
JØTUL BURNS ALL OVER THE WORLD...

Chapter 6
Growth, Internationalisation and Crisis (1974–1990)

Jøtul conquers the world. The 1970s were a time when Jøtul adopted an international orientation. In the 1980s this internationalisation was taken a step further. Through buyouts of manufacturers and importers in a number of countries Jøtul grew to become a multinational group. The illustration is from the 1987 Christmas issue of the internal newsletter Jøtul Exports.

For Jøtul, the 1970s and 1980s were years of fundamental change in several key areas. One such area was the ownership. In 1977 the Gahr family decided to sell Jøtul, after having dominated the company for nearly 40 years. The buyer was the cement manufacturer Norcem, which sought to acquire Jøtul because the group was at that time involved in the process of developing a comprehensive building products division. Jøtul thus went from being a purely family-owned operation to becoming a subsidiary of a major industrial group.

Another decisive change was related to market conditions. As we saw in the preceding chapter, the market for liquid fuels began to stagnate after 1970. This trend was magnified dramatically by the international oil crises of 1973 and 1979. Highly elevated oil prices led to a dramatic decline in demand for stoves and fireplaces which used liquid fuel, and this market shrank considerably over the course of the 1970s. This naturally posed a serious threat to Jøtul, whose single most important product in the mid-1970s was still kerosene stoves.

However, the new energy situation not only posed a threat; it also opened up entirely new opportunities. A large new market for wood-burning stoves and fireplaces arose in many Western countries in the wake of the oil crises. This trend was attributable in part to a desire on the part of many consumers to base their heating on multiple options. In addition, the oil price hikes and resulting climate of international economic uncertainty added greater impetus to the environmental and "back-to-nature" movement which had arisen in the late 1960s. Finally, it became increasingly fashionable over the course of the 1970s to have natural fire in one's home. Once again, "everyone" wanted a fireplace or wood stove in their sitting room.

Jøtul was well equipped to supply this market. The company had the know-how, technology and production equipment which could be converted quickly and without major retooling to the production of wood-burning stoves and fireplaces. This process proceeded fairly quickly. Wood-burning units had again become Jøtul's single most important product by as early as 1980. Old classic models were reintroduced, and entirely new models adapted to more modern requirements were also developed. In addition, a series of entirely new fireplace models was developed which soon had a major market impact.

The demand for wood-burning stoves and fireplaces also brought Jøtul into the international market in earnest. As noted, the increased interest in wood stoves was an international phenomenon and, as one of the larger and more established stove foundries, Jøtul saw a dramatic increase in demand from abroad as early as the start of the 1970s. The strongest interest in Jøtul's stoves and fireplaces initially came from the United States, but other markets gradually emerged as well, particularly in Europe. Exports increased from year to year, and by the start of the 1980s the share of total turnover attributable to exports had risen to nearly 30 per cent. In other words, Jøtul adopted an increasingly international orientation over the course of the 1970s. This naturally imposed entirely new demands on the company's marketing, product and developmental organisations.

In this chapter we will mainly take a closer look at how the two factors noted above, in other words, the changes in ownership and the changes in market conditions, put their stamp on Jøtul in the 1970s and 1980s. These factors must, to a large extent, be considered in relation to one another. Norcem had a strong international orientation, and this also had an impact on the group's ambitions for Jøtul. This was particularly evident during the latter half of the 1980s, at which point Jøtul entered into a period of strong international expansion. By acquiring production, import and retail companies abroad, Jøtul very quickly became one of the biggest single players in the international stove and fireplace market. By the end of the 1980s, Jøtul controlled companies in many countries, including the United States, Belgium, France, Germany, Great Britain and Sweden.

With the oil crisis of 1973, the energy supply became one of the foremost topics in the national debate. Jøtul met the crisis by offering "safeguard models" which could use both liquid and solid fuel.

