

The mode of exchange and shaping of markets: Distributor influence in the Swedish post-war food industry

Hans Kjellberg ^{a,*}, Claes-Fredrik Helgesson ^{b,1}

^a Center for Marketing, Distribution and Industry Dynamics at the Stockholm School of Economics & Stockholm Center for Organizational Research (Score), Sweden

^b Stockholm Center for Organizational Research (Score) & Center for Marketing, Distribution and Industry Dynamics at the Stockholm School of Economics, Sweden

Received 22 December 2006; received in revised form 9 June 2007; accepted 13 June 2007
Available online 3 August 2007

Abstract

This paper addresses the associations between the mode of exchange and the configuration of market actors and exchange objects through a historical case study of the introduction of self-service retailing in the private food retail trade in Sweden. The changes in the mode of exchange reported in the case resulted from organizing efforts involving both retailers and a major wholesaler. These efforts were directed towards two main areas: the material framing of the exchange situation, e.g. the redesign of store facilities, interiors and the pre-packaging of goods, and the agency of the involved actors, e.g. information campaigns and education directed towards retailers and consumers. Through this process, a network of associations was forged that inter-defined the mode of exchange, the market actors and the exchange objects. The paper contributes to extant literature on the shaping of markets by empirically examining the associations constituting modes of exchange and the process through which these associations are forged. A central finding is that the introduction of self-service was elaborately intertwined with changes in the characteristics of the actors and objects of exchange.

© 2007 Elsevier Inc. All rights reserved.

Keywords: Self-service; Market practices; Mode of exchange; Shaping of markets

1. Introduction

- Who's to stop customers from simply putting the goods in their pockets and walk out? Mr. Andersson, a retailer, looked at director Green.

- It is possible to arrange a special self-service area for the sake of control, Green replied. This is what Paul Kågström did. He now operates two departments, one fully served and

one self-served. The customers pass through a gate at the counter when leaving the self-served area.

- I think that the traditional counter is a misplaced barrier between the customers and the goods, said another retailer. Today, the customers must ask you to get the goods for them, even if they only want to look at them. A more open display would improve sales.

- That may be, but what about the personal touch that we always speak of when comparing ourselves to the Co-ops, Andersson replied. How can we maintain that if all we are to do is add up and charge? And what about goods that you need to weigh and wrap? Surely we cannot let the customers do that!

- You're absolutely right, said director Green. Extensive pre-packing is more or less a prerequisite for a complete conversion to self-service. We're not there yet, but the

* Corresponding author. Stockholm School of Economics, P.O. Box 6501, SE-113 83 Stockholm, Sweden. Tel.: +46 8 7369523.

E-mail addresses: hans.kjellberg@hhs.se (H. Kjellberg), claes-fredrik.helgesson@hhs.se (C.-F. Helgesson).

¹ Score, SE-106 91 Stockholm, Sweden. Tel.: +46 8 164445.

*producers are pre-packing more and more of their goods. You can also pre-pack goods in the store during slow hours. New packaging solutions are introduced even as we speak and Retailer Service already offers many high quality aids.*²

The topic of this article is the organizing of economic exchange, and by extension, the shaping of markets. In particular, our purpose is to explore the associations between the specific way in which economic exchanges are organized – the mode of exchange – and the constitution of objects and agents of exchange. To this end, we examine the introduction of self-service retailing in the Swedish private retail trade. As the opening incident illustrates, this process triggered many questions about the existence and character of the associations between the new retail format and the actors, objects and material framing of retail exchange: Would self-service turn customers into thieves? Would self-service prevent the retailer from providing service? What demands would self-service place on the stores and the goods? Etc.

