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Business interaction and institutional work:

When intermediaries make efforts to change their position

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Abstract:

A company's ability to change its position (its relationships with others) depends on a shared interpretation among business network actors of what the company wants to do. The purpose of this study is to examine change in the position of actors in a business network setting. We use the institutional work approach to understand positioning in a business network as an institutional arrangement and explore actors' purposive efforts to maintain or disrupt the rules of the game.

We use a multiple case-study approach to explore the fruit and vegetable distribution channel. We discuss what happens when the institutional work carried out by retailers to disrupt the position of wholesalers meets the institutional work carried out by wholesalers to maintain their position. The findings show how *interacting* institutional efforts result in new positions for wholesalers: the 'troubleshooter' position and the 'quality enhancer' role. Our study contributes to the field of business-to-business marketing in that it sheds light on the co-creation process of the rules of the game that drive business-to-business interactions. With reference to institutional theory, our study draws on the idea that institutional arrangements are unanticipated consequences of interactions between actors.

Key words: Interaction, Institutional Work, Position, Business Network, Intermediation

1. Introduction

One central issue for a company in a business network is how it is going to interact with other companies. Interaction with other companies is the means by which a company is going to mobilize and integrate resources (Håkansson & Waluszewski, 2002; Mouzas & Naudé, 2007; Pfeffer & Salancik, 1978), and, eventually, this co-creates value (Vargo & Lusch, 2016). Change - for a company in a business network - means changing its interactions with other companies (Anderson, Havila, Andersen & Halinen, 1998). Any such change therefore results in establishing new ways of mobilizing and integrating resources. However, changes may only happen if other actors in a network accept them. For Abrahamsen, Henneberg and Naudé (2012), the ability of a company to change its position (its relationships with others) “is dependent on a shared interpretation” of what the company wants to do (its role, cf. Anderson et al., 1998). The central issue for a company then becomes less one of ‘how to interact with others’ and more ‘how to make others share the way I see interaction with them’.

Several authors have already identified such an issue. Möller (2010), along with Mouzas, Henneberg & Naudé (2008), emphasizes the importance of “sense-making”. Huemer (2012) discusses the concept of sense-giving as “attempts to alter and influence the way others think and act” (: 241). Yet, the nature of what could guide interaction, as a value co-creation process and in a way that is shared by both parties, is not entirely clear within such concepts.

Recently, institutional theory has provided marketing scholars with new perspectives on how resource combinations are organized (Koskela-Huotari, Edvardsson, Jonas, Sörhammar, & Witell, 2016; Vargo & Lusch, 2016). According to institutional theory, institutions and institutional arrangements (i.e., assemblages of interrelated institutions) are considered as rules of the game. Institutional arrangements act as “coordinating mechanisms” (Vargo & Lusch, 2016); they “enable and constrain the way resources are integrated and value is co-

created” (Koskela-Huotari et al. 2016: 2965); they “guide actors’ actions and interactions in value co-creation” (Koskela-Huotari & Vargo, 2016: 169).

Therefore, one way for a business actor to influence value co-creation (and consequently its own position in the network) is to change the rules of the game. But this requires actors to take action. The notion of “institutional work” (Lawrence, Suddaby & Leca, 2009) allows us to grasp the idea of purposeful efforts needed to influence shared institutional arrangements.

Business actors are constantly interacting (Grönroos, 2011; Håkansson & Snehota, 1989). In interaction, the institutional work conducted by one business actor will therefore inevitably *meet* the institutional work conducted by another actor. What is the nature of such an encounter? What are the results? Such questions are still unanswered.

Drawing on the concept of institutional work, our research seeks to give an account of changes in business networks. The institutional work approach allows exploring purposeful efforts made by business actors in order to create, modify or even maintain institutional arrangements (Lawrence et al., 2009) in such a way that they ‘orientate’ interaction in a specified way. In particular, we want to draw on the institutional work concept to explore how efforts of both actors in a business relationship interact and possibly result in new arrangements.

Thus, our research question is formulated as follows: *what will happen in a business interaction when the institutional work of one actor meets the institutional work of the other?*

The findings of this paper show that through interaction, the institutional efforts of one party meet those of the other party, resulting in arrangements that are different to what each party anticipated, yet accepted by both as new rules of the game.

In this paper, we aim to provide a better link between interaction and institutional approaches. In the field of business-to-business marketing it would not only reinforce the point made by Palmer, Simmons, Robinson & Fearne (2015) that institutional work is “commensurate with the interaction approach” (: 215), but also develop the notion of business interaction by presenting institutional arrangements as outputs of actors’ interactions. From the perspective of institutional theory, we suggest - in accordance with the idea of institutionalization being the result of multiple efforts (Hwang & Powell, 2005) – also considering institutional arrangements as being unanticipated consequences of interaction between actors.

2. An institutional approach to business-to-business marketing

Marketing research and institutional theory have been recently brought together in certain academic works (Chaney & Ben Slimane, 2014; Vargo & Lusch, 2016). These studies highlight the potential of institutional theory in providing a renewed theoretical explanation for market dynamics (Ketchen & Hult, 2011; Chaney & Ben Slimane, 2014).

Recently, Vargo and Lusch (2016) emphasized the use of an institutional approach as a means to develop a more explanatory perspective of marketing. This approach was suggested in relation to all types of exchanges being considered, including business-to-business (B2B) ones. Yet, with its strong focus on actor’s behavior being shaped by cognitive frames, institutional theory has primarily found its place in the business-to-consumer (B2C) area of marketing research. It offers, for example, to deepen our understanding of the co-construction mechanisms of brand meanings and markets between consumers and companies (Dolbec & Fischer, 2015; Humphreys 2010a; 2010b), of how brands develop a legitimate cultural fit with certain consumption communities (Kates, 2004), of how certain consumers can obtain greater inclusion in mainstream markets (Scaraboto & Fischer, 2013), and so on. In all these works,

the focus remains on business-to-consumer exchanges, whilst business-to-business exchanges have rarely been investigated from an institutional point of view.

The recent suggestion by Yang and Su (2014) to bring together institutional theory and business-to-business marketing has generated a limited response to date. However, Wallman (2014) investigates the cotton sector to show how marketers strategically use institutions to overcome factors that limit certain business-to-business exchanges. Newton, Ewing and Collier (2014) use the concept of “loose coupling” to describe how organizational units resolve contradictions in the institutional demands that are placed upon them by various stakeholders. Palmer et al. (2015) study how an industry leader maintains institutional dominance in a business-to-business field based on its legitimacy. Koskela-Huotari et al. (2016) explore innovation at Volvo Buses as a mix of “breaking, making and maintaining” institutionalized rules. But these works remain the exceptions.

In an attempt to bring together institutional theory and business-to-business marketing, one may emphasize the high level of compatibility between the notions of the business network or markets as networks and organizational field as used in institutional theory. Within the interaction (IMP Group, 1982) and business network (Easton & Axelsson, 1992; Håkansson & Snehota, 1995) approaches to business-to-business marketing, the question of institutions has been addressed implicitly by defining a network inclusive of all, in which how actors act is understood via the idea that business relationships shape and are shaped by other business relationships (Håkansson & Snehota, 1995; Håkansson et al., 2009). But this perspective overemphasizes structural aspects of relationships (i.e., their configuration and their characteristics) at the expense of more processual aspects (Chakrabarti, Ramos & Henneberg, 2013).

Actually, institutions have never been totally disconnected from the B2B Marketing field. For instance, interrelationships between distribution networks and their institutional

environment have been recognized (Arndt, 1981; IMP Group, 1982; Stern & Reve, 1980) but not fully taken into account. Other attempts have been made to narrow institutional approaches and business-to-business exchanges. For instance, the work by Blois and Ivens (2007) connected business-to-business marketing with the notion of relational norms, which is seen as a governance mechanism to explain continuing exchanges. A more direct institutional view of market dynamics has recently been introduced into business-to-business marketing with the emergence of the market-as-practice approach (Chakrabarti et al., 2013; Kjellberg & Helgesson, 2006). This framework presents markets as being continually shaped and reshaped by actions of actors. Business-to-business exchanges are thus not only considered as economic activities, but also as “communicational” and “representational” ones (Kjellberg & Helgesson, 2006). Such an approach is “consistent with viewing the market as a ‘set of culturally constituted institutional arrangements’ and a socio-historically situated institution” (Venkatesh et al. 2006).

Though the studies described above have contributed to opening up business-to-business marketing to institutions, we believe there is still room for more works that fully embrace the interrelationships between institutions and business-to-business exchanges with a view to better understanding the dynamics of business networks.

