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# The mode of exchange and the shaping of markets: The case of introducing self-service in Swedish post-war food distribution

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## Abstract

Through an in-depth account of the introduction of self-service in Swedish food distribution, this paper addresses the issue of the interconnections between the mode of exchange and the configuration of market actors and exchange objects. The changes in the mode of exchange reported in the case result from intense organising efforts, particularly concerning the material framing of the exchange situation and the generation of new representations of this situation. The emerging image of the process suggests that a supple network of associations is being established that inter-defines the mode of exchange, the market actors and the exchange objects.

## Introduction

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

*–It is possible to arrange a special self-service area for the sake of control, Green replied. This is actually what Paul Kågström did when he rebuilt his shop in Skelleftehamn. He now operates two separate departments, one fully served and one self-service department that he calls "Quickshop." The customers have to pass through a gate at the counter when leaving the self-served area.*

*–Personally, I think that the traditional counter is a misplaced barrier between the customers and the goods, said another retailer. Today, even if they only want to look at a product, they have to ask you to get it for them. I definitely think that a more open display will improve sales.*

*–That may be, but what about the personal touch that we always speak so proudly of when we compare ourselves with the consumer 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 producers are pre-packing more and more of their goods. In addition, you can pre-pack goods on your own during slow hours, for instance. New packaging solutions are introduced more or less as we speak and Retailer Service offers many high quality packing aids, as you all know.*

*

The topic of the paper is the organising of economic exchange, and by extension, the shaping of markets. In particular, our purpose is to explore the interconnection between the configurations of modes of exchange, objects of exchange and agents of exchange. To this end, we will examine the introduction of self-service retailing in Swedish food distribution. The introduction of self-service retailing remains one of the most profound changes ever in food distribution. It constitutes the basis for the dominant mode of exchange in food retailing at present, the modern supermarket, with all its advanced techniques of selling (Cochoy 2006 (forthcoming); Cochoy and Grandclément 2005). Although never fully complete, the large transition from a dominant form relying on manual service to self-service entailed considerable changes, not only in how goods were exchanged, but also in those goods and in the configuration of those engaged in exchanging them, i.e. the retailers and their customers. There are two reasons for why we have chosen to study such a transition for examining the interconnections between the configurations of modes of exchange, objects of exchange and agents of exchange. First, we argue that the shaping of a mode of exchange is more readily examined "in the making" than "ready-made" (cf. Latour 1987), suggesting that a historical/processual study is suitable. Second, attending to the process through which a new mode of exchange is introduced allows us to inquire into the interconnections between this process and the configuration of goods, buyers and sellers.

As a starting point for this inquiry, we make no assumption as to the direction and character of the interconnections, thus discarding a reductionist view of the mode of exchange as determined solely by the character of the goods exchanged. Rather, we assume a practical constructivist perspective inspired by recent work in marketing, economic sociology and anthropology (Callon 1998; Callon, Méadel, and Rabeharisoa 2002; Barry and Slater 2002; Helgesson, Kjellberg, and Liljenberg 2004; Araujo 2004). One significant merit of such constructivist market studies is their view of entities participating in exchange – such as buyers, sellers and objects of exchange – as not only socially embedded (Granovetter 1985) but also inter-defined and embedded in material arrangements (Callon 1998). The paper contributes to this body of work by examining how the organising of the mode of exchange, through such inter-definitions, participates in shaping markets and their constituent parts.

Ample contemporary sources from the process, allows us to provide a rich historical case study of the introduction of self-service in the private food retail trade in Sweden. The introductory discussion above on the merits and drawbacks of self-service was compiled from archival material from Hakonbolaget, the leading private wholesale and retail group in Sweden in the 1940s, and provides a flavour of the available empirical material.

The paper gives an in-depth account of how the notion of self-service was first introduced as a novelty from "over there" during the war and how initial attempts were made to practice self-service in the 1940s. It accounts for the subsequent endeavours and debates related to the introduction of this new form of retailing among private retailers and their customers during the late 1940s and 1950s.[i] During this process, the concept of self-service itself underwent considerable changes. Some practices became dissociated with the new retail format whereas others were added. For instance, in the late 1940s, converting to self-service was said to reduce the need for staff. Ten years later, a conversion to self-service was expected to increase the need for staff quite substantially. Moreover, different groups of actors differed in their views and definitions of what constituted proper self-service stores. At the same time, alternative and to some extent competing practices, such as written pre-ordering, were introduced in parallel to self-service.

Throughout the period under study both proponents and critics of self-service repeatedly addressed the question of what characterised the customers, what they really wanted, and what they should want. In addition, many efforts were made to establish the cost consequences of converting to self-service as well as to develop practical solutions to various problems that the retailers would encounter when changing over to the new format. These efforts highlight the import of representations in market shaping processes and show that changes in exchange practices may affect the ways in which both exchanges and markets are re-presented. Furthermore, they underscore the strong interrelation between modes of exchange (like self-service) and other entities (such as the objects of exchange and the exchanging parties) and practices (like representational practices).

Six sections follow this introduction. First, we briefly present our starting points in terms of basic assumptions, and conceptual apparatus. Second, we give a brief American prologue recounting the birth of self-service retailing. Third, we sketch the introduction and initial reactions to self-service in Sweden. Fourth, we account for the efforts of Hakonbolaget to increase the use of self-service retailing among its associated retailers. Fifth, we discuss three aspects of this organising process: how the mode of exchange was shaped; how this process related to the shaping of objects of exchange; and how it related to the shaping of retailers and consumers. Sixth and finally, we draw some tentative conclusions with respect to the inter-definition of modes, objects and agents of exchange and how the organising of economic exchanges participates in shaping markets.

## A practical constructivist perspective

As indicated above, this paper is inspired by constructivist market studies in economic sociology and marketing (Callon 1998; Callon, Méadel, and Rabeharisoa 2002; Barry and Slater 2002; Helgesson, Kjellberg, and Liljenberg 2004; Callon and Muniesa 2005).[ii] The basic assumption underlying these studies is that markets are emergent, constituted by on-going practices.

To assist us in following this process of realisation, we adopt the model of markets suggested by Kjellberg & Helgesson (2004; 2005) in which markets are conceived as constituted by three broad and interlinked categories of market practice: i) *exchange practices*, activities involved in exchanging goods and services; ii) *normalising practices*, activities involved in forming normative objectives for actors, and iii) *representational practices*, activities that produce images of markets. Any specific such practice is further conceived as linked to other specific practices through *translations* involving various intermediaries, such as rules, tools, measures and measurements. This results in a conception of markets as constituted by networks of interlinked practices.[iii]

In our account we will attend to how the different *modes of exchange* were configured in terms of such chains of interlinked practices. What then, do we mean by a mode of exchange? Here we draw on the distinction made by Callon and Muniesa (2005) between three classes of activities that shape market exchanges: 1) rendering goods calculable, 2) configuring buyers and sellers; and 3) configuring the economic exchange. Our term, mode of exchange, refers to the final class of activities. It denotes the specific way in which an economic exchange is organised. Some familiar examples may illustrate the general idea: a buyer of a new car may make a down payment and then wait for the car to be delivered, or buy one directly from a dealer; a buyer of food may go to the supermarket or order by phone for home delivery; a buyer of a morning newspaper may subscribe or buy it in a newsstand; a buyer of a piece of art may engage in price negotiations with an art dealer, or bid at an auction where the price is determined through interaction with a number of other prospective buyers; etc. Although

we focus on the organising of the exchange, it will become clear that this process is highly interrelated to the processes that configure the goods and the economic agents involved. Figure 1 depicts where the mode of exchange is situated in relation to other entities and practices constituting markets.

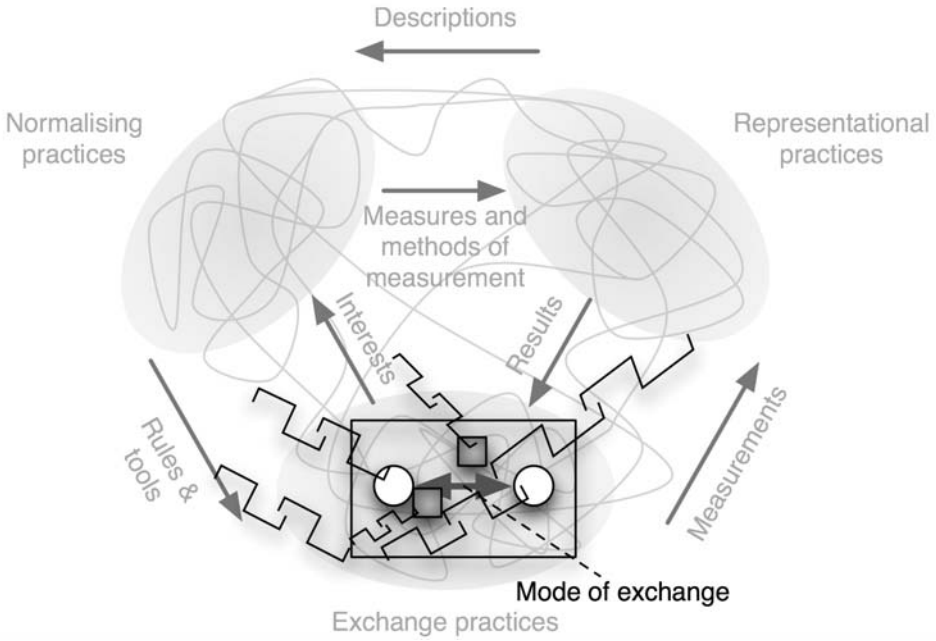



**Figure 1. The mode of exchange, the exchanging parties and the objects exchanged situated among the various activities constituting markets (confer Kjellberg and Helgesson 2004).**

Our reconstruction of the introduction of self-service focuses on the private retailers, although some attention will be given to the consumer co-operation as well. The account is based on a rich historical study of the major private food distributor's involvement in the organising of food distribution in Sweden during the 1940s and 1950s, which has been extensively reported elsewhere (Kjellberg 2001). In brief, this study was conducted employing the methodological principles of the actor-network approach (see e.g. Callon 1986; Latour 1987; Law 1994) and based on archive material collected from the major private food wholesaler in Sweden at the time, from the Swedish Consumer Co-operation, from trade journals, from private archives of former employees, and from deposits made at the Library at the Stockholm School of Economics and the Swedish National Archives. In addition to this main source, a related study by Nyberg (1998) focusing more directly on the introduction of self-service retailing in Sweden, has been used to complement the account.

