



# **SUCCESS FACTORS AND BARRIERS FOR THE PERFORMANCE OF COOPERATIVE SUPERMARKETS**

**Analysis and Comparison of two Case Studies in the United States  
(New York City) and Europe (Brussels)**

## **Master's Thesis**

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## **Affidavit**

I hereby declare that I am the sole author of this work. No assistance other than that which is permitted has been used. Ideas and quotes taken directly or indirectly from other sources are identified as such. This written work has not yet been submitted in any part.

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Place, Date

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Signature

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## Kurzfassung

Das derzeit vorherrschende Ernährungsversorgungssystem ist gekennzeichnet durch steigende Marktkonzentration und -macht einiger weniger Konzerne sowie negative Auswirkungen auf Umwelt und Soziales, wodurch das Interesse an alternativen Lebensmittelversorgungsnetzwerken steigt. Jedoch bietet das derzeit vorherrschende Ernährungsversorgungssystem auch Vorteile wie ein breites Produktsortiment, niedrige Preise und lange Öffnungszeiten. Kooperative Supermärkte, die eine spezielle Form von alternativen Lebensmittelversorgungsnetzwerken darstellen, vereinen Nachhaltigkeit in Bezug auf Soziales und Umwelt sowie leistbare Preise, lange Öffnungszeiten und ein breites Produktangebot. Daher wurden im Zuge dieser Masterarbeit Erfolgsfaktoren und Hindernisse für ein erfolgreiches Betreiben kooperativer Supermärkte untersucht.

Als Forschungsdesign wurden Fallstudienanalysen mit qualitativem Forschungsansatz unter Einbindung der kritischen Erfolgsfaktorenforschung gewählt. Die beiden Fallstudien – der seit kurzem existierende kooperative Supermarkt Bees Coop in Brüssel und der schon seit langem bestehende Park Slope Food Coop Supermarkt in New York City – wurden hinsichtlich Erfolgsfaktoren und Hindernissen analysiert und miteinander verglichen. Insgesamt wurden 22 qualitative Interviews mit regulären Mitgliedern und Lieferant\*innen sowie Mitgliedern, die sich über das Maß der Pflichtarbeit im kooperativen Supermarkt engagieren, geführt.

Die Analyse hat ergeben, dass das Konzept selbst – das Angebot von nachhaltigen, hochwertigen Produkten, die mittels kollektiver Mitarbeit der Mitglieder zu leistbaren Preisen angeboten werden können – ein wichtiger Erfolgsfaktor für den gut funktionierenden Betrieb eines kooperativen Supermarktes ist. Des Weiteren stellen lange Öffnungszeiten sowie das breite Produktsortiment einen Vorteil dar. Das verpflichtende Partizipationsmodell, welches von allen Mitgliedern den gleichen Arbeitseinsatz fordert, ermöglicht eine Senkung der Lohnkosten und kreiert ein Gefühl von Gleichheit und Fairness. Das gemeinsame Arbeiten schafft zwischenmenschliche Beziehungen, stärkt die Gemeinschaft und führt zur Identifikation mit dem Projekt. Je stärker sich Mitglieder als Teil und Eigentümer\*innen des kooperativen Supermarktes fühlen, desto eher engagieren sie sich und setzen sich für die Weiterentwicklung der Kooperative ein. Die Identifikation als Eigentümer\*in wird durch die Einzahlung des Mitgliedsbeitrags verstärkt, der neben dem Preisaufschlag auf Produkte eine weitere finanzielle Quelle darstellt. Allerdings ist die Finanzen betreffend Dokumentation der wichtigste Erfolgsfaktor. Um überhaupt Mitglied eines kooperativen Supermarktes zu werden, ist Bewusstsein für nachhaltige Ernährungsversorgungssysteme sowie Leidenschaft für das Projekt Voraussetzung. Da kooperative Supermärkte gemeinschaftlich verwaltete Institutionen mit kollektiver Entscheidungsfindung und demokratischen Kontrollstrukturen sind, ist es unumgänglich Regeln und Sanktionen bei Nichteinhaltung zu haben sowie eine ehrliche, respektvolle und transparente Kommunikation zu pflegen. Eine geringe Anzahl an erwerbstätig bezahlten Mitgliedern ist notwendig, um die erforderlichen Strukturen für das tägliche Geschäft sicherzustellen. Für Lieferant\*innen sind der persönliche Kontakt, ähnliche Werte, das Erreichen eines breiteren Kund\*innenstamms, die Vermeidung von Listungs- oder Werbegebühren sowie mehr Spielraum und Flexibilität von Vorteil.

Schlagwörter: Kooperativer Supermarkt, Erfolgsfaktoren, Hindernisse

## **Abstract**

Due to negative social and environmental effects caused by the current dominant food system as well as an increasing level of market concentration and corporate power in the food sector, the demand for alternative food networks is increasing. However, besides negative effects, the current dominant food system provides a big variety of products in one place, low prices, and convenience for consumers. Cooperative supermarkets, which are a special form of alternative food networks, combine environmental and social sustainability with affordable prices as well as convenience such as long opening hours and a one-stop-shopping destination. Thus, within this master's thesis, success factors and barriers for the performance of cooperative supermarkets were examined.

The empirical research design consists of case study research with a qualitative research approach including the analytical framework of the critical success factors method. Two cases, the young cooperative supermarket Bees Coop in Brussels and the long-lasting Park Slope Food Coop supermarket in New York City, were analyzed and compared with regards to success factors and barriers. In total 22 qualitative interviews with the three groups of stakeholders – regular member-owners, member-owners with more engagement, and suppliers – of the cooperative supermarkets were conducted.

It was found that the core of the concept – the provision of sustainable high-quality products at affordable prices through equally required work participation – is a main success factor for the effective performance of a cooperative supermarket. Additionally, the convenience of long opening hours and the one-stop-shopping destination is beneficial. By means of the equally required work participation model, labor cost can be kept low and a feeling of fairness and equality is created. Furthermore, regularly working together creates connections and a feeling of community which leads to identification with the project. The more participants that identify themselves as part of the cooperative supermarket and perceive themselves as owners of it, the more they care for it and try to improve and protect it. The feeling of ownership is further enhanced by paying an investment fee which at the same time depicts another financial source besides the markup on products. However, it is most important to keep track of finances. In order to participate in the first place and work voluntarily on a regular basis, member-owners need to have an awareness and interest in sustainable food supply and passion for the project. Since the cooperative supermarket is a community-controlled institution with collective decision-making and democratic governance structures, it is inevitable to have clear rules and enforcement of these rules as well as a sincere, respectful, and transparent way of communication. A small number of paid staff member-owners is necessary in order to coordinate the day-to-day operations of the grocery store business efficiently. For suppliers the personal contact, sharing similar values, reaching a broader customer base, the prevention of slotting or imaging fees, as well as more flexibility and latitude are advantageous.

**Keywords:** cooperative supermarket, success factors, barriers

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## List of Abbreviations

<b>Abbreviations</b>	<b>Explanations</b>
AFN	Alternative food network
AORTA	Anti-Oppression Resource and Training Alliance
CDFS	Current dominant food system
CFS	Cooperative food system
CSF	Critical success factor
EAFRD	European Agricultural Fund for Rural Development
EU	European Union
GA	General Assembly
GDPR	EU General Data Protection Regulation
GHG	Greenhouse gas (emissions)
GM	General Meeting
IT	Information technology
LEADER	Liaison Entre Actions pour le Développement de l'Economie Rurale
MOME	Member-owners with more engagement
PDO	Protected Designation of Origin
PGI	Geographical Indication
PR	Public relations
PSFC	Park Slope Food Coop
QDA	Qualitative data analysis
RMO	Regular member-owners
S	Suppliers

# 1 Introduction

The following chapters explain the background of this master's thesis including the objectives and research questions.

## 1.1 Problem and Background

Many authors describe negative impacts caused by the current dominant food system (CDFS) (see chapter 2.1.3, p. 18). These include negative environmental impacts as well as negative impacts on communities, human health, workers, livestock, and product quality (Swinburn, 2019; Howard, 2016; Anderson et al., 2014; Sumner et al., 2014; Mount, 2012; Follett, 2009; Schönhart et al., 2009; DuPuis and Goodman, 2005; McMichael, 2000).

Market concentration in the food sector supports these negative impacts and thus will be explained in the next chapter in detail (Howard, 2016).

### 1.1.1 Market Concentration and Corporate Power in the Food Sector

Market concentration describes the number and shares of actively involved players in a market. The number of players influences the competitive situation in a market. The more players, the more competition, which makes a market unconcentrated. In contrast, in a concentrated market, only one or a few players have market shares. The less players that are active in a market, the more power they have, especially concerning price formation (Howard, 2016).

In several European countries (Bonny, 2017; RegioData Research GmbH, 2017; Blažková, 2016; Österreichischer Wirtschaftsverband, 2016; Hollingsworth, 2004), as well as in the United States (Howard, 2016), there is a trend towards corporate market concentration. In Austria there is a high market concentration in the three leading supermarket trade chains: Rewe, Spar, and Hofer. They dominate the food supply market with a joint market share of approximately 83%. Rewe has a share of 33%, Spar 30%, and Hofer 20% (RegioData Research GmbH, 2017; Österreichischer Wirtschaftsverband, 2016). A good example for the retailers' power on the market is the Austrian food retailer Spar who put price pressure on their suppliers by demanding a price reduction of up to 30% on organic products (definition see U.S. Department of Agriculture, s.a.; The European Parliament and the Council of the European Union, 2018) in order to be able to compete Rewe-Group in having the leading market share for organic products. Suppliers confirmed that the retailer tried to play the farmers off against each other in order to achieve its goal. According to the dominance and power of the three retailers in Austria's food market, regional small-scale farmers do not have much chance to resist (Kainrath, 2018).

The Austrian Federal Ministry for Sustainability and Tourism has, together with the Federal Competition Authority, presented a guideline for more fairness in commerce (Bundeswettbewerbsbehörde, 2018). It is addressed to trading partners of all sectors, however, it is of greatest significance in the food retail sector as many farmers, especially small-scale farmers, are facing unfair trading practices such as having to pay high fees for offering their products in supermarkets. Furthermore, food retailers demand a share of farmers' marketing and advertisement costs, change contract conditions later disadvantageously for farmers, and

delay payments. According to the president of the Austrian Chamber of Agriculture, Josef Moosbrugger, EU farmers get on average 21% of the value of their products, food processing companies 28% and food retailers 51%. According to the high market concentration of food retailers in Austria – about 150,000 farmers are dependent on selling their products to the three leading food retailers Rewe, Spar and Hofer – farmers do not dare to oppose their conditions. This fairness guideline is not legally binding. According to the EU Commission, throughout Europe various similar initiatives concerning unfair trading practices in the food supply chain exist. Many countries have tried to find solutions on a national level. The most well-known initiative is the Groceries Supply Code of Practice in the United Kingdom (UK). At the EU level, the EU parliament is working on an EU-directive about “Unfair Trading Practices” (Anzenberger, 2018; Bundeswettbewerbsbehörde, 2018; Kraml, 2018).

Likewise, in the UK a trend towards increasing retail concentration is being observed. There is significant growth in the size of a few big retailers as well as a growth of their market power in the food sector. Because of this development, many smaller manufacturers and suppliers are struggling to keep their market position (Hollingsworth, 2004). Like in Austria and the UK, there is also a long-term upward trend of market concentration in the food and beverages industry in the Czech Republic (Blažková, 2016).

The phenomenon of corporate concentration exists along the agri-food chain. A good example is the seed sector, where a few big corporations run the global seed industry. Some stakeholders see a risk in the highly concentrated power of a few companies on the food market, while others see potential for creating useful innovations (Bonny, 2017).

Likewise, the United States are facing a corporate concentration in the food sector. Although one can find various different brands in stores, only a few large corporations own these brands. For instance, two large corporations – Unilever and ConAgra – dominate the margarine sector with many different brands, which makes it difficult for consumers to realize the market power of these corporations. Another example can be found in the wine market, which offers about hundreds of different brands owned by three large corporations – Gallo, The Wine Group, and Constellation. In almost all areas of food systems, whether it is agricultural production, distribution, or retailing, a very small number of corporations have the majority of shares in sales. That might be a problem as many of those large corporations are criticized for their negative environmental and social impacts. An example of social impact caused through market concentration and corporate power is the loss of latitude for suppliers when negotiating with conventional supermarkets, which consequently leads to a loss of power for suppliers (Howard, 2016).

### **1.1.2 Consumers Aim for Convenience, Affordability, and Healthy, Local Food**

Due to these negative effects of the CDFS, an interest in establishing more fair and sustainable food systems is rising (Anderson et al., 2014). Scientists as well as agricultural practitioners focus more and more on these emerging sustainable, alternative food networks (AFNs) (see chapter 2.1.4, p. 21). In order to achieve a change from the CDFS to a more sustainable food system a change in the socio-economic as well as the socio-ecological approach is needed (Lutz et al., 2017).

Consumers seek for more diversity in local products, but as well for convenient products (Schönhart et al., 2009) and convenience in shopping such as long opening hours (Ganci, 2013), a broad variety of products, and low prices which are offered by the CDFS such as in conventional supermarkets for instance (Mount, 2012).

Furthermore, consumers seek for affordable healthy food, which can be a challenge for households depending on their economic and social status. A healthy diet includes – according to the World Health Organization – the consumption of 400g of fruits and vegetables per day, which corresponds to about five portions of fruits and vegetables a day. Such healthy diets can prevent chronic diseases such as cancer, diabetes, and heart diseases. High costs are the main reason why certain consumers do not have access to a healthy diet (Hunter, 2011). The same is valid for organic products where the main obstacle to buy organic products for low-income households are higher prices (Lehner, 2018).

### **1.1.3 Alternative Food Networks as a Solution?**

Within AFNs, such as food cooperatives (see chapter 2.3, p. 30), people organize themselves in order to be able to buy bigger amounts of agricultural products directly from the farmer. Thus, food cooperatives can buy high-quality food for lower prices (Hunter, 2011).

In contrast to the CDFS, alternative and cooperative food systems (CFSs) (see chapter 2.1.5, p. 27) support direct contact between producers and consumers as well as general knowledge about food production and the food supply chain. Cooperation with food cooperatives allow farmers to be more flexible and independent about prices and food quality standards, so they gain more latitude and are less dependent on powerful corporations. The reconnection of farmers and consumers makes it possible to directly sell in local and regional markets and create alternative market channels such as community supported agriculture (definition see Dong et al., 2019), farm-to-school programs, or farmer's markets. In addition, a more sustainable approach to food production, distribution and consumption is enhanced, which has less harmful impacts on the environment. Alternative food networks are characterized by values such as participation, cooperation, democracy, solidarity, reciprocity, and inclusion. Democratic approaches with collective problem-solving and emphasis on the community are important values within these alternative food networks and also play a role in community development (Jaklin et al., 2015; Anderson et al., 2014; Sumner et al., 2014).

A study conducted in Germany shows that participation in food cooperatives increases consumers' knowledge about food and agricultural production (Opitz et al., 2017). The direct connection between producers and consumers allows this knowledge to be transferred. There is an increase of awareness of how to handle food in order to prevent food waste, as well as an increase of knowledge regarding topics such as food preparation, nutrition, and seasonality. Through different communication channels, such as newsletters, workshops, or co-working on the farms, recipe sharing, hints for processing food and seasonal availability of agricultural products are being transferred. A food cooperative membership has positive effects on how often and how regularly consumers prepare meals by themselves. As a part of the labor is shared between producers and consumers, consuming members of food cooperatives learn about certain working tasks in agricultural production and the food supply chain. In food cooperatives

consuming members mainly gain knowledge and experiences in the field of distribution such as delivery and doing orders. In addition, food cooperative members get a better understanding about the farmers' perspective of agricultural production in terms of economy, working conditions, distribution, and availability of land. This involvement changes consumers' perception and understanding of agricultural production. Consumers become more aware about food issues and appreciate transparency concerning production and the origin of food. Incentives to join food cooperatives include access to fresh and high-quality food as well as access to organically grown products (Opitz et al., 2017).

## 1.2 Objective and Research Questions

As outlined above, AFNs and CFSs provide advantages for the actors along the short food supply chain (see chapter 2.1.2, p. 18). There are various types of AFNs and CFSs existing (Venn et al., 2006; Allen et al., 2003). This master's thesis focuses on a special type of CFSs – cooperative supermarkets (see chapter 2.4, p. 33 and chapter 4, p. 56). Besides providing local, healthy and affordable food for consumers and more power for producers (Jaklin et al., 2015; Tregear, 2011; Hunter, 2011), cooperative supermarkets also provide long opening hours and a broad variety of products (Bees Coop Supermarket, s.a.; Park Slope Food Coop, s.a.).

This specific model of cooperative supermarkets has not yet been examined regarding success factors and barriers. Therefore, this master's thesis focusses on this knowledge gap. The research aims to identify factors, structures, and functions which are responsible for the performance of cooperative supermarkets. Within this thesis it will be examined whether there are different success factors and barriers during the start-up phase and in the beginning of its existence as well as later, when the cooperative supermarket has already been established. Thus, the following research questions have been formulated:

*Main research question:*

Which success factors and barriers along the short food supply chain exist and affect the performance of cooperative supermarkets?

*Detailed research questions:*

1. Which success factors and barriers has the cooperative supermarket Park Slope Food Coop experienced during its start-up period?
2. Which success factors and barriers has the cooperative supermarket Park Slope Food Coop been experiencing during the durability of the past 46 years of its existence?
3. Which success factors and barriers has the cooperative supermarket Bees Coop experienced during its start-up period and in the beginning of its performance?
4. What are the differences between the young cooperative supermarket Bees Coop and the long-lasting cooperative supermarket Park Slope Food Coop?

## 1.3 Theories According to Literature

There are two types of theory approaches: the *deductive* and the *inductive* theories. Within the *deductive theory* approach, theories are formulated according to theoretical concepts from literature. By means of the findings of the empirical research, theories can then be confirmed



or rejected, and new insights can be added. Contrarily, by means of the *inductive theory* approach hypotheses and theories are generated through the findings of empirical research (Bryman and Bell, 2011).

Within qualitative research, both, the inductive and the deductive approach can be applied. However, the *inductive approach* is more common within qualitative research as it permits the discovery of unexpected new phenomena and facts as well as the relation of those facts. The basis for the generation of theories within qualitative research is the social reality of the examined field of research, and thus those theories refer more to reality (Lamnek and Krell, 2016; Mayring, 2015).

The missing clarity of empirical test criteria due to the interpretive paradigm of qualitative research is a general problem within qualitative research. There is no independent objective reality, thus there is no empirical objective basis for examination. The qualitative approach with its interpretative paradigm shows a permanent alternation between inductive and deductive approaches (Lamnek and Krell, 2016).

The deductive approach is more common within quantitative research, but also applicable for qualitative research, especially for the examination of theories which are unrestricted concerning space and time – general assertions or claims (Lamnek and Krell, 2016; Mayring, 2015). Already one case can falsify a claim or a theory and this can be the basis for restriction or restatement of that theory or claim (Mayring, 2015; Atteslander, 2010).

Within this thesis both the inductive and the deductive approach will be applied in order to examine, on the one hand, whether theories from literature can be supported or rejected by means of the findings of the empirical research. On the other hand, this research project is open for the discovery of new phenomena. The following assumptions, which from a scientific point of view are not falsifiable hypotheses, have been formulated according to theories in literature (Lamnek and Krell, 2016; Mayring, 2015):

- Main success factors for the performance of AFNs and CFSs are *networks* with various stakeholders (Dax, 2017; Anderson et al., 2014; Sumner et al., 2014; Ganci, 2013; Karner, 2010), *external support* such as financial support by funding, knowledge, or provision of goods (Pirker, 2015; Anderson et al., 2014; Karner, 2010), and *support by local authorities* (Karner, 2010).
- Furthermore, a *common mission, clearly defined goals* as well as *motivation for volunteer work*, reliable, transparent, structured, and efficient ways of *communication and decision-making processes* are success factors for the performance of AFNs and CFSs (Ganci, 2013; Studer and von Schnurbein, 2012).
- *Learning, skills, know-how, and experience* in the fields related to food production and supply and AFNs are success factors for the performance of AFNs and CFSs (Pirker, 2015; Ganci, 2013; Karner, 2010).
- The *expenditure of time*, a *reduced range of products*, and *limited opening hours* are barriers for the performance of AFNs and CFSs (Pirker, 2015; Ganci, 2013).
- *Hygiene regulations* and *trading rules* are barriers for the performance of AFNs and CFSs (Karner, 2010).

## **2 Literature Review**

This chapter provides an overview of the current state of knowledge described in the literature as well as definitions of the terminology used within this thesis.

### **2.1 Definition Terminology**

The following chapter provides definitions of important terms used in this thesis.

#### **2.1.1 Food Systems**

A food system can be defined as a network of interdependent relations and activities which contains the production of agricultural goods, their processing and distribution as well as sales, consumption of food and the management of food waste. Food systems exist on a wide range of levels, from a very small and local to a very large global scale (Sumner et al., 2014).

Every food system, no matter whether it is local, industrial, or organic is organized through networks, where producers and consumers trade food in exchange for monetary means. Depending on the network, there are processing, manufacturing, distributing, and retailing players between producers and consumers (Follett, 2009).

#### **2.1.2 Food Supply Chains and Short Food Supply Chains**

A supply chain includes all steps a product goes through from the commodity until the product reaches the consumer. These steps include procurement, production development, production, sales, and customer service. During every step value is added to the product (Van der Vorst et al., 2007).

Short food supply chains are characterized by having fewer steps and actors in-between producers and consumers as well as reduced spatial distances between the actors along the supply chain (Sellitto et al., 2017). Marsden et al. (2000) also define short food supply chains as having closer relations between consumers and producers, which permits more trust between them, and which allows the consumer to gain more information about the product. Moreover, products are usually produced and sold within a specific geographic area, which allows local production of food.

#### **2.1.3 Current Dominant Food System (CDFS)**

In literature various terms for the current dominant food system exist. They range from “conventional food systems” (Jaklin et al., 2015; Mount, 2012; Renting et al., 2012; Allen et al., 2003), “contemporary global agrifood system” (Allen et al., 2003), “mainstream food systems” (Tregear, 2011; Schönhart et al., 2009), “global food system” (Fischer, 2018; Alexander et al., 2017; Monteiro et al., 2013; Allen et al., 2003), and “conventional networks” (Venn et al., 2006) to “current food system” (Howard, 2016). In this thesis the term “current dominant food system” (CDFS) is being used.

Sumner et al. (2014) define the CDFS as a corporate, industrialized, and conventional food system operating on a global level which is based on profit-making, competition, and exclusion

as well as exploitation and overuse of human, animal, and environmental resources. Follett (2009) connects the CDFS with neoliberal economy (definition see Thorsen, 2010), where efficiency and prices play a major role. However, the CDFS also provides benefits such as a big variety of products, low prices as well as convenience for consumers (Howard, 2016; Mount, 2012; Karner, 2010). Anderson et al. (2014) point out that the CDFS has been criticized for its productivity, the aim of maximization in the production of agricultural goods and thus, for causing negative effects on the environment and communities.

The CDFS has its roots in the age of industrialization, a movement which is characteristic for its competitive dynamics. During the industrialization, nature was seen as a playground to fulfill human needs and rural communities became an important input factor for providing labor for urban industries. Agricultural industrialization caused disconnection between rural populations and their local agricultural communities. Food was no longer linked to the ecology of local regions and their culture (McMichael, 2000).

The CDFS is mainly run by a few large corporations. These corporations have great power within the CDFS. However, the extent to which corporations control the CDFS depends on how they deal with the political setting they are placed in. Agriculture lies less and less in the hands of communities, or even states, but instead depends on the strategies of big corporations (McMichael, 2000). Many of these corporations are criticized for having negative impacts on the environment and society. For instance, Walmart, a large grocery retailer in the United States with 33% market share is criticized for paying very low wages to its workers and exploiting suppliers. Another example is McDonald's which is also criticized for paying very low wages, as well as causing health and environmental issues due to their products (Howard, 2016). Tyson, a US meat processing company is known for polluting the environment and the bad treatment of farmers (Howard, 2016). Monsanto, which is in control of 26% of the global seed market is criticized for negatively influencing governmental policies, threatening farmers who save and replant seeds, as well as causing impacts on the environment due to herbicides which are necessary for the cultivation of their seeds (Howard, 2016).

Commonly used farming methods within the CDFS include the cultivation of monocultures, the use of hybrid seeds which have associated patents and elevate seed prices, as well as the heavy use of pesticides and herbicides. The use of monocultures and reduction of crop varieties can reduce biodiversity on a global level and cause more vulnerable ecosystems and consequently also crops and life stock vulnerability (McMichael, 2000). Even now, the CDFS works in a way that exploits the planet's natural resources by causing high greenhouse gas (GHG) emissions, using immense freshwater resources, polluting aquatic and terrestrial ecosystems as well as reducing biodiversity by deforestation, drainage of wetlands, high insecticides and herbicides input, and overfishing (Swinburn, 2019).

Due to market mechanisms and subsidized agricultural goods within the CDFS, agricultural products cover long distances between the place of production and consumption (McMichael, 2000). Even now, agricultural subsidies are given to agricultural sectors which have immense negative impacts on the environment such as the dairy and meat industries, and the cultivation of monocultures to produce corn, wheat, rice, and sugar, which are main ingredients for processed, unhealthy food products (Swinburn, 2019).

The CDFS also causes impacts at a social level. Small-scale farmers and small plant breeders cannot keep up with the fast development and expensive techniques large corporations can afford. Thus, producers must subordinate to the corporations (McMichael, 2000). Anderson et al. (2014) also mention a lack of social justice within the CDFS and its significance for competition and exclusion.

There are plenty of examples for unjust working conditions and negative consequences for farm workers within the CDFS in literature: Whether it is about the impact of permanent exposure to pesticides and consequently, negative effects on the health of farm workers in Mexico (Galindo-Reyes and Alegria, 2017), or poor labor conditions and low wages for Eastern European farm workers in Norway (Rye and Andrzejewska, 2010). One study conducted in Mexico shows both unjust economic conditions of contract agriculture as well as health impacts due to pesticide exposure for Mexican indigenous farm workers and their families on tobacco plantations (Gamlin, 2016). Another study conducted in the United States analyzed the greater risk of depression and stress for seasonal farm workers due to their working conditions (Chaney and Torres, 2017). Another example of unjust treatment within the CDFS is the case of Romanian female farm workers in Italy who face exploitation of their labor and sexual exploitation at work (Palumbo and Sciurba, 2015).

Another aspect is the global population's dietary needs, which are not satisfied by the CDFS. On the one hand, there is approximately one billion people who are undernourished and on the other hand there are about two billion people who are overweight (Stuckler and Nestle, 2012). Likewise, Swinburn (2019) identify malnutrition including obesity and undernutrition as well as diet-related diseases as a consequence of the CDFS.

For powerful players within the CDFS it is not their priority to provide the ideal diet for people, but rather to maximize their profits. For instance, the ten biggest food corporations in the United States are responsible for more than half of the entire food sales. Globally, the situation is similar with a trend towards increasing market concentration. A large part of the world's food sales (approximately three quarters) include processed food products. A few, large food manufacturers control more than one third of the global market share of processed foods. Consequently, a small number of multinational corporations have a profound influence on people's diets (Stuckler and Nestle, 2012). Likewise, according to Monteiro et al. (2013), processed products have already become more dominant in high-income countries and are on the rise in middle-income countries. Besides some types of beneficial processed food, the majority of processed products are usually high in energy, fat, sugar and salt, and more likely cause obesity. Moreover, these products are cheap and ready-to-eat and consequently the beneficiaries, large corporations who produce and offer processed products, gain immense profits.

The global population is expected to rise from approximately 6.9 billion people in 2010 to between 8.5 and 10 billion people by 2050, which will consequently lead to a rise in food demand. Moreover, the global income and the demand for animal-based products will increase (Fischer, 2018). The production of animal-based products causes higher GHG emissions than plant-based foods (Tilman and Clark, 2014). In order to provide a sustainable global food system in the future, the CDFS needs profound changes on environmental, social and economic levels (Swinburn, 2019; Fischer, 2018). Springmann et al. (2018) drew a future scenario about

the global food system in 2050. The CDFS is a driving force for climate change due to its negative impacts on the environment such as pollution of ecosystems by using high amounts of nitrogen and phosphorus which for instance leads to a decrease in freshwater resources. According to their analysis these negative impacts of the CDFS on the environment could increase by between 50 to 90% by 2050, which will exceed the planet's capacity to feed the world's population. Springmann et al. (2018) recommend a bundle of measures to prevent this scenario which includes a change of diets towards a more plant-based one on the consumer's side, and technology and resource management improvements as well as a reduction of food waste and losses on the food production side. Likewise, Alexander et al. (2017) found that there are major losses and inefficiencies in both production and consumption within the CDFS.

Due to the development of the CDFS, there have been more and more counter-movements to the CDFS come up (Renting et al., 2012; McMichael, 2000). These counter-movements are mainly decentralized and locally based networks, which are seen as a counterpart to large corporations, national, and international institutions through their power and control in the food sector. These counter-movements provide alternatives to the socially and ecologically harmful practices of the CDFS (Allen et al., 2003). These counter-movements will be explained in detail in the next chapter "Alternative food networks".

#### **2.1.4 Alternative Food Networks (AFNs)**

In literature a wide range of terms are used for these counter-movements to the CDFS. Terms such as "local, civic or alternative, novel or non-conventional food networks" (Lutz et al., 2017; Renting et al., 2012; Schönhart et al., 2009; Cox et al., 2008; Venn et al., 2006) as well as "alternative food systems" (Follett, 2009), "new agri-food initiatives" (Allen et al., 2003; McMichael, 2000), and "alternative agro-food networks" (DuPuis and Goodman, 2005) are some of them. In this thesis the term "alternative food network" (AFN) is used. There is not only one clearly defined and consistent concept of AFNs existing in literature (Tregear, 2011; Schönhart et al., 2009), nevertheless, in this chapter the author tries to depict the various aspects and facets of AFNs.

A simple definition of food systems is the classification of two basic types: conventional and alternative. Consequently, AFNs include all food systems except the CDFS. This simple distinction does not mirror reality though, as food systems very rarely operate just exclusively within one of these types (Renting, 2012; Tregear, 2011). Furthermore, it is difficult to clearly distinguish between the terms "alternative" and "conventional" as the meaning of the terms change over time. There is also a "conventionalization" of organic or fair trade (definition see Lim et al., 2019; Amand-Eeckhout, 2012) products for instance. Thus, it makes more sense to discuss hybrid types rather than to look at one or the other type separately (Renting et al., 2012). There is also a smooth transition between the CDFS and AFNs, thus hybrid forms of both exist. Producers market within both systems and consumers buy within both systems (Mount, 2012). In addition, characteristics such as local, environmentally friendly, organic production, social awareness, and high-quality food, which are often associated with AFNs, are also included in standards for the CDFS in order to ensure a market position in that niche (Konefal et al., 2005).

Allen et al. (2003) generally characterize AFNs as environmentally and economically sustainable and viable as well as socially fair. Many AFNs focus on strengthening local food systems in contrast to the CDFS. Within some AFNs, strengthening the local system is achieved by creating a direct contact between producers and consumers through direct marketing paths such as farmers' markets or community supported agriculture for instance (Allen et al., 2003). AFNs are often founded by consumers who aim for a closer consumer-producer relationship (Lutz et al., 2017). The goal of AFNs is to create local food systems which are based on local decision-making within the communities and regional agriculture. Within other AFNs there is an emphasis on empowering deprived communities, by the means of urban gardening for example. Others have the aim of increasing knowledge about food systems and agricultural production for different target groups including the general society, starting with the young pupils in school or with professionals such as producers. Nevertheless, depending which certain AFN is analyzed, there are differences in their goals. For instance, ecological sustainability plays a more important role than social justice for participants of some AFNs (Allen et al., 2003).

Furthermore, Allen et al. (2003) distinguish AFNs according to their political orientation. AFNs can either be part of the existing agricultural and food system and able to offer a wider range to consumers, or they can be an opponent of the existing agricultural and food system by creating a new regulatory framework. In Europe and in the United States different scientific approaches to AFNs are observed. In the United States, AFNs are mainly seen as counter-movements to the CDFS, whereas in Europe, AFNs are rather seen to add value locally and provide means for rural development (Cox et al., 2008; DuPuis and Goodman, 2005).

Follett (2009) points out the immense diversity of AFNs and defines the most significant distinction according to their beliefs, agreements, and customs. He distinguishes two core movements of AFNs: First, AFNs, which show a corporate and a light alternative character and second, those, which have a local and strong alternative character. The first emphasizes environmental issues, but less on social issues such as working conditions, health of humans and animals, the situation of small-scale farmers and communities in rural areas. The latter focuses on environmental and social topics equally, and thus provides a greater chance for changes in the social and political settings within the food system by presenting a challenge to the CDFS. However, different AFNs show different approaches of accomplishing political changes within the food system.

Other scientists characterize AFNs by three main traits: (1) The redistribution of value within the system, (2) the strengthening of trust within the consumer-producer-relationship, and (3) a new understanding of market governance and political structures. Furthermore, there is a focus on organically produced, local, regional, and fair trade products. However, this focus varies depending on the certain AFN (Sumner et al., 2014; Whatmore et al., 2003). Follett (2009) also mentions those three traits of AFNs but adds that there is so much complexity in such systems that it is not possible to describe AFNs with just those three characteristics.

Venn et al. (2006) also identify the challenge of defining and comparing AFNs. Based on what they found in literature – between 2000 and 2006 over 56 papers were published which took a close look on AFNs – they define AFNs based on four main characteristics: (1) The approach of connecting producers and consumers directly within new economic relations, where food

consumption and production are reconnected, is a key characteristic of AFNs. (2) Alternative paths of supply and distribution are important. The paths are separated from supply and distribution channels of the CDFS with its corporately controlled mechanisms. (3) There is effective social integration, which implicates principles such as trust, embedding of communities and referring to certain local areas. (4) The quality of products is high and often linked with maintaining traditions and culture.

Jaklin (2013) has amplified the definition of Venn et al. (2006) with the following four characteristics of AFNs: (1) AFNs try to bring together consumers and producers within a new economic setting in order to achieve reintegration of agricultural production and consumption to society. Within AFNs prices play a secondary role when it comes to decision-making and non-economic goals such as trust, social justice and awareness for the community are more central. (2) A focus on local production and consumption is of great significance. (3) AFNs use non-conventional pathways of marketing which are independent from the CDFS. However, some players of AFNs still use conventional supply networks. (4) The quality of products is essential. Mostly organic as well as traditional, ancient farming methods are being applied.

Tregear (2011) critically analyzed existing concepts and approaches of AFNs in literature and identified positive and problematic effects. Schönhart et al. (2009) discuss four key effects of AFNs, which also show various positive and negative aspects. These four key effects include: (1) ecological, (2) economic and (3) socio-cultural effects as well as (4) effects for the well-being of the individual. These effects are now described in further detail.

(1) *Ecological effects*: Production, storing, processing, packaging, and disposal of agricultural goods cause environmental impacts. One ecological achievement is the enhancement of sustainable agricultural production systems within AFNs, as they are often organic (Schönhart et al., 2009). Organic production methods play an important role within AFNs, especially in the beginning of the AFN movement. Over time a shift has occurred: Although organic farming methods are still important within AFNs, nowadays there is more demand for local than for organically produced food (Follett, 2009). AFNs show more diversity in varieties and species compared to the CDFS. In contrast, to fulfil consumers' needs, producing certain products in a local area can lead to energy-intensive production methods such as heated glasshouse production. Moreover, industrial production units can be more energy-efficient than AFNs due to their size. The larger the production unit, the more energy-efficient processes can be introduced. Usually, industrial production units are larger than those of AFNs. Ecological achievements include the maintenance of traditional cultural landscapes as well as the reduction of transport distances. Shorter transport distances contribute to a reduction of GHG emissions, but the emission of pollutants also depends on achieving transport energy efficiency, use of environmentally friendly vehicle engines, and whether the loading capacity is fully exhausted or not. AFNs can be less energy-efficient than the CDFS depending on these circumstances. Thus, efficient distribution systems such as retailing platforms are necessary (Schönhart et al., 2009). Tregear (2011) also mentions the environmental sustainability of AFNs as a beneficial trait. This is due to reduced distances from the place of production to the place of consumption and thus less GHG emissions as well as the application of more sustainable farming methods. However, using alternative direct marketing channels such as farmers' markets do not

automatically implicate that products sold there are produced in an environmentally more sustainable way.

(2) *Economic effects*: AFNs provide an advantageous economic setting for all the actors involved. Producers gain more latitude and get higher prices for their products while consumers have better access to fresh, healthy and local food (Tregear, 2011). Economic achievements include an increase of local added value, followed by better economic conditions and potential increase of local employment. On the other hand, due to local trade restrictions the comparative advantage does not fully come into effect, therefore, local importers and exporters have a higher risk of losing market share and, consequently, demand for labor in a specific region might decrease. Another economic achievement is the enhancement of economic independence due to direct relationships between producers and consumers. Local producers and processing enterprises are able to get better prices for their products and thus, are less dependent on large powerful corporations. However, other dependencies can arise: Due to less competition between producers, less products are offered and dependencies for consumers might arise. For example, producers who participate in community supported agriculture might depend on a few local consumers (Schönhart et al., 2009). Furthermore, multiplier effects can affect the wider community of a region positively as employment can rise and thus the incoming opportunities for actors of non-agricultural sectors within that area also rise. Contrary to this, many producers, who are actively involved in AFNs do not gain sufficient incomes from these effects, therefore, they have to work additionally within other systems. Even if there are positive multiplier effects observed, adverse impacts on other economic dynamics in certain areas can occur. For example, consumers of AFNs buy less in local grocery stores thus these local stores have less income. In addition, if AFNs are financially supported by the state, it creates a distorted competitive advantage for them in comparison to other economic units. In contrast to the argument that disadvantaged regions could benefit from AFNs, it has been observed that regions with a high number of AFNs already have diversity in agriculture and are rich in resources anyway. Consequently, an increasing number of AFNs is more likely a result of good conditions within a region than a cause for development in a certain area (Tregear, 2011).

(3) *Socio-cultural effects*: Socio-cultural effects of AFNs' achievements include the maintenance of traditional production techniques, an increase of local food security as well as establishing small and clear structures. In addition, knowledge about the consequences of one's own consumer behavior is enhanced. Furthermore, AFNs are socially fair and strengthen social cohesion (Schönhart et al., 2009). However, these achievements do not apply to every AFN (Jaklin, 2013).

Due to personal and direct contact between producers and consumers, more information about environmental, economic, and social impacts of agricultural production can be exchanged. Consumers of AFNs tend to have a higher interest in sustainable consumption. Although contact is more often direct within AFNs, it does not necessarily mean that more sound information about the production conditions are exchanged. It is questionable whether large corporations with their certificates and policy measures provide more sound information or a direct conversation between consumers and producers. Cooperative forms of AFNs such as community supported agriculture enhance a democratic approach within food systems as decisions are made together (Schönhart et al., 2009).



On the one hand, local food security is increasing due to higher product prices within AFNs. On the other hand, it is also decreasing at the same time, due to dependencies on regional resources which are more and more endangered by the increasing number of natural disasters such as extreme floods or droughts. Furthermore, local agricultural production is still dependent on external production factors such as seasonal labor and import of energy. In order to ensure food security these external production factors should be supplied locally (Schönhart et al., 2009).

