







STRUCTURES AND ORIENTATIONS OF RETAIL BUSINESS:  
A TYPOLOGICAL ANALYSIS

by  
Jack R. DeLora

A THESIS

Submitted to the School for Advanced Graduate Studies of  
Michigan State University of Agriculture and  
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the requirements for the degree of

DOCTOR OF PHILOSOPHY

Department of Sociology and Anthropology

1956



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## ABSTRACT

Traditional social theory dealing with cities has emphasized their impersonal Gesellschaft-like relationships. Business, par excellence, has been considered the epitome of the economically rational spirit typically found in such communities. Recently a number of sociologists have seriously questioned this theoretical position. As part of this challenge the present study investigated relations in retail business which consider emotion, sentiment and other social characteristics found in Gemeinschaft-like structures.

The locale for this study was the Greater Lansing area. The sample consisted of six hundred and fifty-two businessmen drawn from various locations and representing different kinds of retail establishments. The purpose of this research was to ascertain the general structural order of retail business in a middle-sized city and to determine the consequences of such structure for the orientations of the retail businessman to his business, and the local community area.

The social structure of retail business was investigated in terms of these contrasting Gemeinschaft-Gesellschaft patterns. This was accomplished by considering retail business as a social system and classifying each business

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on an index developed from the theoretical categories of interaction of Gemeinschaft-like and Gesellschaft-like social systems. Such classifications were derived from the theoretical nature of ends and norms in Gemeinschaft-like and Gesellschaft-like social systems. The former include connotations of economic-rationality and the latter include non-economic, sociability and affective connotations.

The retailer was then classified with respect to his orientation to business by analyzing his answers to several crucial questions relative to changing the locale and type of business. It was demonstrated that proprietors of businesses Gemeinschaft-like in structure possessed Gemeinschaft-like orientations to their business and vice versa.

The orientation of the retailer to the local resident was examined as it related to the social structure of businesses. The proprietor of a Gemeinschaft-like business structure was found to be particularly aware of the congeniality and sociability of local residents and those operating Gesellschaft-like structures were cognizant of their economic and social status. This would be expected since interaction within a Gemeinschaft-like social system

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is based on affective and face-to-face elements. In the Gesellschaft-like system of retail business, the interaction is more impersonal and the proprietor is more likely to conceive of the resident in terms of purchasing potential which involves economic status.

The consequences of the type of social structure of business and orientations held by the retailer were examined relative to mobility choices. These included the desire to change business locale and the business itself. It was ascertained that those retailers evaluating the local resident in a negative sense most often expressed the desire to change business locale and those retailers possessing Gesellschaft-like orientations to business most often expressed the choice of changing both type and location of business.

Type of business structure was examined relative to the desire of their proprietors to change location, and no significant relationship was found. However when the structural type of the establishment was compared with choice of changing business, the proprietors of Gemeinschaft-like structures stated greatest preference for wanting to change. This could be due to two factors: first, the businesses classified as Gemeinschaft-like were generally

small and less profitable than the others; and second, they involved relatively more direct, face-to-face and affective contacts with customers. The proprietors of such establishments may have wanted to change businesses to effect different social relationships, economic chances, or both.

This was investigated further by relating business structure and orientations to desires to change business. It was discovered that those who wanted to change most were the operators of Gemeinschaft-like business structures who possessed Gesellschaft-like orientations to business. It was also ascertained that those who wanted to change least were the operators of Gesellschaft-like structures who possessed Gemeinschaft-like orientations to business. Such decisions apparently were related to many factors involving business structure, orientations to business, and orientations to the local area.

This research suggests that retail businesses vary considerably in social structure and that such contrasting structure has consequences for the orientations of the retailer to his business and to the local resident, and that these factors are closely related to mobility choices. The implication of this is that an understanding of retail business, more so than other kinds of businesses, involves

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determining the position of the retailer in the social  
fabric of the local community.

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## CHAPTER I

### INTRODUCTION

For the past five years, a number of sociologists at Michigan State University have been conducting a series of research projects for purpose of studying urban integration resources in the Greater Lansing area. During this time, the Urban Integration Committee has utilized procedures which have delimited this area into sub-units meaningful for future sociological research. One result of this project, has been a breakdown of the area into ecological, demographic, and social sub-areas, the latter based on resident identity and intimacy patterns. Census tract boundaries were drawn utilizing these criteria, and regular census data are now available for this community. A partial description of this research is available in<sup>1</sup> current articles.

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1. Joel Smith, Wm. H. Form, and Gregory P. Stone, "Local Intimacy in a Middle-Sized City," American Journal of Sociology, LX, No. 3 (November, 1954) pp. 276-284; Wm. H. Form, Joel Smith, Gregory P. Stone, and James Cowhig, "The Compatability of Alternative Approaches to the Delimitation of Urban Sub-areas," American Sociological Review, XIX, (August, 1954) pp. 434-440; and Joel Smith, "A Method for the Classification of Areas on the Basis of Demographic Homogeneous Populations," American Sociological Review, XIX, (April, 1954) pp. 201-207.

One aspect of this larger project, has been an investigation of retail business with reference to ascertaining economic sub-areas within Greater Lansing. The Committee was interested in the economic organization of the Community as it related to resident shopping patterns and retail business structure. The latter was approached in terms of size and type of business, and areas within the Community served by them. This procedure was to have provided a basis for determining the retail trade sub-areas for the larger Community. It is within the latter framework that this research was evolved.

The major concern of this dissertation is with the type of social structure which characterizes retail business, and the consequences of this structure for the businessman's orientation to his business and the local community area. Because of the economic function of retail business, its personnel are in relatively close and continuous contact with customers. When social interaction contains these characteristics, it becomes patterned or structured. For the social scientist, such order is of major interest, since he is interested in determining uniformities of human behavior.

The social structure of most retail businesses is often closely related to interaction with residents of the area in which the business is located. Success or

failure of such a business is often closely tied to the way in which the retailer behaves, both in and out of his business. Because of this socially strategic position, he develops certain conceptions of local residents which are related to the functioning of his establishment, and to himself as a businessman. It is the purpose of this research to determine the order of such phenomena.

