

Uniformity in Collective Entrepreneurship: The Case of Food Retail Cooperatives in France

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Abstract Entrepreneurship can be either individual, collective, or both. Cooperatives and independent associated networks are groups of retail and service stores that pool their means. Curiously, there has been a lack of research on retail cooperatives. The objective of this research is to show how these organizations, whose cooperators have a dual status (they are both customers and co-owners of the cooperative), can face the uniformity challenge as efficiently as franchised networks do. The findings highlight the existence of various centralized, decentralized, and mixed processes. This research suggests a model for managing uniformity in food retail cooperatives.

1 Introduction

Entrepreneurship is often considered an individual experience and challenge. However, it can be a collective venture, as well. For example, cooperatives are organizations of this kind (Bataille-Chedotel and Huntzinger 2004) with many forms according to the sector they are adapted to: farmers' cooperatives, production cooperatives, bank cooperatives, consumers' cooperatives, and retailers' cooperatives. In production sectors like agriculture, farmers have opened cooperatives so that they can share their technical knowledge or put up a united front when negotiating with the food manufacturers and retailers they sell their products to. Various legal statuses do exist, according to the purpose and the country, but governance is evolving toward more professionalism (Bijman et al. 2013). Still, in

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production sectors, manufacturing or workers' cooperatives bring together workers who either share the same ideal or strive to maintain a firm (Bhowmik and Sarker 2002). Different principles (Jossa 2012) split these cooperatives into worker-managed firms (WMFs) and labor-managed firms (LMFs). When firm survival is debated in production cooperatives, some authors highlight a lack of dynamics and growth (Pryor 1983), whereas others consider these organizations more reliable in the long run than capitalist ones (Monteiro and Stewart 2015). We may question how it works in service sectors.

Bank cooperatives are consumers' cooperatives, as the latter are both bank service users and owners and are very present in Western Europe with about 4000 cooperative banks from a total of 6200 (Les Echos 2013). In agricultural or manufacturing or financial sectors, stakes decision-making is at least in the mid or long run, including cooperatives as well. In retail activities, where most decisions should be made in the short term, especially when margins are low, cooperative survival is a true challenge.

Until recently, food consumer's cooperatives had totally disappeared in countries like France but were still active and very strong in Switzerland. In the past few years, however, new consumers' cooperatives have been emerging in several cities like Paris, Lille, and Toulouse, in France, where consumers are both customers and employees working for 3 h a month for free, as Park Slope Food Coop has been doing for 40 years in New York (Foucaud 2015).

With retailers' cooperatives, we deal with entrepreneurs' cooperatives. A retail cooperative consists of an assembly of retailers who decide together to develop a retail business under the same banner and to organize together their procurement system and many other activities in the course of the growth of the organization. Even though it is difficult for a customer to distinguish between retail cooperative banners and franchise ones, these two systems, franchising and retail cooperatives, are totally different. A franchised system relies on the initial enterprise of a franchisor who attracts franchisees to implement the new concept. In such an arrangement, the franchisor is the owner, even though she/he should be able to convince franchisees to follow chain policies when changes occur. A retail cooperative is an entrepreneurial democratic system owned by an association of members (Hendrikse and Feng 2013), where every decision is made in a democratic way under a basic principle: one person, one vote. The main difference between a retail cooperative and a franchise chain stems in the power-sharing system.

In 2013, wholesale and retail trade accounted for 16% of the number of cooperatives worldwide, in over 42 countries, and generated 605.48 billion US dollars (ICA 2015). These statistics are relatively comparable to those of agricultural cooperatives, which represent 27% of the number of cooperatives in 36 countries and which generate 767.75 billion US\$ (ICA 2015). For the French Federation of Retail Cooperatives and Retail Independent Associations (FCA 2016), this kind of retail networks represents 7% of the GDP in France. For example, *E. Leclerc* and *Système U*, studied in this research, represent, respectively, US\$62.94 and US\$25.47 billion (ICA 2015). There has been a lack of research on retail cooperatives (Hendrikse and Jiang 2011). However, it is important to understand the methods that govern cooperatives, since cooperators are often competing for market shares

within the same network (McClintock Stoel and Sternquist 2004). Our research strives to shed light on this alternative system of retail network, which is less known than the already largely studied company-owned (whether family-owned or publicly owned) and franchised systems.

Long before the modern associations of traders, the ancient Greeks had already experimented with this business model. When an aristocrat wanted to initiate maritime trade, he could either hire men to sell goods in his name (if he had the means) or he could take part in the funding of a ship in association with other noblemen. Together they financed the ship and crew for travel and trade around the Mediterranean Sea (Benedetto 1984). From this early evidence of merchants working together, it is clear that the practice of associating has been a natural stage in business development. Since the nineteenth century, it has become more and more widespread, and one of its more recent evolutions is the retail cooperative.