However, this growth rested on a fragile foundation. It took place rapidly, was not always based on well-considered evaluations, and was also extremely costly. In addition, Jøtul was hit by the international economic downturn which occurred after 1986. All of these factors combined to push Jøtul into a deep financial crisis by the end of the 1980s. In 1990 the situation had become so serious that the company was in danger of bankruptcy. The fall was long and dramatic. During the latter half of the 1980s, Jøtul was often cited as a model for Norwegian companies with international ambitions. Soon thereafter, the company was bankrupt.

We will now retrace Jøtul's path through the demanding years of adjustment during the 1970s, on into the period of violent expansion up to the mid-1980s, and finally through the period of reversal and crisis during the latter half of that same decade. What accounted for Jøtul's capacity for adaptation and international growth during the period leading up to the mid-1980s? What were the deepest underlying causes of the crises which occurred during the latter part of the decade?

Oil crises and altered market conditions

The price of oil on the international spot market nearly quadrupled in the course of a few months in the autumn of 1973. This was the result of political instability in the Middle East and a desire among the member nations of OPEC to increase their revenues from oil extraction. The price of oil did indeed fall back over the ensuing two years, but it stabilised at a substantially higher level than before. A new oil crisis arose in 1979, leading to another period of dramatic price hikes. Political factors were again the underlying cause. The revolution in Iran in late 1978 and the subsequent war with Iraq resulted in a significant drop in oil production in both countries. At the same time, certain other OPEC nations reduced their production levels. The result was that the price of crude oil on the international market had trebled by 1981. The increases were again followed by price reductions, but the price of oil during the first part of the 1980s was significantly higher than it had been before 1979. [270]

A price change of such magnitude must necessarily have had an impact on the use of oil in many contexts, including space heating. One important reason for the impact of oil in this particular area of use during the 1950s and 1960s was the falling prices of fuel oil and kerosene, which at the same time became less expensive in comparison with other energy sources. This situation changed dramatically with the price increases of the 1970s and early 1980s. After 1973 the price of fuel oil and kerosene stabilised at a level 50 per cent higher than the pre-crisis price, as measured in fixed prices. These prices rose an additional 100 per cent after the crisis in 1979, and stayed at that level until roughly the mid-1980s. Conversely, electricity, which was the strongest competitor in residential heating, remained relatively stable throughout all of the 1970s. Indeed, there were periods in which electricity actually become somewhat cheaper, as measured in fixed prices. Electricity prices first began to rise around 1980, but still nowhere near as dramatically as had the prices of liquid fuels.

In 1961 Jøtul began making panel heaters. The plan was to sell them together with stoves and fireplaces, thus meeting all heating requirements in a residence. This strategy was not successful, but Jøtul continued to manufacture electric panel heaters until the late 1970s.

A reverse trend in the relationship between oil and electricity prices first occurred in 1986, when OPEC implemented a new low-price policy. This led to nearly a 50 per cent decline in the price of liquid fuel in Norway in the course of one year. Moreover, electricity prices had risen consistently throughout the entire first part of the 1980s, and the combination of these trends meant that heating with oil became, for the first time since the early 1970s, more profitable than electric heating as measured in cost per amount of energy extracted. Nevertheless, this reversal came too late to salvage oil's position in residential heating. By the mid-1980s, fuel oil and paraffin oil were well on their way out of Norwegian homes. Whereas oil had accounted for 41 per cent of total energy consumption in Norwegian households in 1973, the proportion had fallen to 28 per cent by 1978, and to 15 per cent by 1985.

Oil was replaced mainly by electricity, but another factor also had an impact during these years: solid fuels assumed increasing importance once again. Whereas consumption of solid fuel in 1973, in other words, mainly wood, was at it lowest level since World War II, this energy source began to regain its importance after 1975. Over the next ten years, Norwegians doubled their use of wood, and by 1984 wood as fuel, measured in terms of amounts of energy, had become as prevalent in Norwegian households as oil.[271] As we shall see, this was the area in which Jøtul was to build up a new market over the course of the 1970s and 1980s.