THEORETICAL RELEVANCE OF THIS RESEARCH. By posing such a problem, one raises questions which cannot be dealt with by many traditional theories relevant to the social organization of the modern city and its businesses. Many theorists have used such concepts as *Gesellschaft*, organic solidarity, and secondary groups to develop perspectives to analyze this aspect of urban life.<sup>2</sup>

One factor which has been seen as contributing to the advent of this kind of city, was the development of large scale industry with concomittant changes in community life.

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2. For a development of this thesis see particularly R. E. Park, Ernest W. Burgess, and R. D. McKenzie, The City, (Chicago: University of Chicago Press, 1925) pp. 23-46; Georg Simmel, The Sociology of Georg Simmel, Translated by Kurt H. Wolff, (Glencoe: The Free Press, 1950) pp. 409-424; and Ferdinand Toennies, Fundamental Concepts of Sociology: Gemeinschaft and Gesellschaft, Translated by C. P. Loomis, (New York: American Book Company, 1940) p. 21. This is, to some degree, a matter of relative emphasis since these sociologists do not ignore the Gemeinschaft-like relations in analysis of the city. They have, however, given it somewhat less attention.

Previous to the "industrial" and "agricultural" revolutions in Northwestern Europe and the United States, the basic economic unit was the small farm, with its familistic-primary-type relationships in the relatively small communities of that time. The larger farm enterprises were plantations or feudal estates. Along with industrialization, came the rise of a larger community whose economic organization at a later period was based on a complex division of labor. Within such a community, the market place particularly, has been viewed as the epitome of the "impersonal," "rational," and "contractual" contacts, said<sup>3</sup> to characterize human relations in the city.

Recently a number of students of urban life have undertaken research which places such a perspective in question in terms of explaining the persistence of cities. The assumed necessity for close, intimate, and personal contacts for human well-being has led, probably, to studies which demonstrate that these kinds of relationships

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3. Louis Wirth, "Urbanism as a Way of Life," American Sociological Review, XXXIV (July, 1938) pp. 1-24; and Ferdinand Toennies, op. cit., pp. 95-96. For Toennies, the merchants or capitalists were the natural masters and rulers of the Gesellschaft. Since the basis of Gesellschaft was with exchange contracts, its development gained added impetus from the growth of commerce, trade, and industry.



exist in a number of different contexts.<sup>4</sup>

In addition, some aspects of urban life which have been posited as having characteristics of Gesellschaft-like relationships, have been shown to integrate the individual with the larger community - a function which has been historically and theoretically treated more as a characteristic of Gemeinschaft-like interaction.<sup>5</sup> Also, Firey's classic study demonstrated the function of tradition and sentiment in determining land use patterns in a large urban area.<sup>6</sup>

As of now, it appears that the traditional perspective of viewing the city and its economy largely in terms of Gesellschaft-like relationships is being questioned seriously by these and many other sociologists. The fact

4. Examples of such efforts are Joel Smith, Wm. H. Form, and Gregory P. Stone, "Local Intimacy in a Middle-Sized City," American Journal of Sociology, LX, No. 3, (November, 1954) pp. 276-284; Donald L. Foley, "Neighbors or Urbanites?" [University of Rochester's Studies of Metropolitan Rochester, No. 2 (Rochester: Department of Sociology, University of Rochester, 1952)] and Harry C. Harmsworth, "Primary Group Relations in Modern Society," Sociology and Social Research, XXXI (March-April, 1947) pp. 291-296.
5. See particularly Morris Janowitz, The Community Press in an Urban Setting, (Glencoe: The Free Press, 1952), and Gregory P. Stone, "City Shoppers and Urban Identification: Observations on the Social Psychology of City Life," American Journal of Sociology, LX, No. 1 (July, 1954) pp. 36-45.
6. Walter Firey, Land Use in Central Boston (Cambridge: Harvard University Press, 1947).

that cities persist and people persist with them, and that cities grow, would not be explicable were it not for the fact that people find roots within this setting. These factors have resulted in a need for recasting of theory relevant to the urban community.

Business, par excellence, has been considered the epitome of the development of the rational, Gesellschaft-like spirit. One of the basic propositions of this research is that even here are found elements of ties which consider emotion, sentiment, and other social characteristics found in Gemeinschaft-like structures.

THE USE OF CONSTRUCTIVE TYPOLOGY. Enough evidence has been gathered to demonstrate that the social structure of cities contains both Gemeinschaft-like and Gesellschaft-like elements. With this in mind, retail business will be examined in terms of its structure as it pertains to these contrasting patterns of Gemeinschaft-like and Gesellschaft-like interaction. For purpose of this analysis, these contrasting patterns will be utilized as "pure" or "ideal," or "constructed" types. It thus becomes possible to order data as representing positions between the theoretically established polar extremes.

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7. For development of this procedure see John C. McKinney in J. T. Doby et. al., An Introduction to Social Research, (Harrisburg: The Stackpole Company, 1954). For

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use of these models in this sense see C. P. Loomis, Studies in Applied and Theoretical Social Science at Michigan State College, (East Lansing: Michigan State College Press, 1950) pp. 1-13, and Joel Smith, "Organization of the Farm and Mass Communication," Unpublished Doctoral Dissertation, Department of Sociology, Northwestern University, May, 1954. In the Loomis reference, analyses were made comparing the social structure of an Amish family, the families of students taking a course in Rural Sociology, the students' military units, and a government bureau. Smith used such a model to compare social structure of farm units and the kind of communication processes involved in marketing. Following these procedures, this research will classify retail businesses by their structural type and relate these different types, to orientations of the businessman to his business and to his local community area.

There exists the problem as to whether Gemeinschaft-like and Gesellschaft-like interaction represent polar types on a continuum and are in a sense antithetical. If this is assumed, the task becomes one of scaling the continuum. Then one is in a position to make statements concerning the degree of deviation of concrete systems from the ideal limits. This is essentially the position taken by Loomis.

