

## The 'NUBS' of it, Episode 11: The Value of Rural Enterprise

**Ashleigh King:** Welcome to this podcast created by Newcastle University Business School or NUBS for short. The Oxford dictionary states that the nub of something is the central or essential point of a situation or problem. So we hope that in this series, we can help you to get to the nubs of it. This podcast series looks at a key theme of value. The value of our creative economy, the value of our student experience, the value of our research, the value of our collaborative networks. In this series, you will meet academics, alumni, students, graduates, and professional staff of Newcastle University Business School as they talk about what value means to them. In this episode, join your host Ashleigh King, as she speaks with Professor Matt Gorton and Dr Ian Merrill about the value of the rural enterprise. Professor Matt Gorton explores the relationship between marketing and agriculture, while Dr Ian Merrill looks at the role of the rural economy and the role of rural enterprise hubs and rural development.

Okay, so in today's research episode, we're going to be focusing on rural enterprise, and I'm delighted to be joined by one of our academic researchers at Newcastle University Business School, Matt Gorton.

**Matt Gorton:** Nice to meet you.

**Ashleigh King:** Nice to meet you too. So can you tell me a little bit about yourself? You're, I'm sure you wear many different hats and have many different titles, but you know, what, what you do and a bit about your background that you'd like to share with listeners?

**Matt Gorton:** Thank you. So I'm a professor in Newcastle University Business School in Marketing, and my background is food marketing. So my research has been on AgriFood markets and an interest also in the rural economy.

**Ashleigh King:** Excellent, and it's so funny because I was wondering where I knew your face from. Cause it looks so familiar and I've just remembered, you probably taught me in my MBA. So I just graduated

from my MBA in 2020. So I think that, solves my- my conundrum that I was trying to run through my head, um, so that's, that's great. So, I mean, one of the first things I want to ask you, um, Matt is about your research actually, you know, what do you find? Um, In the, in the work that you do and the rural economy research around that.

What does the word AgriBusiness mean? What does the- how do the two industries link together?

**Matt Gorton:** Okay. So AgriBusiness for me is AgriFood supply chain. So that's everything from the production on farm, through the food industry and processing to include retail and final consumers. So it's thinking about the whole food supply chain. And most of that food supply chain is based in rural areas, particularly the agriculture side of it.

So that there's an inherent link between, um, the AgriFood industry, AgriBusiness and land use, um, and farming. And so such as the rural economy .

**Ashleigh King:** So I'm curious then about the links between, um, the agricultural sector and just the, the culture of that industry. So for instance, you know, in many ways I would imagine, and this is where you can correct me if I'm wrong, that there's lots of, you know, families who've farmed for generations, have been involved in agriculture for a long time. And so, um, I'm wondering, um, do you see many shifts in recent years in how, um, how that supply chain is, is changing and new trends, anything about that, that you want to comment on that you've noticed in your research?

**Matt Gorton:** Yeah sure. So, um, Generally the AgriFood supply chain is becoming more concentrated. So there is a small number of players at the retail sector level, and also in processing, there's a large, um, large companies which dominate most sectors, but at the production level, the farmer level of the steel, a predominance of family farms, and they're quite small compared to the other actors within the food chain.

So that's led to questions about whether they're in quite a vulnerable position, whether they, um, face unfair trading practices and that's informed a lot of my research. So it's trying to think about what's the

future for small scale farms. How can they be viable economically um, going forward, in a way in which is also sort of environmentally friendly and socially friendly as well?

**Ashleigh King:** That was one of my questions actually, because I suspect, I know that working at Newcastle University Business School, there is a large focus on sustainable development goals, corporate social responsibility, and all of these matters that are important to so many of us. And I'm curious about, you know, how the AgriBusiness industry is approaching climate change and also some of the challenges around sustainability. So there is also the growing trend of veganism, of plant based alternatives. And so with that as well, you have animals and livestock that maybe, uh, the demand may have changed and shifted. So I'm curious as well, how much your, um, your, your research has adapted as well in terms of, in terms of those.