According to the FCA, cooperatives and independent associated retail networks are groups of retail and service stores that pool their means in terms of purchase, marketing, communication, funding, logistics, and information systems and thus develop common policies (FCA 2016). For the sake of this study and for clarity, we make no distinctions between “cooperative” and “associated” networks; the FCA does not distinguish between those organizations, as they have similar operating systems in spite of their different legal frameworks.

According to the rare published research to be found on this topic, retail cooperatives can be considered to be networks (Zentes and Swoboda 2000) but should be distinguished from company-owned and franchised networks. The cooperative members have an active involvement in decision-making, unlike franchised and company-owned networks (McClintock Stoel and Sternquist 2004). These explanations sum up the retail network organizational systems, but they do not include some organizational features of such networks, as defined by Bradach (1997). According to Bradach (1998), plural form networks with both company-owned and franchised units within the same chain generate synergies that increase their strengths and reduce their weaknesses. For many reasons, most networks are plural form organized (Cliquet 2000). Cooperatives remain mostly single-structured, despite a few temporary situations due to chain international development. However, some current negotiations in France between *Intermarché* (an independent associate network) and *Casino* (a company-owned network) or between *Système U* (a retail cooperative network) and *Auchan* (a company-owned network) could cause substantial changes in this cooperative organizational principle. The fact that retail cooperatives and retail independent associated networks are for the most single-structured could lead us to believe that they lack the ability to create synergies. This research study seeks to demonstrate the contrary.

In such a context, one might question how these retail cooperative networks deal with maintaining uniformity across their units, one of the four main challenges for retail and service chains, as defined by Bradach (1998). He explains that “maintaining the uniformity of units in a chain is what preserves its shared identity. In a business-format chain, uniformity permeates almost every aspect of a unit’s operation. What makes this challenge particularly daunting is that key elements of the business format require a variety of local activities to execute” (Bradach 1998, p. 23).

In this paper, we focus on network uniformity. Any network of retail stores should strive for uniformity of units to preserve the brand integrity and values (Caves and Murphy 1976). Maintaining uniformity consists of respecting the core components of the concept (Kaufmann and Eroglu 1998) in order for the consumer to “find a common image, design, and service experience in any store under the same brand; namely, the brand image, which has to be consistent all over the brand’s properties whether they are franchised or company owned” (Diaz-Bernardo 2012, p. 169). This has become more complex as franchisors must manage global marketing of the brand, as well as local marketing, by taking into account local sociological and behavioral peculiarities. However, local adjustments mainly affect only the peripheral elements of the concept (Bradach 1998; Kaufmann and Eroglu 1998).

Owing to the limited amount of academic work carried out on retail cooperatives and the complexity of the phenomena therein, the aim of this research is to understand how retail cooperatives, with the double status of their cooperators (Papon-Vidal 2000), i.e., customers and co-owners, can generate synergies as efficiently as in other plural form networks to cope with the challenge of uniformity. This research focuses on the organizational characteristics of cooperatives and suggests ways to better predict the behavior of this network system.

The article is organized as follows. Firstly, we describe the theoretical framework and both vertical (bottom-up or top-down) and horizontal (democratic system of partnerships) influences in retail cooperatives. Secondly, we use a case study to shed light on the processes that enable cooperatives to face the challenge of uniformity. Finally, we discuss the implications of this study, as well as its limitations and suggestions for future research.

2 Theoretical Framework

After a brief discussion of the evolution of cooperatives, we examine potential synergies needed to face the challenge of maintaining uniformity (Bradach 1998) within this organizational form.

2.1 *From a Horizontal/Heterarchical Organization to Vertical/Hierarchical Influences*

The first modern cooperative movement dates back to 1844 with the creation of the Rochdale Society of Equitable Pioneers in England, after several prior attempts to establish cooperatives in England, in France, and in the USA. The main principles of the cooperative movement were democratic control (one person, one vote), open membership, limited interest on capital, etc. (Krishnaswami 1968), and they remain unchanged. In France, retail cooperatives were then created, which competed with retailers and caused them to regroup and label themselves as “cooperatives

purchasing in common.” Holler (1997, p. 89) explains that “this is due more to a reaction and for the sake of business efficiency than any adhesion to a belief system they did not share, [it was] created by retailers determined to better fight against their competitors, by adopting their own weapons: the cooperative status.” The decisional system of these organizations then became horizontal, i.e., heterarchical. According to Sacchetti and Tortia (2016, p. 103), “Across the heterarchical network, cooperatives keep their autonomy whilst identifying common activities around which labor is coordinated by means of shared common rules.”

