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QUALITY CONTROL IN THE BRITISH FOOD SYSTEM FROM THE VICTORIAN AGE TO THE SELF-SERVICE REVOLUTION

During the Victorian Age adulteration in British food industry seriously threatened the health of the population. Public safety standards were totally inadequate to contrast the phenomenon but no significant change took place until the mid-twentieth century, when the self-service format spread in post-war Europe. This paper explores the emergence of quality control standards in the British food system by adopting the case study of a little dairy store established in 1869, and which shortly earned a solid reputation for quality and became one of the leading food retailers in the 1970s: Sainsbury's.

Quality control, retailers, food adulterations, self-service, United Kingdom

Durante l'età vittoriana le frodi nell'industria alimentare britannica minacciano seriamente la salute della popolazione. La normativa esistente è inadeguata ma nessun cambiamento significativo avviene fino alla diffusione del self-service nell'Europa del secondo dopoguerra. L'articolo analizza l'evoluzione del controllo della qualità nel sistema alimentare britannico attraverso il caso di un piccolo negozio di latticini fondato nel 1869 che si guadagna presto una solida reputazione per la qualità e diventa una delle principali aziende di distribuzione nel settore alimentare negli anni Settanta: Sainsbury's.

Controllo di qualità, commercianti, adulterazioni alimentari, self-service, Regno Unito

1. *Introduction*

In 1855 the English satirical newspaper *Punch* published a cartoon of a little girl who goes to the grocer's: «Sir, my mother would like one hundred grams of the best quality tea to kill mice and fifty grams of chocolate to destroy cockroaches». The cartoon soon became famous as it gave an immediate and amusing reflection of how serious food frauds were in Great Britain: adulterous food, lack of hygiene,

scales faked in order to distort the weight. The different types of frauds were so extensive that the chemical scientist Fredrick Accum was prompted to discuss them in *A Treatise on Adulteration of Food and Culinary Poisons*, published in London in 1820¹. He reported some food frauds which were very common in the British cuisine, like adulterations of bread, beer, wine, spirituous liquors, tea, oil, pickles and also described the methods to pick them out. However, numerous writings of this genre followed throughout the nineteenth century showing that such practices were difficult to overcome. They were so widespread that the British Parliament was obliged to set up different investigation commissions in the Thirties and, once again, in the Fifties. This led to the «Adulteration Food Act» in 1860². It was the first British law against food adulteration which, however, turned out to be totally inefficient because the estimated sanctions against adulterers were so lenient that adulterous practices were almost legitimized. In 1875 there was the «Sale of Food and Drug Act» that introduced stricter rules and sanctions, but the latter were, by no means, decisive.

In Victorian England, in those years, and more precisely in 1869, a little dairy shop was set up in London by John Sainsbury, who devoted special attention to the quality of his products in the constant effort to offer «the best quality at the lowest possible price». Shortly after he built a reputation for quality and opened new stores in different suburbs of London. The hygiene standards of his stores were outstanding. The control of the products, whether they were purchased at home or abroad, was very strict and, before long, it became a model to follow, contributing to the spread of good practices and higher quality standards between food producers and suppliers. However, it was with the adoption of the self-service³ format in the mid

¹ F. ACCUM, *A Treatise on Adulteration of Food and Culinary Poisons*, London 1820.

² G. NEBBIA, G. MENOZZI NEBBIA, *Breve storia delle frodi alimentari*, in *Alimentazione e salute*, ed. by S. Canepari, C. Maltoni and F. Saccani, Forlì 1986, pp. 60-68.

³ Self-service is an American invention linked to the name of Clarence Saunders who in 1916 invented the food store “Piggly Wiggly”, advertised as the ideal model of the American way of life. Before long, it was repeated in franchising, while imitations arose like “Helpy-Selfy” or “Savey-Wavey” that accompanied self-service to the traditional service. During the Great Depression the new format spread following the success of the early supermarkets, King Kullen and Big Bear. Self-service was a huge novelty in retailing because, while the traditional shop focused on customer

twentieth-century, that Sainsbury's, by then a leading retailer of the British market, established private standards which were a lot stricter than the prevailing legal requirements, in order to ensure that quality control would become a priority in the best interest of consumers. In this way, he contributed substantially to the evolution of the food system in terms of norms and procedures relating to quality.

Despite this, the history of food safety has focused mainly on a series of food scandals, due to adulterated or poorly preserved food, that have continued to occur since the beginning of the nineteenth century⁴. What is missing, however, is the thorough study that recognizes the role of the supermarket in the evolution of quality control. Today's literature has analysed different issues linked to the spread of the supermarket format. Cultural historians have focused on consumers' changing behaviours and on the supermarket as the symbol of consumerism⁵; other experts have highlighted the necessary hybridization process that the American invention had been subject to when it was adopted in different nations⁶; others, again, analysed the policy of the American format during the Cold War as part of an

service – consultancy, credit, home delivery –, self-service focused on convenience through the reduction of running costs, services and profit margins on the products. Saving techniques were also adopted in the positioning of the shop by giving priority to buildings that already existed, such as old garages and abandoned warehouses, whilst all those elements that contributed to turning shops into a more modern and comfortable atmosphere for the consumer were eliminated, reducing furniture to a few essential and economic elements. The self-service formula became a success, and by 1940 40% of food purchasing in the USA took place in supermarkets. For a detailed analysis of the spread of self-service, see M.M. ZIMMERMAN, *The Super Market. A Revolution in Distribution*, New York 1955; A. GOLDMAN, *Stages in the Development of the Supermarket*, «Journal of Retailing», 51 (1975-76), 4, pp. 49-64.

⁴ U. SPIEKERMANN, *Twentieth-Century Product Innovations in the German Food Industry*, «Business History Review», 83 (2009), 2, pp. 291-315; A. HISANO, *The Rise of Synthetic Colours in the American Food Industry, 1870-1940*, «Business History Review», 90 (2009), 3, pp. 483-504; A. STANZIANI, *Information, quality and legal rules: wine adulteration in nineteenth century France*, «Business History», 51 (2009), 2, pp. 268-291.

⁵ V. DE GRAZIA, *Irresistible Empire: America's Advance Through Twentieth-century Europe*, Cambridge (MA) 2006; K. HUMPHERY, *Shelf Life. Supermarkets and the changing culture of consumption*, Cambridge (MA) 1998.

⁶ E. SCARPELLINI, *Shopping American-Style: The Arrival of the Supermarket in Postwar Italy*, «Enterprise & Society», 5 (2004), 2, pp. 625-668; J. ZEITLIN, *Introduction*, in *Americanization and its Limits: Reworking U.S. Technology and Management in Postwar Europe and Japan*, ed. by J. Zeitlin and G. Herrigel, Oxford 2000, pp. 1-50.

«anti-communist crusade»⁷. Godley and Williams, instead, have highlighted the crucial role played by the major supermarkets in the UK in controlling the supply chain of poultry meat in order to guarantee product quality to the consumers, thus enhancing their confidence in new products⁸.

Indeed, self-service implied enormous changes not only in the selling techniques but also in the whole production system because this meant the advent of mass production. The consumer had difficulty understanding the advantages of the goods and the evaluation of their intrinsic quality. Being used to relatively small and geographically limited markets, where goods were produced mainly locally, the very same consumer needed to interact with a sales method which offered an ever-wider range of complex products obtained through innovative production as well as an ever-growing technological substance⁹. In fact, as a consequence of the new production system, the nature of goods became different and this provoked information asymmetries between retailers and customers¹⁰. Consumers needed to be reassured and quality control had to be enforced otherwise they would have withdrawn from the market.

