# Collaborative market practices within a consumer-driven local food service system

#### **Abstract**

Purpose - Understanding complex service systems and in particular, their dynamics, has recently been suggested as one of the key priorities for service research (Ostrom *et al.*, 2015). While the conceptualization of service systems is well developed, there is further need of empirical research especially on consumer-driven, collectively organized service systems (Skålén *et al.*, 2015; Martin and Schouten, 2014; Kjeldgaard *et al.*, 2017). The purpose of the paper is to *examine how a consumer-driven service system is developed and maintained through collaborative market practices*. We investigate a local food system called REKO that was established in Finland in 2013. REKO's main idea is to enhance direct trade between farmers and consumers. The procedure is unique compared to other types of local food networks, as preorders of food items are made in closed Facebook groups which are governed by local administrators. REKO is an example of a service system of balanced centricity (Gummesson, 2008), because it includes active collaboration between actors including farmers, consumers, and (consumer) administrators.

**Design/methodology/approach** - Research on service experiences has argued that value and service experiences are co-created by actors engaging in various (individual and collective) *practices* (Carù and Cova, 2015; McColl-Kennedy *et al.*, 2015; Schau *et al.*, 2009). We build on these insights and extend them to the analysis of a consumer-driven service system of REKO. The data consists of 34 interviews with producers, consumers and administrators as well as naturalistic observation of two local REKO systems. To analyze the data, we use a practice-based approach (e.g. Reckwitz, 2002; Schau *et al.*, 2009).

**Findings** – This study shows that in a consumer-driven service system resources are integrated first and foremost through three categories of collaboration practices: Helping others, Mutual learning and Sharing values. It is further demonstrated that collaboration practices act as intermediaries that translate the market practices of the service system (Kjellberg and Helgesson, 2007). Although the actors have a shared goal of changing the dominant agro-food system into a community-driven local food system, the system and its resources are continuously contested by multiple actors of this social system.

**Originality/value** - The study focuses on a consumer-driven, collectively organized service system and especially on the collaboration between actors. Hence, our findings complement studies conducted on the conceptualization of firm-driven service systems as well as studies on co-created service experience practices. The findings bring new insights on the collaboration between multiple actors in developing and maintaining the service system.

Keywords Service system, Practices, Market practices, Collaboration, Local food

#### Introduction

Understanding complex service systems and in particular, their dynamics such as transformation and innovation within these systems, has recently been suggested as one of the key priorities for service research in the near future (Ostrom *et al.*, 2015). Service systems can be defined as "dynamic configurations of resources that can create value with other service systems" (Maglio *et al.*, 2009, p. 396; Spohrer *et al.*, 2007). The conceptual discussion around service systems (or ecosystems) is well developed and the concept has been adopted as one of the core concepts of service-dominant (S-D) logic and service science.

In the current paper, we participate in topical discussions of service systems by analysing a local food network called REKO. REKO stands for Fair Consumption (abbreviation of Swedish "rejäl konsumtion") and was established in Pietarsaari, Finland in 2013. The original idea was developed by a farmer Thomas Snellman having worked on improving the marketing of organic food produce for several years. REKO was a solution that he came up with after visiting local food markets in France in 2012. The main purpose is to enhance direct trading between farmers and consumers without intermediaries which makes REKO a particular type of local food system (Crivits and Paredis, 2013). The procedure of REKO is unique in comparison to well-known models of Farmers' Markets and Community Supported Agriculture (CSAs), as customers place pre-orders of foodstuff in closed Facebook groups co-ordinated by (consumer) administrators. The delivery of goods is coordinated weekly at the same time and place. The REKO system has grown exponentially since its start with two small groups in Vaasa and Pietarsaari to a nationwide food movement with more than 230,000 members and 160 local rings across Finland by the end of year 2016.

We complement prior service literature particularly from two perspectives. Firstly, in contrast to firm-driven service systems, REKO appears as a consumer-driven market

emergence (Martin and Schouten, 2014; Schouten *et al.*, 2016). While the traditional agro-food market system follows a top-down structure, REKO was initiated and distributed within a community of engaged consumers and farmers. REKO is an example of a social system where multiple stakeholders and other market shapers all participate in creating the markets (Giesler and Fischer, 2017). To date, service literature lacks empirical investigations where these kinds of service systems are illuminated. Even though service experiences have been conceptualized along the continuum of community-driven and firm-driven initiators (Carú and Cova, 2015), the existing theoretical frameworks do not provide tools to classify this type of system where multiple actors integrate their resources with the purpose of changing the dominant market system (Giesler, 2008; Thompson and Coskuner-Balli, 2007). To be able to grasp the actors, resources and practices that are manifested in this process, we lean on the conceptual model presented by Kjellberg and Helgesson (2007) and seek to identify what kinds of exchange practices, representational practices and normalizing practices take place in REKO system, and which are the intermediaries that link them.

Secondly, while prior service literature has provided valuable understandings of how value is co-created through individual and collective practices (e.g. Carù and Cova, 2015; McColl-Kennedy *et al.*, 2015; Schau *et al.*, 2009; Skålén *et al.*, 2015), there is a need for more nuanced elaborations of collaboration practices that the actors participate in. Since the specific emphasis here is to grasp the collaboration practices of a local food system, the current case provides us tools to conceptualize these practices in the context of mundane service co-creation, completing the existing discussions on symbolic service experiences (Carú and Cova 2015, p. 290; Schau *et al.*, 2009). Further, in the empirical setting of REKO it is possible to enlighten the ways how multiple actors - customers, farmers and (consumer) administrators - collaborate, extending the views of customer-service provider and customer-customer interactions to a community-based value co-creation (McColl-Kennedy *et al.*, 2015, p. 268).

The overall aim of this study is to examine how a consumer-driven service system is developed and maintained through collaborative market practices. We define collaboration as a process which includes integrating various actors' resources, i.e. tangible (raw materials and tools) or intangible (skills, knowledge, social and symbolic) when developing and maintaining the service system (cf. Skålén et al., 2015). Although the current REKO actors share the ideal of changing the dominant agro-food system into a community-driven local food system, the system and its resources are continuously contested. It is precisely this dynamic configuration between the activities manifested by different actors within the service system that we seek to elaborate in this study. The following research questions guide our analysis: 1) through which market practices is REKO constituted, 2) how do various actors participate in collaborative market practices of this service system and 2) how are the other market practices interlinked through collaborative market practices? The current empirical material is based on 35 interviews with producers, customers and administrators as well as naturalistic observations of two local REKO systems. To analyze the data, we use a practice theoretical framework (e.g. Reckwitz, 2002; Schau et al., 2009; Schatzki, 2001; Warde, 2005) in our efforts to identify and explicate the nature and emergence of collaboration that takes place within the market practices.

The article is structured as follows. After the introduction, we provide a literature review addressing the existing knowledge on consumer-driven market emergence and market practices that are performed by market actors. Secondly, we review the methodology of the study. Thirdly, we provide a detailed analysis of the actual market practices and their interrelated links within the REKO system. And finally, the article concludes by discussing the implications of the findings to service theory and practice.

# **Conceptual development**

In the following section, we first review the services marketing literature dealing with service systems and their actors, activities and resources. Second, we identify what is special in consumer-driven service systems. Third, we address the role of collaboration practices in maintaining and developing the service system and its market practices.

# Conceptualizing service systems

We lean on Maglio et al.'s (2009, p. 396) definition and see a service system as a dynamic value co-creation configuration of resources, including people, organizations, shared information (language, laws, measures, methods), and technology, all connected internally and externally to other service systems by value propositions (see also Spohrer *et al.*, 2007). Skålén et al. (2015, p. 2) divide the resources further between intangible, such as knowledge, skills, and information and tangible, such as raw materials and tools.

Empirically, previous research has studied various service systems consisting of different actors including online Arab Spring Activists in Syria (Skålén *et al.*, 2015), companies and co-consuming groups in leisure industries (Carù and Cova, 2015), public transportation service systems (Jaakkola and Alexander, 2014), and consulting firms and their customer firms (Breidbach *et al.*, 2013). These studies have made important theoretical advances in understanding how value is co-created in complex service systems focusing on the influence of customer engagement (Jaakkola and Alexander, 2014), ICT's role (Breidbach *et al.*, 2013), as well as the roles, drivers and conflict between actors in a service system (Skålén *et al.*, 2015).