According to agency theory, an agent connected with an organization performs better than an isolated one, but as he seeks to generate the highest possible profits, he may perhaps become a “free rider” (Alchian and Demsetz 1972). To fight against opportunistic behavior (Williamson 1975) and stay protected from competitors who could have bought out the so-called independent stores, cooperatives have decided to strengthen their legal ties with “sets of contracts” (Baron 2007, p. 300). It is necessary to coordinate the relationships that bind a principal (member) to an agent (the cooperative) who has a delegated authority of decision-making (Jensen and Meckling 1976). Facing increasing competition with the emergence of purely company-owned chains, such as the French retailers Carrefour or Casino, retail cooperative networks have adopted management behaviors similar to their rivals. Thus, retail cooperative networks have strengthened their interdependency (McClintock Stoel and Sternquist 2004) through the formalization of shared procedures for the monitoring, control, and harmonization of their business practices (Meier 2006). A result of this is that it is becoming difficult to distinguish cooperatives from private enterprises, i.e., hierarchical organizations (Sacchetti and Tortia 2016).

2.2 The Dual Nature of Retail Cooperative Members

Williamson (1985) states that there is an intermediary situation between the market and the firm, called the “hybrid” form, which seems to apply to cooperatives (Hendrikse and Veerman 2001). Initially created with a horizontal structure, retail cooperatives have gradually evolved toward a more vertical one. According to Abrard and Paché (2009, p. 203), “Although horizontal cooperation is the origin of the common structures [purchasing, marketing, communication, funding, logistics, etc.] of retail cooperatives, coordination between these common structures and each retail store actually stems from a vertical form of cooperation. This clearly argues for a dual approach, horizontal and vertical, to cooperation in retail cooperatives.”

Cooperative members are the owners of their store(s) and at the same time customers of the cooperative (Papon-Vidal 2000). According to Sélinsky (2008, p. 54), The cooperative creates a double link between cooperative members: a first statutory link between the cooperative and each member, added to a second commercial link dealing with purchases and sales between the cooperative, through a central purchasing unit, and each member considered also as a seller-buyer.” There is a permanent duality between these roles, which can either complement or oppose each other (McClintock Stoel and Sternquist 2004).

This horizontal and vertical cooperation and the duality of the roles played by each member could appear to be incompatible with the notion of synergies needed if retail networks want to avoid their natural tendency to ossify over time (Bradach 1997).

2.3 *Need for Synergies*

For Alchian and Demsetz (1972), team production is greater than the sum of individual contributions due to the synergetic effect. A chain is the juxtaposition of stores, while a network incorporates the concept of linkages and synergies stemming from retail stores (Cliquet 2000). In studying plural form organized franchised networks, where franchised and company-owned units coexist within the same chain, Bradach (1998) defines four challenges a network should take up in order to grow and survive: adding new units, maintaining uniformity across units, local responsiveness, and system-wide adaptation. Various processes arise through synergies created by a network benefiting from the two different organizational systems: on the one hand, company-owned units, symbols of centralization, and on the other hand, franchised units, more decentralization oriented. These can create synergies that are more difficult to attain for networks with a strict unique organizational system.

According to the FCA, cooperative networks do not coexist, or only exceptionally, with other organizational systems. They do not benefit from the synergies found in the plural form networks (Bradach 1998). In reality, the retail cooperative networks understood very early the benefits of collaborative practices to improve their performances (Abrard and Paché 2009). Turnover or order volumes could be added together, while the development of strategies, marketing policies, shared logistics, new concepts, etc. is the result of synergies within the same network. Interdependency reinforces relationships between members of a network and increases their confidence and their commitment, while reducing conflicts (Kumar et al. 1995). According to Chassagnon (2012), when the key resources of a network stem from the multiple members, they create an interdependency and then synergies can emerge.

The different forms of interdependency within retail cooperatives, generally with hundreds of cooperative members, can thus be seen as factors of different synergies. In fact, Bradach (1998) believes that non-plural form networks cannot generate synergies that will allow them to grow and survive. The following case study challenges Bradach's theory in the context of retail cooperatives regarding uniformity.