(4) *Effects for the well-being of the individual*: Food produced within AFNs is considered fresher, tastier and healthier due to a higher amount of nutrients, than food produced in the CDFS (Schönhart et al., 2009). Tregear (2011) criticizes the fact that consumers have better access to fresh, healthy, and local food through AFNs, because there has not been sound testing of the correlation between the level of health of food and the food system in which it was produced. For instance, producers who sell on farmers' markets can also offer food, which is high in sugar or fat, such as full fat cheeses or sweets, and thus can be considered as rather unhealthy. While there are tendencies to assume that AFNs provide healthier and more nutritious food, it cannot be generalized per se (Tregear, 2011). Food produced within AFNs shows more diversity in its appearance compared to standardized food produced by the CDFS. A positive effect on food quality and animal welfare is due to shorter livestock transportation distances of livestock transportation within AFNs. Due to shorter distances between the field and the plate it is possible to produce perishable, nutritious, and delicious products within AFNs which could not be produced by an industrialized, large-scale food system. However, all these positive traits are not inherent within AFNs. Whether food is tasty, fresh and high of nutrients also depends on storage and processing, and the CDFS has technological benefits to this end. Furthermore, the CDFS provides high standards of food quality and security as well as traceability. Most AFNs cannot provide such a wide range of different products as the CDFS offers, which leads to the question whether it is possible to have a healthy diet just with products from AFNs. This fact especially affects functional food and fresh fruits and vegetables, which are provided throughout the whole year within the CDFS. In contrast, AFNs enhance the consumption and awareness of seasonal products. Seasonal availability of certain products can be appreciated on the one hand, but on the other hand can also be seen as a restriction of the availability of goods. Whether seasonal availability of food is perceived as an advantage or a disadvantage is in the eye of the beholder. Besides the products of AFNs, the system itself is seen as an enrichment for the human well-being. For producers that can be based on better incomes and higher job satisfaction. However, whether farmers are content with their job depends on their personal approach and not on the system by which they sell their products. For instance, for some people direct customer contact can be joyful, for others it might be a difficulty (Schönhart et al., 2009).

DuPuis and Goodman (2005) point out the importance of localism within AFNs as it is an important factor which supports environmental sustainability and social fairness. Localism is defined as a concept, within which certain people act in a specific area and apply certain ways of life. Values such as quality, trust, care, social fairness, and embeddedness are associated with it. However, the concept of localism is not inherently socially fair as players can also consist of small groups of people who might be elite and authoritarian. Schönhart et al. (2009) name

shorter distances, direct consumer producer relationships, and a limitation to a certain geographic area in association with localism. Furthermore, they define localism as a concept where all stages from agricultural production to consumption take place in one certain geographic area. Tregear (2011) defines localism as one specific regional area where production, processing, retailing, and consumption of food takes place. DuPuis and Goodman (2005) state that localism plays an important role in Europe as it shifts governance of rural communities back to the communities themselves. It empowers rural communities and protects their culture and heritage. In European and American literature localism is described as a way of establishing environmental sustainability as well as social equality and fairness. In contrast to that, globalism is associated with capitalism. Often academics refer to localism as a strategy to fight the problems caused by the CDFS and its global, industrial, and conventional characteristics. However, there are also negative effects caused by what DuPuis and Goodman (2005) call “unreflexive localism”. AFNs can also be elitist and exclusive for those who are socially deprived and homogeneous regarding their participants. Often the majority of local food system members are white, middle-class people (DuPuis and Goodman, 2005). Tregear (2011) argues that AFNs seem to provide more social justice for their participants, especially for producers and consumers who are marginalized by the CDFS. In contrast, economically disadvantaged groups of people are more likely excluded from AFNs from the start. Mainly these groups differ in their ethnicity, social background, or nationality from the main target groups of AFNs who are generally wealthy people who are not marginalized by the CDFS. Furthermore, many AFNs are based on family run farms which show unequal structures within them such as gender and income inequality or unjust working conditions for farm workers. Also Renting et al. (2012) criticize the argument that AFNs create social equality and inclusion, because mainly a certain type of farmers is involved in AFNs as well as mainly middle-class consumers.

While some authors (Lutz et al., 2017) use the terms alternative, local, and civic as synonyms, others (Renting et al., 2012) define the concept of civic food networks as an amplification to the concept of AFNs. Renting et al. (2012) argue that new food initiatives with emphasis on cooperation between consumers and producers such as consumer cooperatives, community supported agriculture, solidarity buying groups, or urban gardening projects, cannot be analyzed sufficiently with the concept of AFNs. Within new food initiatives, consumers are actively involved in initiating and operating and thus experiencing a shift of their role from passive buyers to active consumers. Consumers want to achieve more control of how their food is produced and marketed. In order to be able to examine the structures and dynamics within those initiatives Renting et al. (2012) introduce the concept of civic food networks. The idea is that governance structures of food systems are in the hands of civil society and thus, create innovation and transformation of governance mechanisms within food systems. Sumner et al. (2014) also mention the importance of building networks in order to have influences in changing government structures of food systems. Renting et al. (2012) formulated the following important considerations of the civic food networks approach:

- Civic food networks support the creation of new forms of relationships between producers and consumers.

- Civic food networks include broader networks than just those closely engaged with food production, distribution, and consumption. Cooperation can also be created between other local players who are interested in new forms of food systems.
- Civic food networks cause a change of governance mechanisms. Governance structures are shifted from markets and states to civil society as well as partly to regional administration units.
- Civic food networks are often initiated and started in cities (usually the place of consumption) and not in rural areas (usually the place of production).
- Civic food networks are platforms which provide space for interaction and discussion among their participants, thus new structures, settings, frameworks, and new knowledge can arise.
- Often civic food networks are linked to other social movements which are concerned with social and economic topics, for instance degrowth. Exchange between civic food networks and other social movements supports the development of new ways of thinking concerning different topics ranging from new approaches for practicing methods as well as new forms of citizenships (Renting et al., 2012).

In conclusion, AFNs show *environmental and ecological* (Sumner et al., 2014; Jaklin, 2013; Follett, 2009; Schönhart et al., 2009; DuPuis and Goodman, 2005; Konefal et al., 2005; Allen et al., 2003; Whatmore et al., 2003), *economic* (Sumner et al., 2014; Tregear, 2011; Follett, 2009; Schönhart et al., 2009; Venn et al., 2006; Allen et al., 2003; Whatmore et al., 2003) as well as *social benefits* (Sumner et al., 2014; Jaklin, 2013; Tregear, 2011; Follett, 2009; Schönhart et al., 2009; Venn et al., 2006; Konefal et al., 2005; Allen et al., 2003; Whatmore et al., 2003) compared to the CDFS.

Furthermore, AFNs can influence and change *political structures and governance mechanisms* within food systems due to a new understanding of market governance, creation of new regulatory frameworks and active involvement of civil society (Sumner et al., 2014; Renting et al., 2012; Follett, 2009; Allen et al., 2003; Whatmore et al., 2003).

However, the immense diversity of AFNs with their differences in emphasis and settings show various aspects and besides positive also controversial aspects (Tregear, 2011; Follett, 2009; Schönhart et al., 2009; Allen et al., 2003) and it is difficult to provide one clearly defined and consistent concept of AFNs as there is also no clear border between the CDFS and AFNs and hybrid forms of both exist (Mount, 2012; Tregear, 2011; Schönhart et al., 2009; Venn et al., 2006; DuPuis and Goodman, 2005).

The next chapter is dedicated to a specific form of AFNs: Cooperative food systems which are the research object for this master's thesis.

### **2.1.5 Cooperative Food Systems (CFSs)**

Cooperative food systems (CFSs) are one type of AFNs. CFSs are characterized by their socio-economic approach of cooperation and democratic structures. Besides handling all fields along the food supply chain such as production, processing, distribution, sales, and consumption of food, CFSs also have a focus on topics such as community development, food security, protection of the environment, social capital, and profit-making in order to secure a safe

livelihood for the participants involved. Furthermore, CFSs are associated with terms such as locality, transparency, and quality, especially focusing on localism (such as buying regional products from regional producers and local markets). There are four main actors existing along the short food supply chain of a CFS: consumers, producers, workers and multi-stakeholders (see chapter 2.2 below). Often, CFSs have their own community shops and gardens, fields, or orchards. Like any food system, CFSs can exist on a small-scale at a local level, but also on a large scale at a global level and on all levels in-between. Fair trade, for instance is a global cooperative system. There are also some large multinational cooperatives existing which became part of the current dominant food system (Sumner et al., 2014).

Anderson et al. (2014) also points out that there are large-scale cooperatives existing which focus on profit making rather than on participation, cooperation, and democratically based structures. However, it depends on the people involved as to which direction a certain food system is heading (Sumner et al., 2014). Tregear (2011) agrees with that when she states that characteristics such as social fairness and a well working economic situation do not automatically exist within AFNs, but rather it depends on the intentions and actions set by the actors involved. Anderson et al. (2014) question whether it is possible to combine the structures and standards of large-scale cooperatives with cooperative characteristics such as participatory, socio-economic approaches and civic governance.

Lutz et al. (2017) define agricultural cooperatives and cooperatives in general as businesses which are owned and controlled by their members, and where benefits are equally distributed. The International Co-operative Alliance (2018) describes a cooperative as: "... an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise". Besides the main cooperative values such as fairness, democracy, and solidarity, every participant shall have the same rights and responsibilities. Ethical principles such as acting in an honest and open way as well as taking social responsibility and caring for each other are of great importance (International Co-operative Alliance, 2018).

Various types of CFSs exist: community supported agriculture, farmer's markets, food hubs, local food networks, box schemes, value chains, buying clubs as well as agricultural and food cooperatives (Anderson et al., 2014). As this thesis focuses on a special type of food cooperatives, only those will be explained in detail in chapter 2.3, p. 30. The following chapter provides an overview of different types of cooperation.

## **2.2 Types of Cooperation**

Sumner et al. (2014) describe three core ownership structures of cooperatives: producer cooperatives, consumer cooperatives, and worker cooperatives. When two or more of those types merge, multi-stakeholder cooperatives are given. Here these types and subtypes of cooperatives are described.

In *producer cooperatives*, producers form a union in order to gain more control of their products and the steps along the food supply chain in which they are involved. Producer cooperatives can be different according to what they produce, for instance, dairy, meat, or beekeeping cooperatives or marketing cooperatives (Lutz et al., 2017; Sumner et al., 2014).

*Consumer cooperatives* usually run food stores where food is offered under beneficial conditions for their members. *Worker cooperatives* often work together with companies which are run and owned by their members. These companies can either be cafés, bakeries, grocery shops, or farms for instance (Sumner et al., 2014).

The *multi-stakeholder* approach combines two or more of the types of cooperatives mentioned above into one organization (Sumner et al., 2014). This can either be between *producers and consumers*, *producers and institutions*, or in form of *federations*, *value chains* and *networks*.

Through food cooperatives, where *producers and consumers* cooperate, producers sell their products directly to local consumers. Cooperation between producers and consumers allows producers to work under better conditions and thus gain a higher standard of living. A semi-formal way of cooperation between consumers and producers is the collaboration via food cooperatives. The most formal way of collaboration between producers and consumers is community supported agriculture. Another form of cooperation is the collaboration of *producers with institutions* such as schools or other public institutions. The major goal of a collaboration with schools is to educate pupils about agriculture related topics as well as restoring existing but unused infrastructure of farms. Another example for cooperation with institutions are “Green Care Projects”, which have been recently subsidized throughout Europe. “Green Care Projects” aim to integrate social projects on farms in order to create jobs for people with special needs (Lutz et al., 2017).

Sumner et al. (2014) describe three further common forms of multi-stakeholder organizations: (1) *Federations*, (2) *value chains*, and (3) *networks*. All of them have the commonality of strengthening the participating CFSs by merging. Through their collaboration, they can act more efficiently and have more power when working together with other institutions, organizations, or businesses.

(1) *Federations* consist of different CFSs, which join for the purpose of being stronger when it comes to new economic trends and when facing competitors. A federation is a meta-cooperative which is owned by the member-cooperatives. The Federation of Southern Cooperatives, for instance, brought together about 100 producers and marketing cooperatives as well as credit unions from several southern States of America in order to assist their member-cooperatives in marketing, purchasing of goods, and financial concerns (Sumner et al., 2014).

(2) CFSs can also be established in order to gain a better position in the *value chain*. For those groups of CFSs, it is easier to differentiate their agricultural products on markets and to position them on new markets which are financially more beneficial for small-scale farmers. Producers become strategic partners instead of being exchangeable suppliers (Sumner et al., 2014).

(3) *Networks* are groups of CFSs connected through various relationships in order to handle restrictions better and to make a more efficient use of resources possible. They are distinct from federations as they usually do not have a leading cooperative but consist of various cooperatives which work together. Networks can be seen as the start of a federation. An example of a network is the New York Cooperative Network (New York Cooperative Network, s.a.). A network can also be described as a system which brings together producers, consumers, and members, in other words the whole community. Within those networks, consumers change their roles from

non-active consumers towards active, participating consumers. In addition, food networks have an influence on governance structures in agri-food systems (Sumner et al., 2014).

## **2.3 Food Cooperatives**

Food cooperatives are multi-stakeholder cooperatives and can be subdivided into different subtypes which have common characteristics but different specific foci. However, in general it is not possible to draw sharp lines between them. There are some principles and goals which all of them have in common, for instance enhancement of structures and frameworks which allow the supply with fresh, healthy, and high-quality food. “Healthy” refers to the whole production system, avoiding products from intensive livestock farming, supporting local, socially fair and organic production methods as well as small-structured agricultural systems instead of large industrial production. Within food cooperatives, food supply is perceived as a political topic and related to society as a whole. The idea is to enhance cooperation instead of competition. There is a change from the role of passive end-consumers to a self-determined way of consumption which goes hand in hand with volunteer participation. In order to provide the possibility of active involvement for participants regarding processes, offers, and the structure of the organization, democratic decision-making is established. Food cooperatives are not just affordable shopping facilities, but also social meeting points, where people exchange information, ideas and experiences. Furthermore, food cooperatives strengthen local value chains, create food sovereignty, contribute to regional development, and they prevent food waste and save packaging material (Dax, 2017; Knupfer, 2013; Sense.Lab e.V., 2009; Albrecht et al., 1998).

### **2.3.1 Start-Up Period of Food Cooperatives**

In order to find new participants, people who are interested in topics such as food production and diet can be addressed since members of food cooperatives are usually interested in food and food related topics. Furthermore, they should be motivated to do voluntary work as well as ready to shop without service-orientated comforts. Besides word of mouth, the food cooperative idea can be spread through media coverage, in the local press or social media channels. Furthermore, it is recommended to create a website, organize information events, and design information material such as flyers (Dax, 2017).

The more support a food cooperative gets in the beginning (for instance, financial support, or support with finding suitable premises), the faster the start-up period can be overcome. There is a correlation between the duration of the start-up period and the finding of suitable premises. In contrast to that, there is no correlation between the start-up period and the number of members involved (Pirker, 2015).

A new food cooperative is usually started by a small group of people, who are interested in changing their way of food supply. After forming the foundation team, it is very important to agree on common needs and goals, as all the members should identify with the project (Dax, 2017; Sense.Lab e.V., 2009). For example, the earlier a shopping possibility becomes available for members, the better it is. If it takes too long, the group might fall apart (Albrecht et al., 1998).

### **2.3.2 Products and Prices**

As far as common goals are concerned, an agreement about production criteria must be defined. Besides food, products such as cosmetics and cleaning products can also be part of the product range (Dax, 2017; Sense.Lab e.V., 2009). When it comes to food sales, hygiene and health regulations must be obeyed, particularly when food is sold to consumers outside the cooperative, for instance at public events. It is recommended to get informed about the rules at the local chamber of commerce (Sense.Lab e.V., 2009). Depending on the legal form, food cooperatives can be categorized as official food businesses. In that case there might be controls according to health regulations (Dax, 2017).

Food cooperatives strengthen the social network among producers and consumers and create fair conditions for all players along the short supply chain which allows small-scale farmers to escape the price pressure they experience when working together with big commercial retailers. By means of direct contact between consumers and producers, food cooperatives provide fair prices not only for consumers but also for producers, which implicates fair payment for producers. Besides local, small-scale farmers, suppliers can also be intermediates or wholesale traders. However, it should be taken into consideration that intermediates are additional players between producers and consumers and might have an influence on prices (Dax, 2017; Sense.Lab e.V., 2009).

### **2.3.3 Finances**

Food cooperatives are non-profit-orientated organizations that still need to cover costs such as one-off payments for premises, furniture, and running costs like rent or electricity. A common way to cover costs is by collecting refundable or non-refundable membership fees. There can either be equal membership fees or fees according to certain criteria such as the number of people living in a household or the income of the members. For instance, an unemployed single mother pays less than a wealthy couple without children. Another option for people who do not have enough time for volunteering at the food cooperative would be to pay a higher membership fee instead of working. By doing so, more money can be generated. Furthermore, capital can be generated through private or government funding, for instance from municipalities, parties or regional development programs as well as through crowdfunding campaigns. Food cooperatives which are only based on volunteer work might easily reach their limits thus, it is possible to pay members who are intensively involved in the food cooperative (Dax, 2017). Another possible way to generate money to create paid jobs is to add a small markup, for instance 5% to the specific weekly initial value of the goods (Dax, 2017; Sense.Lab e.V., 2009). A food cooperative system with required equal work contribution keeps the costs for labor down in the first place (Knupfer, 2013).

### **2.3.4 Volunteer Work**

It is very important that members have the awareness that every member is equally responsible for the stability of the food cooperative, and thus has to contribute volunteer work to a certain extent. Two main tools for the organization of tasks are the formation of task forces and the allocation of responsibilities and commitment. Within a self-organized organization, it is

important to create a motivating atmosphere as the members are contributing voluntarily. Task forces can be coordinated by one person. Within one task force, members shall have clearly defined responsibilities for small tasks. Furthermore, different participation models can be offered, for instance, the possibility to compensate reduced working hours with a higher monetary contribution. This would have to be discussed within the specific group as it opens important questions about whether it is possible to buy one's way out of working and it creates unequal conditions (Dax, 2017; Sense.Lab e.V., 2009). In contrast, a cooperative system with required equal work contribution creates a feeling of fairness and avoids a class system where wealthier people rather pay than work (Knupfer, 2013). When new members enter, it is recommended to let them choose to which field they want to contribute (Dax, 2017; Sense.Lab e.V., 2009).

### **2.3.5 Decision-Making Processes**

Within food cooperatives every member's voice counts, thus efficient, collective decision-making is a key factor for well-working food cooperatives. The way in which decision-making is achieved depends on the agreement of the group and should be defined at an early stage (Dax, 2017; Sense.Lab e.V., 2009). This could be a majority decision over 50% or a majority of 2/3 or another percentage for example. This is an easy and clear system but the topics that are discussed are reduced to either-or-answers and the minority – in the worst case 49% – is left out. Another possibility is consensus decisions where every member of the group has a right of veto. This means that a decisions can only be taken, if there is no veto at all. Every opinion is considered, but it can take a longer time to come to decisions (Dax, 2017). Furthermore, there are also other possible decision-making procedures such as systemic consensus (SK-Prinzip, s.a.).

It has to be considered that participation in decision-making is time- and energy-consuming. Thus, a clear structure, rules, and transparency are needed. The more open and respectful discussions are, the better it is for a successful decision-making (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998). However, the lack of member involvement in decision-making meetings due to its time- and energy-consuming characteristics is a common problem for food cooperatives (Knupfer, 2013). Furthermore, smaller day-to-day decisions within an area of responsibility should be transferred to one or a few members in charge of that field in order to be more efficient (Dax, 2017; Sense.Lab e.V., 2009).

### **2.3.6 Premises**

The sooner suitable premises are available, the better it is for the development of the food cooperative. The premises should be located in an area where the majority of members spend their daily lives. Food cooperatives are not addressing occasional customers. The premises do not have to be located in a busy place such as a shopping street. The location should be within easy reach. It should be easily accessible by public transport and there should be parking facilities for bicycles, trucks and cars that deliver goods. Premises on the ground floor are beneficial. At least one connection to the main water supply and a washbasin is needed for cleaning purposes as well as a connection for power supply and heating. It is advantageous to have sanitary facilities and a cozy atmosphere so that members feel comfortable there which



has a positive influence on the entire food cooperative. Furthermore, one can think about sharing the premises with other organizations, as it would reduce costs (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998).

### **2.3.7 Legal Forms and Insurance**

The legal form stipulates the legal relationships internally between members and externally between suppliers and the food cooperative, especially in terms of liability and insurance. There are different legal forms such as an association, a civil law association, a cooperative society, a limited liability company, or a general commercial partnership. A food cooperative can also operate without any legal frame. In this case, the food cooperative is operating as a group of private households (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998).

## **2.4 Definition of Cooperative Supermarkets**

The structure of *food cooperatives* is similar to the structure of *wholefood shops*. The big difference is that food cooperatives are self-organized and neither profit- nor service-orientated. The structure is kept up by the members, thus, the members are responsible for the development of the food cooperative according to the needs of the members and local conditions. Furthermore, within food cooperatives entrepreneurial risk is distributed among the members and every member can or rather should get actively involved (Sense.Lab e.V., 2009). Food cooperatives usually do not provide services such as vendors or cashiers (Dax, 2017).

Dax (2017) describes the possibility of a *hybrid form of food cooperatives and wholefood or classical food shops*. The idea is to combine positive aspects of both models within one. These aspects are on the one hand the grass-roots democracy approach, thus awareness rising through participation, and on the other hand enabling sustainable shopping facilities for people who do not want to participate by working voluntarily for the food cooperative, but who want to contribute by conscious buying behavior. Consequently, some members have to work more and should be compensated for that effort by monetary means. In order to be able to finance that, regular running costs should be kept low and the implementing of markups is necessary in order to generate money.

The type of food cooperative, which is analyzed within this thesis is the *cooperative supermarket*, which shows characteristics of food cooperative stores, wholesale stores, and supermarkets.

*Cooperative supermarkets* show similarities to *food cooperative stores*. Their common ground is based on the high number of members as well as the provision of shopping possibilities like in a store. Members pay membership fees and have the right for participation in decision-making with regards to principle decisions. Through membership fees, wages, rent, and energy are paid. A small team of people organizes the core tasks of the food cooperative such as ordering, sales, and administration (Sense.Lab e.V., 2009).

The model of cooperative supermarkets which is analyzed within this thesis are non-profit participative organizations which offer affordable groceries, preferred seasonal and organic products which are – as far as possible – produced locally and environmentally friendly as well

as under fair conditions. Cooperative supermarkets offer a broad range of products besides food also hygiene and cleaning products. Their aim is to provide everything the consumer needs for daily life in one place. In contrast to food cooperatives, cooperative supermarkets are more service-oriented, as they provide long opening hours comparable to commercial supermarkets and they offer a broad range of goods. The system is based on the volunteer participation of its members who are consumers, workers, and owners of the cooperative simultaneously. The core of the concept, the equally required unpaid work contribution of the members, allows expenses to be kept low and gives consumers the possibility to buy high-quality food for fair and rather low prices. Additionally, it is also a platform for social interaction (Bees Coop Supermarket, s.a.; Park Slope Food Coop, s.a.). The detailed concept of the analyzed cooperative supermarkets is explained in chapter 4, p. 56.

## **2.5 Definition of Success**

Success is defined by achieving objected results and positive development, in other words, achieving a positive result after putting in effort for an intended effect (Duden, 2019; Cambridge Dictionary, 2014). As well, according to Bullen and Rockart (1981) it depends on the stakeholder's point of view and his or her position within the organization as to which factors are perceived as successful or hindering. Thus, success within this thesis is defined as *the positive development and performance of the cooperative supermarkets as well as to which extent the aims and goals of their participants are achieved.*

## **2.6 Success Factors and Barriers of AFNs**

Success factors and barriers are key factors within an organization that are responsible for its performance. By identifying success factors and barriers, factors which lead to success or failure can be identified and hence changed and improved (Bullen and Rockart, 1981). The following chapters provide an overview of success factors and barriers of AFNs and CFSs in general, as well as success factors and barriers of food cooperatives during the start-up period in particular.

### **2.6.1 Success Factors of AFNs and CFSs in General**

Sumner et al. (2014) introduce the concept of the Three Ls, which is an extended model of the concepts of linkages and leverages from literature. The Three Ls – which stand for linkages, leakages, and leverages – depict a new conceptual framework to evaluate strengths and weaknesses of CFSs. This analytical tool can be beneficial for practitioners as well as for academics as it places CFSs in a larger economic framework and allows them to act more efficiently on the market. Actors of community-based economic development can strengthen their economic activities by operating cooperatively on the market instead of individually and in isolation. The concept of the Three Ls is related to the sixth principle of cooperatives, the cooperation between cooperatives (International Co-operative Alliance, 2018), which consequently leads to the building of networks (see chapter 2.2, p. 28). Networks are flexible, do not have strong bureaucratic structures and thus are able to react to the fast-changing market easier. There are three main purposes of networks: (1) Enhancing knowledge and education

about all fields related to AFNs, with emphasis on production factors on the supply-side. Linkages make it possible to learn from each other by the means of cooperation among practitioners, consumers, distributors, academics, and further stakeholders of AFNs as well as mentorships. (2) Providing support for the growth of already existing CFSs by sharing information and knowledge and developing new strategies together. (3) Enhancing local food processing and local distribution of food. Besides the emphasis on products, linkages are also important with regards to local labor, capital and technology in order to strengthen and develop them (Sumner et al., 2014).

By analyzing *linkages*, the relatedness between different sectors can be measured. Linkages show the strengths of CFSs. There are four different kinds of linkages: (1) Backward linkages, (2) forward linkages, (3) final demand linkages, and (4) horizontal linkages.

- (1) *Backward linkages* are vertical linkages within the supply chain as they are related to different sectors or organizations. The demand within one sector or organization creates economic advantages and thus strengthens other sectors or organizations within a certain area. For instance, a cooperative food store which offers local products in a specific area, creates a demand for those local products from local producers. This strengthens the local food sector economically by connecting two players.
- (2) *Forward linkages* are also vertical linkages within the supply chain. The output of one sector or organization links to other sectors or organizations. For instance, products of a local food cooperative are sold to local restaurants.
- (3) *Final demand linkage*: The more local products are sold within the region they are produced in, instead of exported, the bigger the final demand linkage is. For instance, a local food cooperative supplies local citizens.
- (4) *Horizontal linkages* link similar organizations, such as food cooperatives, with each other (Sumner et al., 2014).

The stronger and more frequent linkages are, the higher the influence of CFSs on the entire food system can be and the more CFSs can be established, which consequently strengthens the network. This is especially valid for financing, which can be improved by cooperation among CFSs using financial support such as loans, investment, expertise, and enabling access to production factors. Furthermore, linking CFSs as well as other like-minded organizations with each other such as cooperative credit unions and food cooperatives, is recommended. However, networking requires more work effort but is an advantage for the single CFS as well as for the entire network (Sumner et al., 2014).

In contrast, *leakages* measure how sectors or organizations lose value. The weakness of CFSs can be shown by identifying leakages. It helps to point out where actors of CFSs should intervene in order to replace leakages with linkages. By identifying leakages, potential for improvement within a CFS can be exposed. For instance, a large number of food products imported from outside a certain region could be replaced with local products by improving linkages between producers and distributors within that region (Sumner et al., 2014).

The third L stands for *leverage* and sees CFSs as social movements influencing political structures and policies and thus having the capacity to change the global food system. Leverages refer to the political dimension of AFNs. If individual organizations are collectively organized,

they gain better positions when it comes to defending AFNs in front of governmental authorities. Thus, strategic partnerships with other organizations, building alliances, and having lobby partners who are involved with policy making, are of high interest. Furthermore, it is possible to get to know new projects, interact through meetings and training, educate and support each other as well as commonly achieving grant applications and the usage of common media such as social media, websites, and films (Sumner et al., 2014).

Based on the concept of the Three L's, *creating networks* in all directions can be defined as a success factor for AFNs. Support structures of all kinds are beneficial, especially coordination among cooperatives on a regional level. By means of a cooperative support network, CFSs can better cooperate as it creates connection, interaction, and exchange between them. Cooperation among cooperatives increases social learning processes, spreads knowledge about innovations more easily, and fosters business relationships among the various players and sectors of CFSs (Sumner et al., 2014). As well other authors have defined networking as a success factor for the performance of AFNs and CFSs: Dax (2017) names networking among CFSs and with food sovereignty movements as essential. Anderson et al. (2014) introduce cooperative support organizations. When governments do not provide support, for instance funding for CFSs, it is beneficial for CFSs to have access to a tertiary organizational structure which is responsible for the coordination among cooperatives and operates on a regional level in order to support the development of a regional cooperative economy. Karner (2010) also found that creating networks is an enormous advantage for AFNs as they achieve embedding by connecting different food initiatives. Linkages between different stakeholders of food systems provide support through an exchange of information about innovation and policies. For instance, marketing can be achieved collaboratively which reduces costs and provides a higher recognition factor. Learning from each other, encouragement, and practical support strengthens AFNs. For instance, newly founded CFSs can get easier access to their future producers through information exchange with already established CFSs (Ganci, 2013). Cooperation and trust between the players of AFNs are of great importance for the success of AFNs. For instance, cooperation among producers creates common marketing paths. Furthermore, cooperation between consumers and producers increases an AFN's success, where consumers share certain responsibilities with producers. *Support by local authorities* can enhance local cooperation. For instance, local authorities provide facilities such as kitchens, storage premises, or refrigeration in order to support small-scale producers to comply with hygiene regulations. Furthermore, networks create something bigger which results in a collective identity and makes a change of structures possible (Karner, 2010).

Based on five case studies examined in different European countries – Austria, France, Hungary, Poland, and the United Kingdom (Karner, 2010) and an analysis of peer-reviewed papers which examined the structures and settings of various CFSs throughout the globe – in Canada, the United States, Ireland, and Brazil (Anderson et al., 2014) further success factors and barriers which facilitate the positive performance of AFNs have been identified:

*Funding:* Funding for topics related to economic, environmental, and social goals supports AFNs as they provide financial means for them. However, funding can be difficult to access for certain AFNs. Some local urban authorities provide support for agricultural production close to cities and direct marketing channels within cities, for instance by the means of sustaining

green spaces. Furthermore, there is start-up funding for small-scale enterprises. However, this funding is limited to the start-up-phase. Contrarily, social businesses receive continuous funding also. Within young EU member countries, there is funding for city planning, especially for participatory projects. In rural areas the most important funding scheme is the European Agricultural Fund for Rural Development (EAFRD). The EAFRD aims to support rural sustainable development by the means of rural development programs. Depending on the country, these programs are either implemented by national governments or *local authorities*. The EAFRD emphasizes the enhancement of efficiency with regards to the fields of processing and marketing of agricultural production and forestry by providing support for investments. By supporting new technologies productivity can be increased. In general, governments are very flexible concerning the allocation of funding, with regards to sustainability. In many cases, support for efficient production is provided in order to achieve competitive economic advantages. In contrast, areas with rather low productivity are left out, which can cause a marginalization of AFNs. In general, the requirements for authority grants, investment and co-financing programs are rather high which causes an advantage for large-scale producers and food processing businesses and therefore supports players of the CDFS. Some funding criteria even excludes small-scale producers in the first place as they are unable to fulfil preconditions for application. However, there is also funding for sustainable projects such as farmers' markets, producer co-operation, and conversion to organic farming or projects which combine tourism and agriculture. For instance, the European Social Fund provides support for the enhancement of cooperation between producers and consumers. LEADER – *Liaison Entre Actions pour le Développement de l'Economie Rurale* – a program for rural development initiated by the European Union, is an important part of Regional Development Programs. LEADER provides a strong bottom-up approach, enhances independence and grass-roots democracy, strengthens local resources as well as cooperation between various stakeholders and enhances innovation. Thus, LEADER may have a positive influence on AFNs. LEADER provides support in the fields of direct marketing between producers and consumers, product development, foundation of new stores, and cooperative projects (Karner, 2010). However, funding of CFSs – whether by the government or by charity – makes them more vulnerable and dependent. In the long run CFSs should be able to apply business principles in order to survive without support. This raises the question as to which level and what form of state support is adequate without creating dependencies for CFSs, and furthermore, how CFSs should apply the mechanisms of market economy in order to reach their goals and how this will influence their ecological, social, and political principles (Anderson et al., 2014).

*Motivation for volunteer work:* Volunteers have different positions to paid employees with regards to their function, position, motivation, and contract requirements. Depending on the context, volunteers can either be helpers or experts. Nevertheless, volunteers should be regarded as cooperation partners. It is beneficial to involve volunteers in decision-making processes also and provide them positions as representatives of the organization. Participation of volunteers in meetings supports successful cooperation between paid employees and volunteers. In contrast, the competition for attractive tasks, additional tasks caused by volunteers but done by employees, and an uncertainty whether there will be a lack of quality due to volunteer work can lead to conflict. Furthermore, a lack of acknowledgement for the volunteers' contribution to the organization, too little communication between volunteers and employees as well as different

goal priorities can cause conflict also. Cooperation between volunteers and employees and integration to the group is essential for a successful coordination of volunteers. Not knowing about the participants role within the organization and conflict can lead to a loss of volunteer motivation. However, it can be a challenge to clearly define the role of volunteers. Hence, a written guideline can be helpful. Management practices for volunteers are beneficial to enhance the motivation for volunteer work. These practices include trainings, frequent support, and allowing free choice concerning their field of engagement. Additionally, it is advantageous when volunteers recruit new volunteers. Interaction among volunteers is beneficial, for instance volunteers with a lot of experience can encourage new volunteers, thus attaining the role of volunteer mentors or role models. Furthermore, the appreciation for volunteer work has an immensely positive influence on their performance, for instance by frequent volunteer newsletters. Commitment can be created by means of an application form or a personal supervision by a volunteer coordinator. A *common mission with defined goals, communication methods, and distribution of tasks* all influence the volunteers' motivation for participation. Due to the importance of these topics, they are defined as extra categories (Ganci, 2013; Studer and von Schnurbein, 2012).

*Common mission and clearly defined goals:* Personal identification within the organization and its mission, suppositions, beliefs, and expectations of participants all play a role for their motivation. The more identification with the project that is achieved, the more motivation for participation is created. Hence, a clear definition of the organization's goals and values is required. Values such as contributing to a better world can provide a meaningful reason for volunteer participation (Studer and von Schnurbein, 2012). Common interests in direct producer consumer relations, critique about the CDFS, and missing relationships to food products are common reasons for people to search for an alternative to the industrial CDFS, and motivates people to participate in food cooperatives (Ganci, 2013).

*Communication and decision-making processes:* Communication is an essential part for the performance of food cooperatives. During meetings open topics are discussed and decisions are made which influence the further development of food cooperatives. In order to efficiently achieve results, the usage of reliable ways of decision-making are required. The more unstructured meetings are, the more time- and energy-consuming they are. Thus, moderation is useful and enables a structured process, making sure that all topics to be discussed will be handled within the given time for the meeting. Moreover, transparency, information sharing, and friendly communication are also beneficial (Ganci, 2013; Studer and von Schnurbein, 2012).

*Distribution of tasks:* Regarding the structure of tasks, identification of a specific task, the importance of a specific task, autonomy and feedback enhances motivation. Contrarily, increased bureaucracy and formalization have negative effects on volunteers. However, in certain cases formalization and some form of hierarchy can be positive (Studer and von Schnurbein, 2012). It is beneficial to let members choose which field they want to participate in and provide transparency of all working processes. Through transparency, members can change within different working forces more easily and knowledge is not lost when a member leaves the food cooperative. Thus, the food cooperative as a whole stays independent from single individuals (Ganci, 2013).

*Learning, skills, and know-how:* Knowledge and skills in the fields related to food production and supply are an essential success factor for AFNs. Participants of AFNs often have various backgrounds and have to collect knowledge and know-how from different sources, for instance by means of exchange with experts or by attending training programs provided by *local authorities*. Furthermore, learning has to happen constantly in order to react to fast changing circumstances and to stay competitive with regards to market share. Education about food and how it is produced and sold is also necessary. Education can be provided, for instance via school visits on farms, campaigning, food tourism, food projects, or direct consumer producer contact (Ganci, 2013; Karner, 2010).

*Social mindset:* The social mindset goes hand in hand with knowledge. Awareness and interest of consumers in topics related to sustainable food supply and their willingness to participate plays a major role for the success of AFNs. In order to achieve this, profound knowledge about food systems and food is necessary, for instance knowing and understanding the cost of food production and knowing how small the share for producers is within the CDFS. Having that knowledge enables the willingness to pay higher prices directly to producers (Karner, 2010).

*Sense of community:* When people work together towards one common goal, it creates a sense of community. A strong sense of community enhances motivation which is crucial for the development of CFSs. CFSs as social platforms also contribute to spreading the idea and recruiting new members (Ganci, 2013).

*Reasonable cost-benefit-ratio:* For consumers it is important that the majority of the product price is directly paid to the producers. Moreover, consumers want high-quality products for reasonable prices (Ganci, 2013).

*Creative marketing strategies and branding:* Creative marketing is a success factor for AFNs as it strengthens their viability. Creative marketing strategies could be, for instance, the combination of a farm shop with an upstairs café which has a large window and allows customers a view on the milking parlor. Certificates such as Protected Designation of Origin (PDO) or Geographical Indication (PGI) are related to particular territorial attributes. Many producers benefit from territorial certificates which advertise whole regions and their offers as they are known and trusted by consumers and associated with quality. Likewise, individual producers benefit from quality certificates or branding of AFNs (Karner, 2010).

*Media presence:* Through presence in the media such as television reports or articles in newspapers, a positive influence on the development of food cooperatives is achieved. Sustainability plays an important role within CFSs. Due to an overall positive trend for sustainability in society, AFNs and CFSs are of interest for the public (Ganci, 2013).

*Innovation with regards to opening hours:* AFNs depend on innovation in order to be successful. For instance, an open-air market with late evening opening hours would provide shopping facilities for people after work, in contrast to usual farmer's market opening hours in the morning or during the day (Karner, 2010).

*Consumer loyalty:* AFNs provide a range of advantages for the players along the food supply chain. These advantages have to be recognized by consumers in order to gain their support. Consumers should have a loyal attitude towards AFNs. This relationship needs to be built and

maintained as the CDFS also offers more and more products under the label of “local” and “quality” food (Karner, 2010).

*Considering various social and cultural aspects:* Rural areas with various small-scale producers show many different social and cultural factors. Democratic and open CFSs bring together participants with different aims, priorities, and values. These different social and cultural factors have to be considered in order to provide fitting support for the participants of a CFS and to achieve the full potential of a CFS. The individual identity of farmers must be considered, especially for those who practice direct marketing and have already established their own brands (Anderson et al., 2014).

*Inviting premises:* The atmosphere of the premises has an influence on the members. The cozier and more inviting it is, the more motivation increases, the higher the number of members will be, and more joy of participation and working is achieved (Ganci, 2013).

*Socio-political context:* CFSs also have a political dimension as they can change existing structures due to their characteristic democratic and participatory approaches, for example socially unfair conditions. The extent to which they can achieve this, depends on the socio-political context in which the CFS exists, for instance the country, region and politics (Anderson et al., 2014).

## **2.6.2 Barriers for AFNs and CFSs in General**

*Hygiene regulations:* EU standards have food hygiene regulations. Products of animal origin face more stringent conditions than other food products. Small-scale producers are confronted with higher costs when adhering to these regulations in relation to their income and farm size. However, some of these regulations allow a broad range of interpretation, for instance primary products, which are sold through direct marketing channels, are not included, and traditional products are subjected to less stringent rules. In practice, the wide range of interpretation possibilities passes the interpretation of regulations on to local authorities or even local inspectors. Producers should inform themselves about the regulations and the broad range of interpretation that they come with in order to justify their ways of handling food products. Hygiene regulations for meat products face very strict regulations which cause high costs whether the production unit is small- or large-scaled. This is one reason for the large number of slaughterhouses that have shut down. In some European countries cooperative stores have to follow the same regulations as large retailers. Furthermore, there are lighter rules for individual producers than for collectively organized sales such as AFNs thus, resulting in disadvantages for AFNs (Karner, 2010).

