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Food coop as the height of the « consumer governmentality continuum »
: discussion and avenues for research

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Food coop as the height of the « consumer governmentality continuum » : discussion and avenues for research

Abstract : This paper provides a discussion on the growing role of consumers in corporate governance. A typology of four consumerist figures is presented (the Opponent, the Responsible, the Co-creator and the Cooperator), where each type is considered as successive stage towards a complete and internalized takeover of the consumer. The special case of food cooperative of consumers (food co-ops) is then considered as the most evolved form of governance *by* and *for* consumers. Since very little marketing work has examined the particular case of food co-ops, the second objective was to provide various lines of research to better identify the essence and the potential associated with these structures. To do so, we present a research agenda structured through three parts: consumer-cooperator, relationships with environment and commercial performance.

Key words : food coop, consumer, power, governance

Track : Marketing Strategy & Theory

In the US, 29% of consumers belong to a consumer cooperative (mentioned as "co-op"), food being the sector with the most co-ops (Global Census on Co-operatives, 2014). In Europe, the success of food co-ops is much more modest even if we note a very recent emergence of this kind of supply circuit (e.g. La Louve in Paris, The London Food Coop, The Coop in Barcelona, or SuperCoop in Berlin). In these structures, the consumer is at the same time a decision maker, a manager, a client, a citizen and a worker: he represents several stakeholders of the organization on his own and simultaneously. In a global context of interest for short circuits, health and environment, the principle of food co-op echoes the concerns of a consumer who is in perpetual quest for control, transparency and power. It is the evolution of this quest which is mainly questioned here and our proposal pursues two objectives. The first aim is to propose a discussion on the growing role of consumers in corporate governance. To this end, we propose a typology of consumerist figures that regroups and organizes various phenomena of consumer resistance, where each type is considered as successive stages towards a complete and internalized takeover of the consumer, and where food co-op constitutes the most evolved form of governance by and for consumers. The second objective is to provide various lines of research that would better identify the essence and the potential associated with food co-ops. Indeed, these structures are opposed to the functioning of traditional market organizations and their development leads to many questions. However, although they have a recent craze (e.g. since 2017, more than a dozen food co-ops have emerged in France alone), very little marketing work has examined the particular case of food co-op.

1. A « Consumer Governmentality Continuum »

A review of the literature on the forms of resistance, control and action of consumers lead us to identify four major phases corresponding to different consumer figures, which can be associated with a growing degree of governance and with certain limitations (summarized in Tables 1a and 1.b).

1.1. The Opponent Consumer

Before being in a position to control or even decide, the consumer initially resisted by opposing behaviors towards unsatisfactory or harmful practices. The literature on consumer resistance analyzes and distinguishes many opposition tactics of varying intensity. Some, rather "soft", mainly represent an opposition through avoidance: reduce the quantities of purchase or turn away from a brand permanently. Others reflect a more intense form of sanction (e.g. complaints, claims, negative WOM, boycott) that are also analyzed in the literature on consumer revenge

(Grégoire et al., 2010). Through the development of the second-hand or barter market, this opposition is no longer directed against a given company but against the ideology underlying the whole market (Kozinets and Handelman, 1998). Lastly, there are more spectacular types of protest, even violent ones (e.g. collective boycott, degradations). The maximum anti-consumerist protest is embodied in the figure of the alterconsommateur (see Remy, 2007), which can be found in radicalized movements (e.g. brandalism, anti ad movements, movement for decay). Whatever the mode of opposition, silent or spectacular, the consumer demonstrates a form of involvement in the market and exercises a counter-power (Roux, 2007). Thus appear the first steps of a willingness to interfere in the practices and to exert a relative control via the potential sanction, which is moreover considered as a mechanism of external and informal regulation included in the concept of governance. However, this form of counter-power does not always have the expected weight and its motivations are not only related to responsible considerations: more broadly, they encompass irregular, dominant or normative commercial practices (e.g. "photoshoped" or offensive advertising, price increase). And above all these forms of resistance are "against"; they disagree and thus they represent a *negative* reaction to the market (Moisio and Askergaard, 2002). Its guiding principle is not necessarily to drive a renewal and the consumer asserts a "judge" position outside the market.