**Matt Gorton:** Yeah, it's been looking at some of those trends, um, and trying to understand ways in which we can cut carbon footprint from food supply chains are, most of that is as you say to do with ruminant meats. Uh, so it's things like beef and lamb, which are the main sources of carbon footprint. So we've done some work on school meals, and looking at ways in which you can adapt the menu to try and shift it in a more sustainable and healthy way. So away from a low cost, uh, processed meats, um, which often nutritionally aren't very good. To trying to switch towards a greater use of fruit and vegetables, but need to be careful because, um, a lot of schemes in that area have been a little bit naive.

So they've just come in and said, let's give kids lots of, uh, broccoli and vegetables, and then it just all goes in the bin as food waste. So it's trying to design menus, which, um, both meet nutritional aims and also environmental aims, but also means that the children eat it as well. Cause otherwise everything's wasted.

**Ashleigh King:** Absolutely. And food waste is another key- huge, uh wicked problem that we might have in, you know, in our society to solve. So it's really interesting to hear that, although there's been movements to change certain elements of how, how we eat and what we offer, it's not always what the user, the end user wants: the child, in that instance, or, uh, for us as you know, um, uh, consumers.

So I think those are really interesting points. Um, I'm also curious, one of the things that you've said as well about your research that really interests me is it touches so many different parts of society actually, because you are looking at, um, you know, what we eat, but also poverty because you know, things like, well, what can we get in- for children in schools?

You know, what types of things can we offer to meet nutritional needs? Some of those children might not have access to certain meals at home. So it's actually very far reaching the research that you're doing. At the same time, um, in terms of, from a marketing perspective, how does that relate in? Because, uh, I'm just, it's, it's so interesting that I think a lot of the times when we have researchers in our Business School, people can be surprised sometimes that they might be focusing on marketing, but it's, for instance, in this case around a rural enterprise or, uh, another guest is, you know, working on animal welfare and ethics, but also works in accounting and finance. So how can you tell us a little bit about the blend between disciplines that you, that you involved in?

**Matt Gorton:** Yes. I mean, that's one things which I really love about the research, which I'm involved in, in that it's interdisciplinary because you're dealing with complex problems, as you said, or wicked problems, and insights from a single discipline isn't sufficient. There's a need to think about the consumer angle and consumer behaviour, which marketers can talk to, but there's also a supply chain perspective. There's also a business issue. So you'd need your accountants and working out about returns and whether it's going to make this going to be a strong business case.

So I think the issues which I look at, one of the things which I love about it is it, it brings together those different disciplines and different insights and working with people, um, from, uh, from a variety of backgrounds.

**Ashleigh King:** Absolutely. And how can, how can your average listener- person listening, who could be from any part of, or walk of life, you know, they could be a prospective student, they could be a staff member or a researcher, or even someone in our local community. How can they start to learn more about where their food comes from? You know, the, the, the flow of, um, the, the consumer journey of food.

Um, do you have any tips on. Learning more about some of these key issues?

**Matt Gorton:** Well, one of the interesting things which we've been doing is developing a MOOC which is the first time I've been involved in this. So a massive online course, which is trying to put the research findings in a sort of user friendly, spend half an hour work through small modules with videos and case studies for a general audience.

Uh, so we've developed that. And, um, if people are interested, if you go to a Strength2Food, so that's strength, then the number 2 food, dot eu, and then there will be a link to the MOOC. And that's where, uh, if people are interested, they'd find out maybe more about the research, which we've been doing.

**Ashleigh King:** Fabulous. Well, we can put that in our show notes and, you know, on our website with this episode, so people can find it easily. Um, but I think it's really exciting actually, the trend of massive online open courses, sorry, MOOCs, because it's such a nice way to learn more in a bite-sized way. But I also feel from my personal perspective, you know, universities have a duty to educate, uh, their communities, and to add value to the society overall.

And so what a great way to do that, then, then, you know, doing it through small bite-size pieces like that. I think that's really wonderful to hear. Um, okay. So that's really helpful to know all of that. Um, are there any research findings or highlights that you want to flag or that you want to share that you have been surprised by or really excited about?