Adjustments during the 1970s

The 1973 oil crisis naturally posed a serious threat to Jøtul. As we have seen (Chapter 5), the market for liquid fuels began to shrink somewhat in the late 1960s. Nevertheless, during the mid-1970s stoves and fireplaces using liquid fuel still accounted for roughly half of Jøtul's total turnover of roughly 150 million kroner.

In the short term however, the situation was not as bad as had first been feared. Demand for liquid-fuel stoves and fireplaces did decline dramatically after the 1973 crisis, but the situation improved. [272] Sales increased again over the course of the next two years, and it was said in 1975 that "consumer confidence in oil as a future fuel is again on the rise". [273] This outlook was confirmed by the actual course of events over the next few years. Sales of automatic oil pumps (units connected to large tanks) and oil-fired stoves and fireplaces rose between 10 and 15 per cent per year all the way up until 1979.

Jøtul covers the entire spectrum, from oil and wood to electricity.

In 1970 Jøtul purchased the stove manufacturer Nobas located outside Fredrikstad. Nobas produced primarily sheet steel stoves for liquid fuel and wood. Here is a combination model.

Nevertheless, there was little doubt that confidence in oil had in fact been dealt a severe blow in the wake of the 1973 price hikes. One clear indication of this was the strong increase in sales of combination units, in other words, units that could be fired with both oil and wood. Of total sales of 13,900 liquid-fuel units in 1974, a full 78 per cent consisted of combination solutions. This was a much higher proportion than had been the case only two years earlier. This shift was also attributable in part to the fact that, after 1973, Jøtul had deliberately exploited the uncertain fuel supply situation in its marketing. "Play it safe with Jøtul" was the running theme in the sales campaigns. The combination units were launched as the alternative of the future in an uncertain world. At the same time, there is little doubt that consumers actually perceived an increased need to hedge their bets. More and more consumers opted to install combination stoves and fireplaces as a complement to oil or electricity.

The electrical plants knew how to play on the advantages of electricity in the battle for the home heating market. In the 1960s and early 1970s many electrical plants launched large-scale campaigns to promote the use of electricity for heating.

Oil finally ceded its position after the second oil crisis, in 1979. Sales of liquid-fuel stoves and fireplaces stagnated immediately, and demand began to tail off markedly over the next few years. This trend continued with undiminished vigour even after 1985, despite the fact that the price of oil had dropped dramatically, and the price balance between oil and electricity had in fact tipped significantly in oil's favour. [274] In 1988 sales of liquid-fuel stoves and fireplaces were generating a wholly insignificant share of Jøtul's total turnover. The general perception at the time was that the days of oil were over.

However, the changeover to new types of products had been under way continuously at Jøtul since the early 1970s. As we have seen, consumption of wood in Norway increased substantially throughout the 1970s and 1980s, and it was within this market segment that Jøtul built its new platform. Wood-burning stoves and fireplaces became the major area of priority during this period. When you come right down to it, this changeover represented a step backward to the good old days. Several old models were brought out again, but simultaneously an entirely new generation of wood-burning stoves and fireplaces arose. The mid-1970s also saw the development of an entirely new generation of fireplace systems – small free-standing fireplaces which could easily be installed in the vast majority of houses, cottages and cabins. A completely new type of built-in fireplace with "24-hour-burning" also appeared at the end of the decade. These products had a major impact on the market, and accounted for steadily increasing shares of total turnover throughout the 1980s. Finally, in the early 1980s, a new type of high-combustion stove for wood was developed which, along with the new fireplace models, comprised the core of the product line throughout the 1980s.