1.2. The Responsible Consumer

Other types of consumer behavior reflect ethical concerns and can no longer be viewed as an adverse response to the market. They rather pursue an intention to induce global transition from the market to modes of production, marketing and consumption that match with the current sustainable imperatives. This phenomena is studied as Socially Responsible Consumption (SRC): preferences and purchases are based on the assessment of their economic, social and/or environmental consequences. The consumer commitment in SRC stems from a participative desire to renew the market system, by giving more room to other modes of production (fair trade and organic, sustainable labels, rejection of animal experimentation), of distribution (short circuits, locavorism), of management and values (salary of employees, remuneration of suppliers, child labor). Literature on SRC indicates that it is a "consum'actor" who questions the economic system, tries to reform it from the inside, commits a political act (defending the viability of an alternative project for society) and exerts a form of pressure to encourage companies to comply with standards and to assume social responsibility (e.g. Özçağlar-Toulouse, 2009; Remy, 2007; Sen & Bhattacharya, 2001). One could recognize the expression of a power (whose aim is to improve the impact of the economic system on health, environment,

territory and social dimensions) and this "consumerist pressure" has an effect on strategic and operational decisions (Remy, 2007). In this respect, the "responsible consumer" becomes one of the stakeholders in the corporate governance. However, even if he can now act to try to steer the market towards a socially and environmentally virtuous system, we can note some limitation to his power. The responsible consumer remains dependent on the offer in terms of diversity, price, sales channels and production systems. And most importantly, it does not integrate internal decision-making.

Table 1a. Different figures of the resistant consumer associated to role in governance (1/2)

	THE OPPONENT CONSUMER	THE RESPONSIBLE CONSUMER
Logic	Opposition to corporate and/or market practices, to speak "against"	Positive pressures on market for sustainable renewal of the system
Social figures	Opponent, protester, avenger, alter-consumer	Reformist, consum'actor
Action principle	Sanction through avoidance, contestation or violence	Pressure to offer differentiation based on its sustainable dimensions
Examples	Decrease in quantities, disengagement of brands, boycott, negative BAO, donation, barter, degradations ...	Selection according to the social and environmental consequences (e.g. organic, equitable, local, short circuits) and CSR practices of the company
Role in governance	Indirect role of external regulation via sanction	Direct actor via external normative pressures

1.3. The Consumer Co-creator

When deciding to make a socially responsible purchase, the consumer validates - or not - internal decisions by making an external choice, according to criteria preselected without him. This may be a source of frustration or recrimination that companies have anticipated through a more recent phenomenon: co-creation, related to the notion of collaborative marketing. It is no longer just a question of collecting and analyzing the ethical expectations of consumers to design an appropriate offer, but of associating certain consumers with the design of their products and offers. These practices of co-creation have expanded under the combined action of sociological changes, the growth of new technologies and the raising level of consumer competencies, who sometimes becomes a real expert. For many researchers, this is also a form of power takeover, concomitant with a blurring of roles between producer and consumer (we speak about "prosumer"): the consumer becomes a marketer, he speaks equally to equal with the company, he collaborates in the definition of the offer and he co-creates value (Cova & Cova, 2009; Firat & Dholakia, 2006). This form of empowerment has the particularity of

integrating a recreational dimension. It is about contributing to a creative process, sometimes including real innovation: the market and consumption are then used as a field of practice for their creativity and their power (Berthon et al., 2008). One more step towards the internalisation of the consumer is crossed: it no longer represents the sanction at the end of the chain, he does not make a choice based on criteria set by others but chooses its own criteria, he expresses his sense of ethics and his power not only from the outside but also by putting a foot inside. The nuance is important in terms of governance. But as a limitation, this type of collaboration deals with operational dimensions of the offer (price, formulation, product-concept, communication) and rarely concerns overall strategic orientations or human resources management. In addition, many critics point out the illusory nature of a "pseudo-collaboration" in which the company captures the added value of innovative consumer contributions, without compensation.

1.4. The Consumer Cooperator

If the phases previously described should have a following step, it would be a consumer becoming fully integrated into the governance system. We suggest that this end of the continuum is achieved with consumer cooperatives (co-ops), where the role of the consumer seems to reach its climax. If co-ops are found in various sectors, food distribution concentrates the most recent initiatives in this area, driven by consumers seeking ever greater control over their food and supply chains. We therefore focus on food co-ops, also called cooperative supermarkets. In particular, the Park Slope model in New York and La Louve in Paris appear to be precursors in terms of complete governance *by and for* the consumer. Indeed, "*Most cooperative supermarkets share the capital among multiple co-owners, the profits are reinvested in the cooperative but the prices are normal and the co-owners do not work voluntarily*" (Tom Boothe, director of the documentary "Food Coop", 2016). Park Slope and La Louve represent cooperative systems which are exclusively self-managed. Only members can be customers (becoming "cooperators"), for an entry fee of several tens of euros/dollards and a participation as volunteers in the management of the store during a few hours per month. The consumer thus carries out various missions: administration of the store, organization of the tasks, choice of the supply, stocks management, pricing policy, shelving, collection, etc. Governance is participatory in nature, according to a principle of direct democracy: 1 cooperator = 1 vote. Consumption must be more transparent since the supply chain and traceability are controlled by the final consumer himself. The financial dimension is also transparent: margins are decided and known by cooperators and are limited to maintain an attractive purchasing power. With a membership of 100€ and 3h of monthly volunteering, La