In this research, the structure of retail businesses will be analyzed with respect to where they can be placed, in a gross sense, on a Gemeinschaft-Gesellschaft continuum. However, as will be pointed out, these polar positions are not completely antithetical, but rather represent somewhat contrasting patterns. It is expected that characteristics of Gemeinschaft-like interaction will be found in predominately Gesellschaft-like structures and vice versa. The task for this research is one of classifying retail businesses as being predominately Gemeinschaft-like or Gesellschaft-like in structure. If they contain about equal characteristics of both types, they will be classified as Mixed. On basis of such a gross classification certain predictive statements will be made concerning the relationship between these structural types and the orientations of retail businessmen to their business and the local community area. The primary use made of these types in this research is to order the data. This matter will be discussed more fully at the end of this chapter and in successive chapters.

An understanding of the social structure of retail business as it relates to that of the local community area is vital to an understanding of the way in which the larger community is structured. The retail business operation may be one of the few focal points of local area interaction in urban areas. It is the purpose here, to ascertain the nature of such phenomena. In doing so, the attempt is not to invalidate earlier urban research, but rather to complement it. The task still remains as Wirth defined it. "...to discover the forms of social action and organization that typically emerge in relatively permanent, compact settlements of large numbers of heterogeneous individuals."

One of the most useful analytical tools developed by sociologists in analyzing structure is that of "social system." Following Loomis and Beegle, a social system refers to persons interacting with each other more than with outsiders for the purpose of attaining some end or objective.<sup>9</sup> All social systems have elements of value orientation and social structure. Value orientation of a system involves the ends and norms of the interaction.

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8. Louis Wirth, op. cit., p. 6.

9. C. P. Loomis and J. Allan Beegle, Rural Social Systems (New York: Prentice Hall, 1950) and C. P. Loomis, Studies in Applied and Theoretical Social Science at Michigan State College, (East Lansing: Michigan State College Press, 1948).

Structure refers to the status-role patterns, authority patterns, and the other ways in which members of the system are related to each other in the system.

Retail business will be treated as a social system. The members of the system will include both business personnel and customers, insofar as they are interacting for purpose of reaching some end or objective. The character of their interaction will be analyzed in terms of initiation of action, authority patterns, emotional-rational context, and status-role integration. As previously discussed, Loomis has developed a method for classifying concrete social systems on basis of an ideal-typical analysis. Figure 1 outlines the above patterns as they exist in these "pure" forms.

To classify ongoing retail businesses on this basis requires information which is available equally from all kinds of establishments. The nature of these data will be discussed later. However, since this investigation deals with practically all types of retail businesses, it was necessary to utilize a method which was capable of comparing all of them on a common ground. The model shown in Figure 1 fulfills such a requirement.

The first task was to classify the structure of each retail business on basis of their Gemeinschaft-Gesellschaft attributes. The idea that a business could be classified

FIGURE 1\*

A COMPARISON OF ELEMENTS OF GEMEINSCHAFT-LIKE AND  
GESELLSCHAFT-LIKE SOCIAL SYSTEMS

Element	Gemeinschaft	Gesellschaft
<u>Ends</u>	Functionally diffuse Tradition oriented	Functionally specific Contract oriented
<u>Norms</u>	Functionally diffuse Tradition oriented Ends and norms fused	Functionally specific Contract oriented Ends and norms separate
<u>Initiation of Action</u>	Two-way	One-way
<u>Authority</u>	Personalized	Impersonalized
<u>Nature of contact</u>	Direct, face-to-face	Indirect, use of intervening objects
<u>Emotional-rational context</u>	Intimate-emotional	Rational-efficient
<u>Status-role Integration</u>	Required integration of status-roles in and out of system Responsibility for conduct in all contexts	Required integration of status-roles within system only Responsibility for conduct limited to system

\* Adapted from C. P. Loomis, op. cit. pp. 2-3.

other than as Gesellschaft-like may appear to be in contradiction to the traditional urban theory heretofore discussed. However, much research that has been conducted by American sociologists dealing with the social structure of large scale business or governmental enterprises, has demonstrated that even in these highly bureaucratized organizations there are elements of Gemeinschaft-like interaction.<sup>10</sup> If this condition exists to some degree in large scale enterprises, it is expected that the relatively small retail business will exhibit structural features which contain many attributes of Gemeinschaft-like interaction.

To the writers knowledge, this is the first effort to analyze the gross structural types of retail business. This analysis attempts to arrive at generalizations concerning the general social structure of retail business; yet it is capable of demonstrating important structural differences among such concerns. Such an analysis is necessary for gaining insight into an important element within the larger community.

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10. For example, Turner discussed four "types" of Navy Pay Officers, only one of whom fitted the bureaucratic category. See Ralph H. Turner, "The Navy Dispersing Officer as a Bureaucrat," American Sociological Review, XII, No. 3 (June, 1947). Miller and Form discussed this matter in a more general sense with respect to industrial bureaucracy. See D. C. Miller and Wm. H. Form, Industrial Sociology, (New York: Harper and Brothers, 1951) Chaps. VI and VII, pp. 143-225.

REVIEW OF RELEVANT LITERATURE ON THE SOCIOLOGY OF RETAIL BUSINESS. Sociological research into retail business has involved investigation of a particular kind of business, or analysis of certain ecological and demographic aspects of retailing. Perhaps the best known study of the first kind is that of Whyte.<sup>11</sup> His concern was with the social structure of the larger restaurant. Whyte referred to the "formal structure," "quantitative measures of interaction," "symbols in relation to interaction," "attitudes and interaction," and "layout and equipment" of such a restaurant.