At the very core of business-to-business marketing lies the interaction between two organizational actors (Håkansson & Östberg, 1975). Scholars have joined the notion of business interaction with the one of business network, defined as a set of interconnected business relationships (Axelsson & Easton, 1992; Håkansson & Snehota, 1995). Role and position are key concepts when analysing changes and dynamics in business relationships and networks (Abrahamsen, Henneberg & Naudé, 2012; Anderson et al., 1998; Johansson & Mattsson, 1992). When a company wants to change its position in a network, it is important that its role is interpreted to some extent in a similar way by other actors (Abrahamsen,

Henneberg & Naudé, 2012). The actor who wants to alter their position has to convince other actors to share their representations or, in other words, to influence the other actor(s) in their representations. Káptalan-Nagy and Persson (2008) propose that an actor needs to be perceived as legitimate by other actors to effectively influence them. Institutional theory brings to business-to-business marketing the missing building block in the quest for explanations of network dynamics. Vargo and Lusch (2016) evoke “the coordinating role of institutions”. If interaction is at the core of business-to-business marketing, what are the rules driving this interaction? How are they built? How do they work? This is what institutional theory brings to business-to-business marketing.

3. Institutional work

3.1. Efforts to maintain or change the rules of the game

The concept of institutional work introduced by Lawrence and Suddaby (2006) examines the practices of actors aiming to create, maintain or disrupt institutions in order to alter legitimacy. Indeed, legitimacy is not only natural and influenced by institutional pressures, but actors can also gain pragmatic, moral and/or cognitive legitimacy of actions through the manipulation of institutional pressures (Suchman, 1995)¹. The institutional work approach tackles those kind of efforts that aim to “cope with, keep up with, shore up, tear down, tinker with, transform, or create anew the institutional structures within which [individuals and collective actors] live, work, and play, and which give them their roles, relationships, resources, and routines” (Lawrence, Suddaby & Leca, 2011: 53).

Thus, the institutional work approach provides a lens on perpetuation that contrasts with past perceptions on the unreflective and automatic reproduction of institutions (Jepperson, 1991). Drawing on Jepperson’s (1991) conceptualization of institutions as “patterns of

¹ Suchman’s (1995) approach to legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (: 574) allows a rich understanding of connections between institutions and actions.

sequenced interaction supported by specific mechanisms of control” Lawrence and Suddaby (2006: 216) view the maintenance of institutions as the result of actions and interactions of multiple actors. They suggest, for instance, that the reinforcement of rules, the creation of myths and symbols, sustain institutional orders and justify institutional conformity. Palmer et al. (2015) provide an example of maintenance work via the use of a supplier industrial workshop by Retail Co. to preserve the status quo with the same market structures and power dynamics.

To preserve a status quo, actors do not only perpetuate routines and practices, they also defend their positions against attempts by other actors to disrupt the status quo. Maguire and Hardy (2009) shed light on defensive institutional work in their study of the discursive work implemented by a group of actors who want to protect the use of DDT (Dichlorodiphenyltrichloroethane, an insecticide) from attempts by other actors to force institutional changes. This kind of institutional work differs from resistance to change and involves creative and proactive changes with regard to new social expectations as well as to the simultaneous efforts of challengers (Ben Slimane, 2012; Currie et al. 2012; Micelotta & Washington, 2013). Therefore, the institutionalization process involves multiple actions and interactions rather than being the result of a dominant actor independent from institutional influences (Delmestri, 2009). Indeed, the institutional work approach examines institutionalization as a complex process involving multiple actors and efforts embedded in institutional influences and occurring either sequentially or simultaneously².

3.2. Symbolic resources as resources central to supporting institutional work

From the viewpoint of institutional work, resource mobilization is considered important for all kinds of actors and not just central and powerful ones (Dorado, 2005). Resources are a

² The institutional work approach goes back to the interactionist lens of institutionalization from Berger and Luckmann (1967) and provides a view on institutional rules as perpetuated, transformed and even created through common interactions between actors (Lawrence et al. 2011: 54).

prerequisite for actions towards institutional arrangements (Rojas, 2010). They provide sufficient power to modify positions and challenge (or protect) institutional orders (Maguire et al. 2004; Battilana, 2006). That is why the notion of resources has become central for new institutional scholars when exploring actors' interactions and efforts embedded in institutional influences (Hardy & Maguire, 2008).

Previous scholars provide a range of diverse types of resources (Hardy & Maguire, 2008) with a distinction made between material and symbolic resources (Ben Slimane, 2012). While material resources are essential to gaining political support (Campbell, 2004) and ensuring the power of dominant actors (Lawrence & Suddaby, 2006), symbolic resources have been further developed by new institutional scholars (Hardy & Maguire, 2008; Ben Slimane, 2012) due to the perspective offered by new institutional theory (Voronov & Vince, 2012).

Indeed, new institutional scholars have assimilated the cultural and symbolic dimensions of means (e.g., Creed et al., 2002; Scully & Creed, 2005; Hardy & Maguire, 2008; Voronov & Vince, 2012) and have highlighted this aspect when exploring efforts in interaction with institutions. Cultural and symbolic resources can be seen as the “the appropriation and use of cultural meanings that, at least in part, represented institutionally prescribed ways of being, thinking, and acting” (Creed, De Jordy and Lok: 1356). Discourse can become a cultural-symbolic resource when used to give particular meaning (e.g., Zilber, 2002) and create myths (Lawrence & Suddaby, 2006) related to particular rules, standards or schemes (e.g. Haveman & Rao, 1997, Hargadon & Douglas, 2001) and other kinds of cultural context elements (e.g., Creed et al., 2010). Discourse is one of a diverse range of cultural resources, from cognition to the symbolic position (e.g., formal authority and reputation, as mentioned by Battilana, Leca and Boxenbaum., 2008) and other kinds of symbols related to

cultural context/meaning. Such insights on resources have been very helpful to new institutional scholars exploring actions and institutional work.

3.3. Toward an interactive view of institutional work

Scholars have provided insights on the types of work carried out by incumbents in response to the disruptive efforts of challengers (e.g., “discursive work” for Maguire & Hardy, 2009; “cooptation” for Currie et al., 2012; “reparation” for Micelotta & Washington, 2013). What requires further explanation is the fact that consequences of those efforts can be different from their initial purpose because of the multiplicity of actions and interactions within the same process (Khan, Munir & Willmot, 2007). That is why our study attempts to explore what happens when the institutional work of two actors meets during the interaction process. This issue is even more important when actors interact in the same business network, and yet are engaged in different institutional works to alter or maintain legitimate roles and positions.

Consequently, we believe the institutional work approach can improve our understanding of actors’ efforts to protect their legitimate position. We adopt this approach in order to explore how the institutional work conducted by one business actor meets the institutional work of another actor, within the particular context of intermediation in business networks.

4. Intermediation as an institution: wholesalers as historical middlemen

Considering intermediation as an institution is not new, in fact it was the dominant approach when conceptualizing distribution channels during the first half of the 20th century (Gattorna, 1978; Wilkinson, 2001). While we describe intermediation as an institution with its own rules of the game, we highlight the role of business-to-business distributors and

wholesalers as historical and central ‘players of the game’ (Vargo & Lusch, 2016) who are trying to maintain the status quo.

Since the days of ancient Greece (Beckman and Engle, 1956) and ancient Rome (Braudel, 1979), intermediation has been recognized as an institution through the strong and taken-for-granted belief that intermediaries were necessary, if not essential. Plato (translated by Cousin, 1832: 291) considered that the aim of the “merchant institution” was “to meet the needs of individuals and to establish equality in the means of satisfying them”. Intermediaries were those merchants seen as noble and prestigious whilst retailers were seen as “petty tradesmen”, “rogue” or “hucksters” (Beckman and Engle, 1956: 65).

Thus, intermediation as an institution emerged alongside the central role played by wholesalers. This position was maintained and even reinforced until the Renaissance period. Wholesalers took charge of the whole marketing system and participated in the flourishing interregional commerce (Cassels, 1936) and development of modern society (Braudel, 1979). The Renaissance period recognised the supremacy of intermediation through the valuable representation of wholesalers: wholesaling was considered a respectable activity for educated people, as opposed to the manual work of retailing (Braudel, 1979).

However, institutions should be seen not as disembodied superstructures, but rather the result of players’ efforts to maintain or disrupt the status quo, or to create a new one. Whilst central actors would perpetuate rites, routines and share representations, challengers could find better interest in changing the rules of the game. The rules of the distribution game have been changing since the industrialization period through the challenge of business-to-business intermediation. First manufacturers, then large-scale retailers took advantage of their increasing size and powerful position to better control distribution channels (Gadde, 2012). This dual process of concentration resulted in attempts to bypass wholesalers, which did not

always succeed, but significantly affected the taken-for-granted belief in intermediation through independent wholesalers (Gadde, 2012).

Indeed, the shared representations of wholesalers shifted from “gentry” and even “prince” of the business (Beckman & Engle, 1956, Braudel, 1979) to “parasites of society” (Mackeown, 2007) and “bottlenecks” (Dugot, 2000). Despite the lack of evidence, the assumption that marketing systems bypassing traditional wholesalers are more efficient has spread (Gattorna, 1978). That is why we have noted increasing disintermediation attempts and predicted intermediary actors disappearing more often than they develop (Gadde, 2012).