*Trading rules:* Trade regulations add additional costs, for instance taxes or insurance. These costs are proportionately higher for small-scale producers than for large-scale ones. There are rarely specific rules or definitions for direct sales and this causes uncertainty concerning the validity of regulations for direct sales (Karner, 2010).

*Reduced range of products:* Due to a focus on seasonal products within most CFSs, not all products are available at any time. Especially during winter time certain products cannot be offered. Consequently, there are not as many products available in comparison to supermarkets (Ganci, 2013).



*Limited opening hours:* Limited opening hours of CFSs are perceived as a disadvantage by consumers (Ganci, 2013). Likewise, consumers perceive longer opening hours as a benefit (Karner, 2010).

*Expenditure of time:* Time investment is necessary for successful CFSs. As the participation in CFSs is unpaid volunteer work, it depends on the participants to decide how much time they invest. For a CFS it is beneficial when members with limited time resources participate in certain tasks that only require a small amount of time (Ganci, 2013).

*Higher prices:* Higher prices for products sold within AFNs and CFSs can be a barrier for low-income consumers. Consequently, only wealthy consumers are able to afford them (Karner, 2010).

### **2.6.3 Success Factors of Food Cooperatives During the Start-Up Period**

Two Austrian studies found a range of factors which identify success factors for food cooperatives during the start-up period. In total, 15 food cooperatives were analyzed with regards to beneficial and hindering factors for their performance *during the start-up period*. The following factors were identified (Pirker, 2015; Ganci, 2013):

*External support:* External support is a substantial success factor for food cooperatives during the start-up period. All kinds of support have positive effects for the development of a food cooperative in the beginning during the start-up period, whether it is financial support from institutions or private people (who want to support the idea of food cooperatives), or sponsorship or financial support by passive members (who only pay membership fees but do not actively participate). Further support is attained by knowledge sharing from established food cooperatives, practical help by family, relatives, and friends of members as well as help by people from outside the organization in the fields of graphic design, IT, PR, administration, law, or finance. Furthermore, the provision of premises, a reduction of rent for premises, and support by finding suitable premises by other food cooperatives is helpful. Exchanging information with already established food cooperatives provides important support during the start-up period, for instance passing by producers' contacts or contacts from important institutions, handling certain difficulties in the beginning, and answering open questions. Food cooperative platforms can also provide support, for instance by donating furniture like shelves, tables, and fridges (Pirker, 2015).

*Financial resources:* Financial resources are needed during the start-up period especially, and also later, for instance for inventory, deposit and rent for premises, or maintenance costs. Finding suitable premises which are also affordable can be a challenge. Furthermore, money is needed in order to be able to cover unforeseen costs such as repair costs (Ganci, 2013).

*Understanding the purpose of a food cooperative:* When participants understand the purpose of the food cooperative and are familiar with its specific goals and can identify with them, they provide a support factor during the start-up period (Pirker, 2015).

*Know-how and experience:* The participation of members who are already experienced with the foundation of food cooperatives is an advantage. Exchange regarding know-how and

contribution of know-how in different fields such as finance, law, or technical areas makes it easier to be successful in the beginning (Pirker, 2015; Ganci, 2013).

*Finding suitable premises:* As soon as premises are found, motivation and joy of founding a food cooperative rises (Pirker, 2015).

*Public relations (PR):* Through PR it is possible to reach more people and consequently it is easier to gain new members. Additionally, the idea of the food cooperative can be spread easier (Pirker, 2015).

*Motivation:* Motivation is a precondition for members to become actively involved within a food cooperative. The motivation of older members can decrease over time. Thus, it helps to introduce new members as people usually have a higher level of motivation in the beginning. Intense, active involvement of the members is inevitable for the successful start of a food cooperative (Pirker, 2015). Motivation also depends on the development of the food cooperative. If the food cooperative is growing and if there are frequently new members joining, this will positively influence the overall development of the food cooperative (Ganci, 2013).

*Shopping possibility during the start-up period:* Having the possibility to begin shopping during the start-up period increases the positive development of a food cooperative in the beginning as it increases motivation (Pirker, 2015).

*Team spirit:* If teams show solidarity and team spirit, in other words, if the participants in a team work well together, success for a project increases. Common social activities outside the food cooperative enhance the team spirit. Those activities shall be organized and carried out together. They include, among other things, music evenings, hiking trips as well as parties or collecting plants in nature together (Pirker, 2015; Ganci, 2013).

#### **2.6.4 Barriers for Food Cooperatives During the Start-Up Period**

Pirker (2015) and Ganci (2013) identified the following barriers and risks for food cooperatives during the start-up period:

*Expenditure of time:* The foundation of a new food cooperative is dependent on the voluntary work of the members, which consumes time, resources, and is not paid. The necessity of investing time can be a barrier (Pirker, 2015; Ganci, 2013).

*Absence of common goals and visions in the beginning:* In order to achieve an efficient start of a food cooperative, all members should have the same state of knowledge, especially with regards to common goals and principles and what a food cooperative is about in general. It is necessary to clearly define ideas and goals together in a very early stage. That is essential for a strong group formation (Pirker, 2015).

*Long-drawn-out decision-making processes:* The grass-roots democracy approach with consensus decision-making processes provides a challenge for members to make decisions. These long-drawn-out decision-making processes are perceived as barriers by some members. While this depicts a barrier to a certain extent, it is not of great importance (Pirker, 2015).

*Long duration of finding suitable premises:* The longer the duration of finding suitable premises takes, the higher the chance that members lose their motivation for the participation in the food

cooperative (Pirker, 2015). Finding suitable premises is a challenge as they have to fulfil certain criteria for storing food such as temperature and humidity. Buying premises can be an alternative to renting (Ganci, 2013).

*Holiday period:* If the start-up-period takes place through the summer period, it can act as a barrier as many members are not actively involved during summertime. One possible reason is the participation majority of students in food cooperatives, who tend to be away during the summer months. Thus, involvement of people in employment can be an advantage (Pirker, 2015; Ganci, 2013).

*Dominant personalities:* Dominant people within the group of members may do things on their own instead of involving the whole group, and this can cause negative influences for the development of the cooperative in the beginning (Pirker, 2015).

The following three factors are less profound barriers for the performance of food cooperatives in the beginning, but should still be considered (Pirker, 2015):

*Lack of financial resources:* Financial resourcing can be a barrier but is only rarely mentioned as a barrier. Deposits and monthly membership fees, which members are usually willing to invest, provide a good financial basis for the start (Pirker, 2015).

*Mandatory membership fees:* Furthermore, mandatory membership fees have just minor negative influences on the development of food cooperatives in the beginning. In contrast, some members perceived mandatory membership fees as helpful (Pirker, 2015).

*Location, setting, and environment of the food cooperative:* If local political support as well as support by members is missing, negative influences on the development in the beginning are observed (Pirker, 2015).

Beside barriers for the performance of food cooperatives during the start-up period, risks also exist. The main risk perceived by members is the question of liability. As money is needed during the start-up period, for instance for renting premises, participants are concerned about who is liable for this (Pirker, 2015).

These success factors and barriers from literature serve as the basis for the deductive codes (see chapter 1.3, p. 16), which are then completed and compared with the findings of the empirical research. The final set of deductive codes developed from theories in literature is presented in chapter 3.3.1, p. 53.

### 3 Methodology

The following chapters provide a detailed description of this thesis' applied research design.

#### 3.1 Case Study Research with Qualitative Research Approach

The applied research method within this master's thesis is *case study research*, due to its ability of drawing realistic and holistic pictures of specific elements or objects. It is an empirical inquiry that tries to understand, describe, and analyze a phenomenon or object in a realistic and holistic approach and in its context (Lamnek and Krell, 2016; Woodside, 2010). These elements or objects consist of various social units such as people, groups, institutions, or organizations. All dimensions of that object are analyzed instead of reducing the object of inquiry to a few factors. The aim of case study research is to identify the combination and interaction of the numerous factors of an element. Usually, there is a focus on identifying typical processes (Lamnek and Krell, 2016).

It depends on the research question as to which research method is the most suitable. The case study research method can be applied when the research question addresses descriptive or explanatory questions. Descriptive questions ask about what is happening or has happened. Explanatory questions ask for why and how something is happening or has happened. By means of this thesis, the researcher wants to find what has to happen in order to establish a well-working cooperative supermarket, which factors or processes are supporting, and which are barriers. In addition, the researcher would like to examine what these factors or processes should look like and why certain factors and processes are hindering and others supporting the performance of a cooperative supermarket (Yin, 2012).

Case study research can be carried out using all techniques of empirical social research. It can be done within the qualitative or the quantitative paradigm (Lamnek and Krell, 2016). A *paradigm* is a set of beliefs which influences the choice for the object of investigation and the research approach, in other words how data is gathered and analyzed (Bryman and Bell, 2011). Lamnek and Krell (2016) describe the *interpretative and the normative paradigm*. The interpretative paradigm provides the theoretical background for qualitative research and presumes that social realities are constructed through interpretation. Contrarily, the normative paradigm presumes the existence of objective realities which are independent from interpretation. Mayring (2015) defines the interpretative paradigm as an interpretative process.

Within this thesis the *qualitative research approach* is applied in order to get a better understanding of processes, structures, and ways of thinking within a certain reality – in this case the reality of cooperative supermarkets. Through qualitative research methods, subjective points of view, social structures as well as complex relations can be illustrated. Additionally, this approach permits the description of how social situations are created and retained, and shows an emphasis on everyday life including the context of the research object. Usually, single cases are first examined to be later compared, and consequently generalizations can be developed (Flick et al., 2012). Qualitative analyses are well qualified for case study research due to the rather open, descriptive, and interpretative methodology (Mayring, 2015).

By means of case studies a wide range of subjects can be examined, for instance, communities, businesses, industries, education systems, societal issues as well as public policy and administration. Through case study research, institutions, organizations or initiatives, processes, and structures can be identified, documented, and analyzed. Key steps of case study research are: *Case study design*, *data collection*, and *data analysis*. The aim of case study research is to obtain a deep understanding of a certain case within its real context. By analyzing the complex conditions of a case as well as its complex context it is possible to establish an overall understanding about the cases, the real world in which they are placed, and their meaning for the world (Yin, 2012).

There are three main steps of designing a case study: (1) Defining a case, (2) choosing the type of case study design, and (3) including theoretical concepts from literature research (Yin, 2012).

(1) *Defining the case*: A case is usually an individual, an organization, an event, or a social reality with its contextual setting in the real world. Examined cases either show unique or even extreme characteristics or they show daily, everyday characteristics (Yin, 2012). The two case studies examined within this thesis were chosen by means of theoretical sampling which required theoretical background about the subject in order to be able to choose suitable cases. These cases provided findings which can add more complex and profound answers to the already existing theoretical concepts about success factors and barriers for the special type of AFNs – cooperative supermarkets (Lamnek and Krell, 2016).

The following two cooperative supermarkets were chosen as case studies:

- Park Slope Food Coop, New York City, USA ([Park Slope Food Coop, s.a.](#))
- Bees Coop, Brussels, Belgium ([Bees Coop Supermarket, s.a.](#))

Park Slope Food Coop has been operating over the past 46 years and therefore, has a lot of experiences to share about what supports and what hinders its performance. When examining more than one case, each case should address another facet of the main research question. Thus, it is recommended to examine cases which show certain contrasts (Yin, 2012). Contrast is provided due to the different settings of two different continents and the duration of the supermarkets' existence. Analysis of the case study Park Slope Food Coop focuses on the longevity of the organization, whereas Bees Coop is a rather young cooperative supermarket, which has just successfully completed its start-up period. Thus, this analysis focuses on success factors and barriers in the beginning of such an organization. In Europe two rather new cooperative supermarkets with the same structure as the Park Slope Food Coop were found: La Louve in Paris, France and Bees Coop in Brussels, Belgium (Bees Coop Supermarket, s.a.; Fokus Online, 2018). As there is no cooperative supermarket with the same structure in the German speaking area (Fokus Online, 2018), one of the two cooperative supermarkets mentioned above had to be chosen. Finally, Bees Coop in Brussels became the second case study.

Three groups of stakeholders exist along the short supply chain of these cooperative supermarkets:

- *Regular member-owners* are consumers, members, workers, and owners of the cooperative supermarket.

- *Member-owners with more engagement* are also consumers, members, workers, and owners. Furthermore, they have additional engagement within the cooperative supermarket. Either they are paid staff member-owners who are employees of the supermarket, and/or they were part of the team of founders, or they are more engaged in the cooperative supermarket than regular member-owners but not paid.
- *Suppliers* of the cooperative supermarket are either producers, farmers, cooperatives, or intermediates who deliver goods to the cooperative supermarket.

Within the following chapters the terms regular member-owners (RMO), member-owners with more engagement (MOME), and suppliers (S) are used for these groups of stakeholders. To prove the source of statements and information as well as quotations of the interviews, abbreviations are used. MOME, RMO and S stand for the regarded group of stakeholders, as described above. The abbreviations US and BE refer to the country and are followed by a number which stands for the person who was interviewed. The number after the comma marks the paragraph of the interview transcript. The abbreviations „f“ and „ff“ stand for “following” and represent either the following paragraph (f) or more than one following paragraph (ff) and are the source for a concerned statement. For instance, the reference (RMO-US4, 23) refers to a statement in paragraph 23 of interviewee 4 in the United States who is a regular member-owner.

- (2) *Types of case study design:* In total there are four different possibilities of designing case studies. There are single- and multiple-case studies. Single-case studies examine one single case, whereas multiple-case studies examine two or more cases. A case can either be addressed by a holistic approach, which means that the case does not have subunits. In contrast, the embedded approach analyzes multiple entities within one case, in other words there are subcases within one case. This thesis applies the multiple-case approach with embedded entities of analysis, which are the three groups of stakeholders: regular member-owners, member-owners with more engagement and suppliers of the cooperative supermarket. The single-case design is usually easier to apply. However, the multiple-case design provides more certainty about the results (Yin, 2012).
- (3) *Including theoretical concepts from literature research within the case study design:* It is up to the researcher whether he or she wants to use theory from literature or not. However, the usage of theory supports generalization of the results. In the case of this thesis, on the basis of success factors and barriers of AFNs and CFSs according to literature, theoretical concepts were generated (see chapter 1.3, p. 16). The findings from literature were then compared to the findings of this thesis and were consequently questioned, confirmed, or extended. Despite the advantages, theoretical perspectives could also inhibit the discovery of totally new facts (Yin, 2012).

## 3.2 Data Collection for Case Study Research

There are various sources for data collection within case study research. These include direct or participant observations, interviews, group discussions, and/or analysis of documents. Data collection can be achieved qualitatively or quantitatively (Lamnek and Krell, 2016; Yin, 2012).

Collected data must be clearly defined in order to be able to analyze it later. Furthermore, by whom and under which conditions data was gathered must be clearly defined. Mayring (2015) defines three steps for defining data: (1) *Defining data sources*, (2) *analyzing how data was generated*, and (3) describing the *formal characteristics of the data*. Within this thesis, qualitative single interviews were applied which are explained in detail in the following chapters.

### 3.2.1 Qualitative Interviews

Qualitative interviews are a frequently used source within case study research. They motivate the interviewee to answer freely about how they perceive the world, especially regarding the analyzed case. Interviews with key persons from the examined case provide profounder insights. Interviews can last up to one or two hours each (Yin, 2012).

(1) *Defining data sources*: Qualitative single interviews with an interview guideline with open questions were undertaken with each group of stakeholders – regular member-owners, member-owners with more engagement, and suppliers – along the short food supply chain of both cooperative supermarkets.

(2) *Analyzing how data was generated*: In Brussels, nine interviews were undertaken between April 24 and May 1, 2019, from which six were undertaken with regular member-owners, two with member-owners with more engagement and one with a supplier. Out of the two interviewees who are member-owners with more engagement, one was part of the team of founders, however, this interviewee dropped out of the project some time ago (MOME-BE7, 11f, 55ff). The other one is involved in different additional committees in the cooperative supermarket and has been participating since shortly after the opening of the supermarket (MOME-BE6, 4ff). The six regular member-owners have been participating in the project between one and two years (RMO-BE1, 14; RMO-BE2, 13; RMO-BE4, 12; RMO-BE5, 16; RMO-BE9, 6). One participated for three months and then quit (RMO-BE3, 30). The interviewed supplier is from a small cooperative which exists for about two years (S-BE8, 6, 56).

In New York City, thirteen interviews were undertaken during a period between May 23 and June 12, 2019. From these thirteen interviews, four were undertaken with regular member-owners, six with member-owners with more engagement, and three with suppliers. Out of the six interviews with member-owners with more engagement, three interviews were done with paid member-owners. Two of them hold positions in the management of the cooperative supermarket, one of whom is also the treasurer of the cooperative, and one is in a regular employee position (MOME-US1, 4; MOME-US8, 4ff; MOME-US11, 4). Another interviewee is a retired paid member-owner and still an active Board member (MOME-US5, 6ff). Two further interviewees hold, among others, positions on the Board of the cooperative supermarket (MOME-US9, 4ff; MOME-US12, 4ff). One of the six member-owners with more engagement was part of the team of founders, therefore has been involved since the start of the project in 1972 and the opening in 1973 (MOME-US1, 6). Another one joined shortly after the start, in 1976 (MOME-US5, 4). The others have been involved between five and 26 years (MOME-US8, 12; MOME-US9, 6, 16ff; MOME-US11, 4; MOME-US12, 10). The four regular member-

owners have been participating in the project between eight and 20 years (RMO-US2, 8; RMO-US3, 8; RMO-US4, 8; RMO-US6, 8). All three interviewed suppliers are small producers and include a bakery, a vegan cheese producer, and a vegan ice cream producer. They have been in cooperation with the supermarket between one year and a couple of years (S-US7, 6ff, 13; S-US10, 4; S-US13, 4, 14).

This totals 22 qualitative interviews with an average length of about 45 minutes. In total, there is interview material of a little more than 16 hours. The longest interview took two hours and 20 minutes, the shortest about 10 minutes. 21 interviews were done in English and one in German, 18 interviews were done face-to-face and four via telephone.

(3) *Formal characteristics of the data:* The interviews were recorded and later transcribed in order to transform spoken data into text. Further information about the transcribing process is provided in chapter 3.2.3, p. 49 (Mayring, 2015).

The interviews applied within this thesis were *semi-structured interviews* which followed a conversation guideline (see chapter 11.1, p. 128) with prepared and pre-formulated questions. However, the order varied according to the specific interview situation. For instance, new questions were related to previous answers (Atteslander, 2010).

The conversation guideline was non-standardized and had open questions which meant that no ex-ante answer categories were given. Thus, interviewees could answer freely, in wording that could refer to what was important to him or her. Non-standardized interviews are applied when frequency distribution and comparison of answers are not the object of investigation but rather the exploration of facts (Lamnek and Krell, 2016; Atteslander, 2010). The next chapter provides detailed information about how the interview guideline was created.

### **3.2.2 SPSS Model for Creating the Interview Guideline**

Helfferrich (2011) has introduced the SPSS model for a structured approach to developing an interview guideline for qualitative interviews. Depending on which kind of interview is applied, for instance narrative interviews or expert interviews which ask for facts, different approaches are suitable. Within this thesis expert interviews were applied as they ask for facts – in this case for success factors and barriers for cooperative supermarkets. Within the first step as many questions as possible were collected regarding the research question and according to theoretical concepts from literature. Second, the collected questions were selected according to their suitability for qualitative interviews. By doing so, the questions were examined as to whether they comply with criteria for qualitative interviews. These criteria include:

- Questions should not be formulated judgmentally or aggressively.
- No suggestive questions should be included.
- Questions should not contain expectations or cause feelings such as shame or guilt for the interviewee.
- The interview questions should lead to answering the research question, however they should not be identical to the research question.
- Critical questions should be asked towards the end of the interview as they possibly initiate the end of the interview.



- The interviewer should avoid any kind of judgement – whether positive or negative (Helfferich, 2011).

Finally, the selected questions were structured according to their content (Helfferich, 2011).

### **3.2.3 Transcription of Interview Recordings**

Transcription of interview recordings require a lot of time, approximately five to ten times longer than the length of the interview itself. However, it provides clear and written text documents of the spoken interview content. If affordable, transcription can be outsourced, however, here it was not which allowed a first analysis of the data. It is recommended to transcribe in segments as accuracy is important. As it is an interpretative procedure, there is – to a certain extent – always a loss of information. There is speech recognition software, for instance the software Dragon, however, its practicality is criticized (Kuckartz, 2016; Gibbs, 2007). Within this thesis, the first transcription process was done by the speech recognition software Google Docs. The software made mistakes and did not recognize punctuation marks or paragraphs however, it built a first written version of the transcript. Interviews in American English were recognized much better than interviews in English with a French accent. Within the second transcription process, the researcher manually corrected the first version.

There are various transcription systems, with certain rules for transcription, that define how spoken material is transformed into written text. Within this thesis the following transcription rules were applied (Kuckartz, 2016; Gibbs, 2007; Dittmar, 2004):

A word-for-word transcription was applied. However, grammar mistakes which are confusing while reading, were corrected, since transcripts with grammatically correct sentences are easier to read and analyze. Furthermore, standard English was used, consequently slang expressions such as “coz” were replaced by the standard word, in this case “because”. Repetitions of the same words were left out, apart from they emphasize the importance of a statement. Likewise, filler words which were used very often were also left out. Sounds of the interviewees such as “ahm” were not written down since they did not change the meaning of a statement. Likewise, “ok” and “mhm” of the researcher were also left out. Emotions such as laughter or crying as well as interruptions are described in brackets. Likewise, for some English words the German translation was added in brackets. Some interviewees, who have French as mother tongue, sometimes used French words. These words were put in quotation marks as well as proper nouns, for instance “Whole foods“. Since it was not possible to conduct all interviews in quiet places, sometimes background noises made the understanding of some words difficult. Words which could not be understood were replaced by “xxx”. However, this was rare and did not influence the statements’ understanding (Kuckartz, 2016; Gibbs, 2007).

In order to provide anonymity for the interviewees, their names were anonymized. Lists with all real names, their pseudonyms, roles of the interviewees, place and date of the interviews, contact details, and abbreviations are provided in a separate document. Pseudonyms of the interviewer and interviewee are written in capitals and placed before the statement or question with a colon. Every statement or question is a separate paragraph to increase legibility and clarity. After transcribing, the documents were proof-read and saved as word files which could

then be imported to the qualitative data analysis software MAXQDA (Kuckartz, 2016; Gibbs, 2007; Dittmar, 2004).

### **3.2.4 Analytical Framework – The Critical Success Factors (CSF) Method**

The following chapters explain the analytical framework for analysis of success factors in detail. The critical success factors (CSF) method is an analytical tool to identify success factors within an organization (Bullen and Rockart, 1981).

*Theoretical background of the CSF method:* The analytical tool of CSFs was originally introduced by Rockart (1979) and has been adopted over the past decades by many scientists in various sectors such as education, hospitality, manufacturing, IT, electronics, and aeronautics (Cooper, 2008). It is a method to identify key areas which are responsible for successful performance of an organization, for instance a company or department. By means of the CSF approach, areas which lead to success or loss of success can be identified and focused on. Areas which are perceived and defined as CSFs depend on the subjective point of view of the person being interviewed and his or her position within the organization. Thus, CSFs might differ between interviewees. Moreover, CSFs can vary according to changes of a certain sector's environment or positional change of the organization within that sector. The CSF method addresses key areas for success from the point of view of the person interviewed, in the specific organization he or she is active, and within a certain period of time (Bullen and Rockart, 1981). A precondition for a successful application of the CSF method is knowledge about the industry the organization is placed in, as well as knowledge about the organization itself and about the role of the interview partner within that organization (Bullen and Rockart, 1981).

There are *five major topics* the interviewer has to research in advance as part of the preparation for applying the CSF method. These topics are (1) the industry the organization is placed in, (2) the competitive strategy and the position of the organization within that industry, (3) environmental circumstances, (4) time aspects, and (5) the position of the interviewee within the organization. (1) Every industry has already specific success factors according to the characteristics of that industry. For instance, for general supermarkets this would be the product mix, inventory, sales promotion, and prices. (2) The position of an organization within an industry and its specific strategies presuppose certain CSFs. This can be according to the organization's geographic location for instance. Retailing companies in rural areas are more likely to consider the management of the transportation system as a CSF, whereas urban retailing companies do not. (3) Environmental circumstances are difficult to influence. There are two major environmental circumstances which influence every organization: fluctuations with regards to economy and politics on a national level. Another example of environmental circumstances is the availability of energy sources. (4) The time aspect refers to a certain period of time when special circumstances arise. (5) People in different positions will define different CSFs appropriate to their position. For instance, somebody who is in charge of the manufacturing department will define product quality as well as the control of inventory and cash as essential (Bullen and Rockart, 1981).

Furthermore, there is a distinction between *internal and external CSFs*. Internal CSFs can be influenced by people working in the organization, for instance human resources or the control

of inventory. External CSFs such as market price movements are not under the control of people working in an organization (Bullen and Rockart, 1981).

On the one hand, *using CSFs* helps people in certain positions within an organization to see in which area they need more information. On the other hand, it is a tool for organizations for the general planning of processes. Additionally, it helps an organization to plan its processes regarding information systems (Bullen and Rockart, 1981).

Rockart's (1979) original approach consisted of *three steps for the CSF process*: (1) undertaking an introductory workshop, (2) doing the CSF interviews, and (3) finishing with a focusing workshop. (1) The introductory workshop was designed to discuss the main goals and ideas of the organization with its members. The purpose is to identify activities with the most importance for the organization. Over the last years many adaptations to the original method have been done. For instance, when it comes to identifying CSFs in advance, some researchers defined the first set of CSFs according to what they found in literature (Cooper, 2008), which was also applied within this thesis. (2) The interview procedure is explained in detail in the following paragraph. (3) The purpose of the focusing workshop is to present a summary of all identified CSFs to all interviewees of one organization in order to be able to reduce the high number of CSFs to fewer relevant ones. Usually, there are four to eight CSFs identified by the end. However, there have been studies which identified many more CSFs (Cooper, 2008). Within this thesis, the focusing workshop has not been carried out as the goal of this thesis is to find as many supporting or hindering factors as possible. Furthermore, the results are sent to the interviewees if desired.

*Interview techniques and procedure for CSF interviews*: There are three main parts for undertaking CSF interviews: (1) defining objectives of the interview, (2) preparation for the interview in advance, and (3) the process of the interview itself (Bullen and Rockart, 1981).

- (1) Objectives of a CSF interview are to understand the organization, its goals and visions as well as to understand the interviewee and his or her particular role within the organization as he or she perceives it. Furthermore, understanding the aims of the interviewee and getting CSFs and measures from him or her. And finally, the interviewer has a supporting role for the person being interviewed by helping him or her to understand which information is needed.
- (2) It is necessary to be well informed about the analytical framework of the CSF method as well as about the industry or sector of the organization which will be examined. Regarding the sector of the organization, it is important to know about general trends, the environment, the competitive situation, and problems within that sector. Furthermore, knowing the organization in detail is recommended, which was done on the basis of document analysis. Bullen and Rockart (1981) recommend starting the interviews on the lowest hierarchical level as it allows the interviewer to still expand knowledge and thus be better prepared when interviewing the top level of an organization. Additionally, in advance of every interview, it is recommended to sum important pre-information such as the role of the interviewee, his or her aims, probable CSFs, and measures. This helps to identify CSFs more easily during the interview. However, by doing so there is a risk that the interviewer influences the interviewee. Last, the interviewer should be familiar with techniques for qualitative interviews.

- (3) Steps to successfully accomplish the CSF interviews included the introduction of the interview process, the interviewees explanation of him or her role and goals within the organization, and discussing those goals. Consequently, CSFs were identified and put in order according to importance, and measures were defined (Bullen and Rockart, 1981).

*Discussing the interviewee's role and goals:* The initial question was about the role and goals of the interviewee. That was a good way to get started and warmed up the interviewee. Furthermore, it already gave an insight about the interviewee's points of view (Bullen and Rockart, 1981). Soft and hard CSFs were considered. Soft CSFs are not measurable with numbers, for instance the relations among the members of the organization. Hard CSFs, however, are measurable with numbers (Bullen and Rockart, 1981), for instance company and market data such as sales trend, growth in sales, return on investment, profit, turnover, or productivity (Winkelmann, 2004).

*Defining measures:* Finally, it was asked how the identified CSFs can be implemented by specific measures (Bullen and Rockart, 1981).

### **3.3 Analysis of Qualitative Data**

In order to conduct qualitative content analysis a systematic approach with comprehensible steps and rules is needed to provide a verifiable methodology. It is important to define all the steps of the analysis procedure in advance. However, qualitative content analysis is not a standard instrument, and cannot always be applied the same way. Thus, it has to be adapted with regards to the specific research question, object of investigation, and the collected data (Kuckartz, 2016; Mayring, 2015). The next chapter provides definitions and explanations of terms and tools for qualitative data analysis as well as all steps and rules applied within this thesis.

#### **3.3.1 Scheme for Qualitative Content Analysis Applied within this Thesis**

Within this thesis Mayring's (2015) concept for qualitative content analysis and Kuckartz' (2016) general scheme for content analysis was applied and adapted according to this thesis' requirements. Thus, the adapted concept of CSFs was integrated as well (Cooper, 2008; Bullen and Rockart, 1981).

The main tool for qualitative data analysis is provided by the *code system* which contains different *codes*. Codes are like categories, topics, or themes and permit a classification of relevant text segments into specific codes. Due to coding, text can be structured, organized, and specific results can be presented as well as a comparison of the results. The code system can be structured in different levels, thus subcodes which present subtopics can be generated. Within this thesis, a maximum of three levels was used. The process of coding was always done with regards to the research question (Kuckartz, 2016; Mayring, 2015).

There are *three approaches for the formation of codes*: Within the first approach, which is either called a-priori formation of codes (Kuckartz, 2016) or deductive formation of codes (Mayring, 2015), codes are determined before analyzing the empirical data on the basis of theoretical concepts from literature. Usually, the deductive approach provides between 10 and 20 codes in

advance. By means of the second approach – the inductive formation of codes – codes are generated by analyzing the empirical data. Moreover, a hybrid form of both exists, which is the most common one and also applied within this thesis. According to what was found in literature, codes were defined in advance and extended or adapted to the findings of the empirical research (Kuckartz, 2016; Mayring, 2015; Yin, 2012). The following part presents all steps and rules applied within this thesis in order to be able to reconstruct this qualitative content analysis:

- (1) As this qualitative content analysis was done by means of MAXQDA software (Kuckartz, 2016; Mayring, 2015), first data in the form of word files was imported. The first step of the qualitative content analysis, a *preparation of the text*, which was already the *first coding process* was carried out. With respect to the research questions, the text was read meticulously and important relevant parts were coded. In addition, memos were created, which contain notes about the researchers' thoughts, ideas, and assumptions. By means of the MAXQDA software all paragraphs were numbered, which made it possible to refer to specific parts of the interviews (Kuckartz, 2016).
- (2) By means of the *deductive formation of codes*, the following codes and subcodes were determined based on theory from literature (Kuckartz, 2016; Mayring, 2015; Yin, 2012):
  - Creating networks
  - Funding (financial resources, lack of financial resources)
  - External support (financial support, knowledge, provision of goods)
  - Local authorities (support by local authorities)
  - Common mission and clearly defined goals
  - Communication and decision-making processes
  - Motivation (motivation for volunteer work)
  - Members (dominant personalities, mandatory membership, team spirit)
  - Products (range of products, cost-benefit-ratio)
  - Opening hours
  - Expenditure of time
  - Distribution of tasks
  - Learning, skills, know-how, and experience
  - Advertisement (marketing strategies, branding, media presence, public relations)
  - Innovation
  - Consumer loyalty
  - Premises (finding suitable premises, long duration of finding suitable premises, inviting premises, location of premises)
  - Socio-political context
  - Hygiene regulations
  - Trading rules
  - Considering social and cultural aspects
  - Shopping possibility during the start-up period
  - Holiday period
- (3) Within the next step, the *second coding process* was done. Due to the deductive formation of codes, the first set of codes was already given. However, they were adapted to what was found in the text, thus new codes were also created, which is the *inductive formation of*

*codes*. Parts of the text which did not answer the research question were left out. Some parts of the interviews fit more than one code or subcode (Kuckartz, 2016).

- (4) The *inductive formation of codes* permits the generation of new codes and subcodes according to what was found by analyzing the interviews with regards to the research question. Prior codes derived by the deductive approach were extended by additional new codes and subcodes. The *coding process was done several times* until the last set of codes was ready. Those codes present the structure for the results (Kuckartz, 2016; Mayring, 2015; Yin, 2012).

### **3.3.2 Data Analysis of CSF Interviews**

First, the CSFs were reviewed and second, the CSFs of all interviews were aggregated per group of stakeholders. In addition, all interviews were compared with each other in order to see whether there is common ground or rather differences. CSFs which were mentioned often were consequently considered more important (Bullen and Rockart, 1981).

### **3.3.3 Quality Criteria for Qualitative Content Analysis**

Mayring (2015) has adopted a model of *quality criteria for qualitative content analysis* in order to provide validity and reliability of research which includes the following points:

- (1) Are codes and subcodes defined in a comprehensible way? Do precise definitions of codes exist? Are there specific examples by means of quotations included? These points can be controlled by external experts (Mayring, 2015). Kuckartz (2016) also mentions the points above and adds to them the following questions: Was the qualitative content analysis done with a computer software? By means of qualitative data analysis (QDA) software it is easily comprehensible how codes and memos were created and what they look like.
- (2) Are the samples clearly defined and explained with regards to the data sources, how data was generated, and formal characteristics of the data (Mayring, 2015)? Kuckartz (2016) comments on the following questions about data collection and transcription: Were the interviews recorded? Has there been an additional documentation of the interview situation with notes about the interview? Was all data which was collected analyzed? Has there been a complete transcription? Were transcription rules explained and applied? Who did the transcription process and how was it applied? Was transcription software used? Were interviewees anonymized and if yes, how?
- (3) Another quality criterion refers to comparing the results with results of other studies with similar research questions, especially when different research methods were applied (Mayring, 2015).
- (4) Has the applied methodology been applied successfully in the past? Are theoretical concepts and models included (Mayring, 2015)? Kuckartz (2016) adds to that: Does the chosen methodology fit to the research question? Is the choice for the applied methodology explained and if yes, how? Was the methodology applied correctly? How many times was the data pre-analyzed before the final analysis? Have exceptional and extreme cases or facts been taken into consideration?

- (5) In addition to points (1) to (4), Kuckartz (2016) adds: Does a second application of the same method of analysis lead to the same results? Does a second application of the same method of analysis undertaken by another researcher lead to the same results?

### **3.4 Limitations**

*Critics about case study research:* In literature it is mentioned that the procedures a case study researcher is going through during the research process are viewed critically since they can cause a deficiency of trust concerning their credibility. There are biases that researchers tend to find what they were expecting. In order to prevent this, a systematic approach to the procedures is recommended (Yin, 2012).

*Positioning of the researcher:* The researcher has to reflect on their own subjective position towards and within the research project. The researcher has to be aware that he or she is operating within the field of research and thus, he or she is part of generating findings and results. Consequently, the researcher should be open, curious, and as unbiased as possible (Flick et al., 2012).

*Limitation of the CSF method:* There are limitations with regards to finding the correct number of CSFs as well as determining the right CSF type. A further limitation is given by the fact that environmental and organizational factors are constantly changing and thus, CSFs should be reviewed frequently. Critics say that the CSF method produces too many CSFs (Cooper, 2008).

## 4 Empirical Field: Explanation of the Cooperative Supermarket Model

Park Slope Food Coop (PSFC) and Bees Coop are both based on the same cooperative supermarket model which provides a wide range of high-quality products at affordable prices as well as long opening hours for its member-owners. Only member-owners are allowed to shop in the cooperative supermarket. Member-owners are consumers, members, workers, and owners of the cooperative supermarket. In order to become a member-owner at PSFC, an administrative joining fee of \$25 and a refundable investment fee of \$100 has to be paid. At Bees Coop it is an investment fee of €100. The investment fee is returned when leaving the cooperative and there are special terms for reduced or instalment payments. In addition, Bees Coop offers different types of memberships, for instance there is the opportunity to only support the cooperative financially without working and shopping there.

However, the core of the concept is *unpaid work contribution* by its member-owners, who are required to contribute two hours and 45 minutes of work every four weeks in order to provide the main labor pool to allow the supermarket to run. They can choose their work tasks, such as being a cashier, receiving and stocking, food processing, maintenance, or working in the membership office. There are also other committees where member-owners can do their volunteer service. Since PSFC has been existing much longer than Bees Coop, PSFC offers much more extra services and committees to participate in such as work in the childcare center. Work contribution is organized in squad systems, where member-owners always work in the same field with the same team at regular intervals. Squads are led by squad leaders who are regular member-owners taking on extra responsibility to organize the squad. For member-owners who need more flexibility, flexible work shifts are also possible. Work contribution and equal conditions for everyone contribute to a feeling of ownership and community and allows expenses to be kept low. Additionally, there are some paid member-owners who work at the cooperative, mostly full-time, in order to provide the structure for running the cooperative supermarket. PSFC counts approximately 17,000 member-owners and has about 80 paid member-owners. Bees Coop counts almost 3,000 members-owners and employs six paid member-owners.

The system has clear rules, however, it also shows flexibility. For instance, work shifts can be swapped, and it is possible to miss a shift by doing double makeup shifts. Furthermore, there are special arrangements for people in special situations such as for young parents, sick or disabled people.

Strategic decision-making is done collectively at the General Meeting (GM) – which is called General Assembly (GA) at Bees Coop – where every member-owner who participates has the right to one's say and to vote. In contrast, decisions regarding day-to-day operations are transferred to smaller groups or individuals of the paid member-owner pool.

Information about the concept is provided at the new member orientation at PSFC, which is called information session at Bees Coop. Since the whole system is very cleverly devised and highly detailed, further specific information can be found on the cooperative supermarket's websites ([Bees Coop Supermarket, s.a.](#); [Park Slope Food Coop, s.a.](#)).



## **5 Results of the Qualitative Interviews: Within-Case Analysis of Bees Coop in Brussels**

This chapter provides the findings of the qualitative interviews with participants of the case study in Brussels. It explains success factors and barriers for the performance of Bees Coop according to the interviewees of the three groups of stakeholders – member-owners with more engagement, regular member-owners, and suppliers. Since success is defined as the achievement of results sought by those involved (see chapter 2.5, p. 34), aims and goals of member-owners with more engagement are presented first.

### **5.1 Aims of Member-Owners with more Engagement at Bees Coop**

For member-owners with more engagement at Bees Coop the aim was to create a sustainable food supply system which is accessible for everyone on equal terms. Especially for people in the surrounding neighborhood, a mainly Turkish community, and in general for people with different income levels and different socio-economic backgrounds. The goal was to establish a non-capitalist food supply system to afford high-quality, environmentally sustainable, organic and local food, directly from farmers at affordable prices. A further goal was to create an alternative to conventional supermarkets (MOME-BE6, 8; MOME-BE7, 14).

### **5.2 History of the Origins of Bees Coop – Key Factors During the Start-up Period**

This chapter draws a picture of the start-up period of Bees Coop and presents key factors of it.

#### **5.2.1 Reasons to Start the Project**

In the beginning, a small group of three people wanted to have better access to high-quality, organic food at affordable prices. Organic food in wholefood shops was very expensive and rarely locally produced. By means of their way of food consumption, they wanted to support local small-scale farmers and avoid plastic waste. They were interested in creating a sustainable food supply system which was not just available for people with high incomes, but for everyone (MOME-BE6, 56; MOME-BE7, 14).

In the beginning there were different implementation ideas, for instance, they thought about creating a social restaurant or a wholefood shop where people could get different prices according to their income and their level of participation. Since they thought that different prices might not be sustainable in the long run for the project, they wanted to create something where all people could interact on the same level (MOME-BE7, 14, 16, 20).