"Formal structure" referred to the official allocation of positions within the social system of the restaurant. Such structure was outlined in terms of "length of hierarchy," "division into departments," and "flow of work." Within the limits set by the formal structure, the relations among members fall into a variety of patterns. To quote Whyte:

The pattern we observe we call the social system. A social system is made up of interdependent parts. The parts are the relations of individuals in their various positions to each other. This is simply a first description of a social system, but there are important theoretical and

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11. William Foote Whyte, "The Social Structure of the Restaurant," American Journal of Sociology, LIV, No. 4 (January, 1949) pp. 302-310.



practical considerations which flow from it. The relations of individuals to one another are subject to measurement, sufficient to allow them to be compared and classified.

He suggested that such interaction is subject to measurement in terms of initiation and response to action between positions within the social system of the restaurant, and that an understanding of the general pattern of this relationship is of prime importance.<sup>12</sup> In addition to "quantitative" aspects of interaction, it is necessary to discover why system members respond to each other. This is associated with the symbols of interaction. He said:

...In part, this is a matter of habituation, for we respond to the people we are accustomed to responding to and in the sorts of situations to which we are accustomed. But we must go beyond that to explain the development of new patterns and changes in old patterns of interaction.

We observe that individuals respond to certain symbols in interaction. I have discussed here status and sex symbols affecting interaction (the problems of originating from below of action for high status individuals or by woman for man).

I have noted some problems in language symbols in the discussion of mechanical means of communication that leaves the whole field of symbols

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12. Whyte suggests that this involves gathering "quantitative" data in the manner of Chapple and Coon and Arensberg's Chronograph. This is described in Elliot D. Chapple and Charleton S. Coon, "Principles of Anthropology", (New York: Henry Holt and Co., 1941) Chapters 1 - 4.

in face-to-face interaction untouched, so that it represents only the barest beginning of an attempted formulation of the relations between symbols of communication and interaction.

The fourth aspect of Whyte's analysis concerned what he called "attitudes and interaction." He stated that the patterns of interaction which exist between individuals are accompanied by attitudes towards each other. The way in which such attitudes come about is related to the nature of such interaction. Whyte pointed out that "...The whole experience of our research program leads us to believe that the dynamics of attitude formation and change can best be worked out as we correlate attitudes with human relations in the organizations we study."

The physical layout of the restaurant was seen to be of significance to the sociologist as it affects the interaction within the organization. He mentioned how the height of counters between waitresses and counter men affects the smoothness of work flow. In this case, the higher counters proved best, since the lower status waitress (in terms of sex symbols) did not appear to "give orders" to the male counter man.

Also of importance, with respect to the kind of social structure possessed by the restaurant, is its general size in terms of personnel and layout. Whyte discussed five stages of "growth patterns" starting with the manager-

customer - waitress set up, to the last stage which includes managers, supervisors, checkers, waitresses, bartenders, and many other positions. His analysis primarily dealt with the last type of restaurant. It is suggested that the "formal organization," "quantitative measures of interaction," "symbols in relation to interaction," etc., could be applied to analysis of the five "stages" of restaurants to which he referred. To do so would require a framework to compare these different kinds of restaurants in terms of their interactional patterns. It is suggested that the Gemeinschaft-Gesellschaft framework heretofore discussed, would provide such a basis. After classifying the structure of restaurants on this basis, it would be possible to "correlate attitudes with human relations in the organizations we study." Whyte pointed out important structural features with which the sociologist must be concerned in examining retail business. As such, these factors will be incorporated into this research.

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Another study of retail business is by Kriesberg.

He distinguished between "custom" and "business" furriers.

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13. Louis Kriesberg, "The Retail Furrier: Concepts of Security and Success," American Journal of Sociology, LVII (March, 1952) pp. 478-485. His research was based on a sample of fifty cases drawn from a universe of five hundred and forty furriers in Chicago.

The former include those who cut, sew, repair, and sell furs, while the latter include those who buy the product from a manufacturer and sell it. The concept of security and success of these two types of furriers was found to differ. The custom furrier thinks of the secure furrier in "self-oriented" terms or through knowledge of skills of the fur trade and money, while the business furrier thinks of it in "customer-oriented" terms or by having customer good will and a good business reputation.

Kriesberg accounted for these different orientations in the following way. The orientation of the custom furrier is based on three factors. First, they have little contact with other furriers, and operate independently. They are less dependent on wholesalers than the business furrier since much of their income is based on repair work, and they require but a small stock of pelts from which to make coats. As a result, they are likely to feel dependent on their own possessions and abilities more than on the way others regard them. Second, their business is small and often located in the same place as living quarters, making business overhead small and difficult to distinguish from personal overhead. Such a business is not likely to appear as an ongoing, impersonal object that must be maintained. Third, they earn their living from work they do on furs, and expend relatively little effort to keep their

customers or find new ones. Their clientele is established by word of mouth, and customers are dependent on the furriers judgment relative to quality of work. The customer's patronage is almost taken for granted. Their interest is in the work they produce and they feel that their ability to do the fur work is their main source of security.

The business furrier, on the other hand, is concerned primarily with merchandising problems. They are dependent on large volume of sales which intensifies their dependence on a large number of customers. Customers shop around and do not form close ties with any single furrier. Such furriers have a large number of employees and are located in a high rent area. They are therefore forced to be concerned with maintenance of the business. Such a business is more an object from which they draw a living, than the "way they make a living." The business furrier must attract and hold "shopping customers" for an ongoing enterprise. These factors contribute to a customer-oriented concept of security.

Kriesberg's research suggests that the mode of orientation that retail businessmen possess relative to security and success, is associated with the "occupational situation" which includes "...those prevailing and recurring contingencies, activities, and relationships which characterize a given trade, business, or profession." The problem

here is that of relating the particular kind of social structure involved in the occupational situation, with the attitudes of those in the situation. This is comparable to what Whyte suggests with respect to attitude formation. Kriesberg demonstrated how the varying occupational situations of custom and business furriers are related to different modes of orientation involving "security." Factors of business size, location, type and volume of customers, were shown to related to these orientational patterns. It is suggested that these structural factors can be isolated and businesses can be classified and contrasted according to a general framework. The orientation of the businessman can then be compared with these structural attributes to see the kind of relationship which exists in this more general sense.