Yet, wholesalers have been able to maintain the status quo and to survive as intermediaries. Intermediaries have been identified as influencing, market-making actors with, for example, an estimated contribution to “over a quarter of the U.S. economy” at the turn of the 21st century (Spulber, 1996: 136). Concomitantly, wholesalers have been noted as dynamic actors able to transform the traditional role of middlemen to one of a value-generating network actor (Gadde, 2012). This construction of a new role implies efforts to shape institutional arrangements (Vargo & Lusch, 2016), but the mechanisms beyond these institutional efforts have never been fully discussed regarding business-to-business intermediation. Gattorna’s (1978) statement still resonates as valid today:

“Despite the visible evidence of institutional configurations, very little more is known about this mechanism. Relatively few scholars have attempted to analyse the structure of distributive intermediaries, either empirically or theoretically, and those studies which have been undertaken have proved to be largely descriptive”. (: 484)

This business-to-business intermediation system provides as a particularly well-suited context to observe and analyze efforts to change institutional arrangements. We explore it in relation to the specific case of Fresh Fruit and Vegetable (FFV) distribution, which we will describe in the following methodology section.

5. Methodology

Our purpose is to explore how the respective institutional works of two different business actors meet in the specific context of intermediation in a distribution network. To achieve our objective, we have designed a research study based on a qualitative approach that brings together two case studies.

Case study method is particularly suited to the in-depth analysis of complex and processual phenomena that need to be understood, together with all their entanglements, in the context in which they occur (Eisenhardt & Graebner, 2007; Yin, 2009). This method is particularly relevant as we seek to understand specific actors' efforts to alter or maintain the institutional context within which they operate (Newton, Ewing and Collier, 2014; Palmer et al., 2015) in order to shape markets (Kindström, Ottosson & Carlborg, 2018). Thus, the case study method and our research objectives (Halinen & Törnroos, 2005) and questions are a good match (Eisenhardt & Graebner, 2007; Johnston, Leach & Liu, 1999; Yin, 2009), and in addition, this method and our theoretical framework “resonate and support each other” (Dubois & Araujo, 2007: 173). Indeed, our theoretical framework relies on the exploration of particular interactions and efforts with the interaction and institutional approaches, and the case study is highly relevant to developing theory based on such idiosyncratic phenomenon (Dubois & Aurojo, 2007).

In following sections, we will first describe the empirical context chosen for its congruence with our theory development aim (Arnould, Price & Moisio, 2006). We will then present our cases and the rationale supporting their purposive sampling (Eisenhardt & Graebner, 2007). Finally, we will explain our data collection and analysis processes.

5.1. Empirical context

The broader setting in which the cases operate is the French Fresh Fruit and Vegetable (FFV) distribution network. The Figure 1, below, depicts this distribution system with a particular emphasis on the three actors (wholesalers, divisional buying office and retailers) and two interactions explored in this article.

- Insert Figure 1 about here –

This setting is particularly suitable for our research purposes for two main reasons. First, in the FFV distribution network, wholesalers have experienced dramatic changes in their positions and roles due to a strong evolution of the intermediation institution, as demonstrated in section 4. Second, due to the presence in this distribution network of actors, such as retailers (hyper and supermarkets) and consumers (of fruits and vegetables) whose movements are sufficiently visible and rather well-documented, access to information pertaining to institutional pressures and actions was considered manageable.

French retailers have largely integrated wholesaling functions, as in other Western countries including the U.S. (McLaughlin, 1995). Yet, there is evidence that some of them have decided to give Department Managers a little more leeway at store level, allowing them to procure from FFV wholesalers (Chabaud & Codron, 2005). While McLaughlin (1995) wondered about the actual role of the remaining U.S. FFV wholesalers after large-scale retailers developed buying agencies and platforms, in France, the answer is that some FFV suppliers have managed to keep or regain their position with some of the large-scale retailers. In other words, some wholesalers have survived in large-scale retailing FFV distribution networks and have managed to preserve the status quo of the intermediation institution as described earlier. Wholesalers have been both historical and central actors within the FFV distribution network, but they have also suffered from negative representations as illustrated in the following statement: “The big problem with our profession is the financial connotation.

There is a connotation of bandit for some wholesalers who do not respect the production, who do not always respect the customer either” (WHOL, CEO).

Negative representations remain significant, especially as the French agricultural culture encourages the defense of farmers against intermediaries³. Despite these negative representations, wholesalers have been able to remain central intermediaries of distribution, by allowing their role to evolve.

During the 1960s, for instance, wholesalers moved towards the role of suppliers of large-scale retailers, the latter only beginning to develop in France at that time. Retailers had no means to secure the large volume of products that were necessary for their activity or to take risks on complex products. Fruits and vegetables are fresh and complex products, with unpredictable quantities and quality as well as variable prices (McLaughlin, 2004). Due to this complexity, all FFV actors shared this strong belief in the specificity of fruits and vegetables and rules of the game were driven by this FFV culture. Hence, wholesalers were well-placed to manage this complexity, especially with the fast growth of large-scale retailing.

But during the 1990s, these same retailers provided centralization efforts to disrupt the status quo and replace wholesalers through the creation of their own buying offices and distribution centres. This led to some predicting that wholesalers would disappear, according to press articles (e.g., Dénier LSA)⁴ and professional reports (e.g., the Geode report, 2005)⁵. Whilst before the 1990s wholesalers were the usual suppliers of the FFV departments of supermarkets and hypermarkets, buying offices then entered into competition with wholesalers as intermediaries for retailers.

³ Professional report from the consultancy firm *Adrien*, 1998.

⁴ “Les réseaux réveillent les grossistes en fruits et légumes” [Networks wake up wholesalers of fruits and vegetables] – LSA, n° 1921, 22/09/2005. <https://www.lsa-conso.fr/les-reseaux-reveillent-les-grossistes-en-fruits-et-legumes,39967>

⁵ “Approche systémique de la filière fruits et légumes frais” [A systemic approach to the fresh fruits and vegetables sector], Géode, Rapport, No2, Paris.

Retailers engineered this disintermediation attempt. However, their initiative emerged in a context of commercial regulation, leading to higher prices and increased standardization of fruits and vegetables at the expense of gustatory quality (Bernard de Raymond, 2003). Regarding their margins from this activity, which was largely hidden from the public eye, wholesalers were initially said to be responsible for price increases. But higher margins were not justified since the standardization of FFV during the 1980s made it less complex to source products and manage product flows. As elsewhere (Perosio, McLaughlin, Cuellar & Park, 2001), French retailers sought to apply to the FFV category the same strategies and organizational processes they were successfully applying to manufactured goods and were thus able to bypass FFV wholesalers.

Whilst price regulations and FFV standardization facilitated disintermediation, the survival of wholesalers is linked to other institutional pressures concerning quality. Indeed, wholesalers built a new role as value generating network actors alongside growing concerns for food safety, quality diet, environmentally-friendly practices, localism or sustainable agriculture, and so on during the 2000's. These pressures (e.g., certifications on quality processes, labelling of local products and food laws on hygiene control) reflect the ideological crisis the industry has suffered from (Press, Arnould, Murray & Strand, 2014) and underscore the importance for actors of defining their role and position around the concept of produce quality. Despite efforts to standardize FFV quality (Zuurbier, 1999), the idea proved difficult as FFVs are highly perishable and fragile (McLaughlin, 2004) with an important intrinsic variability (Ritson, 1997) so that crucial attributes, such as taste, remain fluctuant (Zuurbier, 1999) and hidden prior to consumption (Pearson, 2003). Standardization of product attributes allows suppliers to comply with logistics and merchandising constraints (Perosio et al., 2001), but still offers room for variability and subjectivity as regards other aspects of quality.

Such uncertainty in the quality concept also impacts consumer behaviour. Quality and freshness are the two most important criteria for French consumers when deciding which FFVs to buy, but price is interestingly rated as more important than taste (FranceAgrimer, 2016)⁶. Price remains an overestimated signal of quality for these consumers, who are not experts in FFV cooking and don't feel comfortable identifying quality when selecting products on retailers' stalls (Roty, Dubuisson-Quellier & Robinet, 2005). Beyond this behaviour and despite a constant decrease in FFV consumption, particularly among the youngest age groups (FranceAgrimer, 2016), there is an increasing level of mistrust towards food industries and intermediaries. This particularly applies to large-scale retailers, with consumers seeking less standardization and massification, and more organic or locally-grown produce (Ritzenthaler, 2016).

Wholesalers have taken advantage of new institutional pressures on quality to escape the "commodity trap" (Fearne & Hughes, 1999) and to position themselves as quality guarantors. But over and above their efforts, reaching this goal also depends on their interaction with retailers. In the FFV sector, product complexity makes tight coordination and frequent interaction between channel actors essential (Zuurbier, 1999). Such a context is therefore particularly relevant for the study of complex and evolving role representations and legitimacy perceptions of actors involved in business-to-business distribution networks.