3 **Methodology and Data**

Owing to the limited amount of academic work carried out on retail cooperatives and the complexity of the phenomena therein, a case study has been conducted following the methodology developed by Eisenhardt (1989). The empirical study

examines four networks in the French food retail market. The chosen cooperatives are E. Leclerc and Système U, respectively, the first and sixth largest cooperatives in the wholesale and retail trade sector according to turnover in 2013 (ICA 2015), and Intermarché and Biocoop. For reasons of confidentiality, these networks will be renamed Network A, Network B, Network C, and Network D. The chosen organizations are cooperatives or with an operating system similar to cooperatives by FCA criteria. These cooperatives were selected as examples for several reasons: aside from Network A, they have reached maturity in their life cycle, they all have a substantial turnover (minimum 700 million US\$), and each works within a very competitive business sector.

Data collection was carried out in two stages through semi-structured interviews with cooperators or managers from each network. The first phase consisted of conducting twelve semi-structured interviews in order to examine the implementation of Bradach's four challenges (1998). These findings enabled the writing up of the interview guide for the following phase, which dealt with the challenge of uniformity. Using the principle of theoretical saturation, the second stage corresponded to a series of sixteen semi-structured interviews. Three chairmen from Network A, Network C, and Network D agreed to be interviewed for this phase. The profiles of the interviewed cooperators are in Appendix. Additional sources were used to establish a "chain of evidence" (Yin 2009): books written by retail network chairmen and journalists, the legal status of these four networks, their websites and social network pages, video recordings made during interviews or conferences, various press articles, observational studies within stores, and access to internal documents. Notes were taken during each interview in order to summarize the main ideas and elaborate on new assumptions. Data analysis was carried out first separately and then in view of an overall model. The encoding of the interviews took place with the support of Nvivo 10 software. The comparison between the emerging theory and the existing literature was conducted during the analysis following each data collection (Eisenhardt 1989). In order to strengthen the internal validity of this study, improve its generalizability, and achieve a higher conceptual level, literature from marketing and sociology and many references from franchise and agricultural cooperatives were consulted. Verbatim extracts were consistently used to anchor the research findings (Stake 2005).

4 Findings

To homogenize behaviors within retail cooperatives, formal procedures and practices must be established. The first three processes to be analyzed, contracts, incentives, and persuasion, are directly inspired by those that emerged in the study on franchised networks by Bradach (1997, 1998). These formal processes, which have to be initiated by the cooperative itself, are therefore considered as centralized processes, of the top-down approach.

Complex organizations, whose contracts could be considered “incomplete,” also need to develop informal actions to strengthen coordination in order to be more efficient (Ring and Van de Ven 1994). The three following processes, trust, organizational commitment, and informal control, are of the decentralized type and emerged in the two qualitative data collection phases. They are of the bottom-up approach (from the partners to the top of the network) or of the horizontal type (between cooperators).

Finally, the last three processes, solidarity, mimesis, and enculturation, also emerged during the qualitative data collection phases. These are of a plural nature, meaning they mix both centralized and decentralized influences.

4.1 The Contracts Process

The notion of formalization refers to the development of explicit rules and procedures to supervise and control the behavior of members in the cooperative. This is to strengthen the organization’s consistency without necessarily supervising all the practices and behaviors of its members. The contracts enable a formal framework to organize relations between network members. A hybrid organization may also appear based on incomplete contracts and the will to establish coordination mechanisms (Chomel et al. 2013). Every organization has a wide range of legal documents governing the rights and responsibilities of network members. According to cooperator D7, “There are commitments, statutes, rules of procedure.” For the Chairman of Network A, “The only thing that unifies the stores of A is the set of specifications, [...] a labor agreement and an environmental agreement to regulate a certain number of ecological aspects.” One of the most regulated domains within these contracts is marketing. It directly affects the network’s brand image and is delegated by agreement with each cooperative. Advertising is very effective to better control stores and their consistency, as demonstrated in the franchise context (El Akremi et al. 2011). The legal framework can also strengthen the contractual framework. According to the Chairman of Network D, the presence of certain products is “mandatory because the prospectus is widely distributed” and “if you make a prospectus and you do not have the product, it’s illegal. . .” He adds that this is a choice that has been made, and thus it is imposed on all the stores. When you put a commercial on TV, you start with a product and a price. These have to be imposed on all the stores. This means that it forces the stores to have all the products available. In such a way, the prospectus is more than a mere promoting tool.”

4.2 The Incentive Process

Similarly to agricultural cooperatives, some networks of cooperators and associate retailers have shifted from the principle of an egalitarian solidarity to solidarity based and built on individual behavior (Chomel et al. 2013). Network B has implemented a

system of discounts based on “the store’s visuals, the price policy, the availability of the range of food, non-food, and fresh produce, the employee training program, etc.” according to B2, an associate partner of Network B. He adds that this may represent up to 300,000 US dollars per year for a store of 2400 m². As explained by associate partner B1, “To obtain a bonus at the end of the year, we must respect the uniformity concept. So indirectly it strongly encourages us to stick to the concept. And that’s why now it goes a little faster. It is a blessing in disguise, but it is the best way that the system has found, because otherwise the process is too long.”

