Interpreting the Early Stages of the Self-service Revolution in Europe: the Modernization of Food Retailing in Spain, 1947-1972

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Abstract

This article explores the Americanisation of food retailing in Spain while making a running comparison with developments in Britain and more especially, within the development of self-service techniques. This international comparison helps to ascertain the evolution and modernisation of food retailing in two distinct competitive environments. The aim of this study is to understand how Americanisation and retail innovation take place in a late-comer like Spain in the early stages of the self-service revolution. The comparison between Spain and the UK facilitates how different starting points favoured differentiated entrepreneurial options which, finally led to similar positions or modes of development. The Americanization of Spanish retailing is assessed against the backdrop of developments elsewhere in Europe. New archival evidence allows us to highlight specific aspects of the path to the Spanish modernization of food distribution. In addition to American aid, there were other elements that were crucial to the modernization process, chief among these being the contacts between Spanish and European businessmen and the influence of voluntary chains of cooperation.

KEY WORDS: *Food trade, Americanization, mass consumption, retailing revolution, business strategies, self-service, Spain, United Kingdom, Europe.*

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1. Introduction

In a large part of Western Europe, after the Second World War, a process of, what has become known as, “Americanization” took place. The implications of the process were wide-ranging, particularly from the economic and sociological point of view (Bjarnar and Kipping, 1998; Zeitlin, 2000). This move enjoyed the organisational and financial support provided by the US Technical Assistance and Productivity Programme (USTAPP), under the auspices of the European Recovery Plan. Western European aid policy came into effect after 1947.

The degree of implementation and the extent of the changes that were brought about via North American aid were highly diverse. So too were governmental policy, the response of businesses and the extent to which civil society took on board the new patterns of conduct that were particularly influential with respect to consumer behaviour (Zeitlin, 2000; Shaw, Curth, Alexandre, 2004). This article attempts to study certain aspects of this diversity, focusing upon the implementation of Self-service retailing and how this progressed in the supermarkets. The two pillars of this approach therefore, are the main innovations that transformed food retailing and the way in which people shopped for food in post-war Europe.

The process by which self service shopping began in Europe varied greatly across the continent. At the end of the 1950’s the number of newly created establishments began to grow. In 1960 there were three groups of countries which differed with respect to the extent to which they had adopted the self service philosophy. The initial group contained the seven most highly advanced countries of which Sweden and Norway were the most prominent (see Sandgren, 2009). Sweden and Norway, on average, had one self service outlet for every 1 564 and 2 043 inhabitants respectively. These countries were followed by Germany, Switzerland, Holland, Denmark and finally Great Britain, the latter having one establishment per 8 883 inhabitants[1]. The second group contained three countries (Austria, France and Belgium), in which the self service concept had just begun to take off. On average, these countries had a customer base of between 15 000 and 32 000 inhabitants. Finally, and lagging some way behind, there were a further three countries where self service outlets barely existed at all: Ireland, Spain and Italy, in which there was one self service outlet for every 93 000, 97 000 and 180 000 inhabitants respectively[2].

In the British model, the main agents involved in the development of self-service outlets were, firstly, the cooperatives straight after WW2, and then the multiple retailers (McClelland, 1962; Shaw, Curth, Alexandre, 2004; Alexandre, 2008)[3]. New archival evidence has allowed analysts to highlight specific aspects of the Spanish route to the modernization of food distribution. Together with American aid, which was finally implemented in the 50's, there were genuinely novel elements to the modernization process. One of these was the role of Latin American businessmen (Cubans and Mexicans) who had emigrated to Spain and were well versed in the nuances of North American retailing. Contacts with European businessmen were to play a key role in modernization, particularly with respect to certain voluntary chains such as SPAR. The backdrop to Spanish modernization was characterized by an acute lack of capital and the need for both entrepreneurs and consumers to take on board a wealth of changes. In addition, the institutional framework during the early years of the Franco dictatorship was far from conducive to the successful implantation of these changes.

In this article I explore the Americanization of food retailing in Spain while making a running comparison with developments in Britain and more especially, within the development of self-service techniques. One of the main aims of this paper is to understand how this retail innovation was implemented by Spanish retailers and how they attempted to improve retail efficiency and provide benefits for the consumer. This international comparison helps to ascertain the way in which the modernisation of food retailing in two distinct competitive environments evolved. With this in mind, an attempt is made to understand how the process of Americanization and retail innovation developed in a late-comer like Spain in the early stages of the self-service revolution. This analysis takes place against a historical backdrop of historical isolation for Spain as a consequence of the civil war (1936-1939) a period that was immediately followed by marginalization by the allies as a consequence of the Franco dictatorship after WW2. The comparison between Spain and the UK facilitates the analysis of how two completely different starting points favoured differentiated business models which, would finally lead to similar situations and stages of development.

The research presented here draws on two main sources. Firstly, a reading of the retail trade press, and in particular the journal Sparco, a review which was published by the Spanish branch of SPAR (SPAR Española S.A) for the first time in 1959. For more than a decade it was one of the few vehicles of sectorial information in Spain. It set the pattern for other publications such as *Distribución Actualidad* (Distribution Today) in the 70's and later, key publications in the sector such as *Anuario de la Distribución*, (Annual Journal of Distribution), *Nielsen Anuario de Evolución*, (The Nielsen Annual Journal of Distribution Development), *Alimarket*, (Food Markets) *Distribución y Consumo*, (Distribution and Consumption) etc. Secondly, the analysis uses a novel business resource, one which belongs to an influential regional family firm group, the Agrupación Alimentaria VEGONSA, which is today, the Galician partner of the Eroski cooperative, one of the leading Spanish food distributors. The initial phase of development of the company involved the organisation of voluntary chains, which subsequently gave rise to an independent policy similar to that of other multiple retailers in Spain. Finally, the literature available with respect to the British case facilitates a measured comparison within the framework established for the analysis. The period that provides the setting for the analysis begins in 1947 with the establishment of North American aid, and ends in 1972 prior to the inauguration of the first French hypermarket in Barcelona.

This paper proceeds as follows; the second section looks at the exacerbation in the delay to Spanish modernization during the early Franco years. The third section looks at the Americanization of the Spanish food trade. The fourth analyzes the key role played by the voluntary chains and fifth provides a few salient conclusions.

