

Business Concept as a Relational Message: Supermarket vs Independent Grocery as Competitors for Sustainability

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ABSTRACT

The paper deals with competition for sustainability between two business concepts, the supermarket and the independent grocery, both selling local and organic food. The paper is based on Finnish case evidence with very oligopolistic retail structure and its empirical and the theoretical interest focuses on the nature of economic exchange relations of these business concepts. The study shows how the supermarket is driven by market and hierarchic as well as power relations, regarding both suppliers and consumers. The business concept includes weak choice editing and indicates 'consumer *versus* producer via retailer' set-up. The independent grocery is at its core a social and partnership based endeavour, entailing strong choice editing for sustainability through the 'consumer *cum* producer via retailer' set-up. However, the supermarket may include more local and organic food in its product range on market conditions, in need of customer management, while the grocery can expand by decentralized multiplication of its business concept. The grocery also adds a new market channel for family farmers enabling better use of local resources, thereby renewing the market. This study shows the importance of the business concept as a condition and limitation for further growth, and explains the business concept as a relational message for sustainability

Keywords. Business concept, retail, supermarket, independent grocery, economic exchange relations, sustainability

1 Introduction

As a commercial enterprise, the supermarket has proved to be a global success. The business concept aims at balancing maximal consumer choice of (convenience) food at (most) affordable prices against largest returns per shelf unit to the retailer (Atkins and Bowler, 2001; Burch and Lawrence, 2013). In the western markets this concept has often been profitable enough to allow the development of oligopolistic retail industry, claimed to impose its buyer power on suppliers (Hollingsworth, 2004; Richards et al., 2013; Thompson and Lockie, 2013). Eventually, this development has advanced to such an extent that better monitoring and policing of supermarket-supplier relations has been called for (Björkroth et al., 2012; Burch et al., 2013b). Importantly, while the retail industry is seen to drive the restructuring of agri-food systems globally, so far the most dynamic force for growth seems to be by discounting rather than value-added production (Atkins and Bowler, 2001; Fishman, 2007; Burch et al., 2013a; Dixon and Isaacs, 2013; Hattersley et al., 2013). This view suggests broadly that when buying food, majority of customers identify their immediate benefit as value for money in the market.

However, as large retail chains encounter increasingly tougher mutual competition and at times shrinking turnovers, they have also recognized consumer interest in more 'sustainable food' such as local and

organic produce (Yiridoe et al., 2005; Hughner et al., 2007). These consumers solve their health concerns and normative issues regarding the sustainability of the food chain oftentimes by turning to consumption of organic food (Klößner and Ohms, 2009; Andersen, 2011; Mikkola and Morley, 2013). Many large retail chains have responded to these interests by expanding their selections of local and organic food (Mikkola, 2008; Hingley et al., 2011). As the societal quest for more sustainable food seems evident across food chain (Vellema, 2011; Mikkola and Risku-Norja, 2014), it is also reflected by new entrants such as independent groceries and retail chains focusing on local and organic food in the European market.

This evolving market situation gives rise to competition for sustainability between the supermarket and the independent grocery (or organic retail chain), as both retailers seem to promote sustainable food through their marketing channel. However, organic and local food are often not seen to represent just another food item but in principle an embodiment of more equal and economically enabling exchange relations within the food chain, including family farmers and small scale businesses (Beus and Dunlap, 1990; Barham, 2002; Jaffee et al., 2004; Mikkola, 2008). Therefore, the marketing of local and organic food raises the question about the contextual nature of the economic exchange relations between retailers and their suppliers on the one hand, and customers on the other. If the retail can develop profitably, does the nature of economic exchange relations differ between the supermarket and the independent grocery? Furthermore, the question expands to how these different retailers can drive at social and economic sustainability within the food chain; do they signal the possibility of structural transition towards more sustainable food systems, from niche to regime in the 21st century (Beus and Dunlap, 1990; Vellema, 2011)?

This paper presents case evidence from Finland, where the pattern of retailer dominance is clearly visible. The major player has a market share of 46%, the second player 33% and the lesser retailers and emerging independent groceries are limited to the remaining share (Atkins and Bowler, 2001, 92; Finnish Grocery Trade Association PTY, 2015). First, the paper shortly outlines the nature of economic exchange relations and presents the data and the method. Next, the results of the analysis are crystallized as business developments and supplier as well as customer relations from the supermarket's and the independent grocery's perspective. Finally, the paper discusses the nature of these exchange relations as deployed by these two retailers and concludes by comparing these concepts as drivers at more sustainable food provision systems.