Another kind of sociological research into retail business, involves analysis of ecological and demographic factors as they relate to such businesses.<sup>14</sup> Schettler and Hawley utilized the United States Census of Business, 1935, as a basis for their investigations. Schettler

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14. Examples of this are in Clarence Schettler, "Relation of City-Size to Economic Services," American Sociological Review, VIII, No. 1 (February, 1943) pp. 60-62, and Amos H. Hawley, "An Ecological Study of Urban Service Institutions," American Sociological Review, VI, No. 5 (October, 1941) pp. 629-639.



related the city-size to the number of economic services (which were largely made up of retail establishments) and the ratio of persons per single economic service. He found that food stores, doctors, and filling stations are most numerous, and dry goods stores, movie theaters, and funeral directors, least so.

Hawley compared characteristics of retail establishments to community characteristics of income, age of inhabitants, kind of industrial occupation, sex, nativity, and race. He found that retail volume (business size) is higher in high income communities. An "old population city" possesses relatively larger retail volume, and drug stores and personal service establishments become more important than in an average age city. In cities with proportionately large numbers of non-whites, the volume of business is less in stores and eating places, but such cities are "over-developed" with respect to general and drug stores. Hawley inferred that such communities are "deficient in the more specialized types of institutions and have excessive volume in the least specialized types." Volume is smaller where foreign-born are numerous, but in such areas there are proportionately more food stores and eating places. The factors of industrialization and sex show little relationship to retail business volume.



These two articles presented relationships between population characteristics, and the number of kinds of retail establishments, or certain characteristics (such as business volume) of such businesses. As such, they did not consider the social structure of retail business or relate these data to such structure. They are suggestive, however, as to how demographic characteristics may relate to structure and have implications as to structural variety as related to demographic differences.

Somewhat similar to these studies, are those which involve analysis of concentration, location, and distribution of retail businesses.<sup>15</sup> Rolph described the distribution of retail stores in Baltimore. She classified retail sub-centers, outside the central shopping area, into five types ranging from "Type A" capable of meeting the entire needs of the community, to "Type E", which is a small neighborhood development selling only convenience goods. The larger types are found towards the center of Baltimore with the smaller on the outskirts. Upper income

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15. Such data have been compiled from the United States Census of Business in James A. Quinn, Human Ecology, (New York: Prentice-Hall, 1950) pp. 340-342. See also Inez K. Rolph, "The Population Pattern in Relation to Retail Buying," American Journal of Sociology, (November, 1932) XXXVIII, pp. 368-376, and Harland Bartholomew, Urban Land Uses, (Cambridge: Harvard University Press, 1932) pp. 80-81.

groups support the more specialized stores in the central business area, while the middle income areas with dense population support the "Type A" centers.

Bartholomew's classic study dealt with maps showing land use patterns for commercial services. He showed the size and location of the central business district along with distribution of retail functions in the remainder of the cities. He demonstrated that the amount of foot space used by stores per number of population in the area, decreases from the area near the center to the outlying districts.

Both of these works are dated and should be redone. The recent development of large scale retail shopping centers on the periphery of cities would change many of the conclusions of such investigations.

Of interest to this research, is the consideration that Hawley and Quinn give to retail business in their ecology texts.<sup>16</sup> Each was concerned with retail business as it related to ecological organization and ecological processes in communities. As such, retail business was treated with respect to spatial location and the effects

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16. Amos H. Hawley, Human Ecology: A Theory of Community Structure, (New York: The Ronald Press, 1950) pp. 248, 250, 273-278, 308, 379-380, 395, 414-415; and James A. Quinn, op. cit. pp. 80-93, 173-176, 340-341.

of concentration, segregation, and expansion. As in the case of the recently cited research, such analyses provide a basis for relating ecological structure of communities to retail business, but they do not deal primarily with the structure of retail business itself. They do, however, provide one of the most systematic treatments of retail business as an aspect of community structure found in sociological literature.

Caplow discussed retail business in his book in the chapter entitled "Occupational Institutions."<sup>17</sup> He treated retail business in terms of "recruitment of personnel," "seniority," "evaluation of merit," and "control of occupational behavior." With respect to recruitment, he stated that there are few or no formal controls as in the case of a profession, but a variety of "informal limitations." These include the need for a capital investment which is borrowed most generally, and after establishment, the extensive use of commercial credit either through local banks, or through credit exchanges in larger cities. In cases like the gasoline stations, the supplier provides such credit arrangements. These factors of operation are controlled closely by existing local merchants, and they are

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17. Theodore Caplow, The Sociology of Work, (Minneapolis: University of Minnesota Press, 1954) pp. 100-121.

able to limit the number of competitors admitted. Some factors operate to favor recruitment by inheritance. These include early familiarity with the business, the inheritability of "good will," and the "practical use of family members as part-time helpers." However, such enterprises are so small, numerous, and mobile that retail occupations "remain fairly open and are important channels to middle class status."

With respect to seniority, Caplow stated that the average life of a small business is very short - less than five years. Repeated failures damage credit rating, so subsequent efforts are less likely to succeed. He continued:

Success or failure does not depend upon the organized consensus of one's fellows, and age scarcely enters the picture except as an index of prudence or physical condition. However, amid the debris of millions of abortive ventures, there is a solid core of small enterprises which not only persist but tend, in the long run, to expand. It is among their operators that the skeleton of an occupational organization begins to emerge...

Caplow asserted that the evaluation of merit of retail business is closely associated with public reaction, and the judgment of bankers, suppliers, and competitors. Heavy weight is given to size of original capital and selection of location. Retail business success was found to be dependent on "great swings of the business cycle, the activities

of large competitors, and other sizable events entirely beyond individual control." He continued:

...After all this is taken into account, there does remain a conventionalized situation in which the proprietor of a neighborhood business, with only family or part-time help, finds his fate determined by the prudence with which he keeps his accounts and inventories and his standing with the local householders. Under these conditions, his annual income is likely to be a very close reflection of his work performance as compared to that of his competitors.