5.2. Case selection

We gained familiarity with the FFV distribution setting through extensive immersion in the field. This process started with the exploratory study based on press articles and fifteen interviews with experts from the fruit and vegetable market (cf. Table 1). This was an

⁶<http://www.franceagrimer.fr/content/download/44343/423207/file/Pratiques%20et%20habitudes%20de%20consommation%20de%20fruits%20et%201%C3%A9gumes.pdf>

important step in understanding the particular context of the study and in selecting case studies.

The first case-study aimed at understanding how FFV wholesalers legitimize their intermediary activity and contribute to the intermediary market maintenance (for FFV distribution). We selected the FFV wholesaling national cluster, which has been the most active in maintaining its position with large-scale retailing customers and which experienced the highest economic development during the 2000s at the national level in France⁷. Among the 28 company members, we selected the WHOL company (pseudonym) because it has been leading changes in terms of product quality and partnerships with retailers (e.g., WHOL was the first ISO 9001 certified company of the cluster and initiated the development of specific brands that supported new relationships with cluster business customers).

Subsequently, we designed a multiple embedded case study of four FFV departments belonging to one of the six leading French retailing groups (hereafter referred to as the 'RET' company). All departments at RET are linked to the same Divisional Buying Office to allow for case comparison (Eisenhardt, 1989). We chose a cooperative of retailers, not an integrated group, as the Divisional Buying Office cannot use coercion or authority to prevent departments from resorting to wholesalers. We then selected the case offering the highest variations (Eisenhardt, 1989) in terms of the way they interact with wholesalers. Each FFV department thus illustrates different relationships with the Divisional Buying Office and, consequently, with wholesalers. At RET, there are department managers who do not resort to wholesalers, others who trade with wholesalers for only a limited part of their procurements, some who maintain long-term relationships with wholesalers (despite centralization efforts), and others who move from a centralized purchasing model to a direct purchasing from wholesalers. We thus focus our analysis on the department managers' perceptions regarding

⁷ In 2012, during the investigation period, the cluster had a turnover of €859 million and 2,500 employees.

the same buying office and their different choices as to whether or not – and how – to use wholesalers.

Together, these two cases offer an opportunity to observe the efforts of wholesalers to maintain their position as suppliers of large-scale retailers, and, additionally, the efforts of retailers' buying offices to challenge wholesalers' positions.

5.3. Data collection and Analysis

The two case studies were designed around semi-structured interviews for primary data and triangulated with other techniques (informal interviews, observation, internal documents and press articles, cf. Table 1).

In-depth interviews were perfectly suited to gaining an insight into actors' representations. To cover the different facets of wholesalers' attempts to maintain a legitimate position and convince others to share their representations, we carried out 25 interviews at WHOL. After a first representative sample with interviewees representing different functions and hierarchical levels, we identified particular informants who were able to provide key information (a purposive sample - see Lincoln and Guba, 1985) regarding our research question.

A similar process of data collection was carried out at RET. We carried out five interviews at the divisional office level and 37 interviews at the store department level (cf. Table 1). All interviews were transcribed. We conducted separate coding for the WHOL and RET cases and wrote distinct monographs of their efforts and representation. NVivo software was used to perform a content analysis.

A cross-case analysis was then performed. Data was collectively exchanged regarding the first analysis and interpretations discussed progressively to develop a consensual and inter-subjective interpretation of the field (Hietanen, Mattila, Schouten, Sihvonen & Toyoki, 2016). We then compared the analysis of WHOL with that of RET. This allowed us to discuss

what happens in terms of business interaction when the institutional work of wholesalers meets the institutional work of retailers.

- Insert Table 1 about here –

6. Findings. Interaction between institutional efforts and resulting positions

In this section, we present the different actions carried out by WHOL on the one side and RET on the other. Following the disintermediation trend, as we reported on in section 5.1, wholesalers who tried to resist to changes (imposed by retail companies) disappeared, whilst those who adapted to change in order to maintain the status quo survived. This second group has been engaged in determined efforts to achieve a role of value-creator and to encourage other actors to share their representation. We give an account of these different movements in the following sections. In section (6.1.), we first describe the efforts made by the divisional buying office at RET to convince the stores of their legitimacy as an intermediary (instead of wholesalers). We then describe in section 6.2 the efforts made by WHOL. Finally, in section 6.3. we shed light on the resulting effects of the interaction between these two types of efforts. Table 2, displayed at the end of the findings, provides complementary illustrative data.

6.1. Retailers' efforts to disrupt the status quo and replace wholesalers as intermediaries

RET's structure is a cooperative one. Accordingly, the decision to acquire products through the divisional buying office and to conform to its marketing programs is up to store and FFV department managers. Contrary to integrated corporate retail groups, the Divisional Buying Office cannot rely on hierarchical authority or coercive methods, such as sanctions, to conquer and secure its position in the network. That is why the Divisional Buying Office strives to have store managers share their representation as a legitimate and better intermediation structure than wholesalers. The Divisional Buying Office is built on an institutional disruptive model that aims to progressively and durably replace wholesalers. This

work consists of shaping institutional arrangements that structure the relationships with stores in the network via three steps.

First, efforts are directed at proving that the Divisional Buying Office at RET can act in place of wholesalers in order to reduce risks and uncertainties of supplies using logistics, relational and information system resources. Processes have been implemented to reduce delivery times to departments. This helps reduce risks associated with a demand for variability as required by department managers when having to anticipate order decisions. Salespersons at the RET Divisional Buying Office, who are progressively being replaced by information systems, continue to develop interpersonal interactions with RET department managers to push sales, but also to check orders and handle complaints. For this effort to be successful, they must find ways of working with farmers in order to secure supplies, both in quantity and quality. The following quotation illustrates the kind of efforts undertaken to contract producers to reduce uncertainties:

“It is important not to depend on production; we have to create things together with producers. We conclude contracts with producers, including production and marketing agendas” (RET, Divisional Buying Office, Product Manager).

Secondly, the buying office aims to differentiate itself from wholesalers and to act as the legitimate intermediary in order to shape and secure FFV quality. This effort relies on the design of contractual arrangements with farmers, including precise definitions of private quality standards to supplement public ones. Quality is still defined as a compromise between resistance to logistics and merchandising constraints and the visual appearance needed to seduce consumers, as well as maturity and freshness. But, building on institutional pressures to guarantee food safety and traceability for consumers, a new dimension in FFV quality has emerged and gained importance. The following statement highlights the buying office’s awareness of expectations with regards to quality, and their efforts to develop quality control practices and build legitimacy:

Consumers need reassurance. Fraud control comes here every two weeks. We have implemented HACCP [Hazard Analysis Critical Control Point]. [...] We are able to offer a guarantee to stores that are one hundred percent with us. I can ensure it. [...] The interest for stores is a savoir-faire, a guarantee of quality as regards consumers (RET, Divisional Buying Office, Quality & Grading Manager)

Indeed, guaranteeing food safety and implementing traceability systems reinforces retailers' intent to control purchasing at the wholesale stage and to centralize the quality certification function.

Thirdly, efforts consist of limiting relationships between wholesalers and department managers by contributing to providing a competitive offering and spreading a new role representation for wholesalers as troubleshooters. The competitive offering relies on providing support and assistance to department managers, such as training, marketing programs and concepts, including assortment, merchandising and departmental atmosphere advice and tools, as well as regular promotional operations. The Divisional Buying Office also provides a complete FFV assortment with a segmented offering and competitive prices⁸.

The produce manager describes such efforts to enhance their assortment with lower prices:

We offer a broader range of products, a marketing and merchandising concept that helps the consumer to find their way. There are convenience concerns, consumers want basic products but also packaged and ready-to-eat products. Creating a market atmosphere is important too, with products in bulk and low prices. There is also a need for discovery, with new products, exotic products or products which announce the season (RET, Divisional Buying Office, Product Manager).

Despite some limitations, such as the impossibility of supplying each store with local products (stores are encouraged to source directly from local producers), the Divisional Buying Office attempts to provide as complete and competitive an offer as an intermediary.

⁸ Listening to interactions between suppliers and farmers reveals that they systematically include concern about price and quantity.

The final purpose is to achieve a role of partner with department managers and to shape the representation of wholesalers as troubleshooters.

To achieve these different steps and gain legitimacy as an intermediary, the Divisional Buying Office has to acquire expertise and to develop not just technical skills, including product knowledge, but also cultural resources. For instance, to assimilate the FFV culture of fresh and specific products, the strategy has been to absorb resources directly from the FFV sector when creating the Divisional Buying Office, for example by hiring people with a background in the wholesale activity who better understand the schemes specific to intermediaries. The founder of the Divisional Buying Office, for instance, grew up in a family of wholesalers and worked for them:

My parents were fruit and vegetable wholesalers. I know pretty well the wholesaler's job. I have worked for two wholesalers. Nothing in common, it is a completely different job. There are still a few specialized wholesalers that work a little bit like us... The wholesaler buys, but he does not help the production to live. We do the opposite: we are close to the production [...] we need margins to run our activity. But not as high as wholesalers do (RET, Divisional Buying Office, Founder).