2 Economic exchange relations

While economic viability is understood as a core aspect of the business concept of any retailer, it has to be realized through the exchange relations between the retailer and its suppliers on the one hand, and its customers, on the other. One of the basic economic exchange relations has been defined as the market relation, whereby both the seller and the buyer only look for their best interests and the hardest bargain without future concerns, as opportunistic and atomistic actors in the market (Powell, 1990). A power relation takes place if one of the market actors has developed a highly successful business concept which other parties of exchange are compelled to align with or due to which they lose their market (Powell and Smith-Doerr, 1994). The hierarchic relation, commonplace in large organizations as power attached to the organizational position, avoids weaknesses of the market relation by a single governance structure (Powell, 1990; Powell and Smith-Doerr, 1994). The partnership (or network) relation represents trust and reasonable power balance between the parties of exchange as it is understood to lead to sharing benefits and risks of the business (Powell, 1990; Powell and Smith-Doerr, 1994). Eventually, social relations, reflecting ubiquitous cultural, historical and contextual embeddedness of economic exchange, also add to the relational spectrum (Granovetter, 1985; Mikkola, 2008). Empirical patterns of coordinative economic exchange relations are often complex and combine several relational strands; it is the mix of relational strands which gives the food chain its structure and nature (Mikkola, 2008). Based on this broad analytical framing, this paper asks whether and how the supermarket's and independent grocery's exchange relations with their suppliers and customers differ, and if they do, it can be claimed that their business concepts work as different relational messages for sustainability

3 Data and method

The setting of the study is a provincial town in Finland, where the regional consumer co-operative runs its supermarket and where the independent grocery has recently been established. Both retail outlets are located in the town centre and share the customer potential of circa 30 000 inhabitants. Furthermore, this regional retailer, part of the central consumer co-operative, runs its 35 supermarkets in the province with the potential customer base of nearly 200 000 consumers. The data include interviews conducted in 2014

with the managing director of the regional consumer co-operative, responsible for the regional category management including the supermarket, and the proprietor of the independent grocery, who also worked as the shopkeeper. The in-depth interviews took nearly two hours and followed the principle of ethnographic interview, allowing the interviewees to express themselves as they chose, in interaction with the interviewer as someone who represents a 'knowledgeable' discussant (Fontana and Frey, 1998). The topics dealt with the current situation of the business, its problems and solutions as well as future views. The interviews of the manager and the shopkeeper were transcribed verbatim and consisted of 7742 and 8429 words, respectively. Both retail outlets, the supermarket and the grocery, were also observed in terms of space, product range and overall consumer behaviour during three site visits. Furthermore, the analysis presented here is supported by data such as the presentation of S group (S Group, 2015) and the one of the independent grocery (Tuorepuoti, 2015) as well as interviews with the senior category manager and the environmental officer of the central consumer co-operative, conducted in 2009. The text analysis (Kvale, 1996) gives answers to the theoretically framed research questions, outlining the business developments and extracting the evidence about the nature of the exchange relations of the focal organizations within their economic networks. The network analysis thus highlights the roles of the supermarket and the independent grocery as sites of the established economic exchange relations shaping the food chain.

4 Results

Supermarket

Business developments

The consumer co-operative had a long history in Finland, as it developed in the wave of the international co-operative movement in the beginning of 20th century. The incremental and competitive consolidation of different co-operatives yielded the current central co-operative consisting of its regional co-operatives. During the second half of 20th century, the co-operative lost market shares as an old-fashioned and fragmented business, after which it "pulled itself together" by organizing centralized procurement for its regional co-operatives and by constructing a clear-cut outlet design deploying the "everyday low prices" strategy. Furthermore, category management was seen as crucial in the 80's and in the 90', while IT-based business intelligence and space management became later the keys to success. The retail outlets of the co-operative are a familiar sight across Finland from high streets in urban areas to suburban hypermarkets to rural outlets. The current high market share of the co-operative has raised criticism about the lack of competition by the media, which saw the co-operative as "large and dull". The manager was well aware of the co-operative's retail power and its competitive position among its rivals; "the success of the business is reflected in the bankruptcy of competitors".

