

MANAGING THE TRANSFER OF LOGISTICS SERVICES TO THE CONSUMER: COMPARISON OF TWO CASES

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ABSTRACT

Purpose of this paper

The starting point of the paper is the fact that the consumers often play a critical logistics role in the physical distribution of the products (Granzin et Bahn, 1989). As a consequence of their logistics capabilities, a company can outsource to them some logistics services and vice versa. How can a company transfer the picking of the products to its consumers? How can it insource the transportation of the products from them? The purpose of our paper is to contribute to a greater understanding of these company/consumer transfer processes.

Design/methodology/approach

To address this emerging issue, two exemplary cases studies are compared. The first case (IKEA) deals with the outsourcing by a company of some logistics services to the consumer. The second case (Auchan Drive) deals with the reverse process of insourcing.

Findings

The inter-comparison case brings out that the transfer of logistics services between a firm and its consumers raises three management issues related to: 1) the consumers; 2) the products and 3) the company. The comparison leads us to generate ten propositions.

Research limitations/implications (if applicable)

Our theoretical propositions are based on the comparison of only two cases. They have to be confirmed and enhanced through further research, using a deductive approach.

Practical implications (if applicable)

Our paper provides prescriptions to improve the management of the transfer of logistics services between a firm and its consumers.

What is original/value of paper

The paper contributes to the understanding of an issue that is important, but seldom addressed in prior literature: the outsourcing/insourcing of logistics services to consumers.

Keywords: Consumer, Outsourcing, Insourcing, 3PL, marketing.

1. INTRODUCTION

In general, logistics and supply chain management literature has taken little interest in the physical role played by the final consumer in the supply chain. Within the field of logistics, research has generally taken the point of view of the firms that make up the logistics chain, and has above all focused on the way this chain could be optimised so as to serve the consumer (Christopher, 2005). In this view, the consumer has more or less been considered implicitly as being outside the supply chain and playing no role in the physical distribution.

However, as we are reminded only rarely in marketing literature (Granzin and Bahn, 1989), it is obvious that consumers take responsibility for some of the logistics services necessary for the physical distribution of products. Making the consumer play a role in the delivery of these logistics services can, furthermore, be highly profitable for a company. For example, it was by developing self-service, in other words by letting the consumer carry out the picking of products within the stores, that the food retail industry experienced a large expansion in the 50's (Thil, 2000). The success of this model, still dominant today, seems therefore to be linked to the successful outsourcing of some logistics services by retailers to their consumers.

Theoretically, the fact that the final consumer can play an important role in the delivery of a service has been emphasised for many years in services marketing literature. Following on from Chester Barnard (1948), who was the first to defend the idea that the consumer could and should be seen as a member of the organisation, this literature postulates indeed that the consumer participates in and co-produces the service (Parsons, 1956; Lovelock and Young, 1979). Some authors go so far as to underline the fact that the consumer should in fact be considered as a "partial employee" of the organisation, whose contribution needs to be optimised (Mills and Morris, 1986). Hence it is suggested in some research that the company should "*turn to its consumers to improve productivity*" (Lovelock and Young, 1979, p168).

Using in particular these researches in services marketing, some authors have recently suggested that the end consumer should be considered as a member of the supply chain in his own right, who could be used to carry out a certain number of logistics services (Authors, 2009). By analogy, these authors argue that the consumer can be considered as a logistics service provider (LSP), who can carry out two types of services which are at the core of LSP competences (Hertz and Alfredsson, 2003; Roques and Michrafy, 2003): (1) services linked to the transport of products to their home; (2) services linked to handling products out of the store. Depending on the degree of the consumers' participation in each of these services, they can therefore play four vital logistics roles in the supply chain: as "logistician", when they help to handle products out of the store and transport them to their home; as a "carrier" or "operator", when their participation is only required in one or other of the two logistics services; and finally, as a "served" consumer when they undertake no physical activity.

Although interesting, this first research focuses on the *nature* of the logistics services that consumers can deliver in the supply chain and ignores the crucial question of the *process* by which a company can transfer some logistics services to them. However, as a consequence of the logistics capabilities of consumers, company can outsource to them logistics services such as the delivery of the product or their handling out of the store. Inversely, company can also insource from their consumers some logistics services they are currently provided.