In Norway, Jøtul came to dominate the new and growing market for wood-burning stoves and fireplaces. The company remained by far the leading supplier of woodstoves and fireplaces in Norway right up until the end of the 1980s. In the middle of the decade, Jøtul's market share in the wood-burning segment totalled roughly 70 per cent. Quality products were essential to the company's ability to maintain its strong position in the domestic market. The company was at the same time able to further expand its already well-established marketing organisation. The products passed through the same retail channels as before.

Jøtul Fireplace 17. In response to the increasing need for efficient fuel economy, Jøtul developed fireplace built-ins with doors. They could be used both as open fireplaces and as wood stoves.

However, during the 1970s and 1980s, Jøtul also expanded into entirely new markets. The company became a significant exporter of stoves and fireplaces in the mid-1970s. The share of export sales grew substantially through the late 1970s, and continued to grow even more during the first half of the 1980s. This was the first time that Jøtul began to engage markets outside of Norway in earnest. However, the expansion of exports also brought with it completely new challenges. Large, unfamiliar markets with different business cultures, different market structures and a completely different type of competition had to be dealt with by a company and a marketing organisation whose experience derived exclusively from Norway. We will now take a closer look at how the company strove to meet these challenges.

Jøtul in the world market

Jøtul had been periodically exporting small consignments of stoves ever since the early 1920s. At several junctures the company had also considered making a more conscious investment in certain foreign markets, particularly those in Canada and Denmark, but these plans did not lead to anything definite. The export markets remained a low priority throughout the entire first part of the post-war period. This was due first and foremost to the fact that the domestic market was a large one. Moreover, the transition to oil-based stoves and fireplaces rendered exports less relevant. Most coun-

Kristia Associates' offices in Portland, Maine, USA.

Utterly Norwegian surroundings in an American city. In the offices of Kristia Associates in Portland, Maine, a conscious effort was made to emphasise Norwegian traditions. Artwork and decorations from Norway supplemented Jøtul's products. Dealers from all over the United States came here to inspect Jøtul's product line.

The Norwegian-American Eva Horton became Jøtul's entrance to the American market. In 1973 she founded the import company Kristia Associates, and in the years to come had fantastic success with Jøtul's products. The company won her an award from the Norwegian Export Council "for extraordinary efforts in the promotion of Norwegian exports". This photo shows the presentation of the prize. From left, director Per Aarstad of the Export Council, Jøtul's marketing manager Otto B. Halvorsen, and Eva Horton.

tries already had established domestic manufacturers in this area. National standards and safety requirements also complicated the export of stoves and fireplaces that used liquid fuel.

The situation changed dramatically during the 1970s. Over the course of the decade, Jøtul became a major exporter of stoves and fireplaces. The breakthrough occurred quickly. In 1972 exports accounted for about 6 per cent of total turnover. By 1976 this share had already risen to 46 per cent, and by 1979 a full 60 per cent of the total turnover of 170 million kroner derived from export sales. What factors contributed to this trend?

The growth in exports was not the result of any deliberately targeted strategy. Rather it was the foreign markets which "found" Jøtul. Demand for wood stoves rose dramatically throughout the 1970s in Europe and North America. This growth was driven primarily by the oil price hikes, which aroused new interest in wood burning. However, few countries had a stove industry with the experience or capacity to service this new market in the short term. Jøtul on the other hand was able to adapt its production to this market relatively quickly and with negligible expense and thus enter other countries with its products.

Initially the export orientation was thus exclusively demand-driven, but the company soon adopted a more aggressive export strategy. As the board of directors put it in the spring of 1974, "as our products gradually become established and we are able to follow up on delivery requests, we should be able to count on a future market, even if the current market foundation should change". [275] In other words, the company was already aware that durable markets could be created abroad. This strategy was defined more explicitly over the next few years. A separate export market department was gradually built up, and one of its functions was to actively endeavour to establish ties to importers in countries where it was believed that Jøtul had market potential.

Kopistene til Jøtul:

- Jasså, lager også dere disse ovnene?