In the United Kingdom, Sainsbury's¹¹ expected significant corrections from their suppliers in terms of how they carried out their activities to strengthen the good reputation of their products. The company proceeded towards a progressive decentralization of quality control but only after having established standards which were well above those set by the law. Besides, Sainsbury's concept of quality was not limited to the sensorial features of the goods but also concerned the

⁷ S. HAMILTON, *Supermarket USA. Food and Power in the Cold War Farm Race*, New Haven and London 2018, ebook, position 2743.

⁸ In this case, the industrial chicken became a mass product only after having overcome the initial confusion of consumers using the traditional free-range chicken. A. GODLEY, B. WILLIAMS, *Democratizing Luxury and the Contentious "Invention of the Technological Chicken" in Britain*, «Business History Review», 83 (2009), 2, pp. 267-290.

⁹ P. JACKSON, *Anxious Appetite: Food and Consumer Culture*, London, New Delhi, New York, Sidney 2015, p. 54.

¹⁰ G. AKERLOF, *The Market for "Lemons": Quality Uncertainty and the Market Mechanism*, «Quarterly Journal of Economics», 84 (1970), 3, pp. 488-500; R. COASE, *The nature of the firm*, «Economica», 4 (1937), 16, pp. 386-405; A. GODLEY, *Entrepreneurial opportunities, implicit contracts and market making for complex consumer goods*, «Strategic Entrepreneurship Journal», 7 (2013), 4, pp. 273-287.

¹¹ As other supermarkets like Mark & Spencer and Waitrose, but Sainsbury's was a forerunner.

service offered to the consumer, thus adopting a centralized supervision in order to guarantee uniform standards in all stores. However, in the early Seventies, the complexity and the increasing turnover drove the enterprise to adopt a partial decentralization of the responsibilities to Departmental Directors in order to respond speedily to the changing needs of the market.

In this way, Sainsbury's created a system of quality control which would have influenced the entire British food industry. Using documents from Sainsbury's private archive this article investigates the origins of the quality control system which asserted itself in the UK in the second half of the twentieth century. For this purpose, the analysis focuses on Sainsbury's strategies to guarantee a complete range of high quality products for their customers, thus overcoming the numerous reluctances that accompany the revolution of modern retailing with the diffusion of the self-service format as well as mass production.

2. *A small dairy shop in Drury lane*

«Higher quality at a cheaper price», this was the target of Sainsbury's since the beginning and «in this combination of high quality and low price, [Sainsbury's] was the most original and most successful, for many competitors had one or the other, few businesses had both»¹². When John Sainsbury opened his first shop in 1869 the quality of his products relied basically on good raw materials. Sainsbury's was a dairy shop that sold just a few items such as milk, eggs, butter and cheese but, shortly after, it displayed a wider range of products, some of them quite new such as the *red butter* from the Channel Islands¹³. The shop was in Drury Lane, a humble part of London, and maintaining low prices was necessary in order to attract customers and to beat competition as well. However, very soon it proved to be a successful means to gain customer loyalty, and ensuring a good ratio among quality and price became one of the most distinguishing features of the firm.

¹² SAINSBURY'S STUDIES CENTRE (from now on SSC), Alan Sainsbury's speeches, *Food shopping*, Royal Society of the Arts, 17th January 1973, p. 4.

¹³ It had a particular colour due to the richness of its milk, but John Sainsbury was absolutely certain of its unsurpassable quality and, after some resilience, it was successfully accepted by most customers. SSC, *JS Journal*, March 1949, p. 10.

From Sainsbury's point of view the concept of quality was two-fold, regarding both product and service. «Although the quality of the particular food – and quality includes flavour and texture – is what finally counts with the discerning housewife, it should be the aim of the progressive retailer to present his wares in the most attractive dress and, if he sells food, in the most hygienic manner»¹⁴. Due to its obsessive concern with food hygiene, Sainsbury's made any effort to create a cleaner and more attractive environment. Moreover, service consisted also in the relationship between staff and customers, thus human resources played an important role because well-trained and highly motivated people, equipped with good human attitude, were the key to successful food retailing; indeed, integrity was also a pivotal skill to obtain the customer's trust, avoiding any form of deceit about value or the quality of products¹⁵. In addition, high standards of quality required the strictest quality control procedures, particularly for perishable products, and this fell under the centralized management of the Sainsbury's family. The choice of supplying the best quality products at reasonable prices meant that the assortment policy would become the heart of the entrepreneurial sales strategy¹⁶. This priority, therefore, can also explain why Sainsbury's development has always been much slower and more concentrated than that of its competitors¹⁷.

The rising standard of living and the increasing population encouraged constant growth in food demand and John Sainsbury soon expanded into new suburbs, opening his stores in a parade's central position¹⁸: in 1890 he had 16 shops with approximately 180 employees and had already doubled the average sales area of his stores (1,000 sq ft by then). During this first period of expansion, he made great efforts to improve services at the shop. The new stores were pro-

¹⁴ SSC, *JS Journal*, July 1947, pp. 15-16.

¹⁵ SSC, Lord Sainsbury's speeches, *L.C.C. College for the Distributive Trades*, 22nd November 1956, p. 2.

¹⁶ SSC, Lord Sainsbury's speeches, *Assortment policy: determining factors*, C.I.E.S. 16th Annual Congress, Cannes, May 1972.

¹⁷ He has never tried to be a truly national multiple because Mr John Sainsbury would open a new branch only when convinced that he would be able to resupply it frequently from the London Headquarters. SSC, Lord Sainsbury's speeches, *Development and organization of J. Sainsbury*, Twenty club, 4th January 1956, p. 5.

¹⁸ This policy was particularly important considering that Sainsbury's didn't advertise much during the early growth and relied on eye-catching display to promote its products.

gressively standardized on the *house-style* design of Croydon's branch in London Road. «Cleanliness is next to godliness»: that was the idea needed for communicating¹⁹. Relevant investments in modern equipment and expensive materials such as tiles and marble contributed to the removal of the main food enemies, such as mice and rats, as well as to creating a more attractive, hygienic and functional environment, making John Sainsbury a real innovator of the supply trade. Besides, in order to sell products at the best value for money he committed himself, with a group of food retailers that combined purchases, to obtaining goods at lower prices. In this way, price competition was possible without compromising quality, which depended mainly on reliable suppliers on the wholesale market.

At the close of the century, Sainsbury's business significantly grew since the ambitious expansion of the multiples Lipton and Home & Colonial, and other competitors as well, prompted him to strengthen his position on the market²⁰. In 1900 John Sainsbury had already 47 stores with 950 employees and sold approximately 130 different products, but in 1910 the number of shops, employees and items on sale had risen respectively to 109, 2,000 and 200, with a turnover of £ 2,4 million²¹. New facilities were needed, and a big depot was bought at Blackfriars in Stamford Street to collect all goods before sending them to the branches since a centralized distribution allowed a better control of quality standards²². Competition, quantity and product range were increasing very fast as new means of transport, refrigeration systems and better techniques in processing and canning foodstuffs were developing. With a steady rise in product range, the quality control system at Sainsbury's stores needed to be constantly strengthened. First and foremost, there was a substantial change in the supply chain. Even though John Sainsbury had always purchased most products on the wholesale markets or from intermediaries, he began to use his own agents to exercise a direct control on freshness and excellence particularly on the foreign markets²³. Moreover, being ahead of his

¹⁹ SSC, *JS Journal*, July 1949, p. 19.