However, more empirical research is needed especially on innovative service systems that are viewed as embedded in social systems (Edvardsson *et al.*, 2011). It is our view that as consumers are taking a more active role in various markets with the help of technology such as social media (cf. Gummesson *et al.*, 2014), it is increasingly likely that more service systems

in the future will be initiated and organized by consumers rather than organizations (Kjeldgaard *et al.*, 2017). While a few service studies have acknowledged that consumers may act as initiators of collective service experiences (Carú and Cova, 2014), we intend to contribute by providing a more detailed analysis of how consumers act as initiators and how different actors participate in shaping the service system.

# Characterizing consumer-driven service systems

Because the REKO-system appears as a market model that aims for changing the dominating agro-food system (Thompson and Coskuner-Balli, 2007), we lean on key tenets of recent discussions of new market development (Giesler and Fischer, 2017; Martin and Schouten, 2014; Schouten *et al.*, 2016) in our attempts to conceptualize REKO as a consumer-driven service system. In this, market formation is examined from the viewpoint where consumer actors embody strategic roles, not just co-creating, but initiating, enforcing and challenging the business (Giesler, 2008; Kjeldgaard *et al.*, 2017). Although new market developments, innovation and its diffusion have gained a lot of attention in business disciplines, there are only few studies that examine market formation as a consumer-driven process (Martin and Schouten, 2014).

Therefore, we draw on Martin and Schouten (2014), who take a particular look at how a firm-driven market development (FDMD) differs from a consumer-driven market emergence (CDME). They (ibid., 867) show that there are several key differences between the two market development models: industry stance (proactive vs passive), consumer needs (unproven vs systemic and self-manifesting), locus of innovation (centralized with firms vs distributed among embedded entrepreneurs), drivers of innovation (extrinsic motivation, profit vs intrinsic, fun), nature of diffusion (pushed by firms, market-driven vs organic, community-driven),

market structures (top-down, built or existing vs bottom up, emergent), nature of investment (high, up-front vs incremental, distributed), and risk of failure (high vs low).

This model is applicable into current context in following ways. Firstly, the REKO-system was created because food retail markets did not offer enough market possibilities for local food produce which however was demanded by consumers and farmers (*passive industry*, *self-manifesting consumer needs*). The emergence was very much similar to what Kjeldgaard et al. (2017) found when Danish consumers started to demand for craft produced beer instead of mass production. Secondly, we can argue that REKO innovation is distributed among engaged consumer administrators (*embedded entrepreneurs*) and that drivers of innovation are *intrinsic*, addressing how consumer actors initiate the service system. Martin and Schouten (2014, p. 866) define embedded entrepreneurs as "human actors that embody their desire, skills, creativity and access to resources necessary to innovative function". REKO-administrators are highly involved in food-related issues, have a lot of information related to food production and social connections with local farmers and are dedicated in advancing the possibilities of local and sustainable food production.

Thirdly, REKO appears as *community-driven*, *bottom up* organized system where *investments are distributed* among several local farmers. Therefore the *risk of failure is low* encouraging also small producers to try out selling their produce through REKO. It is important to acknowledge that the REKO-system differs from the other local food systems, such as Farmer's markets (McEachern *et al.*, 2010) and Community Supported Agriculture -models (Thompson and Coskuner-Balli, 2007). While these are either based on open market sales between consumers and local farmers (FMs) or long-term agreements between engaged consumers and specific farmers (CSAs), REKO entails a service system which does not require any official agreements, but diminishes however the financial risks of the farmers because consumers make the pre-orders of food items via Facebook.

## Introducing collaborative market practices

In the following, we explicate more closely how the actors of the service system shape it through market practices and, in particular, what is special in market practices within a consumer-driven system. The theoretical interest concerning market practices was originally developed to extend the prevailing views of how markets are developed (Araujo *et al.*, 2008; Kjellberg and Helgesson, 2007). These studies posit that instead of striving for a comprehensive and accurate representations of markets (Venkatesh and Penaloza, 2006), studies should analyse the practices that actors in the markets engage in, i.e. take market practices into the focus of analysis (Araujo *et al.*, 2008, p. 7). It is stated that explicating the social processes of making and shaping the markets provides tools to understand the performativity in markets constituted by configurations of practices (Kjellberg and Helgesson, 2007).

Following the premises of the practice-based approach (Reckwitz, 2002; Schatzki, 2001), Araujo et al. (2008, p. 6) define markets as "sites of multiple and often conflicting sets of practices". Thus the attention is directed towards the social practices emerging in the markets instead of mental states and actions of individuals. When it comes to defining market practices in particular, we follow Kjellberg and Helgesson (2007, p. 141) and define market practices broadly as "all activities that contribute to constitute markets". In their conceptual model (ibid.), markets are seen to constitute through translations between exchange practices, representational practices and normalizing practices. It is precisely this dynamic configuration between the activities manifested by different actors within the service system, i.e. collaborative market practices, that we seek to elaborate in this study. We discuss each of the market practice entities and their specific manifestations in the present context when describing the data analysis.

Even though collaborative market practices have not explicitly been in the focus of prior service literature, a few studies have addressed the issue from the viewpoint of collective service experience (Helkkula *et al.*, 2012; McColl-Kennedy *et al.*, 2015; Carú and Cova, 2015). For example, Carù and Cova (2015, p. 218) provide a comprehensive account of why the collective dimension of service experience is important to acknowledge defining co-creation in this case as "the processes whereby consumers in a co-consuming group and producers collaborate, or otherwise participate, in creating value" (see also Pongsakornrungsilp and Schroeder, 2011). Carú and Cova (2015) create a framework where they identify the initiator of the practice (community vs. company or joint) and the impact of the practice (co-creation vs. co-destruction or something in between these two extremes). While their framework is a valuable tool for classifying collective service experiences, it is stated that "there is a lack of empirical investigations where mundane service experiences and actors participating in them get illuminated" (ibid., p. 290). As REKO represents a mundane service system evolving around the functional purpose of organizing local food markets, it is our purpose to fill this gap.

McColl-Kennedy et al. (2015) on their behalf study how multiple actors participate in co-creating service experience practices. Integrating previous practice theoretical endeavours (Holt, 1995; Kjellberg and Helgesson, 2007; Gittel and Vidal, 1998), the authors illuminate the activities and interactions between the actors of residential care house; i.e. potential customers, friends and organizations. Their framework does not fully grasp the multifarious interaction that is needed between all the actors within a service system. For example, in what ways do service providers collaborate in co-creating value to a service system? Therefore, we aim to extend these ideas by analysing the specific ways of how each of the actor groups participates in market practices in the context of REKO.

# Methodology

Describing the REKO-system

In the beginning, the REKO system followed the logic of CSAs (Thompson and Coskuner-Balli, 2007) and worked as a contract-based system where consumers committed to ordering foodstuffs from a specific farmer. However, after two months, the producers noticed that the number of customers was big enough, and it was agreed that official agreements were no longer required. Then it was decided that food orders will be organised on a closed REKO Facebook group where farmers announce what they had for sale and consumers place their orders. Besides helping the farmers to predict their sales, the Facebook groups also serve as platforms for ongoing dialogue between different actors of the system.

As REKO developed through a bottom-up structure, the principles of REKO were first discussed with a small group of dedicated actors and then circulated to other interested groups of people through media and seminars where the original founder Thomas Snellman visited telling how to put up a local REKO-ring. There are three basic principles to follow: 1) the producers can only sell their own products directly to the consumers (no middle men are allowed); 2) no extra charges are allowed within the system (ordering system and delivery point must be free of charge); 3) the producers, not the administrators, are responsible for their sales, both legally towards authorities (taxes, food regulation for their particular products etc) and commercially towards consumers. Local administrators are key actors in starting the local rings. In practice, they set up and administrate Facebook groups, establish local rules of accepting producers into the REKO-ring, arrange an achievable parking lot for deliveries, and encourage open communication between all the actors. Because the governing of the system is kept as organic as possible there has been continuous negotiation of the rules and principles within the local systems and nationwide. Consequently, in 2015 a closed Facebook group

"REKO-family" was established where the administrators may discuss the rules with each other.