2. Developmental Retardation and the Early Franco Years

There is general agreement in the literature that the 1940's and part of the 50's in Spain were years of isolation, hunger, and a dearth of economic planning. Food policy was governed by criteria that ignored market conditions. The result was that there was an officially imposed system of prices, a lack of supply, and rising demand that gave rise to unofficial markets[4]. Most governmental regulation aimed to establish and control the rationing systems, created by the General Commission for Supplies and Transport (Comisaría General de Abastecimientos y Transportes, in Spanish (CAT), Ley de 10 March 1939)[5]. The isolation of the regime and the international economic situation during the post war years together with the autarky were factors that were especially prejudicial to the food sector which, in turn, had an impact on distribution. In contrast to the policies that were actively being carried out by the British government and other

European neighbours, those of the dictatorship did little to provide incentives to reduce the costs of distribution and, by extension, productivity.

There were signs of changes on the horizon after 1947 when the North American point of view became more flexible and led to the expansion of private trade, facilitating the arrival of financial aid. By the 1950's the position of North America had changed. The U.S. congress and the Truman administration together with the 'Spanish lobby' helped to pass legislation that was to deliberately favour Spanish economic development. The amendment underlined "the need to try and improve the standard of living of the Spanish population and to ensure the country was in a position to resist the threat of communism"[6].

In fact, 1951 was a turning point in the structure of Spanish consumer spending. From 1943, private spending on food products, drinks and tobacco had increased as an overall proportion of consumer spending and GDP at market prices. In 1951 it reached an all time high of 50% with respect to GDP. From then onwards there began a sharp decline which, in 1956, saw this percentage fall to 14 points below the 1951 level. If the correction which took place between 1957 and 1959 is excluded, it may be concluded that, from 1951 onwards, the weight of food, drink and tobacco consumption, both as a proportion of private spending and as a proportion of GDP, began to follow a trend in spending which is still current. In short, there was and has been a progressive decline in the weight of this expenditure[7]. Of course, in the 1950's in Spain the structure of Spanish spending with respect to national income was disproportionately biased towards food, simply because of the relative backwardness of the Spanish economy and low levels of national income.

The definitive change for Spain came about in September 1953 when the Madrid Pact was signed, initiating agreements with the US. The arrival of international aid and the way in which US aid was implemented served to stimulate entrepreneurial expectations[8]. To a certain extent these changes had a tangible effect on Spanish retailing in that, after 1952, food outlets were once again teeming with produce and perishable goods and rationing was abandoned[9]. However, while rationing was indeed abolished in both the UK and Spain around this time, the situation in Spain was precarious since the standard of living was extremely low and scarcity was an integral part of daily life. The private sector had still not really taken off and the government lacked the impetus needed to promote new ways out of the developmental slough. In the UK on the other hand, there were many variations of self service outlets and these were constantly on the rise, a feature of British consumer society that provided a dynamic stimulus to the business sector which placed it far ahead of its Spanish counterpart (in 1950 the Self-service Development Association and the journal *Self-service* were both created), (Shaw, Curth, Alexandre, 2004; Maixé-Altés, 2009).

From 1957 onwards the ministry of trade created various National Companies. The first of these was the Auxiliary Supply Company PLC. (Compañía Auxiliar de Abastecimientos S.A. (CABSA) in Spanish), which was to be the umbrella company for the public supermarket network. In spite of the modernity of the advanced infrastructure and the fact that these occupied a sales area of more than 1000 square meters, they constituted the exception rather than the rule in a retail environment in which private initiatives had yet to take off[10]. Shortly before, in an important trade fare the "Feria del Campo" in Madrid, a North American supermarket installation had had a great impact upon the public. However, this took place almost a decade after the Imperial Institute of London held a similar event. In this country, as in most other European countries, public initiatives held sway, but began to be influenced by the aid provided by the Anglo-American Council of Productivity. Without any doubt, private initiatives came about much earlier in these countries than in Spain, particularly via the mass media and the economic press (Shaw, Curth, Alexandre, 2004).

In the 1950's Spanish food distribution took place through highly traditional channels. During this period Local Municipal wholesale markets formed the nuclei of sales to retailers in terms of the most important and readily consumed food stuffs. They were run by a tendered company and the traders had to pay a rent or cannon for the use of the stall.[11] In the private arena, the wholesale sector was made up of storage firms that wholesaled to a wide range of retailers including shopkeepers, grocers and greengrocers, wine-sellers, bakers' etc.

At the end of the decade, ministerial restructuring, the entry of technocrats in the Franco government and the implementation of the Stabilization plan in 1959 had positive effects on the economy and upon the private sector. Private initiatives in self-service outlets and in supermarkets began to really take off, which effectively relegated public participation to a secondary role. A similar situation occurred with respect to other kinds of infrastructures, such as the industrial refrigeration network. In this area private enterprises far outweighed those set up through official government channels, to such an extent that, until the mid seventies, when the wholesaler network MERCAS was set up (for wholesale markets), public infrastructures did not appreciably improve with respect to distribution and warehousing facilities[12].

3. The Spanish Alternative and the Americanization of Food Distribution

The term 'Americanization' has a wide range of meanings. In this analysis the expression is used in the widest of senses. That is, it refers to the introduction of modern management and organizational systems which, had their origins in the heart of the North American economy, but whose adoption by other countries spread through various different channels. In short, the objective of this study is to highlight the factors that were crucial to the establishment of the American model of food distribution in Spain[13].

The relative underdevelopment of the Spanish economy, the weakness of income levels and the institutional framework of the Franco dictatorship made the improvements in productivity that the American models aimed to facilitate, difficult to introduce. This was evident in food distribution in Spain. Businessmen and entrepreneurs needed to be reoriented, consumer behaviour had to be adequately channelled and per capita incomes needed to rise. Hence, in stark contrast to the processes taking place in other countries throughout developed Europe, Spain was to adapt rather more slowly to North American self-service and supermarket models.