The purpose of this paper is to contribute to a greater understanding of these company/consumers transfers of logistics services. To examine this question, which has not,

as far as we know, been the subject of any direct research until now, we opted logically for an exploratory, inductive type procedure. Hence we propose in this paper to compare two cases that we consider exemplary: one concerns the insourcing of the handling out of food products from stores, operated by the French food retailer Auchan through its concept of drive-through stores; the other concerns the successful outsourcing by IKEA to its consumers of logistics services necessary for the handling out of furniture from its stores and then of its transport. The two cases have been chosen for their widely differing characters, which should give us the opportunity to obtain a most meaningful comparison. Each of the cases was studied for a doctoral thesis, using several techniques to obtain data: interviews (70 for Auchan Drive; 21 for IKEA); observation; collection of archive and interview documents.

Accordingly with this inductive and exploratory approach, in this paper, we will first describe the two company/consumers transfers of logistics services that we have studied. Then, we will see what issues emerged for management during these two transfers and will highlight that they are related to: 1) the consumers; 2) the products; 3) the company. Finally, we will make proposals on the management of company/consumers transfer of logistics services susceptible to add to the literature and help companies to manage these transfers better in the future.

2. THE TWO TRANSFERS STUDIED: AUCHAN DRIVE AND IKEA

In this part we will not examine the management issues that emerged during the two cases, but will simply describe the logistics transfers studied. In the case of Auchan Drive as in that of IKEA, the traditional logistics role played by the consumer before the transfer of logistics services is first described, and then the logistics role played afterwards.

2.1. Insourcing of Handling Services: the Auchan Drive Case

2.1.1. The traditional logistics role of the consumer in the food retail sector

In the food-retailing sector, the consumer traditionally has an important logistics role. Hence, when he decides to do the shopping in a supermarket/hypermarket, the consumer must use a means of transport to get to the store. Depending on whether the format chosen is the hypermarket or the supermarket, the means of transport can be more or less important. If he arrives by car, the consumer parks in the store car park and takes a trolley or basket. With one of these he walks along the aisles of the store, filling his trolley or basket as he goes with the products he wishes to purchase, selecting them himself on the shelves (picking activity). In certain cases he even has to wrap, weigh and label the products (fruit and vegetables). There are however some exceptions to this rule: the purchase of certain fresh products (bakery, butchery) may take place via a sales assistant who will prepare the consumer's orders on request; large volume non-food products (large household electrical goods) may be delivered, or may be collected from a special pickup point in the store, where the consumer may obtain help to load the product into his car.

Once all the picking and handling activities are completed, the consumer goes to the checkout, where he empties his trolley or basket onto the conveyor. He collects his purchases again, once the checkout assistant has checked them, and puts them in bags, perhaps with the assistance of the checkout assistant. However the consumer sometimes carries out these activities, if the store provides barcode readers for him to scan his products himself, together with automatic checkouts. Having filled his trolley or basket, he returns to the car park, puts

his products into the boot and returns home. When he arrives home he parks in the street or his parking space, unloads his shopping and puts it away inside his house or flat.

2.1.2. The new logistics role of the Auchan Drive consumer

Compared with the hypermarket/supermarket model, which is dominant at present in most European countries, the drive-through concept proposed by the French retailer Auchan uses Internet and is presented as ‘a free solution for your shopping, Just click, and it’s loaded’. As explained by Auchan on the Auchan Drive website, the value proposition made to the consumer with this new format is as follows: “Your everyday products at the same price as in your Auchan store, loaded into the boot of your car in less than five minutes.” (www.auchandrive.fr). Logistically, the innovation introduced by Auchan Drive consists in removing from the consumers the responsibility of handling the products out of the store, while continuing to make them responsible for transporting the products home.

In concrete terms, when the consumer decides to do the shopping with Auchan Drive, he must first of all visit the store’s website. He must log in and enter his details, together with his loyalty card number, if necessary. He receives a customer number, which he has to use to purchase and collect products. The consumer may make purchases wherever and whenever he wishes, using the website. Once he has completed his order, he can pay via Internet or on arrival at Auchan Drive, just after checking in at a service point. At the time of the order the consumer also chooses when he will pick up his shopping. There is, however, a minimum wait of two hours after the order before collection. On arrival at the drive-through, he checks in at a service point either with his customer or loyalty card number, if he gave this information when he created his profile. The fact that the consumer has checked in informs the Drive staff that the consumer’s order, 80% of which has already been packed, must be loaded into his boot within five minutes. Meanwhile the consumer parks in the dock indicated on the receipt delivered at the service point when he checked in. Within five minutes an employee greets him and asks him his name so as to avoid any mistakes before loading the boot opened by the consumer. Once the receipt has been checked, the boot is loaded. After closing the boot, the consumer is ready to return home with his car, unload it and finally put away all his shopping.