When discussing control of occupational behavior in the retail trades, Caplow found such control quite different from that in professions or industrial occupations. The common belief that the retailer is his own boss was found to be questionable. There were discussed three sources of control on the retailer. First, governmental rules, second, those imposed by creditors; and third, those evolved by customers. The first has a long history dating back to the origin of market law of medieval towns of Europe. These dealt with inspection of weights and measures, enforcement of sanitary precautions, the fixing of prices, and assignment of locations. Modern state control has expanded on these to include statutes prohibiting sale of certain goods like poisons, adulterants and some drugs; the licensing of certain kinds of businesses; and other measures. In addition, the development of mass

production and wholesaling of retail goods has imposed other restrictions on the retailer. Such factors include rules regarding stocking of competitors brands, minimum orders and quantity discounts, tie-in sales, assignment of exclusive territories, and fixing of minimum retail prices by the supplier.

Customer control of retailers was found by Caplow to be less formal than these other measures but nonetheless important. He stated that "...since the restriction of price and quality competition, personal relations with customers are often the decisive factor in the history of a retail business." This leads to the following conditions:

1. The merchant is expected to minimize his status and exaggerate that of the customer by exaggerated forms of deference, by yielding in minor arguments, by expressing more interest in the customer's personal affairs than the customer is expected to show in his, and by small personal services.
2. Under this ritual, it becomes essential that the habits of the customer be identified and protected. A strain is thus produced on the merchant to maintain nearly absolute consistency in his manners, his purchasing routines, and his hours of work.

These observations by Caplow on institutional aspects of retailing, along with the work of the ecologists and demographers, provide important insights into the relationship of retail business to the larger social milieu.

They provide also implications for the structure of such businesses.

The first problem of this research involves the classifying of retail businesses on basis of their social structure. The previous discussion has suggested a method for doing this and has dealt with sociological research relevant to that problem. Closely related is the matter of orientations of the retail businessman to his business, his customers, and to those in the local area about his place of business. The work of Whyte and Kriesberg is suggestive of ways in which structure and orientations may be related. More basic, however, are the theoretical implications of the Gemeinschaft-Gesellschaft model discussed above.

For purposes of empirical procedure, Loomis considered value orientation as including the ends and norms of a social system.<sup>18</sup> The nature of these elements in the Gemeinschaft-like and Gesellschaft-like social systems was presented in Figure 1. If the structural components of a social system resemble either of these "pure" types, it is expected that the norms of orientation of system members likewise are characterized by Gemeinschaft-like or Gesellschaft-like attributes.

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18. C. P. Loomis, op. cit. pp 1-13.

Within the Gesellschaft-like social system, such norms are based on attainment and on rational and contractual considerations. Action within such a system is characterized, theoretically, by planning to maximize returns and minimize expenditures of time and effort. Orientation to retail business, in this sense, is in terms of economically-rational considerations of an instrumental order.

Within the Gemeinschaft-like system, such norms are based on tradition, and are particularistic; that is, action is governed by norms of the reference system. Theoretically, action within such a system is characterized by functionally diffuse and emotionally based factors. The action itself becomes an end, rather than a means to an end. Orientation to business in this sense, is in terms of non-economic considerations of an affective order.

To the knowledge of the writer, the orientation of retail businessmen as a whole to their business has not been treated systematically. The work of Kriesberg has been cited as it relates to a particular kind of retailing, and Whyte has suggested how this problem can be approached. Perhaps the closest approximation to this has been made by Caplow in which he discussed "occupational ideologies" with reference to the retailer.<sup>19</sup> He considered these in

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19. Theodore Caplow, op. cit. pp. 124-140.



terms of control of "non-occupational activities," "formation of occupational attitudes," and "occupational stereotypes."

Control of non-occupational behavior of the retailer was seen to be conditioned by the "absence of strong occupational organization," "his passionate identification with the role of a businessman," and "the fact that his personal characteristics and his style of living affect his business." He described this in the following way:

The separation of the shopkeeper's residence from his shop is a fairly recent occurrence and has been more complete in the United States than elsewhere. The codes of symbols developed by Bardet for the systematic study of European communities use a single symbol to indicate both the shop and the shopkeeper's home, which are ordinarily found in the same building. One basic motive for separation is that the norms of deference imposed on the shopkeeper prevent him from displaying a distinctly higher status than his customers, while his aspirations toward the role of businessman impel him to do so.

The most conspicuous element in the folkways of this group is the double status imposed by circumstances: on the one hand, the attempt to achieve full business-class status by an appropriate style of living and by intensive participation in business-class associations: on the other, the concealment of this status during the working day. Thus it comes about that when the retail business expands to the point of obvious prosperity, the owner usually retreats into anonymity and no longer wishes to be identified by all his customers.

The legal device of incorporation offers an opportunity to make this separation explicitly, by divorcing the behavior of the business from that

of its owner. The divorce is nullified to some extent by the network of credit information facilities which continues to present the essential facts of ownership to potential leaders and suppliers. Nevertheless, the most striking element in the social organization of retail merchants is their withdrawal from traditional identifications.  
20.

The process of formation of occupational attitudes of the retailer is different than that of many occupations, according to Caplow, because he is partially isolated from his fellow retailers, and is not subject to every day exchange of gossip which is conducive to shaping common attitudes. His role, however, is defined with great precision by agencies of mass communication. According to Caplow it has this effect:

This places the shopkeeper squarely in the middle of one of the major ideological conflicts of our society: he is committed on the one hand to oppose "government interference" and the constantly enlarging network of social controls which interfere with the businessman's liberty of action, but he is constrained by the facts of economic concentration to oppose the specific measures taken by large-scale business to diminish competition and to increase its control over him.  
21.

With respect to occupational stereotypes, Caplow concluded that there is none which is common to retailers as a class. For example, there is considerable difference between public images of the iceman, Chinese laundry man, and hardware merchant.

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20. Ibid. pp. 123-129.