As O. Bjarnar and M. Kipping have highlighted, the implantation and spread of the new methods took place within the context of complex, specific models according to the national, regional and local contexts[14]. J. Zeitlin underlines certain barriers to Americanization in social, cultural, institutional and political terms. These barriers were to arise, both within the elite and the populous as a whole, and in certain cases they were less than enthusiastic about the new models of organization and management[15]. In the mid 1950's reports by the European Productivity Agency with respect to *The economic performance of self-service in Europe*, stated that distribution had hardly ever been the focus of study or research in Europe[16]. In the case of Britain, during the post-war period and part of the 1950's, the debate continued to be waged as to whether self service outlets were useful for the British. However, the greater efficiency and lower prices of the system finally triumphed (Shaw, Curth, Alexandre, 2004). In the case of Spain, the line of reasoning followed by J. Zeitlin is congruous with the analysis of J. L. García Ruiz when referring to the cultural resistance to certain models of a consumer society in Spain in the 1950's and early 60's[17]. All of the above factors had the effect of making the process of Americanization much slower in Spain.

Studies that look at Americanization in the Spanish economy, particularly in the manufacturing sector, emphasise the role played by certain transfers of knowledge made available by American aid (Guillén, 1994; Puig and Alvaro, 2004; Miranda, 2004; Puig, 2003). However, there were other sources of modernization besides the U.S. which should not be overlooked. In short, there were three main routes via which the new management and retail distribution techniques came to be established in the food trade. These were; Change and adaptation linked to American aid, Emigration from Mexico and Cuba to Spain and, via Europe, particularly with respect to voluntary chains, especially SPAR.

Firstly, the cooperation programme with the U.S. had various effects on the modernization of food distribution in Spain. Through the USTAPP there arose an intense movement that favoured the learning processes and the means and methods that were characteristic of North American business management.[18] In Spain, the National Commission for Industrial Productivity (CNPI – Spanish acronym) was to act following the lead of other similar bodies created in Europe under the auspices of the Marshall Plan. Its influence began to take effect in the mid 1950's. The CNPI, the Chambers of Commerce and the CAT itself initiated information programmes, and in particular, programmes aimed at promoting self-service outlets. The CNPI, in conjunction with the modernization processes that were taking place with respect to industrial activity, served to promote the learning of new commercial techniques. The programme was also aimed at food distributors[19]. Within this terrain, the Ministry of Commerce acted in harmony with North American initiatives. Further, in the private sector, there were independent initiatives. A particularly important example was The Barcelona Marketing Club, under the auspices of the American Chamber of Commerce (Barcelona)[20].

A second channel of modernization which also brought North American advances was an influx of Cuban and Mexican businessmen who set up in Spain in the 1950's and 60's. All of these arrived with wide-ranging experience and knowledge of North American distribution systems. Some of these businessmen had travelled to their neighbouring United States specifically in order to discover what the innovations used in the North American retail market were really all about. Their influence on Spanish commerce was very important, particularly because they applied new techniques and systems of development to help derive a modern distribution system, both in the food and non-food sectors.

Cuban emigration was especially influential. The best known cases do not belong to the area of food distribution. Three repatriated Cubans who have been well-studied were: Cesar Rodríguez, José Fernández and Ramón Areces who played key roles in the development of Spanish chains of department stores, specifically, Galerías Preciados and el Corte Inglés. These three individuals knew the inter-war North American distribution system thanks to the Cuban experience. They developed this model in post-war Spain, and managed to firmly establish their stores in the country and are still doing healthy business today[21].

Another less well known case and one that directly affects the food distribution sector is that of the popular chain stores SIMAGO. This chain was established in Madrid in 1960 and had its own food department. The founders of the company were a group of Hispano-Cuban family members who returned to Spain after the Castro revolution. The share holders were José M. Mayorga, his brother in law Valeriano López and the wives of both, the sisters Gómez-Waddintong who belonged to a wealthy family of island burghers (SIMAGO was a partial acronym of Simó, Mayorga and Gómez). These entrepreneurs, like those cited previously, were capable of introducing highly innovative aspects of the retail distribution sector into Spain quite early on in the period analyzed.

In 1963 the new SIMAGO stores adopted the model of the French chain Prisunic, via the participation of French executives in the management of the stores. It became a kind of ensign for a whole generation of Spanish, born into consumerism when the chain expanded throughout the country[22]. The owners cut their ties to the business at the end of the 1970's which allowed new investors to take control in 1963. Those that took up seats on the board of directors were members of: Printemps-Prisunic, Crédit Agricole, the Spanish March Group (industrial and banking) and a few other banks[23]. This corporative movement made up the bridgehead for French distribution within the Spanish market[24].

In addition, a number of Mexican businessmen set up in Spain in the first half of the 1970's. Their influence on the modernization of Spanish distribution was not inconsiderable. The commercial model of the United States had been taken up in Mexico in 1947, when the retail chain Sears-Roebuck set up its first shop in Mexico city[25]. Although it did not specialize in food stuffs, the impact upon self service trade and the novel marketing techniques it employed were significant. Within this context, the brothers Lorenzo and Roberto Servitjà, sons of Catalonian emigrants, formed joined forces with Jaime Jorba and José Mata in order to set up the industrial bakers and bread makers Bimbo S.A. (plc.) in 1945. The successful model of distribution helped them to cover the Mexican market in a relatively short time with the products of their factories. In 1962, Jaime Jorba moved to Spain where the same model of production and distribution for "Bimbo" was highly successful. Several years later in 1978, he sold his shares to his partners and the firm became independent from the Mexican Holding company[26].

A further case with origins in Mexico, one which is directly related to food distribution, is that of the Arango family and the "Aurreá" supermarkets. In 1958 the Jerónimo brothers, Plácido and Manuel Arango Arias, sons of an Asturian emigrant who had found success in the Mexican textile market, opened their first self-service and discount store in Mexico. Jerónimo Arango was familiar with the discount stores in NewYork and applied the same model in Mexico. These entrepreneurs broadened their business base and opened a chain of restaurants, which they called VIPS, in México and various other franchises. Finally, in the 1990's they sold their outlets to the North American chain store Wal-Mart Inc. Plácido Araujo set up in Spain in 1965 and opened the new Aurreá supermarkets, in line with the model of the supermarkets established in Mexico. The shops enjoyed great success and, during a decade, they represented one of the most modern supermarket chains in Spain. In 1975 these establishments were sold to Galerías Preciados and hence entered the food distribution sector. For his part, the Mexican entrepreneur reoriented his business towards the restaurant trade (Grupo VIPS)[27].