2.2. Outsourcing of Logistics Services: the IKEA Case

2.2.1. The traditional logistics role of the consumer in the furniture industry

Whilst Auchan Drive is an exemplary case of transfer of logistics services from customers to the company (insourcing), the IKEA case is an example of the opposite (outsourcing). Indeed, before IKEA’s innovations transferring most logistics services for the final distribution of furniture to its customers, they played little or no role in furniture logistics: the customers were “served” by firms in the industry, which took charge of most distribution activities.

As Schoettl (2009) writes, before the appearance of the IKEA assembly kit, a consumer needing furniture would normally buy it already assembled. To help consumers make their choice, the furniture was exhibited by companies in the industry in showrooms, usually located either in or very near to towns. Depending on the distance travelled, the consumer sometimes but not always used his car to get to the shop. On arrival he would park (if he had used his car), go into the shop and walked round the shop at his leisure looking for suitable furniture. With the advice of the sales assistants, the consumer would finally make his choice. At this stage two possibilities were open to the consumer: either he could ask for the furniture

to be delivered to his home (this service was offered by every company in the furniture industry), or he could ask for the furniture to be loaded into his car to be taken home. For this he might possibly wish to return another day with a more suitable vehicle.

2.2.2. The new logistics role of the IKEA consumer

IKEA has made radical innovations to this business model. Although the revolution came progressively, step by step, (Schoettl, 2009), over a few years IKEA managed to outsource most logistics services linked to the final distribution of furniture to its consumers. This process is an intrinsic part of the general philosophy of the company, which is, briefly, to outsource services to the customer in exchange for the lowest prices possible. Indeed, the company announces this philosophy clearly to its consumers, for example using signs in its shops: “Why do we make you work? So we can charge you less.”

In concrete terms, the consumer who wants an IKEA product often has to travel far to get to the store. Indeed, the company manages the location of its stores with the aim of being less than one hour’s travel away from 80% of the population of a country, and not so as to be close to the consumer. Thus the choice of location, often next to a motorway, implicitly takes into account the fact that generally the consumer will arrive by car. On arrival at the store, the consumer parks his car in a vast car park and goes up to the first floor of the store where most of the products sold by IKEA are on show. The consumer then walks around this area to make his selection. When this is completed, generally the consumer has to note the reference number of the product and then go and pick up the product himself on the ground floor of the store in the “furniture self-service” area, where the products are stored. There are, however, two exceptions to this rule. As an IKEA manager explains, three separate sales methods can be identified, corresponding to three different logistics roles for the consumers:

“One sales method is: I see an article, I like it, I put it in my bag, I go through the checkout and it is mine;

Or, there is another article on show, I like it but I cannot take it with me because it’s on show. I look at the label, (...) there is a colour code and I have to go and fetch a trolley myself, which I couldn’t pick up outside because I wasn’t allowed to bring it inside, I have to take a trolley, put the packet on the trolley and then go through the checkout;

Third sales method: I see an article on show, I like it, I would like to buy it, but it has a blue label and I have to go and ask a sales assistant; (...) he gives me a receipt, I pay at the checkout, then I go to the pickup point where the product is collected for me from the warehouse by an employee”.

Hence, depending on the products chosen by the consumer, the logistics roles within the store are different: in the first two sales methods described, the consumer is responsible for picking, which takes place in two distinct areas (in the showroom area or in the furniture self-service area); however in the third method, an IKEA employee goes to collect the product from a storeroom which is inaccessible to the consumer, after it has been paid for. Whichever method is used, after purchasing the products the consumer pushes his trolley filled with products to his vehicle, loads the furniture himself, which is made possible by the fact that the products are in kit form and packed in easily transportable flat packs. He then returns home, unloads the boxes and assembles his furniture. If he wishes, he can however ask for certain products to be delivered, or even have an IKEA employee assemble the furniture purchased at home: but these services have to be paid for.

3. MANAGEMENT ISSUES WITH THE TWO TRANSFERS

These two transfers of logistics services understandably caused a certain number of problems for Auchan and IKEA related to: 1) consumers; 2) products; 3) company. To bring to light these major management issues, we worked in two phases. First of all we analysed each case separately, describing in the form of a brief narration the management issues that appeared at the time of each transfer. Then we analysed the cases together, which allowed us to highlight the common points between the Auchan Drive and IKEA cases, and to identify common management issues that appeared during both transfer procedures. For reasons of brevity, in this section we present immediately the analysis of common points.