4.3 The Persuasion Process

The organization relies on coercive and persuasive methods upstream and downstream.

The Upstream Use of Control and Persuasion Among the Cooperators Bradach (1997, 1998) refers to the need for any network of stores to grow. Projects must be supervised and monitored to ensure their viability and performance. According to D7, Chairman of Network D, the regional head offices are in charge of “developing the network, as well as expanding, handing over of existing stores and creating of new stores.” Project applications are closely monitored. According to cooperator A4, employees of the cooperative follow all projects through “phone and physical visits to keep an eye on progress.”

The Downstream Use of Persuasion Among the Cooperators Any store under contract is monitored by field audits, mystery shoppers, and automated management information systems. The aim is to identify any deviation from the concept. However, members of the group can benefit from some form of tolerance toward these deviations (Bradach 1998). According to cooperator A1, “The product advisor [. . .] will help pinpoint a potential improvement in a given department, some form of deviation [from standards] or maybe something else. If the deviation is too important, he must refer it to his supervisor who will arrange an inspection later on.” If necessary, persuasive actions are implemented to motivate the store in question to match the standards again or risk exclusion measures. According to cooperator A6, “A cooperator who does not respect the concept will discredit an entire network of stores. The others are all working well for just one who is working badly. He then needs to go; it is obvious.”

4.4 The Trust Process

According to Robbins et al. (2014, p. 428), “Trust strengthens cohesion. Trust cements the union of individuals. It means that anyone can rely on others. [. . .] In

the face of adversity, the members of a group will unite to work hand in hand and will strive to achieve their goals.”

Interorganizational trust is the trust in the cooperative itself by its own members (Zucker 1986). Any member of a cooperative puts himself in a position of vulnerability by becoming dependent on it either for its purchases, communication, or brand. As expressed by associate partner B2, “I trust the system.” For associate partner B2, “The lack of time and the costs of adaptation need us to trust the system in general, although, of course, a few adaptations to the communication strategy, the available products and the organizational system are often necessary.”

Interpersonal trust is the trust placed by individuals upon other individuals (Zucker 1986) and more specifically between peers in retail cooperatives. As store manager C4 explains, “The genesis of all this is a strong relationship of trust between people.” For associate partner B4, “We talk of large retailers, almost like an industry, but at some point we have a relationship of trust.”

4.5 *The Organizational Commitment Process*

The organizational commitment is a multidimensional approach explaining the relationship between a member of an organization and the organization itself (Meyer and Allen 1991).

Affective commitment is the emotional commitment to and identification with the organization. Cooperators remain within the network because they want to. For cooperator C2, “We love this network, because we like to meet each other, because we love what we do, we are proud of what we do, and it is an extraordinary human adventure.” For the Chairman of Network A, “The identification and emotional aspects are, I think, the strongest points. People really choose A.” The members of a cooperative have a high propensity to identify with their organization (McClintock Stoel and Sternquist 2004).

Continuance commitment refers to the costs that a departure from the organization could create for the individual, based on the investments he made. Sometimes, the cooperators remain within the network, because they feel they would lose too much if they left it. Associate partner B4 comments, “I have spoken to [another network] and there are benefits and drawbacks on both sides. The grass is not greener on the other side.”

Normative commitment uses the notion of loyalty or moral obligation to remain a member of the network. In this case, the cooperators believe that staying within the network is a duty. According to cooperator D5, “We are nothing without D and D is nothing without us. So if we do not think alike, at some point the cooperative may no longer exist.”

4.6 *The Informal Control Process*

Informal control differs from formal control. It consists of relational governance, as in the franchise context with consensus and actions of social control (El Akremi et al. 2011).

Decision-making within cooperatives requires the consensus of its members under the principle “one man, one vote.” The Chairman of Network C describes two competing projects: “They both have technical and policy reasons worth fighting for and my role is to put their arguments on the table so that all cooperators can judge.” For the Chairman of Network D, “This is simultaneously intensive pedagogy and energy. [. . .] We [cooperators] must make people adhere to the decision. We have to sell it to them and share it.”

For Festinger et al. (1950), the organization aims for homogenization and exerts “pressure uniformly” to reduce the differences between members and to reach consensus. According to cooperator D5, “It is still a world of entrepreneurs and business, so people do not necessarily spare each other.” The pressure depends on the level of disagreement and the importance of the subject but also on the cohesion among members. According to associate partner B1, “I was told ‘when we are presented with the concept, we have to implement it’. I asked why he said that. ‘Look,’ he replied, ‘you have to do this, whether you like it or not. It’s the same, it must be done.’”