While the basic product range was decided by the central organization, the regional co-operative could customize its selection according to local demand. Currently, circa one fifth of the items was dedicated to local produce, interpreted in broad regional terms, and four fifths were produced by domestic firms. The collaboration with an American business intelligence company offered unique possibilities to govern the returns for the shelf space and to master in detail the information about customers' shopping behaviour. However, the recent economic stagnation had called for more attention to competition between the different retailers. Solutions for success were identified in trends such as local and domestic food as well as in increasing the emphasis on the quality of food. While one visible means of marketing food has recently been to cheapen the prices of selected products, the co-operative also engaged in developing the organic market; it chairs the Finnish commercial association promoting organic food. The manager saw that more focus was needed on the achievement of the personnel, as they could impact on sales. For instance, organic sales had doubled in a particular outlet due to its manager's interest in and efforts to market organic food. The economic competence of the co-operative suggested its "structures were in shape" and it could "look towards the future with assurance".

Customer relations

The consumer co-operative is owned by its members, the consumers, and is therefore inherently responsible for them. This makes the category management, entailing effective pricing strategy, the most important tool for satisfying customers' expectations. The managers' position as the chair of the central co-operative's category board was very satisfying as it strongly supported understanding of the dynamics of consumers' wants and needs. So far, the co-operative had been able to offer its members and other shoppers a selection reaching more than 15 000 items at supermarkets, customized in accordance with the local taste. A recent business move to cheapen the prices of a plethora of staples and domestic and

local brands supported the idea of serving customers' everyday needs. "We make it easy for the customer to buy, we offer options...people want economical so then you have to give economical [products]."

Customers, particularly tourists and summer residents, seemed to have an interest in local products. The manager saw that while the local product range may not yet quite respond to the potential demand, the marketing of local food seemed to call for 'customer management'. Customers had to be made aware of local products by displaying them clearly, and different retail outlets needed their customized "tricks" to "activate" customers. The results were shown by business intelligence, disclosing the consumer preferences which had to be obeyed; a successful product had to stay in the selection. On the other hand, if the product was not in "consumers' demand then it leaves the shelf". The manager also felt that as the co-operative was in some villages the only food retail outlet, they had a particular responsibility not only for "food security" but "everyday security". Even here, the trustworthy promise of the same low prices was realized.

An appealing loyalty card system, entailing bonuses, matched well with the idea of the co-operative members joining together to unite their forces and to create a business of their own. The consumer-member had the power in this business, which was not meant to represent elitist connotations but to serve all customers uniformly. At the town centre supermarket, the customers filled their shopping baskets and carts, often moving at a slow pace on the polished floors along the spacious aisles, amidst well organized shelves and well-covered freezers. They queued silently at the cashier and paid mostly by their loyalty cards, vanishing into the warm underground parking garage with their plastic bags.

Supplier relations

As an important businessman in the region, the manager knew others whose success he admired; they were productive and had fresh ideas for development. In particular, among these good regional business people there was one who ran special bakeries producing re-designed traditional pies for domestic markets and exporting gluten-free pizzas to Italy. However, the manager recognized that most food processing industries delivering to the supermarket did not operate in the region and furthermore, few of those in the region represented high-tech industries. Some entrepreneurial efforts to develop local fish products came to an end without particular success in the utilization of the raw material. While organic rye would be a promising ingredient for the co-operative bakery, there were not enough producers in the region. Furthermore, the food processing businesses were often workshops without the volumes needed by the supermarket. When supplying the supermarkets, the local producers were managed to deliver to their "vicinity outlets" in order not to be exposed to mutual competition.

The manager had had his hand in some successful local product developments as he had advised a particular farmer to focus simply on processing his raw material instead of trying to manage everything from primary production to processing to marketing and transport. Moreover, he also responded to the increase of volume of this local processor by contacting other regional co-operatives in order to promote the marketing the product. The success of that particular enterprise seemed like a good example of future direction; more entrepreneurs like this were looked for as many of them, not salient in the same way, were not known by the manager. Unfortunately, the lagging rural region seemed to reflect the future of the regional co-operative as the rural depopulation was a visible phenomenon. The manager saw that more collaborative approaches would be needed between the co-operative and the regional businesses to revive the region.