# Data generation

To find out how collaborative market practices are manifested within REKO service system, we explored two local REKO systems. We chose to focus on REKO Vaasa that is the biggest REKO ring in Finland (more than 10 000 members in the Facebook group at the end of 2016) and is founded in 2013, representing a well-established REKO system. For the other case-examples we chose several smaller REKO rings located in Pirkanmaa (Vesilahti, Ylöjärvi, Lempäälä, Akaa). These REKO rings are founded in 2014 representing thus more recently emerging service systems. In the beginning of data generation, we started following discussions in the REKO Facebook groups in order to become familiar with the practices and procedures of making food orders via the Internet and the discussions around the local food issue. We also made several naturalistic observations, collecting first-hand purchase experiences of REKO food deliveries and exploring the day-to-day activities and interactions of individuals in REKO markets. We paid particular attention to customer-producer interactions and customer-customer interactions.

To generate as rich and multifarious data as possible we gathered interviews from all the actors - consumers, producers and administrators - from all of these rings. Following the practice-based approach (Warde, 2005; Reckwitz, 2002; McColl-Kennedy *et al.*, 2015), the purpose of the interviews was to open up their perspectives on the activities that happen within REKO as a service system. For that matter, the interviews were open-ended discussions focusing on the questions of activities and interactions that happened in REKO. All the interviews were audio-taped and transcribed afterwards. This resulted in 480 pages of text in total.

The informant profiles are described more detailed in Appendix 1. The total of 34 interviews include 20 consumer interviews, 10 producer interviews and 4 administrator interviews. The informants are presented here as pseudonyms to guarantee their anonymous during the research process.

## Data analysis

The data were analysed by applying a practice-based approach (e.g. Halkier and Jensen, 2011; Schatzki, 2001; Warde, 2005, 2014). From this viewpoint, practices are seen to represent the primary entities of the social world and that society itself is a field of practices (Schatzki, 2001). The unit of current analysis was not the local network nor the individual actors' (consumers, producers, administrators) meaning making but the market practices that are manifested within REKO and especially how the actors and their resources collaborate in order to develop and maintain REKO as a service system.

To be able to analyse market practices in the focal context of REKO, we used the framework by Kjellberg and Helgesson (2007) as an analytic tool to help us to separate between market practices. Following their conceptual model and its practical interpretations (ibid., p. 142-143), our coding scheme included following classes: exchange practices (all the activities involving products, prices, delivery, advertising and distribution), representational practices (all the activities related to depicting markets and/or how they work), normalizing practices (all the activities that contribute to establish guidelines for how market should be reshaped or work according to some actors). McColl-Kennedy et al. (2015) summarize the main differences between market practice entities so that exchange practices represent "the things I do", representational practices "the way I see the world" and normalizing practices "how I interact". Besides these practice entities, we coded each thread of conversation where collaboration was described at some level. In particular, we focused on any types of sharing resources (material,

knowledge, skills, social, symbolic etc.) between actors within REKO system. It should be noted that at this point each threads of the conversations could be coded under several practice entities.

The analysis developed through iterative codings so that in the first phase, we looked for the actor-specific market practices coding separate practice entities from the viewpoint of producers, consumers and administrators. In the second phase, these codings were united in order to find out how collaboration was manifested within REKO system.

# **Findings**

In this chapter we will discuss our findings in two phases. Firstly, the REKO service system is described through explicating the market practices that characterize it. The specific emphasis is showing what kinds of market practices are peculiar to REKO, i.e. what makes REKO a consumption-driven service system. Secondly, we focus on the collaboration between actors in the system and identify three main categories that include three collaboration practices each. Here, we also illuminate the various roles that consumers, producers and administrators take when participating in these practices.

# Market practices: How is a consumption-driven service system constituted?

By exchange practices we mean all the activities that involve products, prices, delivery, advertising and distribution (Kjellberg and Helgesson, 2007, p. 142). In the case of REKO, each of these can be identified but their manifestations are different than in the case of firm-driven service systems. Taking pricing activities as an example the data show that pricing of the products involve a lot of insecurity. REKO-producers usually have only little experience in selling their products themselves and this is why the prices are often decided on the base of "trial and error", as explained below by a meat producer:

Well, we have paid attention to what the market has and how the prices are moving elsewhere, basing our pricing on that... We have a really expensive slaughter house and the packaging costs are very high so I can never compete with markets, but I cannot let the prices get too high for too long. . . if they think it's worth the extra value then we take the extra for some products. But many products have the same prices as in the market. You have to have a kind of hands-on approach with pricing.

T12, Producer, REKO Vaasa

Also other marketing activities are often performed experimentally as described by two consumers:

I have noticed also that some [producers] should get a little bit of training in marketing and customer service. But then there are also people of the opposite type making everything so great, without any kind of training.

T7, Consumer, REKO Vaasa

One producer had apparently given confusing information regarding his meat, so that it was frozen after all. It did not bother me, but somebody else was disappointed. Well, it is clear that these producers are not marketing people; they do not know how to market their products... So you should also yourself make some efforts and not be so negative straight away.

T24, Consumer, REKO Pirkanmaa

Representational practices involve all the activities that relate to depicting markets and/or how they work (Kjellberg and Helgesson, 2007, p. 143). In the current data, these practices helped

to make sense of the dominating retail market dynamics and especially the power relations between the farmers and two big food retailers. Traditional firm-driven retail markets were thus presented as a faceless system where both food producers and consumers easily get lost and lose contact with each other. On the contrary, REKO represented a humane, community-driven system where all the actors communicate transparently and share similar values and ideals. This juxtaposition is well-exemplified in the next quote where one milk producer describes the functioning of REKO in comparison to retail corporations:

For us, selling to centralized retail stores is quite faceless. We have more contact with the organizational buyer but not the end user. Here, it is great that the customer has a face and we have a face; what kinds of people are buying our products. And often you can talk a little bit, like how you're doing and what's up and then it's fun that many people at some of these events you learn to know by name. Then you see that they are approaching you and you can say hi and use their name and what they've ordered.

T14, Producer, REKO Vaasa

Finally, *normalizing practices* are defined here to include all the activities that contribute to establish guidelines for how market should be reshaped or work according to some actors (Kjellberg and Helgesson, 2017, p. 143). In the current case, normative objects are continuously reformed and negotiated, as REKO is based on a dialogue between consumers and producers without any specific rules and top-down practices. As specific normative activities that are manifested within REKO we could identify deciding the delivery place and time, accepting producers into local REKO rings and guiding the ordering system in the Facebook groups. Typically to consumer-driven service systems, there is also continuous negotiation about the

ethical rules that should be followed especially as regards food production, e.g. animal welfare. Below, one administrator describes how the rules are negotiated:

[...] it has been created partly on the basis of French food network model and it has been developed to be more approachable and simple. Each ring makes their own rules but the ethical perspective and the rule of no resale are two central principles that ensure there is no traditional price competition to the same extent and everybody is offering their own product at the price that they feel is good for them.

T33, Administrator, REKO Pirkanmaa

Although the conflicts between the actors of the system are not in the focus of our study, the data reveal that disagreements are present in maintaining and developing the REKO system. For instance, sometimes administrators need to restrict the number of producers admitted into the local rings because of ethical reasons or competitive position of the existing producers. Also the practical arrangements regarding the delivery place and time may generate conflicting views in different actors. Thus, we agree with Skålén et al. (2015, p. 12-13) addressing that studies should not ignore the latent or overt conflicts that take place within the service systems and that value is not always co-created, but also co-destroyed in service systems.

Collaboration practices: How do various actors integrate their resources in a consumptiondriven service system?