## An American prologue: "…a store equipment by which the customer will be enabled to serve himself…"

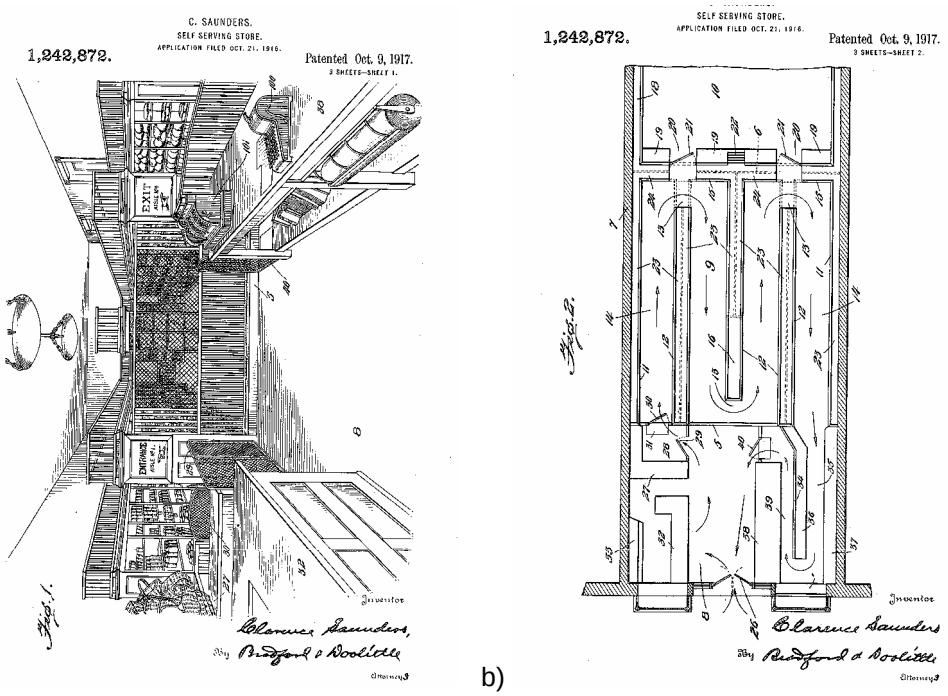
In October 1916, Clarence Saunders applied for a patent for "certain new and useful Improvements in Self-Serving Stores"; a patent he received a year later (Saunders 1917). Saunders had developed and applied these ideas in his Piggly Wiggly store, opened in September 1916 in Memphis Tennessee. Although other retailers had tried self-service before Saunders, Piggly Wiggly is generally held to be the first significant self-service effort.[iv] In his patent application, Saunders stated the following:

> The object of my said invention is to provide a store equipment by which the customer will be enabled to serve himself and, in so doing, will be required to review the entire assortment of goods carried in stock, conveniently and attractively displayed, and after selecting the list of goods desired, will be required to pass a checking and paying station at which the goods selected may be billed, packed, and settled for before retiring from the store, thus relieving the store of a large proportion of the usual incidental expenses, or overhead charges, required to operate it (…)

(Saunders 1917)

This was exactly what Piggly Wiggly was about. At the entry gate, baskets were available for the customers to use when selecting goods. The design of the store was such that the customer, after having entered, was led through the isles, passing every good on sale before reaching the check-out counter (see Figure 2a and b, below, from the patent application). As a reward for assuming part of the job, the customer enjoyed lower prices than in traditional stores.

Piggly Wiggly was an immediate success and within a year Saunders had opened another eight stores in Memphis. Over the next five years Saunders granted franchise rights to stores outside of Memphis, demanding careful attention to his patented format for store operations. By 1923, the chain consisted of 1,268 stores and was the third largest retail operation in the U.S. In 1924, Saunders lost control over the chain following a Wall Street raid (Freeman 1992). Throughout the remainder of the 1920's self-service remained largely a south-western phenomenon in the US. The next important stage in the development of self-service retailing, however, took place in the eastern states and seems to have been triggered by the great depression. With the opening of King Cullen and Big Bear in the early 1930s, the Supermarket was born. As had been the case for Piggly Wiggly, price competition was important also for the first supermarkets. In the supermarkets, however, self-service was combined with large, low cost facilities such as garages and warehouses often located at the fringe of towns (Zimmerman 1941).




a) b)

**Figure 2. Saunders' patented self-service solution: a) a perspective view of the entry and exit area as seen from the front-end of the store; b) the lay-out of the store with the intended customer flow clearly marked. Source: (Saunders 1917).**

## Self-Service comes to Sweden: "…self-service is adaptable…"

During the 1930s and first part of the 1940s scattered news of novel ways of organising retail operations was starting to spread in Sweden. One practice given particular attention was the way in which goods were being displayed. In 1931, a co-worker of Hakonbolaget, the largest private wholesaler, noted the following in his travel-report from the United States:

> The American spirit of promotion is noticeable everywhere, which among other ways is shown in the ample display of goods. Fruit, fresh vegetables, etc. are displayed far out into the sidewalk (not an example to follow), and in many stores the service counters have been replaced by display counters and glass cabinets. Nothing is put away in

drawers or on shelves out-of-sight, everywhere glass lids and other arrangements in order to display as much as possible.

Nygren 1931.

Although the report touches on related issues, there is no mention of self-service. The first reliable Swedish source that explicitly pays attention to self-service is a 1940 article published in the leading Swedish business magazine, which reports on the opening of a self-service store by the co-operative society in the small Swedish town of Motala (Henell 1940). At roughly the same time, the co-operative society in Stockholm (KFS) opened a similar store on Odengatan. Evidently, then, the principles of the new concept were at least known to some retailers at the time. In the article, the author explicitly links self-service to the open display of goods, which had become increasingly popular during the 1930s:

> Display the goods so that the customers can see them and touch them and You'll sell more! is an appeal which the retail trade has listened to during the past two decades. From now on, a new appeal will surely be heard more often: Let the customers serve themselves and You'll lower your costs! The new appeal means that the consequence is drawn out of the first.
>
> Olof Henell, Affärsekonomi, 1940, p.914, trans.

Whereas displaying goods openly would increase sales, allowing customers to serve themselves would lower costs. In a sense then, Henell argued that the open display of goods was a first step towards implementing self-service. In any case, it seems clear that he perceived a link between how the exchange situation was organised and how the customers would act.

During the following years additional articles appeared in trade journals and business press reporting primarily on developments in the US. No new attempts to introduce self-service were reported beside the two co-operative stores, which in fact reverted back to manual service after a couple of years, allegedly due to goods shortage and food rationing. Within private retail trade, attention was limited to a few reports on developments and current practices in the US, primarily by ICA Tidningen, a trade journal published jointly by Hakonbolaget and three other retailer-sponsored wholesalers.

> This article must in no way be perceived as if ICA Tidningen wants to promote the self-service shop. This would run counter to our ambition to interest and help shop-clerks to learn and thereby improve their foothold in the trade. For with the advent of self-service, retail clerks would not be needed to the same extent as today. We have published this article to give our readers a briefing of the development of retail trade in America and in other countries, since we think that they are interested in this, if not in such a way that they would like to follow suit this development. Much speaks in favour of the self-service system having no future in Sweden. The mentality of the Swedes is once and for all different than that of the Americans, for instance. But on the other hand – who knows –
>
> ICA Tidningen, 1943:1, p.20-21.

The reason for informing the retailers about self-service was purely educational, then. The article went on to describe the central features of self-service: the customer serves himself; goods are openly displayed; baskets are available to place the goods in; entry and exit gates mark out the area for self-service, at the exit gates a clerk adds up and charges for the goods. All in all, the description of the new retail format was remarkably similar to the solution Clarence Saunders had applied in his stores nearly thirty years previously. In a second article published later in 1943, the education continued:

> **The store of the future? How a really effective store is designed**
>
> In many a place abroad, foremost in America, the stores have a completely different design than back here. There, the great majority of shops are organised for self-service or semi self-service. Even if this is not something to adopt, we can receive many useful tips by studying the American store culture. Applied in a modified form, it offers very good opportunities for making selling arrangements of the goods – considerably greater than those offered by the traditional Swedish stores at present. Maybe it is also possible to make the customers serve themselves to a certain extent. Thereby the work of the shop

clerks would be facilitated. The sales per clerk could be greater – the costs lesser – the economic yield of the store greater.

ICA Tidningen, 1943:7, p.6-8.

In this article, several examples were given of store equipment suitable for a more open display of goods, e.g. drawings of gondolas and exposition tables. Already at this stage, when self-service had yet to be tried by the Swedish retailers, an interesting conflict could also be detected in how the new idea was received. On the one hand, self-service was seen as something that potentially endangered the livelihood of store clerks – "with the advent of self-service, retail clerks would not be needed to the same extent as today." On the other, it was suggested that self-service might actually improve their situation; by making "the customers serve themselves to a certain extent… the work of the shop clerks would be facilitated." This implies that an introduction of self-service into Swedish retail outlets was expected to have positive effects for the clerks up to a certain level, but that the effects would be negative beyond this level. It is also worth noting that a new concept was used in the quote above, *semi self-service*, which was explained as a middle way between the present system and self-service.

### *Full service retailing*

The final remark above calls for a brief interruption to clarify what the established way of operating at retail was like at the time. This was known as the manual or full service system and was based on shop clerks serving the customers from behind a counter. The customers walked up to the counter (possibly after having waited in line for some time) and told the clerk what they wanted. The clerk then collected the items from the drawers in the counter, the shelves behind the counter, or from the stores in the back, weighing and packaging items that were sold by the kilo, etc. (see Figure 3 and Figure 4).