In contrast to the UK, the presence of American businesses in the food distribution sector in Spain, via FDI activity in Spanish food retailing, was non-existent. In the UK, US methods had already been taken up in the inter-war period with the American company Woolworths and the acquisition of Boots by Liggett (Shaw, Curth, Alexandre, 2004). After the war, Safeway and Fine Fare contributed to the transformation of British retailing and, at the beginning of the 1960's, there was notable investment in new supermarkets from the Canadian business empire of the Weston family (Davies, 1987). In Spain, outside of the food industry, Sears was highly representative of the non-food sector, which they entered in the 1960's, and were strictly faithful to the American model in successfully setting up a chain of Department Stores and electrical goods shops (Maixé-Altés, 2009). There were also specially organised visits to the US from Spain, financed by the USTAPP as there were for other European countries. However, the transatlantic contacts, on the part of the Spanish experts and businessmen failed to generate positive effects to match those that came about as a result of the Inter-locking directorships that became crucial to UK success in enabling knowledge transfers (Shaw and Alexandre, 2006).

Finally, the role of the voluntary chains should also be highlighted. These had a strong impact on the whole of the Spanish market and are dealt with in more detail in the following section. These channels favoured contacts among a select group of Spanish entrepreneurs with the more highly developed sectors of the European food distribution network. Without a doubt, the influence on wholesale management, retailers and on consumer behaviour was extremely important. For quite a long time this segment was led by SPAR Española S.A., a company that was set up in 1959 and linked to a chain of Dutch origins of the same name. After the implantation of SPAR, the 1960's then saw the arrival of the Dutch chain Végé. In 1967 the chains IFA and IGA also established themselves, shortly after which a further two Dutch firms CENTRA and Dima also set up (the latter in 1969, in the hardware store sector)[28].

On establishing the layout for the network of influences for modern Spanish food distribution, we now proceed to situate local initiatives within the context of this network. Some of the multiple retailers, those that became key players in the sector in the 1980's, took their first steps at the end of the 1950's and the beginning of the 60's. However, with the exception of SIMAGO, the grocery multiples were highly local in nature during the 1970's. It was not until the 70's or even the 80's when some supermarket companies began to look further afield and expand beyond their local territories. Most of these chains of supermarkets took the step from local to regional and regional to national in the 80's and 90's. It should be stressed that this territorial expansion took place much later than in other European countries. This was undoubtedly due to the weakness and relative scarcity of capital and difficulties within the market itself that was slow modernize.

Both the co-operatives and the retail buying groups were to have a marked impact on the development of the retail sector in Spain. The co-operative societies, which in some areas were very traditional organisations, fell into two camps; the most traditional, which failed to adapt to the needs the time and failed to react to the changing climate of retail distribution and, a minority that modernized and became more efficient[29]. G.

Shaw and A. Alexander on analyzing the British case, underline the role of innovator that some of the cooperatives had in the immediate post war period in the early days of the self service revolution[30]. However, in Spain their influence took hold much later and they did not enjoy the early leadership of their British counterparts. Nevertheless, from the 1980's onwards this leadership eventually came to the fore within some cooperatives in Spain. Without a doubt the most salient of these is the Eroski Group, currently in the vanguard of Spanish food distribution and a member of the strategic European alliance ALIDIS.

[Insert Table 1 around here]

A prominent example of such a cooperative in Spain was the Madrilenian organisation, DUCPRA, set up in 1931, and which went through a serious crisis after the civil war. By the end of the 50's it had managed to recover and became fully operational before becoming GRUMA, led by Gregorio Sánchez Herráez[31] in 1964. This company became integral to the UNIDE group which was set up in 1993, a group that involved the merger of various cooperatives throughout the whole of Spain, and which later became allied to Eroski. Around about the same time, Coviran, the Andalusian cooperative set up in Granada en 1961 was founded[32]. The aforementioned Eroski Group was set up as a cooperative in 1969 and the Valencian cooperative Consum somewhat later, in 1975.

In general, at the beginning of the 1960's, the European food trade differed greatly from one country to another, depending on the type of company operating in the sector (see table 1). The multiple retailers that led the British market also maintained a presence in Holland and Germany. Sweden and the UK were the two countries with the greatest cooperative tradition in the sector, while the voluntary chains were important in the Netherlands, Germany and Austria. Finally, the countries with the most traditional trading systems in food were Spain and Italy. In fact, these countries were characterized by a majority of unaffiliated independents which predominated over other kinds of organizations, and in these the development of self-service outlets and supermarkets was very slow (table 1).

4. Voluntary chains and the growing success of smaller self-service stores, 1959-1972

The voluntary chain SPAR was founded in 1932 in Zoetemer (Holland). In a very short period of time this pioneer had become a leader in associate retail trade in Europe. It would not be an exaggeration to affirm that this leading chain helped to propagate the franchise system throughout the world[33]. Shortly afterwards, also in Holland, the storage company owner, D. Schuitema created the voluntary chain CENTRA. The Second World War had recently begun and eleven storage and warehousing companies (Mazon-Group) were created Verkoops Gemeenschap (VéGé). In 1942 the fourth voluntary chain was set up: Vrijiwllie Inkoop- en Verkoop Organisatie (VIVO). Until 1947 this new system of commercial association was unheard of outside Holland. Subsequently, the model spread first to Belgium and then, after 1953 to various European countries. That year, during the second AIDA (International Conference of Food Trade) in Ostend, it would be true to say that the voluntary chains, particularly SPAR, Began to become a common feature of European distribution[34]. In 1960 SPAR had successfully established itself in ten European countries (239 distribution centres and more than 32398 affiliated outlets) (table 2). Six years later, the number of retailers affiliated to SPAR in sixteen European countries represented 31.7 per cent of the 116231 affiliates to the five big chains (SPAR, VéGé, CENTRA, VIVO and A & O)[35].