#### **5.2.2 Vision of Bees Coop**

Discussing the idea with many different people was inspiring, among others, they came in contact with the founder of the cooperative supermarket La Louve in Paris who implemented it according to the concept of Park Slope Food Coop in New York City. The concept resonated with them and they knew that they wanted to create something similar and soon the vision and

common goals of the project were clear. They wanted to co-create, together with a community of people, a non-capitalist supermarket to provide high-quality food at affordable prices by working for it together. Goals such as equal work contribution, the equal right to have a say, a transparent governance structure as well as fair conditions for producers were defined. In addition, an emphasis on environmentally sustainable products such as local and organic products as well as avoiding plastic waste was defined (MOME-BE6, 56, 58, 105ff; MOME-BE7, 16, 18).

### 5.2.3 Spreading the Idea of Bees Coop

They shared this idea and looked for people who would identify with it. In order to spread the idea, they spoke about the project a lot. They soon carried out information sessions and shared them on Facebook, which was one of the best ways to find new participants. One advantage about Facebook was that they could reach like-minded people easily. Thus, it was by word of mouth rather than professional advertising. It was a new idea in Brussels and many people responded to it. Quickly a community of people developed who believed in the project. They wanted to work together, and consequently also friendships were created (MOME-BE6, 58, 109ff; MOME-BE7, 16, 60ff, 80). MOME-BE7 (62) said about that:

*„We created dreams and we wanted to have many people following these dreams, and it worked.“*

### 5.2.4 Different Stages in the Beginning

The group of three was living together in a co-housing project in Brussels and quickly expanded to 10 and then to a group between 20 and 30 people. To supply the group, they started buying products directly from producers as well as from intermediaries and realized that this was not very complicated. Soon, they expanded to about 100 participants and a *buying group* was started. They launched a website with all the information about the project and people could preorder products online and then pick them up with almost no increase of the original price (MOME-BE6, 58; MOME-BE7, 14, 16, 26). This buying group created a dynamic for the project which was very important. MOME-BE7 (26) phrased it as such:

*„That was really important. It was not really important in an economic point of view, because we did really low margins, ... but all the people started to believe in our project.“*

*Premises in the very beginning:* In the very beginning there was no physical location existing. When the buying group was started, a location was needed. Thus, they first started renting a small garage, and later another one which needed some repair work in order to turn it into a small market. There was low weekly rent which was financed by the markup of the products. It was called “Labo” referring to the meaning of a laboratory as it had this experimental kind of character (MOME-BE6, 56, 58; MOME-BE7, 26ff).

In the beginning, *opening hours* and the *range of products* were very limited. In the very beginning, orders were only possible every few weeks, and only dry products such as chocolate, tea, or products in bulk were available. However, one could already find high-quality products

for cheaper prices compared to wholefood shops. Over time the opening hours extended, and the range of products broadened. They tried out many different products and suppliers. The first fresh products were potatoes and onions, followed by other vegetables from small producers. At the very end of “Labo” there was also cheese and pre-packed meat available (MOME-BE6, 8, 58, 116).

Fresh products require specific conditions such as being cooled, thus, it got more complicated. In the beginning there was just a small fridge. They did respect the requirements of the products, however, during the time the project was developed – when it was not a public store yet – they decided not to obey all the legal rules concerning *safety and hygiene* as it was simply not possible. Otherwise this would have been a barrier (MOME-BE6, 58, 117ff; MOME-BE7, 30, 76).

*Order and payment procedure:* In the beginning orders were only carried out online and could then be picked from the store. Members had accounts where they uploaded credit, so there was no cash exchanged. Over time it was possible to add occasional products on-site, which could be paid by cash and the online pre-orders were not necessary anymore. Members could just go to the store and shop. However, some products were sometimes out of stock. Later, software for the check-out was implemented, but there were no electronic weights yet (MOME-BE6, 58).

*Development of the premises:* Later when the project was already further developed, they were looking for a bigger location to implement the actual supermarket. A committee in charge of this finally found premises next to the garage in which they were located. The building, an old bread factory, needed repair work but was perfect due to its location and size. It was an investment, since there was a lot of work to do, some of which was done by participants and some by an external company. First, they rented the building, but then soon bought it (MOME-BE6, 58; MOME-BE7, 42).

*Financing premises:* The first store, a garage, was rented for €50 per week and financed by the markup of the products which were sold within the buying group (MOME-BE7, 28). Later, they met a woman who had received an inheritance of millions of Euros which she wanted to invest into some sort of sustainable and social project. This woman bought the supermarket building and let it to Bees Coop for low rent. After some time, they decided that they could also – instead of paying rent – purchase. The support of the woman helped the cooperative to take the risk of buying the building (MOME-BE7, 34ff, 45ff).

## **5.2.5 Finances in the Beginning**

Bees Coop received a *bank loan* for financing the building. In addition, member-owners of Bees Coop paid investment fees by buying shares of the cooperative. In the beginning it was an *investment fee* of at least €100. With that money they have been able to pay back the loan and financed the repair work (MOME-BE6, 60ff; MOME-BE7, 42ff). Furthermore, they received *financial support from a foundation* (MOME-BE7, 50).

### 5.2.6 Decision-Making in the Beginning

During the first two years, there was a leading group of five to eight people. Each of those persons was responsible for a certain field of the cooperative supermarket, for instance, products, governance structure, or communications. Each person worked with a team of people who wanted to engage in that specific field. Decisions were made within the subgroups and then shared with the leading group. There were participants with special interests and experience in the governance structure of the project as well as collective decision-making processes. They used the cooperative for training and experimenting with these structures. They facilitated and organized meetings such as the General Assembly and helped coming to decisions (MOME-BE7, 64, 66).

### 5.2.7 Provision of Labor in the Beginning

One of the founders worked as a researcher at the university in a field related to the cooperative supermarket project and thus, could take two days per week to work on it. However, most of the people worked voluntarily during their free time in the evening or at weekends. Many member-owners felt really connected to the project and identified with it, thus they wanted to participate more than the minimum work requirement. Through working together, people created personal connections, friendships, and hence, a feeling of community was created (MOME-BE7, 22, 26, 60). MOME-BE7 (60) said the following about the volunteer work contribution of the member-owners:

*“... it is the basement of the project, the community is working in a supermarket.”*

Before having fix work shifts, work participation was built on trust only. There was no control or enforcement of people's work requirement. Still, it worked out since many people felt really connected to the project and naturally some did more and some less. Thus, in the end it was balanced. When it came to a shortage of labor, they asked on social media for participation, which worked out. People were needed for day-to-day operations and also for specialized fields such as IT, finance, or communications. There were no paid jobs in the beginning (MOME-BE6, 58, 62).

*Support through unemployment benefits:* Some of the people very involved in the beginning claimed unemployment benefits. Since they worked as much as for a full-time job for the cooperative, they needed to finance their living somehow. Usually, by getting these benefits people have to apply for jobs frequently and the benefits constantly decrease over time. In Belgium it is possible to get the benefits for one year without these disadvantages, in the case that within that period, the person is creating his or her own future job or even more jobs. The concept had to be explained and proofed and ended after one year (MOME-BE6, 62ff; MOME-BE7, 22ff).

*Three financed full-time employments:* The founders put in an application for financed employment by the region of Brussels. They explained the concept, brought examples of the successful cooperative supermarkets Park Slope Food Coop and La Louve and finally got three

full-time jobs for three years approved (MOME-BE7, 30, 54). MOME-BE7 (30) commented the support by the region of Brussels:

*“And from that start we could professionalize us. Means, that three people full-time could work on the project, could create the community, could contact all the provider, could start to find a place, to create the supermarket. And that was really an important step of the project.”*

The cooperative supermarket finally opened in September 2017, after some years of preparation and development (MOME-BE6, 142ff).

### **5.3 Success Factors and Barriers at Bees Coop According to Member-Owners with more Engagement**

This chapter presents general key factors for the performance of the cooperative supermarket Bees Coop, according to its member-owners with more engagement.

#### **5.3.1 Products and Prices at Bees Coop**

Offering high-quality, mostly organic products at affordable prices is a success factor of Bees Coop. Compared to organic products in wholefood shops, organic supermarkets, or markets, Bees Coop offers lower prices. However, prices are not cheap, but rather fair and reasonable, so that producers get fair prices and consumers pay fair prices. Bees Coop also focusses on products with low environmental footprints and tries to offer as many local products as possible (MOME-BE6, 12, 17f, 24, 28). However, it is difficult to find organic, local, and fair produced products at affordable prices on the market (MOME-BE6, 8, 28).

Products have been selected according to the cooperatives' principles such as environmental and social sustainability. However, there are also non-local products, products from animal origin and rarely also conventional products available. The idea is to offer a wide range of goods in order to provide a *one-stop-shopping destination* for member-owners. Everybody has the opportunity and can make their own choice. For instance, there are animal products offered, although they have a negative impact on the environment, or pasta can be bought either in bulk or pre-packaged, which causes plastic waste. Bees Coop informs future member-owners at the information session that they have intermediaries and that not every product is 100% environmentally and socially sustainable. In addition, Bees Coop offers a store-owned labelling system to provide clear information about how local, organic and fair a product is. However, the labelling system and the selection of products still have to be improved (MOME-BE6, 12, 14ff, 28, 141).

*Intermediaries versus small, single producers:* Bees Coop is operating on a supermarket scale and, thus needs the security that products can be delivered in the quantity they have ordered. It is a problem for Bees Coop when small suppliers cannot deliver, for instance, in case of crop failure (MOME-BE6, 20). Furthermore, it needs resources – paid member-owner labor – to cooperate with a high number of different suppliers (MOME-BE6, 17f, 22). Paid member-owners are much more involved in the processes of the supermarket, thus certain tasks can only be done by them. However, paid member-owner work capacity is limited. Currently, there are

only six paid member-owners, of which only one person is responsible for the products. In order to pay additional paid staff, markups would have to be increased. Currently a committee for the selection of products is formed, however, most of this work is still done by paid member-owners. In addition, the required volume for the cooperative supermarket is enormous. It is not possible to satisfy this demand with only small single suppliers. Another problem with small producers is that sometimes their labels do not comply to the rules which legally require product information such as ingredient or nutrient information in French and Flemish. Some producers who could not fulfill these requirements had to be replaced. In the beginning the idea was to work and be directly connected with small producers. For certain products that was possible, for instance for cheese, but not for others like vegetables. However, most of the intermediaries are cooperatives themselves (MOME-BE6, 14, 20, 24, 26, 117ff).

### **5.3.2 Finances at Bees Coop**

The markup which is added to the purchase price from the supplier, pays for the salary of paid member-owners, maintaining the building and other running costs such as electricity. If there is profit, it is reused in the cooperative. Finances are presented and kept transparent at the General Assembly, where they also decide what to do with profit. Either the markup could be lowered for a year, for instance from 21% to 18% on each product, or the instalment for repaying the loan for the building could be increased in order to finish the loan earlier. The latter was decided last time this was the case. Another financial source is investment fees from member-owners. The refundable fees of €100 per member-owner make cashflow possible. In the beginning people were encouraged to buy even higher shares which was very important for the start-up period of the cooperative supermarket. Currently the minimum amount of an investment fee is €25, if someone cannot afford to pay €100 (MOME-BE6, 42, 46ff, 50, 52).

### **5.3.3 Volunteer Work at Bees Coop**

Bees Coop still receives new member-owners. They are the core of the project by contributing unpaid labor which builds the main labor pool. The more member-owners the more services can be implemented, for instance, a child care center or a delivery service for people who cannot come to the store (MOME-BE6, 141). Volunteer work requires expenditure of time and personal effort. However, the more member-owners that are connected to the project and identify with it, the more likely they are to engage, sometimes providing more than the minimum work requirement (MOME-BE6, 6, 44).

It is beneficial to have member-owners who are experts in certain fields such as IT or finance. It is advantageous when member-owners participate in a field they know and like as well as when they can do something with pleasure for a project they identify with. But it also needs people who work for the basic work tasks. Often, engagement in a committee in a special field goes hand in hand with more effort or expenditure of time, thus, some member-owners are very happy to only participate the required minimum of work in the basic work tasks. In contrast, even some of the paid member-owners did not have experience with supermarket businesses before, however they learned from their own experience and grew into it. This worked in the beginning, but since the project has already become bigger, newly hired paid member-owners

have to fulfill a certain job profile in order to be able to work efficiently (MOME-BE6, 131ff, 135ff).

#### **5.3.4 Day-to-Day Operations at Bees Coop**

Supermarket business processes such as calculating purchased quantities according to the demand, or stocktaking, are part of running a supermarket (MOME-BE6, 125ff). Likewise, complying with hygiene regulations, they are done as part of the day-to-day operations. These constraints have to be taken into consideration as part of running a supermarket. The rules in Belgium are strict but the state offers support for that, for instance by providing training. However, another legal regulation has become a significant effort. Belgium's law requires that all products are labelled in French and Flemish as well as displaying product information such as ingredients. Thus, the supermarket had to provide all product information and labels in two languages. One of the paid member-owners was responsible for this and it turned out to be an enormous effort to implement it. The supermarket could have closed down by default had it not met these obligations. It was controlled by a Belgium authority and fortunately, they passed (MOME-BE6, 117ff, MOME-BE7, 76).

In order to prevent food waste there is a discount on products which will expire soon, and they are put to the area around the checkout. Furthermore, there are signs added to products which say that they need to be eaten soon. The majority of member-owners reply to this by buying these products more often. Expired or almost expired products can be taken for free or are brought to a nearby composting plant (MOME-BE6, 121f, 123f).

#### **5.3.5 Decision-Making, the General Assembly, and Communication at Bees Coop**

At the General Assembly everything is presented and transparent, for instance finances, IT agendas, or shopping habits of member-owners (MOME-BE6, 44). Smaller decisions which belong to the day-to-day operations of the supermarket and do not influence main structures of the cooperative are transferred to smaller groups or individuals, for instance to the paid member-owners or certain committees in order to be more efficient. Strategic decisions are made at the General Assembly (GA). For instance, hiring more paid member-owners would affect the prices of the products since paid member-owners are paid by the markup of the products. Thus, this is a decision which is made at the GA. Likewise, so are decisions about renting or buying the building, changing the rules concerning work requirements, or opening the supermarket on Sundays (MOME-BE6, 26, 44ff, 96).

The decision-making of Bees Coop is based on a *100% consensus*, which means that everybody agrees, or rather nobody has profound objections against a certain decision. For instance, when someone personally disagrees with something, but he or she sees that this decision is not against the values and principles of the cooperative and not harming the organization or any individual, this decision can be accepted and will be supported. Thus, it is assured that everyone is okay with the decision (MOME-BE6, 96, 100ff).

Having knowledge about collective decision-making methods and being efficiently organized by having a clear structure supports the success of it (MOME-BE6, 103f). The *steps for*

*successful decision-making processes at Bees Coop* are the following: First, every member-owner is invited to brainstorming sessions regarding the specific topic. At these workshops, ideas, opinions, and possible solutions about the topic are collected. Second, these results are presented at the GA by presenting different possibilities or solutions for that topic. These possibilities are discussed in small groups of five to ten people. Most of the questions can be answered within these groups already. If there are still open questions, they can be asked in front of the whole audience. Since it is a little obstacle to go in front of the whole audience, mostly only really important questions are asked. Often people have the same questions, and finally on average, about three questions remain which are answered and explained either by paid member-owners or other member-owners who are more involved in the specific topic. The third step includes articulating objections. As explained above, objections should not be about personal preferences but about potential risks or harm for the cooperative. These objections are being discussed in smaller groups. If it turns out that there are legitimate objections, these remaining objections are discussed with the whole GA. In case there are new solutions developed than those initially proposed, the final decision cannot be taken at that GA, because the new options need to be worked out first. This can then be presented at the next GA, where the whole process is carried out again with the new possibility. In the case where no objection remains, a decision between the initial proposed possibilities can be made. Usually, all objections can be refuted, and decisions can be made within one GA (MOME-BE6, 96).

*Internal communication:* It is more efficient when internal information is transparent and available for every member-owner. The more people that are involved, the more challenging communication gets. At this point it is more important to focus on improving internal communication instead of advertising. Hence, a new intranet was introduced to the cooperative supermarket (MOME-BE6, 112, 138f).

### **5.3.6 Identification, Awareness, Attitude, and Self-Empowerment at Bees Coop**

Most people who participate in the cooperative supermarket have *awareness* that high-quality food which is produced under sustainable and fair conditions costs more money. Likewise, they are aware that they cannot find food of that quality in any other store as cheap as it is available at Bees Coop. When people like the project and identify with it, they want to make sure that it works by contributing their work. Furthermore, by choosing their way of food consumption people can influence the system and society (MOME-BE6, 6, 8, 27ff). MOME-BE6 (30) said the following about awareness:

*“I think, most of the people, if they are not aware, they are not there.”*

By participating in the cooperative supermarket, which is non-profit oriented, member-owners can actively support an alternative anti-capitalist business model in contrast to conventional food supply systems (MOME-BE6, 8, 12, 24, 26). MOME-BE6 (8) said the following about choosing the way of food consumption:

*„If we want to support the capitalist models or if we want to go out of it. We can really make a big difference.“*



The attitude of looking at the project as a *constant work in progress* supports the success of it, by for instance, constantly trying to improve the quality and selection of products, trying to get more local suppliers, offering additional services such as a childcare center, providing information in additional languages at the welcome sessions as well as preventing food waste. In general, every aspect of the concept should be constantly evaluated and tried to be improved (MOME-BE6, 12, 14, 18, 32, 38, 122). In addition, many of the people involved are in general really engaged people (MOME-BE6, 28).

People feel being part of a social movement, that they belong to something bigger and are able to meet other people in the cooperative, which creates a feeling of community and being at home in the cooperative supermarket (MOME-BE6, 9ff, 28). Besides this, it is motivating to have the right to have a say, to contribute in the decision-making of the cooperative supermarket, so that one's voice can be heard (MOME-BE6, 6, 104).

### **5.3.7 Location and Premises of Bees Coop**

Regarding the location, the closer someone lives, the more likely they participate. Regarding the building, there is a barrier for people to enter the supermarket due to how the entrance area is made. There is an extra space at the entrance of the building which is in front of the shopping area. It looks a bit dark and people do not easily cross this area. If the glass part was directly next to the street, it would probably be more inviting (MOME-BE6, 28, 38). MOME-BE6 (38) ironically said about the situation when her friends were waiting for her outside of the supermarket instead of entering:

*“They wait at the outside, because they have the impression that if they enter, they will be killed, or I don't know.”*

### **5.3.8 Diversity Situation at Bees Coop**

Bees Coop has member-owners of different age classes, for instance families as well as older people. However, except age diversity, member-owners form a very homogeneous group. From the beginning it was the idea to have a diverse group of member-owners, thus it was surprising that it did not work out this way. Interestingly, there is a large difference between member-owners of Bees Coop and people from the surrounding Turkish neighborhood (MOME-BE6, 32).

MOME-BE6 (32, 36ff) mentioned *possible reasons* for the homogeneity of the group: The range of goods at Bees Coop might not satisfy people's demand. In addition, prices at Bees Coop are fair, but not cheap. If products from Bees Coop are compared to products from discount supermarkets, they might appear expensive. Furthermore, it also depends on the salary as to how much someone is able to spend on food. Regarding volunteer work, on the one hand, there might be a lack of understanding for unpaid work contribution, and on the other hand it is easier to work with people who are similar to oneself. Since there are already huge differences between French and Flemish speaking people, the difference to the Turkish community might even be bigger. Furthermore, people from the surrounding community might not have enough capacity to engage in such a project due to family, work, and other duties. Language difficulties could also be barrier. The interviewee, who is French speaking did a personal experiment,

where she went into a Turkish supermarket in Brussels in order to understand the shopping experience there. It was difficult, because products were labelled in a language she did not understand, she did not know many products and she could not find what she was looking for. That made her feel uncomfortable and lost. Whereas at Bees Coop she experienced a feeling of being at home in the supermarket. This might be similar to how people from the Turkish neighborhood experience shopping at Bees Coop. However, people from the neighborhood usually do not even enter the supermarket due to the non-inviting entrance area as explained above.

*Measures to improve the diversity* situation in the cooperative might be the provision of a childcare center, providing information in more languages as well as framing the message regarding volunteer work differently. The interviewee was part of a program that tried to increase the participation of people from the neighborhood. They organized small workshops, were visiting the supermarket, were cooking together, using typical local and seasonal vegetables from Belgium and explained how to use them. Furthermore, there was a research project about enhancing the diversity in the cooperative supermarket. In addition, Bees Coop works with initiatives to also involve people with less monetary means. They can join the cooperative supermarket without paying the investment fee (MOME-BE6, 32, 33ff, 38ff).

## **5.4 Success Factors and Barriers at Bees Coop According to Regular Member-Owners**

This chapter presents key factors for the performance of the cooperative supermarket Bees Coop according to its regular member-owners. Since success is defined as the achievement of results which are sought by those involved (see chapter 2.5, p. 34), aims and goals of regular member-owners are presented first.

### **5.4.1 Aims of Regular Member-Owners at Bees Coop**

For regular member-owners at Bees Coop the main goal of participating is having access to healthy, high-quality food at affordable prices. They want to support a sustainable food supply system where products are produced under socially fair and environmentally friendly conditions. Furthermore, they seek access to a wide range of organic products as well as the choice to buy from local farms as much as possible and additionally, having a convenient shopping experience by making shopping possible nearby as well as long opening hours. Another aim is to meet new people, provide a free time activity, and contribute to a social cause by being part of a cooperative. A further aim is to have a substitute for conventional supermarkets and to establish a multipliable concept that can be spread in Brussels and in other European cities (RMO-BE1, 8ff; RMO-BE2, 11; RMO-BE3, 14; RMO-BE4, 8; RMO-BE5, 24; RMO-BE9, 8).

Since all interviewed regular member-owners joined Bees Coop after the start-up period, key factors which follow only refer to the phase after the start-up period.

#### 5.4.2 Products, Prices, and Opening Hours at Bees Coop

For regular member-owners the access to healthy, high-quality products at a reasonable, balanced price is beneficial (RMO-BE1, 8, 10; RMO-BE2, 21; RMO-BE4, 40, 42, 88). Since Bees Coop offers a wide range of goods – food as well as other products people need for daily life such as cosmetics or toilet paper – it is a one-stop-shopping destination, where member-owners get everything they need at one place, except frozen goods, which are not available at Bees Coop yet. However, it was perceived as very convenient not having to go to several different shops (RMO-BE1, 91f; RMO-BE2, 21; RMO-BE3, 14; RMO-BE4, 10, 20, 51ff; RMO-BE5, 36; RMO-BE9, 36). In contrast, the broad product range might bring people away from a certain philosophy. The wide range of goods also includes products such as processed and unhealthy food, for instance ready-made pizza or chips which are tempting to consume. In addition, it is better to get these products at Bees Coop where they are available in a good quality and produced under fair conditions than somewhere else (RMO-BE4, 55; RMO-BE5, 36). RMO-BE3 (54) also mentioned the contradiction between providing this wide range of goods and being local at the same time.

The majority of interviewees perceived the *prices* as fair and rather low. However, it depends which products are compared: If organic products are compared, Bees Coop has lower prices than in wholefood shops. But if organic products are compared to conventional products in retail trade, especially to products in discount supermarkets, products at Bees Coop are more expensive. Thus, prices are not cheap but fair since they have to cover a fair price for producers as well as the costs for running the cooperative supermarket (RMO-BE1, 60, 87f; RMO-BE2, 21; RMO-BE4, 29f, 77, 88; RMO-BE5, 34; RMO-BE9, 8, 34).

One interviewee, however, perceived the prices as too expensive since they are sometimes even more expensive than at organic markets. The interviewee suggested that it might be better to have a smaller range of products, but better prices in order to provide the possibility of shopping to a broader spectrum of people. This interviewee already stopped her participation, among other reasons, due to the expensive prices (RMO-BE3, 30ff, 34, 80, 94, 120).

The *long opening hours* of seven days a week are perceived as an advantage and allow people more flexibility with their shopping habits (RMO-BE1, 67f; RMO-BE5, 24; RMO-BE9, 34). In conclusion, by providing such a wide range of products Bees Coop is a one-stop-shopping destination which provides high-quality products at fair prices. Together with the long opening hours this depicts convenience for regular member-owners.

*Regarding product information*, as mentioned above by a member-owner with more engagement (see 5.3.1, p. 61), Bees Coop has added to the product information on the goods itself, a store-owned labelling system. It depicts how organic, local, and fair a product is. However, the system is not clear yet. It is not comprehensible how the percentage of how organic, local, or fair a product is, is calculated. Thus, this needs to be improved (RMO-BE3, 46, 55f, 60ff).

### 5.4.3 Volunteer Work at Bees Coop

The *process of becoming a member-owner* should be as simple as possible, not too bureaucratic and consume little time as well as information should be provided by clear documents. The lowering of the investment fee from €100 to €25 was perceived as positive (RMO-BE2, 19, 41).

The *flexibility of the system* was perceived differently, some perceived the system as rigid, some as flexible. RMO-BE2 (25, 67) perceived it as quite strictly organized, but there was also understanding that it needs rules in order to make it work. However, regular member-owners can choose the task they want to work in (RMO-BE1, 97ff). RMO-BE5 (10ff) perceived the system as very flexible as one can choose between flexible and fixed shifts. Fixed shifts require work participation always for the same task and time every four weeks, whereas with flexible shifts it is possible to choose every time what is done and when. Flexible shifts are coordinated with an online system where member-owners can select the shift they want to do. However, they always have to work one shift in advance.

The *expenditure of time* for required work participation of regular member owners is two hours and 45 minutes every four weeks which was perceived as an achievable amount of time to invest in the project. If one wants to be part of something it is inevitable to dedicate some time to it (RMO-BE2, 25, 91). However, it is an effort to take this time, which RMO-BE3 (18ff, 54, 90) could not invest, and therefore quit, among other reasons. RMO-BE9 (82) said that having an incentive is important in order to get active, because being active yourself is the biggest barrier.

*Getting involved in additional fields* of the cooperative, for instance in certain committees or the decision-making, requires a higher investment of time (RMO-BE2, 67; RMO-BE3, 91ff; RMO-BE4, 14ff, 35f, 86; RMO-BE5, 88f; RMO-BE9, 24ff). Having the freedom of choosing the level of further participation besides the required work minimum is appreciated. Some regular member-owners are glad that others involve more so that they do not have to invest more time than the required minimum participation (RMO-BE1, 49ff; RMO-BE2, 29, 61ff; RMO-BE5, 38, 88). This is possible due to the high number of participants (RMO-BE2, 29; RMO-BE4, 67). *Language difficulties* can be a barrier for further participation in committees or other tasks which require good language skills, for instance at the checkout (RMO-BE5, 38, 58). In the beginning a lot of motivation, energy, and time for volunteer work is needed by the people who start the project (RMO-BE1, 121f; RMO-BE5, 106).

### 5.4.4 Day-to-Day Operations and Paid Staff Member-Owners at Bees Coop

There is a *necessity of having paid member-owners*, since they are coordinating the cooperative supermarket professionally. They have a lot of responsibility, for instance in terms of finances or purchase quantities. They are preparing the structures so that regular member-owners can do the routine work. It is important that it is efficiently and well-organized (RMO-BE2, 19, 30ff, 48ff; RMO-BE4, 20ff; RMO-BE5, 67ff). The competent *team of founders* who put that in place are another key factor for the success as well as having a stable core team (RMO-BE1, 16ff; RMO-BE9, 76ff).

The cooperative supermarket has to comply with *hygiene rules* which is not perceived as a barrier, because it is just part of running a food business. There are regular controls by AFSCA, the Federal Agency for the Safety of the Food Chain. Although it is no barrier it influences the way of doing things (RMO-BE1, 152ff; RMO-BE9, 72).

#### **5.4.5 Decision-Making, Transparency, and Communication at Bees Coop**

Regular member-owners perceive the GA as a functional *decision-making body*, since there is a very good team of facilitators, the use of decision-making tools and it is very well prepared. There is a clear structure of how decisions are made. The procedure is explained in the beginning by people who facilitate the meeting and who have experience with collective intelligence methodologies. Even in the beginning when it was still a small group, decisions had to be made in a collective way. Some people who were part of the project in the beginning had a background in collective intelligence methodologies which is one of the key factors to manage collective decision-making processes well (RMO-BE1, 24, 34ff, 39f; RMO-BE4, 34; RMO-BE5, 92, 94). Furthermore, face-to face discussions are necessary, since topics always have to be discussed before a decision can be made (RMO-BE1, 46). Nevertheless, one interviewee would appreciate the possibility of voting online instead of having to go to the GA personally (RMO-BE9, 30). If there is nobody within the cooperative who has knowledge in collective decision-making tools, the support by an external facilitator might be helpful. This expert could guide through different methodologies for making decisions (RMO-BE5, 92). Decisions regarding day-to-day operations are transferred to smaller groups, for instance the committee that works on products is deciding which products are bought and offered (RMO-BE5, 38, 42).

*Transparency:* The internal communication works very well since Bees Coop is operating in a very transparent way, which is important for regular member-owners. All information is available for every participant of the cooperative, for instance at the GA or via email. At the GA topics such as budget, selecting new people for task forces or presentations of current projects (for instance a study on social inclusion) are presented. Furthermore, online surveys are used to communicate with member-owners. However, having an *internal online platform* where member-owners can transparently organize work shifts would be very useful (RMO-BE1, 43ff; RMO-BE2, 19, 45, 61; RMO-BE3, 86; RMO-BE5, 42; RMO-BE9, 43f).

*External communication for winning new member-owners:* Most of the regular member-owners made contact with Bees Coop by word of mouth, mostly they heard about it from friends (RMO-BE1, 111ff, 120; RMO-BE2, 89; RMO-BE3, 14; RMO-BE4, 57; RMO-BE5, 20ff; RMO-BE9, 56). However, member-owners had the impression that advertisement was done. Mainly they remembered flyers which were prepared in several different languages (RMO-BE2, 89; RMO-BE4, 57). One interviewee said that it is important to do advertisement and marketing in order to reach people outside of the Bees Coop network (RMO-BE9, 55f). Furthermore, there are welcoming sessions, where the concept is introduced and explained (RMO-BE2, 45; RMO-BE3, 14). Bees Coop also uses social media such as Facebook (RMO-BE1, 120; RMO-BE2, 73; RMO-BE9, 56). In general, the framing of the message – how the message of the cooperative supermarket is transported – is very important (RMO-BE5, 48, 54).

#### 5.4.6 The Social Component and the Human Factor at Bees Coop

For many regular member-owners the cooperative supermarket is also a social meeting point, where it is possible to meet people they know, but on the other hand, also meet new people, because the project is still growing. Participating at Bees Coop supports getting to know the local community and has social value (RMO-BE1, 10, 21f; RMO-BE2, 21; RMO-BE3, 14, 16; RMO-BE4, 10; RMO-BE5, 48; RMO-BE9, 20ff). RMO-BE4 (10) said the following about the social experience:

*“But it is a community. It’s a sort of community and you go there, you meet people, you know, you’re all in this sort of same mindset. That’s really nice as well.”*

Participation in the cooperative supermarket is also seen as a hobby. Some participants organize collective free time activities such as wine tasting, after work drinks, or workshops for making natural cosmetics (RMO-BE2, 29; RMO-BE3, 14, 20; RMO-BE5, 58).

*Challenging human relations:* It is a barrier when regular member-owners do not feel connected to the people they work with, since working together is a main part for building connection and friendships in the cooperative (RMO-BE3, 22). Furthermore, understanding, empathy, and friendliness from people in the membership office helps to feel connected and motivated, for instance, in the case of inability to work due to sickness (RMO-BE5, 121ff).

#### 5.4.7 The Common Mission and Values of Bees Coop

For regular member-owners it is important to have access to *organic and local products* (RMO-BE1, 90; RMO-BE3, 14; RMO-BE4, 8, 40; RMO-BE5, 48, 101f; RMO-BE9, 8). Besides having access to healthy food, they want to support sustainable food supply and farming systems. Through the choice of their products, Bees Coop supports a transparent, comprehensible, and short food supply chain, where *fair conditions for producers and environmentally friendly production methods* play an important role (RMO-BE1, 16, 60; RMO-BE2, 79; RMO-BE4, 8; RMO-BE9, 8).

However – as mentioned by a member-owner with more engagement above (see chapter 5.3.1, p. 61) – currently the offer of local products is not satisfying for member-owners since there is also a range of non-local products offered. That is unavoidable at the moment in order to provide the broad variety of goods. Other reasons include the effort required when working with many different small suppliers, the logistic challenge, and the risk of shortness of supplies (RMO-BE3, 54; RMO-BE5, 24, 27f; RMO-BE9, 12).

The *alternative business model approach* is appealing to many regular member-owners in contrast to the common profit-based approach. By means of the cooperative business model, high-quality products can become accessible to a high number of people and through all kinds of social classes (RMO-BE4, 40, 42, 55). Instead of supporting conventional supermarket chains which belong to big multinationals, shopping in the cooperative contributes to strengthening the local economy by keeping money in the community and the region, and consequently also increases job opportunities in the region. The goal is to set up a healthy local economy that supports local producers. However, having mostly local suppliers has not been

achieved yet. Furthermore, the culture of consumerism and competition needs to change. Currently, the price is the priority for many consumers (RMO-BE9, 10, 74, 82). However, the cooperative supermarket is a new model for food supply in Brussels, and therefore successful according to RMO-BE1 (16).

*Reducing food waste and packaging:* Many regular member-owners value the zero-waste approach of Bees Coop. For instance, many products are available in bulk or there are appealingly arranged signs for products which will expire soon as well as a discount on these products. Expired products are distributed among regular member-owners for free. Since there is a project in Brussels which uses old bread to make beer, they are considering to reusing it that way (RMO-BE2, 53, 55; RMO-BE4, 47ff).

These values were clearly defined from the beginning. Thus, member-owners could identify with them (RMO-BE4, 39f; RMO-BE5, 96).

#### **5.4.8 Awareness, Attitude, and Self-Empowerment at Bees Coop**

The awareness about the impacts of food consumption influences whether people participate in the cooperative or not (RMO-BE1, 16; RMO-BE4, 78f). Bees Coop is still a very young cooperative supermarket, and thus, they are continuously improving, for instance the structures, the products offered, and their suppliers. It is a constant work in progress (RMO-BE2, 91; RMO-BE3, 94; RMO-BE4, 22ff; RMO-BE5, 24). RMO-BE9 (80) said the following about attitude:

*„...and also and yeah that's maybe a problem, that people today don't want to be responsible for something. That they want to be able to go shopping 24/7 and have everything everywhere and anytime. And taking on this responsibility, I think, it's important to be able to make it a success.“*

The equal right to have one's say and being able to bring one's own ideas into the cooperative is self-empowering and contributes to the success of it as well as the feeling of belonging to something bigger together with others (RMO-BE1, 22, 24; RMO-BE3, 14, 16, 54; RMO-BE5, 48; RMO-BE9, 8, 10, 20, 32).

#### **5.4.9 Networking, Expertise, and Learning at Bees Coop**

Networking with other like-minded projects, for instance with a cooperative bank, supports the whole idea of system change, but networking does not necessarily directly support the success of Bees Coop itself. Though, in the beginning being connected with like-minded initiatives helped to more easily find participants for the cooperative supermarket. In addition, organizations can also buy shares of Bees Coop and Bees Coop has partnerships, for instance with a café that offers cheaper prices for member-owners of Bees Coop. This might be an additional incentive for member-owners (RMO-BE1, 107f; RMO-BE2, 73, 75ff, 89; RMO-BE9, 40). Expertise of participants in certain fields such as human resources, collective decision-making tools, or IT enhances the success. Likewise, so does learning from each other (RMO-BE1, 98, 122ff; RMO-BE5, 92; RMO-BE9, 59f).

#### **5.4.10 Location and Premises of Bees Coop**

Most of the regular member-owners perceived living close to the cooperative supermarket as an important factor supporting the participation in the cooperative supermarket. The proximity to the location allows groceries shopping by bike as well as spontaneous shopping. Moving away is for most regular member-owners a barrier to continuing their participation, unless it is on the way to work (RMO-BE1, 81ff, 87f; RMO-BE2, 22f; RMO-BE3, 18, 22, 26ff; RMO-BE4, 8, 10, 28, 42, 57; RMO-BE5, 80, 82, 101f, 104, 106; RMO-BE9, 8, 14ff, 20).

Shopping at Bees Coop was perceived as a convenient, efficient, and pleasant shopping experience. It is possible to shop there quickly, without losing time at the checkout for instance (RMO-BE4, 20; RMO-BE5, 32).

The *location* plays an important role, since the area where it is set influences participation, for instance, whether people in the surrounding area have enough money to afford the offered products or have an interest for organic products or not (RMO-BE9, 46).

#### **5.4.11 Market and Competitors of Bees Coop**

Regular member-owners perceived the market situation differently. Some said that there are plenty of places which offer organic and local products in Brussels (RMO-BE5, 111). For instance, the organic market “Le Tanneurs” provides products for lower or at least the same prices than Bees Coop does. However, the market only offers a limited range of products such as vegetables, cereals, and cheese (RMO-BE3, 14, 30, 34, 74, 78). In contrast, other interviewees said that there is not much offer for organic, high-quality products in Brussels compared to other cities (RMO-BE2, 85; RMO-BE9, 12). Another interviewee said that some organic markets are more and some less expensive than Bees Coop, but the cheaper ones are located too far away, thus they are not competitors (RMO-BE4, 30). If there were similar projects which are less cooperative but more easily accessible, they could become competitors. Anyhow, so far that is not the case, since currently Bees Coop is the only cooperative supermarket in Brussels. Likewise, if there was the possibility to buy organic, local products directly from farmers for better prices it could become competition for Bees Coop (RMO-BE1, 16; RMO-BE5, 111, 117). The market development in general will influence the success of the cooperative supermarket in the future (RMO-BE2, 91).

#### **5.4.12 Diversity Situation at Bees Coop**

Regular member-owners perceived the participants of Bees Coop as a very homogeneous group. The group is not diverse in terms of nationalities, gender, income, and socio-economic background. The majority of participants are white, middle class, and highly educated people with a high income level. Although the cooperative is set up in a diverse neighborhood which is mainly a Turkish and Arabic immigrant community, it is hard to reach the people from the surrounding area and increase diversity within Bees Coop. However, many regular member-owners would like to integrate more of the local people, to have more diversity within the member-owners, so that people from all types of backgrounds can participate and have access to sustainable high-quality food (RMO-BE1, 142ff; RMO-BE2, 89, 93; RMO-BE3, 70ff, 74, 94, 120ff; RMO-BE4, 77; RMO-BE5, 42).



Regular member-owners mentioned various *reasons* as being responsible for the homogeneity of the group. Many of them said that the prices are too high. For instance, products at Bees Coop are more expensive than in discount supermarkets. Only 200 meters from the cooperative supermarket away is the discount supermarket Lidl. In contrast, one interviewee thinks that the prices are also affordable for people with less income. The job situation of immigrants can be challenging as they are often not very well paid and have long working hours. In addition, many immigrant families have many children to take care of. All of that makes additional volunteer engagement almost impossible. Further possible reasons are a difference in culture, and a lack of awareness for food production methods and impacts of food consumption. Maybe the framing of the message, especially concerning unpaid volunteer work, is not reaching people from the surroundings (RMO-BE2, 93; RMO-BE3, 74, 120ff; RMO-BE4, 77, 86ff; RMO-BE5, 48; RMO-BE9, 48).

Bees Coop is making efforts to increase diversity within the group of participants. They created a committee that is responsible for addressing the diversity issue. It is important to continue reaching out to the surrounding community, not giving up on the dialogue with the neighbors, as well as continuing promoting the idea by, for instance, handing out flyers in different languages. Furthermore, in cooperation with a University, a research project about barriers which prevent people from the neighborhood from joining the cooperative supermarket was carried out. Besides prices, the framing of the message is a main factor. In addition, adapting the range of products might attract more people from the neighborhood, for instance providing products such as halal meat (RMO-BE1, 144, 149f; RMO-BE2, 93; RMO-BE4, 80ff; RMO-BE5, 42, 48; RMO-BE9, 48ff).