²⁰ In 1890 Thomas Lipton had more than 70 stores in London alone and by the end of the decade Home & Colonial had over 200 branches in England.

²¹ B. WILLIAMS, *The best butter in the world*, London 1994, p. 219.

²² SSC, *JS Journal*, May 1949, p. 3.

²³ This began with Dutch butter as John Sainsbury discovered that the biggest firm of exporters used to store butter, while waiting for rising prices, thus compromising its final quality; a Sainsbury's agent was therefore appointed on the Friesland markets.

time, he demanded that specific perishable products, such as Dutch butter, had to have date of production and, later on, the Dutch Government made the same requirement compulsory.

In spite of this, Sainsbury's concern for product quality led him to exercise a final control even in the case of trustworthy suppliers. «Although we had received Danish Butter from the same dairies in Denmark for 50 years or more, each arrival was examined and tasted prior to dispatch to the branches»²⁴. At the same time, his domestic suppliers had to produce the perishable goods according to his guidelines on quality. Thus, even though products were subject to a further check-up at the depot at Blackfriars, the quality control gradually shifted towards a decentralized system, where greater responsibility was assigned to suppliers. In addition, inspectors from headquarters visited the branches on a regular basis in order to monitor their capacity of keeping up the firm's high quality standards and to give advice.

A substantial change occurred in the early twentieth century as the quality control procedures were implemented with a major commitment towards products manufacture. The increasing number of branches needed more quality products at competitive prices. Indeed, it was an irksome task considering the rising competition on the market, against which suppliers often behaved as opportunists, thus damaging the quality of products²⁵. Consequently, in 1912 John Sainsbury bought a farm at Little Wratting, in Suffolk, to produce eggs and moreover collect eggs from farmers in the neighbourhoods in order to promptly supply the branches²⁶. In doing so, the company undoubtedly became a pioneer in the British egg packaging industry.

The commitment towards production expanded a bit later when John Sainsbury's son, Frank, started to breed pedigree pigs at Little Wratting and set up a pig-buying organization in the Eastern Counties. He also provided some boars for local farmers to raise the quality of their pigs and the experiment proved to be very successful. This

²⁴ SSC, *JS Journal*, July 1947, p. 14.

²⁵ For example, English farmers used to keep back eggs a week or more, to take advantage of a rising market thus compromising their quality. But in this way, British eggs could not overcome the strong competition from abroad, particularly from French, Danish and Dutch eggs of indisputable higher quality because of the collective scheme developed by these foreign suppliers. Eggs were collected from different local farmers, then sent to a depot to be examined, graded and then taken to the market.

²⁶ SSC, *JS Journal*, May 1955, pp. 42-43.

was an important innovation in Sainsbury's quality control system. Until that moment the firm had relied on trustworthy suppliers for top products but, with a major commitment towards production, for the first time the company took an interest in the breeding, feeding and many more activities to maintain a reputation for quality:

If you want to be certain that you're getting the best possible raw materials to produce the best possible products for sale there's only one way to do it. You have to be able to check and control the condition of those materials as far back to the source as possible. In the case of meat, this means going on to the farms and consulting with the producers as to what sows and boars he should use and how his pigs should be fed²⁷.

Indeed, Sainsbury's was successfully adopting a leading role in obtaining the best raw materials. The numerous prizes the Little Wratting's pedigree pigs won at the Royal Show in Suffolk reveal that this was the right strategy. In addition, a slaughterhouse was added to the farm in order to have a complete control over the entire pork meat production process²⁸. Very soon the firm's products gained a strong reputation for quality²⁹. Thus, even though an increasing part of Sainsbury's trade was represented by foreign products, particularly frozen meat from South America and New Zealand, food manufactured in its kitchen at Blackfriars gained importance with the development of its own labels. Furthermore, with the outbreak of the First World War, a significant reduction occurred in Sainsbury's product range, but the company coped with the rationing scheme and protectionism better than its competitors since it relied mainly on domestic products³⁰.

In the inter-war years, the multiples Home & Colonial, International Tea and Moores Stores grew aggressively through acquisitions and mergers³¹. Sainsbury's also flourished consistently and in 1930 it

²⁷ SSC, *JS Journal*, December 1953, pp. 31-32.

²⁸ «The manufacturing process begins with the slaughtering. A farmer's good work can be spoiled by bad handling of the pig prior to killing and at the moment of killing, therefore, JS [John Sainsbury's] considers that they must not only buy their own pigs but also must have full control from the moment the animal leaves the farmer's possession». *Ibid.*, p. 32.

²⁹ From the new slaughterhouse, this quality meat went to Sainsbury's factory to be transformed into sausages and pies or directly to Sainsbury's shops to be sold as fresh or pickled meat.

³⁰ SSC, *JS Journal*, December 1953, p. 74.

³¹ Home & Colonial had 3,000 stores nationwide.

had 189 stores with 6,500 employees, while the impressive increase of product range (500) made it necessary to set up departments dedicated to different foodstuffs, such as grocery, poultry, bacon, etc. Moreover, Sainsbury's developed its own labels so as to improve further product quality. However, the growth of the company's own labels was partially due to Alan Sainsbury³² reluctance to adapt to the Resale Price Maintenance (RPM), a practice which took place over the years between the two world wars, according to which the producers would fix the minimum sale price on all markets, without considering the differences in regional costs or the amount of purchases from retailers. These prices were justified by the assurance of a better service, higher quality goods and more efficient distribution and production³³. At the beginning of the Thirties, between 27% and 35% of all consumer goods sold in Great Britain were subject to RPM³⁴.

RPM created imperfect competition and prevented enterprises from pouring onto customers savings realized through economies of scales and low distribution costs. Alan Sainsbury forcefully highlighted that «resale price maintenance eliminates price competition at the retailing stage and introduces a uniform price for a particular product at all shops in the country»³⁵. It was therefore a subsidy for inefficient dealers because the producer aimed at fixing the price in order to maximize the number of dealers of his product, guaranteeing a profit margin even for dealers with a low turnover³⁶. The main result was to maintain artificially higher prices, therefore RPM compromised Sainsbury's efforts to maintain a good price-quality ratio. Hence, the company's decision to invest in its own labels freeing itself from producers' constraint and also competing for a bigger market share. As pointed out in the *JS Journal*: «provided we get the right product, the right price and the right name we see no reason why we should not compete on equal grounds with the proprietary products»³⁷.

In 1956 the Restrictive Trade Practices Act was issued; it was the first law that limited the RPM. This Act forbade the Grocers' Pro-

³² He was Mr John's eldest son.

³³ SSC, Lord Sainsbury's speeches, *Resale Price Maintenance*, IPC Solus Club Dinner, 19th March 1964, p. 2.

³⁴ B.S. YAMEY, *Resale Price Maintenance*, London 1966.

³⁵ *Price maintenance subsidises retail inefficiency*, «The Grocer», 2nd May 1964, p. 36.

³⁶ Competition took place in particular on the services through credit and free delivery.

³⁷ SSC, *JS Journal*, April 1947, p. 21.

proprietary Articles Council (GPAC)³⁸ from boycotting dealers who would not adapt to the RPM³⁹. However, this was a partial solution as it considered the collective action as being illegal, while the RPM carried out by the single retailer was still tolerated and there were many of these agreements⁴⁰. At the end of 1963, about 40% of all goods sold on the British market were still subject to a fixed price, and it was not until 1964, despite the Conservative Party's opposition, that the Resale Prices Bill totally abolished the Resale Price Maintenance, apart from a few exceptions.