The legitimacy of the Divisional Buying Office goes along with building and sharing a negative representation of wholesalers. In the previous quotation, the Divisional Buying Office contrasts its practices with those of the wholesalers to justify its expertise to act in an FFV intermediation position and to shape institutional arrangements that structure its relationships with stores' FFV departments. This work is used to reinforce both the pragmatic and moral legitimacy of the Divisional Buying Office to act as an FFV intermediary and to serve stores. The choice of whether to work with the Divisional Buying Office is up to store managers. The managers also consider wholesalers' efforts to evolve and thus maintain their position as intermediaries.

6.2. Wholesalers' efforts to maintain the status quo

We identify three types of purposeful efforts made by wholesalers. Each type of institutional effort (Maguire & Hardy, 2009) is not mutually exclusive and can combine with others.

We call the first type of effort that wholesalers make 'logistical agility'. A wholesaler may accept the control of retailers through their buying offices and agree to play a complementary role for occasional needs and emergency supplies for stores (super/hypermarkets). This puts the wholesaler in the role of an official emergency partner:

"We will still be there for emergencies but we are not the official emergency partner with some retailers. Some of them call us every day and maybe more than the buying office for occasional needs". (WHOL, CEO)

It does not require too much input to have retailers share this representation of wholesalers as an emergency last resort option. Yet, this only provides them with limited participation in the value creation process. The CEO of the national cluster of WHOL explains, "it is not on emergency logistics that you build a recurring and interesting business". That is why some wholesalers concentrate their efforts on institutional pressure for quality.

We label the second type of effort a 'proximity' effort. Here, the wholesaler reinforces their social bonds with FFV department managers and emphasizes local anchoring. This strategy is based on the traditional and taken-for-granted proximity created through interpersonal relationships but updated in light of new social expectations with regard to local anchoring and services. To support this effort, the wholesaler emphasizes its historical local roots by referring to new expectations of local products and local economy (the 'locavore' trend, regulations for local product development, etc.). The wholesaler also justifies the relational aspect with regard to new expectations on service quality and customer satisfaction. These expectations emerged during the 2000s with a shift in logic within the FFV distribution

network from production and product priority to customer needs supported by certifications like Qualipom'Fel⁹. Consequently, WHOL (along with other wholesalers) has been able to respond to new pressures on hygiene, safety and traceability whilst promoting efforts on proximity. This depends on maintaining its initial local autonomy, reinforcing locally adapted services and tailored assistance to store managers, and communicating. As stated by the quality manager at WHOL, proximity has always been important: "We have been doing [it] for years: we realized that it has a strong meaning for people". That is why "it is important to communicate about it" (WHOL, Quality Manager). The following quotation emphasizes the proximity effort made by WHOL in order to regain the role of partner, in addition to the one played by buying offices:

There is the proximity with, for instance, in-store demonstrations. We always try to be above and anticipate buying office moves. Well, some retailing groups do not like us but they also realize our value regarding decreasing turnover of stores without our help. Now we have some store managers telling us that they have asked to work with us (WHOL, CEO)

The third kind of effort we have identified is 'master expertise'. It is based on issues such as handling fragile products as well as sourcing products with different qualities. This focus on quality is all the more important since the 1980s and 1990s, when flavorless and standardized products were regularly decried and considered a key cause of the drop in fresh fruit and vegetable consumption (Report, Adrien, 1998). In order to turn the situation around, institutional actors have developed different norms. The French government, along with the World Health Organization and the FFV Interprofessional Federation, launched the French National Nutrition and Health Program in 2001. So, wholesalers have also legitimized their role of quality guarantor based on those overreaching pressures.

⁹ This certification, created in 1998, engages in more transparency and customer satisfaction focus. The WHOL case was one of the first to become QUALIPOM'FEL certified and encouraged the national cluster to achieve a national certification (ISO 9001) and provide homogeneous quality.

This master expertise effort requires strong branding resources. Branding is a marketing activity, but it is also a symbolic way to highlight wholesalers' legitimate role in securing tasty products. The use of branding as a resource in the institutional effort made by wholesalers emerged from an unexpected anecdote at WHOL. WHOL had a partnership with a Spanish farmer to supply citrus fruits. The fruits were well known to consumers for their particular and exceptional taste through the brand *Mina*. Whilst disintermediation challenged their partnership with the main local hypermarket, their brand, which had been adopted by consumers, helped the company to get its position back. As stated by WHOL's CEO, "they asked us to come back but of course, we did not come back just for that". In fact, WHOL provided other qualitative products supported by the development of long-term partnerships with exceptional producers and then brought out new brands as a guarantee of quality. Beyond the gustatory dimension, the brand symbolizes quality from the purposive connection to cultural expectations (standards and new schemes) on localism, nutrition and health. For instance, WHOL also created brands based on needs and socio-demographic segmentation, such as small-sized fruit for children's snacks packaged in strong boxes to improve convenience. Brands were supported by large-scale advertising campaigns targeting parents and incorporating arguments from the national program for nutrition and health. As explained by one member of the WHOL network, wholesalers also engage in "friendly projects which respect the quality of the product" in terms of healthy, natural products and sustainable agriculture. With this kind of new commitment, a radical change in the wholesaler's intermediary activity is emphasized:

I would like to show our project to kids at school and even to clients from supermarkets who find interesting to communicate on it because we provide local, healthy and organic products and at the same time, we are modern and control risks. We are involved in a real project to ensure the quality and environmental control of products. This is a real and significant change in our job! We are no longer in the limited selling-buying activity (Member of WHOL's national cluster).

The three efforts described above aim to legitimize wholesalers in their role of intermediaries and thus to maintain their status quo as part of the business-to-business distribution system. Whilst these three efforts can be combined to reinforce the wholesalers' position, we also observe increasing legitimacy from the first to the third one. In fact, the first effort provides only limited pragmatic legitimacy (Suchman, 1995) considering the limited need for emergency services in retail. It serves the interest of other actors (Suchman, 1995) but only temporarily. The second kind of measure (on proximity) reinforces pragmatic legitimacy relating to interest from retailers and local producers in local products and tailored services. It also adds moral legitimacy (Suchman, 1995) to wholesalers who have been able to align their practices with social expectations of the local economy and with the customer satisfaction logic. This legitimacy becomes even stronger in combination with the third kind of measure focusing on quality. It goes beyond conformity to new expectations and involves changes in institutional arrangements with regard to quality control in order to play a central and long-term role in value creation.

6.3. Types of interaction and resulting impacts

In this section, we focus on the nature of interaction between retailers and wholesalers. On the basis of our data, we identify four interaction situations between our two types of actors. In these interactions, the efforts made by retailers meet the efforts made by wholesalers and result in confrontation or cooperation logics.

The first two situations illustrate confrontation logic between wholesalers and retailers. The first interaction setting could be qualified a 'wholesalophobia' situation. It is an extreme case, where the retail store department is sourcing all its products from the Divisional Buying Office. The department manager has good interpersonal relationships with managers at the Divisional Buying Office. He is satisfied with the offering and is committed to this

relationship. He has been among the first of the network to comply with the implementation of the new FFV marketing strategy rolled out on a national level.

At the same time, the store manager appreciates the fact that the Divisional Buying Office guarantees food safety. However, he acknowledges that wholesalers can provide alternatives in case of delivery delays (which sometimes occur due to the geographical distance of the delivery platform). He also assumes that they may provide certain fragile products with better gustatory quality than the buying office can provide. Yet, the managers at the retailer fail to develop a long-term relationship with any wholesalers and have a negative representation of them:

We have tried everything. We do not know how to work with wholesalers. We cannot find our bearings working with wholesalers. Working with a wholesaler makes things easier, you can get deliveries at 5 pm. Those who work with wholesalers are managers with weaknesses and who choose the easy way. It isn't advantageous in terms of price or quality. The wholesaler has well understood the need to sell (RET, Store Director).

In the above case, the negative representation of wholesalers wipes out their efforts to shape a new role. In this situation, interactions between wholesalers and retailers open a value co-destruction process (Echeverri & Skálén, 2011)¹⁰ resulting in the reinforcement of the positioning work of the Divisional Buying Office and a rejection of the institutional work of wholesalers to reposition themselves in the network.