3.1. Management Issues with Consumers

3.1.1. A logistics role that is new for the consumer

As can easily be imagined, in both cases, certain consumers initially found it difficult to understand what exactly was expected of them. For example, in the case of Auchan Drive, consumers had first of all to understand the model proposed by Auchan and the new logistics role which went with it: What is Auchan Drive? How do I use the service? What do I have to do? When? How? Thus it took time for many consumers to understand a number of the features of the format proposed by Auchan: the fact that the shopping could only be collected at the drive-through two hours after the order; the fact that the products were sold at the same price as in the hypermarket, including promotions; the fact that certain products appeared on the website under a certain category that they were not used to and that they did not instinctively think of (“knowing that smoked salmon is under aperitifs,” for example). These difficulties resulted in numerous emails to customer services before and just after the first order asking, “What do I have to do?”

In the same way, in the IKEA case, certain consumers, not used to having anything physical to do when buying furniture, found it difficult to understand the new logistics role that was expected of them in the store. When they speak of their first visit to an IKEA store, many consumers stress how confused they were, not knowing what to do, a feeling perfectly expressed in the following extract from one of our interview:

“It was the first time I had been too IKEA, I didn’t realise at first that I had to note down the codes of the products I liked on a little paper. When I arrived downstairs and realised I needed the aisle and shelf numbers of my products to find them, I was really very annoyed; I had just spent two hours in the store and I had to start again.” (a customer)

Confronted with these problems, both Auchan and IKEA attempted to help the consumer to understand its new role. For example, Auchan set up a customer services department that could be contacted by telephone and/or email, and a help desk within the drive-through stores. The company also published an explanation booklet for new consumers. Some Auchan Drives even printed additional information at the service points to facilitate their use. As for IKEA, they attempted to assist customers through messages in the catalogue and in the stores. For example, at the entrance to the store and in each department, IKEA provides paper and pencils to note down the position of the products in the furniture self-service area. Moreover the company has designed colour coded product labels to show the consumer the logistics role associated with the purchase of the product. Finally, messages affixed to the shopping trolleys

request consumers to place the products in such a way as to make it easy for the checkout assistant to scan the barcodes.

3.1.2. A logistics role that is appropriate for certain consumers

Beyond the issues linked to the consumers' understanding of what was expected of them, it appears clearly that the new logistics role impacted on the nature of the retailers' clientele. Concerning Auchan, certain of the brand's hypermarket consumers, after trying and testing Auchan Drive, rejected this distribution format because the new logistics role proposed did not suit them. In concrete terms, several reasons were mentioned during interviews, such as the fact that you don't have "everything under one roof" (as you do in an Auchan hypermarket) or the fact that you are not able to see, touch and choose yourself, not only fruit and eggs but also fresh products (e.g. dairy products). On the other hand, compared with hypermarkets and supermarkets, certain types of consumer were convinced, such as: couples who both work and have young (or not so young) children. These households are particularly attracted by the fact that Auchan Drive enables them to spend less time shopping without spending more; senior citizens, who appreciate the fact that heavy products are loaded for them into their car; people with restricted mobility, who have become, thanks to Auchan Drive, more autonomous and independent of their family and friends. In the final resort, these gains and losses mean that the characteristics of the Auchan Drive clientele are to some extent different from those of Auchan hypermarkets and supermarkets.

Both these elements are found in the IKEA case. On one hand, certain consumers used to having nothing to do when they buy their furniture, reject the new logistics role proposed by IKEA. During our in-store observations we met several consumers who, coming to the store for the first time and discovering that they had to do absolutely everything without the assistance of sales assistants, were distinctly unhappy, vowing never to come back to IKEA. As a general rule, the interviews show that customers were unhappy because during their visit they discovered that they had to play a role that they did not want, IKEA's value proposition being unsatisfactory for them (you do the tasks yourself, and so you pay less). Moreover, as with Auchan Drive, the new logistics role proposed by IKEA to its consumers, was particularly attractive to certain types of consumer. At IKEA young, healthy consumers with lower purchasing power are over-represented compared to a traditional clientele; this is only to be expected given that IKEA proposes physical activities in return for lower prices.