In the meantime, Sainsbury's had consistently developed its own labels and its turnover. Centralization of both responsibilities and strategic decisions was of great support to the increasing business, whilst controlling the entire distribution chain was the best way to reduce costs and to maintain quality standards⁴¹. Consequently, the growth on scale of Sainsbury's products range during the first half of the twentieth century – due to both private and its own labels – was an incentive to standardize the working practices and to expand the quality control procedures. The firm's kitchen at Blackfriars⁴² was modernized with consistent capital investment and, in 1935, a laboratory was set up to regularly test and analyse the products before dispatching them to the branches⁴³. In addition, goods from different Sainsbury's stores were sent to the laboratory to control that the com-

³⁸ The pressure for maintaining the sale price did not only depend on the producer. For example, in the food business most members of the National Dealers Federation supported the RPM; in 1933 the Grocers' Proprietary Articles Council was established to draft a list of goods subject to the RPM. T. FRYER, *Regulating Big Business: Antitrust in Great Britain and America, 1880-1990*, Cambridge 1992; C. MORELLI, *Constructing a Balance between Price and Non-Price Competition in British Multiple Food Retailing 1954-64*, «Business History», 40 (1998), 2, pp. 45-61 (45).

³⁹ J.F. PICKERING, *Resale Price Maintenance in Practice*, London 1966.

⁴⁰ N. CUTHBERT, W. BLACK, *Restrictive Practices in the Food Trades*, «The Journal of Industrial Economics», 8 (1959), 1, pp. 33-57. In 1960, the inadequacy of the Law obliged the British government to reconsider it so as to make the economy more competitive. A commission to study the issue was established and a possible saving of £ 180 million was estimated for consumers in the event of a total abolition of the RPM, as recommended by the commission. But the National Chamber of Commerce described the proposed legislation as "retail apartheid" as it would favour the larger stores while discriminating the small shops.

⁴¹ Some lorries were purchased in 1919 to supply further branches as promptly as possible, whilst horses remained of great importance for deliveries to branches in town.

⁴² Thus enforcing stricter hygiene standards.

⁴³ SSC, *JS Journal*, February 1951, p. 22.

pany's quality standards had been maintained there. Indeed, it was quite an innovative practice among the British food retailers of the period, particularly when considering that new products often came from scientists, buyers and suppliers working together in that very same laboratory. Sainsbury's steady growth resulted in 249 stores, a quadrupled average sales area (2,000 sq ft) compared to the original shop, and a turnover of £ 12.0 million in 1940. The company could sell more per square foot of selling space in its branches than any of its competitors since, in 1939, Home & Colonial's turnover from its 800 stores was £ 9.9 million, Lipton gained less than £ 7 million from its 450 shops and Maypole Dairy £ 9.1 million from its 1,000 branches⁴⁴.

Nevertheless, the Second World War compromised Sainsbury's assortment policy: «In a world of scarcity and rationing there is little room for the refinements of quality, and the Ministry of Food, to do its job at all, had to concentrate on obtaining and distributing a standardized article»⁴⁵. Variety and quantity of products declined, while significant changes occurred within Sainsbury's departments: less space for eggs and meat, more space for canned and tinned food as well as grocery⁴⁶. In fact, Sainsbury's response to hard times was its growing interest in new products and farming enterprise: just before the end of the 1940s the company committed itself to the tomato trade⁴⁷, in 1944 it bought a big estate in Aberdeenshire to rear cattle and in 1949 purchased its own poultry and game depot at East Harling, in the Norfolk area⁴⁸.

⁴⁴ G. EMERSON, *Sainsbury's. The record years 1950-1992*, London 2006, p. 26.

⁴⁵ SSC, *JS Journal*, July 1947, p. 14. Moreover, petrol rationing compelled the firm to cut down the deliveries to branches from five to just three per week, whilst it became necessary to introduce night loading owing to the lack of cargo facilities. Afterwards, this novelty became a rule to ensure the freshest food and the best service, allowing undisputable advantages to the firm's stores. «Night loading gives us the maximum flexibility which rail traffic or contractors are unable to provide». SSC, *JS Journal*, March 1950, p. 3.

⁴⁶ SSC, *JS Journal*, April 1947, pp. 13-14.

⁴⁷ It sent its buyer to the wholesale market at Covent Garden to obtain the best tomatoes in the finest condition. In the wintertime it bought tomatoes from the Canary Islands, while in the summer tomatoes and cucumbers came from the Lea Valley and, in this case, producers were sent directly to Sainsbury's without going to Covent Garden.

⁴⁸ Since the 1920s Sainsbury's poultries have come from the markets of Smithfield and Leadenhall or directly from farmers, but during the rationing period Sainsbury's was forced to accept the quantity and quality of poultry that the Government assigned to it.

The Postwar period was also one of rapid changes in customs and techniques. When in 1946 John Sainsbury launched the first number of *JS Journal*, he aimed at encouraging a closer link between headquarters and branches. This brought a deeper know-how on their business policy in order to solve problems easily and gain in efficiency as well. It was a successful way to promote mutual confidence and understanding between management and staff, passing information both from the top down and bottom up. But *JS Journal* also offered advice on topics of general interest. Dr. J. Pace, a previous member of the Scientific Advisors Division of the Ministry of Food and subsequent Scientific Advisor for Sainsbury's, pointed out how, in those days, the general public was experiencing a growing interest in scientific matters, particularly due to the feelings of apprehension and bewilderment regarding health. «For better or worse we are fated to live in a highly scientific age, and fundamentally this is why more people are becoming interested in the role of the scientist and in the effect of his discoveries on our daily lives»⁴⁹.

In particular, consumers were becoming more concerned with hygiene in food production and distribution, thus making Sainsbury's laboratory even more important. The awareness of public sensibility enforced Sainsbury's concern for hygiene, which turned out into a constant endeavour to keep ahead of time: no more business carried out in front of the shop⁵⁰, investments in mechanical conveyors, new techniques to handle frozen meat from New Zealand and Argentina. The advent of mechanical refrigeration allowed the company to prepare the goods on sale in advance, now carried out in the warehouse or service room⁵¹. Even the packaging operation deserved more attention to sell goods in a functional, attractive and hygienic way⁵². Innovations that made Sainsbury's worthy of a prize for its coffee and Semolina packs at the *Britain can make it* exhibition. All these improvements would have been fully developed at the beginning of Sainsbury's self-service adventure in 1950.

Capital investment regarded mostly the quality control facilities, partially as a result of a business strategy focusing on its own labels. The general idea was that the "own label" guaranteed a high quality

⁴⁹ SSC, *JS Journal*, December 1946, p. 3.

⁵⁰ A common practice with eggs and poultry until wartime.

⁵¹ SSC, *JS Journal*, December 1947, p. 14.

⁵² New price and descriptive tickets of plastic material, washable, greaseproof and of more pleasing appearance were introduced.

standard like the leading brands on the market. For this to be achieved, not only was the consumer's judgment necessary but also the advice of scientific laboratories. Moreover, the company wanted to strengthen a long-lasting commercial cooperation with its suppliers on a technical and scientific basis and offer solutions whenever they had a problem to cope with⁵³. In 1948, the firm's laboratory was enlarged and separated into two main branches, assigned, respectively, for bacteriological and chemical analysis. The laboratory worked in tandem with the firm's kitchens because all the raw materials needed a certificate from the former before being processed; even the finished products were tested once a week.