Helping others

The first category of collaboration practices identified in the data is that of "helping others". This practice entails the actors (administrators, producers and consumers) integrating material, social, skills and knowledge-based resources with each other (Skålén *et al.*, 2015). The actual doings and sayings in which the actors help one another include *co-operating*, *counselling* and

motivating. Firstly, co-operating takes place between producers and other producers (producer-producer interaction), consumers (consumer-consumer interaction) and administrators and the other actors (admin-consumer and admin-producer interaction). One producer tells that they do not co-work with other producers in a concrete way, but they show friendship towards the others:

Well, we do communicate with the others, but not co-work. Sometimes we give tastings to the others. And yes, we sellers usually walk quite a lot there and discuss with people. So, maybe we now have got many new friends. We have a couple of other sellers that we use to discuss with, they are like-minded with us. But not that much co-operation. T13, Producer, REKO Vaasa

For instance, if a producer is unable to attend the REKO event, another producer may take responsibility of delivering their products to the consumers:

I was at Teisko [one REKO event] and there I met a producer of honey who is based in Teisko. The Orivesi event [another REKO event] is held directly after this Teisko event and the honey producer had only a few jars of honey to deliver to Orivesi so I took care of that by taking the jars with me to Orivesi. We took care of the matter between the two of us. He was an older fellow [the honey producer] so he was reluctant to drive there in the dark, so he was satisfied that I took them.

T31, Producer, REKO Pirkanmaa

Producers who deliver the same type of product also coordinate their participation in different REKO events amongst each other by optimizing the routes so that they are able to drive shorter and more direct distances when taking their products to the customers. Hence, there is less traditional competition between the producers. This is also the intent behind REKOs core rule

to have just one (or a few) similar producers at any one REKO event. The producers themselves see this as important:

We have got to know each other [with the producers] and I have no problem with somebody else selling vegetables and potatoes to the customer; instead, the customer is able then to cook a good soup! And it is my view that the more people we have participating in the REKO and even if they're not buying anything from me, they can sometimes become interested in what I've got to sell them when they see me standing there and then they come and ask me about it and I can tell them.

T30, Producer, REKO Pirkanmaa

Two [producers] are quite okay, but if there are too many [producers], then of course the number of orders will be reduced quite a lot. [...] It is not interesting anymore if it goes so that only few orders are made. Then all the income goes into gas expenses. That's it.

T12, Producer, REKO Vaasa

Aligned with Gummesson's (2008) discussion of balanced centricity our data shows that it is important to make sure that REKO system entails value to all the stakeholders. Even though producers do not regard each other as competitors in a traditional sense, a particular REKO ring cannot accept too many producers of one product category without harming individual farmers' subsistence. In this sense, administrators are those actors who hold the greatest power over the market position.

Co-operating is also a feature of customer-customer interactions as the customers may sometimes purchase things on each other's' behalf if somebody cannot come to the event.

Many consumers in the data reported that they are also conducting grocery shopping for their friends or parents who may not be members of Facebook. Also administrators are seen as helpful toward the other actors and as going "beyond" what is expected of them by sometimes even taking over all practical arrangements for a producer, for instance as reported by one of the admins at Pirkanmaa:

There is one producer of organic grain in our REKO that is over 70 years old and I have been their loyal customer for a long time. I think that their product is very good and it must absolutely be available at REKO so I've been acting as their so-called "mediator" - I open the order in Facebook and send the orders to the producer by email when people have ordered. So they [the producer] are not members of Facebook but they of course come to the REKO event and meet customers face-to-face there. So if there is somebody willing to do the work for them, of course that's good. And I also know that there are some producers who do this order-opening in Facebook on the behalf of another producer. Then they may come to the event themselves or take turns in delivering the products to customers.

T34, Administrator, REKO Pirkanmaa

In addition to helping the producers, admins may sometimes also act on behalf of the customers by fetching their order from the producers at the REKO event for instance if consumers have forgotten or arrived at the event at the wrong time. The second practice manifested in the category of helping others is that of *counselling* which takes place when producers give each other tips and hints on pricing and marketing, or packaging (producer-producer), when admins advise producers on their product selection, pricing and ways of operating (admin-producer) and customers on how to shop from REKO (admin-customer), when customers advise each

other especially regarding Facebook ordering and REKO's rules (customer-customer) and even producers in marketing of the products (customer-producer). Pricing turns up to be a matter which engendered quite a lot counselling. For instance, one admin reports having counseled the producers who perhaps have not been selling very well, a producer describes having given guidance to another on pricing and a customer tells having suggesting a producer to price his vegetables higher:

I have myself tried to help... if I've seen that some producer is not doing very well, I have tried to tell them what I think they should do to increase sales. And I've tried to give them instructions.

T33, Administrator, REKO Pirkanmaa

I just told the other guy [selling flour at REKO] that you should raise your prices. I thought that I would have done it myself, but they said that the price level is good, they will not do it. I said that he doesn't get any profit for himself unless he increases the prices. I think that if somebody is selling at too low price, they can hurt the whole thing. T31, Producer, REKO Pirkanmaa

Well, I have said that some prices could even be higher. For example, I have discussed with [producer name] that they should raise those. Vegetable prices are so low in my opinion, even though I have not compared those with supermarket prices.

T2, Consumer, REKO Vaasa

In the REKO Facebook groups, consumers help and advice each other readily and quickly so that the administrators do not have to take care of everything in addition to accepting members and interacting with the producers:

I have noticed that there is a really good community [in Facebook REKO groups] so that if somebody "nickname \*ignorant\*" is asking something, somebody else is on their computer and is advising them before the admins even have had the chance to see it.

T30, Producer, REKO Pirkanmaa

The third practice appeared as *motivating* which includes various kinds of activities with the purpose of getting more actors into the service system as well as engaging the existing actors into the network. In practice, new customers were recruited through spreading the word in social contacts and in a similar way, new producers were persuaded to the local rings, especially in the beginning when a particular local ring was established. Motivating activities were manifested between all the actors, as exemplified below:

Especially at the beginning [there was a lot of recruiting] and many consumers brought with them a producer. These consumers are those who are very aware of things so they are already used to getting products directly from a producer for a long time. So they gave us a lot of tips that they know a good producer and a product that they suggested we could then invite to the REKO group.

T34, Administrator, REKO Pirkanmaa

Besides recruiting new actors, motivating is needed to convince the producers to be a part of this kind of local food system. When the model was initiated, it was crucial that the founder of REKO had many personal contacts with farmers and other local food engagers, who were ready to try out the model without any guarantee of the success. After few months of testing the model in Pietarsaari and Vaasa, the idea and experiences spread to other areas of Finland, and also at this point, the founder of REKO visited many towns and motivated key persons to collaborate and establish new local rings. Motivating is still needed to get new producers involved into the system and to encourage new consumers to make the pre-orders for the first time.

# Mutual learning

The second category of collaborative practices manifested in REKO system is that of mutual learning. It is a category of practices that includes three types of learning; customers learning to shop in REKO, producers learning to market in REKO and admins learning to govern in REKO. Although specific actors are central and hold more power within particular practices, all the actors participate into them. Learning takes place gradually as the actors familiarize themselves with the rules and procedures of REKO, thus becoming part of this collective system (Goulding *et al.*, 2013). One mechanism of learning especially in the case of *customers learning to shop in REKO* is that of imitation, as described by one of the admins:

Somehow when they follow the group [Facebook group] and see how the others are acting, they are able to see how it works pretty quickly. What has been less straightforward is how to pay the products and where to get them. But that's quite easy to describe in a few sentences.

T33, Administrator, REKO Pirkanmaa

Since membership in Facebook is a prerequisite for being able to order from REKO, the admins say that some consumers have even learnt how to use Facebook for this particular purpose. At the REKO events, there is also a learning process for the consumers to identify which car trunk belongs to which producer and hence, how they can find what they've ordered. Learning to save time by switching to a less crowded trunk is also a consumer practice noticed by the producers:

When there are lots of us producers, and if somebody has a long queue, they go collecting from other trunks and come back when they see that the queue is shorter.