**Figure 3. A manually served (full service) private food shop in the late 1940s. Photograph courtesy of ICA's historiska bildarkiv at the Center for Business History in Stockholm.**

Although these principles seem to have guided food retail sales in more or less every shop in Sweden at the time, food retailing was far from a uniform phenomenon. In fact, food retail shops displayed considerable variation. A first major variation was in terms of the assortments carried by different shops. At one extreme there were rural retail stores, which were relatively similar to the American general store, offering everything from lumber and hardware to meat and dairy products. At the other end of the spectrum, there were specialised urban shops offering a very limited assortment, e.g. dairy shops, bread shops, meat shops, and fish shops. The physical size of shops furthermore differed considerably, as did their yearly turnover and the number of people they employed.

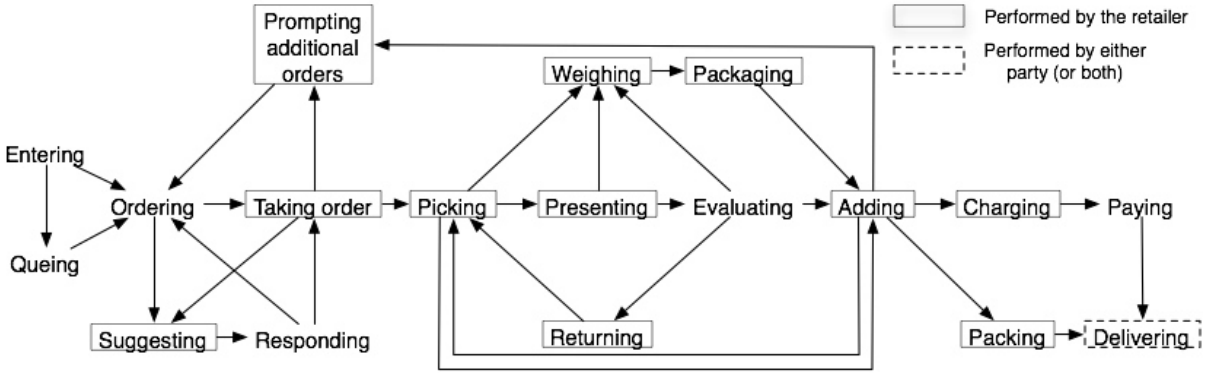



**Figure 4. A reconstruction of the network of interlinked practices constituting a retail encounter in the full service system. Based on (Kjellberg 2001).**

*The first post-war attempts*

After the war, the efforts to learn more about modern retailing techniques intensified. Representatives from both private retail trade and the consumer co-operation conducted study trips to the US. Two persons seem to have been particularly influential at this point, Henry Nilsson and Nils-Erik Wirsäll, who were both graduates from the Stockholm School of Economics. Nilsson had worked for the consumer co-operation before the war and had left Sweden in 1940 to study goods distribution at Harvard Business School. Rather than returning to Europe, he had then spent the entire war working in the U.S. retailing sector. He returned to Sweden and the consumer co-operation in 1946 (Nyberg 1998). Wirsäll, on the other hand, was working for Hakonbolaget, the largest company in the ICA-group. He was also engaged in retail education and in a textbook on goods distribution published in 1946 he suggested that self-service could be a solution to some of the contemporary problems in retailing. That year, he also received a scholarship to conduct a study trip to the US. During the winter of 1946-1947 Wirsäll spent more than three months "over there" visiting retail and wholesale firms to learn more about modern goods distribution techniques (Kjellberg 2001).

During these years, the efforts to educate private retailers also began to pay off. Towards the end of 1946 a private retailer suggested that self-service might be a solution to a problem that was increasingly being felt by retailers: the difficulties of finding staff and the associated growth in wage costs. In a short article in ICA Tidningen he argued that if self-service could reduce the need for clerks it might be worth trying. Other observers were also making similar claims, for instance, Nils-Erik Wirsäll who claimed that self-service was a potential solution to the labour cost problem. A comparison made in a 1945 article indicated that the wage costs in an American self-service store were roughly 2 percentage points lower than in a Swedish grocery store of the same size (corresponding to a 20% reduction) (Henell 1945).

Irrespective of the size of the savings, labour shortage seems to have been decisive in turning self-service into a reality within the private trade. In January 1947, ICA Tidningen proudly presented the first self-service department in a private retail shop. Paul Kågström, a retailer in the northern part of Sweden had, almost single-handedly, designed and equipped a self-service department in his store.

> –The shortage of labour has been felt within retail trade for a long time, says Mr K., and this summer it looked – at least for our part – as if we would practically be without any staff. I then began to think about whether I could go in for some kind of self-service store along American lines. I have … with great interest followed the development in America and I thought that it shouldn't be impossible to start something like that here as well. … It proved to be more difficult than I first believed to get blueprints or suggestions for an interior, not even a trip to Stockholm could give me any tips …
>
> ICA Tidningen, 1947:1, p.18-20.

At the start of 1947, then, some initial attempts had been made to introduce self-service retailing to the retailers associated with the ICA-group. A few articles in ICA Tidningen had brought attention to the new retail format. Due to labour shortage, one retailer had also put these ideas to use in his store. To

a large extent, however, self-service was talk at this point. In fact, even for Kågström, the self-service pioneer, manual service still dominated operations. It was the subject of articles and discussions, some of which involved people connected to Hakonbolaget, viz. Wirsäll and the journalists at ICA Tidningen. Elsewhere within Swedish food distribution, however, the new form of retailing was already on its way to becoming a serious alternative to full service.

### *Meanwhile, at the Stockholm Co-operative Society: The Quickshop is born*

When Henry Nilsson returned to Sweden, the co-operative society in Stockholm (KFS) had already acquired some first-hand experience of self-service retailing through its short-lived attempt during the war. Reinforced with Nilsson's experience and with the gradual improvement of goods supplies in Sweden, KFS made plans for a large-scale introduction of the new format. The first visible sign of these plans was the reopening of the shop on Odengatan in 1947. This time, it had been completely rebuilt and rather than featuring a self-service department for dry groceries, as had been the case during the war, the entire shop was self-served. Since this was the first Swedish food shop that relied entirely on self-service it is usually referred to as the first self-service shop in Sweden (Nyberg 1998).

The new shop was launched under the store-name Konsum Snabbköp (Co-op Quickshop) and KFS planned to establish a number of such Quickshops over the following years. Although but a label, Quickshop says something important about the version of self-service retailing being launched by KFS. As we saw above, self-service had been closely associated with price cuts in the U.S., ever since the first Piggly Wiggly opened in 1916. Not so in Sweden. In fact, KFS maintained the same prices in their new Quickshops as in their fully served stores; despite that the new format allegedly lowered costs. One important reason for KFS maintaining a uniform price-level across retail formats was the extensive use of Resale Price Maintenance (RPM). Under RPM, the manufacturers set the retail prices of their goods; the retailers were not allowed to alter these prices themselves (af Trolle 1948).[v] In the hands of KFS, then, the savings made were of another kind: temporal rather than monetary. Their emphasis on time saving was commented upon in several contemporary sources and stands out as highly intentional. Indeed it attracted positive evaluations also from fierce competitors, such as the ICA-group (see e.g. Wirsäll 1948).

### *What did the private retailers think? "…I have tried, but it did not go very well."*

Although some efforts had been made to put self-service into action, the private distributors continued to talk self-service rather than act it during 1947. During his American study trip Nils-Erik Wirsäll was sending reports to the head office of Hakonbolaget and to the editor of ICA Tidningen, where several "letters from America" were published in the spring of 1947. One such letter featured an interview with Simon Backlund, a Swedish emigrant who ran a small grocery shop in Grand Marais, Minnesota. The same issue of ICA Tidningen also featured a personal commentary by Mrs Märta Arnesen, concerning her experiences from the US. Below, a short excerpt from each article is made.

> –Have you tried to implement self-service in Your store?
> –Yes, I have tried, but it did not go very well. My opinion is that self-service is good in larger towns, but that this type of store does not suit smaller places. My customers, who come from Grand Marais itself as well as from the surrounding countryside, would like me to keep the personal contact with them.
>
> Nils-Erik Wirsäll, 1947e, p.5.

> I must say that I wish I were back in one of the American food-stores where I shopped for my small hotel-household during my travels. In such stores, there is practically no waiting time, rather, I can move freely about and pick what I want … All but one of the American food-stores I visited practised self-service. … The customers are happy not having to stand in line awaiting their turn and being able to survey what the store has to offer. If there are more than one brand and different prices on a good, you can calmly consider what you prefer without having to ask someone to pick out different qualities for you.
>
> Märta Arnesen, 1947, p.38.

These articles prompted the head office of Hakonbolaget to initiate a discussion about self-service with its associated retailers.

Associated retailers? Here it becomes important to clarify how Hakonbolaget and the other three wholesalers within ICA operated. These firms called themselves “purchasing centres” rather than wholesalers. The basic idea behind this label was that they sought to establish a close co-operative relation to their customers, the retailers. Thus, in 1946, more than 3700 customers held shares in Hakonbolaget. In addition to this, Hakonbolaget had created a forum, the local retail councils, for discussing issues concerning the interaction between its local offices/warehouses and the retailers in the area served by that office. These councils met roughly four times each year and consisted of the director of the local office and a selected number of retailers proportionate to the size of the local office. In time for each meeting, the head office of Hakonbolaget prepared a number of questions/issues that the councils were asked to discuss.