The aim of the «Pre-dispatch Quality Control system» was to verify that every batch of products, manufactured in the Factory or elsewhere, fitted the Sainsbury's standards of quality. Raw materials and goods also had to conform to standards laid down by the Ministry of Food. In addition, in Sainsbury's laboratory «not only do we examine samples of these goods for one of our best customers, the Grocery Buying Office, but we also examine samples of these and other goods taken by sampling officers under the Food and Drug Acts»⁵⁴. At the same time, through a strict collaboration with the laboratory, the company could buy the best materials and equipment such as packaging paper and film. Despite this, the biggest changes in Sainsbury's quality control system occurred with its involvement in self-service, starting from the 1950s. The self-service format brought the enterprise to face the need for a progressive reorganization of all its sectors because «it calls for higher standards of quality and freshness and condition of the goods one sells»⁵⁵.

3. *The self-service revolution*

During the mid-twentieth century, self-services, encouraged by some European governments, largely spread throughout the West together with supermarkets, as a strong incentive for productivity. Besides, the very same American government, right in the midst of the

⁵³ So now the JS scientists are able to visit almost 500 suppliers every year to check more than 1,500 own labelled products.

⁵⁴ SSC, *JS Journal*, February 1956, p. 25.

⁵⁵ SSC, Lord Sainsbury's speeches, *Self Service*, Development Association, 13th September 1956, p. 4.

Cold War, considered the self-service format as an opportunity against the diffusion of the Communist ideology⁵⁶. But it was the undisputed charm of the American way of life that eased the spread of supermarkets as an expression of the new consumer culture⁵⁷. In the United Kingdom, the Minister of Food John Strachey made 100 new licences available for opening self-service shops. The first ones took place there in 1942 at the London Co-Operative Society, who were the first to perceive their potential in terms of market share⁵⁸. Despite this, the first attempts did not go beyond the experimental phase⁵⁹. It was not until the end of the decade that the format spread more decisively when it was adopted by the main corporate food chains such as Sainsbury's, Waitrose, Marks & Spencer and Tesco⁶⁰. However, these experiments were mostly limited to preserved and long-lasting products because the perishable ones required considerable refrigeration investments.

Sainsbury's, instead, invested strongly in refrigeration systems and in all the necessary equipment in order to provide a wide product range as usual, and this is the reason for its major commitment to quality control. Moreover, the need for standardized products led to the redefinition of the suppliers' activity following precise production criteria and thus a major control of the supply chain. Sainsbury's opened the very first self-service store at Croydon in 1950. The idea came from a trip to the United States that Mr Alan Sainsbury and his fellow director, Mr Fred Salisbury, went on in 1949 to study the food system, and they were particularly impressed by the thoroughness of American methods⁶¹. Supermarkets had a remarkable product range, even though self-service was not applied to all perishable goods.

⁵⁶ HAMILTON, *Supermarket USA*, position 47.

⁵⁷ DE GRAZIA, *Irresistible Empire*; SCARPELLINI, *Shopping American-Style*.

⁵⁸ G. SHAW, A. ALEXANDER, *British Co-operative Societies as retail innovators: interpreting the early stages of the self-service revolution*, «Business History», 50 (2008), 1, pp. 62-78. Besides, the format helped to solve the problem of the lack of skilled labour and to increase productivity of retail spaces because products were not packaged in stores anymore.

⁵⁹ J.A. DAWSON, *Innovation adoption in food retailing. The example of self-service methods*, «Service Industries Journal», 1 (1981), 2, pp. 22-35 (25). The model foresees four sequences: experimentation, diffusion if favoured by the public, market saturation, and consequent decline or start of a new cycle depending on whether innovation becomes obsolete owing to consequent innovations or whether it manages to adapt to new circumstances.

⁶⁰ In 1950, the first Distribution Survey counted 500 self-service stores.

⁶¹ SSC, *JS Journal*, September 1949, p. 12.

Indeed, a high standard of management was required to handle such a wide range of commodities⁶². It seemed to Mr Sainsbury that self-service was a more hygienic and exciting way for shopping, but it needed some adaptation to the British market⁶³.

The rationing control and the lack of packaging materials were a big obstacle to the spread of self-services as manufacturers were not equipped to supply these stores⁶⁴. To fix the price of primary commodities as well as the allocation of limited goods amongst retailers, was the Government's exclusive responsibility and therefore, it was impossible for dealers to choose variety, quality and the price of assortment products. Moreover, in the US market most householders owned a car and the abundance of land at low prices permitted supermarkets at the outskirts of towns to have a car park so that the consumers could simply go and buy just once a week. This was inconceivable in the case of the British market where cars were still a luxury good and the restrictions due to town planning created some difficulty when buying land for car parks. The population's low purchasing power and the limited spread of domestic refrigerators became an ulterior obstacle.

A further issue was the socio-cultural context with its extremely strong class distinctions resulting in a natural clash between consumer practices and new self-service techniques. In a society founded on a net redistribution of roles, it could be difficult to convince the customer that purchasing without services was a form of independence and of emancipation rather than a downgrade of a personal social position. In this respect, the dialogue between Lord Sainsbury and one of his customers is emblematic:

It was the end of the first week and I was helping a lady take the goods out of her wire basket at the checkout when she said, «Why does a high-class firm like Sainsbury's convert their shops to this non-sensical self-service? I know dozens upon dozens of my friends who are never going to come into the shop again». «I can assure you ma'am», I replied, «we are going to serve many more customers both this week, and in the future, than we have ever served before». And she turned to me and said, «But they will be the wrong class of customers»⁶⁵.

⁶² Ibid., p. 18.

⁶³ G. SHAW, L. CURTH, A. ALEXANDER, *Selling self-service and the supermarket: the Americanization of food retailing in Britain, 1945-1970*, «Business History», 46 (2004), 4, pp. 568-582; ZIMMERMAN, *The Super Market*.

⁶⁴ The rationing policies during the War will be totally abolished by the British Government exclusively in 1954.

⁶⁵ SSC, Lord Sainsbury's speeches, *Self-service*, p. 6.

As Mr Fred Salisbury noticed, in the United Kingdom «many people regarded self-service retailing as an unwanted American technique»⁶⁶, but the savings connected to the new selling system strongly suggested exploiting this new format. In the end, «The self-service revolution began and the American word “supermarket” was accepted into our language»⁶⁷.

In little time Sainsbury's managed to overcome customers' resistance, convincing them of the advantages of self-service and offering also an excellent service because, according to Lord Alan Sainsbury, «self-service is not a cheap way of retailing but a better way of shopping»⁶⁸. The firm made many efforts to build an identity based not only on the quality of its products, but also on a perfectly recognizable business policy. In order to do so, it experienced a greater degree of centralized management, compared to many other multiples, to guarantee uniformity of standards prompting all branches to conform to the company policy⁶⁹: the same design and display for any store, clear price information, no extravagant advertising techniques and careful attention to details⁷⁰. «The focus had to be on the food, what was on offer to our customers and how it was presented; everything else in the environment was a low-key backdrop»⁷¹.

The store needed to be transformed in a functional and comfortable environment bringing out the delightful aspect of the purchasing experience; in this way, the customer prolonged his stay in the store, thus increasing impulsive purchasing. Sainsbury's new designer, Mr Beaumont, was looking for an innovative company image that could recall the idea of simplicity together with Sainsbury's hygiene and cleanliness model. It was necessary to plan the store by following new principles: the goods had to be brought to the customer without hampering the circulation while the location and the product prices had to be clearly specified in each sector⁷². This allowed the customer

⁶⁶ SSC, *JS Journal*, February 1951, p. 8. Therefore, it is not surprising that only half of the licences provided by the Government to build and transform the existing stores in terms of self-service practices will be maximized.