In Great Britain, Charles K. Green from Manchester and E. K. Edwards from Shrewsbury, after attending the AIDA congress in Ostend took the first steps in the creation of SPAR (England). The process reached fruition on 9th October 1956. After only four years, 3029 British retailers were to have 30 distribution centres (Table 2). A little later in 1965 the SPAR central office in the UK agreed to supply other voluntary chains from a central location, and in this way the SPAR-VIVO organisation was founded[36]. In 1966 the number of retailers affiliated to the different British voluntary chains was approximately 10100, the same number of affiliates that existed in Spain at the same time, this somewhat striking difference residing in the fact that the British population doubled that of Spain[37].

[Insert Table 2 around here]

The entry of SPAR in Spain revolutionized the small retail outlet market. The SPAR movement was highly suited to the orientation of many Spanish entrepreneurs in the distribution sector. One group opted for the franchise model of distribution. This group, which took its first steps in 1959, contained individuals who were to become some of the most important businessmen in the sector at the end of the 20th century. These included the Pascual brothers and Elosúa family and, in the Castile-Leon area[38], Ventura Gonzalez and A. Tabarés in Galicia (currently, Vegalsa-Eroski), Rubiras in Catalonia, Marsal en Valencia, Fernández de Cossío in Madrid and Sainz in Seville (Abeto, S.A.), all of whom were among the founders of SPAR Española, S.A. (PLC)[39].

The European SPAR organization strongly supported the efforts of the Spanish promoters. The warehouses belonging to Hans Bayer de Viernheim bei Mannheim (Baden-Württemberg) in Germany, via his manager G. Koschwitz, played a very important role in an advisory capacity, helping the Spanish SPAR organization to get off the ground. In fact, the SPAR annual board meeting in Europe was held in Madrid, and coincided with the inauguration of the Spanish SPAR organisation on 1st of May 1960[40]. There were very significant knowledge and technology transfers at the heart of these contacts. The businessmen involved visited the storage facilities of their European colleagues and were able to discover key aspects of modern food distribution[41]. The businessmen involved at the end of the 50's and the early 60's were well aware of the role that food distribution had to play in a modern economy. In this sense the words of A. Ortiz de Zárate, the director general of SPAR Española, S.A at the end of the 1960's are most poignant:

> It is essential that everyone cooperates in solving one of the main problems for Spain, that of reducing food spending as a proportion of national income over the following 5 or 6 years […] not only would the country as whole and its consumers benefit, but also all the other industries and trades, which would enjoy a higher percentage of national income for other non-food related activities, Ortiz de Zárate (1960-1961).

SPAR Española was the first national initiative in the private sector which had the capacity to make the organisational structure and the food distribution strategies in Spain more dynamic. The voluntary chains embraced the independent outlets with the object of obtaining higher levels of organisation and profitability. The management of the latter affected both the wholesale and retail segments of the food distribution sector. From the point of view of the old warehousing companies, the new organisational design, which was based upon distribution centres, meant that they had to undergo an intense process of rationalisation with respect to aforesaid distribution. The dispersion of costs that was intrinsic to the traditional method of supply was replaced by a new method that was to concentrate resources. This provided a means of eliminating the multiplicity of transactions and of creating economies of scale. The Spanish SPAR began to incorporate wholesale practices that had already been tried and tested in other European countries. In fact, the European branches of SPAR were adapting to the new goals and opportunities that had become available through the creation of the Common

Market. In mid June 1960 the directors of the commercial departments of the European branches of the company met in Brussels in order to plan the future of joint international operations. Their objective was to prepare the creation of an international buying centre[42].

At the other end of the commercial spectrum of the distribution process was the retailer who acquired his stocks from the SPAR distribution centre. The goal of the retailer was to reach the final consumer. The retailers paid the central distributor in cash, and in so doing were able to benefit from the discounts that were available (charges were regressive depending on the monetary weight of purchases, and in accordance with a progressive scale of concentration, and in line with a price regime that had been established for all of the associates). These coefficients referred to the costs of distribution relative to the volume of the retailer's weekly purchases in the distribution centre[43]. The strategy was in keeping with an imperative need to maintain price competitiveness in sales to the public. The independence of the retailers was inviolable and there was no formal agreement with the SPAR distribution centre. Each distribution centre had a board of retailers that oriented the commercial and marketing policy in line with the needs of the area, which reinforced the spirit of cooperation among the associates.

In 1959 there were only 14 self-service retail outlets in Spain, but from then on the implantation of this type of shop was relentless. In 1960, according to the CAT 77 new establishments of this type were created, in 1965 449 and in 1970 1,078[44]. At the end of 1960 the SPAR retail model formed the umbrella for 31 distribution centres which covered 70% of the whole of Spain. These centres provided for 2,000 retailers of all kinds and had an average sales area of between 30 and 250 square metres, of which only 8 were over 100 square metres and one hundred were self-service outlets. One year later the number of self-service outlets had tripled, 17 of which were over 100 square metres and 5 with a sales area of over 200 square metres[45]. Of the 600 self-service outlets that existed in Spain at this date, half were serviced by the Spanish branch of the SPAR organisation.

The divergence between Spain and the rest of Europe was still very great given that, in Spain, in the early 1960's only 1.5% of food sales took place in self-service shops. The most advanced country in Europe in this context was Sweden (43%), followed by Germany (27%), Switzerland (25%) and Holland (24%). Even further ahead were the USA and Canada which led the world in this type of retail system (84% and 70%

respectively)[46]. In short, when the first small self-service retail shops began trading in Spain in the early 60'S, backed by the voluntary chains, in the UK the future of the larger self-service stores and by extension the supermarket system itself was already safely established. The new thrust in retail systems came not only from the cooperatives but also from multiple retailers who had also taken the initiative. In particular the Western group, with close ties to the US, which controlled Finefare, Coopers and Burtons, together with Tesco, London & Newcastle, Elmo, Premier and Sainsbury's (Shaw, Curth, Alexandre, 2004).

