

Innovation in Retail Marketing: The Case of the Supermarket in Early Post-War Britain

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This paper presents research that identifies and evaluates some of the main knowledge flows surrounding the development of supermarket retailing in early post-war Britain. In doing so, it provides an evaluation of both 'supply-side' [retail industry] and 'demand-side' [consumer] interpretations. In particular, the paper advances a more developed conceptualisation of the role of the consumer in the supermarket innovation process than that typically provided in historical analyses. The paper argues that recent attempts in the marketing literature to promote a Service-Dominant logic (S-D logic) provide a useful framework around which to organise our thinking about the supermarket as an innovation. S-D logic's focus on the exchange of knowledge, its acknowledgement of the customer's input to the co-creation of value, and its identification of social and economic actors as resource integrators are shown to be relevant (see Vargo and Lusch, 2004, 2008; Lusch et al. 2007).

Self-service retailing and its apotheosis the supermarket are important innovations that transformed food retailing and the way in which people shopped for food in post-war Britain (see, for example, Bowlby, 2000; du Gay, 2004; Shaw et al., 2004; Alexander et al. 2008). From only 10 self-service stores identified in Britain in 1947 there was rapid growth to an estimated 500 or so such stores by 1950 (Fulop, 1964). Estimates suggested as many as 6,300 self-service stores by 1960, and more than 28,000 in operation by the end of that decade (*The Nielsen Researcher*, 1963, 1970). Equally significant, an increasing amount of self-service retailing was taking place in larger supermarket formats. The available statistics again reveal strong growth. The 50 or so supermarkets in existence in 1950 had swollen in number to more than 570 in 1961 and to an estimated 3,400 by 1969 (McClelland, 1962; *The Nielsen Researcher*, 1970; Birchall, 1994). Self-service operations (both self-service stores and supermarkets) were reported to account for 15% of grocery turnover in 1959, rising to as much as 64% only ten years later (*The Nielsen Researcher*, 1970). Despite the significance of these changes, we have generally lacked sufficient understanding of the knowledge flows and knowledge creation processes surrounding the introduction of these important retail innovations to the British retail landscape.

To enhance such understanding the research methodology of this research is constructed around two related strands. The first, concerned to illuminate supply-side perspectives, involves analysis of the trade press. Particular emphasis is placed upon the contemporary retail trade press, including a detailed consideration of titles such as *The Grocer*, but the analysis is extended to incorporate consideration of the trade press of selected shop-fitting and equipment suppliers and packaging companies that were important players in the development of self-service and supermarket retailing. The second methodological strand involves the analysis of consumers' oral histories of shopping at the early self-service store and supermarket. Such analysis allows for a close reading of their perceptions of these retail innovations and of their implications for shopping practices. The oral history data is derived from a recently completed Arts and Humanities Research Council (AHRC) funded research project.¹

KNOWLEDGE CREATION AND FLOW: SUPPLY-SIDE PERSPECTIVES²

Among the main conduits of knowledge on self-service and supermarket retailing innovations in post-war Britain were shop-fitting and equipment suppliers, packaging firms, the trade press, government, and early adopters (Alexander et al., 2005). Whilst not a comprehensive list of all knowledge conduits, they are broadly representative. Each of these is discussed in the full paper, with particular attention given to the activities of shop fitting and equipment and packaging suppliers. These represented important conveyors of both explicit and more tacit knowledge of self-service retailing methods to supermarket firms (see, for example, Galvani and Arnell, 1952).

In promoting their services, firms such as National Cash Register, Hussmann British Refrigeration and Metal Box (packaging) were keen to sell the idea of self-service and the supermarket to a partly sceptical trade. To promote 'the shop of the future' to a British retail trade yet to emerge from the constraints of post-war shortages, shop fitters co-operated in establishing mock-up stores built 'to the latest American principles' (*The Grocer*, 1948; *The National Post*, 1948). A number of these firms also established self-service advisory bureaux to offer free

advice to retailers considering adopting self-service retailing methods. The British office of National Cash Register appointed a new bureau manager to train its entire sales force in self-service merchandising and to assist them in planning self-service shops for clients. The firm's British managers joined other European delegates on its North American study-tours (The National Post, 1949; see also Bowlby, 2000)

KNOWLEDGE CREATION AND FLOW: DEMAND-SIDE PERSPECTIVES

Existing studies give insufficient consideration to the contribution of shoppers to the supermarket innovation. In terms of conceptualisation of the problem, one can begin to better understand the role of the consumer by drawing on business history and the history of technology literatures that forefront the role of individuals, as consumers or users, in innovation processes (Bijker et al, 1997; Oudshoorn and Pinch, 2003). Debates in the services management literature on the 'co-produced' nature of services innovations and the ways in which the customer is 'put to work' are also relevant (Gallouj and Weinstein, 1997). As discussed above, recent attempts to promote a S-D logic in marketing are particularly significant in that they offer a more comprehensive framework for analysing the role of the customer (Vargo and Lusch, 2004, 2008; Lusch et al. 2007). Similar to aforementioned literatures, S-D logic identifies the customer's input to the co-production of the core offering. However, it contends that this co-production activity is subordinate to the customer's wider role in *value creation*; there is no value until an offering is consumed (Lusch et al., 2007, 8).

Many of the interviewees contributing oral histories to the AHRC project drew attention to the new skills they considered it necessary to develop in learning to shop at the larger store environment of the supermarket. These skills formed around revised interactions with the selling environment, staff and the goods for sale, and extended beyond a narrow definition of shoppers' physical work (co-production) to their wider role in value creation. This wider contribution required new shopper competences and learning surrounding the practise of choosing goods for oneself. Interviewees also revealed the place of experiences to their involvement in the co-creation process and the emotions these engendered. Whilst they frequently recounted the rather mundane and habitual experiences that have been typically connected with food shopping (see Gronow and Warde, 2001), on occasion they extended the discussion beyond this to include less routine experiences and explained the role of supermarket shopping in generating varied emotions such as anxiety, excitement and (un)happiness. These findings are discussed further in the paper.

CONCLUSION

This paper identifies and assesses some of the main conduits of knowledge creation and transfer surrounding the development of supermarket retailing in Britain. S-D logic is shown to provide a powerful framework to understand the processes occurring. Particular attention is given to role of the consumer in this context, adding an important new perspective to the conceptualisation of the issue and, through the analysis of a new data set, revealing the potential of analysing retailer-customer collaborations. More generally, the paper also highlights the scope that exists for retailing and marketing historians to engage with recent debates in marketing management.

NOTES

¹ Gareth Shaw and Andrew Alexander. Arts and Humanities Research Council (AHRC) funded project "Reconstructing Consumer Landscapes: Shopper Reactions to the Supermarket in Early Post-War England."

² In this section I draw upon Alexander et al. 2005. Promoting Retail Innovation.

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