**Matt Gorton:** Um, I think the, the main area which I've been focusing on recently is trying to think about development of markets for quality foods. So that's a way of producers getting more for what they do. So to try and get out of commodity markets, but also produce products which are sustainably environmentally and which there's a consumer demand for and would be nutritionally good.

And one of the things which we've been doing is working with a retailer in Croatia. So a lot of people say that they want local foods and that they want food from their area. But when they go into the supermarket, often those concerns are forgotten. So, um, they'll buy on price and

habit and brands. So we did some work about just trying to think about how can you, at the point of decision making, make people remember that they're interested in local foods and remind them of the benefits of local foods. So we did a very simple thing in marketing terms: we had some point of sale materials in store, which just reminded people of the benefits of, uh, local foods and that had a big impact on sales. So, um, the local foods were competing against cheaper imported alternatives, and we found that with these, uh, point of sale materials the sales went up and we were able to track who was buying them and it was across different consumer segments. So, um, within consumer research, there's often what's known as an intention behaviour gap. So people have intentions to do things, but they don't always carry them out.

And that's always posed a problem to sort of, um, quality foods and ethical consumption. And it's nice to know that just reminding people in store about their, their ethical concerns or these goals actually does have an effect on behaviour. So that's something which we did, and it was nice to work with a retailer, do something on the ground, uh, which I enjoyed thoroughly and hope, you know, the retailer also benefited from it.

**Ashleigh King:** Absolutely. And I think as well, it's, it's a wider conversation as well. Um, not just where we get our food, whether we buy it from a small independent store, if we get it plastic free, you know, if we get it from the supermarket who we choose to put our money towards. You know, whether it's a small farmer and a, um, uh, delivery boxes, for instance, have gone through the roof where you can get direct from farm to table. You know, those are some brilliant ways of, of developing new ways of marketing as well. Um, but I think as well, it also speaks of, uh, an issue around, um, global, um, the global food industry.

So for instance, uh, your research, would you say that you focus mainly, um, on a national or regional basis or does it include a lot of international, uh, food, um, food markets as well?

**Matt Gorton:** So traditionally our work's been done on a European level, so I did a lot of work, which was funded by the European union. Um, so I'd say that I'm more European Union based, but I've also done a bit of work in, um, uh, Vietnam as well and Thailand. So looking at markets there and the future of wet markets.



**Ashleigh King:** Okay, because I was going to say that, do you find any, any changes or differences or similarities with, with other, um, communities or countries that you've worked in?

**Matt Gorton:** I think you'll find sort of similarities and differences. So, um, culture plays a big impact on food so that there are some cultures which have much more of a local regional flavour to them than what's in the UK. Um, and are much more invested in quality food products. Um, whereas I think in the UK, we've had a more industrialized food sector, so much more concentrated, much more brand driven.

Um, not a great deal of a tradition of producers cooperating amongst themselves. So it's been a lot more sort of individual business focused rather than, um, a sort of co-operative model.

**Ashleigh King:** Okay. That's really interesting. Um, I think you're right. Food does play a huge part in people's lives and in culture, and I feel it would be remiss to not ask you what your favourite food is.

**Matt Gorton:** Um, I, I think probably seafood, I think fresh seafood, which is cooked well is fantastic. Um, so some langoustines from North Shields, are wonderful.

**Ashleigh King:** Oh beautiful. And are you actually native to the region? Are you from the North East of England?

**Matt Gorton:** No, I'm originally from the Midlands, but I've been in Newcastle now for 20 years.

**Ashleigh King:** I'm very similar- similar time, but originally from South Africa. So I was curious about your love of seafood if maybe you'd, um, had that your whole life, or if it was more of a recent thing, um, being near the sea.

**Matt Gorton:** Um, I think it's probably something I've, I've always appreciated and it's nice to go somewhere and have local, fresh fish or seafood and to go to different countries where you get different fish and specialities.

Um, I think that's wonderful and it's something which is, you know, distinct, but within the Northeast as well, you know, that's, that's something we should, the Northeast should be proud of.