[Insert Table 3 around here]

In sociological terms Spain was witnessing the birth of a new retail distribution technique, which was embodied in the self service outlet. Its influence on consumer behaviour and habits was to be substantial following decades of stagnancy in retail development. The small Spanish self-service outlet was long-lived. Quantitatively it prevailed when competing against superstores and supermarkets during the 70's and a large part of the 80's (see table 3)[47]. The traditional shop took a long time to succumb to the dominance of the new types of outlet. By looking at the consumer statistics it is possible to obtain a good overview of the evolution of commercial formats. In 1973 the traditional grocery store was becoming progressively less important. However, by taking into consideration the shops specializing in dairy products, small-scale bakeries wine sellers and other kinds of shops, it can be seen that these still accounted for more than half of all retail establishments. It was not until the 1980's that there was a change in this trend. At this time modern sales establishment was to account for approximately half of all those that existed (table 3). These data demonstrate the slow rate of modernization in Spanish commercial structures and the difficulties experienced in converging with the rest of Europe in the 60's and 70's.

In this sense it would be useful to know the extent of the role of the Spanish SPAR organization in preparing retail entrepreneurs working in both the food and hardware sectors. The magazine published by this voluntary chain, Sparco, played an important part in disseminating information among retail traders. It provided a channel via which Spanish retailers had access to a culture of commerce which was lacking at the time. The magazine was markedly informative in tone and introduced concepts that SPAR had already been developing in Europe since the 1930's. With flexibility as a byword, the philosophy of business efficiency was introduced, together with the management and marketing techniques that were unheard of in Spain in the post-war period[48]. It was undoubtedly the area of "productivity" that was to generate most interest. This interest was reinforced by data and statistics that analyzed labour productivity and productivity in general, comparing self-service outlets and traditional shops[49]. There was a clear move towards "training and commercial preparation", and this threw the impact of training courses and the directives of the local and regional groups into sharp relief.

At the end of the 1960's associated trade, particularly the voluntary chains, began to be sensitive to the need to adopt a management system similar to that of the corporate chains[50]. The development of mass consumption led the Spanish distribution system to a crossroads in commercial development. The editorial published by the Spanish organ of communication of SPAR in January 1967 was highly significant:

> Those organizations that are linked to the retail traders fulfil and will continue to fulfil vital role in the distribution of food, but, they will have to become progressively more structured, in line with the demands of branch-trading, more disciplined, following the norms that originate from higher up in the organisational structure and will benefit from the overwhelming efficiency of vertical companies (Sparco, 83 (1967), p. 5).

These comments were laden with foresight given that it was precisely the lack of discipline and uniformity of criteria that was to transform the collaboration among the associate members into pure rhetoric and theory on many occasions. In a market that was ever more competitive, the advantages of vertical groups were considerable. The efficiency of the system was evident in the centralized buying systems, sales and administration, following uniform, systematic patterns that guaranteed results. These were features of the voluntary chains had to leave in the hands of their associates.

The golden age of the big European voluntary chains was at an end. Although SPAR maintained its presence in the European market, the large vertically orientated supermarket and hypermarket firms came to the fore in every country[51]. In the end the Spanish distribution market was to enter an era of mass distribution during the 1970's and it was to be the hypermarkets opened by the foreign multinationals which revolutionized the sector (Maixé-Altés, 2009).

In the area of public policy there were certain changes at the end of the 70's. The start of the first 4-year period of the Second Development Plan (1968-1971), was to signal greater governmental involvement in commercial policy and home trade. The First Development Plan practically ignored the food distribution sector. However, the new plan specified that: "particular attention will be paid to the commercialization of food products which constitute a fundamental factor in the equilibrium of the system".

Governmental policy objectives were to include the development of competition, the creation of large-scale wholesale and consumer markets, improvements in the refrigeration network, reinforcing the wholesale network, improvements in the provision of commercial information to producers and distributors, quality, legislative coordination and support to consumer groups.

The network of MERCAS signalled a strong move on the part of the state towards strengthening the logistical infrastructure of national food distribution[52]. The creation of MERCASA attempted to put an end to the deficiencies in the networks of food commercialization, particularly with respect to perishable goods[53]. This governmental initiative had already taken place in France ten years earlier with the inauguration of the Marchés d'Interet Nationaux network. In Italy, Germany and Great Britain the wholesale markets were organized around the local urban authorities[54]. The creation of this powerful public network in Spain generated important synergies in the last decade of the 20th Century[55].

5. Conclusions

At the beginning of the 1960's the food trade in Europe varied greatly in the way that it was organized from an entrepreneurial point of view. The new forms of retail distribution at this time were being carried out by multiple retailers which, in countries like the UK, the Netherlands and Germany led the self-service and the supermarket revolution. The cooperative organizations were still important in Europe and those in the Nordic countries were particularly prominent while countries like the UK pioneered the application of self service techniques in the immediate post war period. The voluntary chains maintained the weight of their presence via their buying centres, particularly in the Netherlands and Germany. Curiously, these were to prove to be the ideal tool of modernization in countries that were less developed, countries in which the lack of capital made the development of the corporate chains more difficult. This is precisely what happened in Spain.

The empirical evidence confirms the hypothesis that O. Bjarnar and M. Kipping put forward with respect to the idiosyncratic patterns of the spread of Americanization. The Spanish road to change may be considered to be the result of a combination of various influences. These contributed to the slow rise of the North American management systems and the consolidation of self service outlets and the supermarkets within

Spanish food retailing. North American aid and links to Latin-America represent the transatlantic face of these influences. However, in the case of Spain, the European influence was most potent. In this sense, the role of certain pioneering Spanish entrepreneurs was of fundamental importance. They made it their business to familiarize themselves with the new techniques and the models of retail distribution that were already successful in much of the rest of Europe.

The role of the voluntary chains should be highlighted since they created a general impetus, which made it possible to galvanize initiatives both within the wholesale and retail sectors. The dynamism of the first period of SPAR and other associate chains of traders has been under evaluated, particularly if one takes into consideration their contribution to the training and formation of a whole generation of wholesalers, retailers and consumers. The voluntary chains had a heavy impact on the Spanish market during the 1960's and part of the 70's. This situation reflects the efficiency of a business model which was well adapted to the conditions of a backward economy like Spain's. In most of Europe the large, vertical, highly capitalized firms predominated, and these were run by durable management systems. In Spain, this dynamic came to the fore only in the 80's. To a certain extent, this transition was harnessed to the progress of the voluntary chains.