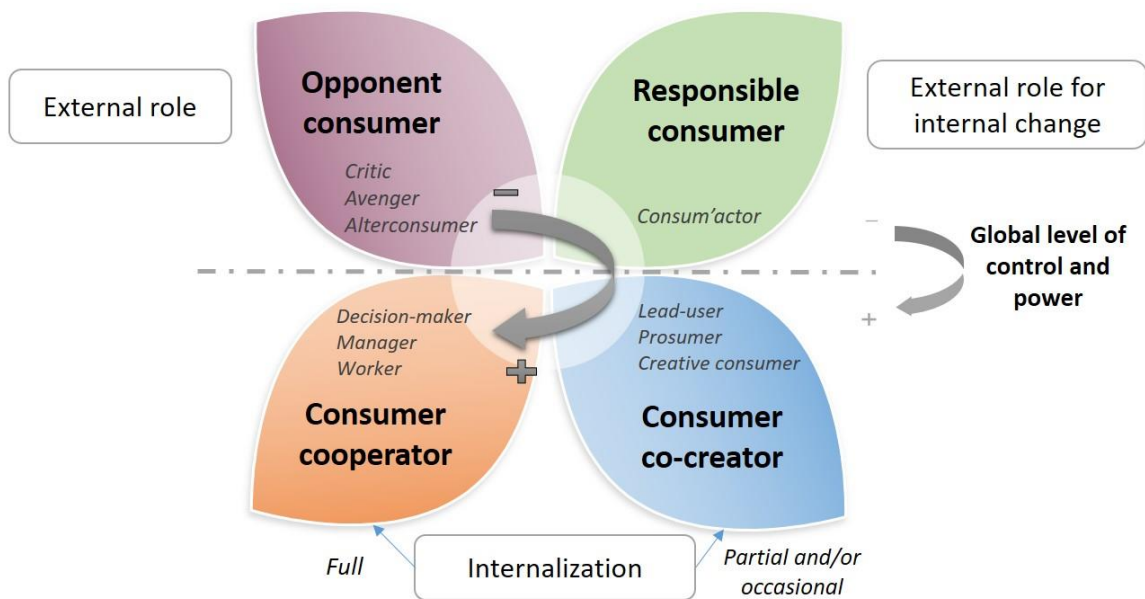
Louve in Paris offers a quality food with an average basket 15 to 40% cheaper than equivalent products in other conventional distribution channels. Moreover, food co-ops in general are part of a logic of sustainable development and favor (but not exclusively) an assortment of local, fair trade, organic, non-GMO products or manufactured in respect of human and employees rights. Finally, in food co-ops, the involvement of consumers-cooperators is present at all levels since they are at the same time decision-makers, managers, customers, citizens and workers. Even if, in fact, a smaller group of members often participates more actively, becoming a cooperator seems to be the culmination of a logic of consumer takeover in governance and in the daily life of commercial organizations. But despite their local success (Park Slope has 17,000 cooperators and achieves more than 40 million \$ of turnover) and although it joins the current aspirations of consumers, food co-ops represent only a tiny part of food distribution.

Table 1b. Different figures of the resistant consumer associated to role in governance (2/2)

	THE CONSUMER CO-CREATOR	THE CONSUMER COOPERATOR
Logic	Co-construction of offers and / or products with the company	Collectively owner and decision maker (at all levels)
Social figures	Collaborator, partner	Omnipotent (decision-maker, manager, worker, citizen, consumer)
Action principle	Participation in the definition of operational choices and offers	Participation in strategic and operational choices and in day-to-day management
Examples	Propose product ideas, comment on those of others, vote between alternatives	Putting on the shelf, collection, receipt of orders, price fixing, choice of suppliers, purchase...
Role in governance	Actor partially and occasionally integrated with internal operational decision-making	Unique and central internal actor of governance (direct democracy)

These lines evoke phenomena that are already well known in the marketing literature, but put in perspective in order to highlight the rise of the role of consumers in corporate governance (Figure 1). A role of control and external regulation by the sanction when he decides to contest, an external role of citizen-voter able to direct the strategy of companies towards a societal improvement when he engages in SRC, a role of occasional and internal partner-designer when he decides to co-create with the company, and the logical continuation of this continuum corresponds to the decision-making role fully internalized within the company: the consumer cooperator himself becomes the company. The next part aims to provide research paths to improve knowledge on this ultimate form of consumerist governance that has been little mentioned in the marketing literature.