The second kind of interaction is a situation of containment of the wholesaler's position in the network. The department manager procures 80% of goods from the Divisional Buying Office and spreads the remaining 20% between local producers and local wholesalers. The store is both relationally and geographically close to the Divisional Buying Office and the

¹⁰ The store manager does not take advantage of wholesalers' new practices to go beyond the limits of the buying office regarding delivery time and fragile products.

department manager is satisfied with its offering. Yet standardized processes, volume constraints and legal pressures oblige the Divisional Buying Office to ensure an equal and equitable service to all stores, impeding any type of flexibility. For this reason, the department manager develops connections with a wholesaler, supported by good interpersonal relationships. He values resources such as agility in logistics and negotiation as well as the variety of the wholesaler's offering, which includes products that are not available at the divisional buying office. Nevertheless, the department manager limits his interactions with wholesalers.

The department manager's practices are shaped by pressures on profitability. Consequently, he does not order qualitative products that are too expensive and asks the wholesaler to lower their prices. Moreover, his hierarchy stigmatizes dealing directly with wholesalers. The wholesaler is thus restricted to a troubleshooter position. This type of interaction prevents both actors from mobilizing and combining their resources to create value. Despite his awareness of the wholesalers' agility, for instance, the manager fears that the wholesaler could take advantage of the situation to increase prices in case of emergency orders. He mostly prefers being out-of-stock unless the missing product is essential. The following quotation illustrates the limited trust and attitude to wholesalers: "You do not manage wholesalers like the buying office. With wholesalers there is extra work with negotiation and doing the bookkeeping. You have to constantly keep a close eye on them" (RET, Line Manager).

In the two other cases, retailers and wholesalers interact cooperatively.

The third type of interaction we call 'stalwartness' because the FFV department manager and the wholesaler have been maintaining an immutable relationship despite the creation of the Divisional Buying Office. The store manager has a long-lasting, historical relationship with

an independent wholesaler, as acknowledgement of the great support and assistance the middleman gave him when he opened the store. Moreover, the department manager has progressively increased the number of items purchased from the wholesaler to the detriment of the Divisional Buying Office, whose quality of delivered products has disappointed the department manager. He believes that the wholesaler provides wise advice and offers a large range of good quality products. He is able to adapt logistics during highly intense periods of activity to deliver to the store twice a day, proposes sales promotions and events (generating profits), and payment deadlines are attractive (generating cash flow). In this type of interaction, the proximity strategy of the wholesaler has prevented the Divisional Buying Office from replacing him. With the support of the store owner, the wholesaler has kept his position as preferred supplier of the FFV department.

However, closer investigation of the department manager's practices reveals that the wholesaler's efforts, though they contribute to reinforcing his position in the network, do not allow him to offer his master expertise to the full. For instance, the department manager rarely considers buying atypical products. Too many products are out of stock on weekends mainly because the department manager only places orders twice a week instead of every day. The following statement highlights the fact that the department manager does not rely sufficiently on the wholesaler's resources:

[The Department Manager] is someone who is sometimes inflexible. Yet there are new references, you need to play on impulse [...] For example, with endives, you need bulk and bags. One day I got tired of telling him: I ordered them myself. He saw that and said, 'Who did this?' I answered, 'I did. Now it is done, so let's move forward'. And it worked, although he kept telling me that it didn't work, that he had already tried... (RET, Store Manager).

In such a situation, the retailer does not fully accept the different kinds of effort made by wholesalers.

The last type of interaction is a case of reciprocal shrewdness between a wholesaler, supplying up to 50% of the department's goods, and the manager of the department. The manager acknowledges the "determining and guaranteeing FFV quality" as well as the "competitive offering" efforts of the divisional office and exploits them to assess how to make the most of his relationship with his preferred wholesaler. The department manager has both the technical and cultural resources to bring about a fruitful collaboration with wholesalers. He was trained by the French Inter-professional Technical Centre for Fruits and Vegetables to acquire solid product knowledge. He then kept learning from his line manager, who had previously developed his own skills as a buyer at the Rungis International Market, the largest wholesale food market in the world. This expertise in FFV reinforces the department manager's relationship with the wholesaler. This verbatim extract illustrates how much the wholesaler appreciates the expertise of the department manager:

[Talking about what makes a good FFV buyer] You have to feel the markets... One day you can sell two pallets of cauliflowers and the day after, only one. It is hard to explain but it comes with experience. It is very difficult to be good at both marketing and purchasing. [Manager R-D] is very good. He is as good at buying as he is at selling. He feels the market trends. It is very rare to have such a professional spokesperson (CEO, RET's wholesaler).

On the other side, the department manager values the ability of the wholesaler to combine master expertise with proximity efforts to adapt the quality of the products according to his preferences and requirements. Regarding the aforementioned pressures on profitability, the manager composes his order by obtaining lower prices for the same quality and higher quality for the same prices compared to the Divisional Buying Office. For example, there are high quality products the manager cannot afford because they would not fit the price competition. Because he is aware of the price pressures of large-scale retailers on suppliers, the manager seeks to remain an attractive customer by progressively expanding the share of

supplies he buys at his wholesaler. In exchange, the manager knows, for instance, he can rely on the agility resource of the wholesaler in the event that he needs not just emergency delivery, but also reactivity to quickly organize promotional offers.

This last case illustrates a shared understanding of institutional pressures and a mutual recognition of the institutional work that both actors undertake in their interaction. Their efforts and resources are combined to create a new position in which the wholesaler does not act either as a troubleshooter or as a quality guarantor, but as a quality enhancer.

- Insert Table 2 about here -

7. Discussion

A change in position in a business network can be read as the interaction of different strategies carried out by different business actors. Business actors try to create, change or maintain the rules of the game. The findings we presented in the previous section emphasize how actors in a business network try to change their position. Using the concept of institutional work allows us to present our findings as efforts made by actors, whether to maintain or disrupt institutions. In particular, in the distribution game we investigate, one central rule of the game is linked to the role that wholesalers play (or could play). Moreover, as business networks are made of interacting actors it appears that an interactive view of institutional work is particularly relevant to such a context. Hereafter, we discuss and develop different aspects of our findings.

7.1. New positions as a result of a mix of institutional efforts

In the previous section, we described the disruptive efforts made by retailers to change their position in the distribution network. We then described the efforts made by other actors in this distribution network, wholesalers, to maintain their position through pursuing change. As these two types of actors interact, we identified four situations in which the institutional

efforts of wholesalers (logistic agility, proximity and master expertise efforts) meet the efforts of the divisional buying offices (to reduce risks and uncertainty in supplies, influence and guarantee quality, and make competitive offers) at store level.

These four situations fall into two larger sets of interactions: where wholesalers and retailers confront one another (wholesalophobia and containment) or cooperate (stalwartness and shrewdness). It emerges that neither the efforts of the Divisional Buying Office nor the wholesalers to position themselves in the network are necessarily successful. Indeed, the institutional arrangements resulting from this clash of efforts by each actor are not what is intended: rather, they are a mix of both actors' efforts.

As a result of the meeting of institutional works by both retailers and wholesalers, two main positions seem possible for wholesalers: the troubleshooter role, or the quality enhancer role. The troubleshooter position does not perfectly fit in with the expectations of retailers, as the confrontation logic which characterizes the encounter at store level does not freely enable retailers to fully access the coveted agility of wholesalers. However, when efforts are mutually understood by each of the actors through interaction, our data shows that wholesalers have the opportunity to play a quality enhancer position, which is much more stable and creates more value for both actors than the troubleshooter role. These positions are shaped by the interplay between the various representations of wholesalers' legitimacy, which is itself based on combinations of actors' interactions and efforts.

7.2. Interactive institutional work by and for quality perception

Our findings also shed light on the complex construction of product quality perception, in particular with the consumer-driven approach adopted by some wholesalers. The interplay of multiple efforts by different actors leads to a complex process of institutionalization in which different representations of quality co-exist. Interactions and actions are fuelled by institutional work directed at changing customers' cognitive

representations (here represented by retailers) as regards their perceptions of how suppliers (here represented by buying offices or wholesalers) contribute to the quality of products. However, quality is subjective, and the negotiated-through-interaction representations of quality crystalize the constant and dynamic work of actors to adapt to institutional structures (i.e., regulation, intermediaries' cultural representations, consumer trends, consumers' representations, and so on). Product quality in the FFV sector is defined between business actors *in interaction with* the institutional environment, so that retailers' buying, merchandising and logistics constraints are integrated into that definition (Perosio et al., 2001). Retailers integrate what they perceive as being valued by end consumers and try to convert these criteria into product attributes that can be objectively measured, such as firmness, size, sugar content or chemical residuals (Codron, Grunert, Giraud-Heraud, Soler & Regmi, 2005). Concerned with differentiation, French retailers integrated product quality criteria early on, with a special focus on food safety issues, sensory characteristics of products and the specifications on their private labels (ibid.). Yet, converting consumers' concerns into specifications seems to be considered by consumers as part of the standardization movement they now condemn (Ritzenthaler, 2016). There exist in the FFV industry brands with a focus on signaling product quality, but these brands are mainly aimed at business customers (Fernández-Barcala & González-Díaz, 2006). Because some crucial product characteristics, such as taste, are highly variable, FFV brands are not largely promoted to ordinary consumers (Cordon et al., 2005; Pearson, 2003). However, data from the wholesaler case study suggests that consumers may value FFV brands that represent what they consider to be good quality fruit and vegetables. Though it has been an unexpected outcome of the wholesaler's branding strategy, this suggests consideration of FFV brands beyond the technical characteristics of products to encompass their symbolic value.