Oslo, NA:

I Danmark er det avsagt dom i en noe eiendommelig «tyverisak». En forhandler har importert 10 Jøtul vedovner fra Asia hvor ovnene er ulovlig kopiert og masseprodusert for eksport. Forhandleren fikk 10.000 kroner i bot, han måtte betale saksomkostninger og på toppen av dette må han tilintetgjøre ovnene.

Denne dommen viser hvor alvorlig saken er, sier salgsdirektør Gunnar Narvesen i Jøtul til NA. Vi ble for en tid siden kjent med at hele 14 jernstøperier i Taiwan og 1 i Sør-Korea kopierte våre peiser og vedovner for markedsføring i USA. Senere er produktene kommet til en rekke europeiske land — både til England, Tyskland, Sverige og Danmark. I England har vi greid å stoppe omsetningen av disse produktene, og etter dommen i Danmark skulle det bli enklere å få stoppet omsetningen i de andre landene.

— Vi har også bragt saken inn for den amerikanske handelskommisjon (ITC), og der har man funnet saken så interessant at den vil bli behandlet i kommisjonen om kort tid.

Direktør Narvesen forteller at en representant fra Jøtul for kort tid siden besøkte en av kopistene i Taiwan. Da han presenterte seg, og sa at han kom fra Jøtul i Norge fikk han dette overraskende spørsmålet:

— Jasså, lager dere også disse ovnene?

Dette er en av de ovnene som står svært høyt i kurs hos kopistene. Ikke bare sidene med de vakre motivene blir kopiert, men også døra med Jøtul-navnet.

Pirate manufacturers know no bounds. In some cases, Jøtul's products were copied down to the smallest detail. Pirate knockoffs were an eloquent testimony to Jøtul's strong brand-name position. Here is a notice from the newspaper Aftenposten in 1978.

Jøtul managed to maintain a strong position in the United States, eventually becoming the market leader there. Sweden and Denmark also eventually became important markets, and in 1979 these two countries accounted for 23 per cent and 14.5 per cent of export turnover, respectively. [276] Additional markets were added toward the end of the 1970s, the most important of which were Canada, Great Britain, Belgium, the Netherlands, Germany and France.

For a long time, Jøtul was sustained by an expanding international market. Even the eventual decline in oil prices had no negative effect on demand. In other words, a market which had its own separate dynamics had been created in the wake of the oil crisis. However, this also led to the eventual appearance of new players on the scene. By the end of the 1970s, Jøtul was facing increasing competition from new manufacturers in the various national markets. The competition gradually became fierce, particularly in the American market, but in other countries as well. Jøtul also faced another problem which further complicated the situation – increasing pirate production, particularly from Asia.

Jøtul is victorious in the fight against pirate production. This is from a notice in Norwegian-American Commerce in the autumn of 1978.

Victory for Jotul

Eva Horton, who is the sole importer for Jotul in the U.S., has every reason to smile about the ruling in Kentucky. Her firm, Kristia Associates, imported 14,000 Jotul stoves to the U.S. in 1977.

"We know of six foundries in Taiwan that are making copies of the popular Jotul stoves. We therefore decided to fight pirate imports to the U.S. and concentrated on one particularly grotesque case," Mr. Otto B. Halvorsen, marketing manager, tells NAC. The first lawsuit in May this year against one of the importers ended with a total victory for the Norwegian firm. The United States District Court of the Western District of Kentucky in Louisville prohibited all further pirate imports and the importer was not permitted to sell his stock of "Jotul" stoves – which are so neatly copied that even the special Norwegian words – in NYNORSK – on the front panel of the stove are faultlessly reproduced. All sales promotion material shall be destroyed immediately. The Norwegian firm was also awarded full coverage of the court costs.

"The trial in Kentucky is only the first victory in a series of actions being taken to eliminate any further abusive practices," Mr. Halvorsen emphasizes.