The British model formed part of a more highly developed business model, one which was more highly capitalized and where the North American system penetrated much faster and did not have to overcome such difficult obstacles. Without a doubt, in the case of this particular neighbour, the traditional transatlantic relationship, had had a greater impact in the UK than in the rest of Europe. This situation contrasts sharply with that of Spain and, in particular, certain entrepreneurs who successfully developed a network of intra-European contacts in spite of the unfavourable institutional framework of the Franco regime.

The big difference between the development of the British and Spanish systems during the early stages of self-service revolution was due to the difference in the availability of capital given the distinct levels of openness in the two economies. With respect to the mechanisms by which the new retail approaches spread there are elements that are common to both of the countries such as North American aid and governmental support. The differences, on the other hand, stem from the fact that the business response varied in the two countries. In Britain the need to develop new, more efficient methods of distribution was a consequence of the expansion of the economy. This goes a long way to explaining the growth in the number of vertical business organisations in the UK. In Spain on the other hand, the associated trade system facilitated the modernization of the structures of the food trade during an initial period in which less capital was required.

The final step towards the modern system of distribution, that is the introduction of the hypermarket and the expansion of the big supermarket chains, did not occur in Spain until the arrival of the French multinationals in the 1970's. The only precursor to these powerful corporative groups was SIMAGO, set up initially with Spanish capital but soon to become the bridgehead of French investment in Spain. The arrival of French hypermarkets was a salutary shock to the Spanish retail system. Over the 1970's there were various key phenomena: first, the distribution multinationals adjusted their approach to be consistent with Spanish markets; second, the local retailers began to expand and occupy regional areas and, third, associated trade began to become aware that it needed to modify its management systems in line with those of the vertical groups which were much more efficient. It was the latter that really signalled the start of the *retailing revolution* in Spanish food distribution.

A look at recent English and American academic literature suggests that the historical gap between Spain and developed Europe is diminishing[56]. The immediate post civil war years and the following decade of isolationism had markedly negative effects for the sector. However, entrepreneurial dynamism originating in the 1960's was able to alter the blinkered outlook of governmental policy which involved much state intervention and ignored the dictates of the market. To a certain extent, the fact that Spain was a late-comer to modern food distribution markets made it easier and faster to incorporate new technology throughout the 60's and 70's given that it was starting from an almost pre-technological economy. This favoured convergence with the rest of Europe.

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TABLE 1
PARTICIPATION IN NATIONAL FOOD MARKET ACCORDING TO DISTRIBUTION SYSTEMS IN 1962
(percentage)

	Netherlands	Belgium	Germany	Austria	UK	Sweden	Spain	Italy	Finland
Multiple retailers	21.7	5.5	14.2	4.0	29.0	3.9	1.0	2.0	-
Retailer co-operatives	7.0	5.6	10.0	12.0	19.0	29.1	0.5	1.0	25.0
Buyer organisations	6.7	-	28.6	14.0	16.0	35.0	2.0	0.3	25.0
Voluntary chains	54.0	11.3	41.5	36.0	15.0	6.4	8.0	1.3	22.5
Department stores	1.1	6.3	2.5	1.0	-	2.4	-	-	-
Unaffiliated independents	9.5	71.3	3.2	33.0	21.0	23.2	88.5	95.4	27.5

Source: Sparco (1964), 53, p.8

Note: Buyer organisations, groups of retailers forming buying associations, without providing other specialized services

TABLE 2
SPAR DISTRIBUTIONS CENTERS AND POINT OF SALE IN EUROPE, 1960

	Distribution centres	Point of sale		Distribution Centres	Point of sale
France	61	6 723	Austria	14	1 671
Western Germany	52	11 750	Italy	11	919
UK	30	3 029	Belgium	9	1 401
Spain	31	3 030	Denmark	8	925
Netherlands	15	2 110	Sweden	8	840

Source: Sparco, 16 (1960).

TABLE 3
PROPORTION OF RETAIL FOOD TRADERS ACCORDING TO TYPE OF OUTLET AS A MEASURE OF HOUSEHOLD FOOD CONSUMPTION ESPAÑA, 1963-1983
(percentage)

	1963	1973	1983
Food outlets	61	36	15
Hypermarket, Supermarket and Self services	8	19	50
Co-operatives	6	9	7
Dairies, Bakeries and others	12	18	13
Bars, Wine stores, Cafes and others	13	18	15

Source: Consumer Panel DYM-PANEL and Sparco, 191 (1976), p. 9.

[1] Sparco (1960), 11, p. 3.
[2] Ibidem.
[3] Multiple retailers are usually the natural result of successful traders opening new shops until these become a chain. They constitute an example of commerce integrated horizontally.
[4] Pérez González (2002), p. 82; Barciela and López Ortiz (2003), Calvo (2001), González (1977).
[5] See Gago González (2007), pp. 27-50 for a view of the legal framework of post war trade.
[6] Viñas (1981, p. 55) is in agreement with the opinion of the democratic senator Pat McCarran and a diverse group of congressmen on the role of aid to Spain.
[7] Between 1960 and 1995 this percentage fell to a third of the original figure, see Prados (2003), Appendix, 6, 12 y 13 y *CNEe-86* en Uriel et al. (2000).
[8] Calvo (2001).
[9] Gago González (2007), p. 71.
[10] Before the end of the decade, supermarkets were already up and running in San Sebastian, Bilbao, Gijon, A Corunna, Barcelona, Madrid, Zaragoza and Valencia. They differed greatly with respect to their foreign counterparts: in the USA the typical supermarket had about 1200 square metres of sales area, while in Great Britain the first self service Sainsbury's supermarket had 300 metres (Shaw, Curth, Alexandre, 2004), and in 1967 the average supermarket had 500 square metres of sales area (Alexander, 2008).
[11] After the civil war a large number of markets were built or rebuilt, Gago González (2007), pp. 77, 79.
[12] In 1960, only 10% of the installed refrigeration capacity corresponded to firms that belonged to the National Industry Institute (INI, in Spanish), see Hernández Roldán and Lozano Huertas (1967) and Gómez Mendoza (2000). Until the Second Development Plan (1968-1971), there was no real systematic attention paid to commercial policy or foreign trade policy.
[13] Historiography on Americanization and the importation of the American model has focused, to a large extent, upon the manufacturing sector, whilst, a little surprisingly, distribution systems have been ignored, see Shaw, Curth, Alexandre (2004), Zeitlin (2000) and Maixé-Altés (2009). On the role of North American aid to Spain and business contacts see Guillén (1994), Puig and Alvaro (2004), Miranda (2004), Puig (2003).