So as to avoid customers discovering in the store that the logistics role proposed is not appropriate for them, as well as to attract customers who are particularly prepared to take on this role, both Auchan and IKEA have attempted to make the underlying value proposition made to its customers with these new roles more explicit. On the Auchan Drive website, Auchan presents the service to its customers very clearly, with its advantages as well as its constraints. In the same way, IKEA includes messages in its catalogue, on its website and in its stores, to explain to its consumers that the reason they do so much at IKEA is to obtain low prices in exchange. To satisfy those consumers who are not convinced by IKEA's value proposition, we should note finally that the company proposes a certain number of services (transport, furniture assembly etc.) in exchange for payment. The amount charged is incremental, depending on the amount of goods purchased, and also takes into account the cost of the logistics services. Thus the pricing of these peripheral services is not going to change IKEA's business model. On the contrary, they indirectly highlight the savings made by the customer thanks to the logistical co-production. Auchan has indirectly used this same strategy: customers who are dissatisfied by the logistics role that they have to take on at Auchan Drive can turn to the other formats in the group (hypermarkets, supermarkets, etc.).

3.1.3. A logistics role that is appropriate for certain purchases

Finally, in both cases, the new logistics role proposed impacted on the nature of products purchased by consumers. As far as Auchan is concerned, consumers clearly do not buy the same type of product at Auchan Drive as in a hypermarket. Drive-through users tend to do food shopping, which they consider a chore, “an obligation”. Their aim with Auchan Drive is to make the most of their time: “I work free-lance, time is money for me”. They like being able to view the history of their purchases or create and save a standard list, which they can easily modify depending on their needs of the moment. But these customers can also get hedonistic pleasure from making certain purchases! Hence regular Auchan Drive consumers tend to transfer their hedonistic needs for change and proximity to other forms of shopping, such as the market (“Now I have got into the habit of going to the market on Saturday morning to do extra shopping”) or the hypermarket (“When I do the shopping at Auchan Drive, I do extra shopping at Auchan and I use the fast checkouts”).

To a lesser extent, IKEA consumers adapt their purchases to the logistics role proposed in the same way. This is highlighted, for example, in the following interview extract:

“In general I prefer going to IKEA alone, because it avoids arguments with my husband, but when I want to buy furniture there I always go with my husband, because I can’t put the flat packs on the trolley, take them to the car and put them in the boot.” (a consumer)

Here it is not the hedonistic dimension that is at stake but the physical ability necessary for the purchase. Hence, because of the effort that is required to purchase furniture at IKEA, consumers who are not strong enough adapt their purchases to the logistics role that the company makes them play. A woman comes to IKEA alone to buy products that are not heavy or bulky, and comes back with her husband to buy furniture. It is doubtful whether she would behave in the same way if the company proposed free home delivery of the products

3.2. Management Issues with Products

The two transfers of logistics services raised important questions concerning consumers, but both the Auchan Drive and the IKEA case also raised questions about the range of products proposed. Concerning Auchan, we can note that the company had to make drastic reductions in the number of references available in a drive-through (6 000 - 8 000) compared with the range in a hypermarket (30 000 - 100 000). If the product range had been wider it would have been necessary to increase the amount of storage space in the Drive stores, which would have resulted in staff spending more time collecting the products in stock and preparing orders. In this case the company would not have been able to keep its promise to consumers to prepare the orders in less than two hours. Similarly it was originally decided that consumers would be able to order any quantity of fruit and vegetables on the Auchan Drive website. However, in view of the time required for Drive operators to weigh and pack these products, it was quickly decided to pre-pack the fruit and vegetables and sell them in standard sizes.

These same issues are obviously found to an even greater extent with IKEA. For example, to outsource handling and transport logistics services to customers, the company was led to entirely rethink the nature of what is furniture. For the customer to be able to handle and transport wardrobes himself, a completely new concept of the product was obviously needed! As we described previously, the furniture sold by IKEA is no longer assembled like traditional furniture, but sold in kit form. They are designed from scratch by product developers and IKEA designers (together with subcontractors) so as to be sold in flat packs that must be

easily manipulated by customers (hence with a maximum weight) and loaded into any car (hence with a maximum volume). As Schoettl (2009) puts it, all IKEA's innovations result logically from this first one, the flat pack, introduced in 1956.

3.3. Management Issues with the Company

3.3.1. Rethinking stores in line with the consumers' new role

Finally, apart from these aspects linked to the consumer and the product range, both transfers raised serious issues linked to the company. It is clearly apparent that the transfer of logistics services to customers led both Auchan and IKEA to rethink the traditional concept of the store. For example, what Auchan realised little by little as it developed its Auchan Drive network, was that they were in fact getting rid of stores... and replacing them with mini-logistics warehouses. Auchan moreover explicitly states this in an internal presentation, where it is noted that a drive-through store is managed as a "warehouse". In this way the layout of the products in the Drive has had to be totally rethought logistically, so that the most important aim is to optimise the flow. So, there are no traditional shelves organised notably to encourage client purchases, but various storage areas designed to optimize the work of the pickers. Within such an organisation it is no surprise to see babies' nappies stored with bottles of water and orange juice. Moreover, in an Auchan Drive there is no car park but rather, like in any logistics warehouse, numbered loading docks where consumers can park their car to have the boot filled with the products they have ordered. At a more basic level, in a Drive store there is no sign of the checkout assistants or department managers to be found in a superstore... but rather pickers and receiving clerks, characters who we are more used to meeting in a warehouse.