By late 1975, Jøtul was already aware that the competition in the American market was growing stronger. Increasing numbers of manufacturers were entering the fray, and the battle for the market intensified. In addition, many of the new manufacturers operated along entirely different lines than Jøtul, selling cheaper, lower quality products. Some Asian manufacturers were offering stoves costing as little as one-fourth the price of Jøtul's. Of course, this did not necessarily pose a serious threat. The total market was large and, with Jøtul's high-quality products, the company was deliberately targeting the high end of the market. On the other hand, it was not always such a simple matter to communicate this message in a large and unfamiliar market.

Jøtul was also hit hard by pirate production. In 1977, large numbers of cheap stoves which closely resembled Jøtul's appeared on the American market. This problem became worse over time. Sales in the United States suddenly plummeted in the last quarter of 1978. The reason for this was that a number of Taiwanese foundries had flooded the market with cheap imitations of Jøtul stoves. In some cases the degree of imitation extended even to the inclusion of the Norwegian text on the stoves.

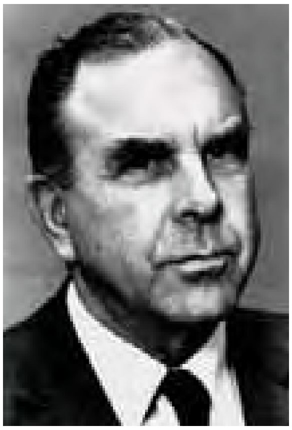
It was clearly essential for Jøtul to come to grips with this type of production, but doing so was no simple matter. It was impossible to attack the manufacturers directly, and it was consequently necessary to deal with the importers in each country. But Jøtul had little experience in handling such problems in the foreign market. Furthermore, the United States was perhaps one of the most difficult countries in which to come up with effective measures in such a context. First of all, the size of the market there made it very difficult to exert efficient control over unlawful copying. Second, such cases had to be brought before the courts in each individual state, and the resulting court decisions applied only within that particular state's borders. The battle thus had to be waged in all the states in which it could be shown that importers were selling pirate products.

In order to optimise the chances of success, Jøtul chose to concentrate on some isolated and serious cases. The first complaint was filed in the spring of 1978. It involved an importer in Kentucky who had imported Taiwanese stoves which were very clearly imitations. After extended litigation, the case ended in "total victory for the Norwegian firm". [277] All imports of that particular model were forbidden, and the importer was forbidden from selling his remaining stocks.

Nevertheless, copied products continued to flourish in other states even after the Kentucky decision. However, it was not feasible for Jøtul to wage a battle in the courts of state after state, and other solutions were consequently sought. In 1979 the Norwegian Department of Commerce and Department of Foreign Affairs were consulted, and Jøtul received support in bringing the matter before the federal authorities. In early 1980 the International Trade Commission (ITC) decided to accept Jøtul's case. The ITC is a U.S. federal body which handles, among other things, cases involving suspected quality-degrading product imitation. The case ended with the commission recommending unanimously that Jøtul's complaint be allowed, and the decision acquired the force of law in the summer of that same year. This decision was extremely important, and probably crucial for Jøtul's ability to maintain its position in the United States. The board of directors also commented on the commission's decision, saying that it would have "major significance for our competitive situation in the future". [278]

Norwegian celebrities were used in Jøtul's advertising abroad. When new products were launched in Germany, Wenche Myhre, who was somewhat of a superstar there, took part in both entertainment and marketing activities.

The experience gained from the battle against pirating operations in the United States proved useful in other countries as well. Imitation products began to appear in a number of European countries around 1980. Here again the field was dominated by Asian manufacturers, although a few European manufacturers also tested the waters. However, with its solid background of experience, Jøtul now took action much more quickly and systematically. Furthermore, the European markets were smaller, and it was easier to achieve an overall perspective on them, and to win binding court decisions there. Jøtul won important cases in Denmark, Great Britain, the Netherlands, Belgium and France in 1979 and 1980. Imports of knockoffs ceased almost entirely in all of these countries once binding decisions had been handed down. [279]



A central figure at Jøtul for several decades: Rolf Sjøl was hired in 1956 as a sales manager. In 1962 he was promoted to manager, and from then on worked directly under Sverre Gahr. In 1976 he became CEO when Sverre Gahr moved over to a position as acting chairman of the board. In 1982 he left Jøtul and joined the Norcem group.