Thus, prompted by the attention given to self-service in ICA Tidningen, and most likely also by the efforts made by KFS to introduce self-service in Stockholm, the head office of Hakonbolaget supplied transcripts of the two articles for the first retail council meetings in 1947. The councils were then asked to relate their views on the new retail format in general and whether they thought that Hakonbolaget should participate in establishing such a shop within its area of operation. The detailed minutes from these meetings, which took place in February and March 1947, provide a rich source of information on how Swedish private retailers looked upon self-service at the time. Here is one example:

> Local director Bohman read a letter from accountant Wirsäll, who is presently in America and who has studied these stores very thoroughly on the spot.
>
> Mr Lind held that such stores cannot be operated in smaller towns. An attempt in Borlänge would surely fail. The turnover would be too small to support a larger facility’s rent. For, argued Mr Lind, one would need large facilities, a head of purchasing, cash clerks, guards and shop clerks who pack and replenish goods, etc. Still, Mr Lind warmly recommended an attempt in a large city.
>
> Mr Carlsson’s opinion was that also the retailers here in Borlänge could try the system in their shops – albeit on a lesser scale.
>
> Mr Robertson referred to a case in Hudiksvall concerning a small shop located in a private house in a new municipality. The shop had expanded in a substantial way, so that the owner is now ready to tear down all inner walls on the bottom floor and equip the facility as a self-service store. He calculates that this allows him to serve the public in a better way and moreover, that he can reduce the number of clerks to three instead of the six, who at present serve in the narrowly confined store.
>
> Mr Valin had the experience that housewives like to go around and pick goods themselves and recommended a semi self-service store on a lesser scale.
>
> Local director Bohman held that a city with at least 30-40,000 inhabitants was suitable as a trial location, such as, e.g., Uppsala, Västerås, Örebro.
>
> Mr Olsson warned against copying the American system in detail. The fact that Tempo and Epa, which had considerable possibilities, had not yet introduced this system is surprising, but that could happen soon also from that direction, and we thus probably should see to it that we do not lag behind.
>
> Mr Carlsson feared that many customers would put things straight into their pockets, but thought that the extra sales would cover such losses.
>
> The council decided to support the suggestion … to set up an experimental store of self-service type in the centre of some major city in co-operation with Hakonbolaget, and that the experiences which could be gained from this should be shared as soon as possible. At the same time, some trials could also be arranged in the larger rural stores after only some minor reconstructions.
>
> Minutes of the Borlänge retail council, Feb. 12, 1947.

The excerpt indicates that there was disagreement as to the suitability of self-service. Some claimed that it was unsuited for small towns and rural areas. It would not be possible to achieve the turnover required to bear such a store, which was held to require larger facilities and more staff. Others made

diametrically opposed claims, arguing that self-service would allow a reduction in the number of clerks. Others still, held that the new system could be tried also in rural areas, although on a lesser scale.

One participant found a motive for self-service, or at least semi self-service, in the fact that "the housewives like to go around and pick goods themselves." Another retailer held this increased freedom to be a potential problem – "many customers will put things straight into their pockets." However, he expected self-service to generate extra sales, which would make up for losses due to thefts. Concerns about the potential effect of the competitors adopting self-service were also put forward as a motive for looking into it.

On the whole, a number of arguments were brought up both for and against the new system. Still, the council was positive towards a trial being made in a suitable location in order to learn more about the system. Table 1, below, lists and exemplifies seven themes detectable in the minutes of meeting from 13 such council meetings held across the region in which Hakonbolaget operated.

| **Theme** | **Examples** |
|---|---|
| A thing for the future, somewhere else | "It does not suit the Swedish rural areas, but it could possibly catch on in the larger cities." |
| In a modified form or reduced scale | "… suitable to start on a limited scale with self-service in an ordinary store." |
| The risk of theft | "Many customers would put things straight into their pockets." |
| Staff difficulties | "… the system has the future before it, particularly if the present staff-difficulties last." |
| Lost personal touch or a removed barrier? | "The personal touch that now can be found in private stores would be lost." vs. "The counter is a misplaced barrier between the customer and the good." |
| Beating the competitors to it | "It is important, though, not to let the Co-op be first with this form of goods distribution." |
| Negative effects on existing stores | "… both types of stores must exist and advocated an experiment in a completely new municipality, where it would not interfere with existing stores." |

**Table 1. Views on self-service expressed by the retail councils of Hakonbolaget, February-March 1947 (Kjellberg 2001).**

Many similar arguments were brought up, to some extent reflecting the content of the articles on which the discussions were based. There were many arguments in favour of self-service, but just as many against. A widespread view was that self-service was not suited for rural areas. Equally widespread was the belief that it *was* suited for larger towns and cities. The views of the consumers were also subject to controversy: would self-service lead to a loss of personal touch or would it remove a misplaced barrier between the consumer and the goods? Would there be thefts? Would more or less staff be required? What would happen if the competitors adopted self-service? Many questions, indeed. Many comments illustrate very well the intimate links that the retailers perceived between the organising of exchange and the agential capacities of both themselves and their customers. Would self-service turn Sweden into a land of thieves? Would it turn the private retailers into mere functions? Clearly, these discussions problematised the configuration of the mode of exchange and in particular its interconnections to the agents of exchange (retail staff and housewives).

The purpose of these discussions was not to 'decide on the issue', but rather to collect information and to investigate whether the retailers wanted Hakonbolaget to participate in setting up a trial shop. In this respect, despite whatever negative arguments that might have been voiced during the meetings, all councils but one recommended that a trial shop be set up. Generally, the councils argued that this should be done in some larger town or city and in co-operation with local retailers. The arguments that were brought up provide insight into how the retailers viewed the new principle. They show that there was both uncertainty and disagreement as to its requirements and effects. How could it be otherwise? No one had tried it. All they knew about it they had read somewhere or been told by someone. No one actually seems to have seen, for himself, a self-service store in operation.

*What did the customers want?*

During the discussions in the retail councils, different views were put forward as to what the customers really wanted. The first article on self-service in ICA Tidningen in 1943 suggested that the Swedish mentality was different than the American and that self-service therefore was unlikely to catch on. The second article claimed that exposing the goods so that the customers could touch them would improve sales. In one of the articles that were supplied for the discussions, a housewife argued in favour of the new system: she preferred picking the goods herself.

Being retailers, all council members are likely to have had a more or less articulated image of what *their* customers wanted. Since their customers had not tried self-service, these images were based on the traditional service system (reflected in Figure 4, above). Still, some council members did bring up customer preferences as an argument in favour of the new system. Besides the retailers' individual images, the only available account of what the consumers wanted, as a group, seems to have been a survey presented in 1946 concerning the grounds on which consumers claimed to choose a certain shop.[vi] The results indicated that customers primarily based their choice of shops on: 1) the location of the store, 2) the assortment of goods offered, and 3) the way in which they were treated by the staff (see Table 2). Seemingly, then, converting to self-service would not in itself improve a store's "rating" in the more important dimensions.

| **Type of shop** | **Groceries and canned food products** | **Meat and Pork** | **Bread, pastries, milk and cream** |
|---|---|---|---|
| Reasons for choosing a shop | 1. the distance from home<br>2. the assortment of goods<br>3. friendly reception in the shop<br>4. the price<br>5. being swiftly served<br>6. the interior and look of the shop<br>7. having the goods delivered home | 1. the assortment of goods<br>2. the distance from home<br>3. friendly reception in the shop<br>4. the interior and look of the shop<br>5. the price<br>6. being swiftly served | 1. the distance from home<br>2. the assortment of goods<br>3. friendly reception in the shop<br>4. the interior and look of the shop<br>5. the price<br>6. being swiftly served |

**Table 2. Reasons given for choosing a certain shop. Results from a survey of 5200 Swedish persons. Source: Affärsekonomi, 1946:10, p.596.**

*'Society wants more efficient retailing and self-service wants to help the retailer achieve this'*

In parallel to the developments described in the previous sections, labour unions, politicians, academics and journalists were starting to question the efficiency of Swedish goods distribution in the mid 1940s. Although their critique was directed towards goods distribution as a whole, the structure of Swedish retailing was put forward as particularly problematic. There were too many retail stores, and they were too small (Johansson 1948). To the critics, this meant that the retail trade was unable to conduct business in a rational way. Others claimed that there were good reasons for the retail trade to be structured this way, primarily the population structure in Sweden (Törnqvist 1948b).

The critics claimed that while the manufacturing industries had made great strides in increasing production efficiency for the past decades, nothing much had happened in retailing. Basically, retail operations were conducted in the same way in 1945 as they had been fifty years before (Anér 1946). Much critique was levelled against the practice of private establishment control, which meant that any new retail establishment had to be approved of by a local or regional establishment committee consisting of representatives from the retail and wholesale trades and the manufacturers. Allegedly the system hindered entrepreneurial efforts and preserved an old-fashioned and inefficient structure. Those in favour of the system argued that it only purported to safeguard that skilled people were running the retail stores and that the store structure was "tolerably sensible" (Sandberg 1946).

The two primary solutions suggested in the debate were of a very general kind: to abolish resale price maintenance and private establishment control. Indeed, these measures were subjected to extensive inquiries by two expert groups appointed by Government during the late 1940s and early 1950s. Representatives of the retail and wholesale trades interpreted these initiatives as signs of increased Government involvement, foreboding future interventions. Over time, more specific solutions were also put forward such as the use of time and motion studies (Gierow 1948), the careful planning of sales and distribution activities (Öström 1948), and the use of part-time employment (Borgström 1948). In the latter part of 1940s, self-service was also increasingly being advocated as a solution to some of the problems facing goods retailing. Primarily, it was seen as a way of dealing with a number of labour problems (Borgström 1948), such as the uneven workload over the week, the overall labour shortage and the growing labour costs.

One of the more outspoken proponents of self-service at this stage was Nils-Erik Wirsäll, who published several articles on the subject upon his return from the US. In November 1947 he also gave a talk on the future of self-service in Sweden at a conference organised by the Swedish Advertising Association (Wirsäll 1948). He started by reviewing the US-development, identifying three reasons for the success of self-service "over there": i) close to 85% of the housewives preferred self-service; ii) consumers linked self-service to sound economy and quality; iii) housewives preferred to inspect the goods and decide for themselves at their own pace. Hence, consumer preferences were put forward as the primary driving force behind the continued growth of self-service. Of course, this should be seen in the light of a relatively large number of self-service stores in the US. In Sweden, on the other hand, very few had tried the new system.

