role in the Norwegian food market. Much emphasis is paid to these quality schemes by the Norwegian agricultural authorities. But the wider public does not uniformly endorse the basic idea that "origin" is a preferred quality attribute. As formulated by the chef Geir Skeie, winner of the 2008 Bocuse d'Or Europe and 2009 world final:

"I don't actually think Norwegians are very concerned about the geographical origin of foodstuffs, they are probably more concerned about price"(my translation).

There are strong indications that his assessment holds true. It's contestable whether regional origin is a competitive quality attribute of particular interest for the Big Branders. To the extent this nonetheless holds true, it's rational is probably more related to ameliorate information asymmetry (quality assurance) than enhancing company-specific differentiation. More genuinely terroir-based products and sales concepts (cf. the conventions "interpersonal world" and "domestic" world) are expected to grow in the Norwegian food market the next years. But this "market window" is probably out of reach for the majority of the big branders. Why? One illustrating case is the experiences made by the market-dominating meat producer. Through the last decade, this company has strived to translate and implement the phenomena "regional origin" into their own economies of scale-driven logic. One early attempt was a quality label called "Lamb from Mountain XYZ". Shortly, however, this turned out to be problematic, since there were insufficient numbers of suppliers available. Farmers located far from the mountain in question were gradually allowed to join the label. ("Lam I fåreklær", Aftenposten 8.9.07). But this practice was clearly risky, and the quality label was altered to the less demanding "Gourmet lamb", in order to avoid an unawkward adverse selection-debate in public. The underlying substantial contents and advantages of this label are still somewhat unclear and subject to much debate among the company's stakeholders (Borgen et.al., 2008). In short, the genuine terroir-products (many of which are highly valued premium products) are most likely to be the arena controlled by niche-oriented SMBs rather than the big branders. The number of premium products where "terroir" is a constituting component is steadily increasing, (cf. "Asparagus from Vasser",

“Gårdsmat” and “Farmers Market”). However, their relative market share in the Norwegian food market remains marginal.

From standard to organic?

The Norwegian agricultural authority is determined in its ambition to increase the relative significance of organic products in Norway. The ambition is substantiated through the objective that in 2015, 15% of all products that are produced and consumed in the Norwegian food market shall be organic. However, a look at the realized market shares for organic products is the moment of truth that calls for some sobriety. In 2008, the market share for organically produced was 0.34% for meat, 2.15% for dairy products, and 2.21 % for fruit/vegetables (Norwegian Agricultural Authority, 2009). Notwithstanding the nice qualities and many advantages of organic products, the 15%-target seems to be unrealistic. Despite some growth in absolute terms, organic products are not in position to challenge standard product quality. How come? Many of the organic products are of premium quality, somewhat more expensive, but probably within reach for the majority of consumers at the Norwegian market. One reason is that organics might conflict with the idea that conventional/standard quality in Norway is “good enough”, so that organics represent little in terms of value added. The saying is that “conventionally produce in Norway resemble organic light”. Moreover, the very notion organic appears to be subject to multiple interpretations, which ends up with a somewhat confusing picture. Is organic related to more healthy nutrition? Superior animal welfare? More environmental-friendly production process? Given the current climate crises, are organic values actually more important than valuing lowered carbon footprints? Is one good value outcompeting another good value? Does organic encompass a synergetic bundling of values (“2+2+2= 7”), or is it just an unclear concept? All the good values fight for the limited attention of consumers. To win this battle presupposes a capacity to momentarily capturing the somewhat fleeting, fickle attention of consumers. Strictly speaking, the organic quality scheme Debio only guarantees a certain, specified agronomic practice, according to internationally harmonized and controlled standards. Nonetheless, some consumers seem to add quality attributes associated with human health and taste to the label. At least partly, this might be explained by consumers` need to construct an identity as responsible consumers.

From standard to eco-labelling and environmental sustainability?

Thevenot (2002) has asked whether “greening” may emerge as a separate quality convention, in addition to the ones referred to in chapter 2 above. My data gives only minor support for this idea. The interest for “greening” of the food provisioning system is clearly in place, but there’s a long way to go. One factor is that the widely spread “best-in-class” eco-labelling schemes “The Nordic Swan” and the EU’s “Flower” do not apply to foodstuffs as per yet. This may be changed, and thereby triggering a more disciplined approach to “green” values, but the process will take time. The report “Matens klimaspor” (2008) recommended that a carbon footprint-scheme should be established and implemented within the Norwegian food sector. But experiences from Sweden and England tell us that this effort is highly complex, not the least due to substantial measurement problems. And here too, the relation between the value “lowered climate impact” and other important values like the wider environment-friendliness and organic must be clarified.