## **5.5 Success Factors and Barriers at Bees Coop According to Suppliers**

*Personal contact and a good relationship* with business partners is an important factor for a successful cooperation (S-BE8, 31ff, 66). Furthermore, having *similar values* such as selling local and organic products were mentioned as being important (S-BE8, 19f, 37ff, 63f).

This chapter does not provide more information, because there was only one supplier available for an interview and this interviewee did not provide more information regarding success factors and barriers about the cooperation with a cooperative supermarket. This is further discussed in chapter 8.1, p. 103.

## **6 Results of the Qualitative Interviews: Within-Case Analysis of Park Slope Food Coop (PSFC) in New York City**

This chapter provides the findings of the qualitative interviews with participants of the case study in New York City. It explains success factors and barriers for the performance of the Park Slope Food Coop supermarket according to the interviewees of the three groups of stakeholders – member-owners with more engagement, regular member-owners, and suppliers. Since success is defined as the achievement of results which are sought by those involved (see chapter 2.5, p. 34), aims and goals of member-owners with more engagement are presented first.

### **6.1 Aims of Member-Owners with more Engagement at PSFC**

For member-owners with more engagement at PSFC the aim was to build a cooperative, community-based food supply system in order to have access to high-quality, healthy food at affordable prices. The goal was to support socially and environmentally sustainable production methods, as well as having a more cooperative and less corporate shopping experience by practicing collective decision-making methods and a cooperative governmental structure (MOME-US1, 14; MOME-US5, 18; MOME-US8, 14ff; MOME-US9, 24; MOME-US12, 36).

### **6.2 History of the Origins of PSFC – Key Factors During the Start-Up Period**

This chapter draws a picture of the start-up period of PSFC and presents key factors identified from this period.

#### **6.2.1 Society Atmosphere in the 70s**

Plenty of movements were on the rise in the late 60s and early 70s: The civil rights movement, the Anti-Vietnam war movement, the woman's movement, the gay rights movement, and the hippie movement. Furthermore, awareness regarding environmental concerns and international justice rose as well as a strong labor movement developed. People were on strike because of very low corporate profits and consequent low wages. There was mistrust in the government due to its involvement in other countries where democratically elected leaders were overthrown. Likewise, there was mistrust in the government due to the Vietnam War and the Watergate scandal. In addition, awareness for healthy and environmentally sustainable food consumption increased. People believed in the cooperative spirit of working and owning something together. There was a high number of young people in their twenties who were born after World War II, the so-called baby boomer generation. Many of these young people were progressive, for the most part against the establishment, and due to the social and political circumstances, had motivation to get work done and to start something totally new. All of that was a fertile ground for people to drop out of society and start their own systems (MOME-US1, 14, 16ff, 26, 103, 162, 245; MOME-US12, 22, 94). Against this backdrop a small group of ten people started the grassroots project of the food cooperative in September 1972 and opened it in 1973 (MOME-US1, 6, 56, 162). The founders invested a large amount of their time to work for the project

which required a lot of passion and a high level of involvement. These people were also largely involved in other movements (MOME-US1, 96f, 292ff). To quote MOME-US1 (297):

*“Right, so we were passionate about making the world better, about justice.”*

### **6.2.2 Vision of PSFC**

The vision of the project was to provide healthy, high-quality food at affordable prices by means of a community-controlled institution. The idea was to build a culture of working together, owning something together and building a community, where people felt connected to it together. Interviewee MOME-US1 (22) described it as:

*“...the basic pillars of build community, build connection, build cooperation through working together.”*

They wanted to create an alternative to the mainstream food supply provided by the agricultural food industry. Since the food industry got support by the government, they could offer food at low prices. Eating differently was expensive and hence not affordable for many people. However, in the beginning the food cooperative was more about supply of healthy food through cooperation than about environmental reasons. The slogan of the cooperative supermarket since the beginning has been (MOME-US1, 14, 22, 24):

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*“Good food at low prices for working members through cooperation since 1973”*

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### **6.2.3 Spreading the Idea of PSFC**

In order to spread the idea and gain support by the people, they put up flyers and signs in the neighborhood about the project. However, the idea was mainly spread through word of mouth (MOME-US1, 61; MOME-US5, 80). PSFC has, except in one instance, never carried out active advertising. At this point the project is known for itself and there are even too many people interested in joining the project for its capacity. The cooperative supermarket has a website which provides plenty of information about the project (MOME-US1, 46ff, 54; MOME-US5, 79f; MOME-US8, 99).

### **6.2.4 Systems in the Beginning**

Before the model of the cooperative supermarket was developed as it works today, the group of founders experienced some failed systems. When they first started in February 1973, there were no rules nor governance structures about the member-owner's participation. People could just come and sign up for work if they wanted to and participate. However, there was no work requirement. It turned out that not everybody who signed up also came to do his or her work shift. Thus, a small, more engaged group of people was stuck with most of the work. After the summer, which was an even more challenging time, because people were on holidays and out

of town, the food cooperative was weakened and those very involved could no longer continue to do most of the work alone. Hence, there was a need for a new system. From fall 1973, people were required to sign up and pay a membership fee of one dollar. Still nobody kept track of the work requirement. After one year, again having trouble coming through summer of 1974, they realized that this system also did not work out. Back then the food cooperative already counted several hundreds of member-owners. Finally, the required participation model was implemented. They invented a squad system, where member-owners were supposed to work in groups with the same people in order to cause some social responsibility and to motivate them to show up for work. In addition, they introduced leadership in each group, they put work requirements in place, kept track of them and enforced consequences when the basic minimum of work requirement was not achieved (MOME-US1, 14, 16, 61, 101, 103, 116). MOME-US1 (101) described the first day they refused someone to shop due to missing work participation:

*“It is probably the most important day in coop history.”*

It was important to support fairness by enforcing the concept of sweat equity and it made a great difference (MOME-US1, 103, 116). Over time, the work requirement changed from four hours in the beginning to three and a half, which was still too much for the member-owners. So, finally the system ended up with a required work time participation of two hours and 45 minutes every four weeks. Some years later there was one further adjustment in order to get more people to sign up for the maintenance group in charge of cleaning. The incentive was a reduction of required work time to two hours per shift (MOME-US1, 89). The biggest challenge in the beginning was getting enough member labor to keep the store running and decrease the costs as much as possible (MOME-US12, 20).

### **6.2.5 Decision-Making and Legal Structures in the Beginning**

From the very beginning, *decision-making* was approached in a direct democratic way by means of regular General Meetings, where every member-owner was invited to attend, participate in discussions, and give his or her vote. From 1973 to 1977 the food cooperative was an un-incorporated association. They later incorporated after learning at a food coop conference in Vermont about the advantages of being a cooperative corporation regarding liability, insurance, and a *legal structure* that would protect its member-owners (MOME-US1, 180, 285).

### **6.2.6 Premises and Financing of Premises**

In the very beginning, the food cooperative was located in a grassroots community center, where it shared the premises with other organizations. Later, it rented a room there for \$10 a week. It was on the second floor which was very inconvenient for doing groceries (MOME-US1, 132ff). Initially, the food cooperative was financed by private investments from the founders and their friends which was about \$300 (MOME-US1, 128ff). They did not get any funding by the government nor other authorities or institutions as well as no donations (MOME-US1, 128ff, 162). When the other tenants moved out of the building, the food cooperative showed interest in renting the whole building and furthermore buying the building. In order to raise money for the down payment for the first building, they asked all member-owners to put

in a member investment of \$10 per person. Having about thousand members, this summed up to \$10,000. The landlord was well-disposed towards the food cooperative, so he made a good offer. He lent them a 12-year mortgage of \$40,000. So, in total the building was bought for \$50,000. According to this experience, one interviewee recommended asking for member investment already at the very beginning (MOME-US1, 134ff, 146). As soon as they were owners of the first building, they showed interest in buying the same sized building next door. About 10 years later, in 1988 the owner was ready to sell it for \$350,000 (MOME-US1, 144). The second building was financed by a bank loan, in which the first building was put up as collateral (MOME-US1, 146ff). Directly adjoined these buildings, was a third, bigger building which they were also interested in buying. They asked the owner to inform them before putting it on the market. Again about 10 years later it was for sale for \$850,000 (MOME-US1, 144). To buy the third building, the other two buildings were put up as collateral for another bank loan. The value of property has gone up so much, that it was worth much more than when it was bought. Thus, not even a down payment was needed anymore (MOME-US1, 146ff). The neighborhood, Park Slope, is gentrified and very expensive today, but was very different when the food cooperative started (MOME-US1, 22). Owning the buildings and having more space, allowed the food cooperative to expand its membership, which increased the labor pool, which again allowed it to offer more services such as longer opening hours and a wider variety of products (MOME-US12, 28).

### **6.2.7 Situation in 1993**

Back in 1993 getting healthy, organic food was very expensive. At that time the food cooperative counted about 3,000 regular member-owners and 25 paid member-owners, whereas today the cooperative supermarket counts about 17,000 regular member-owners and almost 100 paid member-owners. The shopping experience in 1993 was rather inconvenient since the space was smaller, the opening hours, the range of products and services such as having shopping carts were much more limited than today. The markup of products has risen, in 1993 it was 17%, today it is 21% (MOME-US12, 10, 12ff 36ff).

### **6.2.8 Diversity Situation at PSFC in the Beginning**

The team of founders were all white, young people between 22 and 26, except one person who was 42. It was a mix of men and women. The food cooperative was set up in a multi-ethnic part of Brooklyn, which was substantially white with Jewish people, people with Irish or Italian roots, a large African American community as well as Puerto Rican and other Latino communities. The food cooperative did not start out ethnically diverse compared to the neighborhood. However, this changed over the years (MOME-US1, 56, 61). In the beginning, reaching out to all these communities in the neighborhood did not work out well (MOME-US8, 54). In 1979, there was an increase of African American member-owners due to more awareness for healthy diet within that community, among others, on the account of publications of Dick Gregory about these topics which resonated with young black people (MOME-US1, 57). The people close to the store are the ones who would benefit the most, however, most of them did not join the food cooperative. The people who joined were those who had just moved to the neighborhood. Participants of the cooperative supermarket tried to attract different people

with a broader product range but failed, because people did not even come to the store to discover the offered products. People did join when they had an awareness and education about the problems within the food supply chain and the effects on their health. Thus, they had awareness and interest in healthy, high-quality food supply at affordable prices. Additionally, an awareness that keeping prices low was possible through working together as well as an appreciation of co-owning a store (MOME-US1, 61, 63, 67).

### **6.3 Success Factors and Barriers at PSFC According to Member-Owners with more Engagement**

This chapter presents general key factors for the performance of the cooperative supermarket PSFC according to its member-owners with more engagement.

#### **6.3.1 Products, Prices, and Opening Hours at PSFC**

The main goal and motivation for participation in the cooperative supermarket and thus a main success factor is access to high-quality, healthy food at low prices (MOME-US1, 14; MOME-US5, 20, 42ff, 44; MOME-US8, 16, 24, 38; MOME-US9, 22, 24, 80, 106f).

The unpaid labor pool provided through volunteer work (MOME-US12, 20) and selling very high volumes, made it possible to keep the prices low (MOME-US8, 18). However, interviewee MOME-US12 (28ff, 31ff) sometimes wonders whether low prices are really that important for member-owners because there has not been any attempt for lowering the markup within recent years at General Meetings. Whereas, in 1993 when the markup went from 15% to 17% people were really upset about it. Increased services such as longer shopping hours led to more expenses and thus to an increased markup, which is 21% today. Cost savings can also be looked at from the opportunity cost point of view: If one works in a paid job instead of working voluntarily at the cooperative supermarket, one would not save any money when the markup is as high as 21%. According to the interviewee MOME-US12 (31ff), in this situation the cost savings are basically zero.

Some former member-owners left the cooperative because their savings were not that great. However, this depends which products are compared with each other. For instance, there is a difference when prices of factory-farmed beef are compared to non-factory farmed beef or organic to non-organic products (MOME-US1, 34).

PSFC offers a very wide range of products, from organic to GMO products, which are well labelled to clarify what they are. PSFC also offers non-food products, for instance socks (MOME-US5, 52ff; MOME-US9, 24, 100; MOME-US12, 36). The cooperative supermarket has become a *one-stop shopping destination* due to their offer of such a broad range of goods (MOME-US1, 74ff, 83; MOME-US9, 108).

Additional convenience is provided by the *long shopping hours*, which is positive for shoppers, but also for workers, so people have the possibility to join the cooperative supermarket in the first place due to finding a window of time which allows them to do their volunteer work shifts (MOME-US1, 84ff; MOME-US9, 107f).

### 6.3.2 Finances at PSFC

MOME-US1 (124ff, 149ff) stated that the most important thing regarding finances is *keeping track* of them. It is important to keep track of finances from the very beginning in a frequent and consistent way. They started analyzing their finances and could immediately make improvements based on the frequent financial reports. PSFC had financial statements from the first week on. Currently there are financial reports released and presented almost every month at the General Meeting, which provides transparency. Also, MOME-US5 (34) mentioned the importance of monitoring the financial situation.

An important source for cash flow is the refundable *investment fee* by member-owners. It is recommended to ask for monetary member contribution from the very beginning instead of waiting for some years like it happened at PSFC. Some member-owners were able to invest more than the required amount, which was especially helpful during the start-up period. That can be a loan provided by member-owners. Since it is a collectively owned business there is a risk of losing the investment fee in case of bankruptcy (MOME-US1, 138, 158; MOME-US11, 107ff, MOME-US12, 20).

Other possibilities to get money are bank loans, fundraising, money from public or philanthropic sources, grants as well as tax incentives. However, except for bank loans, PSFC did not receive any of these (MOME-US11, 107, 117). Furthermore, it helps to have experts in the fields of finances in the team (MOME-US5, 34).

Another factor is to keep the expenses as low as possible, which is possible due to the *unpaid labor pool* provided by the work time requirement of regular member-owners. The lower the costs are, the lower the markup and, thus the prices can be (MOME-US12, 38, 64, 96, 102ff).

### 6.3.3 Volunteer Work at PSFC

The most expensive part of running a grocery store is paid labor. The cooperative supermarket is able to keep its labor cost significantly lower than most traditional grocery stores due to the volunteer work contribution by its member-owners. The core of the project and main reason for its success, is the equal required work participation for every member-owner. Not just owning a business together, but also cooperation by working together as part of the ownership. There are the same conditions for everyone, nobody can buy one's way out of it. All are valued, and everyone's time is worth the same, between regular member owners as well as between paid member-owners. This passes on a feeling of fairness, equality as well as identification with the project, attachment and commitment which builds connection and a community feeling (MOME-US1, 14, 18ff, 22, 103; MOME-US5, 18ff, 20, 42; MOME-US8, 24, 108; MOME-US12, 20, 96). MOME-US1 (18) described it as:

*"You own it. It becomes part of your life, you work in it, part of your time on Earth. The most precious thing you have will be spent at the coop and so it kind of gets into your brain, into your heart. That's the idea to make that connection strong."*

In order to make it work it is important that participants have the idea of working together in mind to provide mutual benefits for each other instead of wanting to solve certain social or

political problems such as poverty, obesity, or any other agenda. It is a mutually beneficial community by the process of working together, owning something collectively and working for it together to keep the prices low, no matter what people's beliefs concerning religion, politics, or other topics are. If certain social or political issues get solved, it is rather a secondary or tertiary benefit (MOME-US11, 41, 83ff, 88f, 91, 93ff).

People have to be very engaged to work voluntarily for two hours and 45 minutes every four weeks to be part of this cooperative experience (MOME-US8, 16, 38). In contrast, for cooperative models where people can choose whether to pay a higher share or participate voluntarily, it becomes a great deal about calculating savings which creates a feeling of not being part of it but trying to find the best deal for oneself with that external organization. People then do not get the feeling that it is theirs. Working together contributes to the feeling that one is part of it, it becomes a "we", not someone else's shop, where one can just shop cheaper. The squad system where regular member-owners always work with the same people also contributes to that "we-feeling". When regular members-owners realize that it is theirs, they care about it and make sure it sustains, survives, and thrives (MOME-US1, 18, 101, 305; MOME-US5, 20; MOME-US12, 20). MOME-US1 (305) said about that:

*"Building connection with the members, so that they feel that they own it.  
That's the most important thing. That's the most important thing."*

It is important that enough member-owners are signing up for work tasks regarding the day-to-day operations of the cooperative supermarket, such as receiving goods or stocking shelves. It is simply about getting the place up and running. Oftentimes, people want to start in fields they are experts in, such as social media. Every extra committee which is formed means a lack of routine work contribution. In general, people can choose their work task as long as the task they want is available, but first, routine work has to be done, then other committees can be filled. It is all about compromising. New member-owners can, for instance, sign up for a task which is needed but not their first choice and then later switch. As soon as someone is a member-owner, he or she can be put on a waiting list for their desired task (MOME-US1, 276ff; MOME-US11, 79, 81; MOME-US12, 118).

One *inefficiency* is the instability of the labor pool. It is necessary that people are reliable at showing up for their work shifts on time and if that is not possible, a switch to another shift has to be organized in advance. If member-owners do not attend a shift, they have to do an additional shift, the so-called makeup shift. However, those sanctions for missing a shift are not strong enough to keep people from missing shifts. Another problem with makeup shifts is that people show up at times and work tasks where in some cases no work is needed, or to tasks that require specific training, for instance being a cashier. Thus, many times there are not enough people to do the specific tasks at hand. Furthermore, there could be more incentives to show up regularly, for instance like the incentive of reduced work time requirement for cleaning (MOME-US1, 89ff; MOME-US12, 40ff, 46, 48).

In order to sustain the labor pool, it is important to educate potential regular members-owners about this particular business model. For instance, educating at the new member orientation about the business model, the strengths and weaknesses of it, as well as talking about finances, the cost of labor versus the savings through the low markup and how the markup can be kept



low or even reduced. Furthermore, creating awareness that being a member-owner means to make some effort and expending time. Joining the cooperative supermarket means becoming an owner of a business, so people should see themselves as owners of a business rather than as consumers of a product. It is important that every member-owner cares about the needs of the organization as a whole instead of his or her particular needs as a consumer. Besides educating about ownership, issuing ownership certificates and changing the nomenclature from “member” to “member-owner” could enhance this understanding (MOME-US1, 32; MOME-US5, 10; MOME-US12, 46ff, 50ff, 58ff, 62ff, 144). MOME-US12 (128) said about the new member orientation:

*“The orientation really has to be a crash course in business ownership.”*

### **6.3.4 Day-to-Day Operations and Paid Staff Member-Owners at PSFC**

*Structure of the organization:* In general, the organization has a completely flat structure. However, in some cases this turns out to be unproductive and inefficient and thus, a more hierarchical structure could be beneficial. Since it is a complicated business organization with highly developed systems and processes, paid member-owners have more knowledge about processes, and therefore more information to offer (MOME-US8, 48; MOME-US11, 12, 25f).

In order to make a cooperative supermarket work *rules and enforcement of these* rules are necessary, especially with regards to volunteer work but also rules concerning safety standards in order to provide safety for member-owners. Even though this system with rules and sanctions is necessary, it is still flexible. For instance, there are exceptions for member-owners who cannot work – either temporary or permanently – like parents who just had a baby or people with illness. In contrast, some paid member-owners perceived not having enough flexibility at work, for instance regarding their work schedule. In general, some of the regular paid staff member-owners think that there is a lack of tools to make changes. There is no system in place to account for certain issues, for instance in the case of inequality or safety requirements, thus it is difficult to make changes (MOME-US1, 18, 101, 103, 116; MOME-US8, 62, 70ff; MOME-US12, 42ff).

*Day-to-day operations:* It is a grocery business which has to run smoothly in the first place. Tasks such as running checkouts and stocking shelves have to work, products have to comply to certain food standards and the law has to be obeyed. All the structures for daily tasks are provided by paid member-owners. Also, hygiene, sanitary, or other legal regulations are part of running a supermarket and thus, must be carried out strictly. On the one hand, there are inspections by various departments such as the New York Department of Agriculture and Markets, the Department of Consumers Affairs, or the Department of Health, and on the other hand, attention to cleanness and hygiene is important regardless since PSFC deals with food. The interviewees did not perceive this as a barrier as it is just part of running a food business (MOME-US1, 126, 300f; MOME-US5, 90ff, 98; MOME-US8, 108ff; MOME-US11, 35).

One paid member-owner described the colleagues as smart, thoughtful and creative, however, they are overburdened because they are the only stable labor pool. Paid member-owners are overburdened, consequently they are overtired and get sick more often and thus, need to take

off time to recover. Hiring more member-owners, however, would mean that expenses would rise (MOME-US8, 48; MOME-US12, 46).

There is *no evaluation for paid member-owners* by the management nor are there peer evaluations among the paid member-owners. It can be frustrating not to get feedback about what was done well and whether things need to be improved. Hence, this is a barrier for improvement. Positive feedback is motivating to continue in a certain way, whereas positive criticism could encourage change. A measure to make sure that this will be implemented would be to stipulate it in the contract (MOME-US8, 64, 68).

There are certain tasks with a higher accident risk. In order to prevent injuries, a safety protocol would be beneficial. Furthermore, standard training procedures are needed for paid member-owners and for regular member-owners. Through concentrated training, tasks can be completed faster and more efficiently. However, team building and teaching also means an expenditure of time (MOME-US8, 70; MOME-US11, 57, 59).

Paid member-owners would like to have *more accountability* which would serve the cooperative supermarket much better going forward, at best, legally stated accountability. Better communication between the management and paid member-owners would be beneficial as there is sometimes no response to proposals of paid member-owners which delays the implementation of certain tasks (MOME-US8, 66, 68, 70).

In order to stay efficient, it is important to separate tasks which can be done effectively by regular member-owners and those which need to be dealt with by paid member-owners, because it requires their expertise. Strictly separating these tasks saves the limited capacity of the paid staff (MOME-US1, 118).

There are the *same payment and same working* conditions for everyone in the same position, no matter how long people have been working in the cooperative supermarket. Interviewees perceived that as fair (MOME-US5, 28; MOME-US8, 24).

*Keeping up with technology* is a success factor, for instance, rewriting and updating the membership database and changing it to a more common database platform as well as keeping software updated in general. Having a membership database which runs smoothly is essential for a cooperative supermarket the size of PSFC (MOME-US11, 4, 6).

There is a *retirement system* for paid member-owners which is now looked after by a recently formed pension committee. However, the cooperative has already decided on a passive investment model for their pension system which is characterized by low risks and low expenses. Forming a committee for that is pulling away labor from the day-to-day operations of the store which is dependent on its anyhow unstable labor pool. It is all about keeping the expenses low and that committee costs money and has no beneficial function. Furthermore, there is a retirement policy for regular member-owners which says that regular member-owners, after a certain age and after a certain number of years of volunteer work in the cooperative supermarket, have the right to stop working but can continue shopping. The years range between the age of 65 and 20 years of volunteer work and the age of 60 and 30 years of volunteer work. Member-owners with more engagement are not in favor of that retirement policy as it is not sustainable for the cooperative due to reducing the available labor pool. If

somebody is physically not able to work anymore, there is the possibility of claiming disability status. Hence, people can claim this when they are old or ill. In case people feel offended by the term “disability”, it could be, for instance, changed to “differently-abled”. With the current retirement system over 1% of the membership can retire which is absolutely unsustainable with regards to the unstable labor pool. However, the membership has decided on that, so the system is in place (MOME-US1, 8ff; MOME-US12, 115ff, 119ff). Interviewee MOME-US12 (124) phrased it very dramatically:

*„You know what, that might be the end of the coop.“*

### **6.3.5 Decision-Making, Governance Structure, and Transparency at PSFC**

There are on the one hand, operative decisions, the day-to-day decisions for running the store and on the other hand, strategic decisions about how the cooperative supermarket functions as a whole (MOME-9, 38; MOME-US11, 35).

*Day-to-day decisions* regarding the daily business are transferred to various smaller groups or individuals within the cooperative supermarket in order to be more efficient. For instance, the management is able to make decisions on their own and so can area coordinators who have specific knowledge in the field they are working in. However, regular paid member-owners perceive not being involved enough in decision-making by the management (MOME-US8, 40; MOME-US11, 35, 141ff).

Strategic decisions regarding the direction the cooperative supermarket is heading are decided at the *General Meeting (GM)*. Every member-owner can come to the GM and vote which was perceived as positive by almost all interviewees. The ultra-democracy approach allows the membership to decide – the wisdom of crowds comes into place (MOME-US1, 232; MOME-US9, 24). MOME-US9 (38) said the following about the GM:

*“They get there, and this is where we make the rules of how the coop is going to be, of how the coop is going to function. This is our government.“*

There are three *substantial bodies* of the GM which include the Board of Directors, the Chair Committee and the Agenda Committee. Members of these committees do their duty as part of their required work participation and thus, get work slot credit for it (MOME-US1, 206).

*The Board of Directors (in the following called the Board) and the Board Meeting:* Since PSFC incorporated in 1977, it was – according to the New York State Cooperative Corporation Law – legally required to have a Board of Directors as the legal decision-making body of the cooperative. Since the cooperative already had their decision-making body – the GM where all the member-owners could vote – they defined within their bylaws that the GM is part of the Board Meeting. The Board members are elected for a three-year term and every member-owner can run for it. The Board is required to receive the advice of the member-owners which is expressed by their votes at the GM. However, the Board has a right not to listen to the advice of the member-owners in the case where a decision is illegal or puts the cooperative at risk, for instance, causes immediate irrefragable financial harm. It has just happened once since 1977 that the Board decided against the member-owner’s votes. These members of the Board were not re-elected. Thus, from a legal perspective MOME-US1 (253) said:

*“All power comes from the Board”*

Still, the role of the Board is to take the advice of the member-owners, to reflect their voice and give that power to the membership. Thus, the cooperative can be run in a democratic, cooperative and collective government structure and still fulfills the legal requirements of New York State. The Board is not allowed to hold meetings outside the GM and it is not the Board's mandate to come up with policies. Boards in general are perceived as powerful and as the ones who decide the direction of an organization, but that is different to this cooperative Board. However, also within the cooperative this has to be kept in mind by individuals, especially by Board members. One interviewee questioned whether it is sustainable in the long run to always (except in the case of immediate extreme danger for the cooperative supermarket) take the advice of member-owners (MOME-US1, 182, 190ff, 232, 253, 265; MOME-US9, 12, 42ff; MOME-US11, 35, 49; MOME-US12, 4, 54, 68ff, 142).

The *Chair Committee's* job is to make sure that the GM takes place according to its rules. Members of the Chair Committee help to run the meeting smoothly, they take the agenda and facilitate the meeting by keeping it on time and on track. They make sure that the wide variety of members can express their opinions. The Chair Committee is not elected. Member-owners who would like to join the Chair Committee are interviewed by them (MOME-US1, 198, 260ff; MOME-US9, 4).

The *Agenda Committee* is elected by the member-owners at the GM and authorized by the Board. Their duty is to set the agenda, the topics discussed at the GM. The Agenda Committee has to follow rules such as being non-partisan and fair and choose agenda items according to the order they were submitted unless a topic has to be discussed very urgently. For instance, there could be an election schedule which has to go first. Any member-owner can submit an item to the Agenda Committee and every item will go on the agenda at some point (MOME-US1, 183ff, 189ff; MOME-US9, 24ff).

There are *clearly defined rules for running* the General and Annual Meetings. Likewise, there are a lot of rules for the Chair Committee and the Board members. The set of rules and the bylaws ([Park Slope Food Coop, s.a.](#)) have been changed and improved in order to tighten up procedures. Adding more rules would not enhance the efficiency of the GM anymore, however, having these rules is very important (MOME-US1, 198; MOME-US9, 56, 82).

*Voting procedures at the GM:* Decisions are made by simple majorities, however, a boycott of certain products for instance, requires 75% of the votes (MOME-US1, 195f, 233ff, 242ff).

Face-to-face discussions are necessary thus, the decision-making cannot be changed to an online space. Some topics require back-and-forth discussions, and these cannot be done via online tools (MOME-US1, 250ff; MOME-US, 12, 89ff).

*Measure for improvement of the GM:* There has to be a higher bar to get a topic on the agenda of the GM. It should be proven in advance that the topic is relevant for the cooperative and its member-owners. Likewise, the goals of a concept and how to implement it should be clear. This would already evoke a discussion in advance. Reaching out to the community could be achieved, for instance, through a campaign, an online petition or an article in the in-house newspaper of PSFC, the Linewaiters' Gazette. Then, member-owners could agree or disagree

online or by collecting signatures as to whether it will be set on the GM agenda or not. Thus, if there is no interest, it would not even go to the GM in the first place. This would save time at the GM. Currently, time for each agenda and discussions is very limited due to the packed program (MOME-US11, 49, 51ff).

*Enhancing participation at the GM:* Without any incentive interviewees guessed that participation at the GM would be between 50 and 75 people, which means between 50 and 75 member-owners make the decisions for 17,000 member-owners. In order to enhance participation at the GM an incentive system was realized. Twice a year member-owners are given work slot credit for participating at the GM. It is also possible to do a makeup shift at the GM. Without incentive, the attendance at the GM is rather low, and attendees are a small and more dedicated group of people. The smaller the group of people, the easier another group of people could take control over certain decisions and thus, it would become less democratic. The incentive has worked, hence more member-owners attend the meetings today, on average approximately between 350 and 500. However, there is the problem that many of the attendees only attend physically without really paying attention. People are rather on their phones or do things other than being involved in discussions regarding the agenda items. Furthermore, people do not really know how the GM works when they only attend once or twice a year. Contrarily, one interviewee said that not everybody is absent minded, and for whatever reason they are coming, they are there in the end and can have a say and vote (MOME-US1, 204ff; MOME-US5, 22ff, 26; MOME-US9, 36, 38; MOME-US12, 56ff).

In order to *increase attention at the GM*, currently a new idea has been discussed. The idea is to create 22 groups of 10 regular member-owners each, who would attend the GM for a two-year term as part of their required work participation. In the beginning it has to be staggered, until all groups are formed. Every month 10 people's two-year term would end. To form these groups, member-owners would be selected at random and can then decide if they want to give up their previous work tasks for this. The goal is that member-owners learn more about how the GM works due to constant participation over a two-year period. For instance, they would improve their ability in reading the financial statements and learn how to give advice to the Board more efficiently. The Board could be assured that they get advice from member-owners who paid attention and who know what is going on. To create a commitment for paying attention and a willingness to learn how the meetings work, future member-owners of these groups would have to sign an agreement to do so. However, in order to change this policy, it has to pass the GM, which means it has to be agreed on by the membership. One interviewee sees an advantage in replacing the old incentive system with the new one, which means that there would only be work slot credit for those 220 people, besides the member-owners in the committees. Another interviewee stated that there will still be a risk that people do not participate, and the current incentive system is randomly selected too. Furthermore, the current system was approved by the membership and if there is a structural change, it should come from the member-owners. Furthermore, taking away the current incentive system would again limit participation (MOME-US1, 206, 210; MOME-US5, 26; MOME-US9, 38ff, 44, 86; MOME-US12, 82ff).

*Power structures:* Participants had different opinions about the power structure in the cooperative supermarket. On the one hand, there was the perception that power is concentrated

and that there is no functioning controlling body to identify existing power structures. For instance, the Personnel Committee is a controlling body which has the function to oversee the management and intervene if necessary. However, it is not perceived as well implemented. On the other hand, another interviewee does not see any concentration of power since everybody, also the management, has to bring their agenda to the GM, where everybody can attend and participate. Anybody can run for any position they want, which basically just means more work (MOME-US8, 49ff; MOME-US9, 68).

*Transparency:* There is a lack of transparency perceived between the management and regular paid staff concerning day-to-day decisions of the cooperative supermarket. More transparency as well as including the regular paid staff in decision-making could lead to more success for the cooperative supermarket. For instance, when new projects are started, certain people might have certain skills which would benefit that project. But if decisions or background information about that project are not shared, it is impossible to identify specifically qualified people. In addition, it would be beneficial to get more explanations from the management regarding why certain things cannot be addressed, and how long a certain agenda has to wait. The period of time the paid staff must wait for certain decisions or information could be used more efficiently. Furthermore, it would cause a better feeling for the paid staff if they knew what was going on. Possible reasons for the lack of transparency are due to personality and cultural issues as well as people who think they know best, rather than a lack of resources. More transparency could be provided, for instance, by sharing the content of the management's weekly meetings. However, opinions about whether there is a lack of transparency or not differ depending on individuals' points of view (MOME-US8, 40, 41ff, 48, 54, 64; MOME-US11, 26, 141).

*Transparency and internal communication* are provided, among others, by the cooperative's in-house newspaper, the Linewaiters' Gazette which is run by regular member-owners who define the editorial policies themselves. It is an independent press and not controlled by the management or any other committee (MOME-US1, 271; MOME-US9, 62). Furthermore, social media channels such as Facebook, Instagram, and Twitter are used. In addition, a member-owner developed an app, however, it is only available on iPhones and does not provide all internal information such as internal work shift information. Although social media and apps are in use, they could be used more efficiently (MOME-US1, 50ff, 266ff; MOME-US5, 78; MOME-US11, 10).

### **6.3.6 The Social Component and the Human Factor at PSFC**

Regularly working together for something which is collectively owned builds connection between people and contributes to *building a strong community*. People's desire of belonging to something and being part of something bigger can be satisfied in this community. The beautiful thing is that anyone can be part of it and can have value through that. One can meet like-minded people, but people also meet others who they would have never met otherwise. Besides building a community within the cooperative supermarket it also creates a *healthy human ecosystem* in terms of the relationship with their suppliers. For instance, PSFC has a cooperation with the Lancaster Farm Fresh Cooperative which enables them purchase guarantee. The small-scale farmers of the cooperative can grow whatever they want in whatever

amount is possible for them and still be sure that they can sell their products (MOME-US1, 14, 22; MOME-US5, 40, 44; MOME-US8, 18ff; MOME-US9, 100, 103ff; MOME-US12, 38).

Practicing an ultra-democratic approach means that all member-owners have equal rights of participation, whether it is expressing an opinion at the GM, or in day-to-day situations with others. There is freedom of speech where everybody has the right to have a say. It can be challenging when *contentious topics* are discussed, and people have different opinions, when emotions get involved or certain topics raise people's fears. People could get tensed, loud or upset. Furthermore, there might be people with dominant personalities who raise their voices often without saying much (MOME-US1, 211ff, 223ff; MOME-US5, 22; MOME-US9, 38, 44). All of that can be a challenge, but this is part of what the cooperative is. MOME-US9 (56) phrased it like this:

*„I think what you're looking at is the human, is that human factor and this is a coop that says you know we're member-owned and the members have a voice and we want the members to run the coop. So, if that is the way that you actually or we actually want our coop to run, then we have to deal with people.” (laughs)*

Thus, there needs to be a respectful attitude towards each other and a sincere willingness to listen and talk. Among all participants – regular member-owners, paid member-owners and the management – it is necessary to have a solid base of communication. It is about learning how to talk to each other and learning how to listen to each other. However, it might require the courage to be open, to hear something someone does not want to hear, and it might be uncomfortable to talk, take on responsibility, and push oneself to do so. In an impasse, external professionals in the fields of communication or mediation could help to have a conversation instead of shutting it down. Likewise, when individuals start certain projects for the cooperative on their own, such as creating an app for the cooperative supermarket, it is advantageous to consult other people who are involved in the field, in this case the IT department, before doing it on one's own. Otherwise it can turn out to be unproductive (MOME-US8, 78; MOME-US9, 42, 50, 56, 60, 66, 70, 82, 84, 94; MOME-US11, 12, 35).

### **6.3.7 Politics in the Cooperative**

According to the international principles of cooperation, a cooperative is supposed to welcome everybody. When the cooperative takes a stand on political topics, the question arises if that violates these principles. However, the cooperative wants to take political stands for instance, in the past by boycotting products from South Africa because of Apartheid or boycotting lettuce and grapes from California in order to support the Unite Farm workers for farm worker rights. A boycott can only take place when the membership decides so at the GM. In the past, successful boycotts had to have a simple majority, which has changed, and today it has to be over 75%. However, usually boycotts achieve over 90% support. If there is overwhelming support for a certain issue, political stands can be taken. It becomes challenging when a decision only just passes. Contentious political topics which are loaded with emotions on both sides can be challenging and dividing for the cooperative. If a vote on a certain issue is very close, people on both sides could get upset. MOME-US9 (42) commented on this:

*“... I think that there are a lot of different political issues and I think that is the thing, that's the most difficult thing in dealing with the coop.”*

Furthermore, if issues are just voted down, it is probable they will keep coming up again. Avoiding discussing certain topics people want to talk about becomes challenging. It needs conversation and communication. If people are stuck having an actual conversation about certain topics, a professional facilitator could help. Political contentious topics can become a distraction therefore, the cooperative should rise above political divisions and focus on what the cooperative is about - working together. Regardless, it is about bringing people together rather than finding differences between one member-owner and another. In the end the cooperative supermarket is not about affecting public policy. Instead member-owners should focus on topics related to the supermarket such as improving organic standards or environmental topics which effect the food supply (MOME-US1, 237ff, 244f; MOME-US9, 38, 44, 46ff, 60, 62, 64, 84; MOME-US11, 41ff).

### **6.3.8 Awareness, Attitude, and Self-Empowerment at PSFC**

People who join a cooperative supermarket project like this usually have a certain level of *awareness* and knowledge about food production, food supply systems and related costs as well as their consequences for the environment and human health. These people have an interest in cooperation and knowledge about what it means to work and own something together, and likewise an interest in environmental concerns such as zero waste approach, fair conditions for farmers, organic produce, and an awareness for healthy food consumption (MOME-US1, 34, 67; MOME-US5, 47f; MOME-US8, 84; MOME-US11, 84f).

Regarding *attitude*, the most important approach is to always evaluate and try to improve performance. Hence, it is a *constant work in progress*, whether it is about decision-making at the GM, rules for work requirement, day-to-day operations in the store such as product range, cooperation with other institutions, or any other field of the cooperative supermarket. In order to be able to constantly improve the performance, feedback mail is sent out to regular member-owners who left the cooperative asking for the reasons of their leaving. Likewise, the shopping area is observed when it is very crowded and regular and paid member-owners are asked how they perceive it and what could be changed in their opinion. In addition, it is important to have curiosity for breaking new ground as well as curiosity about certain issues and to find possibilities to change them (MOME-US1, 14, 32, 38, 61, 83, 89, 117ff, 199, 206, 247; MOME-US5, 98; MOME-US8, 56, 58, 60, 78, 112ff; MOME-US9, 56). MOME-US8 (60) phrased it like this:

*“Because curiosity leads to learning and learning will happen and will show what else we need to learn.”*

Furthermore, an attitude of taking on responsibility, a balance between community versus individualism as well as integrity and excellence at work are advantageous (MOME-US5, 98; MOME-US9, 68, 94; MOME-US11, 14ff).

The *equal right to have a say* values everybody in the same way whether they have been member-owners for 30 years or since yesterday. The only thing a member-owner has to do in



order to be heard, to have a voice is to come to the GM. The golden rule is: one-person-one-vote. Having the chance to participate as well as a right for a say and to vote is very empowering (MOME-US5, 27ff; MOME-US9, 24, 42, 68, 82, 86, 94, 100; MOME-US12, 140).