**Ashleigh King:** Absolutely. We have got a beautiful, a beautiful space to be proud of, and I feel very fortunate to be, uh, adopted Geordie here as well alongside you. So thank you so much for your time. I do want to ask you, um, if there is one word that you can use to describe Newcastle University Business School and what it means to you.

**Matt Gorton:** Um, I think it's probably an inspiring environment. So we have some fantastic students. Um, we have some fantastic staff as well, so it can make it such a great collaborative environment, um, to, to work and study in.

**Ashleigh King:** Perfect. Thank you so much. Excellent. Thanks for coming in.

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**Ashleigh King:** Thank you so much for joining me today Ian, it's wonderful to have you here. Um, so can you tell us a little bit about yourself and your research?

**Ian Merrell:** I can. Yeah. Uh, so my name's Ian, um, I was born in Northumberland, um, you know, tiny little village in the middle of nowhere. There were like 10 people in my year group at school. It was like, really far out there, um, always had a kind of passion for rural areas and helping to support them.

Um, and you know, I went through quite a typical, uh, route that someone growing up in the middle of nowhere would do and, you know, hit 18 and then just get out of there and move to the city straightaway. Um, and then sort of like reflecting on that and seeing, you know, how there is literally no young people in the village that I grew up.

Sort of, um, wanting to help change some of those, um, forces that are at play, let's say. Uh, so with that in mind, I went to do Countryside



Management at Newcastle Uni at The Centre for Rural Economy. Um, and then it just kind of snowballed from there really, yeah.

**Ashleigh King:** So I'm guessing from what you're saying there uh, becoming, uh, a researcher, um, in academia, it wasn't your direct plan or path. It was more, you know, get out of your small town, go and learn more about the big city, but also, um, you know, study uh, your, your course, but then wanting to go back and use that- those skills to, to change a little bit about your own community. Is that right?

**Ian Merrell:** Yeah, there's like added uh, sort of dynamic in there as well. I worked for seven years in retail and I just felt like the walls were closing in a little bit. So I went, I went to uni to become a park ranger. Um, and then kind of quickly realized that if you talk about philosophy, when you're there, um, you got much better marks in your essays. And I happened to do philosophy at school. So I was just kind of like, this is like, my place, this is where I want to be.

**Ashleigh King:** So you were a thinker and someone who was exploring ideas more and, and that sort of thing. I really like that. Um, the reason I'm commenting on that is I'm always curious on how academics become academics. You know, what is it that helps them to find a passion that they care about so much that they want to spend so much time learning, and researching, and writing about it and telling people about it.

Um, so it's really nice to hear a little bit of your journey. And so your, your research, I mean, what are you excited about with your research? Are there any findings you can tell us about or, um, you know, uh, some, some more about what you, what you do?

**Ian Merrell:** Yeah. So I'm currently working at The National Innovation Centre for Rural Enterprise, uh, which is quite a new initiative that's housed in the Business School, um, which is looking at, um, well, there's lots of city- centric, discourses around innovation and the idea of Silicon Valley or London or Singapore, or any of these places be in kind of tech hotspots, innovation hotspots. Um, and all of that theory is very much, uh, applicable to urban areas where there's very high population densities and people can mingle and share ideas, share staff, resources and things like this.

And then if you have a set of theories that are all geared up for people to be close together and interact and rub off each other, that isn't things that you would consider a rural area to have at all whatsoever. You know, everyone's very spread out. Um, there's not as many businesses, you know, there's not as many quote unquote innovative businesses like tech start-ups, or things that these discourses, um, want us to study basically.

So that was kind of like the rationale for it that, you know, there's plenty of innovation going on in rural areas. It's just that if you frame it in that certain way, it doesn't look very innovative at all. Um, so the idea with the research was that there's these buildings and they're called rural enterprise hubs, and they basically co-locate businesses together.

You know, if you've got like your typical kind of market towns structure that kind of like hubs in the community anyway. So all of the farmers and people come into the market towns. So a lot of these places were set up in market towns, which wouldn't have any office accommodation, if you, uh, you know, a start-up business and you wanted some office accommodation, but also to that sense of sort of relatedness and community that, you know, just going in to work is useful for as well as being able to network, um, you know, share new ideas, access business support, um, maybe even form a new collaboration with another tenant that was in there.