What kind of reaction could be expected from the Swedish housewives? Here, Wirsäll turned against the view that the Swedish mentality was different and a major argument *against* self-service. Wirsäll argued that there were no reasons to think that the Swedish housewives would react any differently than the American ones. On the other hand, he argued that a change of this kind would take time: "We are all more or less conservative."

What about costs? Could self-service reduce the operating costs of a retail shop? Wirsäll used figures published by the American trade magazine Progressive Grocer showing that "costs on average have been lowered by approximately 4%" and that "average sales per employee in a self-service store amounts to roughly $ 26,000-27,000 compared to approximately $ 20,500 for a traditional store." According to Wirsäll, this suggested that self-service would be beneficial to Swedish retail trade, primarily by reducing its need for labour. In this connection, he explicitly refuted the claim that this effect was only chimerical, since the self-service system simply placed the work previously performed by the clerks upon the consumers.

> This is wrong. Self-service entails a true distribution-economic gain by bringing down the waiting time for the customer, added to this, the time that the clerk has needed to serve the customer is liberated for other purposes.
>
> Nils-Erik Wirsäll, 1948, p.199.

Having established the case for self-service retailing in Sweden, Wirsäll turned to the issue of how the new system could be implemented? And here he was more cautious. Since the opinions of the consumers were likely to vary, there was no reason to "make enormous propaganda for self-service."

> This must be kept in mind also concerning the other involved party, the retailer. He is not ready to unconditionally accept self-service today, either. It is equally important to inform him that self-service wants to help him increase his efficiency, as it is to inform the housewife of the time-gain and other benefits she receives. Here, I cannot refrain from pointing out Konsum's stroke of luck, as they call their self-service store "Quickshop." This gives the housewife the right goodwill-creating association.
>
> Nils-Erik Wirsäll, 1948, p.200.

Here, Wirsäll brought up the opinions of the retailers, a party that was instrumental for self-service to materialise. They were just as important targets for information as the housewives. The retailer must be informed "that self-service *wants* to help him increase his efficiency." The wording suggests that, to Wirsäll, self-service was to be regarded as an entity with intentions. Or in short: an actor. It was a new

actor on the Swedish scene, but its intentions were altogether good. Thus, the retailers should not disassociate themselves from the new actor, but rather seek to form an alliance with it, for this would prove to be beneficial to them. Adding further to its benefits was another actor-like quality:

> Much truth lies in the expression: self-service is adaptable. It does not lead the retail trade into any fixed and pre-set courses.
>
> Nils-Erik Wirsäll, 1948, p.197.

The new actor could be made to adapt to the specific circumstances under which the new alliance was formed. The main arguments and issues put forward by Wirsäll concerning the future spread of self-service in Sweden are summarised in Table 3.

| **Issue** | **US-experience** | **Swedish concerns** |
|---|---|---|
| Costs | Lowered costs via increased sales per employee. | American figures are not entirely useful. Swedish costs are lower and a self-service store requires at least two employees, normally three. Positive effects at turnovers over SEK 150,000 |
| The retailers' positions | Initial caution, but now only small rural stores show hesitance. | The retailer is cautious; he must consider what the customers want; information and good examples are needed to convince him "that self-service wants to help him." |
| Semi self-service | The form was sparked by insecurity, but proved unnecessary. | Insecurity concerning self-service is likely to lure many into using this system. However, it does not increase efficiency. All or nothing is better. |
| Consumer patronage | Housewives accepted self-service as soon as they tried it. | The position differs, particularly between young and old housewives. Time is needed before everyone accepts the system. Inform them of the benefits. |
| Packaging | Most groceries are pre-packaged. | Much less pre-packaging here, but rapidly growing. Many goods can be pre-packed in the store, facilitating a changeover. Information to the retailers is required. |
| Regulations | – | Restrictions on how foodstuffs can be sold need to be changed; current construction regulations restrict the spread of self-service. |

**Table 3. Arguments and concerns for the future spread of self-service retailing in Sweden. Source: (Wirsäll 1948).**

## Will the Hakon retailers become Self-Served?

By 1948, self-service was becoming an increasingly hot topic. Within the consumer co-operation, the leading society, KFS, had announced their intention to convert a large number of shops to self-service over the next few years. Private retailers were also beginning to show an interest, in part due to the efforts of Hakonbolaget and the other ICA companies to inform their customers of this novelty, in part due to the perceived threat of falling behind the consumer co-ops. Public attention was also growing, due to the on-going debate about inefficiency and growing costs in goods distribution. Still, surprisingly little had been done in terms of actually putting self-service to work. Over the next few years, a few retailers associated to Hakonbolaget did try self-service, although the change was piecemeal. By the end of 1950 there were still no more than ten self-served Hakon shops. However, other developments during these years affected the relation between the Hakon retailers and self-service.

### *A new representation of retailing*

The first development concerned knowledgeability. Starting in 1948, Sven Lindblad, the editor of ICA Tidningen, actively promoted the new format in the magazine. Over the following years it was virtually impossible to read ICA Tidningen without coming across some article concerning self-service. Reports from the US, reports on bold Swedish pioneers, reports on practical solutions, etc. In November 1948, the magazine ran a special on self-service retailing. Lindblad also engaged others to speak on behalf of the new format, such as well-known housewives, managers of Hakonbolaget, etc. In one editorial,

Lindblad argued that "everybody must sooner or later tread the narrow path which leads to self-service" and that waiting did not improve chances of success. Indeed, he charged those who thought otherwise to speak up. After a series of articles describing state-of-the-art self-service stores in the U.S. in the spring of 1950, these efforts peaked with the publication of the Self-service Handbook, a special issue devoted entirely to self-service retailing.

> The development has made it possible to replace the question: "Does self-service suit Sweden?" with "How shall it be implemented?"
>
> Sven Lindblad, editorial in ICA Tidningen, 1950:10, p.3.

The purpose of the handbook was primarily to deal with this practical issue. A first article, however, clarified how housewives viewed self-service by presenting a survey performed in three communities with self-service stores (ICA Tidningen 1950:10, p.4 and 39). According to the survey most housewives (up to 70%) preferred self-service (see Table 4). In addition, it questioned the results of the frequently quoted 1946-survey (see Table 2, above) concerning the import of physical proximity on store choice. As many as 75% of the housewives that were positive to self-service claimed that they would walk an extra distance to get to the self-served shop, rather than shop in a regular store.

| | **Östersund** (new housing area in mid-sized town) | **Norrköping** (inner-city area) | **Vingåker** (small community) |
|---|---|---|---|
| Prefer shopping in a self-service store | 70% | 53% | 57% |
| Prefer shopping in another store | 23% | 37% | 26% |
| Don't know | 7% | 10% | 17% |

**Table 4. What housewives think of self-service shops. Source: ICA Tidningen 1950:10, pp.4-5.**

The handbook then dealt with several practical issues associated with the general question of whether or not a specific shop was suitable for conversion. It was argued that three factors had to be taken into account: the location of the shop; the possibility and space needed to rebuild the facility; and what assortment to carry. The message was clear: Almost all shops irrespective of location could we converted to self-service. Although an ideal shop needed an area of approximately 100 $m^2$, it was possible to operate a self-served shop at only 40 $m^2$. The three most important things to consider when converting were: "shelf-space, shelf-space and shelf-space!" Finally, in terms of the assortment, the shop of the future was the all-round food shop carrying a complete assortment of foodstuffs.

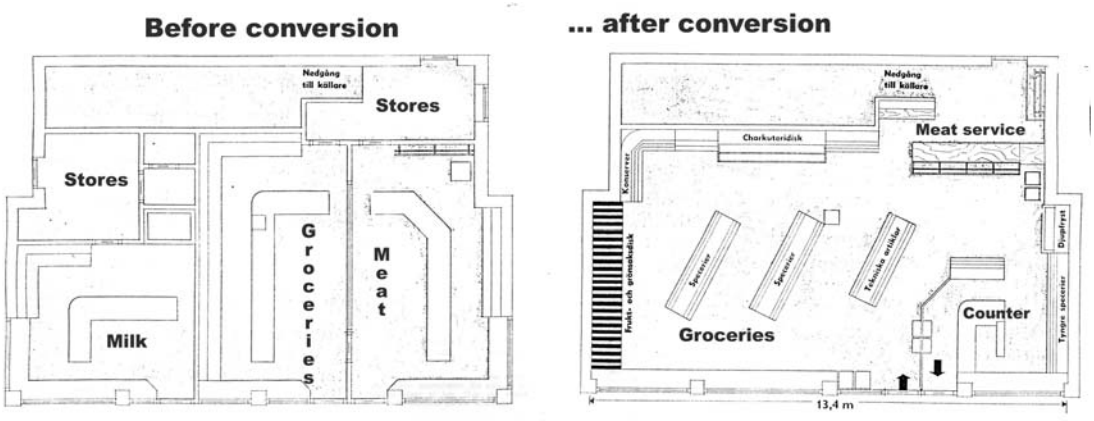



**Figure 5. Easing the conversion to self-service. An example of the kind of concrete advice offered by ICA Tidningen to the associated retailers.**

Special attention was also given to the practical operation of a self-service shop, for instance how to exploit the new sales technique that spelled *correct circulation*, how to arrange and display the goods in an attractive way, etc. Through these articles, an image of self-service retailing at work was beginning to take shape. The articles suggested that five basic situations made up the self-service encounter: 1) the customer arrives and is equipped with a basket or cart; 2) the customer serves him- or herself by walking the isles and collecting the goods; 3) the customer receives assistance (if asked for); 4) un-packaged goods is served manually to the customer; and 5) checking out (see Figure 6).

Finally, the handbook addressed the final big issue, that of the economic consequences of converting. This had been discussed from the very first article in 1943, and the proponents of self-service had generally argued that the new format would increase efficiency by increasing the turnover per employee. According to Lindblad, the retailers who had already converted to self-service had indeed experienced a 35% turnover-increase per employee. When it came to operating costs, figures from eight shops that had converted to self-service suggested that the costs of self-service were 8% lower than for manual service. All in all, converting to self-service would increase efficiency.