T30, Producer, REKO Pirkanmaa

Learning to market in REKO is also a relevant practice for producers, because the system is somewhat different from those they have used previously to distribute their products. This practice includes all the doing and sayings that aim for making REKO to succeed as a business model, such as pricing, packaging and promoting. For guidance, the producers follow prices at the grocery retailers as well as other REKO producers and adjust their own prices accordingly. One producer reports having set prices that facilitate the use of cash money because that is how consumers pay at the REKO event. Using easy prices facilitates also the calculation that they have to do in their head, sometimes in a hurry:

Well, I did not have that much experience of pricing the products and I was always thinking, whether those are too expensive and what a suitable price is for the customer. Maybe we are paying even too much attention to the prices, because after all, you should get a decent salary for all that work... [The higher prices] are due to driving back and forth and another thing is that of cash purchases. It is easier to calculate the

change when the actual price ends with either 1 euro or 50 cent, so it is easier to give the change money for the customer.

T11, Producer, REKO Vaasa

The data reveal that promoting and advertising were mainly actualized through word-of-mouth activities. According to our informants, paid advertising was not used at all, but for instance newspapers were described as effective channels to promote REKO to both consumer and producers. The producers also used their own Facebook sites as a digital channel to tell about the products. Below one meat producer tells how he tries to increase the knowledge of his specialized produce in Facebook and see this helping other producers as well:

I have for instance shared information about REKO on our own Facebook page, to make people look up their closest REKO, each time we deliver to someplace new. Because Highland [the cattle species] is a marginal species of its kind, I think that the more people know about the species, the better it is for all breeders.

T30, Producer, REKO Pirkanmaa

Furthermore, the admins have set up separate closed Facebook groups for producers to share information and experiences without the customers being able to see the discussions, thereby facilitating also the solving of problems like customers who behave irresponsibly. *Learning to govern in REKO* has also been a gradual process for the admins. They have mostly learnt by meeting each other and listening to others' experiences and best practices such as when and where to organize the events and how to "chain" them so that it will be easier for producers to attend several events on the same evening. However, when the REKO groups started to spread

nationwide, one of the active admins set up a Facebook group for the admins called "REKO family":

I have set up a Facebook group called REKO Family, we aim to get all the admins in Finland to join it. There we discuss a lot about things, if there are some problems or somebody's got a question about something. It's easy to ask there from the others, how they've dealt with a situation or a problem.

T34, Admin, Pirkanmaa

Having a non-bureaucratic, easy-to-use administrative system has been one of the key ideas in REKO and there has been a strong motivation to avoid any extra effort for the admins:

Last year, we met up with people who are admins at REKOs and actively operating in this, and we were thinking about different possibilities and somebody suggested that if we have a logo, why we aren't using it more and what should we do with it. Then somebody suggested that what if we had a sticker in our cars with the logo to tell people that we belong in a REKO group. Well, who would pay for those and who would supervise the use of them so that the people who have the sticker in their cars actually are members? Then we quickly pulled away that idea; let's forget everything that adds bureaucracy. Keep it as simple and free as possible.

T34, Admin, Pirkanmaa

The admins are the most central actor for these practices as they are responsible for governing the whole system and act as mediators between producers and consumers. Admins have the power to set original rules and select the producers who get to sell in each REKO. In the REKO

system, each group makes their own rules but there are some shared principles that are guarded by the admins. One of these principles is to promote ethical production such as organically produced food and food produced nearby rather than transported from far away. However, there are no written ethical guidelines shared by everyone but instead the ethics are negotiated on a case by case basis, as described by one of the admins and the founder of REKO:

In the Nokia REKO, we have these eggs that are not organic. Once this producer of eggs came to me and wanted to force themselves in because we do not have organic eggs yet, saying that their eggs are much better and they have a genuine organic certificate.

T33, Admin, REKO Pirkanmaa

I do not have detailed information about everything that has been accepted, but yes I do know the issues that I would never accept. But I do not want to act as a police in that way.

T15, Administrator, REKO Vaasa

Despite some examples of disputes about which producer gets to sell in which REKO, the admins report that they have had to do very little in terms of "discipline" or firing anybody from the system. Most REKO groups accept people as members of the Facebook group quite readily, but often the admins check at least that the person is joining with their own name and genuine intention to actually buy and collect things from the event:

This [administration] does not require much work, but now there are these people who want to join the Facbeook group. Then I'll check if the person is real and whether s/he

lives nearby at the moment. We had actually one person who wanted to join the group and then s/he started to sell these cheap loans to others.

T16, Admin, REKO Vaasa

Sharing values

The third category of collaboration practices is that of sharing values, which refers to all those practices which help the actors of the service system to share emotional and symbolic resources with each other. Firstly, we can identify the practice of *bonding* aligned with the findings described by McColl-Kennedy et al. (2015, p. 262). This practice is associated with the social support that actors receive from strong connections with their networks. While McColl-Kennedy et al. (ibid.) find out that bonding may appear between family members, our data show that social and emotional support may be manifested also within the consumer-driven service system if the community is based on a shared vision and values that are important to the actors. Below one consumer informant tells how she feels emotional connection with other consumers she meets in the delivery place:

Sometimes you can just feel it. And then in the queue you can chat while waiting for your own... you can start chatting and sometimes there are really nice people and you get new information from them. It is not like [at a traditional grocery store]... not just another customer and that's it. You do not get such a feeling of being similar, having the same kind of values. Then it's just another human being and that's it.

T7, Consumer, REKO Vaasa

The data show that similar values and lifestyles with all the actors are important resources to create value within the service system. REKO was described as a value-based community with

the purpose of doing good resembling thus alternative food movements which aim for transforming the dominating food system (Manna *et al.*, 2016). Sometimes this practice even enabled the system to recover after difficult situations. One situation appeared when an egg producer had found salmonella bacteria in his henhouse and informed local REKO ring about the problem. Instead of stopping buying the eggs, consumers were supportive to the producer and continued to be his clients:

On the 22nd December he put the recall into the Facebook group informing that they had found salmonella bacteria in his hen house. I thought that this is awful - now the whole ring will be labelled as a salmonella ring. But I was wrong. These people were supporting the producer, saying; do not be afraid, everything will be okay. I thought that everyone would demand their money back. I think the gang is unbelievable, if this would have happened in Helsinki, it would have meant demanding all the money back and compensating all the hospital expenses and everything.

# T31, Producer, REKO Pirkanmaa

The second practice, *socializing*, is fulfilled with actual doings and sayings that support interpersonal communication and contacts between the actors of REKO. These activities take place either in REKO Facebook groups or in face-to-face encounters in the food delivery situations. The current data included plenty of examples of differentiating REKO from (multi)national food supply systems, where customers and farmers were often described as faceless actors who do not hold any personal relationships with each other. To this end, REKO was described as an "old-style" marketplace where customers and producers get to know each other's well. These social encounters between customers were often described often as positive,

but it was also highlighted in some interviews that customer-producer relations could be more personal as well:

There are all the time more and more those that I have not noticed before: "Oh, you are here also..." But yes, you are not able to see who belong into the Facebook group. There are so many at the moment. But yes, always there is some friend popping up, oh, you are also ordering here.

T1, Consumer, REKO Vaasa

Producers should also want to create long-term customer relationships, so that it is not only this one meeting and that's it. But they should develop their business. But for example, some of the producers are perhaps a little bit introverts, meaning that they are good in farming and producing but not that good in marketing, selling and creating relationships with customers.

T7, Consumer, REKO Vaasa

Although socializing was typically embodied through direct trading between a producer and a consumer, all the actors in the system were involved in these social interactions. The overall atmosphere of REKO delivery is described below one producer highlighting the good spirit and equal standing of all the producers:

There's a really good cooperative spirit. Here I've been able to meet great producers who I have not even heard about before and also their products at the same time. I feel that there's a really good cooperative spirit here and not much competition, even though there are others who are in the same business... or from my perspective, there's not a

lot of competitiveness. It is normal of course to have some competition in a market economy but here it's conducted in a good spirit and basically everyone has an equal standing. So the atmosphere is really nice here.