Independent grocery

Business developments

The grocery was initiated from within a popular community supported agriculture (CSA) activity managed by a group of farmers and inhabitants of the provincial town; many of these townspeople were engaged in education and research activities. There were more incomers to the group than could be welcomed. However, simultaneously it was also difficult to find members responsible for the distribution of and payments for the products. As the need for 'retailer's work' was obvious and 'not wanted', the group dissolved. The future shopkeeper was "angry" as no one was willing to support her in this shared effort of holding up the CSA activity, but later came to the idea that she herself might create a job for herself, as her adult education course was coming to an end. The start-up received plenty of support by different public advisory services and funding bodies, and eventually found a suitable location in the immediate vicinity of the centre square in an old storehouse. The initial product range consisted of those sold in the CSA group. New products were screened in other similar outlets and were also offered by regional and national small-scale producers to the shopkeeper. The shopkeeper wanted to develop an "alternative to supermarkets", a kind of a "more ethical grocery". The range of food items on offer was not meant to be

“in line with the supermarket” but with what was seen as “sensible”, aiming to support an “economically viable region” and “jobs for us”, by selling food without “a lot of poisons and such”. The start-up grew nicely even during recession, invested in interior renovation, added a small café and celebrated fresh local food by displaying its neon sign on top of the high building.

In addition to the first customers from the CSA group, new ones discovered the grocery, and regularly bought their everyday food there. However, the shopkeeper tried to attract more customers as growth was needed for economic viability. The aim was to run the business as a “serious food retailer” by which the food items for everyday life could be purchased, particularly by serving customers who came after “good food”. The product range had developed to a certain extent whereby the minimization of unsold items became topical, as this took effect on the price level. Some products in the grocery were cheaper than the ones at the wholesaler, telling about the viability of the business concept mainly consisting of three actors, the producer, the shopkeeper and the customer. So far, the shopkeeper and her associate had had their monthly income from their business albeit they were not “getting rich”. The options for expansion were tangible as the shopkeeper was asked to establish similar retail outlets elsewhere in Finland; however, she wanted to strengthen the current foothold in the provincial town before moving on, as a similar grocery elsewhere had expanded too boldly and had to shut down.

Customer relations

The customers were seen as people who appreciated “good food” and some of them experienced problems with allergies, wanted to avoid additives and suffered from various illnesses. These people also liked to eat healthy food and cook from basic ingredients. The customers were offered a different world of food shopping instead of the stressful “ordinary pattern” where you go “with a crumpled face to the supermarket after working hours”. The selection was meant to display an authentic and coherent range of local and organic products as “the customer cannot read the labelling for several minutes”. The prices were reasonable unlike in elitist grocers’ shops in metropolitan areas; the consumers from Helsinki also did occasionally food shopping in this provincial shop.

The shopkeeper claimed that people cannot consume chicken any more as they have been used to eat the “softybroiler”. However, the shopkeeper “nudged” customers to consume more traditional local food and educated them about its quality, also regarding its seasonal and occasional availability as well as its price. The customers also brought examples of good products to the shopkeeper and gave guidance where to procure these. Moreover, the grocery offered Asian specialties grown in Finland, recipes for cooking and celebrated products by displaying these in the entrance on the “exclusive” table. Some of the producers and customers were actually like friends, who exchanged daily news and family matters over the counter. Having a chat with others present in the shop extended the time of the economic exchange; instead of being efficient, the shopping experience in this cosy space in the middle of wooden shelves was a pleasant while of social interaction before stepping onto the asphalt yard surrounded by vegetation.

Supplier relations

The shopkeeper was well placed in the networks of small scale producers. Many of them came to offer their products to be sold in the shop, even for free as a trial, and accepted at first similar prices they received at supermarkets. Furthermore, the producers co-transported their products to the grocery to save the shopkeeper’s costs. In principle, excessive food miles were understood as an obstacle for a food item to be included in the product range, particularly if a similar product was available in the vicinity. The shopkeeper felt empathy with producers who found it difficult to comply with the official certification processes; the grocery sold not only organic food but non-certified organic food too, food from the province and food from small producers elsewhere in Finland. The agricultural and certification bureaucracy was seen to benefit large companies and to exclude small actors: “The small producers are killed by the bureaucracy” albeit they would offer the best and local products.