So it was kind of the context of the research itself. The findings, um, I think a particularly relevant since COVID hit as well. Um, you know, I know that this is quite a topical thing that a lot of researchers want to talk about, but I think it was important in my case because I did the PhD from 2016 to 2019 and, you know, I will go and present it at conferences and people would just be like, we don't really get this like, well, what is this for?

But since COVIDs happened, everybody in the nation has pretty much experienced what it's like to sit at your kitchen table with dogs flying around, kids flying around all over the place, the phones going off, you've got zoom meetings going on, and just generally what a hit on your wellbeing and mental health back can be.

Um, and you know, if you're setting up a rural business and there is no, no accommodation for 30 miles, let's say the only option is I'm going to sit at my kitchen table and do it. And these rural businesses have been doing it for, you know, decades. And nobody's really sort of shine a light on that in the same way that the past year has.

And, you know, there's, there's now people all over the country, um, county councils and things like that contacting me saying: we want to set up coworking spaces or we want to set a pubs because we've noticed, you know, there, there are several change in demographics and trends in this, you know, big companies who are in London, let's say, now realize that they don't have to have their entire workforce in the office every single day of the week. And you know, they can commute one day a week maybe, and then work at home a couple of days, maybe go to one of these enterprise hubs a couple of days. So in the past year, it's kind of rarely shown, um, why these are needed on like a wellbeing front as well as the kind of business rationale for why they were set up in the first place.

**Ashleigh King:** I think that's fantastic that this is being looked into, because like you say, there are so many people who've been at their kitchen table doing this, already doing this work anyway. And so having the opportunity to think and reflect on that and, you know, uh, look at ways to innovate and cross collaborate.

Um, and it's, it is great to hear that there are opportunities to develop more of the market centre type approach that feeling, that hub, that you know, space. Um, I think that idea of markets and, and being a centre of a city or a space. So I'm thinking particularly of small towns in the Northeast of England, like Berwick um, not really North East of England, that's more Scotland. Barnard Castle in County Durham; you know, these are small areas where they are small communities and they have a centre and a hub, um, but I'm wondering, and this is a good question to ask you, because you grew up in a small village or a small area, but do you feel that there might be anything in lost if we move forward too much?

So if, uh, so your village, for instance, if it became a hub of activity and there were so many things for young people to do, and it retained some of its young people, and there was a reason for them to stay, um, that would be great. But at the same time, is there any risk of losing a certain values in small towns or, um, uh, cultural issues uh- not cultural

issues, um, parts that make that community happy or enjoy that space. I'm just wondering if, if this is something that comes up in your research and when you talk to people and when you talk to, you know, different, um, uh, people in agriculture or other communities who are wanting to have change and innovation, but also, um, wanting to retain some of their, their culture and values and traditions. Um, have you got any thoughts on that?

**Ian Merrell:** Yeah, so a couple of things come to mind, first of all, um, in England or in the UK, let's say we have a very different demographic, a different, um, sort of trend to the rest of the world in the sense that. big counter urbanization movement of people who get fed up with the city and move to the countryside for like, you know, the good life or the rural idyll or whatever it might be.

Um, whereas in most of Europe and most of the developing world, there's basically so few opportunities in rural areas that you have to move into the city. So there's big urbanizing movements. Um, and you know, I think that there, there is a risk in England in particular, of all of these places, um, because of this counter urbanization movement of them becoming very gentrified very quickly.

And, you know, we hear all the time about stories about like second home ownership in the countryside and how all of these rich people are forcing locals out because, you know, they've got a house in London and then they've got a house in Cornwall or wherever it might be. Um, so I think that there is a risk there that yeah, we sort of have these like, um, urban cultures and urban, um, attitudes moving into the countryside that might rub up against each other a little bit.

Um, but on, on that note, another idea that's sprung to my mind then was the, um, there, there are very distinct, um, characteristics of rural areas that could be sold, uh, on a kind of regional or international scale of this idea of like cultural heritage, um, and things being produced in the countryside are sometimes deemed to be like more kind of artisan and like higher quality than some where that's like mass produced.