T14, Producer, REKO Vaasa

Third, sharing values entail the practice of *communicating* demonstrating mostly direct communication between consumers and producers. The data included numerous examples of issues that consumers were asking from the producers about their products, ingredients, and origin (growing, farming and raising methods). Questions were asked both in the Facebook groups and in face-to-face encounters. Also administrators were involved in this practice through monitoring the Facebook discussions and encouraging the sense of community, e.g. starting discussions where products are praised or food recipes shared, as shown in the quote below:

We have a continuous job [admins]...we keep the group closed because our aim is to give room for a community to grow so we cannot let just anyone read those posts. It is a big thing that people order products by themselves so outsiders are not able to spy what this and that family is consuming. And then of course people can discuss other things like good recipes and other stuff around the topic. So it is a kind of community. T34, Administrator, REKO Pirkanmaa

The aforementioned quote shows interestingly the twofold purpose of the closed REKO Facebook groups. While the closed groups are important platforms to generate personalizing and communicating activities within the service system, they may shelter the community at the same time from the opinions and practices that are not involved in these groups. Especially

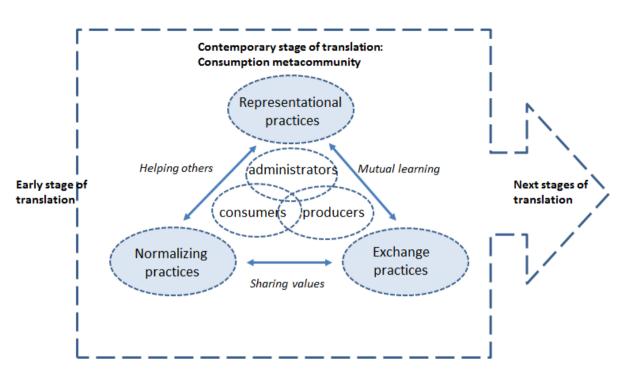
consumer actors were pondering the polarization of food consumers when majority of consumers still are price-sensitive contrasting with REKO-consumers who were described to prefer other issues, such as quality and ethicality, as exemplified below:

Somehow I got the feeling that everyone else is shopping there but not just me. I joined the group when I just had to find out what is this new thing about. And when I was discussing with other people, they did not know anything about it. So, they were living in some other bubble. [...] Or maybe I just don't' see these people. Well, I have not visited in McDonald's for about 15 years, so I do not know how those people who visit in McDonalds every day look like, because I have not been in for so many years.

T6, Consumer, REKO Vaasa

Integrating the findings: How does collaboration interlink the market practices of a consumer-driven service system?

Next we seek to understand in more detail how collaboration practices interlink the market practices within a consumer-driven service system. Our integrated framework is illustrated in Figure 1.



**Figure 1.** Framework of collaborative market practices within a consumer-driven service system.

The framework illuminates REKO-system as a dynamic configuration of market practices through which the actors of the system integrate their resources and create value to the network (Skålén et al., 2015; Maglio et al., 2009). When interpreted against the processual stages of market emergence identified by Martin and Schouten (2014, p. 861), we can argue that REKO is in the second stage of translation at the moment. That is, REKO has translated from local consumption performances (more and more consumers demanding for local food), infrastructures (arranging delivery plots and Facebook groups) and communication (inviting and promoting consumers and producers into the local rings) into a market where actual market practices take shape.

To discuss more in-depth the linkages between collaboration and market practices, we lean on Kjellberg and Helgesson's (2007, p. 151) comprehensive analysis of how market practices are linked through processes of translations. They explicate various intermediaries

,

that are needed in this process: rules, tools, measures, methods of measurement, descriptions, results, and interests. Our purpose here is to use their model as an analytical framework and illustrate how exactly collaboration practices participate in the process of constituting the markets in the case of a consumer-driven service system.

We start from the transition between normalizing practices and exchange practices. In the current context, sharing values is the category of collaboration practices that is involved in the translation processes between them. The actual practices include bonding, socializing and communicating. Kjellberg and Helgesson (2007, p. 149-150) describe the process so that while normalizing practices produce rules that become translated to tools and may alter the agency of seller or buyer, interests arising from exchange situations may feed things back into normalizing practices. Reflecting strongly the norms of this service system, the feedback in this case consists of the collaboration practices that are regarded as making a sharp contrast between the traditional retail market and the REKO-system. Hence, the actual doings and sayings aiming to get to know each other highlight the system as a social gathering and these are seen to create value in the service system (Kjeldgaard et al., 2017). These collaboration practices can be seen for example in the face-to-face encounters and in the Facebook groups where the actors share their knowledge, social and emotional resources. Thus, value sharing works in between exchange and normalizing practices as the interests of the consumers affect the ways producers tell about their produce, e.g. their animal farming methods, and even whether they continue their farming or stop it. In the data, few producers mentioned that REKO was their last chance to continue farming in the circumstances of financial difficulties.

According to Kjellberg and Helgesson (2007, p. 149) the second group of intermediaries comprise measurements based on market's functioning (reflecting representational practices) and results that may alter exchange practices. Within the current context, these appear as *mutual learning* practices helping the actors to become part of this

collective social system (Goulding *et al.*, 2013). Because the REKO-system is a new market model involving novel market practices between unfamiliar actors, mutual learning is needed with regard to many exchange activities, such as pricing, promoting, face-to-face trading situations and governing of the local rings. Thus, this category includes the practices through which *customers learn to shop in REKO*, *producers learn to market in REKO and administrators learn to govern in REKO*. Also the conflicting situations and the ethical rules of the network are negotiated under this category of collaboration practices (Skålén *et al.*, 2015). As there are no explicit, top-down settled procedures and guidelines for the service system, the actors participate continuously into these collaboration practices using their skills, knowledge and social resources.

Finally, Kjellberg and Helgesson (2007) identify methods of measurement (how to measure) and descriptions as a third group of intermediaries between market practices. As these intermediaries link together normalizing and representational practices they are based on norms and they may be used to alter norms, i.e. how the markets work. In the current context the category of collaboration practices that link together these two market practices is that of *helping others* actualizing as *co-operating, counselling and motivating*. These are the practices which are needed to guarantee that REKO-system succeeds and that there is enough customers and producers in the local rings. Consequently, these practices were actualized in collaboration where all the actors inspired others to work and engage into the system and to get new actors involved into the system.

### **Discussion**

# Theoretical implications

This study demonstrates how a consumer-driven system differs from a firm-driven system through specific conceptual elements. Building on the recent works of market system dynamics

(Giesler and Fischer, 2017; Kjeldgaard *et al.*, 2017; Martin and Schouten, 2014), it is explicated how the consumer actors may initiate and enforce the service system in the situation when the industry stance is passive. While prior works have emphasized the co-creating roles of consumers and service providers (e.g. Carú and Cova, 2015), this study highlights the consumer administrators as the main actors who organize and shape the markets.

Moreover, drawing on Kjellberg and Helgesson's (2007) analysis of market practices as well as McColl-Kennedy et al.'s (2015) discussion on co-creating service experience practices, we explicate how collaboration practices serve as intermediaries that translate the market practices of the whole service system. Thus, the study suggests that it is the collaboration practices, and how they are performed by the individual and institutional actors, that help to open up the service systems as complex social systems (Giesler and Fischer, 2017).

When it comes to actual practices of collaboration, this work extends the prior discussions of collective service experiences by presenting a more nuanced illustration of how the actors of the service system collaborate. In particular, we fill the gap identified by Carú and Cova (2015, p. 290) as the REKO system enables us to focus on mundane, i.e. functional, service experiences and how actors participate in them, instead of symbolic, leisure-related service experiences. The findings show how diversely the actors of the service system participate in collaboration practices in the REKO system. For instance, the consumer administrators' practicing in the network open up novel ways to illuminate the governing and managing of the system addressing the knowledge-based, social and symbolic resources that are needed in this process (cf. Martin and Schouten, 2014; Kjeldgaard *et al.*, 2017). Also the service providers, i.e. REKO producers and farmers, collaborate in such a way that is of sharp contrast to "traditional", firm-driven markets and service systems.