4.7 *The Solidarity Process*

The term “solidarity” is currently misused in many contexts with a move toward the meaning of the “rights to.” It removes the meaning of duties and mutual responsibility from the concept of solidarity. Comte-Sponville (2013, p. 937) writes, “To show solidarity is to act in favor of someone with shared interests: by defending his own as you defend yours; defending your own as you defend his,” adding that “being generous is to give up, at least in part, your own interests. Solidarity means defending these interests with others.” To illustrate this, several cooperators use collective sports metaphors. For cooperator C5, we have to “work as a team with our differences. Some players are big, some are small, some are medium, some are beefy, some are powerful, some have very, very large stores, some have small shops and, for us, there is no difference.” For associate partner B4, “We are part of a group of entrepreneurs and we are interrelated” so “we must show solidarity.” For cooperator C5, “We can’t just take what is good and throw out what doesn’t suit us.”

According to the Chairman of Network C, “For it to work, I must fill my store using the best possible purchasing conditions and ranges of products that will continue to be innovative and up to date in the long term. To do that, I will work in a cooperative with the undertaking that I am not there simply to take but also to give.” Associate partner B5 says, “We have to have 35,000 items and it is

impossible to be professional on 35,000 items. So we have to use the network concept system. These concepts have been thought up by professionals who work for our group and by cooperators who supervise them. It is the same for the merchandizing. We receive advice on the products.” Store manager D6 adds, “In every department you have a key concept” that has been validated by the cooperators.

Each cooperator has to spend approximately a third of his time working for the cooperative in technical committees, such as merchandising, purchasing, marketing, logistic, information systems, etc. This is an act of solidarity which has positive repercussions as it reminds each member that he belongs to a network and that he needs to give some of his time to the functioning of his network.

4.8 The Mimetic Process

Mimetic processes (DiMaggio and Powell 1983) correspond to the “herd behavior” shown by organizations that imitate each other. This practice of benchmarking can also be a tool to standardize the practices of stores in the same network. It is done in different ways.

Computer software allows retail stores to perform a benchmarking analysis between the different stores of the network and thus generate a strong emulation. According to cooperator C3, “If we are successful, or if we are underperforming, it allows us to work on the product families which are perhaps less efficient.” The Chairman of Network D adds, “There is quite a lot of emulation in our group.” The cooperative’s salaried staff reinforces this emulation by disseminating information on good practices to the different stores.

Cooperators can learn, during occasional moments of social interactions, what other members of the group are experiencing or have experienced in the past. They can then use these experiences as part of their own learning process. This is called vicarious learning: cooperators identify and compare with each other (Rousseau et al. 2014). According to cooperator C1, within his Network C, “there are no particular architectural rules to follow. If some stores are similar, this is due to regular meetings and informal sharing of information between cooperators [such as who are the best architects to contact, etc.]”

4.9 The Enculturation Process

According to Herskovits (1948, p. 43), “The concept of enculturation affords us a tool to bridge the gap between culture as a thing that exists by and of itself, and culture as the total behavior of the individuals through whom it is manifest. We have seen that, in the process of enculturation, an individual learns the forms of conduct acceptable to his group. He does this so well that his thoughts, his values,

his acts rarely conflict with those of the fellow-members of his society.” For Weinreich (2009), enculturation is the continuous integration of the significant elements of a culture, whether it is the dominant, primary, or other culture of the individual, as long as it is significant. This leads us to favor the notion of enculturation to that of acculturation, which involves penetration of one culture by another.

All governance systems, including those that give considerable autonomy to stores, such as cooperative systems, need to find the “right” people. Recruiters look for profiles that are “compatible” with the organizational culture or “adaptable” to its culture. When a network staff member wants to become a cooperator, a socialization process is put into place (Bradach 1997, 1998). As stated by associate partner B3, “Network B tries to keep its store managers [by helping them to become cooperators themselves].” In each network, there are also the family members of cooperators, particularly children, who themselves become cooperators.

Values set standards that will guide the behavior of members (Schein 1994), and they must be consistent with the network’s goals in order to help meet the challenges it faces. They improve loyalty as evidenced by cooperator A5 who says, “What makes me stay are the values.” Cooperator D5 adds, “If we joined this network specifically, if we are in this network, it is to transmit its values.” These cooperative standards, which are not necessarily formalized, enhance the ability of a network to meet the challenge of uniformity in a beneficial way.