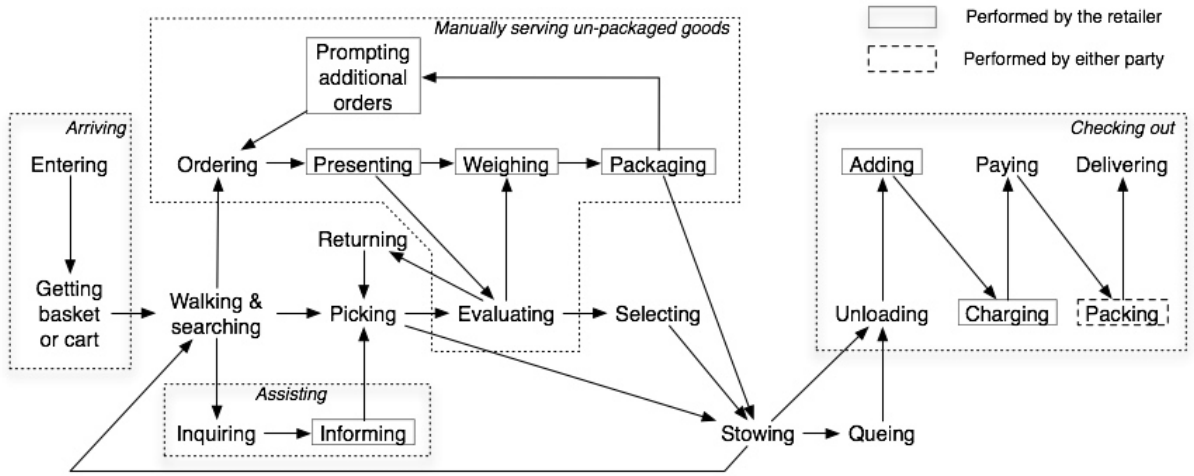



**Figure 6. A reconstruction of the network of interlinked practices constituting an idealised retail encounter in a self-service shop. Based on ICA Tidningen 1950:11.**

### *Packaging and the assortment*

The second development concerned the assortment and the extent to which goods were pre-packaged. Around 1950, many commentators hailed the advent of the all-round food store as an important future development that would allow the retail trade and the consumers to fully exploit the potential of self-service. However, this development was hindered by local health regulations preventing the sale of certain types of goods in the same facilities. These regulations had led to the birth of peculiar shops known as double shops and triple shops in the 1930s and 1940s. Basically these shops operated separate departments for different types of goods, one example can be seen in Figure 5, above. Through active lobbying from the retail trade organisation as well as from the consumer co-operation, these restrictions were gradually relaxed during the first part of the 1950s.

Self-service had been linked to pre-packaging ever since the first articles appeared in the early 1940s. Since certain types of goods were not available in packages suitable for consumer sales, e.g. meat, cheese, fruits and vegetables, it was still held necessary to maintain a certain amount of manual service also in a self-service shop (see Figure 6, above). Unless, of course, it was possible to arrange for these goods to be pre-packaged in the shop or elsewhere. By 1950, this was recognised and acted on by the managers of Hakonbolaget, who felt that pre-packaging forged a link also between wholesaling and self-service.

> Bengt Harne accounted for the results that he had reached together with Lars Lewén at an investigation of packages suited for needs of the retail trade. He pointed out that the self-service stores had brought this problem up. There have been suggestions from the retail

> trade that it in many cases would be better and cheaper to centrally package goods in consumer packages. The problem breaks down in two:
>
> 1. Central packaging of certain goods.
> 2. Packaging of some goods in the retail trade, for which this is more suitable.
>
> In the latter case the problem concerns the supply of packaging material to the retail trade. It ought to be correct to arrange a central stock of packaging materials, preferably in Västerås. … Samples of the various packaging materials should be placed in suitable binders and sent to the offices and all self-service stores in the country.
>
> Both self-service and service stores are in need of central packaging of certain goods. We should address this problem forcefully, in part to serve the trade, in part to counteract the emergence of a flora of branded goods.
>
> Minutes of the managers' conference, June 1-2, 1950, p.20.

A committee was appointed to inquire into the possibility of Hakonbolaget engaging in centralised pre-packaging of certain goods, such as root vegetables. In addition to these efforts, a subsidiary called Retailer Service which was specialised in supplying equipment to retail stores, sought to keep abreast with the development of new packaging techniques, introducing several convenient solutions that would render in-shop pre-packaging easier.

### *Configuring the right retailers*

A third important development that took place during the late 1940s and early 1950s, concerned efforts of Hakonbolaget to foster the right kind of retail shops and retailers. Two vehicles for this were first to intervene in the establishment of new retail shops and second to assist in converting existing retail shops to the self-service format.

As regards the establishment of new retail shops, the managers of Hakonbolaget repeatedly stressed the need to engage actively securing new retail locations for their associated retailers. Many towns and municipalities were planning new residential areas where stores would be needed. Given the close ideological and personal links between the consumer co-operation and the socialist political majority in most Swedish towns and municipalities, there was a clear danger that the private retail trade would fall behind in terms of their store net.

> The managing director reminded of the necessity of clear initiatives in, and careful surveillance of the work of planning shops, so that we are not left behind in terms of the store net. In particular an intimate contact with the respective municipal authorities must be created, so that we get shops placed in the right locations in the town plans. Since the respective chairman of the chamber of finance often is co-operatively engaged it is natural that Konsum is given the upper hand, in the event that we do not forcefully clarify that the general public demands that the Co-operation is not left in sole control of the new housing areas, but demands competition through Hakon shops.
>
> Minutes of the managers' conference, Jan. 27-29, 1947, p.8.

Even if Hakonbolaget was not directly involved in retailing, it was clear to the managers that unless they acted to secure new locations for their associated retailers, then Hakonbolaget would gradually loose ground along with the retailers. This analysis triggered centralised efforts to become involved in town planning. Indeed, Hakonbolaget even formed a joint venture with a large private construction company so that they could actively engage in constructing new facilities.[vii] Over the following years, Hakonbolaget was able to establish routines for dealing with municipalities and for becoming involved in shop planning at an early stage, successfully securing a number of new locations for its associated retailers each year.

Although a location was necessary for opening a new retail shop, it was not enough. Two important but problematic issues remained: to decide on a suitable retailer and a suitable shop design. Choosing the right retailer was considered extremely important, since it would indirectly determine the future wellbeing of Hakonbolaget. Since the company had to assume at least some financial risk when constructing a new store, it was important to find able retailers to protect the investment. In addition, the retailer also had to be loyal, i.e. purchase a large share of the goods from Hakonbolaget since

these new shops would constitute an important part of its customer base for a considerable period of time. This expectation was confirmed over the next few years; in 1954, the managing director observed that the new establishments had "great import on our turnover development."

The second important issue concerned the choice of a suitable shop design. At times this was discussed with the local retail council in the area where the new shop was to be located. During these discussions, the primary issue was whether or not to establish a self-service shop. Generally, the directors of Hakonbolaget favoured self-service, while most retailers favoured manual service. Yet, since Hakonbolaget controlled two sought-after resources, the new location and the capital needed to set up the shop, they were able to place increasingly strict requirements on the retailers they selected. One such requirement was a displayed loyalty towards Hakonbolaget. A second appears to have been a positive attitude towards self-service. A third requirement was more directly related to the financial risk assumed by Hakonbolaget, namely, that the retailer had to let a subsidiary of Hakonbolaget, called the Hakon retailers' Accounting Centre, handle the accounts in order to qualify for financial support. The increased transparency that would follow from this arrangement was held to substantially reduce the financial risk assumed by Hakonbolaget. All in all, Hakonbolaget used its access to capital and shop locations to create a selection mechanism that promoted a certain type of retailer: one that purchased goods from Hakonbolaget for his economically sound self-service shop.

Although exact figures are missing, the overall image is that Hakonbolaget was successful in securing new shop locations for its associated retailers during the late 1940s and 1950s. Gradually, the company also managed to convince the selected retailers to choose self-service rather than manual service.

The other vehicle for Hakonbolaget to foster the right retail shops and retailers was, as mentioned above, to assist in converting existing retail shops to the self-service format. As the efforts to promote self-service continued through ICA Tidningen, the question arose how the conversion to self-service could be made less costly. Hakonbolaget was already engaged in serving the retailers with knowledge and equipment through its subsidiary Retailer Service. In 1948, the management of Hakonbolaget had decided to actively "help Retailer Service to get assignments for new establishments, additions and re-buildings". Retailer Service was also proactive in designing and promoting equipment suitable for self-service, e.g. customer baskets, gondolas, shelves, refrigerated counters, etc. A few years later, however, the sales from Retailer Service was found to be a mixed blessing since they were partially responsible for Hakonbolaget's growing financial commitments.

> A single new establishment can today cause deliveries from Retailer Service amounting to SEK 50,000. Although we must support Retailer Service in this respect, one must keep in mind that it results in a not insignificant strain given the present situation. We recommend Retailer Service to always initiate a preliminary discussion concerning larger deliveries with the management for the respective local office group.
>
> Minutes of the managers' conference, May 19-20, 1952, p.10.

Thus, a new link was forged between Retailer Service and the local offices of Hakonbolaget in order to assess, and limit, the scope and size of investments made by the retailers. An even less costly way of promoting self-service was also pursued: intensifying the efforts to educate the retailers through ICA Tidningen. In the self-service handbook, the cost of converting had only been briefly addressed.

> When we have talked about conversion so far, we have had in mind retailers who can get the necessary capital and who have the prospects of a strong advance. But many find themselves in another situation. One retailer maybe lacks the capital, another has his store in an older house which soon will be torn down… Isn't there any simpler way to proceed? Yes, one can simply use the old interior for wall-shelves, fruit stands, etc. The purchases can be limited to the standardised cash register counter and a couple of standard floor shelves. … [In this way] one may limit the costs to a couple of thousand.
>
> ICA Tidningen, 1950:10, p.15.