Increased international competition

In the long term, competition from the more serious players, which was becoming increasingly apparent, posed a greater challenge than copy production. As we have seen, production capacity increased in a large number of countries as a result of the expansion of the stove and fireplace market throughout the 1970s. This occurred partly because established manufacturers expanded their capacity, and partly as a result of the establishment of new foundries.

This posed no major problems for Jøtul as long as demand continued to trend upwards. However, the beginnings of a trend towards excess capacity appeared toward the end of the 1970s, combined with a simultaneous flattening of the market. In other words, more and more manufacturers were forced to compete for a market which was no longer growing as rapidly.

The excess capacity first became noticeable in the United States. "Supply is now exceeding demand" wrote the board of directors regarding the American market in 1978. [280] The result was increased price pressure. This was particularly unfortunate for Jøtul, which was among the manufacturers at the top end of the price scale. In addition, Jøtul gradually began to be challenged with respect to its most important competitive edge – quality. The increased competition did in fact force a number of manufacturers out of the market, but others responded with aggressive measures to improve their competitiveness. Some foundries began to invest more heavily in product development, and by the end of the 1970s many of them were delivering fairly high-quality stoves and fireplaces at substantially lower prices than Jøtul.

While other manufacturers were getting better, Jøtul was beginning to stagnate. During the good years, it had not seemed prudent to commit major resources to product development, but rather to commit them to meeting demand. It must also be conceded that the company's belief in its own excellence was quite strong. However, over the long term the lack of investment in product development weakened the company's ability to compete. While American foundries were adapting to new market preferences, Jøtul continued to sell the same models year after year.

The company was not entirely passive though. For instance, a new stove model which had been developed especially for the American market was launched in 1979. But a much more active commitment to market-specific product development would be needed if the company was to assert itself in a market which was demanding more and more from its manufacturers. "The company's existence in the export markets will depend on its ability to renew itself and to develop new products," noted CEO Rolf Sjøl in 1979. [281]

The market experienced a new and powerful upswing as a result of the 1979 oil price hike. For Jøtul this meant a 46 per cent increase in export turnover compared to the year before, and the company was operating with long delivery times by the end of the year. On the other hand, this situation no longer provided the same grounds for optimism. While presenting very promising results for 1979, the board stressed that "continued positive growth in our export markets will demand that we can maintain top quality to justify the extremely high price level, that we can develop new products with

Jøtul-forskning ga nyvinning

Av
SIGRID RUTH WAAGE

Økt debatt om forurensning, brenseløkonomi og sikkerhet har ført til at Jøtul har utviklet en ny type vedovn. Det patentsøkte sekundærprinsippet betegnes som et stort fremskritt innen varmeteknologien. Nyvinningen er utviklet ved Jøtul i samarbeid med forskere fra Forsvarets Forskningsinstitutt (FFI) og Institutt for damp og forbrenningsteknikk ved SINTEF, og vil ventelig vekke betydelig internasjonal oppmerksomhet.

Jøtul ble en betydelig eksportør av tradisjonelle vedovner i forbindelse med oljekrisen i 1973. Etter dette fulgte en rekke kopier. På det amerikanske marked fantes 20 produsenter i 1973, tre år etter var der 700. At det norske marked har vært noe tregere, skyldes vår relativt rimelige elektrisitet. Men utviklingen går i retning av kombinasjonsløsninger av fyringsbehovet her hjemme.