⁶⁷ SSC, Lord Sainsbury's speeches, *Self-service*, p. 6.

⁶⁸ *Ibid.*, p. 2.

⁶⁹ SSC, Lord Sainsbury's speeches, *Development and Organization of J. Sainsbury's Ltd.*, January 1956, p. 23.

⁷⁰ SSC, *JS Journal*, July 1947, p. 16.

⁷¹ EMERSON, *Sainsbury's*, p. 51.

⁷² Neon lights, refrigerated cabinets, gondolas to exhibit products, shopping trol-

to inspect the products and evaluate the value-for-money relationship without any external conditioning⁷³. Indeed, according to du Gay, «self-service was not a singular system but a loosely connected set of technologies»⁷⁴. Sainsbury wasn't the first to open a self-service shop, but he was the first businessman that specifically designed shops to operate in this way in the UK. According to Lord Sainsbury, «We have switched from evolution to revolution»⁷⁵. On 30 October 1967, the company will be awarded the Presidential Medal for Design Management by the Royal Society of the Arts⁷⁶.

New consumer models are born as well as a different relationship with the products. Paul du Gay defines self-service purchasing as a cultural as well as an economic process because, besides guaranteeing economic results for the dealer, it also allows the customer to obtain growing, personal and individual self-sufficiency⁷⁷. Most customers were fascinated by the novelty:

We collected a basket and wandered around, leisurely choosing a tin of fruit here, a packet of biscuits there, a meat pie from one of the refrigerated containers until our basket was full. There was no queuing, no need to ask «what do you have in stock?», for it was all there to see. Our only criticism – it's the easiest way in the world of spending too much money. It's such fun to pop things in the basket yourself that you forget you have to pay on the way out!⁷⁸

However, the consumer's self-sufficiency in purchasing resulted in significant changes well beyond the store's design. As already mentioned earlier on, cleaning, packaging and weighing perishable goods did not take place in front of the customer anymore but behind the scenes in the stores, since «the necessity of pre-packaging everything before sale does make for cleanliness and, in addition, there are not queues»⁷⁹. Indeed, new procedures of food preparation and handling

leys were some innovations introduced by Sainsbury's to obtain efficiency and to facilitate purchasing.

⁷³ ZIMMERMAN, *The Super Market*, pp. 52-53. Instead, by going to a traditional cashdesk, the customer would often be geared towards the trader's line of products or, anyway, towards those products guaranteeing a major margin of profits and an obvious pressure exerted, resulting in customer purchasing being impeded.

⁷⁴ SSC, *JS Journal*, February 1951, p. 16.

⁷⁵ *Ibid.*, p. 10.

⁷⁶ EMERSON, *Sainsbury's*, p. 92.

⁷⁷ P. DU GAY, *Self-service: Retail, Shopping and Personhood*, «Consumption, Markets and Culture», 7 (2004), 2, pp. 149-163 (151).

⁷⁸ WILLIAMS, *The best butter*, p. 129.

⁷⁹ SSC, *JS Journal*, September 1950, p. 8.

ensured higher standards of quality and freshness, while technical improvement of furniture and materials preserved the foodstuff's condition. Formal training became a common and highly considered practice at Sainsbury's and, with this respect, the company was a pioneer indeed: «Advertisements for tradesmen began to appear in the Trade press saying "Sainsbury's trained men preferred"»⁸⁰.

Moreover, in order to provide the best quality product for its consumers, at Sainsbury's, new techniques and procedures were being looked for all the time and visits to producers, suppliers and research institutions became increasingly of the utmost importance. Some members of Sainsbury's staff involved in the meat trade took advantage of the lectures and educational trips at the Institute of Meat⁸¹. Since the spring of 1949, Sainsbury's had its own poultry and game depot at East Harling, in the Norfolk area. Until the end of the Second World War the company received poultries which had already been killed and plucked by its farmers, but still uneviscerated, which meant that they had to be dressed in the back of each store. However, with the development of self-service, the volumes became so great that Sainsbury's demanded that poultry get to be dressed back at the processors and, given that the eviscerated carcasses risked more rapidly being attacked by bacteria, freezing was the only way to preserve them. This explains the wide spread of frozen chicken in those days and, of course, Sainsbury's was of great support in this evolution⁸². Despite this, poultry remained an item which was difficult to manage because it was transported in refrigerated lorries and whenever the drivers stopped and switched off the refrigeration, the top layer would get slightly defrosted and could not be frozen up again because it would turn brown. According to Mr James Green, a former buyer of those days: «So once we started finding those sort of things, then we would send the whole lot back. That's one aspect of quality control»⁸³.

Some important suggestions came also from the Food Investigation Department that gave information about the latest methods ap-

⁸⁰ SSC, *FW Salisbury and J. Woods conversation regarding draft for Sainsbury's 100 years book*, p. 38.

⁸¹ For example, they went to Cambridge, «where are situated research laboratories of great assistance to the meat trade»; they visited the Low Temperature Research Station, the University Farm, the Laboratories of the School of Agriculture and the Artificial Insemination Centre. SSC, *JS Journal*, May 1950, p. 10.

⁸² GODLEY, WILLIAMS, *Democratizing Luxury*; EMERSON, *Sainsbury's*, pp. 49-50

⁸³ SSC, *James Green interview* 13th January 1993, p. 4.

plied in the USA, and soon the company was at the vanguard in processing poultry and its depot «will undoubtedly serve as a pattern, not only for more of our own, but also for those of our more enterprising suppliers who are anxious to meet our requirements in re-establishing our poultry trade»⁸⁴. In fact, particular attention was paid to enforce the co-operation with meat suppliers, above all in the case of the poultry business which experimented a consistent expansion and prosperity in Great Britain due to a great extent of the world suffering a shortage of meat. The new poultry packing station in Aberdeen, in 1953, was really important as the manager, Mr Brewer, set up a constant dialogue with the poultry suppliers «to advise them how to produce the type of bird which we as both packers and retailers would want to supply to the public»⁸⁵.

Nevertheless, when Sainsbury's expanded further its product assortment by including fruit and vegetables, maintaining its reputation for quality proved to be quite a challenge. The firm had already introduced cucumbers and tomatoes in its stores in the late 1940s, but in 1955 it opened its first branch (Levisham) with a specific produce department⁸⁶, even though domestic produce had a bad reputation in those days. British housewives generally distrusted greengrocers, their scales, the quality of their goods, their cleanliness and their ability to push the old bad produce to the bottom of the bag. Consequently, «It is generally accepted that only a small percentage of English produce is adequately graded and packed to a consistent standard, or even to any standard»⁸⁷. It was this lack of trust that was very difficult to overcome. The setting up of the Horticultural Marketing Council⁸⁸ was hoped to make substantial changes in the marketing (grading, packing, market handling, advertising, etc.) of home grown produce, but some sections of the industry claimed that their freedom was threatened and that many of the changes recommended by the Horticultural Marketing Council were inadequate and unnecessary, or alternatively too severe. British farmers were reluctant to grade produce because of the expenses inevitably reflected in the retail price.

Sainsbury's, not only had to ascertain that its reputation for qual-

⁸⁴ SSC, *JS Journal*, December 1950, p. 15.

⁸⁵ SSC, *JS Journal*, October 1953, p. 35.

⁸⁶ SSC, SA/PRO/16/4, *Background notes on the Produce Department*, October 1962.

⁸⁷ *Ibid.*, p. 1.

