Chapter 9

Online Grocery Provision Resistance: Understanding Urban (Non) Collaboration and Ambiguous Supply Chain Environments

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ABSTRACT

This chapter investigates the resistance by institutional actors in ambiguous supply chain environments for online grocery provision. Recent studies have shown that significant shifts in urban geographies are increasing consumers’ expectations of online retail provision. However, at the same time there is also growing evidence that the collaborative practice in online grocery provision within the urban supply chains is resisted. That these trends are found despite growing demand of online provision highlights both the difficulty of bringing geographically dispersed supply partners together and the problems associated with operating within and across ambiguous environments. Drawing upon twenty-nine in-depth interviews with a range of institutional actors, including retail, logistics, and urban planning experts within an urban metropolis in an emerging market, we detail the different ways that collaboration is resisted in online retail provision. Several different patterns of resistance were identified in (non-) collaboration notably, ideological, functional, regulatory and spatial.

INTRODUCTION

There is no doubt that institutions are becoming more and more collaborative in nature. Collaboration, it seems, is the ‘thing to do’ for the contemporary institutions, as affirmed by the burgeoning supply chain literature on this specific topic. The thrust of the collaboration argument
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is that the firm can “leverage benefits to achieve common goals” (Bowersox et al, 2000). Studies show that the shift from arm’s length supply chain relationships – defined by minimal information exchange, separate technological and functional systems – to long term collaborative relationships and is now well underway in practice and is equally well documented in the academic literature (Simatupang and Sridharan, 2005; Sheu et al., 2006). Empirically, moreover, collaboration within the supply chain has been proven to have many competitive benefits including: decreased inventory, reduced cost and improved customer satisfaction through increased delivery speed and flexibility (Chou et al., 2004). This collaboration allows firms to respond and adjust according to consumers’ expectations for food provision (Clarke, 2000; de Kervenoael et al, 2006).

Within this research programme the meaning of collaboration, and its conceptualization within the supply chain literature, is now routinely taken to be self-evident, even deproblematized, rather than contradictory with individual strategy-making and bound with tensions and conflict. This view places an emphasis on what firms should do, rather than what firms actually do in practice when collaborating with partners. There is comparatively little evidence that firms resist supply chain market driving collaboration practice when shaping customers’ expectations and markets through market-driving behaviour (Jaworski et al., 2000). However, as Jarzabkowski and Wilson (2002) cogently pointed out, what strategists say they do (or write in all-embracing partnership mission statements, multi-lateral contracts, annual reports or company web pages) and what they actually do in practice whilst strategizing, may be substantially different. In addition the pejorative of resistance is usually negative; frequently interpreted as an unintended outcome, or failure to implement change successfully, or a misunderstanding of merits of fully appreciating collaboration. It is rarely seen as a dimension of market-driving behaviour, part of entrepreneurial deviance, or as an outcome of dynamic and disruptive innovation, which shapes consumers’ expectations and defines environment boundaries of emerging markets. It is contended that resistance plays an integral part of collaborative supply chain practice; that is, market driving behavior is a contested practice that explores and maps out the market possibilities and, which in turn, shapes consumers’ expectations. We argue in this chapter that understanding the practice of resistance is an important dynamic in an institutional setting, not least because of its powerful effect on development of the places and spaces.

Overall, whenever collaborative issues are examined within the supply chain literature, they are almost exclusively concerned with the ‘back end spaces’ and the ‘upstream activities’ with the effective integration of suppliers, manufacturers, warehouses and stores, rather than ‘front end spaces’ and the downstream hinterlands around consumer provision and consumption activities. The twentieth century legacy of policy makers and academics from the ‘de-industrialization problem’ – the so-called ‘rust belt’ phenomenon – has been a burgeoning body of research which is curiously at odds with the new industries, new emerging markets, new online firms and new online consumption practice driving and shaping the contemporary global marketplace (e.g. the culture economy). Traditionally, business academic research, and supply chain management scholars in particular, remain either enamoured by upstream industrial production-led manufacturing and supply chains, which are driven by selective bias arising from traditional path dependent research agendas, or, ontologically, research agendas that are prejudiced towards the so-called ‘elite knowledge industries’ (e.g. software, finance). If nothing else, the Western financial crisis during 2008 and the market contagion developing in its wake has shown the vulnerability and temporality of the so-called knowledge ‘based’ industries. Similarly, the consumer marketing literature has become rather narrow in its scope, dominated by the wholesale importation of ideas from (social)