The big companies were seen to dump the prices and prevent small actors from getting a fair compensation for their costs, so many have made an exit. Those who have survived have made big investments in equipment, which should be appreciated. The entrepreneur disparaged cheap meat as that was seen as a product “dumped with all kinds of stuff”. In principle, no imported meat was sold because “immensely good products exist in the vicinity and we rather sell them than the organic ones from Brazil”. The shopkeeper offered the site in front of the grocery free for a local butcher to do business, thereby enabling the customers to encounter the producers. Traditional products such as tongue and blood were sold exclusively there. The intensive food production, the embodiment of which was the “softybroiler”, was not taken into selection as the shopkeeper refused to support that kind of production. Domestic birds such as ducks and geese were seen as a lot “more ethical”. New developments were underway with some poultry producers and the shopkeeper would be soon able to offer the customers organic chicken.

Products such as Norwegian salmon and tuna, consumed in the mass market, were not accepted by the shopkeeper. Replacements for these unacceptable but ubiquitously sold food items were discovered, such as local cold smoked pike and salmon and also an item from Åland islands. The milk products sold in the shop were produced by a minor dairy, part of a transnational company, as the major domestic dairy wanted a particular fee for joining into their delivery program.

The shopkeeper also made efforts to contact all the shop's roughly 50 producers to negotiate for regular deliveries. However, not everything which was local could be on sale in the grocery. As 20 different honeys were offered by producers, some of these had to be rejected due to limited demand. Vice versa, when asked by the shopkeeper, not all small producers were willing to sell their products through this grocery; it seemed that they already had negotiated their deliveries with the supermarkets. Some products such as fairly traded specialty sugars and chocolate were purchased from the wholesalers, to keep up a selection wanted by customers. No shelf payments or other methods to squeeze value from the farmers by the retailer's position were used. Finally, no contracts were made with producers but all products were sold in "trustful" relations. Plenty of collaboration with businesses sharing a similar ethos such as local restaurants was underway, and study visits and local food events were arranged with health and women's organizations as well as home economics teachers.

5 Discussion

Both the supermarket and the independent grocery wanted to expand their customer circles and increase their turnover in the market. These developments took place in line with their idiosyncratic business concepts, which proved to be highly contrary in terms of their relational patterns with consumers and suppliers, and also resulted in specific challenges for each business concept.

Supermarket

The supermarket brought on "progress" into the remote corners of the market by its huge selection enabling customer choice (Dixon and Isaacs, 2013). The customer relations were strongly market based as customers were offered the cheapest option of their preferred products in the market, on a day-to-day basis. These market relations were also amplified across levels, from local to global, by the hierarchic relations taking place between the regional consumer co-operatives and the central one, responsible for procurement (Hollingsworth, 2004; Björkroth et al., 2012; Richards et al., 2013). Furthermore, customers were to some extent 'managed' by the supermarket's marketing, which can be seen as wielding power over their shopping behaviour, obviously better known by the supermarket than by the consumers themselves across time and space. This 'management' aimed at holding onto consumers who enabled the supermarket to deploy the 'collective consumer's market power' - for their own benefit in the form of massive, economical and accessible product range. This can be interpreted as a partnership strand in the relation between consumers and the supermarket, implemented through the loyalty card, the token of membership. Furthermore, the partnership as communicated by the supermarket meant security against high price levels for consumers and thus supported the members' economic security by bonuses and other more temporary price level arrangements. This kind of relational strand was seemingly strengthened by the sale of cheapened products, as a response to consumers' economic concerns. In general, the social relational strand with the customers seemed rather weak in terms of knowing individual customers personally. As consumers constructed the collective 'voice of demand', their economically modest interests in identifiably local and organic food, as a social concern and expression of personal belonging, was so far to some extent superseded by the supermarket. Therefore, the competition between the producers in the market across levels, as organized by the supermarket, actually meant that being a customer was an act of one's own discretion, leaving customers highly individualized and simultaneously unknown by each other, the processors and the retailer – except in terms of sharing the same space by their bodies and in terms of economic figures recorded by the business intelligence. The value for money, convenience and accessibility thus became important aspects of the shopping experience.