Along with this evolution, Auchan realised little by little that it had to rethink its location strategy. Originally, so as to rationalise flow, it had been decided that the drive-through stores would be located next to hypermarkets. However, through experience Auchan discovered that Drive consumers no longer thought in terms of catchment area (I go to this Auchan Drive because it is near my home), but equally in terms of routes used (I go to this Auchan Drive because I often drive past here). Indeed, 70% of regular consumers interviewed said that they did not make a special trip to collect their Auchan Drive shopping. This is illustrated by the case of a consumer living in the country about 30 – 40 km from Auchan Drive and who takes advantage of her weekly trips to town to pick up her shopping at Auchan Drive. So, the crucial point is not where you live but the detour you have to make from your usual route to get to the Drive. This statement may also explain the parallel development of ChronoDrive. These are drive-through stores run by Auchan, totally unconnected to hypermarkets and located on routes heavily used by their potential consumers.

Both these elements can be found in the IKEA case. As is obvious to anyone who has visited one of the company's stores, their layout is fundamentally different from the layout of traditional shops in the furniture industry. Thus the great majority of IKEA stores in the world have a first floor showroom similar to other furniture stores; but in addition to this on the ground floor there is an area for picking the products, part of which is uncannily similar to a logistics warehouse, where consumers pick up their products themselves. Moreover, the aisles on the ground floor are very wide, to make them easier to negotiate with a loaded trolley. The same is true of the checkouts, which reduces the amount of logistics activity required. Indeed, the consumer does not have to place heavy packs on the conveyor, but can leave them on the trolley. We may note here that these modifications did not happen

immediately but little by little, as IKEA realised the need to adapt stores to the consumers' logistics role.

IKEA was also led to modify store location compared to the traditional location of furniture stores. Given that consumers can easily transport their flat packs in their car, IKEA was able to pursue a strategy of having very few stores. As mentioned above, the company does not manage the location of its stores so as to be close to the consumer, but with the aim of being less than one hour's travel away from 80% of the population. Thus IKEA has only 26 stores in France, which is very few given the very high turnover achieved by the company. All the stores are located next to major trunk roads, as IKEA assumes that its consumers will arrive by car.

3.3.2. Reorganising the supply chain in line with the new role

Beyond these aspects, the Auchan and IKEA cases both demonstrate, as we would expect, that the transfer of logistics service with the consumer necessitated a fundamental reorganisation of each company's supply chain. Hence, if we start from the idea put forward by Auchan that the drive-through stores are no longer stores but in fact mini logistics warehouses (*cf.* 3.3.1.), the Auchan Drive supply chain will be fundamentally different from that of the hypermarket or the supermarket. Compared with these chains, based on a small number of large centralised logistics warehouses from where the stores are supplied, the Auchan Drive supply chain adds a new layer of warehouses: the drive-through stores themselves!

Apart from this aspect linked to the number and density of logistics platforms, the development of Auchan Drive has also raised issues related to the logistics units moving through the Auchan supply chain. With the idea of reducing costs and rationalising the logistics flow to the Drive stores, Auchan originally decided, as mentioned above, always to locate the stores next to a hypermarket. This would allow Auchan Drive stores to take advantage of deliveries to the hypermarket. However, the flow of consumers in Drive stores is slower than in hypermarkets, and a number of the packaging units ordered from suppliers were soon found to be inappropriate.

Here too, both these elements are to be found in the IKEA case. Compared with supply chains of comparables firms, IKEA, by outsourcing as many logistics services as possible to its consumers, was able to reduce significantly the number of platforms delivering to its stores. This was obviously made possible by the fact that the different IKEA stores themselves have large stocks of products and act partly as mini-logistics warehouses. In concrete terms, it means that the company has only 28 central depots and 11 distribution centres in the world, which is very few given their sales figure. In France, IKEA's third largest market, it only has three platforms, from where it supplies not only its French stores but also those in other parts of Europe.

Similarly, in terms of logistics units, we can note that by outsourcing as many logistics services as possible to the consumer, IKEA is able to supply its stores with much larger logistics units than in the traditional furniture industry. Indeed, with their large storage areas on the ground floor, stores can easily be supplied with full pallets of products. It should be noted that delivering in full pallets gives the company a significant advantage, since it makes it easier to optimise truckloads, and produces savings in the cost of transport to the stores.