### **6.3.9 Networking, Expertise, Experience, and Learning at PSFC**

*Networking, support, and exchange of knowledge:* PSFC has never had any support by local authorities or the government, but if it is available, it is beneficial for the cooperative supermarket. However, without any funding the cooperative stays more independent (MOME-US1, 159f; MOME-US5, 86ff; MOME-US8, 95f). PSFC does support start-up food cooperatives by sharing their experiences with them in order to help to build a cooperative economy. It is beneficial to create networks with all kinds of cooperatives, for instance, the “Anti-Oppression Resource and Training Alliance” (AORTA) which is a cooperative of cooperatives who make sure that cooperatives are not practicing oppression. In general, through networking, experiences and knowledge with other cooperatives can be exchanged. However, there could be more exchange with other cooperatives about governance and structure of power as well as cooperative work in general. In contrast, within PSFC there is good exchange of knowledge between long-term and short-term member-owners and knowledge is passed on to the next generation of member-owners (MOME-US1, 280f, 286f; MOME-US5, 100; MOME-US8, 52, 58, 94, 114; MOME-US11, 137).

*Expertise of regular and paid member-owners:* PSFC has access to a lot of member-owners who have experiences and who are experts in certain fields, whether it is food supply, IT, finances, or law, to name a few. This is also a network which grows over time and with an increasing number of member-owners. Experience and expertise are beneficial, however, not every paid member-owner has worked in the grocery business before (MOME-US5, 35f; MOME-US8, 30, 33ff, 58; MOME-US11, 62ff, 67, 77ff).

### **6.3.10 Location and Premises of PSFC**

The choice of *neighborhood* where the cooperative supermarket is located influences its success. In general, neighborhoods with high population densities and large residential areas are favorable. A neighborhood with high turnovers and rental properties is probably not very stable in terms of population. It is beneficial to figure out what works in terms of income, professions and marital status. At best, these are neighborhoods with a stable population, such as families rather than young, single people like students but with a kind of progressive mindset (MOME-US8, 84; MOME-US11, 123, 135).

The *distance* to the supermarket also plays a major role. Most people leave the cooperative because they move away. In general, the further people live away, the more likely this is to be a barrier for participation. However, PSFC also has member-owners coming from far away such as Harlem, The Bronx, New Jersey, Connecticut, or Poughkeepsie. Furthermore, the accessibility by public transport is important. PSFC is located near many train and bus stops, which is very convenient (MOME-US1, 32; MOME-US5, 68ff; MOME-US8, 86ff, 90, 92; MOME-US9, 78; MOME-US11, 123).

*Renting versus buying:* In a market, where prices for property are extremely expensive and still rising as they are in Park Slope, it is advantageous to own the real estate in order to be independent from an increase in rent. Usually this means it is necessary to buy before the market gets too expensive. However, if there is a well-disposed, fair landlord and there is a reasonable contract, it is not necessarily a barrier to rent. In the case of renting a space, there is a risk of having to move at some point. If a cooperative supermarket has to relocate somewhere else, it might lose a majority of its member-owners from the initial neighborhood. It is beneficial to get a space as large and affordable as possible to lower the risk of growing out of the space and having to move later (MOME-US8, 80ff; MOME-US11, 123ff, 129, 133; MOME-US12, 94).

It is also important to be on the ground floor, because, first it is more convenient for doing groceries and second, so people can see inside the store which might pique their curiosity. For receiving goods, a loading dock is advantageous (MOME-US1, 132; MOME-US8, 80; MOME-US11, 123).

PSFC has reached its limit concerning space related to the number of member-owners which is about 17,000. Thus, at busy times it can get very crowded in the shopping area. In addition, the storing capacity in the basement has reached its limits. A possible solution is to somehow restrict shopping times in order to be able to receive more member-owners without causing bigger crowds in the shopping area. In order to receive a high number of new member-owners, the opening of a second location would be necessary, which would have to be decided by the membership (MOME-US1, 34, 38, 41ff, 309).

### **6.3.11 Market Situation**

Within the past ten years organic foods have become popular enough that conventional supermarkets make profit by them. Before that, demand was low, and consequently also the offer for organic foods. It was sort of a market niche, and thus very expensive. Still today it is difficult to find healthy affordable food in the market (MOME-US-5, 90; MOME-US8, 38; MOME-US12, 24ff, 38).

### **6.3.12 Diversity Situation at PSFC**

Opinions about the current diversity situation of member-owners in the cooperative supermarket differed. There are no statistics concerning this. Three interviewees perceived the group of regular member-owners of the cooperative as ethnically diverse today. One interviewee said they also try to reflect that within the paid member-owner staff, but this is not the case according to another interviewee. The presence of a person of color in one of the committees, which are present at the GM, could be a welcoming signal for people of color to join GMs in order to enhance participation in the decision-making. Another interviewee appreciates working with such a broad spectrum of engaged people, whether young or old, from the neighborhood or another country. However, there is much less diversity than there could be and PSFC is not as inclusive as it could be. One interviewee said that people perceive the cooperative as a white people's place which does not attract people of color. This interviewee thinks this is something which should be worked on. Likewise, another interviewee said that the cooperative did not mirror the diversity of the borough of Brooklyn, especially as the

cooperative is located in a multi-ethnic part of Brooklyn (MOME-US1, 56f; MOME-US5, 44; MOME-US8, 38, 57f; MOME-US9, 24, 68; MOME-US11, 99).

MOME-US11 (99, 103) mentioned possible *reasons* for being not as diverse as the cooperative could be, especially in referring to immigrant communities. For instance, immigrant communities have mostly built their own food infrastructure such as markets, bakeries and restaurants which reflect their culinary heritage and they feel connected to these food chains. These are communities of their own with their own identity. Another reason might be the fact that typical immigrant jobs in general require more expenditure of time, which does not allow them to do additional volunteer work. People in the second or later generations could more often reach a certain income level and thus, are more likely to participate.

*Measures to improve diversity:* It requires societal education about healthy food production and consumption and its consequences in order for people to join. If there is no awareness about that, there is also no incentive to join. Another measure would be to expand the product range, for instance, halal meat for Muslim member-owners or kosher products for Jewish member-owners. If there is an offer of organic halal or kosher products, these products might also appeal to other people, just because they are high-quality products. PSFC has a committee that works on inclusion, equality and equity, where the idea arose to offer information in different languages. However, this is hard to implement as it means an extra work load and capacities are limited (MOME-US1, 67f, 71f; MOME-US8, 54f; MOME-US11, 101).

## **6.4 Success Factors and Barriers at PSFC According to Regular Member-Owners**

This chapter presents key factors for the performance of the cooperative supermarket PSFC according to its regular member-owners. Since success is defined as the achievement of results which are sought by those involved (see chapter 2.5, p. 34), aims and goals of regular member-owners are presented first.

### **6.4.1 Aims of Regular Member-Owners at PSFC**

For regular member-owners at PSFC, the main goal of participating is having access to high-quality food at low prices. The aim is to consume local, environmentally sustainable, and healthy products as well as to support the local economy. Another goal is to be a community with a healthy food lifestyle (RMO-US3, 12; RMO-US4, 12; RMO-US6, 10).

Since all the interviewed regular member-owners joined PSFC after the start-up period, the following key factors only refer to the phase after the start-up period.

### **6.4.2 Products, Prices, and Opening Hours at PSFC**

The key success factor for regular member-owners is access to high-quality food at much lower prices compared to conventional supermarkets or even food cooperatives which operate without the required work participation model (RMO-US2, 18; RMO-US3, 12, 28f, 31, 67, 69; RMO-US4, 12, 28ff, 36, 74; RMO-US6, 10, 14, 45f). Most regular member-owners are interested in healthy, organic, and local products (which they find plenty of at PSFC) and in supporting the

local economy (RMO-US3, 12; RMO-US4, 12, 74; RMO-US6, 48ff). Furthermore, there is a concern about environmentally conscious consumption which can be realized, among others, by the possibility of buying products in bulk and thus, reducing plastic waste (RMO-US3, 12; RMO-US6, 14, 46).

PSFC is a *one-stop-shopping destination* which offers a very wide range of goods. According to several interviewees, it is an advantage to have the choice between different products, whether it is organic or conventional produce, or sometimes also GMO products. It is good to have the choice of different product types, since these products vary in terms of price (RMO-US3, 32ff; RMO-US4, 14, 32ff; RMO-US6, 73f). Furthermore, the *long opening hours* provide convenience for regular member-owners (RMO-US3, 46ff; RMO-US6, 65ff).

#### **6.4.3 Volunteer Work at PSFC**

A main factor for the success of PSFC is the availability of an unpaid labor pool through volunteer work which allows prices to be kept low. The membership is responsible for the majority of the workforce (RMO-US2, 18; RMO-US3, 18, 77; RMO-US4, 18). RMO-US2 (18) said the following about this:

*“A success of a coop really lies within its membership. ... So, I think the beauty of it is when it works appropriately, everyone benefits.”*

RMO-US3 (77) said about the work requirement:

*“Well, it is not that they make you work, that’s the way that it works.”*

However, a higher amount of time for required minimum work would not be appreciated (RMO-US3, 73ff). Integrating the work shift duty into the daily schedule is beneficial (RMO-US6, 43f).

*Level of participation:* It is more effort and additional expenditure of time to engage extra in the cooperative supermarket, for instance being a squad leader or attending the GM. However, besides the required work minimum every member-owner can decide their level of further participation. The supermarket works nevertheless (RMO-US2, 157ff; RMO-US3, 23ff; RMO-US6, 55ff).

Regular member-owners appreciate the *retirement policy* which makes it possible to retire after a certain age and a certain number of years of work participation in the cooperative supermarket (RMO-US4, 58ff).

One interviewee, RMO-US6, made *suggestions for improvement* regarding the volunteer work requirement. Since there are so many regular member-owners who provide a surplus of labor, a reduction of required hours for volunteer work could be implemented. For instance, doing a shift of two hours and 45 minutes only every eight weeks instead of every four weeks. Since there is enough labor to keep the store running, additional work tasks could be implemented. For instance, offering tutoring for children of other member-owners or classes in fields regular member-owners can offer, for instance language or art classes (RMO-US6, 54, 75ff, 78ff, 88).

#### **6.4.4 Day-to-Day Operations and Paid Staff Member-Owners at PSFC**

PSFC has a clearly defined system in place with its rules about how the cooperative works. However, there is also flexibility within the system, which is appreciated by many regular member-owners, for instance, the possibility of doing makeup shifts when a regular shift was missed (RMO-US3, 18ff, 25; RMO-US4, 69f). In contrast, RMO-US6 (36ff) perceived the system regarding work requirement and makeup shifts as rigid and complicated. But also, RMO-US6 realizes that there have to be rules in order to make it work.

Paid member-owners – *regular paid staff as well as the management* – are perceived as competent due to making the cooperative supermarket run smoothly (RMO-US3, 14, 16, 69).

#### **6.4.5 The Social Component and the Human Factor at PSFC**

For the most part, regular member-owners perceived the cooperative supermarket as a *social meeting point*, where they can feel a sense of community and camaraderie. A community feeling is created through working together. Regular member-owners meet the same people every four weeks at their shift which builds relationships (RMO-US3, 18, 77; RMO-US4, 12ff, 74; RMO-US6, 14, 16, 45f).

However, *challenging human relations* also develop when so many people interact. Personal dislike and interpersonal difficulties have occasionally occurred between participants of PSFC (RMO-US2, 20ff, 27ff, 105, 137, 146; RMO-US6, 16, 22ff).

Since there are so many people involved and in order to make it work, a sincere *attitude of listening and talking* to each other is needed, as well as having the humility to acknowledge that mistakes can happen (RMO-US2, 38, 74, 105, 133).

#### **6.4.6 Governance Structure, Transparency, and Internal Communication at PSFC**

One interviewee was in a very unique, controversial situation where the utilization of democratic governance tools was needed (RMO-US2, 20, 32). This interviewee felt unfairly treated in the way the existing democratic bodies and structures were interpreted and realized by the people responsible for it. From the interviewee's point of view, democratic structures exist to some extent but are only selectively put into action due to bias by certain groups of people or individuals (RMO-US2, 26, 32ff, 36, 50, 60ff, 80, 137, 142, 146).

In addition, the interviewee experienced a lack of internal communication and transparency since there was neither response to emails, a genuine exchange of information about this particular case nor the possibility of using the cooperatives in-house newspaper "Linewaiters' Gazette" as a platform for communicating the case from the interviewee's point of view (RMO-US2, 30, 36, 40, 105, 133ff). In contrast, other regular member-owners are content with internal communications, as they provide current news and information which are either communicated via social media, emails, or the newspaper (RMO-US3, 27). The case explained above is a very unique one, even RMO-US2 (54) said about it:

*“I don't know a situation like mine, because I think mine's extremely unique.”*

#### **6.4.7 Identification, Awareness, Attitude, and Self-Empowerment at PSFC**

There is identification with the cooperative supermarket through ownership and work. Together, member-owners belong to something bigger they collectively own and work for and believe in (RMO-US3, 18). RMO-US4 (18) phrased it like this:

*„You have an investment, you pay this investment when you join, so you actually, it's your, part of your ownership. So, it makes you feel more like, it's part of, it is for you, you know, so. And working is actually a big part of it, making it more successful, I think.”*

It is important that people have an understanding for the cooperative spirit as well as an *awareness* about eating healthy, food production, and the environment. Being a member-owner of the cooperative supermarket is a choice of lifestyle (RMO-US3, 12, 77; RMO-US4, 74; RMO-US6, 16, 34). It is important to be committed to the project, and a commitment for working is especially important (RMO-US4, 19ff, 70, 74). RMO-US4 (26) said about commitment:

*“Because it's a relationship, like in a relationship, so it's like, if you don't want to commit to it, it is not going to be really a relationship. So, I think it's just a commitment that you have to work on something, to work, you know.”*

It is self-empowering that every member-owner has the equal right to have one's say. Besides voting at the GM, regular member-owners can ask, for example, for new products which will then be ordered by paid staff member-owners. Furthermore, member-owners can bring their own ideas into the cooperative (RMO-US3, 38f; RMO-US4, 50; RMO-US6, 62ff).

#### **6.4.8 Location and Premises of PSFC**

*Distance to the location:* In general, the closer someone lives to the cooperative supermarket, the more convenient it is. Some member-owners walk or bike there. Living close to the supermarket allows spontaneous shopping habits. However, many participants travel far to reach PSFC, for instance by car or taxi, although parking is a bit of an issue since there are no parking lots near the store. PSFC is centrally located and therefore easily accessible by public transport. One interviewee said that if it was located in a remote place, it would probably be not as popular as it is. Some member-owners who live farer away, do their groceries on the way home from work (RMO-US3, 51, 55; RMO-US4, 37ff; RMO-US6, 10, 72, 88).

The *capacity of space* is reaching its limit with regards to the number of member-owners and the space available. The shopping area can get very busy and crowded with long lines at the checkout which is time-consuming. Thus, the shopping experience is not perceived as very pleasant. A possible solution would be opening an additional store (RMO-US3, 59; RMO-US6, 36, 68ff, 86ff). RMO-US6 (88) described the shopping experience as the following:

*“Whole Foods [U.S. leading organic supermarket chain] is like a spa (laughs). Whole Foods is a spa, the coop is like, ahhhrgh, the line.”*

However, the overall atmosphere when shopping at PSFC is also perceived as special in a positive sense. It is a familiar, protected space which passes on totally different feelings than other grocery stores (RMO-US4, 30).

#### **6.4.9 Market and Competitors of PSFC**

Additionally, one interviewee occasionally shops at the conventional grocery store Trader Joe's, although there is not much trust in food from conventional supermarkets (RMO-US3, 57, 67). Another interviewee said that Trader Joe's offers interesting products at affordable prices, but of low quality (RMO-US6, 10ff). Nowadays, more and more places, for instance “Amazon wholefood” offer good, even organic products for similar prices as PSFC (RMO-US6, 14).

### **6.5 Success Factors and Barriers at PSFC According to Suppliers**

This chapter presents key factors for the collaboration between the cooperative supermarket PSFC and its suppliers according to the suppliers. Since success is defined as the achievement of results which are sought by those involved (see chapter 2.5, p. 34), aims and goals of suppliers are presented first.

#### **6.5.1 Aims of Suppliers of PSFC**

For suppliers of PSFC the main goal is to expand their businesses, increase their customer base, reach non-vegan customers, sell higher volumes, and brand their products (S-US7, 15; S-US10, 6, 8; S-US13, 12).

#### **6.5.2 Personal Contact**

Personal contact and a good relationship are important for suppliers concerning the cooperation with their business partners. Two interviewees mentioned that it was easier to get in touch with cooperative supermarkets (S-US7, 27; S-US13, 32f, 57). Furthermore, the relationship was perceived as humane and kind. In comparison, dealing with conventional supermarkets is more challenging, especially in terms of competition (S-US7, 27, 31, 40ff). Meeting in person and getting valuable feedback about the products contributes to a very direct and personal relationship. There is more understanding when mistakes happen such as delivering the wrong purchase quantity. In addition, contact persons from the cooperative supermarket are perceived as more supportive and flexible, for instance, by allowing a delivery break, which would not be possible in cooperation with conventional supermarkets (S-US10, 4, 6, 14, 40, 42, 74ff).

#### **6.5.3 Purchasing Quantities and Orders**

Being able to deliver a supermarket allows small suppliers to sell higher volumes. The coordination of stock and purchase quantities plays an important role for the suppliers in order to constantly be present in the retail area (S-US7, 15, 17; S-US10, 8). A certain degree of disorganization within the cooperative supermarket concerning stock can hinder frequent orders

and thus, hinder a constant presence on the shelves. According to two suppliers, it is sometimes hard to get these numbers concerning inventory. Suppliers have to provide this information by either going to the store themselves or asking by email (S-US7, 21; S-US13, 18ff, 35). In contrast, another supplier perceived the orders of PSFC as very predictable which allows this supplier to follow a regular production and delivery rhythm (S-US10, 40). One supplier who delivers to several food cooperatives mentioned that it would be beneficial for them if the food cooperatives would build a network for ordering goods collectively. This would allow them to order higher volumes at once, which would be beneficial for small suppliers when it comes to distribution. In that case, delivery could even be outsourced to an external distributor. It would be easier to keep track of inventory and allow orders and deliveries on time. Furthermore, through higher purchase quantities, smaller and medium-sized companies would be able to lower their prices quicker (S-US13, 35, 41ff, 47).

#### **6.5.4 Marketing and Reaching a Broader Customer Base**

Working with the cooperative supermarket allows small vegan brands (which mainly deliver retailers who exclusively sell vegan products) to reach a broader and more diverse, also non-vegan customer base. Besides expanding the customer base, this might also influence people's attitude concerning the consumption of dairy versus vegan products, which is important for some suppliers (S-US10, 6, 14; S-US13, 12). For small brands, a cooperative supermarket is more easily accessible than conventional supermarkets due to their faster reactions to customers' demands for new products. Member-owners of a cooperative supermarket are more likely to support small new brands (S-US10, 74; S-US13, 23ff, 57). One interviewee (S-US13, 23ff) said about that:

*“They are, you know, they are like movers and shakers. They are changing, they can change ... easily”.*

Thus, for small producers it is much easier to do business with food cooperatives (S-US10, 74). Once on the shelves in big a supermarket, the presence of the product has a positive effect on the branding of the product (S-US7, 15).

#### **6.5.5 Prices and Fees**

The retail price in the cooperative supermarket is much lower than in conventional grocery stores due to their lower markup, which makes high-quality products easily affordable for customers and hence more products are sold. For instance, the producer sells a product for \$12 which will be sold in the cooperative supermarket for about \$15, as opposed to a conventional store where it would cost about \$30, so double the price. Thus, the supplier achieves a competitive advantage (S-US7, 23, 31, 35, 39). Furthermore, the cooperative supermarket does not charge fees such as slotting or imaging fees which are mandatory in most of the conventional grocery stores (S-US13, 48ff). Two suppliers recognize a difference when it comes to prices. Mostly the cooperative supermarket accepts prices in the first place and they do not bargain at all. If there is a discussion about the price, there is a willingness to have a dialogue about it instead of immediately putting pressure on the suppliers to lower their price (S-US7, 27; S-US13, 27).



### **6.5.6 Flexibility, Latitude, and Similar Values**

All interviewees experienced more flexibility in cooperation with the cooperative supermarket. For instance, there is understanding if there is a short delivery break due to personal or other reasons, as well as there is more latitude when it comes to delivery dates and prices (S-US7, 27; S-US10, 42; S-US13, 28f). One supplier appreciates that they share the same ideology in terms of environmental and social sustainability as well as fair farming conditions (S-US10, 16, 18, 50).

## **7 Between-Case Analysis – Comparison of the Findings**

To finalize the analytical part of this study, chapter 7 provides a comparison of the findings of the two case studies, Bees Coop in Brussels and PSFC in New York City.

### **7.1 History of the Origins**

The history of origin of PSFC and Bees Coop started at totally different times, on a different continent, and in a different societal atmosphere (see chapter 5.2, p. 57 and chapter 6.2, p. 74), however, they have many things in common, such as the aims of the projects (see chapter 5.1, p. 57; chapter 5.4.1, p. 66; chapter 6.1, p. 74 and chapter 6.4.1, p. 91) and their vision (see chapter 5.2.2, p. 57 and chapter 6.2.2, p. 75). This is no surprise since the concept of PSFC served as a role model for Bees Coop. There was a difference regarding environmental concerns: At PSFC they were not as important from the very beginning as they were at Bees Coop (see chapter 5.2.1, p. 57; chapter 5.2.2, p. 57 and chapter 6.2.2, p. 75). Both case studies emphasize the importance of equal work contribution (see chapter 5.2.2, p. 57; chapter 5.2.7, p. 60 and chapter 6.2.4, p. 75) and had very motivated and engaged people in the beginning since there was a huge amount of volunteer work to do until the volunteer labor pool was created. In both cases work input in the beginning was regulated by itself as some people naturally engaged and worked more than others (see chapter 5.2.7, p. 60; chapter 6.2.1, p. 74 and chapter 6.2.4, p. 75). Both case studies spread the idea mainly by word of mouth by talking to people, rather than by doing professional advertising. Bees Coop had the advantage to use Facebook, which PSFC could not since social media did not yet exist back in the 70s (see chapter 5.2.3, p. 58 and chapter 6.2.3, p. 75). PSFC and Bees Coop both practiced collective decision-making from the beginning (see chapter 5.2.6, p. 60 and chapter 6.2.5, p. 76). Regarding finances, both PSFC and Bees Coop, used bank loans and investment fees from its member-owners. However, PSFC started only after some time asking for investment fees. In contrast to Bees Coop, PSFC did not get any financial support by the government, the city, or local authorities, nor donations (see chapter 5.2.4, p. 58; chapter 5.2.5, p. 59; chapter 5.2.7, p. 60 and chapter 6.2.6, p. 76). Both case studies show the same step-by-step approach to the project. There was gradual development from the first idea until the cooperative supermarket could be started (see chapter 5.2.4, p. 58; chapter 6.2.4, p. 75 and chapter 6.2.7, p. 77). Likewise, both obtained bigger premises where they first started (see chapter 5.2.4, p. 58 and chapter 6.2.6, p. 76).

### **7.2 Products, Prices, and Opening Hours**

Both cooperative supermarkets offer high-quality food at affordable prices. Interviewees of both case studies emphasized that prices are only cheaper when compared to same quality products and grocery stores. For one former member-owner at Bees Coop, products were too expensive, whereas all the others appreciated the rather low prices. Both cooperative supermarkets are one-stop-shopping destinations with long opening hours which offer food and also products for daily life, for instance cosmetics. However, Bees Coop does not offer frozen goods. At Bees Coop two member-owners even raised concerns over the wide range of goods since it is a very capitalistic approach to have everything available at all times, whereas all

others appreciated the broad range of goods. PSFC and Bees Coop focus on organic and local produce, however PSFC also offers conventional and GMO products in order to offer more choice in terms of price. At Bees Coop conventional products are also offered but it is rather an exception and GMO products are not offered at all. Both want to focus on local products, however, it is neither possible at PSFC nor at Bees Coop to only work with local producers directly. They both work with intermediates due to organizational and logistic reasons. PSFC as well as Bees Coop place importance on reducing packaging material and waste. In contrast to PSFC, Bees Coop has its store-owned labelling system for products (see chapter 5.3.1, p. 61; chapter 5.4.2, p. 67; chapter 6.3.1, p. 78 and chapter 6.4.2, p. 91).

### **7.3 Finances**

As mentioned for the financial situation in the beginning, PSFC never received any financial support by the government, the city or donations, whereas Bees Coop has. Both have financial sources by the investment fees of their member-owners and currently the same markup of 21% on products. At PSFC, keeping track of the financial situation was identified as the most important success factor regarding finances (see chapter 5.3.2, p. 62; chapter 6.3.1, p. 78 and chapter 6.3.2, p. 79).

### **7.4 Volunteer Work**

The volunteer system works according to the same principles in both cooperatives, however, since PSFC has existed much longer than Bees Coop, they offer many more committees to participate in, for instance, the childcare center. Furthermore, PSFC has established a retirement policy for its regular member-owners. Inefficiency due to the instability of the volunteer labor pool was only mentioned at PSFC and could be improved by educating member-owners more about the particular business model, for instance at the New Member Orientation, and by raising awareness of ownership by using the term “member-owner” and handing out ownership certificates. Interviewees from both case studies think that incentives are needed in order to participate voluntarily. Bees Coop is still receiving new member-owners since it is a young organization and still has capacity to do so. In contrast, PSFC only receives new member-owners when old ones leave due to its limited capacity (see chapter 5.3.3, p. 62; chapter 5.4.3, p. 68; chapter 6.3.3, p. 79 and chapter 6.4.3, p. 92).

### **7.5 Day-to-Day-Operations and Paid Staff Member-Owners**

Day-to-day operations of running the grocery store are handled in similar ways, for instance regarding hygiene rules. However, interviewees of PSFC provided more information due to their longer history and experiences. Compared to Bees Coop, PSFC has more paid member-owners, however this is due to its bigger size. Another difference is, that in Belgium, it is required by law to offer product information in the two official languages French and Dutch. At both supermarkets, regular member-owners see a necessity of having paid staff member-owners since they provide the structures to make the cooperative supermarket run (see chapter 5.3.4, p. 63; chapter 5.4.4, p. 68; chapter 6.3.4, p. 81 and chapter 6.4.4, p. 93).

## **7.6 Decision-Making Processes**

The general principles regarding decision-making are the same in both cooperatives. Both, PSFC and Bees Coop, transfer decisions regarding day-to-day operations to smaller groups or individuals, whereas decisions influencing the direction the cooperative is heading are decided at the GM (GA at Bees Coop). However, the procedure at the GM works differently, whereby PSFC decides according to simple majorities, whereas Bees Coop requires a 100% consensus. Furthermore, according to New York State law, PSFC has to have a Board of Directors, which legally approves decisions. In any case they have to decide according to what member-owners voted for. Both organizations see an importance of face-to-face discussions at the GM/GA, except one regular member-owner of Bees Coop, who thinks that online voting could be more convenient. In contrast to Bees Coop, PSFC offers an incentive system for attending the GM. Twice a year it is possible to receive work slot credit for attending the GM. At Bees Coop agendas for the GA are prepared in workshops in advance. One member-owner with more engagement at PSFC suggested that agendas should be somehow discussed with the community before being presented and discussed at the GM, which is currently not the case (see chapter 5.3.5, p. 63; chapter 5.4.5, p. 69 and chapter 6.3.5, p. 83).

## **7.7 Governance Structure and Transparency**

At both cooperatives, PSFC and Bees Coop, member-owners perceived that more transparency leads to a more efficient performance of the cooperative supermarket. At PSFC a lack of transparency among member-owners with more engagement was mentioned, however, this differed depending on the point of view and position of the people involved. Likewise, one regular member-owner at PSFC felt that the interpretation and realization of existing democratic structures for governance is only selectively put into action. At Bees Coop regular member-owners perceived the system as very transparent, yet there is room for improvement such as implementing an intranet (see chapter 5.4.5, p. 69; chapter 6.3.5, p. 83 and chapter 6.4.6, p. 93).

## **7.8 The Social Component and the Human Factor**

In both cooperatives the social experience was perceived similarly. Member-owners of both case studies appreciated the cooperative as a social meeting point which creates a feeling of community. Furthermore, in both cases, challenging human relations occur occasionally. Participants of PSFC mentioned the importance of having a respectful attitude toward each other and a sincere willingness to have a dialogue (see chapter 5.4.6, p. 70; chapter 6.3.6, p. 86 and chapter 6.4.5, p. 93).

## **7.9 Politics in the Cooperative**

The presence and challenge of discussing contentious political topics within the cooperative were only mentioned at PSFC (see chapter 6.3.7, p. 87).

## **7.10 Identification, Awareness, Attitude, and Self-Empowerment**

Interviewees of both case studies said that an awareness for sustainable food supply and production systems and related costs as well as genuine identification with the project are a precondition to join. Likewise, both case studies see an importance for the attitude of constantly evaluating and improving in order to make the performance better. This is even more important for Bees Coop since it is still a young organization. Taking on responsibility, self-empowerment and belonging to something bigger were also mentioned at both case studies. Interviewees at PSFC mentioned the importance of curiosity and commitment as well (see chapter 5.3.6, p. 64; chapter 5.4.8, p. 71; chapter 6.3.8, p. 88 and chapter 6.4.7, p. 94).

## **7.11 Networking and Expertise**

Both, PSFC and Bees Coop practice networking with other like-minded projects, however, this is not an important success factor for the performance of the cooperative supermarkets themselves, although it can be supportive to develop a cooperative economy. Albeit, in the beginning at Bees Coop, networking was important in order to find future member-owners. Both cooperatives benefit from expertise of their member-owners (see chapter 5.4.9, p. 71 and chapter 6.3.9, p. 89).

## **7.12 Location and Premises**

Regarding distance to the location, the same applies to both cooperative supermarkets: The closer the better. Yet, in New York City people accept longer distances from their homes to the cooperative. PSFC has reached its limit regarding the space, whereas Bees Coop still has capacity for more member-owners. In contrast to PSFC, Bees Coop's entrance is not very inviting. However, the shopping experience at Bees Coop was perceived as pleasant and efficient, whereas at PSFC some member-owners perceived it as exhausting and time-consuming due to the high number of member-owners and the limited space in the shopping area. Nevertheless, interviewees at both case studies have a familiar, protected feeling of being at home in the supermarket. Both cooperatives own the buildings they are located in, however Bees Coop has not paid back their bank loan yet (see chapter 5.3.7, p. 65; chapter 5.4.10, p. 72; chapter 6.3.10, p. 89 and chapter 6.4.8, p. 94).

## **7.13 Market and Competitors**

Although regular member-owners in Brussels perceived the market situation and possible competitors differently, there are more possibilities to access high-quality food at affordable prices, especially at some organic markets. However, these markets do not provide a wide range of goods. In contrast, in New York City it is very difficult to find high-quality food at affordable prices in the market, however, the offer has started increasing (see chapter 5.4.11, p. 72; chapter 6.3.11, p. 90 and chapter 6.4.9, p. 95).

## **7.14 Diversity Situation**

Both cooperative supermarkets faced the same situation of having a homogenous group of participants in the beginning, although they are both set in multi-ethnic areas. In the beginning, Bees Coop already implemented measures to solve this. For instance, by implementing a committee which works on this issue or initiating a research project about barriers for diversity in cooperation with a University. Nevertheless, Bees Coop is still facing a homogeneity of their member-owners. At PSFC an increase in diversity has occurred over the years, however, opinions about the current diversity situation in the cooperative differed. PSFC has a committee for inclusion, equality and equity in place (see chapter 5.3.8, p. 65; chapter 5.4.12, p. 72; chapter 6.2.8, p. 77 and chapter 6.3.12, p. 90).

## **7.15 Suppliers**

Suppliers of both cooperative supermarkets value personal contact and a good relationship with their business partners as well as sharing the same values (see chapter 5.5, p. 73 and chapter 6.5, p. 95). Since there were only little findings from suppliers at Bees Coop (see chapter 5.5, p. 73) no basis for further comparison is given.

## 8 Discussion

The comparison of both case studies showed that there are not many differences concerning the success factors and barriers of cooperative supermarkets, although one was founded decades ago (PSFC) and the other one has just recently finished the start-up period (Bees Coop). Therefore, within this chapter the methodology and the results are discussed particularly in comparison to existing literature.

### 8.1 Discussion of the Methodology

Defining the data sources and providing an analysis of how data was generated is important in order to comprehend where the information came from. Since the data sources are qualitative interviews, *finding interview partners* played an important role (Mayring, 2015). Originally it was planned to conduct three interviews with three different people of each group of stakeholders – regular member-owners, member-owners with more engagement and suppliers. Finding interview partners was more difficult in *Brussels* than in New York City. There are various reasons for this. Bees Coop is still a very young institution and thus, the capacity of member-owners with more engagement to give interviews to external people is rather limited. They are planning to implement a task force for this, however, this has not yet been implemented. It was easier to reach regular member-owners since they could be simply asked by visiting the supermarket and there is a high number of them. Furthermore, the researcher knows one regular member-owner personally, who connected the researcher to further regular member-owners. There are only six paid member-owners who were difficult to reach in the first place, and if reached, they did not have time for an interview. The same has to be said for people from the team of founders. They were contacted by email in advance, and if answering, they also did not have the capacity for an interview. However, one former member-owner who was part of the team of founders was willing to do an interview. Suppliers were difficult to win for interviews, too. They were contacted via email and except one all declined. As mentioned in chapter 5.5, p. 73, the availability of only one supplier and the fact that this interviewee did not provide a lot of information, are the reasons for only having little sound results about success factors and barriers regarding the relation between suppliers and the cooperative supermarket Bees Coop. Hence, at Bees Coop, there are only insights from one point of view from the team of founders and from one point of view from a supplier. In order to get more profound insights and findings, more interviews with people from the team of founders, from the paid staff pool and from suppliers would have been beneficial. One further reason was the limited amount of time the researcher had available in Brussels which was one week. This was due to limited resources since the research trip was financed by the researcher herself.

In contrast, the researcher could spend three weeks in *New York City*, which allowed more flexibility and time for finding interview partners. The research trip was also financed by the researcher, however, there was some financial support from the university, which helped to extend the stay. However, the main reason that plenty of interview partners of all groups of stakeholders were found in New York City easily was the contact with one particular member-owner with more engagement. First contact was made with this person by email about half a year before the empirical research was started. The contact person immediately responded and

was, according to the sixth principle of cooperation – cooperation among cooperatives – (International Co-operative Alliance, 2018) or, in this case, cooperation in general, very willing to do an interview and connected the researcher to all other interviewees, who were also very open and willing to do interviews. As mentioned above, due to its long existence and highly developed structures, PSFC has more capacity to do this.

The fact that many participants of Bees Coop were not willing for an interview had demotivating effects on the researcher. But since it is the researcher's duty to stay objective and as unbiased as possible, this principle was practiced (Flick et al., 2012). The human factor, which also occurred as an important factor within the findings, came into place. Due to the very welcoming, open, and reliable interaction at PSFC, the research experience there was perceived as very positive. Furthermore, New York City was the second research trip after Bees Coop. The researcher already had some experience in finding interview partners and conducting interviews. There were significant learning effects after the first interviews.

Regarding *suppliers* of both cooperative supermarkets, two of them also supply conventional grocery stores (S-US7, 11, 39; S-US13, 5ff, 36f), whereas the other two did not (S-BE8, 6ff; S-US10, 6, 9ff). All suppliers of PSFC are similar since they are all small businesses. It would have been interesting to expand the picture by also interviewing farmers and other intermediates. The interviewed supplier of Bees Coop is from a small cooperative and could not provide a comparison with supplying conventional supermarkets (S-BE8, 6ff). Furthermore, it only provides one point of view. More variety in the type of suppliers and more suppliers who also supply conventional supermarkets would have been interesting.

The *CSF method* suggests starting interviews on the lowest hierarchical level within an organization in order to have the possibility to practice and expand knowledge before interviewing the top level of an organization (Bullen and Rockart, 1981). Although cooperative supermarkets are non-hierarchical organizations, there is a difference between regular member-owners and member-owners with more engagement. At Bees Coop the first interviews were done with regular member-owners. In contrast in New York City, the first interview – at least the first part of it – was done with a member-owner from the management who is also one of the founders. Due to organizational reasons, there was no other way possible. Following interviews were done with regular member-owners. According to the CSF method, the initial question was about the interviewees' roles within the cooperative supermarkets and their goals (see appendix 11.1, p. 128) (Bullen and Rockart, 1981).

In order to provide validity and reliability of the research, *quality criteria* for this thesis is discussed within the following section. (1) Codes and subcodes were defined in comprehensible ways which are self-explanatory, and thus, in most cases are the definitions simultaneously. If not, there was additional information added by memos. In order to emphasize certain findings, quotations were used. The qualitative content analysis was done by MAXQDA software and thus, the code system, which is also the structure of the results, is very comprehensible. (2) Data sources and their generation were clearly defined and explained (see chapter 3.2, p. 46). Likewise, a complete transcription of all recordings was conducted, applied rules for transcription were explained, and all collected data was analyzed. However, there were no notes taken during the interviews in order to be more concentrated on the interview situation. (3) The results have been compared to theories according to literature and are discussed in chapter 8.2,



p. 105. (4) The methodology has been successfully applied before, and theoretical concepts were included (see chapter 3.2.4, p. 50). The chosen methodology is adequate to answer the research questions, and the reasons for choosing it are explained. Data was pre-analyzed, and analysis was done in several iterating processes. Extreme cases were taken into consideration, for instance the unique quarrel situation of one interviewee (see chapter 6.4.6, p. 93). (5) Finally, it would be interesting to control whether another application with the same methods – by the same or another researcher – would lead to the same results. However, that has not been done yet (Kuckartz, 2016; Mayring, 2015). Regarding *limitations*, in order to provide objectivity and impartiality, all steps of methodology were systematically approached and explained (Yin, 2012). Likewise, the researcher reflected personal positions and tried to be as objective as possible (Flick et al., 2012; Helfferich, 2011).

## 8.2 Discussion of the Results – Start-Up Period

An *awareness* for sustainable food supply is needed in order to start thinking about creating an alternative food network such as a cooperative supermarket (MOME-BE6, 56; MOME-BE7, 14; MOME-US1, 14, 22, 24). Likewise, in literature, it was found that awareness and interest for topics related to sustainable food supply is a precondition for starting or joining an AFN (Dax, 2017; Karner, 2010; Sense.Lab e.V., 2009).

For Bees Coop, *networking* was important in the beginning in order to develop the vision of the project. They discussed the idea with many different people, among others with the founder of La Louve, a cooperative supermarket in France which is inspired by the concept of PSFC. This exchange gave Bees Coop the idea to focus on the concept of a cooperative supermarket according to this specific model (MOME-BE7, 16, 18). PSFC experienced the advantage of networking during the start-up period when they went to a food coop conference and learnt about the importance and advantages of being incorporated, which they consequently became. However, networking was not a very important success factor for the development of PSFC (MOME-US1, 180, 285). Contrarily, according to literature, networking is an important factor to successfully start an AFN (Dax, 2017; Sumner et al., 2014; Ganci, 2013; Karner, 2010).

Furthermore, it requires *passion* and *motivation*, especially in the beginning due to the high investment of energy and time which is needed (MOME-BE7, 22, 26, 60; RMO-BE1, 121f; RMO-BE5, 106; MOME-US1, 297). This can be confirmed by what was found in literature: Starting a new food cooperative requires voluntary work from its members, which is an expenditure of time and resources as it is not paid. Furthermore, in the beginning people usually have a higher level of motivation. Intense, active involvement of the members is needed in order to successfully start a food cooperative (Dax, 2017; Pirker, 2015; Ganci, 2013). The higher the personal identification with the organization and its mission, the more motivated people are (Studer and von Schnurbein, 2012).