5 Discussion

The overall dynamics of cooperative and independent associated retail networks are based on their network nature (Zentes and Swoboda 2000). This system creates synergies through the nine processes that we have seen in this research study, which are unreachable in a chain system. The theory of a chain is that one weak link, or, in our case, one weak store, may create difficulties for the entire system (Cliquet 2002). According to the Chairman of Network A, “It is a solidarity chain, a chain made of positive interdependence. [. . .] All the links must be active and healthy for the chain to work and the network to function.” Cooperator C7 continues, “Sometimes we have to tell a member ‘listen, you must give back the keys because we cannot keep paying for you. This is the only limit to the independence that we have’.” Retail cooperatives are therefore a combination of the strengths of a network system (synergies and processes) and certain weaknesses of the chain system mentioned above.

Individual commitment depends on the member’s vision of the group (Karau and Williams 1993). If it is positive, individuals will be more effective and invest more of themselves in the life of the group. If cooperators give up their responsibilities, cooperative staff members will make decisions for the network even if they do have to validate their decisions in general meetings. In this case, it can be difficult for synergies and other processes to emerge. To avoid this, a number of contractual obligations may be put into place. For the Chairman of Network A, “People are

forced to go to meetings because it is written into our statutes, because we know that in the cooperative business system that have not [made it a rule], such as agriculture, banking, forestry, maritime, [...] cooperators do not attend meetings because they feel cut off from everything. [...] They can see no difference between the cooperative tools that belong to them and the rest.” The Chairman of Network D adds, “When the members aren’t involved, the cooperative dies.” This is reinforced by the fact that participation in technical and policy decisions at a national level is not available to all cooperators. According to cooperator D1, “These committees at the top that decide on new concepts are run by [people] who can just change their schedules because they have [...] a profitable store with good results and with the means [...] to run smoothly in their absence.” This tends to influence the decisions made for the network, as explained by associate partner B1: “If the cooperators making the decisions are ten bosses of hypermarkets, then automatically the decision-making will sub-consciously go in their direction.” This automatically affects the truly representative nature of the cooperative system.

Recruiting cooperators compatible with the network’s culture is seen as being beneficial to overall performance. However, this leads to a much slower expansion of the network compared to other networks with a more rigid system where the manager is similar to a salaried employee (Streed and Cliquet 2013). As explained by cooperator A4, “The network has refused a lot of applicants and some of them have sometimes gone across to our competitors that is sure. Now the network has downgraded its requirements. The process is too long; one must be quick to expand in a territory. Some people were refused, and today they are the top stores in their city and they could have been with network A.” This system of selection may well undermine the challenge of unit growth, i.e., networks expanding and opening up new units (Bradach 1998). Focusing too much on the importance of a network’s culture to fulfill the uniformity challenge might undermine another challenge, such as the expansion of the network. Bradach (1998) developed a theory that every network faces four challenges in order to grow and survive (addition of new stores, maintaining uniformity, local responsiveness, and system-wide adaptation). Undoubtedly, all these aspects are necessary for the development and survival of a network of stores, and one challenge should not threaten the emergence of another.

6 Summary of Findings

Nine processes have emerged within cooperative and independent associated retail networks to meet the challenge of uniformity as defined by Bradach (1997, 1998). The first three processes of our model (contracts, incentives, and persuasion) were identified by Bradach (1997, 1998) as processes related to franchises when they coexist with company units in plural form networks. The author does not determine if these are plural, centralized, decentralized, or local processes, as he has done with the processes of the three other challenges. As part of our research, these three processes (contracts, incentives, and persuasion) are considered as centralized

Table 1 The model of management for the concept of uniformity within cooperatives and independent associated food retail networks

Centralized processes	Plural processes	Decentralized processes
Contracts	Solidarity	Trust
Incentives	Mimesis	Organizational commitment
Persuasion	Enculturation	Informal control

processes within the networks studied. This work on retail cooperative networks revealed six other processes: three decentralized processes (trust, organizational commitment, and informal control) and three plural processes (solidarity, mimetic, and enculturation) that show, by their plural character, significant synergies within this organizational system (Table 1).

7 Theoretical Implications

This research sheds light on the functioning of the retail cooperative and independent associated networks. The difficulty in networks often lies in the reconciliation of dual interests, centralized and decentralized. This can generate conflicting objectives: for the network's central office, the priority is developing the brand image, but for the cooperator, it is making a profit. The retail cooperative model seems to offer a form of reconciliation in these individual and collective interests. While Bradach (1997, 1998) values the dynamics of plural form networks, which take advantage of their dual nature, cooperative networks seem to benefit from the duality of the cooperators' status to generate synergies.