4. THEORETICAL PROPOSALS FOR MANAGEMENT OF THE TRANSFER

The comparison of the two cases Auchan and IKEA has shown that the transfer of logistics services between the company and the consumer raises questions related to customers, products and the company. Although for the moment they only enable a low level of abstraction, these issues may be interpreted theoretically. For this we need to link them to pertinent theoretical models: this is what we propose to do in this last part of the paper. The aim is to raise the level of generality and eventually to generate theoretical proposals on the management of the company/consumer transfer of logistics services. These proposals may be used as a basis for future research and be useful at managerial level. As would be expected, these proposals will relate to: consumers, products and the company.

4.1. Theoretical Proposals Concerning Consumers

At the level of the consumer, both cases highlight the difficulties experienced by consumers in understanding what was expected of them following the transfer. On a theoretical level these problems seem to us to be related to marketing work that analyses how the customer learns his role in the service relationship using the concept of the “organisational socialisation of the customer”. This “*refers to the learning process by which the consumer learns and masters the role associated with the service relationship, becomes part of the social group of the service company by understanding how to interact with the staff and other consumers and learns to understand the culture, norms and values of the organisation*” (Goudarzi and Eiglier, 2006, p.80-81). The socialisation of the consumer uses notably a “cognitive script” gradually built up by the consumer (Abelson, 1981), which “*guides the interaction with the contact staff and determines some of the expectations of the customer in relation to the service delivered*” (Orsingher, 2006, p.115). Hence, by organising a transfer of logistics services with its consumers and modifying the logistics role they play, a company makes its consumers’ usual cognitive script inappropriate, which contributes to their “de-socialisation”. After the transfer it thus seems indispensable for the company to attempt to re-socialise its consumers and help them to build up an appropriate new cognitive script for their new role. This help could take a physical form (signs), be through the actions of the contact staff, etc. Whatever the solution, processes must be designed and implemented by the service unit to clarify the customer’s role and assist him in understanding it. We summarise this point in the following two proposals:

- P1: The success of a transfer of logistics services between company and consumer depends on the company being able to socialise its consumers rapidly in their new logistics role
- P2: The socialisation of consumers in their new logistics role depends on the company helping them to modify their cognitive script rapidly

Still at the level of consumers, the two cases show that the transfer was rejected by some of them, who were not convinced by the value proposition made by IKEA or Auchan. On a theoretical level these problems seem too us to be related to work on the division of value in the context of the co-production of services with the consumer. According to this literature, one of the fundamental notions is that there must be a balance between what the consumer does and what he obtains. Eiglier and *al.* (2010, p58) indicate that “*the relationship between the service provider and the consumer must remain equal; in more concrete terms ‘all work deserves a payment’ or, more generally, any increase in participation must be accompanied*

by a genuine reward for the customer and be perceived by him as such (...) The gain in productivity must be shared between the service provider and the customer; if the company keeps everything for itself, and the customer considers that he has gained nothing out of the change, he is unlikely to adopt the new system unless he is forced to.” (p. 58). It therefore seems crucial in the context of a transfer to explain clearly to the customer to what extent it is in his interest to take on a new logistics role. We summarise this in proposition P3:

P3: The success of the transfer of logistics services between company and customer depends on the company explaining clearly to its consumers what it offers as compensation for the transfer

Finally, in both cases it appears that the changes have led to wholesale changes to the clientele of the companies. These aspects in general echo traditional questions of segmentation in marketing, according to which the marketing proposition must be appropriate for the target market (Kotler and Keller, 2011). Thus it would appear that the logistics role of the customer is an important part of the marketing proposition, and that different logistics roles are more or less appropriate for different segments. Given this, it would appear crucial, if the process is to be a success, that the company transfers logistics services that are appropriate for the target market. Hence a company whose consumers have less physical ability should envisage more the insourcing of logistics services. On the other hand the outsourcing of these services might be particularly appropriate when the consumers are young and in good health. Similarly, the more the segment is upmarket, the more consumers will expect to have nothing to do in the area of logistics. Not being able to discuss here all the different segmentation variables to be taken into account (age, sex, socio-professional category etc.), we summarise this aspect in proposal P4 as follows:

P4: The success of the transfer of logistics services between company and customer depends on the new logistics role being appropriate to the company’s target market.