Throughout the 1950s diverse efforts to reduce the costs of converting became a central preoccupation within Hakonbolaget. In the mid 1950s ICA Tidningen introduced the slogan "Self-service for a fiver" to underscore that a conversion to self-service did not have to cost a fortune.

Connected to these efforts was also a downscaling of the format. Rather than going for a complete conversion, retailers were encouraged to try self-service at a limited scale, e.g. by introducing a self-service shelf, or arranging for self-service of part of the assortment such as canned foods.

After the publication of the Self-service Handbook the retailers' interest in trying self-service seems to have increased. Two years later, by the end of 1952 there were 4016 retailers associated to Hakonbolaget, out of which 128 practiced some form of self-service. This figure included a few new shops established in locations that had been secured by Hakonbolaget as well as some shops whose owners had received financial support to undertake a major renewal in connection to the conversion from manual service. No doubt, however, the large majority were shops whose owners had sought to convert in a more modest fashion, for instance by using existing equipment to set up a self-service department within their shops. The result was a motley assembly of shops ranging from those that offered manual service only for meat, fruits and vegetables to those that offered self-service on a very limited part of their assortment. This fact elicited critical remarks from representatives of the consumer co-operation, who argued that many of the private Quickshops were not *proper* self-service shops. In addition to this variation in scope among the self-service shops, they remained highly marginal also when regarded as a group.

### *An alternative solution: written ordering for consumers*

Despite Hakonbolaget's efforts to promote self-service to its associated retailers, then, the transition was not very quick. The ways in which they could affect the organisation of retailing had so far proved to have only limited effects. In October 1951, it was time for yet another initiative from Hakonbolaget. This time, an alternative and in some respects even more radical solution was presented to the Hakon retail councils: the Hakon Shop Helper.

> The idea is that the written order system of the Hakon-deal also should be introduced in the households and thereby help the housewives to plan their purchases properly. The orders should be handed in to the store once a week and be prepared at a time suitable for the retailer. Thereby certain savings can of course be made. On the orders those goods which always occur in the households are listed, and on the back there is a shopping list.
>
> Minutes of the Västerås council of trustees, Oct. 10, 1951.

The proposal was to supply the associated retailers with pre-printed order-pads, which they should hand out to their customers. These order pads contained 25 order notes on which 75 standard items were pre-printed with an adjacent slot for the amount ordered of each good. There were also blank lines for orders of other goods. On the back of the order note, several common articles were listed. The customers were then supposed to hand in the completed orders as they went to work in the morning and pick the goods up on their way home (Plotterköp kostar husmor tid, Hakons inköpslista god hjälp 1951). [viii]

The primary reason given for the initiative by top management was to further contribute to lower the overall food distribution costs in the light of the on-going public debate. This time, by trying to achieve more concentrated purchases from private households. The potential benefit of the Shop Helper can readily be seen from Figure 7, below, where the activities associated with it have been juxtaposed on those of the full service-system (see Figure 4). The written order procedure would allow the retailers to maintain the same basic organisation of the shop as the full-service system. The activities involved in dispatching a written order were easily fitted into existing routines, while at the same time allowing certain activities to be reduced or omitted. At least four interconnected benefits were identified: First of all, the system would reduce queuing for all customers; both for those who ordered in writing and for those who preferred to visit the store. Second, it would even out the workload in the shop since a written order did not have to be dispatched instantaneously, but could be handled during slower hours. Third, it would reduce the number of transactions by generating larger orders. Fourth, it would omit time-consuming presentations of goods in connection to the written orders.

The final benefit could of course also be considered a drawback of the system: it reduced the customers' flexibility since they had to decide in advance on what to purchase. To some extent, the pre-printed shopping lists were designed to alleviate this problem by reminding customers of a number of staple goods. Still, there was no way of allowing customers to inspect the goods before deciding,

which was one of the arguments repeatedly put forward in favour of self-service. On the other hand, argued Hakonbolaget, few customers ought to be interested in inspecting a packet of sugar or flour.

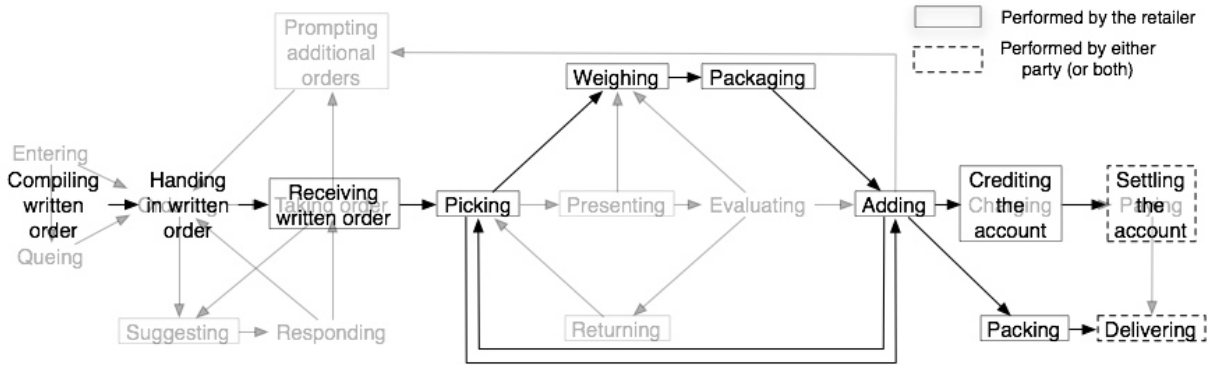



**Figure 7. A reconstruction of the network of interlinked practices constituting a retail encounter using written consumer-orders, juxtaposed over the traditional full-service encounter. Based on (Kjellberg 2001).**

Two additional drawbacks were identified by the retail councils of Hakonbolaget, who were asked to evaluate the idea in October 1951. First, several retailers noted that they wanted the customers to visit their store. It was through these visits, they argued, that they could establish personal contact, provide high quality service, and promote their goods. Part of this effect can be seen in Figure 7, i.e. activities such as "suggesting", "presenting" and "prompting for additional orders" would all be omitted when dispatching written orders. Second, the retailers were sceptical to how deliveries would be organised. Many retailers had fought long and hard to reduce home delivery and this system threatened to reintroduce this costly service, perhaps creating the need to employ a delivery boy.

Several retailers linked the new system to self-service, in one way or another. Some claimed that the system would "to some extent level the advantages that a Quickshop offers." Others interpreted the proposal "as if the management [of Hakonbolaget] have eased up on the self-service principle…" Indeed, the management of Hakonbolaget explicitly acknowledged a link:

> Director Lindqvist held that this system ought to be good for those who must continue with manual service.
>
> Minutes of the Uppsala group retail councils, Oct. 11, 1951.

Rather than being a competing solution easing up on self-service, Lindqvist suggested that the Hakon Helper should be seen as a complement "for those who must continue with manual service." Why, then, "must" some do this? Since Lindqvist was both Chairman of the Board and an active retailer, he is likely to have been well informed. Possibly, the managers of Hakonbolaget had come to realise that the company could not help all the associated retailers to convert to self-service at the same time, and that some other means was needed to ensure their competitiveness during the transition.

### *Science at last!*

The higher pace at which the Hakon retailers were converting to self-service was kept during 1953 and 1954. By the end of 1954, Hakonbolaget reported that 267 of its associated retailers now operated self-service shops, up from 128 two years earlier. Although the increase was considerable, it was not very impressive when compared to the 1140 Quickshops that the Consumer Co-operation had established since 1947 (Moback and Andersson 1956). What could possibly be done to increase the spread of self-service further among the Hakon retailers?

Clearly, Hakonbolaget could exert considerable influence over retailers who either were selected to run shops in new locations, or who sought financial support for major reconstructions. But the vast majority of retailers fell outside of both these categories. To exert greater influence over these, Hakonbolaget intensified their efforts to educate the retailers on the merits of self-service. But to this end, new knowledge was needed. Something more was needed than the Self-service Handbook,

which at the time had been a clear statement based largely on the conviction of Sven Lindblad and a few pioneers. By the end of 1954 there were 267 self-service shops associated to Hakonbolaget. What were the economic consequences of converting to self-service for these shops? How did they compare to traditional stores? Although Hakonbolaget did have some resources to conduct inquiries of this kind, primarily through its Organisation Department, they chose to initiate a co-operative research project with the Stockholm School of Economics. Thus, in 1955, Lars Persson published a comparative study of self-service and "traditional" stores that had been financed by Hakonbolaget, and for which the Hakon retailers' Accounting Centre had supplied the material (Persson 1955).

In his study, Persson addressed two issues using two different datasets: first, he compared the efficiency of traditional and self-service shops based on accounting figures; second, he studied the investments made in connection with converting to or starting a self-service shop.[ix]

The results obtained by Persson made a new representation of retail operations available to Hakonbolaget. In 1955, there was thus "scientific" support for a link between high turnover and high profits among the Hakon retailers. Moreover, the profitability of large self-service stores was higher than for large traditional stores. For stores with lower turnover, self-service was not worse than traditional stores (at least not in a statistically significant sense). Since a conversion to self-service in addition might lead to turnover growth, it was thus possible to set up a chain of arguments for converting to self-service… Such a conversion would not even have to cost very much. It was quite possible to convert to self-service for less than SEK 15,000.

Given that a major conclusion from the investigation was that no positive effect on profitability could be detected for self-service as compared to traditional stores at annual turnovers below SEK 500,000 – a size which was by far the most common among the Hakon retailers – it is interesting to note that self-service apparently already had become the norm for new establishments among these retailers.