In retail cooperatives, the dual status of the cooperator justified a heterarchical (Sacchetti and Tortia 2016) or "horizontal" and bottom-up approach to complement the traditional hierarchical or top-down approach. This kind of perspective highlights the complexity of this system. It also highlights the necessary cohesion between cooperators to cope with the challenge of maintaining uniformity. The different centralized, decentralized, or "plural" processes generate synergies which reinforce consistency across the network. This research suggests a model of management for uniformity, which is at the heart of all retail cooperatives. This study also helps to identify original processes, such as solidarity, mimetic processes, and the enculturation concept, that have never been studied in research on retail networks before.

8 Practical Implications

The challenge of uniformity in cooperatives is of great interest to networks. Our research contributes to supporting academic works on other network systems. The strengthening of uniformity can help to reinforce the networks' image as an

indicator and guarantee for consumers and cooperative applicants (Streed and Cliquet 2013), to differentiate the cooperators of a network from their competitors (Abrard and Paché 2009), to contribute to improving better conditions of purchasing (Meier 2006), and to achieve sizeable savings (Kaufmann and Eroglu 1998).

There has been a lack of academic studies that look at how cooperative systems are distinguished from different retail networks. This case study allows us to differentiate the cooperative system from the franchised system. Cooperators own their stores, but they also share the cooperative's tools and especially the network's label. They participate in the governance of their network, thus limiting a sense of subordination. They participate in the technical life of the cooperative on the principle of shared time. From a financial point of view, the sponsorship system allows a cooperator to become owner of a retail store without initial capital. Recently in France, the Macron bill, intended to restrict the contractual commitments to 9 years by assimilating cooperators to franchisees, was enacted. This duration may be appropriate for some organizations but could be a real threat to cooperatives with collective investments of millions of euros. According to the Chairman of Network C, "The cooperative has no capital, has no permanent structure other than the one brought by its members [. . .]. In addition, it is not a profit center so it cannot have a capitalistic nature; if you remove members, you remove its ability to guarantee and its ability to engage in investment." A better understanding of the cooperative model by the legislator, researchers, professionals, and particularly future applicants seems desirable.

9 Limitations and Future Research

This study has some limitations. It was conducted on only four cooperative and independent associated retail networks, from only one sector within the same country. Additionally, regarding the choice of networks, they each have more than 300 cooperators, and the turnovers are between 700 million and more than 60 billion US\$. It is not representative of all cooperatives that have fewer stores and a lower turnover. In terms of data collection, very few employees and only one former advisor from a cooperative were interviewed. Moreover, the majority of interviews were conducted with cooperators coming from only one or two commercial regions of their networks. Network A can be considered in its growth phase, while the three other networks have reached a mature stage in their life cycle. Goulet and Meyssonier (2011) refer to control mechanisms whose influence varies depending on which phase of its life cycle a franchise is in. This means that it might be interesting to focus on other networks during their developing or declining phases to examine processes that might emerge in these phases.

This model of management of uniformity has been established for cooperative and independent associated retail networks using a qualitative methodology.

According to the exploratory sequential theory, it is appropriate to follow the qualitative phase with a quantitative phase to test the established model. To generalize results, we suggest extending this study to the networks of a larger number of sectors. It would also be particularly interesting to study the possible external factors that could contribute to the concept of uniformity. This would imply analyzing networks within the same industry or with the same legal status, using, for example, the theory of institutional isomorphism (DiMaggio and Powell 1983).

Appendix: Interviewers’ Details

Network	Phase	Tag	Status	Responsibilities
A	1 and 2	A1	Cooperator	Local supervisor
	1	A2	Cooperator	
	1	A3	Cooperator	
	2	A4	Cooperator	
	2	A5	Cooperator	Local supervisor
	2	A6	Cooperator	Chairman of network
B	1 and 2	B1	Associate partner	
	1	B2	Associate partner	
	1	B3	Associate partner	
	2	B4	Associate partner	
	2	B5	Associate partner	National supervisor
C	1	C1	Cooperator	
	1	C2	Cooperator	
	1	C3	Cooperator	Regional and national supervisor
	2	C4	Employee–Manager	
	2	C5	Cooperator	Former chairman of the directory
	2	C6	Cooperative’s employee	Chairman of network
	2	C7	Cooperator	Regional and national supervisor
D	1 and 2	D1	Cooperator	Local supervisor
	1	D2	Cooperator	
	1	D3	Cooperator	
	2	D4	Cooperator	
	2	D5	Cooperator	
	2	D6	Employee–Manager	
	2	D7	Cooperator	Chairman of network

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