⁸⁸ It was financed by the government for the first three years of its existence.

ity and fair trading was not harmed by the introduction of produce into its branches, but it had also to ascertain that its customers bought fruit and vegetables from Sainsbury's because they knew they could trust the quality and fair trading of the produce department⁸⁹. Thus, initially the company was forced to buy off the market by using resident buyers there, but as more branches opened, the firm needed ever increasing supplies and top quality produce, graded to size and quality, something that the British farmers were reluctant to do⁹⁰. In the end, the company switched to imported produce which was graded, and dealt directly with the producers and suppliers of this produce. British farmers saw the threat to their livelihood created by the company's action and grading and a crude form of prepacking began⁹¹. By 1960, larger self-service Sainsbury's sold 60 fruit and vegetables lines.

We made errors and mistakes, the path of progress and new ideas was not easy. We had to learn that all produce was a live, living organism which needed handling with care and given close attention, something that many other companies beside ourselves were to learn the hard way. Pre-packing has had its early headaches, finding the right materials, the right films, net, the right bags, tag and scale, etc.⁹²

In the late 1950s Sainsbury's developed further its own labels, thus including products manufactured at Blackfriars (i.e. cooked meat), other products resulting from strict collaboration with suppliers (i.e. frozen chicken) and even goods produced following Sainsbury's instructions⁹³. On the whole, the advent of self-service resulted in a steady growth in Sainsbury's business, particularly in the average sales area as well as in the turnover (Table 1), and by the mid-1950s the company began to convert all its stores in self-services.

In the 1960s the British society went through a real cultural revolution and Sainsbury's needed to adapt to an expanding and evolutionary market: better standard of living, major health care, request for products under guarantee, purchasing as a free-time activity. Only a few of these needs have been herewith mentioned, but all encour-

⁸⁹ SSC, SA/PRO/16/4, *Background notes on the Produce Department*, October 1962, p. 1.

⁹⁰ SSC, SA/PRO/16/4, *Note: The product and distribution*, p. 22.

⁹¹ However, M&S adopted the same strategy.

⁹² SSC, SA/PRO/16/4, *Note: The product and distribution*, p. 23.

⁹³ EMERSON, *Sainsbury's*, p. 50.

Table 1 – *Sainsbury's growth, 1950-1980*

Date	N° of branches	Turnover £ m	Average sales area (sq fr)	N° products sold	N° employees
1950	244	15.8	2,000*	550	8,500
1955	255	38.0	3,300*	700	10,000
1960	256	68.0	5,800	2,000	15,000
1965	254	101,1	6,700	2,500	18,000
1970	225	187.5	10,200	4,000	32,000
1975	201	452.8	17,700	5,000	31,100
1980	231	1,226.6	14,800	7,000	37,300

Source: EMERSON, *Sainsbury's*, p. 219.

aged the company to enlarge its food lines to meet the needs of an ever more demanding population. Massive capital investments were planned to modernize the distribution system through the decentralization of depots, where most product packaging moved to. Four regional distribution centres were gradually added to the original depot at Blackfriars and this allowed more efficient deliveries to the different branches⁹⁴. The growing turnover and the complex diversification strategy involved major investments in research and product analysis in order to guarantee the usual high quality standards. In 1965 a new laboratory was inaugurated which was totally avant-garde. The quality control system further developed as each depot had inspectors to check the items collected and producers became increasingly responsible for product quality. Nevertheless, Sainsbury's continued to help them by sending technicians and information on new instruments and production procedures. Moreover, the firm checked the quality in its laboratories carrying out numerous tests on freshness, texture and the taste of the final products.

Most of these changes took place between the end of the Fifties and the early Sixties, a rather turbulent period for the English distribution sector as the appearance of new actors and consolidation of others⁹⁵ implied tension and conflicts in order to redistribute positions of power⁹⁶. The long battle against the Resale Price Maintenance was mentioned earlier on. However, one of the factors that had brought

⁹⁴ These regional depots were Buntingford, Basingstoke, Hoddesdon, Charlton.

⁹⁵ In 1963 Tesco had 149 self-service stores, Fine Fare 200 self-service shops, while Asda was established in 1965.

⁹⁶ MORELLI, *Constructing a Balance*.

the Government to this, was the so-called “Stamp War”, aimed at attracting the public opinion’s attention on the problems of sale prices. This was a war in which Alan Sainsbury’s took a decisive position against a tool adopted by the United States in the nineteenth century to build customer loyalty and which he considered an abuse towards the very same customers: the “trading stamps”⁹⁷. They were coupons which customers would collect to receive gifts in exchange. Alan Sainsbury believed that, not only would the stamps limit consumers’ freedom of choice, but in the long term, this would bring an increase in distribution costs and consequent increase in prices for consumers⁹⁸. Thus, he sponsored a law that authorized receiving money rather than gifts and that would set up controls in order to avoid deceptive advertising⁹⁹.

In Britain, the first company to issue stamps had been *Blue Saving Stamp Co.* in 1880 but the phenomenon spread only in 1958 with *Green Shield Trading Stamp Company* and became massive from the end of 1961, when independent retailers, small branches and later on supermarkets, like Fine Fare and Tesco, began to use stamps. In 1963, there were thirty companies that issued stamps and *Green Shield* had already a market share of 60%. In the same year, a Nielsen research revealed that 15,000 grocers, that was 10% of the total, used stamps but, according to Alan Sainsbury:

the 10% of grocers giving stamps in the United Kingdom accounts for only 5% of the total grocery turnover. This shows, I think, conclusively that it is mostly the smaller grocer who is giving stamps, and I would go further and say that it

⁹⁷ The American supermarkets were very similar to each other because they had not a precise individual image; moreover, they had almost the same product assortment as the national brands were very powerful. Trading Stamps, therefore, were a successful means to increase customer loyalty. SSC, Lord Sainsbury’s speeches, *The contrast between retailing in Britain and the U.S.A.*, Lunch at the American Chamber of Commerce, 8th April 1964.

⁹⁸ SSC, L. SONKODI, *Trading stamps and the public interest*, reprinted from Food Manufacturer’s Federation (FMF) Review, August 1963.

⁹⁹ An analysis carried out by the business magazine ‘Premium Practice’ revealed that in 1962 in an important metropolitan area of the USA the average price goods in stores which adopted stamps were 2,4% higher than in other stores. Always in the USA, different states had adopted anti- stamp regulations and some had interesting solutions: «consumers be given the option of accepting cash discount instead of stamps. I recommend this solution to the new President of the Board of Trade». SSC, Lord Sainsbury’s speeches, *Trading stamps promotions*, The marketing Society, 22nd October 1963, p. 10.

is very often the least successful and least efficient, who is not incidentally a member of his trade association¹⁰⁰.

In November 1963 Sainsbury's started promoting "SuperSavers" to show how his anti-stamp policy made it more competitive compared to the rival companies. Moreover, he was appointed as the president of the Distributive Trades Alliance, established in the same year, which aimed at fighting back the diffusion of stamps in the United Kingdom by encouraging a campaign against stamps. The idea was to make consumers aware of extra costs linked to stamp collections. The anti-stamp campaign was partially successful because in 1964 the Trading Stamps Act, which was sponsored by the Conservatives, was issued to limit the use of stamps. There were, therefore, persistent changes in market competition over the period 1958 to 1964. Nonetheless, most of the time it was not a price competition and this allowed enterprises like Sainsbury's to grow and obtain the necessary organizational skills to face the great changes of the Seventies, when the food market in the United Kingdom had, at this stage, turned into an oligopoly dominated by few large companies, amongst which Sainsbury's¹⁰¹.