### *The idea that won!*

The propaganda for self-service continued throughout the 1950s. Hakonbolaget kept securing new retail locations, selecting carefully the retailers who were given the opportunity to establish operations there. Retailer Service kept working to offer a wide choice of shop equipment suited for self-service, ranging from expensive top-of-the-line equipment to basic and low cost alternatives. Together, the retail advisers of Hakonbolaget and the salesmen from Retailer Service offered assistance to the retailers who were considering a renewal of their store. ICA Tidningen kept publishing practical advice on how to convert as well as success-stories on the growing number who already had.

For each year, the number of self-served stores grew and by 1960 roughly 20% of the retail shops associated to Hakonbolaget were self-served (see Table 5). In terms of retail turnover, however, these stores accounted for 33% of the sales of the Hakon retailers. Although it perhaps was a bit premature at the time, Sven Lindblad's statement eventually came true:

> The idea that won!
> It was in 1947 that self-service was heard of seriously in Sweden. What has happened since is rather strange…
>
> ICA Tidningen, 1951:9, p.3.

| **Year** | **1952** | **1953** | **1954** | **1955** | **1956** | **1957** | **1958** | **1959** | **1960** |
|---|---|---|---|---|---|---|---|---|---|
| **No. of stores** | 128 | 186 | 267 | 354 | 414 | 486 | 561 | 647 | 765 |
| **Increase in no.** | | 58 | 81 | 87 | 60 | 72 | 75 | 86 | 118 |
| **in %** | | +45.3 | +43.5 | +32.6 | +16.9 | +17.4 | +15.4 | +15.3 | +18.2 |

**Table 5. The official development of self-service stores associated to Hakonbolaget. Source: AB Hakon Swenson, Annual reports, 1952-1960.**

## Discussion

### *Organising exchange practices*

First, the events and developments reported above suggest that transitions like that of re-configuring the mode of exchange are indeed aptly characterised as results of extensive organising efforts. The change from manual service to self-service did not simply happen, but required considerable effort from many actors during many years. Concerning the content of these efforts, the case suggests that the material framing of the exchange situation occupies a central position. The process involved many activities directly geared towards altering the design of shop equipment, the conversion of shops, and the pre-packaging of goods. By converting, the retailer prepared a stage especially fitted for the self-service encounter. Over the years, various solutions and proposals regarding how to design this stage were put forward.

Other activities altered the way in which the economic exchanges were represented, e.g. the articles describing new retail methods, the surveys of consumer preferences performed by ICA Tidningen, and the annual publication of self-service statistics by Hakonbolaget. Yet other activities were directed towards altering the rules and norms regulating the exchange situation as well as the objectives of the involved parties, e.g. the liberalisation of local health regulations, and the efforts of Hakonbolaget to promote the right retailers. The case of introducing self-service retailing aptly illustrates how the organising of exchange practices involves translations to representational and normalising practices (confer Kjellberg and Helgesson 2004). Moreover, as regards the issue of performativity (Callon 1998), the case not only shows how ideas participate in shaping markets. Specifically, important scientific representations emerged as part of the introduction of self-service rather than preceded it. Hence, although of importance in solidifying the transformation, notions grounded in scientific endeavours were as much an outcome of the transformation as was the remodelling of certain stores.

### *The links between the mode, objects and agents of exchange*

A traditional view on the mode of exchange would have its precise configuration largely determined by the characteristics of the objects of exchange (perishability, stock-keeping costs, etc.) and the buyers and sellers. Our detailed account of the efforts of Hakonbolaget and its retailers to introduce self-service provides a rather different account. Most importantly our examination of self-service “in the making” illustrates how much more intertwined the configuration of the mode of exchange can be with the characteristics of the objects exchanged and the exchanging parties. A conversion to self-service not only required changes in the physical properties of the shop (the material framing) but also entailed a series of shifts in terms of the involved agencies and objects. The goods needed to speak for themselves, the customers had to attend to what they were saying and the retailer continuously had to provide for this communication, e.g. by marking the price of the goods.

Thus, the attempts to alter the material framing of the exchange situation re-shuffled the rights and obligations of the agents. For instance, without the face-to-face encounter over the service counter, it was no longer self-evident that the retailer could impose on the customer by making suggestions. On the other hand, there were other obligations, e.g. restocking the shelves and pricing the goods. The customers were also given entirely new rights and obligations, and somehow had to adjust (be adjusted?) to them by acquiring new abilities.

The new materialisation of the exchange situation also affected the objects of exchange. New requirements were placed on their abilities to interact with the customers unassisted by the retailer. The efforts to organise pre-packaging is one example of how the goods were physically altered to better fit the new exchange situation.

What is perhaps most striking in our account is how well versed those involved were in examining the links between the mode, objects and agents of exchange, appreciating that change in one would entail changes in the others. This underscores not only the importance of attending to such links when examining the organising of economic exchange, but also the methodological benefits of examining economic ordering in the making.

Rather than the kind of individual action-reaction sequences that we end up with when starting with some individual aspect of the exchange, it seems more appropriate to describe the process of altering

the mode of exchange as one of forging a supple network of associations through which the involved parties are inter-defined. The contrast between self-service and the Hakon Helper initiative suggests that the many interconnections enacted between the involved parties as part of an established mode of exchange substantially shapes the change efforts needed to realise a new mode.

## Concluding remarks

The organising of economic exchange is a fascinating and multifaceted topic. The purpose of this paper has been to explore the interconnections between modes of exchange, objects of exchange and agents of exchange. To this end, we have examined the introduction of self-service retailing in Swedish food distribution. The case has provided us with one potentially helpful illustration of two crucial points. The first concerns how entangled exchange practices are with representational and normalising practices. This entanglement, which may fruitfully be described in terms of chains of translations, appears to be readily visible in processes of change (both for us as analysts and for those involved in the activities). The second point concerns how elaborately intertwined the mode of exchange is with the characteristics of the agents and objects of exchange in exchange practice.

In our view, the case contains valuable lessons for contemporary marketing, despite that it is concerned with activities that took place half a century ago. We would, therefore, like to end this paper by noting how what we have done here might be of use. First, we argue that examining activities involved in transforming a mode of exchange is a powerful technique for examining the configuring of markets. There are, furthermore, ample contemporary examples of such transformations. Think, for instance, of the on-going transformation to Internet exchange (for music, cars, news, etc.), or indeed the outsourcing of services in industrial markets. Although we can expect the specific chains of translations to differ between cases, approaching them from a practical viewpoint is likely to highlight crucial aspects of the process of transformation. By attending to how markets are being constituted in practice we will be able to better appreciate economic ordering and markets.

Second, we argue that viewing markets as constituted by exchange, representational and normalising practices provides a working heuristic framework for such investigations. In particular, it provides a broad and practice-focused conceptualisation of markets that allows for appreciating the finer details involved in organising markets. Further, it does so without reducing beforehand the multifaceted character of such phenomena.

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## Notes

[i] 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 in Sweden: from approximately 200 stores in 1950 to 5,500 in 1960 (Nyberg 1998). To some observers this suggested that the development in terms of numbers was already approaching a maximum by 1960 (confer Abbott 1963).

[ii] This approach has its roots in empirical studies of science and technology and should not be confused with social constructivism à la Schutz, Berger & Luckmann, Weick and others. It is based on a relativist ontology stressing that realities are enacted, resulting from an on-going materially heterogeneous process of inter-definition. By primarily taking an interest in ontology and ontological politics (Mol 1999), it directs attention away from classic epistemological issues focused in the debate between realists and relativists (Law and Urry 2004).

[iii] Such networks of practices are similar to the concept of *action nets* suggested by Barbara Czarniawska (Czarniawska 2000, 2004).

[iv] In a 1930 court case, William Bonner McCarthy was able to show that Saunders might not have been the first on to open a self-service store. In Southern California, Albert Gerrard had opened his version of a self-served store called Alpha-Beta in 1915. (Freeman 1992) In Zimmerman's (1955) account of the origin of the supermarket, several examples are given of entrepreneurs that beat Saunders to it. However, Saunders' efforts are put forward as the most important.

[v] In addition to manufacturers' use of Resale Price Maintenance, contemporary sources suggest two more reasons for this decision (confer Nyberg 1998): 1) KFS held it to be unfair that members should have to pay different prices depending on which shop they had access to (Eronn 1951). 2) By maintaining the same price-level in the new Quickshops, KFS would increase profits, which in turn could be used to speed up the transformation of the remaining shops.

[vi] The survey was first presented at a conference organised by the Swedish Advertising Association in May 1946. At the conference, IMU (The Institute for Market Investigations) and the Swedish Gallup-institute presented the results of a survey, commissioned by the Association, in which some 5,208 persons had been asked about their reasons for choosing a certain shop. The survey was given considerable attention in trade magazines, e.g. in ICA Tidningen (1946:6, p.7) and Svensk Handel (1946:11, p.299), two major trade journals. The results were also used in reports on goods distribution throughout the remainder of the 1940s.

[vii] In addition to these efforts, the managers also found it necessary to tell the associated retailers of their work. Thus, in the annual report for 1949, 13 stores were listed that had been opened as a result of Hakonbolaget's efforts to support its associated retailers.

[viii] This was a routine with which Hakonbolaget had had considerable experience over the past three years. The written order procedure had been a central feature of the Hakon-deal, a rationalisation program introduced in 1949 to improve wholesale-retail interaction. The original suggestion to introduce written orders for consumers had allegedly been put forward by an advisory panel of housewives connected to the Swedish Retail Association (Planerade inköp hjälper husmor 1949).

[ix] Despite some reservations, Persson suggested that the data used for his inquiry into the first issue at least should be representative for all Hakon retailers although this could not in any way be proven. The data used for the second inquiry had been collected by the Accounting Centre through a questionnaire sent to all self-service shops associated with Hakonbolaget in the summer of 1953. 64 out of the 130 shops had replied and no attempt had been made to check whether those who had not replied differed systematically from those who had.

As a proxy for efficiency Persson chose to calculate a profitability figure based on the gross profit of the stores (turnover less purchasing costs for the goods sold). From this figure he deducted real operating costs except for the owners salary, for which he used a standard cost, and rent, for which no deductions were made due to the difficulties of allowing a straightforward comparison between the two formats after such a deduction.