7.3. A consumer-driven interactive institutional work

Our findings also invite discussion of the fact that wholesalers with a consumer orientation have been able to move a step ahead of retailers' buying agencies by sharing a similar representation of consumers and cultural changes with department managers. Yet, at the same time, retailers play an increasing role in shaping FFV upstream markets (producers) through their specifications. This, in turn, shapes consumer culture through product range and choice (Hirschman & Stampfl, 1980) made available to the "Big Middle" (Arnould, 2005).

This dominant culture provides support to the emergence of marginalized consumption sub-cultures promoting alternative market configurations and rules of the game (Thompson & Coskuner-Balli, 2007). Consumer-driven markets based on consumption sub-cultures (Martin & Schouten, 2014) provide the basis for changes in consumption culture that can be, in turn, gradually coopted by the mainstream (Schouten, Martin, Blakaj & Botez, 2015). Our findings show that some wholesalers confront and compete with retailers who have a strong focus on logistics and a technically-oriented definition of product quality. We have also established that other wholesalers move on and develop resources to position themselves on emerging consumption trends, such as localism, organic products, or more atypical products with different gustatory qualities. As long as these trends remain marginalized, consumption and production volumes are not significant enough for mass retailers to fully develop such an offering. Wholesalers with a consumer orientation thus position themselves around these niches and are then able to propose differentiating, market-matching resources to department managers who regret that their buying agencies don't allow them to tailor their range to fit these emerging consumer trends (as per the shrewdness case).

7.4. Interaction, institutional work and cultural resources

Resources are of utmost importance both for business-to-business (Choi & Hara, 2017; Håkansson & Snehota, 1995, Håkansson & Waluszewski, 2002), and institutional scholars

(Hardy & Maguire, 2008) who wish to explore actors' efforts and ability to change position. From the institutional perspective of work, our findings shed light on the importance of cultural resources. They extend the ability of wholesalers to go even further in the distribution network/channel and connect with consumers.

The WHOL case illustrates such phenomenon via the symbolic use of branding. According to new institutional theory, symbolic resources include any way of taking and using cultural meanings like the creation of myths in order to influence the process of institutionalization (Lawrence & Suddaby, 2006). Swidler (1986) refers to different cultural resources such as stories, concepts, symbols, and myths. The brand (Mina) developed by WHOL can be considered a cultural resource as it captures the consumers' cultural expectations and is used (by WHOL) to institutionalize product quality (as seen by consumers).

Cultural resources thus appear as critical resources for changing position and legitimization in a business network. However, such resources are difficult to access and use. In the case of wholesalers, it requires direct contact with end consumers while their day-to-day routine is made of direct contact with professional customers. This finding confirms the point made by Rindova, Dalpiaz & Ravasi (2011) that it is always difficult and costly for companies to use cultural resources that are not from "their industry registers" (: 414).

8. Contributions, limitations and further research

This article focuses on the idea of the *work* carried out by actors in a business network to change or maintain positions. Using the notion of institutional work allows analysis of how the work carried out by one business actor meets the work carried out by other actors. It shows that the interaction of these two sets of work produces specific outputs. We think this paper can therefore contribute both on the theoretical and managerial levels.

8.1. Theoretical contributions

The contribution of our research to theory is three-fold.

First, our work contributes to ongoing reflexion on value co-creation (Vargo & Lusch, 2016). Value co-creation has been defined as resulting from the integration of resources, but the rules governing interactions are the subject of on-going research. Institutions have been considered as the possible missing piece of the puzzle that could help understand how resource integration really occurs. Vargo and Lusch (2016) describe institutions as “coordinating devices”. We confirm this view, and our paper, along with the works of Palmer et al. (2015), Koskela-Huotari et al. (2016) and Wallman (2014) emphasizes the strong power of institutions in explaining business network dynamics.

Second, our work looks at the interaction process (a core concept in the business-to-business context) from an institutional perspective. Our paper shows that rules that govern value-creation are not just the results of actors’ efforts (Wallman, 2014; Koskela-Huotari et al. 2016) but also the result of actors’ *interacting* efforts. Interaction is not just the process by which business actors integrate resources and actually co-create value, it is also the process by which their respective efforts meet. This enriches the notion of business interaction and also makes it appear to be the crucible of new institutional arrangements.

Third, our paper also contributes to the institutional theory field by seeing institutional arrangements as being the unanticipated results of interacting institutional efforts. Previous scholars in the field have generated numerous insights on purposive efforts undertaken by actors – through a range of actions (Chaney & Ben Slimane, 2014) – so as to influence institutional arrangements that could confer greater legitimacy. In line with the assumption that the process of institutionalization can result from the multiplicity and coexistence of individual efforts interlocked in collective action (Hwang & Powell, 2005) and thus lead to

unanticipated consequences (Khan et al. 2007), our paper emphasizes institutional work as an output of interaction.

8.2. Managerial contributions

Several managerial implications can be drawn from our findings.

First, our study emphasizes the opportunity for managers to become *actors* who shape (create, maintain, or disrupt) the rules of the game regardless of the power they have. Despite the limited power of wholesalers, the WHOL case illustrates actions that aim to influence institutional arrangements in order to maintain or gain a legitimate position. Even when companies occupy positions with limited power (because of their limited size or scope of action for instance), managers should be encouraged to develop institutional efforts, i.e., to develop actions that can potentially affect the rules of the game.

The second managerial implication concerns the gap between initial intentions in terms of institutional efforts and their final consequences. Our study highlights how interactions between actors with different intentions result in arrangements that are different from those anticipated by either actor. Interactions being the essence of business networks, actors should accept that the efforts they make will always meet others' efforts and result in arrangements that cannot be fully anticipated. This should not discourage managers, but rather encourage them to pay attention to others' purposive efforts, in particular from actors they interact with frequently. Our study shows that neither actor – retailers with buying offices and wholesalers – pay sufficient attention to their mutual efforts to reshape the role of intermediaries. By giving greater attention to others' efforts, managers will not be able to anticipate the exact outcome of the interaction between different institutional efforts, *but* they will identify new ways to coordinate and create new positions.

Finally, our paper provides advice to managers regarding how to align positions within a distribution channel. We show how quality has become a major concern in the FFV sector.

Quality is central both for *maintenance* of institutional arrangements by wholesalers and *disruption* of institutional arrangements by retailers. Each actor, in a way, uses quality for its own effort-making process and claims to play a central role in quality control. Our findings suggest that managers, instead of competing on quality, should rather coordinate their activities. More generally, managers should be encouraged to identify, within business networks, those issues that could be considered major societal concerns, on which each actor can contribute. Such key problems can act as a meeting point for different efforts by different actors.

8.3. Limitations and further research

The contributions detailed in the previous section should be viewed alongside the limitations of this study. Firstly, this paper is mainly exploratory, despite the attention paid to collecting and analyzing data, so replication studies in other distribution networks could be carried out. Secondly, this research sheds light on several issues that require further research. It could be of particular interest to empirically assess the extent to which other audiences, like producers and consumers, perceive wholesalers' efforts. Wholesalers have changed their role in relation to customers, who are highly demanding as regards product quality. Many aspects of their quality enhancer role could be influenced by such a network connection with customers.

Therefore, we encourage further research using the institutional work approach to elucidate the dynamics of distribution networks, especially in light of (other kinds of) interactions and rules of the game. Two avenues appear particularly promising. First, multiple actors interact in a business network. Our study largely focused on the encounter of the works produced by two actors (wholesalers and retailers). An interesting further step in the research could be to enlarge the scope and include the institutional work produced by other actors (upstream ones like producers, downstream ones like citizens) and analyse the output

resulting from the interaction of these multiple efforts. Second, the notion of resources could be further explored. Resources, and in particular cultural resources, support institutional work. In business-to-business exchanges, resources related to the cultural context can be understood as being connected to the end-user world. As such, they are not so easily accessible. Thus, the issue of how business-to-business companies access and leverage these kinds of resources in order to change the rules of the game would be interesting to explore.