21. Ibid. p. 132.

Caplow pointed out in these excerpts that the retailer is in a position which can result in a variety of orientations to his business and to the customer. If he is well established and making a relatively large profit, he has a "passionate identification with the role of a businessman." By this, it is assumed that Caplow defined the "business role" as being one of economic rationality in being a "good businessman." As such, the orientation is essentially Gesellschaft-like. Under such circumstances, the retailer seeks to disidentify with the customer. At the same time while he seeks to identify with "business role" which opposes "government interference," he is under pressure of certain businessmen, such as suppliers, which may force him to accept attitudes antithetical to those of "businessmen."

The occupational ideologies of the less well established retail businessman, or the small time neighborhood operator was not discussed by Caplow. Based on his statements however, it can be assumed that their passion for identification with the "business role" is less pronounced than in the case of the other. His orientation to business, therefore, may involve Gemeinschaft-like attributes, and he is likely to identify with the local resident rather than wanting to disassociate with him. This may be particularly the case for retail businessmen who live in the same

building as their business, or in the local customer area. In terms of orientation they may not identify with the "business role," but have quite different outlooks. It is suggested that this may be the result of both the "ideological conflicts" and the basic social structure of their business. Constant contact between employees and customers of a Gemeinschaft-like order is likely to produce orientations to business and customers of a Gemeinschaft-like order. As Whyte suggested, the "dynamics of attitudes formation can best be worked out as we correlate attitudes with human relations in the organizations we study."<sup>22</sup>

The paradox in which the retailer finds himself is also discussed by Mills.<sup>23</sup> He suggested that the traditional outlook of the middle-class retailer is no longer as strongly held by his modern counterpart, and that he is developing different orientations to work. Neither Mills nor Caplow demonstrated what these orientations are. Again, it is suggested that the basis for these non-middle class, non-business orientations, can be found in certain social relationships of the retailer.

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22. William Foote Whyte, op. cit. p. 9.

23. C. Wright Mills, White Collar, (New York: Oxford University Press, 1951) pp. 1-59, 215-238.

Mills has examined the retail businessman from the point of view of his place in the status order of a middle-sized city.<sup>24</sup> He divided the occupational grouping into the following five categories:

- (1) Big Business and Executives
- (2) Small Business and Free Professional
- (3) Higher White-Collar
- (4) Lower White-Collar
- (5) Wage Workers

These are listed from higher to lower income levels. The "higher white-collar" includes salaried professionals and semi-professionals, salesmen, government officials, and minor managerial employees. The "lower white-collar" includes government protection and service workers, clerks, stenographers and bookkeepers, and foremen. The chief concern of Mills was with groupings two, three and four.

The small businessman is found to occupy a position which results in a differential ranking given him by upper-class and lower-class observers.

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24. C. Wright Mills, "The Middle Classes in Middle-Sized Cities: The Stratification and Political Position of Small Business and White Collar Strata," American Sociological Review (October, 1946) XI, pp. 520-529. Middle-sized cities include those from 25,000 to 100,000 population. The city in this study had a population of 60,000.

To the lower-class observer, little businessmen are very often the most apparent element among "the higher-ups" and no distinctions are readily made between them and the "business" or "upper-class" in general. Upper-class observers, on the other hand, place the little businessmen - especially the retailers - much lower in the scale than they place the larger businessmen - especially the industrialists. Both the size and the type of business influence their judgment.

The conclusions are quite similar to those of Davis in which he found that groupings in the status order of "Central City" defined classes other than their own in a way that was different from the concept held by other classes.<sup>25</sup> In particular the "lower class" did not distinguish between the "upper-middle," "lower-upper," and "upper-upper," classes; but lumped them all together.

Mills continued by stating that there is greater movement from the lower stratum into the small business stratum than into the "free professional" and "big business" strata. From his data he ascertained that of those small businessmen who were urban derived, twenty-seven percent come from lower income groups and that slightly more than forty percent marry daughters of wage workers. In terms of job histories he found that over half have wage earning jobs at time of first full employment and

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25. Allison Davis, Burleigh B. Gardner, and Mary K. Gardner, Deep South, (Chicago: University of Chicago Press, 1941) pp. 62-73.

later work into retail business. With respect to education, the small businessman ranked lower than the "big business" and "free professional" categories with about twice the proportion of the latter two graduating from high school than for the small businessman. For Mills these factors help explain the attitudes of the lower and upper strata towards the small businessman. The upper judges more on "status" and "background" while the lower more by "income and the appearances to which it readily leads."

Closely associated with such attitudes are the power relationships between the small businessman and the upper stratum. To quote Mills:

The ambiguous prestige of small business people has to do with power as well as with 'background': the small businessmen, especially in cities dominated by a few large industrial firms, are quite often 'fronts' for the larger business powers. They are, civically, out in front busily accomplishing all sorts of minor projects and taking a lot of praise and blame from the rank and file citizenry. Among those in the lower classes who, for one reason or another, are 'anti-business,' the small business front is often the target of aggression and blame; but for the lower-class individual who is 'pro-business' or 'neutral,' the small businessmen get top esteem because 'they are doing a lot for this city.'

26.

When discussing ideologies of small businessmen, Mills stated that such ideologies are based on identification with business as such and are controlled by the big business concerns in the community. The Chamber of Commerce was seen

as the spokesman for both large and small businesses but being under the influence of the former. Based on the hearings of the Senate Small Business Committee, Mills states that the small businessman demonstrates aggression towards "labor" and "government." At the same time they see small business as "the backbone of the American economy."

These factors put the small businessman in an ambiguous position according to Mills. Such a position "is explained by his social origin and by the 'power' which is ascribed to him by the lower but denied to him by the upper."

This analysis suggests that the small businessman is in a marginal position with respect to power and prestige arrangements. As such his ideologies and political efforts are often oriented towards the big business stratum and he has not developed those unique to small businessmen as such.