So I think that there is an I, the, there is potential for people to form new innovative businesses around, yeah, like culture and heritage and, and the landscape as well.

**Ashleigh King:** It's a really interesting contradiction, that whole idea of, you know, is it that it's, it's different, um, in terms of, you know, the quality of being higher quality being out in the, in the country being more, um, artisanal, as you said, uh, organic food, all of those different elements.

And I think as well with shifts, with things like the British exit from the EU. So, um, the, the Brexit, there is also a desire in many communities to want to buy local, to want to buy from within the country as well, which I think is interesting. Um, it's really great to, to hear about some of the research that you're doing and, uh you know, the communities that you're working in and some of the opportunities that are coming up. Um, I would like to thank you for your time and also ask if there's anything that you would like to share with anyone listening on how they can find out more about you? We will have some show notes so we can share links and things like that. But if someone were to want to learn more about your research or read any of your papers, um, you know, is there any resources that you wanted to point out?

**Ian Merrell:** Um, well, I think that the best place would probably be the National Innovation centre for Rural Enterprise's website and Twitter feed. Um, that's where we're kind of based at the minute. And there is a really, um, interesting set of projects being developed there and lots of projects that are, like really applicable to the real world as well. And not just kind of, you know, sat up in the ivory tower and nothing ever gets done about them. So we are actually working with rural businesses to come up with new sort of innovative ideas. Um, myself personally, the papers are on the horizon. Yeah, it's been quite a long process to get them into the peer review. Um, but they're coming, I would say in the next few months.

**Ashleigh King:** Well, we'll make sure we put those in the show notes as well and well done on all the hard work it gets taken to get there. Um, I am not an academic researcher, but, um, I can only imagine the work that's gone into, um, the checks and the, just the writing all hours of the night. Um, one of the last questions I wanted to ask you is, since you are, um, you've lived in the country and you've also done a work in communities. Would you say town mouse or country mouse? Uh, do you have any, any thoughts on that? Any preference?

**Ian Merrell:** I think that I would probably say country mouse, but I've, you know, come and learned the experience as well of what it's like to live in a city here.

**Ashleigh King:** And I think as well, there is that, that real innovation and trend for as well, uh, you know, food that we can grow in our cities. And, you know, um, in, in the North East of England, uh, in Newcastle, we have the Ouseburn Farm, for instance, it's a city-based farm. They're doing amazing work with, uh, local communities. And, uh, I think one of the, one of the challenges when we have rural spaces is, uh, for both the rural spaces, but also sometimes in the city, that lack of transport can be a challenge to go and learn about another place.

And so for some of our marginalized communities and hard to reach communities in the North East of England, having city-based farms and city-based rural spaces is really powerful as well. So it's nice to have things like that too.

**Ian Merrell:** Yeah, I totally agree. And the, you know, the massive potential in like vertical farming, aquaponics, um, and yeah, you know, designing green spaces in urban areas as well for, you know, wellbeing or, um, whatever it might be. But yeah, I agree. I think that that needs to be elements of the countryside brought into the city as well, because not everyone can, like you say access it and you know, you look at statistics on national parks and, um, National Trust sites and, and like the demographics that are going on there, you know, there's very apparent that there's certain areas, certain sections of the population that can't, or don't access them for some reason.

**Ashleigh King:** Absolutely. Thank you so much. Well, those are all my questions. So, um, I just wanted to ask in one word, what does this research mean to you?

**Ian Merrell:** Hmm, one word that's a tough one. Um, like passion.

**Ashleigh King:** I like. That. And I'm sure that writing papers and doing all of the work that you're doing, uh, wouldn't be possible without passion, so that's wonderful. Thank you so much for joining us today.

**Ian Merrell:** No problem. Thanks for having me.



**Ashleigh King:** Thanks for listening. We'd love to hear your feedback. You can drop us a line at [nubspodcast@newcastle.ac.uk](mailto:nubspodcast@newcastle.ac.uk). And you can also tag us and any of our Newcastle University Business School social media channels. You can find these links in our show notes.

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