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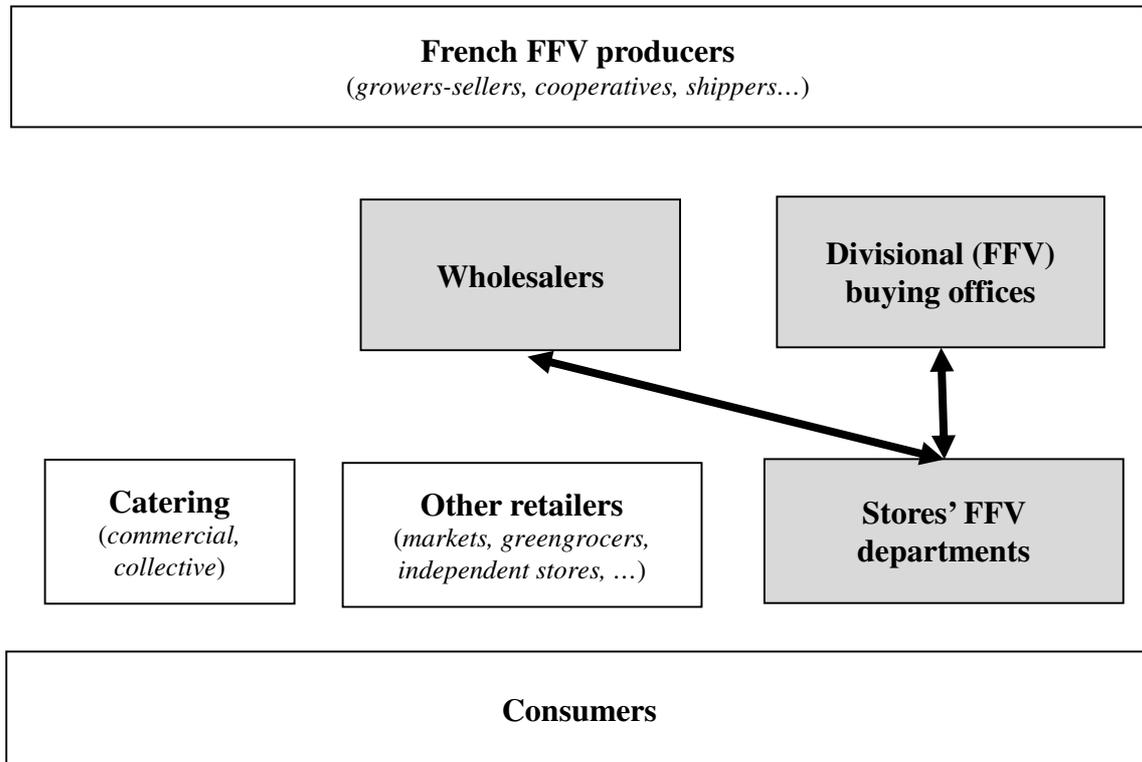
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Figure

Figure 1. Simplified version of the French fresh fruits and vegetables national industry



Tables

Table 1. Data collected

TYPES	SOURCES	DESCRIPTIONS
Semi-structured interviews	25 members at WHOL	Total of 25 interviews (about 49 hours) based on a first representative sample completed with a “purposive sample” with valuable informants according to prior information (Lincoln and Guba, 1985).
	13 members at RET	Total of 21 formal interviews (about 28 hours), including 5 interviews with 3 managers at the divisional office, 13 at the store level
	18 interviews with F&V informants	Experts of the F&V channel like consultant, attorney, and representative of professional associations... Complementary interviews have been conducted with other wholesalers.
Documents	WHOL case study	31 internal documents and 17 external documents specific to this case used for triangulation of data
	RET case study	Documents collected at the divisional office level (e.g. information system interfacing stores with the divisional office, agendas, selected performance indicators, etc.). Internal documents at the store level (e.g. procurements were orally given with the possibility to consult documents under supervision).
	About the FFV	Press articles, professional reports and studies used for a better understanding of normative, regulative and cultural changes
Observations	WHOL case study	5 formal and non- participant observations of the board committee, commercial events, visits, etc. and three weeks of immersion with informal observation
	WHOL case study	Total of 161 hours of observation: 28 hours of direct observation at the divisional office and 134 hours of direct and participant observation at the store level including in-store logistics, order placement, visits at wholesalers, informal interviews with clerks as well as department managers, etc.
	2 observations at the FFV field level	Non-participant observations during the meetings of the F&V wholesaling federation and regular interactions with the confederation of wholesaling

Table 2: Illustrative data supporting interpretations on efforts and interactions

Efforts	Representative Quotation
WHOLESALEERS' EFFORTS	
Efforts to highlight logistic agility	There is an agility and flexibility with the wholesaling activity. If a store manager calls us at 7:00 pm, we are able to deliver his/her products in the morning. (WHOL, Seller for retail stores) To sell Golden apples or oranges, which come by full trucks and are products that resist well, the value for wholesalers is not that evident. Unless it is to help when the store manager says: “I have shortfalls because with the buying office I have to order on day A to be delivered on day C, I made a mistake and I am out-of-stock”. But it is not on emergency logistics that you build a recurring and interesting business. (WHOL, CEO of the National cluster)
Proximity Efforts Development of social bonds Return on local distribution	Some of our suppliers have been our partners forever and it seems to be a general rule for regional wholesalers. Our historical partners are still there and actually, it is quite a strength regarding the local economy. There is a general expectation to be active in the local economy nowadays you can see this trend regarding the large-scale retailing communication. There are also mayors insisting on proximity, “we should be local!”. This is something we need to communicate on, to share this image of the local actor: it is the main foundation of our job. (WHOL, CEO) The priority is to be attentive to customer needs. We need to know her or him and be good at

	social bonds. Put differently, we are not here only to sell products but rather to provide advice, reassure them and to make ourselves indispensable (-) well at least it is our purpose. (WHOL, Commercial Manager)
Efforts to master the product expertise Specific role on quality Branding efforts	Brands are developed for retailers because they are looking for something different from lower prices and commodity products (WHOL, Sales and Marketing Manager) Despite the proximity with our clients, we sometimes work for our clients' customers. For this, we focus on branding based on long-term partnership with particular suppliers. The brand Mina for citrus fruits might be 10% more expensive than its competitors' but it is legitimate. Customers ask for products from this brand and not only for citrus fruits. We legitimate our quality. (WHOL, Commercial Manager)
RETAILERS' EFFORTS	
Efforts to reduce risks and uncertainties of supplies	Everything has to be in a perpetual move, most notably as regards pricing, buying, assortment and optimization of logistics. [...] Orders are dematerialized. People at the commercial department are not telemarketers anymore. They are commercial employees, in contact with stores. [...] Their mission is also to detect difficulties and ordering mistakes made by stores. (RET, Manager of the fresh products division)
Efforts to shape and be responsible of FFV quality.	Private specifications are implemented to go beyond the requirements of public standards. (RET, FFV product manager) We have designed commitments, visits at producers, we know that they meet requirement in terms of food safety. We choose suppliers established in the best <i>terroirs</i> , according to the season. Everything in a logic of quality and profitability, with respect to specifications. (RET, FFV product manager)
Efforts to provide a competitive offering and make share the representation of them as a partner	Our aim is to provide stores with a performant tool, on which stores position themselves. We know them, their vocation, the quality of people there, the way they work. We cannot customize from here. That is why we also tour stores. (FFV product manager) We refuse for one million euros per year of merchandise. Last time, we dismantled a whole network of wholesalers, who were reselling goods that we had previously rejected to some of our stores. The quality assessor came with us to visit the stores and we proved to them that the merchandise that they had received had first come here [at the divisional office], and that we had rejected it. (RET, FFV Product Manager)
INTERACTIONS & ROLE	
Confrontation: wholesalophobia & no role	I have a good relationship [with the divisional office], I like it [...] they assess us in percent [penetration rate of the buying office], we are at 100%, but others are at 20%... I tell [commercial employee] or [Manager of the fresh products' division]: "Just tell me, and I will call them" [...] I will always defend the divisional office. (RET, Department manager)
Confrontation: Containment & troubleshooter role	The [Wholesaler] brings reactivity in case of delivery problem. Sometimes they can be more competitive than the buying office: they propose different price ranges. (Store manager) We do not have such close relationships with suppliers anymore. This is because of this unrestrained race to profitability, which can disturb some people. But, in a good negotiation, it is not a winner and a loser, it is two winners. It is hard but we still manage to make it. (RET, Department manager)
Cooperation: Stalwartness & limited quality guarantor role	Once, to show the difference to the boss, I ordered five salads from the buying office and five from [wholesaler]. The ones from the central weighed 125 grams, the ones from [wholesaler] 500 grams... for half the price! (Line manager). You have to create events. For example, last week with [wholesaler], we made an event on juice. It brings sales turnover, it attracts customers into the department. (RET, Line manager)
Cooperation: Shrewdness & quality enhancer role	[Line manager] stopped and asked me if I knew the Lulu clementine brand. I answered no. He took two, and then gave me one so I could taste it. He said: "You see how tasty they are? But it is too expensive, it is a pity but we can't do it on a daily basis. People in front of the stalls would not understand why there is such a price difference" (Observation's notes, visit at the wholesaler's) [Wholesaler], he knows how I work. He knows my tastes. (RET, Department manager)