Insights into the process through which a particular mode of exchange was realized may prove useful for future transitions of this kind. For instance, the questions above resonate well with the generic topic of how a mode of exchange is enacted in a given market and how it is co-configured with the characteristics of the buyers, sellers and goods involved in that particular market. Increasing our knowledge about these links does not only increase our understanding of how markets are shaped, but also of the alternative market configurations available in the market economy and of the scope for market management. The particular transition to self-service is also a valid topic in and by itself since it remains one of the most profound changes in food distribution and constitutes the basis for the advanced selling techniques found in the currently dominant mode of exchange: the modern supermarket (see Cochoy, *in press*; Cochoy & Grandclément, 2005). In so far as it is important to understand modernity, then, the self-service revolution is a central process.³

Ample contemporary sources allow us to construct an original and detailed case history of the first phases of the private retailers' transition from manual to self-service in Sweden. The opening discussion on the merits and drawbacks of self-service provides a flavor of the empirical material. We

then use the case history to explore how modes of exchange, objects of exchange and agents of exchange are co-constituted. There are two major reasons for this study design. First, drawing on central insights from the sociology of science and techniques, we argue that a mode of exchange is more readily examined “in the making” than “ready-made” (Latour, 1987). Second, explicitly studying how a new mode of exchange is introduced provides opportunities to observe how associations are forged between the specific practices constituting that mode of exchange and the objects and agents involved in such exchanges.

As a starting point, we make no assumptions about the direction and character of such associations. Hence, we discard a reductionist view of the mode of exchange as determined solely by the character of the goods exchanged, a common view in the service literature (confer Day & Barksdale, 2003; Fitzsimmons, Noh, & Thies, 1998; Mitchell, 1994). Inspired by recent work on the shaping of markets in marketing, economic sociology and anthropology (Araujo, 2007; Barry & Slater, 2002; Callon, 1998c; Callon, Méadel, & Rabeharisoa, 2002; Helgesson, Kjellberg, & Liljenberg, 2004; Kjellberg & Helgesson, 2007), we regard markets as constituted by practice. The entities participating in exchange – buyers, sellers and objects of exchange – are not only socially embedded (cf. Granovetter, 1985) but also embedded in material arrangements including buildings, tools and other devices (Callon, 1998a). The article contributes to the literature on the shaping of markets mentioned above by empirically examining the practical introduction of a new mode of exchange. Our study shows that the realization of the new mode of exchange not only led to a re-configuration of agents and objects of exchange, but that both the established and the new mode of exchange underwent changes as well. This suggests that modes, agents and objects of exchange should be conceived as being *co-constituted* by market practices.

Five sections follow this introduction. First, we develop our theoretical starting points concerning the mode of exchange and the shaping of markets. Second, we specify the design, sources and methods employed for the empirical study. Third, we present the case narrative, describing the initial reactions to self-service in Sweden and the subsequent endeavors to realize this new form of retailing among private retailers in Sweden during the late 1940s and 1950s. Fourth, we analyze how the different modes of exchange figuring in the case were configured and how these configurations related to the shaping of objects and agents of exchange. Fifth, we draw some tentative conclusions with respect to the association of modes, objects and agents of exchange and discuss implications of this for efforts to manage markets.

2. The shaping of markets and the mode of exchange

How are markets and other economic orders shaped? Recently, constructivist market studies in economic sociology and marketing have suggested that markets can fruitfully be viewed as emergent orders, constituted by on-going practices (Barry & Slater, 2002; Callon, 1998c; Callon et al., 2002;

² This opening incident was compiled from minutes from discussions about the merits of self-service in the Hakon councils of trustees in 1947 (Hakonbolaget, 1947b). These councils were local advisory bodies to Hakonbolaget, the largest private food wholesaler in Sweden, and consisted of selected retailers from the area served by each of the company's 13 local office groups. The councils addressed issues concerning the relation between the retailers and Hakonbolaget and were used as a sounding board for centrally developed proposals.

³ Compared to other European countries, one important feature of the development in Sweden is the speed at which the transition from manual service took place. During the 1950s there was a remarkable growth in the number of self-service stores: from approximately 200 in 1950 to 5500 in 1960 (Nyberg, 1998). To some observers this suggested that the numbers were already approaching a maximum by 1960 (confer Abbott, 1963).

Download English Version:

<https://daneshyari.com/en/article/1028021>

Download Persian Version:

<https://daneshyari.com/article/1028021>

[Daneshyari.com](https://daneshyari.com)