

MARKETING WITHIN CO-OPERATIVE AND MUTUAL ENTERPRISES A SYSTEMATIC LITERATURE REVIEW

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Short Abstract:

This study examines how, and to what extent co-operative and mutual enterprises (CMEs) have been presented within the marketing research literature. The marketing of CMEs is not widely researched within the academic literature. A systematic literature review (SLR) method was used to examine a large corpus of sources, which were reviewed to extract those addressing marketing within CMEs. Analysis was undertaken using SPSS and Leximancer software. The findings highlight the evolution of the literature from 1970 to 2022, the areas of focus, the epistemological orientation of the studies, and the gaps in the extant literature. The study highlights the need for more application of marketing theory and practice within the CME research domain, and in its use by managers within these organisations.

Keywords: Co-operative and Mutual Enterprises

Introduction and Research Aim

Co-operative and mutual enterprises (CMEs) comprise some of the world's largest firms, and include producer co-operatives (e.g., agricultural co-ops), consumer co-operatives (e.g., retailers), worker co-operatives, friendly societies, building societies, credit unions, insurance mutuals, automobile clubs, and member owned superannuation funds. Their origins can be traced back to the Middle Ages (Davis, 1876; Fraler, 1934), with the first friendly societies founded in Scotland in the late sixteenth and early seventeenth centuries (Patmore & Balnave, 2018), and modern co-operatives from the 1840s (Gide, 1922; Fairbairn, 1994).

Although CMEs can be found across most industries and within most countries, reportedly comprising more than 3 million firms employing around 10% of the world's workforce (ICA-Euricse, 2021), they have not been given much prominence within the marketing discipline. While not absent from the academic research into marketing, there is little evidence that the CME, as a business, has been systematically researched within the marketing literature. This is a concern as the CME is a distinct business model, with unique differences to investor-owned firms (IOFs) (Mazzarol et al., 2018). The aim of this study is:

To understand the nature of marketing within CMEs as found within the academic literature, to identify how this has been focused, and what it shows in relation to gaps for future research, and benefits to practice within these firms.

We address two research questions in line with this aim:

RQ1: What is the nature and focus of the extant research literature relating to marketing within CMEs?

RQ2: How can this research be enhanced to provide a better understanding of the process of marketing within CMEs?

Background and/or Conceptual Model

As noted above, CMEs operate across a wide range of industries and compete within these sectors against their IOFs counterparts. However, while their marketing activity is shaped by the dynamics of their respective industries (e.g., financial services, retailing, agricultural production, fishing etc.), they have been identified as having the opportunity to differentiate and strengthen their marketing due to their characteristics of being member-owned, and with governance structures that are based on the democratic principles of one-member-one-vote, rather than one-share-one-vote as found in IOFs (Briscoe & Ward, 2000). The unique characteristics of the CME business model have been identified as offering the opportunity to focus on "character" not "image" marketing, building on trust, membership, shared values, and principles to secure a marketing advantage over IOF competitors (Webb, 1997). Member identification and commitment to the purpose (mission) of the CME, and its focus on member needs and benefits has been identified as offering a means of enhancing member engagement and loyalty (Mazzarol, et al., 2019; Mazzarol et al., 2022). Key issues have focused on the ability of CMEs to engender trust and a community of purpose mindset amongst members, that focuses on both economic and social objectives (Fulton, 1999; Ole Borgen, 2001; Fulton & Giannakas, 2001; Morrow, Hansen & Pearson, 2004). CMEs that focus on these things and engage members in their common purpose while offering education, tangible and intangible benefits, a sense of ownership and shared values are more likely to enjoy success (Whyatt & Reboud, 2014; Talonen, et al., 2016; Ghauri et al., 2021; Novkovic, et al., 2022).

Methodology

A systematic literature review (SLR) was undertaken (Tranfield et al., 2003), which drew upon online bibliographic databases such as Scopus, Web of Science, Google Scholar. Boolean

search techniques were followed using key words (e.g., co-operative, cooperative, mutual, credit union, credit society, friendly society, building society). An initial database was generated comprising 3,980 sources, containing bibliographic information (e.g., authors, date, source, citations, keywords, abstract). These documents ranged from 1848 to 2022 and encompassed articles, books, book chapters, conference papers and other types of documents (e.g., reviews). All cases were coded into broad disciplinary categories (e.g., agriculture, business, economics, history), and into sub-fields of disciplinary focus, which included marketing. The type of CME was also coded, along with the epistemological orientation, using a five-part classification of theoretical conceptual, theoretical exploratory, theoretical predictive, prescriptive, and descriptive (De Bakker et al., 2005). A final database of 360 cases were generated that focused on marketing. Of these 88% were articles, 5% book chapters, and the remaining 6.7% conference papers, reviews, and notes. Leximancer analysis was undertaken using the abstracts from these documents (Biroscak et al, 2017). The data were grouped into time periods of approximately a decade commencing with 1970-1979 and ending with 2020-2029.

Results and/or Discussion and Contributions

The analysis shows a steady increase in papers focusing on marketing within CMEs commencing from the 1980-1989 period but levelling off over the 2000-2009 to 2010-2019 periods. The majority (73%) of these papers were published in business journals, with the balance found in agriculture (16%), economics (5%) and history (6%) journals. The most common epistemology found in these papers is descriptive (75%) in nature, with only 1% conceptual, 13% exploratory, 10% predictive, and 1% prescriptive. Theoretical exploratory and predictive orientation were more common within business journals. Financial services (e.g., credit unions, building societies) comprised 43% of the literature, with producer co-operatives comprising 32%, consumer co-operatives 14% and the remainder friendly societies and other mutual firms. Financial services were the focus for the 1980-1989 and 1990-1999 periods, but producer and consumer co-operatives have emerged strongly in the past 20 years. Leximancer analysis found the main areas of focus have been on financial services and the role CMEs in the economic development of communities, as well as their use of customer service and member-focus to create competitive advantage. More recently the focus has shifted to the creation and cocreation of value for members, with a nexus between co-operative principles and values, and member engagement and loyalty. However, this remains embryonic and lacks a strong theoretical and empirical foundation, while being marginal within the mainstream marketing literature. This study suggests a gap remains in the literature relating to CME marketing with a lack of dedicated focus on exploring the application of marketing science to the CME business model.

Implications for Theory and Practice

As noted, CMEs are an important and unique business model found across most industries and countries. They compete with IOF firms in these markets and need to apply marketing skills and practices to achieve success. However, their member-owned, member-focused, democratic governance provides opportunities for enhanced member engagement and loyalty, but little attention has been given to understanding how this can be achieved and translated into action by CMEs. Future research needs to focus on developing the theoretical and conceptual foundations of how CME marketing should operate, and the application of marketing science to CME business models. For practitioners, recognising the CMEs are a unique business model and require a distinctively different approach to marketing is important.

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