Figure 1. Increasing role of consumers in governance depending on consumerism type



2. Research avenues in Consumer Behavior related to food coop

This part does not include an important dimension of food co-ops already addressed by research: the dilemma between social and financial performance, and the contradictions between democratic association and economic organization (see Diamantopoulos, 2012). Focusing on marketing-related issues, the majority of work focuses on cooperatives in general, on agricultural cooperatives in particular, or on short-circuit purchases. We propose ways of research addressing the particular case of food co-op.

2.1. Examining the consumer cooperator

Several cooperator-related issues need further investigations, especially :

- His **motivations** to participate: the respective impact of functional (e.g. value for money, assortment of ethical and sustainable products), relational (e.g. community belonging, relationship with local producers), individual (e.g. health, localism) dimensions for instance.
- The **typology** of cooperators profiles according to several criteria (motivation, socio-demographic profile, intensity of commitment to governance ...)
- The impact of the **profiles heterogeneity**: can the democratic functioning of food co-ops be effective if cooperators do not have the same level of knowledge and expertise? The same expectations? And beyond a certain number? The heterogeneity of the profiles also raises the issue of conflicts of interest and values between members, which could lead to the failure of the food co-op (Beach, 2011).

- The **organizational approach** favored by the cooperators (in relation with the previous point): does the introduction of steering committees (like in some recent food co-ops such as La Cagette in France) allow to better manage this heterogeneity or does it negatively impact the motivation of cooperators initially seduced by a participatory governance? Are the three complementary dimensions of agricultural cooperative governance (i.e., disciplinary, partnership and cognitive governance, see Saisset et al., 2016) of equal importance in food co-ops?
- The cooperators **loyalty**: member volatility remains a major problem in cooperative structures in general (see Barraud-Didier et al., 2012). What are the main causes of defection of consumer cooperators? What dimensions impacted their trust and loyalty?
- The **organizational commitment** toward the organization: what determinants could foster an active participation in governance ?
- **Deviant behaviors**: despite the collaborative nature of food co-ops, cases of deviant behaviors were raised in Park Slope (e.g. robberies by cooperators) as well as in La Louve (e.g. unexpected absences, non-compliance with the defined schedule) and these behaviors should be better understood and prevented.

2.2. Examining the relationships between food co-op (or members) and its environment

- The use of cooperators as efficient **ambassadors** of their food co-op could be examined given that notoriety and visibility remain a brake on the development of food co-ops.
- How to combine the **paradox of exclusivity** (only those who volunteer can be consumers) with the objectives of social link, openness and democratization of quality products? (see Zitcer, 2015).
- At a time when the consumer is looking for proximity and considering the development of short circuits and food hubs, the **place of food co-ops within local food networks** can be questioned (see Katchova & Woods, 2011).
- The **competitive relationships** engendered by food co-ops also raise questions: critics are emerging regarding the impact of these structures on local employment and on competition with small local businesses. Since people can only be customers if they give their time, they could be compared with - and replace - professionals (shelving, cashier, reception...). In addition, by benefiting from public subsidies that may ultimately impact the selling prices of products, the competition from food co-ops is sometimes considered as distorted, even unfair, compared to other small retail businesses, especially organic shops.

- What are the **motivations of suppliers** (especially local producers) to join food co-ops rather than other types of retailing structures (including new farmers' stores hosted by agricultural cooperatives)?

2.3. Examining the commercial performance

- Even if Park Slope meets with undeniable success, the question of the **viability** of the economic model of food co-ops deserves to be deepened, as well as that of their **real market**.

- A complete **typology** of the main risks and forces related to commercial performance is also needed.

- Is the mode of participatory governance by consumers themselves perceived as a **competitive advantage** of products by consumers non-cooperators? What is its effect on the perceived quality of the products and what is its weight in the purchase decision?

- To what extent the possible **internal divisions** previously evoked could be perceived from the outside, and what are the consequences for potential customers if any (see Faure-Ferlet et al., 2014)?

- What is the impact of the implication of the cooperators on the commercial performances and on the **attractiveness of the food co-op** compared to other cooperatives not worn by consumers?

In conclusion, we have drawn the evolution of the role of consumers in corporate governance through four consumerist figures, of which the consumer-cooperator is the pinnacle. Food co-ops are currently the privileged field of action for these omnipotent consumer-cooperators. But in view of their still marginal number we have tried to propose a research agenda to improve future knowledge about these structures, which are particularly suitable for transitions progressively imposed by contemporary social and environmental constraints.

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