Den nye vedovnen gir 80 prosent varmegjengivelse og bare 2 prosent utslipp av uforbrente gasser. Det avanserte forbrenningssystemet har to kamre. I det 2. kammeret skjer en etterforbrenning helt oppe i 900-1000 grader. Dette gir mindre røyk, mindre utslipp og mindre avleiringer i pipe og røykrør. Og prinsippet krever mindre ved og følgelig mindre lagringsplass for brensel. Vedovnen er utført i støpejern og gir en varme-effekt på 2 til 8 KW.

201, som vedovnen er kalt, vil være i handelen om et par måneder, og vil koste ca. 5000 kroner. Jøtul har produsert vedovner i nærmere 130 år, nå mer enn 100 000 enheter årlig.

Denne skissen viser prinsippet for Jøtuls nye vedovn. I ovnens nedre kammer foregår forbrenningen som i en vanlig ovn. I sekundærkammeret bringes luft gjennom en spesiell varmeveksler inn til de varme brennbare røykgassene som har overlevd forbrenningen i primærkammeret. Røykgassen blir antent og omgjort til energi.

Jøtul's first clean-burning product, model 201. The new combustion technology used in the 201 was developed in a co-operative effort with Jøtul, The Defence Research Institute, and SINTEF in Trondheim. At first the model created more problems because of its high heat efficiency. With improper stoking the heat developed could become so high that the device would warp.

the best possible protection, and that we can strengthen our international marketing". [282] The company reckoned, and rightly so, that demand would stabilise at some higher level than prior to the oil price hike, but "on the other hand we expect the current scarcity of stoves and fireplaces for solid fuel to generate increasing activity on the production side, and stiffer competition is expected both in Norway and abroad". [283] The days when the market alone could take care of sales were definitely past.

Other factors were also at work during the period around 1980, in pushing companies toward more aggressive investment in product development. First, there was a trend toward shorter product lifetimes. Second, requirements in terms of design and environmental adaptation began to intensify. [284] Third, the stronger competition compelled Jøtul to take into greater account national requirements regarding standards and product properties.

Jøtul responded to these challenges by developing a series of new products. A free-standing wood stove, the Model 201, which was based on an entirely new combustion system, was launched in 1981. Several new free-standing fireplace models were also launched. Four new stove models were launched the following year, along with a new built-in fireplace. Yet another couple of fireplace models came out in 1983. Many of the new models were intended for the Norwegian market, but separate models were also developed which directly targeted the export markets, primarily the United States.

As we have seen, Rolf Sjøl believed that product development had to go hand in hand with an increase in international marketing activity if Jøtul was to maintain its position in the export markets. New measures were implemented in this area as well during these years. First and foremost, a commitment was made to secure greater influence at the import and retail levels, a move which followed naturally from market developments. In mature markets, power tends to shift away from the production side and toward the retail side. Jøtul also experienced such a shift, and the natural response was for the company to try to "internalise" these functions. In addition, the stiffer competition increased the need for a more active market strategy. This too could best be achieved through greater control at the import and retail levels.

Jøtul had long based its export sales on independent agents. In the United States, a company in Portland, Maine – Kristia Associates – became an agent for Jøtul stoves as early as 1973. Sales in Europe also occurred via independent agents in each individual country. This was an appropriate solution as long as the market remained strong. But as competition increased toward the end of the decade and the need for more active market initiatives arose, this approach became less desirable. In some cases it was difficult to induce the importers to act in accordance with Jøtul's growing ambitions. Recurrent problems included differences of opinion as to how tasks were to be handled, disputes regarding the division of expenses, and an inability to meet the demands of a tougher market.

In 1979 Jøtul signed a new contract with Kristia Associates which ensured greater influence over marketing and retailer strategies. [285] This was important because, in the board's view, the importer "lacked the ability to assert itself in the market". [286] A number of problems also existed with respect to the co-operation between Jøtul and the importer. [287] This was one of the factors to which the