The supplier relations were similarly market based, and as in other industrialised countries, the domestic industry had in general not been able to keep up with foreign companies (Dixon and Isaacs, 2013; Hattersley et al., 2013; Ekoneum, 2015). Albeit the share of broadly local (and domestic) food items was rather large, both the imported products and imported and domestic raw materials of the domestic products meant that the supermarket was a site of intensive and opaque competition (Ekoneum, 2015). However, as the product range was also customized to the local interests, it enabled the local producers to sell their products at the supermarket (Mikkola, 2008). Obviously, these economic exchange relations included a social strand as 'local' meant an appreciated feature for customers and the suppliers were

known by the supermarket manager; however, for the supermarket the local produce was also an issue of sales and market expansion, based on market and power relations. The support given to local entrepreneurs by the supermarket was extremely important for their livelihoods and expansion, and in itself depicted the market power of the supermarket's channel. However, the market relation established with the local suppliers induced very limited commercial risks for the supermarket, and thus the partnership strand between the supermarket and the local entrepreneur can be seen to be restricted by the business concept. Eventually, the supermarket identified the importance of social relations as a resource for expanding their business and the future benefits its market power could offer for the local suppliers and the region at large.

The strong instrumental approach of the business concept also remained the nature of these economic exchange relations. At large, they were seen to be profitable and to ensure the dominant position in the retail market for the supermarket. Thereby the supermarket's choice editing for sustainability seemed rather weak; the consumer was the one to make the discretionary choice rather than the category manager (Hickman, 2007) who obeyed the business intelligence. Therefore difference, not similarity, was the principle of the product range at the supermarket. The basis of co-operative membership seemed to share successfully leftist shades of the 'ordinary consumers,' unifying their market power through the co-operative, to secure reasonably priced food *through* the market relations with suppliers as organized by the supermarket. Therefore, the supermarket seemed to evoke a commercial ethos of 'consumers *versus* producers via retailer' which also led to demand based product range. This view into the supermarket suggests that local and organic food may represent "just a blip" as an effort to renew the operations of the future food chain; however, there are options to incrementally reach for the "new era" to the extent the business concept can stretch to develop new marketing tools for local and organic food and to mediate between local producers and consumers in an economically viable way (Marsden 2013).

Independent grocery

The independent grocery added to the retail market of the provincial town an alternative business concept. The product range for everyday food consumption represented combination of the shopkeeper's preferences for the local and domestic rather than imported origin of food items, shorter rather than longer transport distances, and for the small rather than large scale producers. Exchange relations, which could be depicted as market ones, possibly prevailed between the wholesaler and the grocery, and regarded imported fairly traded food items. The hierarchic and power relations were seemingly absent, as the business concept included no 'compulsory' food items as part of its product range; there seemed to be no ground for insisting on or forcing business parties to deliveries. Furthermore, the actors engaged in this business hardly adopted a financial or societal power position; they were more like equals, ordinary people, to one another. This aspect was emphasized by the grocery's defence of the local and small against the global and large (Morgan and Sonnino, 2008), and furthermore, by the support it expressed for the producers' 'resistance' to administrative power of agricultural and food hygiene authorities.

The partnership relations appeared as the main operational mode of the economic exchange between the suppliers and the shopkeepers (Powell, 1990; Mikkola, 2008). The suppliers supported the grocery's logistics and accepted the current price level, developed new products together, and in general shared mutual trust with the shopkeeper (Ziggers and Henseler, 2009). However, partnership relations also tended to exclude others from collaboration (Mikkola, 2008) and business expansion would be needed for inclusion of new producers. Intriguingly, it seemed that social relations between the suppliers, shopkeepers and customers were the basis for the grocery's economic strength; it is these relations, which the grocery was actually rooted in. The sources of the social relations can be seen to be the family farmers, who were resilient enough to stay on their land in spite of the pressing economic and administrative conditions and who endured the struggle with the "socio-technical regime" (van der Ploeg, 2006). These farmers defended the "place of their own" (Abrahams, 1991) and embodied the 'roots' to be connected with by the townspeople, who initially were the members of the CSA group. This social network is interpreted to represent the "forms of belonging" (Murdoch, 2006) as new kernels for rural development, and a part of an increasing mode of socio-economic organization emphasising sustainability (Castells 1997, 110-112; van der Ploeg, 2006). Thereby the "community" aspect of alternative food networks became prominent in the grocery (Beus and Dunlap, 1990). Shopping for food in this grocery became an act to be consistent in words and deeds, in a visible way, instead of disconnecting them or connecting them in an opaque way (Chouliaraki and Fairclough, 1999).