According to literature, a clear definition of the organization's goals and values is needed in order for people to be able to identify with a project (Dax, 2017; Ganci, 2013; Studer and von Schnurbein, 2012; Sense.Lab e.V., 2009). The absence of common goals and visions in the beginning can hinder group formation (Pirker, 2015). Bees Coop as well as PSFC had a clearly defined *common mission* when they started. They both wanted to create a sustainable food

supply system which provides healthy, high-quality food, at affordable prices and is run by a cooperative community-based institution. However, in contrast to Bees Coop, the focus on environmental concerns at PSFC only developed over time (MOME-BE6, 58, 105ff; MOME-BE7, 16, 18; RMO-BE4, 39f; RMO-BE5, 96). A possible reason is that climate change and environmental consciousness were not as relevant and present in the 1970s as they are today (Moser, 2010). At PSFC, in the beginning it was more about healthy food supply through cooperation and rebelling against the establishment by creating something completely new and autonomous (MOME-US1, 14, 16ff, 22, 24, 103, 162, 245; MOME-US12, 22, 94). This finding confirms theories from literature, which say that AFNs in the United States are rather *countermovements* to the existing food supply system (Cox et al., 2008; DuPuis and Goodman, 2005).

One founder of Bees Coop said that they were creating a *dream* which others could identify with and thus, would follow (MOME-BE7, 16, 30, 60ff, 80). Likewise, Pirker (2015) found that it is important that people understand the purpose of a food cooperative and are familiar with its specific goals in order to be able to identify with it.

Both cooperatives, PSFC and Bees Coop mainly *spread their idea* through word of mouth by talking to people either face-to-face or via social media, whereas advertisement did not play an important role (MOME-BE6, 32, 58, 109ff; MOME-BE7, 16, 60ff, 80; RMO-BE1, 111ff, 120; RMO-BE2, 89; RMO-BE3, 14; RMO-BE4, 57; RMO-BE5, 20ff; RMO-BE9, 56; MOME-US1, 46ff, 54, 61; MOME-US5, 79f). In contrast, Pirker (2015) found, that by means of public relations, the idea can be spread much easier and thus, new members can be found quicker. Dax (2017) suggests using all kinds of communication channels, such as word of mouth, media coverage in the local press or social media, as well as information events and information material such as flyers.

Bees Coop offered the *possibility for shopping during the start-up period* by creating the buying club first, which was very important in order for participants to believe in the project (MOME-BE6, 58; MOME-BE7, 14, 16, 26). Also, PSFC offered shopping possibilities in the very beginning of the project (MOME-US1, 61, 101, 103). This confirms that shopping possibilities in the beginning enhance a successful start of an AFN since it increases motivation (Pirker, 2015; Albrecht et al., 1998).

*External support* is an important success factor for food cooperatives *during the start-up period*, for instance, financial support or sharing of knowledge (Pirker, 2015). Bees Coop had financial support in the beginning by an external person who provided support with the building. In addition, they got support by a foundation and most importantly, the region of Brussels financed three employees for the first three years (MOME-BE6, 62ff; MOME-BE7, 22ff, 34ff, 45ff, 50).

The *summer period* can be a challenge in the beginning of a food cooperative since many people do not get actively involved due to being away (Pirker, 2015; Ganci, 2013). One interviewee at PSFC mentioned difficulties during summer, especially during the start-up period, because people are more likely away (MOME-US1, 101). As well, one interviewee at Bees Coop mentioned that summer can be more challenging since people more likely travel and, thus cannot do their shifts regularly (RMO-BE5, 32).

## 8.3 Discussion of the Results – General Factors

Within this chapter the results with regards to general key factors after the start-up period are discussed.

### 8.3.1 Discussion – Products and Values

According to literature, the availability of *high-quality*, *local*, and often also *organic products* as well as *direct contact with producers* is important for members of AFNs and more easily accessible through AFNs (Dax, 2017; Opitz et al., 2017; Pirker, 2015; Sumner et al., 2014; Knapfer, 2013; Tregear, 2011; Schönhart et al., 2009; Sense.Lab e.V., 2009; Whatmore et al., 2003; Albrecht et al., 1998). Likewise, at Bees Coop member-owners aim for high-quality, mostly organic, and local products with low environmental and social impacts, in other words, a sustainable food supply system (MOME-BE6, 8, 12ff, 28; MOME-BE7, 14; RMO-BE1, 10; RMO-BE2, 21, 79; RMO-BE3, 14; RMO-BE4, 8, 40ff; RMO-BE5, 24, 48; RMO-BE9, 8). However, the demand for *only local products* and a direct connection to farmers can so far only be realized partly due to very high volumes and the broad range of goods as well as practical, logistic, organizational questions and inefficient labelling by small producers (MOME-BE6, 14, 17ff). The same is valid for PSFC (MOME-US1, 24; MOME-US8, 14ff; RMO-US3, 12; RMO-US6, 48). At PSFC a radius of 500 miles is defined as local. The closest farms are 100 miles away and during the local growing season most local products come from these farms. The 500 miles radius includes different growing seasons which makes local supply outside the local growing season possible also. This allows support of small-scale farmers in this area and offers a wide variety of local goods for member-owners for most of the year. Thus, PSFC is supplied by intermediates, other cooperatives, local small-scale farmers and other small businesses (Park Slope Food Coop, s.a.).

Usually CFSs do not offer such a broad range of products due to their focus on seasonal products which are not available all the time (Ganci, 2013). However, the wide variety of products at low prices which is offered by the CDFS, for instance at conventional supermarkets, is appreciated by consumers (Mount, 2012). Cooperative supermarkets, such as Bees Coop and PSFC, are *one-stop-shopping destinations* since they offer a very wide range of goods (RMO-BE1, 91f; RMO-BE2, 21; RMO-BE3, 14; RMO-BE4, 10; RMO-BE5, 36; RMO-BE9, 36; MOME-US1, 74ff, 83; MOME-US9, 108; RMO-US3, 32ff; RMO-US4, 14, 32ff; RMO-US6, 73f). In contrast to the majority of member-owners, two regular member-owners at Bees Coop questioned the capitalistic approach regarding the broad range of products which also includes unhealthy products such as chips. Although they questioned it, they still appreciate it (RMO-BE4, 55; RMO-BE5, 36). As well, it was found in literature that AFNs do not necessarily offer healthier food, since there are also products with, for instance high fat or sugar contents available (Tregear, 2011). Likewise, one interviewee at PSFC said that some of the products are not necessarily healthier due to, for instance high fat and sugar contents (MOME-US11, 83ff).

Member-owners at both cooperative supermarkets mentioned the importance of *healthy food* (MOME-BE6, 14; RMO-BE1, 8; RMO-BE9, 8, 74; MOME-US1, 14, 57; MOME-US5, 44ff; MOME-US8, 24, 38; MOME-US9, 24; MOME-US12, 36; RMO-US4, 12, 74; RMO-US6, 74).

As defined in literature, “healthy” means on the one hand, healthy with regards to the production system such as local, fair, and organic farming methods (Dax, 2017; Sense.Lab e.V., 2009) and on the other hand, with regards to health aspects for the human body (Hunter, 2011).

Political motives are also mentioned in literature. Due to critics about the CDFS, many consumers want to avoid supporting conventional supermarkets by shopping there (Pirker, 2015). Furthermore, a more cooperative than competitive environment is sought. Consumers want to get actively involved and consume in a more self-determined way (Dax, 2017; Sense.Lab e.V., 2009). Cooperatives allow their participants to gain an influential position in an economic environment where the majority of power is in the hands of big corporate players (Sumner et al., 2014). Likewise, PSFC and Bees Coop aim for a less corporate but more cooperative shopping experience (MOME-BE6, 8; RMO-BE4, 40ff, 55; RMO-BE9, 10, 74, 82; MOME-US1, 14; MOME-US5, 18; MOME-US8, 16). Participating in the non-profit oriented cooperative supermarkets allow member-owners to actively support an *alternative anti-capitalist business model* in contrast to conventional food supply systems (MOME-BE6, 8, 12, 24; RMO-BE4, 40, 42, 55; RMO-BE9, 10, 74, 82), since – as it is mentioned in literature – conventional food supply systems are corporate, industrialized, profit-oriented, and often cause exploitation and overuse of human, animal, and environmental resources (Howard, 2016; Sumner et al., 2014).

### 8.3.2 Discussion – Prices and Opening Hours

Consumers of AFNs seek a *reasonable cost-benefit-ratio*, which means the availability of high-quality products at affordable and *fair prices*, which should be fair for producers and consumers (Dax, 2017; Ganci, 2013; Sense.Lab e.V., 2009). This was found in both case studies. Prices at PSFC and Bees Coop are not dumping prices but are cheaper when compared to products at grocery stores in the same category, for instance, organic with organic or non-factory farmed with non-factory farmed products. The aim is to have fair prices for all players along the short food supply chain – for producers and consumers. However, at PSFC prices are perceived as considerably cheaper than in other stores. At Bees Coop prices are also perceived as being cheaper, however, the difference is not that big (MOME-BE6, 12, 24, 28; RMO-BE1, 8; RMO-BE2, 21; RMO-BE4, 29f, 77, 88; RMO-BE5, 34; RMO-BE9, 8; MOME-US1, 14, 34; MOME-US8, 14ff, 18; RMO-US2, 18; RMO-US3, 12, 28f, 31, 69; RMO-US4, 28ff, 36, 74; RMO-US6, 10, 14). In contrast, one interviewee at Bees Coop perceived the prices as too expensive (RMO-BE3, 30ff, 34, 80, 94, 120). How prices are perceived depends on the awareness that high-quality food which is produced in sustainable production systems, costs money and cannot be offered very cheaply, if fair prices want to be paid. Furthermore, it depends how much money someone has available to spend on food (MOME-BE6, 8, 32; RMO-BE2, 93; RMO-BE4, 77, 86; MOME-US11, 99). Likewise, in literature it was found that prices at AFNs can be a barrier for low-income households, especially prices for organic products since they are more expensive (Lehner, 2018; Karner, 2010).

Member-owners of Bees Coop and PSFC appreciate the convenience of *long opening hours* at the cooperative supermarkets (RMO-BE1, 67f; RMO-BE5, 24; RMO-BE9, 34; MOME-US1, 84ff; MOME-US9, 107f; RMO-US3, 46ff; RMO-US6, 65ff). Likewise, in literature long opening hours are perceived as a benefit by consumers, since they provide more flexibility for

shopping, for instance, people have enough time to do their groceries after work (Ganci, 2013; Karner, 2010).

### 8.3.3 Discussion – Finances

Especially during the start-up period but also later, financial resources are needed, for instance for rent or inventory. In literature *membership fees* are mentioned as a common financial source for AFNs (Dax, 2017; Pirker, 2015; Ganci, 2013; Sense.Lab e.V., 2009). Likewise, at Bees Coop, investment fees were required from the beginning (MOME-BE6, 60ff; MOME-BE7, 42ff). In contrast, PSFC only asked for investment fees some years after the start of the project (MOME-US1, 138, 158). In literature, mandatory membership fees seldomly had minor negative influences on the development of food cooperatives, instead most members perceived mandatory membership fees as helpful (Pirker, 2015).

*Funding* is a common financial source for AFNs. However, it can be difficult to get access to some of them (Dax, 2017; Karner, 2010). PSFC has never received any financial support by the government, other authorities, institutions, or donations (MOME-US1, 128ff, 162). In contrast, Bees Coop received support by a foundation (MOME-BE7, 50), and three full-time employees were financed by the region of Brussels (MOME-BE7, 30, 54). Furthermore, financial support by an external person helped Bees Coop to take the risk of buying their premises (MOME-BE7, 34ff, 45ff). However, funding makes AFNs or CFSs more dependent on their supporters, whether it is by the government or through charity. In the long run they should establish a form of business which is able to survive without external financial support (Anderson et al., 2014). This is the case at PSFC, which is today a very complex business organization with highly developed systems and processes and a high turnover (MOME-US8, 48, MOME-US11, 26). Likewise, Bees Coop is a successful cooperative business organization today (RMO-BE4, 67). In EU member countries there are funding programs available, such as start-up funding for AFNs, which are limited to the start-up period. Depending on the country, this funding is either provided by national governments or local authorities (Karner, 2010). Bees Coop had access to such financial support in the beginning (RMO-BE4, 67) which has mostly ended since (MOME-BE7, 54). Both cooperative supermarkets have financial sources by the markup on products and have, or rather had, bank loans for larger payments such as for their buildings (MOME-BE6, 46ff, 50ff; MOME-US1, 124ff, 146ff; MOME-US11, 107; MOME-US12, 28ff, 31ff). Markups are common sources to generate money within food cooperatives (Dax, 2017; Sense.Lab e.V., 2009). However, by applying a required work contribution model like at PSFC and Bees Coop, labor costs can be kept low in the first place, which is an important success factor according to Knupfer (2013) also.

### 8.3.4 Discussion – Volunteer Work

An *equal required work contribution system* creates a feeling of fairness, equality, and community since no one can buy one's way out of it (Knupfer, 2013). However, different participation models exist, where participants have the possibility to pay more and work less (Dax, 2017; Sense.Lab e.V., 2009). Within these models, usually people with more money pay, and those with less money work, which creates a class system (Knupfer, 2013). The required work participation model with equal work contribution for everyone is the main success factor

for the performance of the cooperative supermarkets since it causes a feeling of community, fairness, equality, and identification due to owning and working together (MOME-BE7, 14, 16, 20; MOME-US1, 14, 22, 24).

*Motivation is a precondition* for members to get involved in a food cooperative (Dax, 2017; Pirker, 2015; Sense.Lab e.V., 2009). The *development* of a food cooperative also influences the motivation of its members. When it is growing and working well, a positive influence on the motivation of the members results (Ganci, 2013). Both, PSFC and Bees Coop have become successful cooperative supermarkets. PSFC, which has existed since 1973, counts about 17,000 member-owners and Bees Coop which opened in 2017 counts almost 3,000 (RMO-BE1, 126; RMO-BE4, 67; MOME-US8, 48, MOME-US11, 26; MOME-US12, 10; Bees Coop Supermarket, s.a.; Park Slope Food Coop, s.a.). Since volunteer work and the contribution of the member-owners is the core of the concept, it is very important that people *believe in the project* in order to be willing to work voluntarily, especially in the beginning but also later (MOME-BE7, 22, 26, 60). In order for member-owners to be motivated, *identification* with the project is needed, and this is followed by *motivation*. Equal conditions for everyone as well as owning and working together increases identification, attachment, and commitment for the cooperative supermarket (MOME-BE7, 14ff; MOME-US1, 103; MOME-US5, 20; MOME-US8, 24, 108).

Regarding the *distribution of tasks* for volunteer work it is beneficial if there is identification with the task. Furthermore, letting member-owners *choose their work* task increases motivation for it (Dax, 2017; Ganci, 2013; Studer and von Schnurbein, 2012; Sense.Lab e.V., 2009). Likewise, at Bees Coop work tasks can be chosen by new member-owners. If participants have the freedom to choose what they like and what they are good at, it causes pleasure and thus, enhances motivation (MOME-BE6, 132; RMO-BE1, 97ff). At PSFC, new member-owners can also generally choose their work tasks. However, first work tasks which are needed for day-to-day operations of the cooperative supermarket have to be filled. If all desired work tasks are full, there is the possibility of being put on a waiting list. People, who are not member-owners yet cannot be put on the waiting list (MOME-US1, 276ff; MOME-US11, 79, 81; MOME-US12, 118).

Since participation in a CFS usually means an investment of a certain amount of unpaid volunteer work, it is usually up to the members how much time they want to invest (Ganci, 2013). In contrast to this, at PSFC and Bees Coop, the required minimum work contribution of two hours and 45 minutes is mandatory and equal for every member-owner (Bees Coop Supermarket, s.a.; Park Slope Food Coop, s.a.). However, the *level of further participation* is up to individuals, for instance if they want to involve in the GM (RMO-BE1, 49ff; RMO-BE2, 29, 61ff; RMO-BE5, 38, 88; RMO-US2, 157ff; RMO-US3, 23ff; RMO-US6, 55ff). According to literature, it can sometimes also be beneficial to receive members with limited time resources since there are usually also tasks which require less time investment (Ganci, 2013). At PSFC the only task which requires only two hours is the cleaning duty, where the reduced amount of time is an incentive to get enough people for this work duty which is mostly perceived as unpopular (MOME-US1, 89).

The better volunteers are *trained*, the more efficient and successful they are and thus, the more motivating it is for them (Studer and von Schnurbein, 2012). Likewise, at PSFC it was observed

that the fields of work where volunteers get trained by paid staff member-owners work better. However, this is only partially implemented so far, thus trainings for all volunteer tasks should be implemented (MOME-US11, 57).

At PSFC, there is a *contradiction* between member-owners with more engagement and regular member-owners, as to whether there is enough labor force available or not. One regular member-owner suggested to either reduce the *required work* time or to implement work tasks which are not related to the supermarket business such as offering language or art classes for other member-owners, or tutoring for their children due to the abundance of work capacity (RMO-US6, 75ff, 78ff, 88). Contrary to this, a member-owner with more engagement emphasized the instability of the current labor pool, which is a big inefficiency for the cooperative supermarket (MOME-US12, 40ff, 46, 48).

There is another *contradiction* between member-owners with more engagement and regular member-owners of PSFC with regards to *changing or missing work shifts*. It is inevitable to have rules and enforce them for a cooperative supermarket which applies the required work participation model (MOME-US1, 16, 101, 103, 116). One member-owner with more engagement thinks that the sanctions for missing a shift are too lenient. Thus, people can easily miss shifts and afterwards do their makeup shifts at any committee (except those which need special training) or the GM, which causes an unstable labor pool (MOME-US12, 40ff, 46, 48). In contrast, a regular member-owner perceives the makeup system, and also switching shifts, as too complicated and too much effort, so that she only misses, or changes shifts in very extreme cases (RMO-US6, 38ff).

Furthermore, there is a *contradiction* regarding the volunteer labor pool by member-owners about the *retirement policy*. The retirement policy for regular member-owners allows them to stop work participation after an age between 60 and 65 and a length of volunteer participation between 20 and 30 years. According to member-owners with more engagement this reduces the capacity of labor for running the supermarket and thus, is totally unsustainable with regards to the unstable labor pool (MOME-US1, 8ff; MOME-US12, 115ff, 119ff, 124). In contrast, regular member-owners appreciate this possibility (MOME-US1, 10; RMO-US4, 58ff).

### **8.3.5 Discussion – Day-to-Day Operations**

Complying with *hygiene regulations* was not mentioned by the interviewees themselves. However, after asking, they all said that they perceive them as part of running a supermarket and thus, not as a barrier, only something which has to be done (MOME-BE6, 117ff; MOME-BE7, 76; RMO-BE1, 152ff; RMO-BE9, 72; MOME-US1, 300f; MOME-US5, 90ff; MOME-US8, 108ff). Only, in the very beginning, Bees Coop did not comply with the hygiene regulations because it was not possible. However, back then Bees Coop was not yet an official grocery store (MOME-BE7, 76). The severity of hygiene regulations varies depending on the country, however they are mainly a disadvantage for smaller AFNs (Karner, 2010).

Due to the concept of equality, people get the *same payment* in the same positions no matter how long someone has worked there, or how many skills, experience, or level of education someone has. *Paid-staff member-owners* of PSFC perceive this as fair and good (MOME-US5, 28; MOME-US8, 24). However, it raises the question, whether this could cause a feeling of

unfairness, for instance, if somebody has worked there for 20 years and gets the same salary as someone who has just started.

### 8.3.6 Discussion – Decision-Making

Within a volunteer-based system, it is beneficial for the organization to involve volunteers in decision-making processes as well as filling representative positions with them (Dax, 2017; Studer and von Schnurbein, 2012). Both cooperative supermarkets are applying this, since the core of the system is about having a community-controlled institution based on the idea of owning and working for it together. Consequently, member-owner participation in decision-making is inherent (MOME-BE6, 6, 96; MOME-US1, 14, 182). At PSFC, decision-making bodies such as the Board of Directors or the Chair committee (MOME-US1, 198, 260ff; MOME-US9, 4) are filled with unpaid member-owners who do their volunteer participation there (MOME-US1, 14, 182; MOME-US9, 24).

Decision-making processes influence the development of food cooperatives. According to literature, the *usage of tools and methodology* for decision-making enhances efficiency. Furthermore, the better *prepared and structured*, the less time and energy is consumed. Hence, good preparation as well as moderation help to keep meetings on time and on track (Dax, 2017; Ganci, 2013; Studer and von Schnurbein, 2012; Sense.Lab e.V., 2009; Albrecht et al., 1998). Consensus, *long-drawn-out decision-making processes can become a barrier* when it takes too long to finally make decisions (Pirker, 2015). Consensus decisions consider every opinion however, they are possibly more time-consuming than simple majority decisions, which have the disadvantage that the minority voting decision is excluded (Dax, 2017). A 100% consensus decision-making approach, as applied at Bees Coop, is not necessarily more efficient but it works and is efficient in terms of finding a solution which does not cause any participant to be totally unhappy with a decision. However, as suggested by literature, a clear structure, being efficiently organized as well as having knowledge about collective decision-making methods is needed and also provided at Bees Coop (MOME-BE6, 96ff, 100ff; MOME-BE7, 64, 66). Due to the fact that the Bees Coop's GAs are very well organized and prepared, a good team of facilitators exists, and decision-making tools are used, regular member-owners perceive the decision-making process as working well. Due to the clear structure and explanations, final decisions are very comprehensible (RMO-BE1, 24, 34ff, 39f; RMO-BE4, 34; RMO-BE5, 92, 94). Likewise, at PSFC, there are clearly defined rules and a clear structure at the GM (MOME-US1, 198; MOME-US9, 56, 82). However, PSFC uses a different voting procedure. Decisions are made by simple majorities and boycotts require 75% of the votes. This makes a shorter voting process possible (MOME-US1, 195f, 233ff, 242ff). However, topics also have to be discussed face-to-face which takes time (MOME-US1, 250ff; MOME-US, 12, 89ff). In case that there is nobody with knowledge about collective decision-making processes in the cooperative, an external facilitator could be consulted (RMO-BE5, 92). The same idea was suggested at PSFC (MOME-US9, 82).

Since at both cooperative supermarkets only a small percentage of all member-owners usually participate at the GMs (RMO-BE5, 88; MOME-US1, 204ff; MOME-US5, 22ff; MOME-US9, 36ff; MOME-US12, 56ff), the question arises whether the decision-making would still work with a significantly higher number of participants (MOME-US12, 65ff). A lack of member



involvement in decision-making processes is a well-known problem in literature (Knupfer, 2013).

One interviewee doubts whether it is sustainable for the cooperative supermarket in the long run to always take the advice of the member-owners (MOME-US12, 54, 68ff, 142). However, that could question the whole concept of the cooperative supermarket. In literature, the importance of the democratic approach with collective decision-making and emphasis on the community is stressed (Jaklin et al., 2015; Anderson et al., 2014; Sumner et al., 2014).

In contrast, for *day-to-day decisions* it is more efficient to transfer them to smaller groups of people or individuals who are more involved in a specific field (Dax, 2017; Sense.Lab e.V., 2009). Likewise, both cooperative supermarkets practice this (MOME-BE6, 96; MOME-US11, 35, 141).

### **8.3.7 Discussion – The Social Component and the Human Factor**

One aim of member-owners at Bees Coop is the *contribution to a social cause* and to *meet new people* (RMO-BE1, 8ff; RMO-BE2, 11; RMO-BE3, 14; RMO-BE4, 8; RMO-BE5, 24; RMO-BE9, 8). As well, in literature, social motives such as community building, grass-roots democracy processes, and spending time with like-minded people were found (Pirker, 2015).

Besides providing a shopping possibility, a food cooperative is also a *social meeting point* for its members (Dax, 2017; Knupfer, 2013; Sense.Lab e.V., 2009; Albrecht et al., 1998). Likewise, participants of PSFC and Bees Coop perceived the cooperative supermarket as a place where one could meet people and build friendships (RMO-BE1, 10, 21f; RMO-BE2, 21; RMO-BE3, 14, 16; RMO-BE4, 10; RMO-BE5, 48; RMO-BE9, 20ff; RMO-US3, 18, 77; RMO-US4, 12ff, 74; RMO-US6, 14ff, 45f).

*Working together for a bigger mutual goal creates a feeling of community*, which increases the motivation. Furthermore, social activities outside the food cooperative positively influence the feeling of camaraderie. The better people work together, the better it is for the success of a cooperative project (Pirker, 2015; Ganci, 2013). The community building effect of working together for something bigger was also observed at PSFC and Bees Coop (MOME-BE6, 12, 28; RMO-BE1, 22; RMO-BE9, 8, 20; MOME-US1, 14, 18, 22, 305; MOME-US5, 40; MOME-US9, 100ff; MOME-US12, 38; RMO-US3, 18). At Bees Coop member-owners also engage in outside activities together, for instance, natural cosmetic workshops or wine tasting, which strengthens the team spirit (RMO-BE2, 29; RMO-BE3, 14, 20; RMO-BE5, 58).

The involvement of people with *dominant personalities* in the food cooperative can be challenging since they can cause a negative atmosphere, which decreases the positive social experience (Pirker, 2015). Not many, but some challenging human relations were mentioned at both cooperative supermarkets. At Bees Coop, one member-owner stopped her participation – among other reasons – due to not feeling connected to the people at her work shift (RMO-BE3, 22). Another one did not feel well understood by people in the membership office, when she once cancelled her work shift due to illness. Some empathy, understanding, and friendliness would have helped to stay connected (RMO-BE5, 121ff). Likewise, at PSFC, when so many people work and own something together, occasionally challenging human situations occur (RMO-US2, 20ff, 27ff, 105, 137, 146; RMO-US6, 16, 22ff).

### 8.3.8 Discussion – Governance, Transparency, and Communication

*Communication* as well as *transparency* are essential parts for the performance of food cooperatives. Thus, sharing of information and friendly ways of communication are advantageous (Ganci, 2013; Studer and von Schnurbein, 2012). At Bees Coop, internal communication is perceived as working well, however, there is always room for improvement. Currently, there is a focus on improving Bees Coop's intranet (MOME-BE6, 112, 138f; RMO-BE1, 43ff; RMO-BE2, 19, 45, 61; RMO-BE3, 86; RMO-BE5, 42; RMO-BE9, 43f).

When it comes to *transparency* and *communications* the points of view at PSFC differ depending on the person and position in the cooperative supermarket. For instance, some paid member-owners think that more communication and transparency between the management and the regular paid staff regarding day-to-day decisions would increase successful performance. In addition, being more involved in the management's decision-making would be beneficial. Transferring day-to-day decisions to smaller groups of people or individuals is more efficient, however, this could be communicated better. For instance, more transparency could be provided by sharing the content of the management's weekly meetings (MOME-US8, 40ff, 48, 54, 64; MOME-US11, 26, 35, 141ff). In contrast, others perceive that transparency and communication is provided by the independent in-house press, the Linewaiters' Gazette, and social media channels (MOME-US1, 50ff, 266ff, 271; MOME-US5, 78; MOME-US9, 62; MOME-US11, 10; RMO-US3, 27).

One interviewee who is in a quarrel situation with the cooperative supermarket does not perceive the in-house newspaper as free press. Furthermore, this interviewee criticized the structure and implementation of democratic control bodies of the cooperative as well as a lack of transparency and communications. However, this interviewee is in a very unique situation (RMO-US2, 20, 26, 30ff, 36ff, 50, 60ff, 80, 105, 133ff, 137, 142, 146). Regarding this special case, only this interviewee's side was heard, thus, information might be one-sided. However, this is the interviewee's point of view. The human factor comes into place especially when controversial situations occur, and thus, people have to be willing to listen to each other, particularly when they hear something they do not want to hear. A sincere attitude of listening and talking to teach other, being able to admit mistakes, and stay fair is required, despite personal dislike (MOME-US9, 42ff, RMO-US2, 38, 74, 105, 133).

The same applies when *controversial political topics* arise within the cooperative (MOME-US1, 236ff, 244f; MOME-US9, 42ff, 60ff, 84). While it is important to discuss such topics, since the cooperative itself wants to take political stands (MOME-US1, 245), the cooperative is not about affecting politics and should rise above political divisions in order to concentrate on the food cooperative itself (MOME-US11, 41ff). However, in literature food cooperatives are also described as political since the choice of food is a political one, although some food cooperatives avoid political involvement. The choice of food has an impact on the environment and working conditions of people. It was found that the involvement of members in food cooperatives was the highest when political topics were present. There might be heated discussions and arguments about political topics, but that is part of owning something together and practicing the right to have one's say (Knupfer, 2013). Thus, as mentioned from interviewees at PSFC (MOME-US9, 42ff, RMO-US2, 38, 74, 105, 133), members should be

able to listen to different points of view. When this attitude comes from members themselves it is much more powerful. However, structures which enhance this can be created by the cooperative (Knapfer, 2013).

### 8.3.9 Discussion – Awareness, Attitude, Know-How, Experience, and Networking

Literature shows that consumers at AFNs have an *interest* and *awareness* in sustainable food production, consumption and supply, and related costs. This assumes *knowledge* about these topics (Karner, 2010; Schönhart et al., 2009). Likewise, within this thesis, it was found that people who participate in cooperative supermarkets have a certain level of *awareness* for sustainable food supply, its costs and impacts on the environment and human health (MOME-BE6, 6, 8, 27ff; MOME-US1, 67; MOME-US5, 47f; MOME-US8, 84; MOME-US11, 84f).

It is advantageous to have an *attitude* of taking on responsibility, committing to the project and constantly trying to learn and improve (MOME-BE6, 12ff, 18, 32, 38, 122; RMO-BE2, 91; RMO-BE4, 22ff; RMO-BE5, 24; MOME-US1, 14, 61, 83, 89, 117ff, 199, 206, 247; MOME-US5, 98; MOME-US9, 56, 68, 94; RMO-US4, 18ff, 70ff). Likewise, in literature it was found that an attitude of constant learning and improving is beneficial (Ganci, 2013; Karner, 2010).

*Knowledge, expertise, and experience* of members in fields related to food production and supply as well as other fields such as finances, law or technical questions support the success of a food cooperative, especially in the beginning and also later (Pirker, 2015; Ganci, 2013). As well, PSFC and Bees Coop experience positive influences of member-owners with experience and expertise in fields related to the cooperative supermarket. For instance, from the beginning, Bees Coop had participants who had knowledge about collective decision-making methods, which helped make the processes more efficient (MOME-BE7, 64ff). Likewise, PSFC had plenty of participants who were experts in certain fields, for instance in finances (MOME-US5, 34). In contrast, at Bees Coop the majority of paid staff member-owners did not have experience in the grocery business in the beginning. However, they learned by doing it. The more developed the supermarket gets, the more efficient paid staff member-owners have to be, thus, in future they should bring skills in the fields in which they will work in (MOME-BE6, 134ff). At PSFC some of the paid member-owners have worked in the supermarket business before, which helps as they bring experience and thus, are more efficient (MOME-US11, 57, 65ff).

In literature *networking* is defined as a very important factor for the success of AFNs since it provides support of different kinds (Dax, 2017; Anderson et al., 2014; Sumner et al., 2014; Ganci, 2013; Karner, 2010). Contrarily, after the start-up period, networking was not an important factor for the success at PSFC. Even in the beginning, it only played a minor role (MOME-US1, 280f, 286f; MOME-US5, 100; MOME-US11, 137), although one interviewee would appreciate more networking with other institutions in order to improve (MOME-US8, 94ff, 114). Regular member-owners at Bees Coop think that networking with other like-minded projects supports the whole idea of system change, but it does not necessarily support the success of the cooperative supermarket directly (RMO-BE1, 107f; RMO-BE2, 73ff, 89; RMO-BE9, 40). Albeit, one supplier of PSFC who delivers to more food cooperatives, suggested that it would be beneficial if they could band together in order to make larger orders at once (S-

US13, 35, 41ff, 47). However, this would not be convenient for the food cooperatives since they are independent organizations.

### 8.3.10 Discussion – Location and Premises

The sooner premises are available, the better for the motivation of a food cooperative's members, and thus for its development, whereas, a long duration for *finding suitable premises* can become a barrier as members tend to lose their motivation (Dax, 2017; Pirker, 2015). However, finding a good location can be a challenge as they have to fulfill certain criteria for running a grocery store (Ganci, 2013). Both, PSFC and Bees Coop found suitable premises fast and could expand their space by getting access to larger buildings at the same place where they first started, which was very convenient (MOME-BE6, 58; MOME-BE7, 42; MOME-US1, 128ff, 132ff, 144ff; MOME-US12, 28).

The *atmosphere of a building* has an influence on people. The more inviting it looks, the more likely it will attract people (Dax, 2017; Ganci, 2013; Sense.Lab e.V., 2009; Albrecht et al., 1998). This confirms what MOME-BE6 (28, 38) said about the entrance area at Bees Coop which is not very inviting and thus, keeps people from entering the store.

According to literature, the building should be located in an area where most of the members spend their daily lives. In addition, it is beneficial to be within *easy reach by public transport* as well as having *parking facilities* and being located on the *ground floor* (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998). The same was found within this thesis. The closer people live, the more likely they participate. Furthermore, access to public transport and having the shopping area on the ground floor is beneficial (MOME-BE6, 28; RMO-BE1, 81ff, 87f; RMO-BE2, 19f, 22f; RMO-BE3, 18, 22, 26ff; RMO-BE4, 8, 10, 28, 57; RMO-BE5, 80, 101ff; RMO-BE9, 8, 14ff, 20; MOME-US1, 32; MOME-US5, 68ff; MOME-US8, 86ff; MOME-US11, 123; RMO-US3, 51ff; RMO-US4, 37ff; RMO-US6, 10, 72). At PSFC the lack of parking space in front the supermarket was criticized (RMO-US3, 55).

Due to limited space, PSFC can only receive new member-owners when old ones leave. However, one member-owner with more engagement would like to make the cooperative supermarket experience accessible for many more people. This could be done by means of expanding to a second location (MOME-US1, 34, 38, 41ff, 309). Likewise, one regular member-owner highly suggested this (RMO-US6, 36, 68ff, 86ff). However, this has to be decided by the member-owners at the GM (MOME-US1, 309) and probably the bigger challenge will be finding an affordable location in Brooklyn, which is gentrified and very expensive today (MOME-US1, 22; MOME-US11, 127; MOME-US8, 80ff).

### 8.3.11 Discussion – Diversity

Bees Coop aimed, from the very beginning, for a diverse and inclusive group of member-owners, and for people with different income levels and from different socio-economic backgrounds. However, this was found to be difficult, and the majority of member-owners remain white, middle class, better educated people with higher income levels (MOME-BE6, 32; MOME-BE7, 14; RMO-BE1, 142ff; RMO-BE2, 89, 93; RMO-BE3, 70ff, 94, 120ff; RMO-BE4, 77; RMO-BE5, 42). As well, in literature it was found that AFNs tend to be homogenous,

elitist, and exclusive groups of white, wealthy, middle-class people. Especially socially deprived and economically disadvantaged groups of people are not part of AFNs. Often these groups differ in their ethnicity, social background, or nationality from the majority of AFN members (Renting et al., 2012; Tregear, 2011; DuPuis and Goodman, 2005). At PSFC, in the beginning the group of participants was not very diverse, but this has changed over time (MOME-US1, 56, 61; MOME-US8, 54). However, PSFC could still be more diverse (MOME-US1, 56f; MOME-US5, 44; MOME-US8, 54ff; MOME-US9, 24, 68; MOME-US11, 99). Higher prices can be a barrier for low-income households to buy organic, high-quality products, which are often offered in AFNs (Lehner, 2018; Hunter, 2011; Karner, 2010). Among other possible reasons, prices were also mentioned as a possible barrier at Bees Coop and PSFC (MOME-BE6, 32; RMO-BE3, 74, 120ff; RMO-BE5, 48; MOME-US11, 99). However, this is a question which should be asked of people who are not part of the cooperative supermarket, for instance the Turkish neighborhood of Bees Coop.

### 8.3.12 Discussion – Advertisement and Marketing

According to literature, marketing and media presence helps AFNs to be successful (Ganci, 2013; Karner, 2010). However, PSFC does not advertise (MOME-US1, 46ff, 54; MOME-US5, 79f; MOME-US8, 99). Likewise, at Bees Coop, most regular member-owners heard about the cooperative through word of mouth instead of advertisement. However, Bees Coop used flyers as well (RMO-BE1, 111ff, 120; RMO-BE2, 89; RMO-BE3, 14; RMO-BE4, 57; RMO-BE5, 20ff; RMO-BE9, 56).

## 8.4 Discussion of the Results – Suppliers

Cooperation between consumers and producers allow farmers to be more flexible and independent about *prices* and the type of *products they produce*. Thus, they gain more *latitude* and are less dependent on powerful corporations. Furthermore, it *increases the variety of products* and the direct contact with consumers causes more appreciation for their work (Lutz et al., 2017; Jaklin et al., 2015; Anderson et al., 2014; Tregear, 2011; Schönhart et al., 2009). The findings of this thesis confirm this: For instance, PSFC, has a cooperation with a *producer cooperative* which consists of many small farmers who offer different types of vegetables, fruits, eggs, and meat. Since PSFC can promise to buy large amounts from the cooperative due to selling vast quantities of food, the farmers have the *freedom to produce what they want* in an amount that is possible for them. Thus, not every one of those farms has to be large in order to be able to survive (MOME-US8, 20). Suppliers of PSFC appreciate the price, general flexibility, and not having to pay fees (S-US7, 27; S-US10, 42; S-US13, 27ff, 48ff) as well as the *direct and personal relationship* with their business partners (S-US7, 27ff, 31, 40ff; S-US10, 4, 6, 14, 40, 42, 74ff; S-US13, 31ff, 57). The importance of personal relationships was also mentioned at Bees Coop (S-BE8, 31ff, 66).

However, some suppliers experience a *certain degree of disorganization* within the cooperative supermarket when it comes to stock and orders (S-US7, 21; S-US13, 18ff, 35). This is also mentioned in literature (Lutz et al., 2017). In contrast, another supplier perceives the orders of

the cooperative supermarket as very predictable (S-US10, 40). Maybe this depends on different contact persons in the cooperative.

*The cooperation with PSFC* allows suppliers to expand their businesses, grow their customer base, sell higher volumes, and brand their products (S-US7, 15, 23, 31, 35, 39; S-US10, 6, 8, 14, 74; S-US13, 12, 23ff, 57). Consequently, it can be assumed that these suppliers gain competitiveness by being part of the cooperation. This is somewhat of a contradiction to Schönhart et al. (2009) who state that producers who participate in community supported agriculture might depend on a few local consumers which, of course, implies less competitiveness. Confirming the empirical results of this study, positive effects exceed negative ones for suppliers also.

## 9 Conclusion, Research Questions, and Recommendations

In conclusion, the most important factors for the successful performance of a cooperative supermarket are *awareness for sustainable food supply and passion as well as identification with the project which causes motivation for volunteer work*. In order to be able to identify with the project a clear mission has to be communicated which is the core of the concept: The provision of sustainable high-quality food at affordable prices which is possible through working for it together. Furthermore, it is important to offer convenience by a *one-stop-shopping destination and long opening hours*. The equally required work participation model keeps the costs for labor low and causes a feeling of fairness, equality, connection, and community as well as identification. Ownership needs to be felt by member-owners, so they care about the cooperative supermarket, protect it, and make progress. Investment fees of member-owners strengthen the feeling of owning and provide a financial source. In addition, keeping track of finances is important. Communication, transparency, and rules are needed in order to have a functioning community-controlled institution with collective decision-making and democratic governance structures. In addition, the human factor has to be taken into consideration: Every individual should have a sincere and respectful attitude of listening and talking to each other, especially in controversial situations as well as be able to admit mistakes and constantly try to improve.

The research questions of this study are as follows (see also chapter 1.2, p. 16):

*Main research question:*

Which success factors and barriers along the short food supply chain exist and affect the performance of cooperative supermarkets?