Finally, the current case enables us to illuminate in a very concrete way how the balanced centricity between all the stakeholders (farmers, consumers and administrators) is

highly relevant (Gummesson, 2008). As Gummesson (2008) argue, many researchers have ignored the power relations between the actors ending to emphasize the harmonious cooperation more than the practitioners themselves observe. Also Skålén et al. (2015) have addressed that service systems are continuously contested by different actors and that both latent and overt conflicts emerge while the system develops. REKO is not an exception as the actors do negotiate the rules and procedures even though the overall purpose is to provide an alternative system to the dominating agro-food systems (Manna *et al.*, 2016; Thompson and Coskuner-Balli, 2007). Accordingly, it is important to acknowledge that also within REKO; particular actors may hold more power than the others. In our findings this can be seen especially in the practices of governing, bonding and communicating because it appears that not all the actors are capable of integrating their resources to similar extent for instance with regard to skills and knowledge.

## **Practical implications**

Several practical implications for managing consumer-driven service systems emerge on the basis of our findings. Firstly, in order to engage the actors within a consumer-driven service system, their possibilities to collaborate should be encouraged. Frequent and natural encounters increase the actors' engagement with the collective (Goulding *et al.*, 2013). In practice this may happen through boosting the interaction between the actors, using e.g. Facebook and other social media platforms, but also face-to-face encounters. The current data reveal that open dialogue between the food producers and consumers enhances the value co-creation improving customer-producer relationships, customer loyalty and word-of-mouth communication. It may also improve sustainable food production when the consumers start demanding for ethical food production and when the producers open up the reasons for higher prices.

Secondly, while open communication is important value to be cherished in the consumer-driven service system, the actors should be prepared oneself to the conflicts that do emerge while the system develops. For this, it is important to take care that the actors' power relations are as equal as possible. For instance, a REKO producer cannot take the role of an administrator because that would skew the power relations and competitive situation in the local ring. Active dialogue should also be directed towards the other stakeholders who are not insiders in the service system. In the case of REKO, these include legislative authorities, competitors (e.g. grocery stores) and those consumers who are not interested in local food networks.

The last practical implication concerns that of implicating tools of marketing into the REKO system. The REKO producers often lack of skills of pricing and advertising and sometimes even resist the role of being "marketers". At the same time, the Finnish food retailers have started to increase their selections of local food products; a trend that may be related to the notion of the increased consumer demand for local food. Thus, many of the food items that are sold in REKO are also available in grocery stores. This arouses challenges for the REKO system to attract the consumers who has the eventual power to decide where to make their daily food purchases.

#### **Conclusions**

In this study, we have shed light into the collaboration practices from a systemic perspective where multiple actors' resources and how they integrate them into the market practices of the service system. It is suggested that collaboration practices help the actors to integrate their resources in a way that creates value to the system. The study is limited to a single case representing one context and therefore the findings cannot be generalized to other service systems. Thus, although we have integrated several empirical materials and various actors'

viewpoints into the analysis, the findings should be regarded as descriptions of the particular local REKO rings only at that specific time of data collection. As service systems in general, also the REKO system changes rapidly, so in the future, it would be interesting to employ a longitudinal study to see more closely how the process of translations have taken place in REKO.

Another important future research suggestion concerns the linkages between the REKO system and other service systems it is embedded in (Giesler and Fischer, 2017; Kjeldgaard *et al.*, 2017). Especially the linkages between retail markets and REKO system may offer several possibilities for research. How does REKO transform the nationwide retailers and vice versa? Also the macro-level transformation deserves more attention, because REKO represents a social movement, which may have potential to transform social systems (Skålén *et al.*, 2015, p. 14). Consequently, we suggest that power and agency within service systems are potential conceptual elements that may help to grasp the processes and conflicts that happen in transformation.

#### References

- Araujo, L. M., Kjellberg, H. and Spencer, R. (2008), "Market practices and forms: Introduction to the special issue", *Marketing Theory*, Vol. 8 No. 1, pp. 5-14.
- Breidbach, C. F., Kolb, D. G. and Srinivasan, A. (2013), "Connectivity in Service Systems:

  Does Technology-Enablement Impact the Ability of a Service System to Co-Create

  Value?", *Journal of Service Research*, Vol. 16 No. 3, pp. 428-441.
- Carù, A. and Cova, B. (2015), "Co-creating the collective service experience", *Journal of Service Management*, Vol. 26 No. 2, pp. 276-294.
- Crivits, M. and Paredis, E. (2013), "Designing an explanatory practice framework: local food systems as a case", *Journal of Consumer Culture*, Vol. 13 No. 3, pp. 306–336.

- Edvardsson, B., Tronvoll, B. and Gruber T. (2011), "Expanding understanding of service exchange and value co-creation: A social construction approach", Journal of the Academy of Marketing Science, Vol 39 No April, pp. 327-339.
- Giesler, M. and Fischer, E. (2017), "Market system dynamics", *Marketing Theory*, Vol. 17 No. 1, pp. 3-8.
- Giesler, M. (2008), "Conflict and compromise: Drama in marketplace evolution", Journal of Consumer Research, Vol. 34 No. April, pp. 739-753.
- Gittel, R. J. and Vidal, A. (1998), Community Organizing: Building Social Capital as a Development Strategy, Sage, Thousand Oaks, CA.
- Goulding, C., Shankar, A. and Canniford, R. (2013), "Learning to be tribal: facilitating the formation of consumer tribes", *European Journal of Marketing*, Vol. 47 No. 5/6, pp. 813-832.
- Gummesson, E. (2008), "Customer centricity: reality or a wild goose chase?", *European Business Review*, Vol. 20 No. 4, pp. 315-330.
- Gummesson, E., Kuusela, H. and Närvänen, E. (2014), "Reinventing marketing strategy by recasting supplier/customer roles", *Journal of Service Management*, Vol. 25 No. 2, pp. 228-240.
- Halkier, B. and Jensen, I. (2011), "Methodological challenges in using practice theory in consumption research. Examples from a study on handling nutritional contestations of food consumption", *Journal of Consumer Culture*, Vol. 11 No. 1, pp. 101-123.
- Helkkula, A., Kelleher, C. and Pihlström, M. (2012), "Characterizing values as an experience implications for service researchers and managers", *Journal of Service Research*, Vol. 15 No. 1, pp. 59-75.
- Holt, D. B. (1995), "How consumers consume: a typology of consumption practices", *Journal of Consumer Research*, Vol. 22 No. 1, pp. 1-16.

- Jaakkola, E. and Alexander, M. (2014), "The Role of Customer Engagement Behavior in Value Co-Creation: A Service System Perspective", *Journal of Service Research*, Vol. 17 No. 3, pp. 247-261.
- Kjeldgaard, D., Askegaard, S., Örsntedt Rasmussen, J. and Ostergaard, P. (2017), "Consumers' collective action in market system dynamics: A case of beer", *Marketing Theory*, Vol. 17 No. 1, pp. 51-70.
- Kjellberg, H. and Helgesson, C-F. (2007), "On the nature of markets and their practices", *Marketing Theory*, Vol. 7 No. 2, pp. 137-162.
- Maglio, P. P., Vargo, S. L., Caswell, N. and Spohrer, J. (2009), "The service system is the basic abstraction of service science", *Information Systems and e-business Management*, Vol. 7 No. 4, pp. 395-406.
- McEachern, M.G., Warnaby, G., Carrigan, M. and Szmigin, I. (2010), "Thinking locally, acting locally? Conscious consumers and farmers' markets", *Journal of Marketing Management*, Vol. 26 No. 5-6, pp. 395-412.
- McColl-Kennedy, J. R., Cheung, L. and Ferrier, E. (2015), "Co-creating service experience practices", *Journal of Service Management*, Vol. 26 No. 2, pp. 249-275.
- McColl-Kennedy, J. R., Vargo, S. L., Dagger, T. S., Sweeney, J. C. and van Kasteren, Y. (2012), "Health care customer value cocreation practice styles", *Journal of Service Research*, Vol. 15 No. 4, pp. 370-389.
- Manna, V., Ulusoy, E. and Batat, W. (2016), "Alternative food consumption: What is "alternative"?", *Marketing Theory*, Vol. 16 No. 4, pp. 561-565.
- Martin, D. M. and Schouten, J. W. (2014), "Consumption-Driven Market Emergence", *Journal of Consumer Research*, Vol. 40 No. 5, pp. 855-870.