[14] Bjarnar y Kipping (1998), p. 6.
[15] Zeitlin (2000), p. 3.
[16] Henksmeier, K.H. (1960),
[17] García Ruiz (2007).
[18] Bjamar and Kipping (1998), Puig and Alvaro (2004).
[19] CNPI (1959). Gago González (2007), p. 89.
[20] Garcia Ruiz (2007).
[21] Véase Toboso (2001, 2002 y 2007).
[22] There were 50 establishments in 1976, Castro Balaguer (2008).
[23] In 1986 The March family owned all of the capital and in 1990 it was sold to the Asiatic Dairy Farm International Holding group. In 1997 the chain was acquired by Continente and became Champion supermarkets (Anuario de la Distribución, varios issues and El País, 9-4-2003).
[24] Castro Balaguer (2008). This author specifically looks at the entry of French distribution firms into the Spanish market.
[25] Moreno (2000).
[26] Cherem, S. (2008).
[27] Walmart corporative web, http://www.walmart.com.mx/wm_quienes.asp, (accessed 10 December 2008). Diverse notes from El País and Expansión.
[28] Distribution yearly, various issues; Abascal (2003), p. 96.
[29] Pérez Baró (1964).
[30] In general, the cooperative structures, both in Spain and in the rest of Europe, have had and continue to have a great deal of influence in the food distribution sector, see Alexander (2008) and Shaw and Alexander (2008), Shaw (2005).
[31] The new cooperative GRUMA began life with 1800 associates, all of these retailers in Madrid, Fundación G. Sánchez, http://www.geocities.com/fundaciongs/Fundacion1.htm (accessed 17 February 2007).
[32] Distrubution Yearly and Alimarket, various issues.
[33] The trend in voluntary chains had begun in the 1920's in the US. The Dutch wholesaler Adrian Van Well created the first voluntary chain in Europe under the name SPAR. SPAR is an organisation of independent retailers and wholesalers that work together as partners, Sparco (1973), 165, pp. 8-13 and the SPAR corporative web: http://www.spar-international.com/spar-thehistory-1-8-9-en-details.htm
[34] Sparco (1973), 165, pp. 8-13.
[35] Sparco (1967), 83, p. 16.
[36] Sparco (1973), 165, pp. 8-13.
[37] Sparco (1967), 83, p. 16.
[38] See Martínez Carrión (2000).
[39] The founding board of directors of the Spanish SPAR was made up of J. Marsal (Alianza S.A, Valencia), J. M. Ruigómez (C. Ruigómez y Cía., S.A., Bilbao), J. F. Fernández de Cossío (Vda. De V. Fernández de Cossío, Madrid), J. I. Pérez Iñigo (Coloniales Madrid, S. A., Madrid), V. Fernández de Cossío y J. L. Pérez Iñigo (E. Pérez Iñigo, Hijos, S.A., Logroño). On the 1st of May 1960 there were 24 distribution centres throughout the whole of Spain (Sparco, 2 (1960), p. 2). A short time later M. Elosúa Rojo (Aceites Elosúa, S.A., Leon), L. M. Sastre (Sagú, S.A, Barcelona), J. M. Solanilla (Solanilla Hermanos, S.R.C., Zaragoza) and A. Sainz (Abeto, S.A., Sevilla) all joined the board Sparco, 17 (1961), p. 7.
[40] All together 30 delegates belonging to 11 European countries attended (Sparco, 3, 1960)
[41] The developments in the new inventory and stock taking techniques, the rationalization in restocking procedures, procedures for perishable goods, refrigeration etc. were all areas in which Spanish firms had much to learn, particularly from German firms (interview with Ventura González Prieto, honorary president of Vegalsa-Eroski, 3 de March 2008).
[42] Sparco, 19 (1961), p. 9.
[43] Sparco, 11 (1960).
[44] Sparco , 143 (1972).
[45] At this time in the UK a supermarket was considered to be an establishment with more than 185 square metres of sales area, the difference between these and other small self service establishments residing in the size and variety of the range of products sold. However, the distinction was often a very one even for the retailers themselves, Shaw y Alexander (2006).
[46] Sparco, 16 (1961).
[47] Self service outlets with a sales area of less than 120 square metres, "superservicios" of between 120 and 400 metres, and supermarkets over 400 square metres.

[48] SPAR Española in 1960 invested 4.200.000 pesetas in publicity alone via a series of campaigns that were profitable for all of SPAR's associates (SPARCO, 7 (1960). The Spanish publicity industry after a pause after the civil war, developed fast under the influence of the USA (IPMark, 2001). In addition, at this early date, generic products or products branded by the distributers themselves began to appear on the shelves of retail establishments and these increased in number as the decade progressed. SPAR was a pioneer in this field (véase Grandío y Maixé-Altés, 2008).

[49] In 1960, good productivity was considered to be between 21,000 and 28,000 pesetas in sales per person per week; excellent productivity was that which varied between 28,000 and 35,000 pesetas (SPARCO, various issues). With respect to the advantages of the self service outlets, there was a focus on reconverting small shops with a sales area of about 40 square metres. Calculations were made with respect to multiplier effects of the new system that duplicated the volume of sales generated by the old system.

[50] This vertical distribution system was characterised by firms that were highly capitalized and which opened large modern branches, all of which were centralized and oriented towards mass sales

[51] Sparco, 83 (1967), p. 16.

[52] Giving rise to the central wholesale markets known as (MERCAS), which are currently made up of 23 large wholesale distribution centres offering logistical services which cover the whole of Spain. The first of these was Mercabarna (Barcelona) in 1967, in 1972 these had been established in Salamanca, Santander, Seville and Zaragoza (MERCASA corporative web: http://www.mercasa.es/).

[53] Marrero (2000).

[54] Green (2003).

[55] Casares and Rebollo (2002).

[56] Véase Fernie and Staines (2001).