In the early 1970s the company wanted to increase sales volumes because even though profits had almost doubled in the 1960s, the profit margins were still low. The development strategy, which now focused on larger stores, could also face better the demanding market of the 1970s, when people's relationship with food was evolving fast in terms of tastes and purchasing habits. As stressed by Kim Humphery: «while food shopping had long been the task of women, its construction as convenience and increasingly as pleasure, beside that of housewifely duty, was quite new»¹⁰². However even the 'profile' of the supermarket shopper was changing with more men involved¹⁰³. Sainsbury's, like Tesco and Asda, began to develop "edge of town" supermarkets and also increased the number of branches with car park facilities and other services (toilettes, restaurants, etc.) because customers spent more time in stores. In this respect, the main

¹⁰⁰ Ibid., p. 5.

¹⁰¹ In 1967 Sainsbury's had 252 stores (64 supermarkets, 39 partly converted self-service stores and 149 counter service shops), Tesco 480 stores (180 supermarkets), Fine Fare 300 supermarkets and many other shops; Lipton and Home & Colonial had 1,130 stores (more than 230 supermarkets) and Co-op's market share was 25%.

¹⁰² HUMPHERY, *Shelf Life*, p. 29.

¹⁰³ Ibid., p. 5.

British food retailers looked at the French experience of hypermarkets with great interest as most traditional food retailers in town had been replaced, not by supermarkets, but by modern shopping centres out of town, with a very different and greatly advanced organization and distribution.

The company also provided new merchandising and display techniques, but most of the company's commitment aimed at enlarging the product range: larger packs sizes of food were arranged because shopping was less frequent than before, but Sainsbury's appealed even to the expanding "singles" market by promoting food in small portions; counters service for delicatessen were successfully introduced as well as instore bakery to offer greater choice, while the wine department not only was a novelty of that period but also contributed to changing the British drinking habits. Moreover, increasing leisure had pushed the demand for convenience goods which means those foods bought frozen or in a package which require minimum preparation to provide an instant meal¹⁰⁴. Sainsbury's, therefore, diversified into the frozen food market by converting its old counter service branches into freezer centres which sold large packs sizes of frozen food at very cheap prices. Despite this, it was not a very successful strategy as «freezer centres never gave us a return»¹⁰⁵ and as refrigerators became a common item in the British households, Sainsbury's incorporated the frozen trade into its branches in early 1975.

Relevant changes were also needed in the firm's organizational structure in the early Seventies. The first multiple organization had a very loose control and its strength lay in a concentrated purchasing power. «Js developed this concept by adding the benefits of strong centralized control»¹⁰⁶. However, the diversification of product range and the increase in the size of stores, during the second half of the twentieth century, required a diversified control, so as to simplify quality control and promptly react to the market evolving demand¹⁰⁷. Thus, as Sainsbury's business increased in scale and complexity¹⁰⁸, the

¹⁰⁴ SSC, Lord Sainsbury's speeches, *Talk to the British Institute of Management*, 12th June 1974, p. 2.

¹⁰⁵ SSC, *Interviews 1989*, p. 14.

¹⁰⁶ SSC, Lord Sainsbury's speeches, *Talk to the British Institute of Management*, 12th June 1974, p. 11.

¹⁰⁷ Considering the staff, it is referred to a self-reliant type of Store Manager, new skills and experiences relating to new products, an organizational structure that authorizes a decision-taking delegation.

¹⁰⁸ In 1977 Sainsbury's market share was 7.9% and it rose up to 8.6% in 1979;

management structure had to be changed and the administrative functions gradually decentralized. If initially this structure included one manager with his two assistants, now a new level of management was introduced, the “Departmental Directors”, whose task was to set prices and be responsible for the marketing and innovation within their own department, whereas the buyers focused on finding high quality products. There was, therefore, a clear distinction of responsibilities among different levels of personnel. At the same time the distribution system became more flexible by using contractors instead of building new depots to manage the trade.

By the second half of the 1970s and well into the 1980s health concerns affected consumers’ behaviours since they asked for healthier food with less additives, colorants or other chemical components. This new consumer trend pushed Sainsbury’s to a greater commitment into quality controls and research to meet consumers’ higher expectations¹⁰⁹. Sainsbury’s meat buyers developed a new packaging technique – Controlled Atmosphere Packing – as a better protection against bacteria, thus ensuring also a longer shelf-life. Besides, the company adopted automatic technology to guarantee the cold chain efficiency. In addition:

Virtually all store employees undertook a demanding training course to ensure best practice in handling food safely. This course was the first to be accredited by the Institution of Environmental Health Officers; later the 1990 Food Safety Act required that all retailers’ standards for handling food were similar to those established by Sainsbury’s. In January 1985, Sainsbury’s was the first food retailer to introduce nutritional labelling¹¹⁰.

Indeed, all these changes did not challenge the company’s policy which had defined Sainsbury’s history from its debut in 1869 and which, to the present day, make it one of the most valued food retailers in Britain: “Higher quality at a cheaper price”.

Tesco, its nearest competitor, which initially did not have a positive image because it focused on price competition instead on quality products, was a couple of percentage points ahead in 1977 (the market share is in terms of total sales in all grocery outlets). M&S had a reputation for quality and service but was mainly focused on convenience foods, while Safeway was becoming a serious competitor by then, despite its prices 5% higher than Sainsbury’s. Asda was following Sainsbury’s in the development of a wide range of own labelled products.

¹⁰⁹ In 1990 Sainsbury’s scientific division will employ 167 persons in total, with an annual budget of £ 5 million.

¹¹⁰ EMERSON, *Sainsbury’s*, p. 198.

4. *Conclusion*

Unlike many of its competitors, Sainsbury's has not experienced a rapid growth, but by starting as a little dairy shop in 1869, it has been able to create a solid reputation for quality long before becoming one of the leading British supermarkets in the 1970s. In the mid-twentieth century, due to the advent of mass production and of the self-service format, consumers were experiencing uncertainty as they were not able to pick the advantages of these novelties and they did not trust the new and complex products. Government policy was overwhelmingly neglectful and as a result public trust in food decreased; consumers needed to be reassured. In this vacuum of regulations Sainsbury's and other leading food retailers imposed rigorous quality requirements on their suppliers.

The larger multiple food organizations manufactured several goods that they sold, Sainsbury's, instead, relied mainly on trustworthy suppliers and it is this strong co-operation that allowed the firm to ensure its quality products. Moreover, during the interwar years, the company had already developed its own brands to reinforce its reputation for quality and to counteract the Price Maintenance Policy. From the Fifties on, the very same strategy was developed further as new customer needs emerged. This required stricter controls on quality procedures, so the company decentralized the quality control at the suppliers' level in order to manage such a complex and wide products assortment better.

In addition, to guarantee an excellent customer service, uniform standards in every store were needed and every branch had to follow the same business policy. For this reason, centralized supervision was a crucial part of Sainsbury's organizational structure. However, in the 1970s, as already occurred in the quality control system, the company decided to pursue a gradual decentralization of management due to the rapidly changes in consumers' demand that required a rapid response. Besides, managers and personnel at Sainsbury's were continuously updated on the latest technological and organizational findings: not only the buyers, but also technicians and veterinarians would regularly visit the farms, educational trips abroad were offered as well as visits to the most important laboratories and research centres. This attitude has strengthened Sainsbury's fame as the pioneering enterprise that has decisively contributed to the definition of a high quality food system in Britain.

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