This product range brought forward the authenticity of the products, because deployment of food technology to "refashion nature", the method of large food industries (Goodman and Redclift, 1991), was beyond reach of the farmer-processors. This is unlike the 'pretended' authenticity reported by Dixon and Isaacs (2013) whereby consumers can buy industrial products at farmer's markets, only sold but not produced by small scale businesses. Moreover, the shopkeeper made efforts to 'educate' the consumers

about the quality of food and create opportunities for social learning for the customers, thus representing a broader social network of local small businesses and educational as well as non-governmental organizations (Castells, 1997). Importantly, the customers were able to learn about agricultural realities and challenges as they met the farmers, who typically were pressured by the expectations of the processing and retail industries to increase their efficiency (Higgins, 2006).

The grocery seemed to represent an economically viable business, based on short supply chains, with strong choice editing for sustainability (Hickman, 2007). The product range appeared to emphasize supply over demand and thereby reflected bioregional discourse (Mikkola and Risku-Norja, 2014). As the partnership and social relations were the core of the business operations, it may be argued that its business concept brought out 'consumers *cum* producers via retailer'. This kind of economic formations illustrate the mobilization for the "new era" as suggested by Marsden (2013), whereby local and organic food, in its different embodiments, become mainstream in the market. However, if the business concept fails it also means that the grocery represented "just a blip" without the necessary economic viability (Marsden, 2013).

However, the long-term sustainability of this business concept raises some considerations. First, the warmth of trustful social relations between the grocery and its suppliers can easily turn sour due to economic concerns (Granovetter, 1985) and second, there are limitations to how many such relations can be handled by the shopkeepers as the community has its boundaries (Castells, 1997; Ziggers and Henseler, 2009). Third, the hygienic issues of the SME production, also due to consumer behaviour (Griffith, 2006) may cause consumers to change their habitual retail outlet and fourth, the authentic product quality also meant that 'convenience' in the sense of the supermarket could not be expected by consumers, even if eventually needed (Carrigan et al., 2006). Finally, the authentic product range, as a celebrated feature of the bioregion (Mikkola and Risku-Norja, 2014), also frames the local 'necessity as a virtue', and could be vulnerable for novel technological trends reaching beyond this state of necessity.

Conclusions: Commercial potential for sustainability

The supermarket and the independent grocery seemed to be economically viable, without elitist connotations, through contrasting economic exchange relations entailing very different roots. The supermarket seemed to combine its core relational pattern from market, hierarchy and power strands with its suppliers and consumers, reinforced by weaker partnership and social strands. The independent grocery appeared as an embodiment of localized social and partnership relations, amended by necessary market strands without true power relations. Condensed, the supermarket set-up displays the ways 'consumer power' can be turned to market power as 'consumer *versus* producer via retailer'. The supermarket also aims to operate demand based supply chain, resulting in weak choice editing for sustainability. The independent grocery showed a set-up whereby 'consumer *cum* producer via retailer' operated strong choice editing as negotiable, supply based supply chain in construction by its actors. As business concepts, the independent grocery obviously comes closer to driving at sustainable food provision, while the supermarket concept also has options to proceed towards sustainability on the condition it can modify its concept towards increased decentralization and solve the structural issue of economic viability. While the supermarket and independent grocery illustrate here their business concepts rather graphically, this can be seen as a theoretical generalization about how the economic exchange relations can be organized through these business concepts.

While the supermarket has been the market leader for a long time, the independent grocery presents itself as a challenger in the market, like David meeting Goliath. The independent grocery seems to add a missing link into the food chain by enabling market access to family farmers and processors currently excluded from the supply chain, and thereby it can improve utilization of local resources. However, its critical assets are based on social and partnership relations, in need of continuous balancing and upkeep. Furthermore, local food chain crises could harm the business concept probably more than the one of the supermarket, which has to consider large-scale food crises. Both business concepts may also meet future redefinitions of sustainability; however, the supermarket has obviously larger room for manoeuvre and more technology to support new solutions. Regarding expansion, the supermarket already has the structures in place while the independent grocery would require locally based multiplication of its business concept, as conditioned by the nature of its economic exchange relations. This move again would call for more entrepreneurial activities across the country. In principle, the concept of the independent grocery can better support local food chains while the supermarket, if able to transform its concept, could operate in the same market and possibly with higher volumes.

While this paper shows how the business concepts of the supermarket and the independent grocery differ in terms of socio-economic sustainability, it would be highly interesting to study the possible modifications and transitions of these concepts in their economic environments. These results could also

reflect the ways these business concepts develop local food chains and how they can 'educate' and support consumers in their interests for more sustainable food chains, as a relational message for sustainability.

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