Another factor is that “green” products has not – at least not so far – been a winner in the choice editing process that all retailers try to implement in order to serve their own economic interest. This situation is nicely captured by one, somewhat frustrated, observer who thought “green” and “fair” products should be the standard, not something “alternative for particularly interested people” (Grønn Hverdag, 2008) (my translation):

To walk along the “main street” in the retailer shop can be revealing. Take the coffee-shelves as an example. You find 4 meters of yellow (standard) coffee closest to the “main street”. Then follows 2 meters red coffee, 1 meter of blue and 30 centimetres of white coffee. At the most distant point is 30 centimetres available for the organic green coffee. The message is clear enough: Yellow (standard) coffee is the type of coffee that “everybody” wants. This coffee is the main variant and the market leader. If you want something more exclusive, you can select between red and blue. The green one is just for particularly interested people – a minor segment of “strange-thinking” people...Thereby, the retailers educate their customers. The retailer chains cannot claim value neutrality. The supplies of goods build on evaluations of what type of qualities that the customers “want”, but also reflect deliberate strategies to lead customers to select particular goods. Both supplies in shops and the customers` choices are choices of value.

From standard to fair-trade and ethics?

The non-standard schemes and labels that draw our attention to issues of fairness, is in an embryonic stage in the Norwegian food sector. The most widely known ethical quality label in the Norwegian food sector is “Fairtrade”, which is used on imports of tea, juice, coffee, bananas, rice, chocolates etc., plus non-foods like flowers. The Fairtrade scheme is owned and administered by a group of NGOs. The current extension of Fairtrade- approved labels are modest in terms of market share (less than 1 %), but appears to be growing. In a relatively short time, the Fairtrade-scheme has gained substantial goodwill, particularly in selected market segments in the larger cities. As per yet, however, it’s not in position to seriously challenge the “standard quality”-products in their respective categories. One important obstacle is the lack of marketing resources that is needed to boost sales.

Another interesting discussion with respect to ethics is the role and emphasis of animal welfare in Norway. High (preferably superior) animal welfare is a prestigious project for the Norwegian agricultural authorities as well as the national meat and dairy industry. There’s a tacit understanding that animal welfare shall be conceived of as a basic and common undertaking for the entire national meat industry, and problems should be solved as joint efforts by all involved parties. The implication is that animal welfare is not considered an appropriate domain for company-specific differentiation in order to boost sales for the specific companies in question. In other words, the ethics of superior animal welfare is highly valued, but should be included as an integral part of “standard quality” rather than singled out, separated and differentiated as something “better than standard”. The problem associated with the latter strategy is obviously that “superior animal welfare”-schemes would overshadow or even obscure the animal welfare standard associated with conventional products. This is not allowed to happen in Norway.

4.2 What quality signalling format?

As remarked by Diaz-Bone, the quality signals in production areas of different conventions tend to use different and convention-based ways of formatting quality signals and thereby different logics of signalling. We would therefore expect different formatting of quality signals in various “worlds of production”. But it follows from the above discussion that the format is somewhat limited with respect to the Norwegian food sector. To a large extent, the lack of variety with respect to quality signalling-formats is caused by the hegemonial status of “standard product”-quality. Nonetheless, a series of quality signalling formats are in play, as is summarized in table 2 below:

Type of quality (Vertical conception, ordinal level)	Extension in the Norwegian food market	Quality signalling format	
		Company-specific labels and brands	Collective schemes, labels
Premium	Small, but increasing		PDI, PGO, TSG. Functional food Organics Ecolabelling (Skrei)
Standard	Hegemonial status - dominating in most categories	Dominated by strong producer-owned brands. Increasingly intense rivalry with cheaper “me-too”-brands owned by retailer chains	Upcoming collective, voluntary schemes: - Health (“Keyhole”) - National origin (“Nyt Norge”)
Economy	Small market shares, but increasing	Unbranded, generic	No collective schemes Placeless products No healthiness claims

Table 2. Summarized stocktaking of quality signalling formats in the Norwegian food sector per June 2009 – structured according to product quality (Ordinal level: Premium, Standard, Economy)

The table shows that “standard quality” – which has gained a hegemonial position in the Norwegian food market – is predominantly signalled through the format of strong producer-owned brands. Selected sub-categories of these products are expected to be co-branded by the upcoming collective, voluntary schemes *Keyhole* (signalling “healthy food”) and *Nyt Norge* (signalling “Norwegian origin”). Then, how does this stocktaking relate to quality conventions in general, and the “worlds of production” in particular? Based on my investigation here, the pattern is visualized in figure 1:

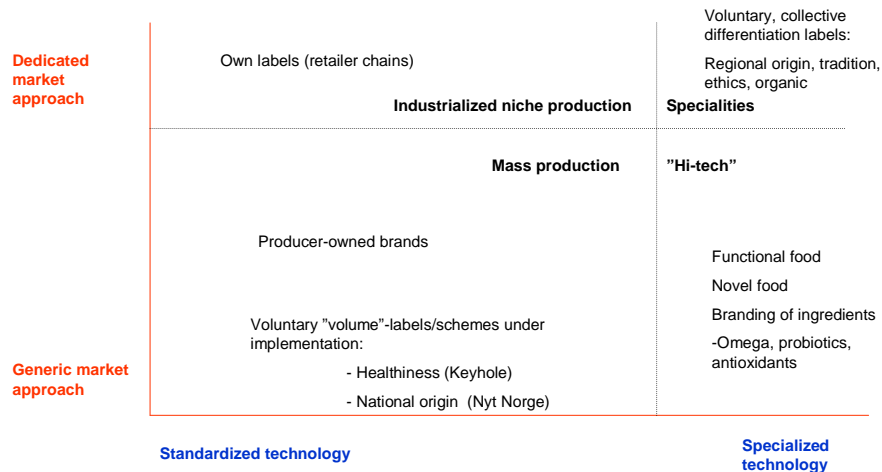


Figure 1. Main categories of quality signalling formats (labels, brands) positioned according to different “worlds of production” (Storper and Salais, modified by Stræte)

Of course, this overview does not capture the more indirect, and sometimes “hidden” quality signalling formats that are also in play, such as shelf-positioning in shops etc.. But these supplementary quality signalling formats do no seem to change the basic pattern presented in figure 1.

5. Conclusive remark: A move away from the “standard quality”-convention?

The starting point for this paper was the thought-provoking statement that “*a movement occurs from the “industrialized world”, with its heavily standardized quality conventions and logic of mass commodity production to the “domestic world” where quality conventions embedded in trust, tradition and place support more differentiated, localized and “ecological” products and forms of economic organization* (Editorial, Journal of Rural Studies, 2003). So, what’s the validity of this statement as applied to the Norwegian food market: Does it capture the basic dynamics and structures of this particular market? Given the discussion here, it’s easy to answer negatively. In fact, my study finds no strong indications of a any systematic move away from the world of mass production and over to other worlds of production, encompassing a heterogeneous pool of non-standard values and qualities. The hegemony of the standard product quality-convention appears to be very strong. The current financial crisis seems to imply that this quality convention gets some extra wind in its back. Subsequently, it’s a tough job for products based on non-standard qualities – whatever that may be – to penetrate the market. Another driver in the same direction is that the international trade with foodstuffs becomes increasingly liberalized. Subsequently, the capability of the large producers and retailers in Norway to utilize economies of scale is even more important than before. Not surprisingly, the market leading meat producer has just announced that a dramatic turn-around will take place in the period 2009-2012, as a response to the more intensified, price-oriented competition at the domestic and international markets.

“Healthier food” is a potential, future candidate for competing with the standard product quality-convention (the latter characterized by no particular claims to healthiness). The good outlook for more healthy food follows from

the strong normative pressure from many actors; with the Norwegian health authorities in front. As the big branders get some more time, and invest in the necessary resources, it's clearly within their reach to provide increasingly healthier food to the market. The reason is that it's possible for them to make such transformations within their economies of scale-driven logic.

To make this story short: All non-standard quality conventions must probably fight increasingly hard if they want to really challenge the hegemonial status of the standard-quality convention in the Norwegian food market. My study further concludes that the strong hegemony of the standard-quality convention does not imply stability or even rigidity and inaction. As emphasized by Sylvander more than a decade ago (1993), market saturation of standard products tends to moderate the theoretically classical importance of the productivity of factors, compared with the costs and benefits linked with products' quality. He claimed that the progress of measurable quality standards (e.g. hygiene), the product and market diversification, the control of quality costs, the quality oriented management and the flexibility of organization has become new conditions for competitiveness. If he had added – “and it's all essentially related to improving products within the standard quality convention”, his observation would have nicely summarized my study. Of more theoretical interest is that the paper hopefully illustrates the merit of using convention theory – and economics of convention in particular – as a framework for analyzing structures and dynamics of markets.

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