4.2. Proposals Concerning Products

At the level of products, both cases demonstrate that following the transfer of logistics services made by Auchan and IKEA, the products had to be modified so as to be appropriate for the customer’s new logistics role. In concrete terms, changes were made to the product range (number of references in an Auchan Drive), to the dimensions of the products (furniture size, volume), etc. On a theoretical level these aspects are related to the well-known work on logistics eco-design (Gherra, 2005), which highlights the necessity of taking into account logistics movements when designing products. However, both cases show clearly that in fact not just one but two logistics constraints have to be taken into account when designing a product portfolio: constraints for the company and its supply chain, but also those for the consumers. This proposal, which is not a minor one in the literature, in our opinion opens up a new field of exploration for companies (Le Masson and *al.*, 2010), which may enable them to make radical innovations. Be that as it may, it leads us to emphasise the fact that the transfer of logistics services supposes a double adaptation of the product portfolio, both to the company’s new role and to that of the customer. These aspects can be summarised in the following two proposals:

P5: The design of the product portfolio must take account not only of the logistics constraints of the company, but also of those of the consumers

P6: The success of the transfer of logistics services between company and consumer depends on the product portfolio being appropriate for the new logistics roles of both the company and the consumer

4.3. Proposals Concerning the Company

At the level of the company, both cases show explicitly that the transfer of logistics services led the companies to modify radically both the internal layout and the locations of their stores. On a theoretical level, these issues echo different studies that look at distribution channel dynamics (Stern, 1969; Filser and Paché, 2008). Unlike this work, which mainly analyses the impact of retailers' upstream relations with manufacturers on the distribution channel, the Auchan and IKEA cases highlight the fundamental influence of downstream logistics variables in relation with the consumer. The idea that consumers' logistics have to be taken into account in a company's distribution strategy is naturally not new, and has been the subject of a considerable amount of research, which has been based notably on the notions of "catchment area" and "merchandising". Nonetheless, reasoning in terms of consumers' logistics roles enables this work to be incorporated an overall assessment to be made of the store modifications necessary in view of these roles. Whilst we are not able to describe these modifications in detail here, we summarise this point in the following proposals:

P7: The success of the transfer of logistics services between company and consumer depends on the company reorganising stores to take into account its consumers' new logistics role

P8: The success of the transfer of logistics services between company and consumer depends on the company relocating stores to take into account its consumers' new logistics role

Finally, both cases highlight the fact that each transfer of logistics services led to an in-depth reengineering of the companies' supply chains. On a theoretical level this aspects is related to the very nature of logistics, which is to optimise physical flows by considering them as a whole (Paché and Colin, 2000; Christopher, 2005), following the example of the recommendations by systems theoreticians (Von Bertalanffy, 1968). However, as soon as a company modifies its consumers' logistics role, the logistics system operated by the company necessarily changes to include or exclude a certain number of logistics services. And, as these same systems theoreticians remind us (Von Bertalanffy, 1968), differences between the systems will lead to different logistics optimisations. In view of this, given the changes in the system resulting from the transfer, inevitably the supply chain will have to be changed to take account of the consumers' new logistics role. As both these cases show, both the network of logistics platforms and the handling units transported within the chain are liable to change. We summarise these points in the two following proposals:

P9: The success of the transfer of logistics services between company and consumer depends on the company adapting its logistics network to its consumers' new logistics role

P10: The success of the transfer of logistics services between company and customer depends on the company adapting its handling units to its consumers' new logistics role

5. CONCLUSION

The purpose of this paper was to identify the major management issues associated with the process of transferring logistics services between a company and its consumers. To prepare the ground for a problem that, as far as we know, has not been dealt with as such in published literature, we used an inductive procedure. By comparing two exemplary cases – Auchan Drive and IKEA – we first of all identified a series of management issues raised by the process, and organised them into three major categories related to the consumer, the product or the company. Secondly we attempted to relate these issues to theoretical elements that to us appeared pertinent. This enabled us finally to formulate ten theoretical proposals on the management of the transfer of logistics services between the company and the consumer.

These proposals may perhaps be useful immediately at managerial level, but naturally they are only a first theoretical step in the comprehension and the management of the transfer of logistics services between the company and the consumer. The proposals generated here need to be confirmed and expanded by future research, using hypothetico-deductive methods to complement the method used here (David, 2001). Beyond the central perspective of research, it would seem to us useful to compare the results obtained here to published literature in the field of traditional make or buy decisions (Williamson, 1975). The eventual aim would be to develop a general theory on outsourcing and insourcing logistics services, which would remain valid whether the stakeholders are companies; service providers... or consumers!

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