*Detailed research questions:*

1. Which success factors and barriers has the cooperative supermarket Park Slope Food Coop experienced during its start-up period?
2. Which success factors and barriers has the cooperative supermarket Park Slope Food Coop been experiencing during the durability of the past 46 years of its existence?
3. Which success factors and barriers has the cooperative supermarket Bees Coop experienced during its start-up period, and in the beginning of its performance?
4. What are the differences between the young cooperative supermarket Bees Coop and the long-lasting cooperative supermarket Park Slope Food Coop?

The research questions could be answered since success factors and barriers during the start-up period of Bees Coop and PSFC were identified (see chapter 5.2, p. 57 and chapter 6.2, p. 74). Furthermore, general factors which lead to success or hinder success after the beginning at Bees Coop were identified (see chapter 5.3, p. 61; chapter 5.4, p. 66 and chapter 5.5, p. 73) as well as key success factors for the durability of PSFC (see chapter 6.3, p. 78; chapter 6.4, p. 91 and chapter 6.5, p. 95). In addition, differences between the young cooperative supermarket Bees Coop and the long-lasting one PSFC were analyzed (see chapter 7, p. 98).

For future cooperative supermarket projects, a market analysis is recommended, since it is an influential factor, whether the same-quality food is available in the market at similar prices. Furthermore, it would be interesting to analyze cooperative supermarket projects which failed in order to find out the differences and reasons for their failure.



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# 11 Appendix

## 11.1 Interview Guidelines

The following chapters provide the applied interview guidelines for each group of stakeholders.

### 11.1.1 Interview Guideline for Member-Owners with more Engagement

Dear interviewee,

My name is Claudia Zefferer, I am attending the master's program for "Agricultural and Food Economics" at the University of Natural Resources and Life Sciences, Vienna. Within my master's thesis I am researching success factors and barriers for the performance of cooperative supermarkets. Therefore, it is great to do that interview with you! The content of the interview will only be used for scientific reasons. All interviews will be recorded. Names will not be mentioned in the final report.

Explaining the interview process

Signing the "Declaration of Consent" that the interview will be recorded, and the content of the interview will be used for scientific purposes.

Do you have any questions before we start?

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What is your *role* and what are your *responsibilities* within the cooperative supermarket (Cooper, 2008; Bullen and Rockart, 1981)?

What are your personal *aims* and *goals* being part of the cooperative supermarket (Sense.Lab e.V., 2009; Cooper, 2008; Bullen and Rockart, 1981)?

*Since when* are you part of the cooperative supermarket?

What is, in your opinion, *responsible for the success* of your cooperative supermarket? And *what does success mean* for you when it comes to the cooperative supermarket (Lamnek and Krell, 2016; Ganci, 2013; Atteslander, 2010; Bullen and Rockart, 1981)?

What are, in your opinion, *obstacles or difficulties* for the success of your cooperative supermarket? Are there things which *should have been done differently in hindsight* (Lamnek and Krell, 2016; Ganci, 2013; Atteslander, 2010; Bullen and Rockart, 1981)?

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What are/were the most supporting factors when it comes to *finances*? What are/were the biggest challenges concerning *finances*?

- Generating money (in the beginning and later):
  - Funding (Karner, 2010; Anderson et al., 2014)?
  - Mark ups, membership & entry fees (Dax, 2017; Sense.Lab e.V., 2009)?
- Financial framework in general (Sense.Lab e.V., 2009)?
- Liability (Dax, 2017; Pirker, 2015; Sense.Lab e.V., 2009; Albrecht et al., 1998)?
- What is money needed for (in the beginning and later) (Dax, 2017; Sense.Lab e.V., 2009)?

What about *members* and further *participants*?

- What, do you think, is the target group for such a cooperative supermarket (Dax, 2017; Sense.Lab e.V., 2009)?
- How to get/motivate members in the beginning (Dax, 2017; Lutz et al., 2017)?
- What are, in your opinion, the advantages of participating that non-profit-orientated cooperative supermarket (Pirker, 2015)?
- And what are disadvantages (Pirker, 2015)?
- How can the paid staff be paid? Full or part time jobs (Dax, 2017; Sense.Lab e.V., 2009)?
- Differences between paid and not-paid staff? Any problems?
- What is the optimum concerning the number of members and suppliers/producers?
- How many people were involved during the start-up period? How many members quit since the beginning? What do you think why (Pirker, 2015)?
- How can producers/suppliers be found (Dax, 2017; Sense.Lab e.V., 2009)?
- How many producers/suppliers are currently participating? How many have quit since the beginning? What do you think why (Pirker, 2015)?



- Sense of community, team spirit, common activities (Pirker, 2015; Ganci, 2013)?
- Dominant personalities (Pirker, 2015)?
- Mandatory membership (Pirker, 2015)?
- Consumer loyalty (Karner, 2010)?
- Diversity of members: different backgrounds, social status, religions, ethnic group (Renting et al., 2012; Tregear, 2011)?

What about the fact that *volunteer work* is needed (Dax, 2017)?

- In the beginning a lot of work is done by the founders. Motivation for volunteer work during the start-up period (Ganci, 2013; Studer and von Schnurbein, 2012) and how to implement that?
- How many people were involved in the beginning?
- How were they compensated?
- What was your investment of time in the beginning (Pirker, 2015)?
- Expenditure of time (Ganci, 2013, Pirker, 2015)?
- Enough time and interest (Sense.Lab e.V., 2009)?

What about *decision-making, communication and distribution of tasks* (Dax, 2017; Ganci, 2013; Studer and von Schnurbein, 2012; Sense.Lab e.V., 2009)?

- Which specific decision-making processes (Dax, 2017)?
- How is the distribution of tasks organized (Pirker, 2015)?
- Are online tools being used (Dax, 2017)?
- Long drawn-out decision-making processes (Pirker, 2015)?

Which role do *products, prices and opening hours* play (Dax, 2017; Sense.Lab e.V., 2009)?

- Range of products (Ganci, 2013)?
- Cost-benefit-ratio, prices (Ganci, 2013; Sense.Lab e.V., 2009)?
- Cost-savings? How much?
- How are purchase quantities calculated?
- How to avoid that products expire? What happens to expired products?
- Handling of perishable goods?
- Goods in stock?
- Quality management? If yes, how?

What is supporting and what hindering when it comes to *premises* (Dax, 2017; Sense.Lab e.V., 2009)?

- Finding suitable premises; premises available (Pirker, 2015; Sense.Lab e.V., 2009)?
- Affordable premises?
- Location of premises (Sense.Lab e.V., 2009)?
- Inviting premises (Ganci, 2013)?

What about *creating networks and external support* (Dax, 2017; Pirker, 2015; Anderson et al., 2014; Sumner et al., 2014; Ganci, 2013; Karner, 2010)?

- Financial support (Pirker, 2015; Sumner et al., 2014)?
- Sharing of knowledge (Pirker, 2015; Sumner et al., 2014; Ganci, 2013; Studer and von Schnurbein, 2012)?
- Provision of goods (Pirker, 2015)?
- Support by local authorities (Karner, 2010, Ganci, 2013)?

What about the *common mission and clearly defined goals* (Ganci, 2013; Studer and von Schnurbein, 2012)?

- Principles of the organization (farming methods, only local products, etc.) (Sense.Lab e.V., 2009)?
- Absence of common goals and visions in the beginning (Pirker, 2015)?
- Understanding the purpose of a food cooperative during the start-up period (Pirker, 2015)?
- Social mindset which goes hand in hand with knowledge (Karner, 2010)?

What kind of *location, setting and environment* is supporting and what hindering for the performance of your coop supermarket (Pirker, 2015)?

- Legal frame (legal form and insurance) (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998)?
- Structure of the organization (roles, working groups, employed staff vs. regular members) (Dax, 2017; Sense.Lab e.V., 2009)?
- Legal advice available?
- What about competitors?
- Socio-political context (Anderson et al., 2014)?
- Considering various social and cultural aspects (Anderson et al., 2014)?
- Holiday season (Pirker, 2015; Ganci, 2013)?

What about *advertisement and innovations* (Pirker, 2015; Ganci, 2013; Karner, 2010)?

- (Creative) marketing strategies, branding, media presence (Ganci, 2013)?
- Innovation (Karner, 2010)?
- Public relations (Pirker, 2015)?

In what way are *know-how* and *experience* influencing the performance of your cooperative supermarket (Pirker, 2015; Ganci, 2013)?

- Learning (Ganci, 2013; Karner, 2010)?
- Skills (Ganci, 2013; Karner, 2010)?

Are *hygiene regulations* and *trading rules* barriers or supporting the performance of your cooperative supermarket (Karner, 2010)?

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Are there *differences between the start-up period and later*, when the cooperative supermarket is already established?

What are the *most important success factors* and what are the *most important barriers* for the performance of the cooperative supermarket for you (Bullen and Rockart, 1981)?

Which specific *measures* would you suggest, to improve the situation (Bullen and Rockart, 1981)?

In case: Why was certain topic not mentioned at all?

Would you like to add something to what was said so far?

Thank you for the interview!

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End of the interview (stop recording)

Note demographic data of interviewees

- Name of the cooperative supermarket:
- Name of the interviewee:
- Email:
- Final report wanted:

### 11.1.2 Interview Guideline for Regular Member-Owners

Dear interviewee,

My name is Claudia Zefferer, I am attending the master's program for "Agricultural and Food Economics" at the University of Natural Resources and Life Sciences, Vienna. Within my master's thesis I am researching success factors and barriers for the performance of cooperative supermarkets. Therefore, it is great to do that interview with you! The content of the interview will only be used for scientific reasons. All interviews will be recorded. Names will not be mentioned in the final report.

Explaining the interview process

Signing the "Declaration of Consent" that the interview will be recorded, and the content of the interview will be used for scientific purposes.

Do you have any questions before we start?

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What is your *role* and what are your *responsibilities* within the cooperative supermarket (Cooper, 2008; Bullen and Rockart, 1981)?

What are your personal *aims* and *goals* being part of the cooperative supermarket (Sense.Lab e.V., 2009; Cooper, 2008; Bullen and Rockart, 1981)?

*Since when* are you part of the cooperative supermarket?

What is, in your opinion, *responsible for the success* of your cooperative supermarket? And *what does success mean* for you when it comes to the cooperative supermarket (Lamnek and Krell, 2016; Ganci, 2013; Atteslander, 2010; Bullen and Rockart, 1981)?

What are, in your opinion, *obstacles or difficulties* for the success of your cooperative supermarket? Are there things which *should have been done differently in hindsight* (Lamnek and Krell, 2016; Ganci, 2013; Atteslander, 2010; Bullen and Rockart, 1981)?

---

When we talk about becoming and being a *member*:

- What do you think is the target group for such a cooperative supermarket (Dax, 2017; Sense.Lab e.V., 2009)?
- What motivated you to become a member (Dax, 2017; Lutz et al., 2017)?
- What are, in your opinion, the advantages of participating that non-profit-orientated cooperative supermarket (Pirker, 2015)?
- And what are disadvantages (Pirker, 2015)?
- Differences between paid and not-paid staff? Any problems?
- Sense of community, team spirit, common activities (Pirker, 2015; Ganci, 2013)?
- Dominant personalities (Pirker, 2015)?
- Mandatory membership (Pirker, 2015)?
- Consumer loyalty (Karner, 2010)?
- Diversity of members (different backgrounds, social status, religions, ethnic group) (Renting et al., 2012; Tregear, 2011)?

What is supporting and what hindering for the cooperative supermarket when it comes to *products, prices* and *opening hours* (Dax, 2017; Sense.Lab e.V., 2009)?

- Range of products (Ganci, 2013)?
- Cost-benefit-ratio, prices (Ganci, 2013; Sense.Lab e.V., 2009)?
- Cost-savings? How much?
- How are purchase quantities calculated?
- How to avoid that products expire? What happens to expired products?
- Handling of perishable goods?
- Goods in stock?
- Quality management? If yes, how?

What about the fact that *volunteer work* is needed (Dax, 2017)?

- Motivation for volunteer work (Ganci, 2013; Studer and von Schnurbein, 2012)?
- Expenditure of time (Ganci, 2013; Pirker, 2015)?
- What was your investment of time (Pirker, 2015)?
- Enough time and interest (Sense.Lab e.V., 2009)?

What is supporting and what hindering when it comes to *premises* (Dax, 2017; Sense.Lab e.V., 2009)?

- Location of premises (Sense.Lab e.V., 2009)?
- Inviting premises (Ganci, 2013)?
- Finding suitable premises; premises available (Pirker, 2015; Sense.Lab e.V., 2009)?
- Affordable premises?

What about *decision-making, communication* and *distribution of tasks* (Dax, 2017; Ganci, 2013; Studer and von Schnurbein, 2012; Sense.Lab e.V., 2009)?

- Which specific decision-making processes are being used (Dax, 2017)?
- How is the distribution of tasks organized (Pirker, 2015)?
- Are online tools being used (Dax, 2017)?
- Long drawn-out decision-making processes (Pirker, 2015)?

What are/were the most supporting factors when it comes to *finances*? What are/were the biggest challenges concerning *finances*?

- Generating money (in the beginning and later):
  - Funding (Karner, 2010; Anderson et al., 2014)?
  - Mark ups, membership & entry fees (Dax, 2017; Sense.Lab e.V., 2009)?
- Financial framework in general (Sense.Lab e.V., 2009)?
- Liability (Dax, 2017; Pirker, 2015; Sense.Lab e.V., 2009; Albrecht et al., 1998)?
- What is money needed for (in the beginning and later) (Dax, 2017; Sense.Lab e.V., 2009)?

What about *creating networks* and *external support* (Dax, 2017; Pirker, 2015; Anderson et al., 2014; Sumner et al., 2014; Ganci, 2013; Karner, 2010)?

- Financial support (Pirker, 2015; Sumner et al., 2014)?
- Sharing of knowledge (Pirker, 2015; Sumner et al., 2014; Ganci, 2013; Studer and von Schnurbein, 2012)?
- Provision of goods (Pirker, 2015)?
- Support by local authorities (Karner, 2010; Ganci, 2013)?

What about the *common mission* and *clearly defined goals* (Ganci, 2013; Studer and von Schnurbein, 2012)?

- Principles of the organization (farming methods, only local products, etc.) (Sense.Lab e.V., 2009)?
- Absence of common goals and visions in the beginning (Pirker, 2015)?
- Understanding the purpose of a food cooperative during the start-up period (Pirker, 2015)?
- Social mindset which goes hand in hand with knowledge (Karner, 2010)?

What kind of *location*, *setting* and *environment* is supporting and what hindering for the performance of your coop. supermarket (Pirker, 2015)?

- Legal frame (legal form and insurance) (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998)?
- Structure of the organization (roles, working groups, employed staff vs. normal member, etc.) (Dax, 2017; Sense.Lab e.V., 2009)?
- Legal advice available?
- What about competitors?
- Socio-political context (Anderson et al., 2014)?
- Considering various social and cultural aspects (Anderson et al., 2014)?
- Holiday season (Pirker, 2015; Ganci, 2013)?

What about *advertisement* and *innovations* (Pirker, 2015; Ganci, 2013; Karner, 2010)?

- (Creative) marketing strategies, branding, media presence (Ganci, 2013)?
- Innovation (Karner, 2010)?
- Public relations (Pirker, 2015)?

In what way are *know-how* and *experience* influencing the performance of your cooperative supermarket (Pirker, 2015; Ganci, 2013)?

- Learning (Ganci, 2013; Karner, 2010)?
- Skills (Ganci, 2013; Karner, 2010)?

Are *hygiene regulations* and *trading rules* barriers or supporting the performance of your cooperative supermarket (Karner, 2010)?

---

Are there *differences between the start-up period and later*, when the cooperative supermarket has already established?

What are the *most important success factors* and what are the *most important barriers* for the performance of the cooperative supermarket for you (Bullen and Rockart, 1981)?

Which specific *measures* would you suggest, to improve the situation (Bullen and Rockart, 1981)?

In case: Why was certain topic not mentioned at all?

Would you like to add something to what was said so far?

Thank you for the interview!

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End of the interview (stop recording)

Note demographic data of interviewees

- Name of the cooperative supermarket:
- Name of the interviewee:
- Email:
- Final report wanted:

### 11.1.3 Interview Guideline for Suppliers

Dear interviewee,

My name is Claudia Zefferer, I am attending the master's program for "Agricultural and Food Economics" at the University of Natural Resources and Life Sciences, Vienna. Within my master's thesis I am researching success factors and barriers for the performance of cooperative supermarkets. Therefore, it is great to do that interview with you! The content of the interview will only be used for scientific reasons. All interviews will be recorded. Names will not be mentioned in the final report.

Explaining the interview process

Signing the "Declaration of Consent" that the interview will be recorded, and the content of the interview will be used for scientific purposes.

Do you have any questions before we start?

---

What is your *role* and what are your *responsibilities* in cooperation with the cooperative supermarket (Cooper, 2008; Bullen and Rockart, 1981)?

What are your personal *aims* and *goals* being in cooperation with the cooperative supermarket (Sense.Lab e.V., 2009; Cooper, 2008; Bullen and Rockart, 1981)?

*Since when* are you in cooperation with the cooperative supermarket?

What is, in your opinion, *responsible for a successful cooperation* with the cooperative supermarket? And *what does success mean* for you when it comes to the cooperative supermarket (Lamnek and Krell, 2016; Ganci, 2013; Atteslander, 2010; Bullen and Rockart, 1981)?

What are, in your opinion, *obstacles or difficulties* in cooperation with the cooperative supermarket? Are there things which *should have been done differently in hindsight* (Lamnek and Krell, 2016; Ganci, 2013; Atteslander, 2010; Bullen and Rockart, 1981)?

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What is your *motivation* to be in cooperation with a cooperative supermarket (Dax, 2017)?

- What, do you think is the producer/supplier target group for such a cooperative supermarket (Dax, 2017; Sense.Lab e.V., 2009)?
- How did the cooperation start (Dax, 2017; Sense.Lab e.V., 2009)?
- What are, in your opinion, the advantages of participating that non-profit-orientated cooperative supermarket (Pirker, 2015)?
- And what are disadvantages (Pirker, 2015)?
- Are you in any way included to the cooperative character (e.g. decision-making)?
- Social component, sense of community, team spirit (Pirker, 2015; Ganci, 2013)?
- Personal relationship, contact?

What about *products, prices, fees* and *delivery* (Dax, 2017; Sense.Lab e.V., 2009)?

- Prices (Ganci, 2013; Sense.Lab e.V., 2009)?
- Purchase quantities?
- Security that goods will be ordered frequently? Contracts?
- Quality standards required?
- Do you deliver directly to the cooperative supermarket? How and how often?
- Range of products (Ganci, 2013)?
- Latitude (Howard, 2016; Tregear, 2011)?
- Fees for placing products in the cooperative supermarket?

What is supporting and what hindering when it comes to *premises* (Dax, 2017; Sense.Lab e.V., 2009)?

- Location of premises (Sense.Lab e.V., 2009)?
- Structural conditions of the building concerning delivery?

What about *creating networks* and *external support* (Dax, 2017; Pirker, 2015; Anderson et al., 2014; Sumner et al., 2014; Ganci, 2013; Karner, 2010)?

- Sharing of knowledge (Pirker, 2015; Sumner et al., 2014; Ganci, 2013; Studer and von Schnurbein, 2012)?
- Any other support through networking (Ganci, 2013; Karner, 2010)?

What about the *common mission* and *clearly defined goals* (Ganci, 2013; Studer and von Schnurbein, 2012)?

- Principles of the organization (farming methods, only local products, etc.), values (Sense.Lab e.V., 2009)?
- Understanding the purpose of a food cooperative during the start-up period (Pirker, 2015)?
- Difficulties concerning the principles (how can vision and reality cope)?

What kind of *location, setting* and *environment* is supporting and what hindering for the cooperation with the cooperative supermarket (Pirker, 2015)?

- Legal frame (legal form and insurance) (Dax, 2017; Sense.Lab e.V., 2009; Albrecht et al., 1998)?
- Structure of the organization? How is it organized (Dax, 2017; Sense.Lab e.V., 2009)?
- Legal advice available?
- What about competitors?
- Differences in corporation with the cooperative supermarket compared to other customers/vendors?
- Socio-political context (Anderson et al., 2014)?
- Considering various social and cultural aspects (Anderson et al., 2014)?

What about *advertisement* and *innovations* (Pirker, 2015; Ganci, 2013)?

- (Creative) marketing strategies, branding, media presence (Ganci, 2013)?
- Public relations: benefit for you too (Pirker, 2015)?
- Advertisement fees?

---

What are the *most important success factors* and what are the *most important barriers* in cooperation with the cooperative supermarket for you (Bullen and Rockart, 1981)?

Which specific *measures* would you suggest, to improve the situation (Bullen and Rockart, 1981)?

In case: Why was certain topic not mentioned at all?

Would you like to add something to what was said so far?

Thank you for the interview!

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End of the interview (stop recording)

Note demographic data of interviewees

- Name of the cooperative supermarket:
- Name of the interviewee:
- Email:
- Final report wanted:

## 11.2 Code System

The following chapters show all codes and subcodes which were generated by means of the MAXQDA software for each group of stakeholders of both case studies.

### 11.2.1 List of Codes – Member-Owners with more Engagement at Bees Coop

List of Codes MOME-BE				
KEY FACTORS IN GENERAL				
	Products & prices			
		Products		
			High-quality products	
			Having the choice of diff. products	
			One-stop-shopping destination	
			Information about the products	
			Labelling system	
			Wholesale traders vs. just small, local producers	
				Problem if small producer cannot deliver
				Too much effort to work with so many small producers
				Paid staff force is limited
				Too high volume for only small producers
				Only small producers possible for certain products
		Reasonable (rather low) prices		
	Day-to-day operations of a coop. food business			
		More members – more labor force		
		Volunteer work – more effort to engage extra		
		Calculating what to order		
		Preventing food waste		
		Hygiene regulations		
	Finances			
		Margin 134ransp products		
		Utilization of benefits		
		Investment fee		
		Lowering of the investment fee		
	The social component & the human factor			

		The social component
		Feeling home in the supermarket
	Identification, awareness, attitude & self empowerment	
		Identification with the project
		Awareness
		Awareness 135ranspa project
		Awareness that good food costs money
		Attitude
		People who are more engaged in general
		Intrinsic motivation
		Constant work in progress
		Belonging to something bigger
		Right to have a say
	Governance structure, transparency & communication	
		Transparent information system
		Social media
		Focussing on internal communication
		Transparency of finances & IST
	Decision-making processes	
		Decision-making competences transferred to smaller groups
		Decisions made at the GA
		Rule 100% consensus
		Efficiently organized decision-making process
		Steps for a 135ransparen decision-making process
		1. Brainstorm intro session about certain topic
		2. Presenting worked out options at GA
		3. Discussing options in small groups
		4. Remaining questions can be asked
		5. Objections can be expressed
		6. Discussing objections in small groups
		7. Remaining objections discussed with whole GA
		8. Generation of new options to the topic
		9. Preparation of new option
		10. Final decision about new options at the next GA
	Location & premises	
		Proximity 135ransp location
		Entrance of the building not inviting
	The common mission & values	
		Supporting anti-capitalist model
		Food from local production
		Fair conditions for producers
		Low impact food
		Convenience wanted
	Diversity	
		Age diversity
		Homogenous group
		French & Flemish already difference
		Diversity of member-owners wanted
		Reasons for homogenous group
		Measures to improve diversity
	Expertise & efficiency	
	Market situation	
		Dislike of conventional supermarkets
KEY FACTORS DURING THE START-UP PHASE		
	History of the Origins – BE	
		Group of people in the beginning
		Reasons to start the project
		Different ideas in the beginning
		Defining the vision & finding people
		Vision 135ransp project
		Networking
		Spreading the idea
		A community believing in the project
		Identification with the project
	Development from buying group to coop. supermarket	
		Start as a buying group
		Growing community

			By buying group people started believing in project
			Development 136ransp premises
			No physical premises
			Start with garage
			Finally supermarket building
			Limited opening-hours
			Limited range of products
			Possibility to buy high-quality products cheaper
			Product range development
			Ignoring legal rules in the beginning
			Develoment of ordering food online & payment
			Supermarket exists since
			Provision of labor force in the beginning
			Volunteer work of founders
			Vounteer work of members
			Finding people to work
			No paid staff
			Work-input balance
			Work-input on basis of trust
			Expert in a certin field
			Support through unemployment money
			Finances in the beginning
			Funding
			Financing premises in the beginning
			Support by wealthy person
			Investment fees of members & bank loan
			Margin from buying group
			External support in the beginning
			Networking, sharing knowledge
			University grant for diversity project
			Software development project
			Funding from the state
			Decision-making & governance i.t.b.
Role & duration of participation			
			Role of interviewee
			Duration of participation
Aims and goals of interviewee			

## 11.2.2 List of Codes – Regular Member-Owners at Bees Coop

List of Codes RMO-BE			
KEY FACTORS IN GENERAL			
	Products, prices & opening hours		
		Products	
			High-quality, healthy products
			Wide range of products
			Too many products
			No frozen goods
		Product information	
			Information about the products
			Not understandable labeling
			Improving the labeling system
		Prices	
			Reasonable (rather low) prices
			Prices too expensive
		Long opening hours	
	Day-to-day operations of a coop. food business		
		Process of becoming a member-owner	
			Lowering of the investment fee
			Easy accessibility to beome a member
		Rules & flexibility of the system	
			Strict working requirements
			Flexibility within the system
			Rules about how the organization works
		Paid staff & management	
			Necessity of paid staff member-owners
			Efficiently organized in general



		Competent team of founders
		Stable core team
		Hygiene regulations & legal rules
		Not so strict hygienic rules
		Complying hygiene rules
		Hygiene regulation inspections
		Complying legal rules
		No water available
		Volunteer work
		Expenditure of time
		Normal participation too much effort
		Level of participation
		More effort to engage extra
		Freedom of level of further participation
		Glad that others do it
		More 137ransparenc of some members
		No force of more involvement
		High number of participants
		A lot of unpaid work for the founders in the beginning
		Freedom of choice concerning work task
		Getting active by yourself is a barrier
		Language as a barrier (for more participation)
		Social component & the human factor
		Social meeting point
		Meeting new people
		Having an activity, a hobby
		Social free time activity offers
		Establishing a community
		Challenging human relations
		Understanding and friendliness in the membership office
		No cennction to people in work shift
		The common mission & values
		Sustainably & fair produced healthy products
		Organic products
		Healthy food
		Caring about environmental sustainability
		Sustainable farming, food
		Food from fair production
		Farm to plate distance
		Local products
		Local food production – local food
		Reason for not just local supply
		Long distance food is travelling
		Possibility of tracing back source of products
		Alternative business model
		Non-profit based idea
		Not supporting big corporations
		Contributing to a local economy
		Culture of consumerism needs to change
		New model of supermarket
		Reducing food waste & packaging
		Old bread used to make beer
		Avoiding packaging – Zero packaging approach
		Advertismet for products which will expire soon
		Expired food is given to member-owners for free
		Discount on products which will expire soon
		Holistic approach
		Having a common mission
		Not being too strict about 3 principles
		Location & premises
		Proximity 137ransp location
		Far distance to the location
		Accessibility with public transport & bike
		Farer away, but on the way to work
		Shopping experience, atmosphere
		Efficient, convenient shopping experience
		Pleasant shopping experience

		Defining where you want to set it up
		Renovation 138ransp premises
		Governance structure, 138ransparency & decision-making
		Decision-making tools & strategies
		Good team of facilitators & efficiently organized
		Decision-making competence transferred to smaller groups
		Face-to-face discussion
		Support by external profi
		Transparency
		Information & communication
		Internal communication
		Information about the GM
		Newspaper & digital channels
		Internal communication
		External communication – spreading the idea
		Word of mouth
		Advertisement, Marketing & PR
		No commerical advertisement
		How to frame the message
		Difficulties getting general information in the beginning
		Information/welcome session
		Online tools
		Presence on social media
		Possibility to vote online
		Online surveys
		Online space to look up information
		Awareness, attitude & self empowerment
		Awareness
		Awareness, understanding of the project
		Awareness about healthy food
		Attitude
		Constant work in progress
		Attitude of taking on responsibility
		Self empowerment
		Right to have a say
		Contributing own ideas
		Belonging to something bigger
		Diversity of participants
		Homogenous group
		Diversity of member-owners wanted
		Reasons for homogenous group
		Measures to improve diversity
		Networking, expertise, knowledge & learning
		Networking
		Advertisment through networking
		Networking supports the idea
		Networking in general
		Expertise of participants in certain fields
		Sharing of knowledge
		Learning from each other
		Market situation
		Competitors
		Possible competitors
		Cheaper competitors
		Absence of a broad organic offer in Brussels
		No competitors
		Not so much high-quality products available
		Mistrust & dislike in conventional supermarkets
		Market development
		Financial resources
		Investment fee
		Funding by the city of Brussels
		Research project – regional subsidy
		Role & duration of participation
		Role of interviewee
		Duration of participation
		Aims and goals of interviewee

### 11.2.3 List of Codes – Suppliers at Bees Coop

List of Codes S-BE		
KEY FACTORS IN GENERAL		
	Personal contact & relationship	
	Similar values	
	Type & duration	
		Which kind of supplier
	Cooperation with other vendors	

### 11.2.4 List of Codes – Member-Owners with more Engagement at PSFC

List of codes MOME-US			
KEY FACTORS IN GENERAL			
	Products, prices & opening hours		
		Products	
			High-quality, healthy products
			One-stop-shopping destination
			Selling high volumes
			Also GMO products available
			Information about the products
		Prices	
			Reasonable (rather low) prices
			Risen mark-up because of expansion
			Cost savings vs. time invested
			Prices too expensive
		Opening hours	
			Long opening hours
			Long opening hours also beneficial for volunteer work
		Volunteer work	
		Core is equal, required work participation	
			Equal work participation for everyone
		Identification	
			Identification with the project through equal work requirement
			Building connection - Identification
			Identification with supermarkets, stores
		Working together creates commitment	
		Working together for mutual benefit	
		Improving the awareness of the "we-feeling"	
		Vs. model with no work participation	
		Creating a "we-feeling"	
		Educating member-owners about coop. business model	
		Wrong reason to start a coop	
		Volunteer work = labor pool	
			Unpaid labor pool through volunteer work
		Unstable labor pool	
		Challenge i.t.b. to have enough member-workers	
		Keeping labor cost down	
		Work in committee vs. day-to-day-work slots	
		Tasks & distribution of tasks	
		Incentives for cleaning work slot	
		Working together with very engaged people	
		Expenditure of time	
		work investment = money	
		The social component & the human factor	
		Building a community	
		Belonging to something bigger	
		Creating a healthy human ecosystem	
		Meeting like-minded people	
		Human factor in the coop	
		Listening & talking to each other	
		Awareness, attitude & self-empowerment	
		Awareness	
			Awareness for healthy coop. food supply
			Awareness about what a coop is
		Attitude	

			Constant work in progress
			Curiosity & willingness needed
			Taking on responsibility
			Cooperative spirit vs. individualism
			Integrity & excellence at work
			Self-Empowerment
			Right to have a say
			Self empowerment
			Day-to-day operations & management
			Management, organization, paid staff
			Structure of the organization
			Flat vs. hierarchical structure
			Rules needed, sanctions & enforcement
			Flexibility of the system
			Hiring teams
			Working tasks & conditions
			Engaged paid staff
			Too much work for paid staff
			More paid staff costs more
			No evaluations for paid staff
			Safety protocol needed
			Standard training precedures needed
			Paid staff needs more accountability
			Work between regular memebbers & paid staff
			GC & paid staff more interactions wanted
			Separate tasks for paid & volunteer members
			Same payment & work conditions for everyone
			Technology
			Organizing membership database
			Keeping up with technology
			Member-written app
			Observing too crowed shopping area
			Feedback mail to peole who leave
			Retirement policy
			Day-to-day operations
			Making the business run smoothly
			Learning how the grocery business works
			Obeying the law
			Hygiene regulations
			Developing strong relationships with farmers
			Finances
			Keeping track of the finances
			Investment fees by members
			Investment fee
			Members invest more than investment fee
			Paying back investment fees
			Fundraising
			Bank loans
			Funding, grants & tax incentives
			Expertise in the field of finances
			Low labor cost due to members working
			Keeping costs low to decrease mark-up
			Retirment policy as a barrier
			Governance structure & transparency
			Governance
			Radical democracy approach
			GM = Government of the coop
			Governmental structure
			Power structure
			Concentration of power
			No powerful positions in the coop
			Transparency
			Lack of transparency conc. decisions made by GC
			Reasons for lack of transparency
			Gazette free press
			Financial statement
			Lack of tools to make changes

		Resources are not shared equally
	Decision-making processes	
	Day-to-day-decisions	
		Decision-making transferred to smaller groups
		Paid staff not enough included in decisions-making
		Daily decisions made by staff (GC)
	Rules for General and Annual Meeting	
	Face-to-face discussion necessary	
	Agenda, board, chair & GC	
		General coordinators
		Agenda committee
		Chair committee
		General Meeting = Board Meeting
		Board of directors, board meeting
		Electing people to committees at the GM
	Voting procedure at the GM	
		In general simple majority decision
		Boycott needs 75%
		Manipulating decisions
		The membership decides
	Measures to improve GM	
		More preparation of agenda items
		Being more efficient at the GM
	Enhancing participation at the GM	
		Current incentive to participate at GM
		Paying attention at the GM
		Idea to enhance attention at the GM
	Support by external profit	
	Easy to be part of decision-making process	
	Location & premises	
		Neighborhood
		Proximity to the location
		Far distance to the location
		Renting vs. buying
		Accessibility with public transport & bike
		Being on the ground floor
		Loading dock is missing
		Premises too small
		Establishing rules about when to shop
		Second location to be able to receive more members
		Changing location
	Information & communication	
	Internal communication	
		Newsletter / Newspaper Gazette
		Social media
	External communication	
		Word of mouth
		No advertisement
	Website	
	Give aways	
	Diversity	
		Diversity level today
		People in the neighborhood
		Divers paid staff
		Having a representative position as person of colour
		Reasons for homogenous group
		Measures to improve diversity
	Politics & values	
	Politics in the coop	
		Contentious political topics can divide
		Coop not a political instrument
		Focussing on agri-political topics
		Political statement by what food is bought
	Alternative business model	
		Supporting other non-capitalist institutions
		Supporting alternative business model
		Being an anti-capitalist business model

		Supporting sustainable & fair farming systems
		Holistic approach of food supply
	Environmental concerns through working with food	
	Networking, expertise, experience & learning	
	Networking & support	
		NO support by any authority or institution
		PSFC does support new food coops
		Networking with other cooperatives
	Expertise & experience	
		Expertise of regular & paid staff members
		Experience in working with food
	Learning	
		Education through the coop
		Exchange of knowledge
	Market situation	
	Competitors	
	Difficult to find affordable, high-quality food	
KEY FACTORS DURING THE START-UP PHASE		
	History of the origins - US	
	Society atmosphere in the 70s	
		Baby boomer generation - plenty of young people
		Mistrust against the government
		Rise of several movements
		People believed in participation required model
		Awareness rise for more sustainable food consumption
		Outcome: Starting something new on their own
	Group of people in the beginning	
	Vision of the project	
		Good food at affordable prices through working together
		Building a community-controlled institution
		Building a community through working together
		No environmental reasons i.t.b.
	Spreading the idea - outreaching neighborhood	
		Putting up signs in neighborhood
		Flyers
		Word-by-mouth
	Systems in the beginning	
		Liability & insurance
		Development of legal forms
		First system (February 1973)
		Second system (fall 1973)
		Third system (fall 1974)
		Silly season - summer
		New England Town meetings aka GM
	Relationships with local farms developed	
	Provision of labor force in the beginning	
		High investment of time for founders
		Passion needed from founders
		Unbalanced work contribution i.t.b
		Equal work minimum for everyone
		Development of amount of work time required
		Sanctions needed
	Finances in the beginning	
		Private investment of founders
		Investment fee of members
		Loan from the landlord of the first building
		Bank loan - first building as collateral
		No governmental funding
	Premises & location	
		How the coop looked like around 1993
		Competitors around 1993
		Increase of members & paid staff since 1993
		Opening hours around 1993
		Produce aisle & products around 1993
		Shopping experience in 1993
		Development of the mark-up since 1993
		Very first location

			First building
			Second building
			Third building
			Having more space influenced a lot
			Neighborhood
			Networking i.t.b.
			Diversity
			No diversity of founders
			No age diversity i.t.b
			Diversity situation i.t.b
			Diversity situation of members around 1979
			Reasons for diversity of members (1979)
			Black neighborhood close-by
			More awareness for healthy food in black community
			People from neighborhood did not join
			Newcomers in neighborhood joined
			Product range
			Awareness for the project
			Awareness for healthy food consumption
Role & duration of participation			
			Role of interviewee
			Duration of participation
Aims and goals of interviewee			

## 11.2.5 List of Codes – Regular Member-Owners at PSFC

List of codes RMO-US			
KEY FACTORS IN GENERAL			
			Products, prices & opening hours
			Products
			High-quality, healthy products
			Wide range of products
			Having the choice of different products
			Sustainable & fair produced healthy products
			Organic products
			Healthy food
			Farm to plate distance
			Local products
			Local food production - local food
			Contributing to a local economy
			Avoiding packaging - zero packaging approach
			Prices
			Reasonable (rather low) prices
			Prices too expensive
			Long opening hours
			Day-to-day operations of a coop. food business
			Rules & flexibility of the system
			Rules about how the organization works
			Flexibility within the system
			Rigid (starres) system
			Paid staff & management
			Experience of long-term paid staff
			Competent management team
			Competent paid staff
			Retirement policy
			Volunteer work
			Suggestions for improvement
			Reducing work requirement time
			Increase of work-slot tasks
			Level of participation
			More effort to engage extra
			Freedom of level of further participation
			Unpaid labor force through volunteer work
			Expenditure of time
			Integrating work shift to daily schedule
			Social component, the human factor & communication
			Social meeting point

		Listening & talking to each other
		Challenging human relations
		Personal dislike & interpersonal difficulties
		Unfair treatment
		Bias towards certain people
		Dominant personalities
		Lack of internal communication
		Governance structure & transparency
		Power structures
		Lack of realization of democratic structures
		Homogeneous people in charge of power
		Governance structures
		Power concentration
		Transparency
		No transparency
		Transparency
		No free press
		Management vs. membership
		Lack of tools
		Identification, awareness, attitude & self-Empowerment
		Identification through ownership & work
		Awareness
		Awareness, understanding of the project
		Awareness of food's origin
		Awareness about the environment
		Awareness about healthy food
		Attitude
		Commitment to the project
		Choice of life
		Self empowerment
		Right to have a say
		Deciding about new products
		New people bring new ideas
		Belonging to something bigger
		Politics in the food coop
		Information, communication
		Spreading idea by word of mouth
		Newspaper & digital channels
		Location & premises
		Distance to the location
		No parking space
		Farer away, but on the way to work
		Accessibility with public transport & bike
		Premises too small
		Shopping experience, atmosphere
		Not nice shopping experience
		Special atmosphere
		Market situation
		Possible competitors
		Mistrust & dislike in conventional supermarkets
		Incentive work slot credit for joining GM
		Networking, expertise, knowledge & learning
		Learning about different products
		Learning from each other
		Role & duration of participation
		Role of interviewee
		Duration of participation
		Aims and goals of interviewee

## 11.2.6 List of Codes – Suppliers at PSFC

List of Codes S-US		
KEY FACTORS IN GENERAL		
		Personal contact & relationship
		Purchasing quantities & orders
		Coordination concerning stock & order
		High volume possible



		Predictable orders
	Marketing & reaching broader target group	
		Reaching a broader customer base
		Branding of the product - marketing
		Easier for new producers to get in
		Support by community for small new brands
	Prices & fees	
		Cheaper retail prices in the food coop
		Less price pressure
		Slotting & advertisement fees
	Flexibility & latitude	
	Similar values	
	Type & duration	
		Which kind of supplier
		Duration of cooperation
		Aims & goals
	Cooperation with other vendors	