- Ostrom, A. L., Parasuraman, A., Bowen, D. E., Patrício, L. and Voss, C. A. (2015), "Service Research Priorities in a Rapidly Changing Context", *Journal of Service Research*, Vol. 18 No. 2, pp. 127-159.
- Pongsakornrungsilp, S. and Schroeder, J. E. (2011), "Understanding value co-creation in a co-consuming brand community", *Marketing Theory*, Vol. 11 No. 3, pp. 231-241.
- Reckwitz, A. (2002), "Toward a theory of social practices: a development in culturalist theorizing", *European Journal of Social Theory*, Vol. 5 No. 2, pp. 243-263.
- Schau, H. J., Muñiz Jr, A. M. and Arnould, E. J. (2009), "How brand community practices create value", *Journal of Marketing*, Vol. 73 No. 5, pp. 30-51.
- Schatzki, T. R. (2001), "Introduction: practice theory", in Schatzki, T. R., Knorr Cetina, K. and von Savigny, E. (Ed.), *The Practice Turn in Contemporary Theory*, London, Routledge, pp. 10-23.
- Schouten, J. W., Martin, D.M., Blakaj H. and Botez A. (2016), "From Counterculture Movement to Mainstream Market: Emergence of the U.S. Organic Food Industry", in Canniford R. and Bajde D. (Ed.), *Assembling Consumption: Researching Actors, Networks and Markets*, London, Routledge, pp. 21-31.
- Skålén, P., Aal, K. A. and Edvardsson, B. (2015), "Cocreating the Arab Spring: Understanding Transformation of Service Systems in Contention", *Journal of Service Research*, Vol. 18 No. 3, pp. 250-264.
- Spohrer, J. C., Maglio, P. P., Bailey, J. and Gruhl, D. (2007), "Towards a science of service systems", *Computer*, Vol. 40 No. 1, pp. 71-77.
- Thompson, C.J. and Coskuner-Balli, G. (2007), "Countervailing market responses to corporate co-optation and the ideological recruitment of consumption communities", *Journal of Consumer Research*, Vol. 34 No. August, pp. 135-152.

- Venkatesh, A. and Penaloza, L. (2006), "From Marketing to Markets: A Call for Paradigm Shift", in Sheth, J. N. and Sisodia, R. S. (Ed.), *Does Marketing Need Reform? Fresh Perspectives on the Future*, Armonk, NY, M.E. Sharpe, pp. 134-150.
- Warde, A. (2005), "Consumption and theories of practice", *Journal of Consumer Culture*, Vol. 5 No. 2, pp. 131-153.
- Warde, A. (2014), "After taste: culture, consumption and theories of practice", *Journal of Consumer Culture*, Vol. 14 No. 3, pp. 279-303.

# **Appendix 1.** Data Description

REKO Vaasa	/aasa			
Consumers				Thread
(pseydonym)	Age	Occupation	Family status	number
Anna	37	Student (former cook)	Husband and 2 children	1
Matti	44	Journalist	Wife and 3 children	2
Taina	34	Researcher	Husband and 1 child	3
Anni	36	Engineer	Husband, no children	4
Laura	37	Midwife	Husband and 2 children	5
Petteri	44	Journalist	Wife and 5 children	6

				_
Tiia	37	Sales manager	Husband and 2 children	7
Maarit	24	Student	Single	8
Lenita	54	Cultural worker	Single, grown-up children	9
Producers		Produ	ucts	
Egg producer		Free rang	ge eggs	10
Grain producer		Grain and buckw	heat products	11
Meat producer		Веє	ef	12
Vegetable				
producer		Potatoes, different k	inds of vegetables	13
Cheese producer		Traditional che	ese, yoghurt	14
Administrators				
Founder of REKO s	ystem			15
Administrator in RE	EKO Vaasa	3		16
REKO Pirkanmaa				
Consumers				Ti
(pseydonym)	Age	Occupation	Family status	nı
			Husband and 1 child at home,	
			-	
Aili	56	Researcher	2 grown-up children	17
Aili Erkki	56 33	Researcher Sailor	2 grown-up children Wife and 2 children	
			Wife and 2 children	18
Erkki	33	Sailor Unemployed	Wife and 2 children  Husband, 2 grown-up  children	18
Erkki Eevi Ilpo	33 58 26	Sailor  Unemployed  Master builder	Wife and 2 children  Husband, 2 grown-up  children  Girlfriend	19
Erkki Eevi Ilpo Maria	58 26 42	Sailor  Unemployed  Master builder  Engineer	Wife and 2 children  Husband, 2 grown-up  children  Girlfriend  Husband	19 20 21
Erkki  Eevi Ilpo Maria Marja	33 58 26 42 31	Sailor  Unemployed  Master builder  Engineer  Engineer	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband	18 19 20 22
Erkki  Eevi Ilpo Maria Marja Marjut	33 58 26 42 31	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees	Wife and 2 children  Husband, 2 grown-up  children  Girlfriend  Husband  Husband  Husband	18 19 20 20 22 22 22 23 23 23 23 23 23 23 23 23 23
Erkki  Eevi Ilpo Maria Marja	33 58 26 42 31	Sailor  Unemployed  Master builder  Engineer  Engineer	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband	18 19 20 20 22 22 22 23 23 23 23 23 23 23 23 23 23
Erkki  Eevi Ilpo Maria Marja Marjut	33 58 26 42 31	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees	Wife and 2 children  Husband, 2 grown-up  children  Girlfriend  Husband  Husband  Husband	188 199 200 200 200 200 200 200 200 200 200 2
Erkki  Eevi Ilpo Maria Marja Marjut Sanna	33 58 26 42 31 44	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees  Electrician	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband  Husband  Husband  Husband  Husband	18 19 20 21 22 22 23 24 29 29
Erkki  Eevi Ilpo Maria Marja Marjut Sanna Susanne	33 58 26 42 31 44 55	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees  Electrician  Student	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband  Husband  Husband  Lives alone	18 19 20 21 22 22 22 22 22 22 22 22 22 22 22 22
Erkki  Eevi Ilpo Maria Marja Marjut Sanna Susanne Teemu	33 58 26 42 31 44 55 23	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees  Electrician  Student  Student	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband  Husband  Lives alone  Wife and 2 children  Husband and 2 children	11: 20 2: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2:
Erkki  Eevi Ilpo Maria Marja Marjut Sanna Susanne Teemu Tanja	33 58 26 42 31 44 55 23	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees  Electrician  Student  Student  Physiotherapist	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband  Husband  Lives alone  Wife and 2 children  Husband and 2 children	1: 1: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2: 2:
Erkki  Eevi Ilpo Maria Marja Marjut Sanna Susanne Teemu Tanja	33 58 26 42 31 44 55 23	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees  Electrician  Student  Student  Physiotherapist	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband  Husband  Lives alone  Wife and 2 children  Husband and 2 children	18 19 20 21 22 22 22 24 25 26 27 27 27 27 27 27 27 27 27 27 27 27 27
Erkki  Eevi Ilpo Maria Marja Marjut Sanna Susanne Teemu Tanja Producers Meat producer	33 58 26 42 31 44 55 23	Sailor  Unemployed  Master builder  Engineer  Engineer  Poet, multiple degrees  Electrician  Student  Student  Physiotherapist	Wife and 2 children  Husband, 2 grown-up children  Girlfriend  Husband  Husband  Husband  Lives alone  Wife and 2 children  Husband and 2 children	15 18 19 20 21 22 22 22 22 22 22 22 22 22 22 22 22

Grain producer	Oat	31
Vegetable		
producer	Berries, vegetables, fruits, potatoes	32
Administrators		
Administrator in several local rings		33
Administrator in several local rings		34
		l .