The data on which Mills based his conclusions concerning origin and education of small businessmen and their wives and other factors, consisted of thirty-seven cases. As he suggested "the results should be taken with a grain of salt, and caution exercised in any further use made of them: in reality, we are here dealing with qualitative materials." His source for "ideologies of small business" were Senate Small Business Committee Hearings. Such a committee defined a "small business" as one employing one hundred or fewer people. The average number of employees



in "small business" of the Mills investigation was two to four. In this research the average is four. It has been the experience of this writer and others working with the Committee that the larger sized "small businesses" are heard before this Committee. It is suggested therefore that the ideologies of "aggression towards labor and government" may not be those of proprietors of average-sized "small businesses."

It is also suggested that many of these small businessmen are not members of, or associated with, local Chambers of Commerce or any other business association. These factors suggest that the ideologies of small businessmen may be other than those reported. It may also be that such businessmen possess a common orientation to business and to their "public." In terms of political orientation he may possess one other than that of big business.

An analysis of the kind which deals with the structure of retail business and orientations of retailers must include a variety of existing types of businesses if it is to be representative. On basis of the previous discussion, such a sample should include different establishments in terms of kinds of goods and services offered; it should be representative of different sizes of businesses; and the locations of such businesses should be representative of

the spatial distribution of the universe of retail locations. The community selected should be large enough so as to include the kinds of retail establishments found in the majority of cities.

THE SAMPLE OF THIS INVESTIGATION. The universe for this study consisted of retail businesses of a specified density in Lansing and East Lansing, Michigan, and their immediate fringe. The fringe areas included those arteries contiguous to the municipal boundaries, which were occupied by retail concerns. Excluded from the universe was the downtown Lansing district. This area was not included since such respondents would not have a type of business operation relevant to the problem of delimitation of social sub-areas.

The universe consisted of nine hundred and eighty-four retail businesses, from which were selected six hundred and fifty cases for interviewing purposes. The method of selection was as follows: First, the concern had to offer retail sales or services. Second, the areas selected had to include two or more such businesses within a block of each other. Third, all of the businesses were selected if the area contained up to four concerns, and if over four, a fifty percent sample was selected. Fourth, certain types of businesses were selected in their entirety. These included clothing stores, restaurants, bars, dairy

and drug stores, real estate offices, and barber and beauty shops. These were entirely included because it was believed that operators of such businesses would be most likely to be cognizant of organizational features of the area about them.

Thus, if an area contained twenty retail businesses, at least ten were selected. If the area contained more than ten of the heretofore mentioned types, these were included in the sample. The result was that not less than ten, but up to twenty cases were selected.

The sample represented sixty-six percent of the universe and was distributed spatially in a manner so as to be representative of the Greater Lansing area. A comparison of the sample and universe shows that a gross representation of retail businesses by type was selected. Because of this procedure, the information gathered probably represents local areal social phenomena insofar as the respondents were adequate informants. The data concerning business structure and business orientation appear to be representative of the retail businessmen in this larger area.

An interview was developed and administered to the owners or managers of each business. The content of the schedule will be dealt with in successive chapters as it relates to the methods involved in ascertaining the social

structure of retail business, and the orientations of businessmen to their business and the people in the local area.

THE GENERAL PROBLEM AREA. The first problem discussed in following chapters is concerned with the general social structure of retail business. This will be approached by treating retail business as a social system. Social systems will be classified as Gemeinschaft-like and Gesellschaft-like types and a basis presented for such classification. This basis will be in terms of theoretical components of Gemeinschaft-like and Gesellschaft-like structures. Following will be an analysis of the position of retail business within the economy of a middle-sized industrial community with statements as to the consequences of this position for the structure of retail business. Based on this analysis and the above typology, a typology of retail business will be developed and the data classified relevant to the social structure of retail business. It is expected that such businesses will be classified as essentially Gemeinschaft-like, mixed, or Gesellschaft-like.

Following this, an analysis will be made of the orientations of retail businessmen to their business in terms of the Gemeinschaft-Gesellschaft model. It is expected that the mode of orientation to business of the retailer can be predicted from the structural order of his business.

This will be analyzed first in terms of the general position of the retailer in the larger community, and next in terms of the particular structural classification of his business. The data will then be classified in terms of type of orientations to business possessed by the retailer and tests made of the relationships between business structure and orientation to business.

It is expected that those retailers who operate a business essentially Gesellschaft-like in structure will be oriented to their business in a way comparable to the theoretical nature of ends and norms of a Gesellschaft-like social system as discussed in Figure 1. A contrasting pattern is expected for the proprietor of a retail business essentially Gemeinschaft-like in structure.

The next problem involves the kind of orientation the retail businessman has to the local area about his place of business. Because of his relatively close association with the local resident it is expected that he develops conceptions of these people through interaction with them, and that these conceptions are related to the structure of his business and to his orientation to business. The first task at this point will be that of ascertaining the way the retail businessman may be expected to orient himself to those in the local area in terms of the general structure of retail business. The data will then be analyzed

in terms of how he conceives of the local resident and compared with the predictive statements. It is suggested that those retailers operating businesses essentially Gesellschaft-like in structure will orient themselves to local residents in terms of their economic status, and that proprietors of the businesses essentially Gemeinschaft-like in structure will be particularly cognizant of the sociability and congeniality traits of the local resident.

The final problem will be concerned with the orientations of the retailer to the local area and his business and the structure of his business as these factors are related to mobility choices. Such choices involve the retailer's preferences regarding change of business location or change of business. With respect to area orientations it is expected that those retailers who evaluate the local resident in a positive way will least want to change areas and those who express negative evaluations will most want to move.

Relative to business orientations, it is expected that those retailers who possess orientations which are essentially Gemeinschaft-like will least want to change locations and type of businesses they are in and vice versa. The same relationships are expected in terms of business structure.

## CHAPTER II

### THE SOCIAL STRUCTURE OF RETAIL BUSINESS

One of the most useful analytical tools developed by sociologists in analyzing social structure is that of "social system." According to Loomis and Beegle, a social system refers to persons interacting with each other more than with outsiders for purpose of attaining some end or objective.<sup>1</sup> The manner or patterns of interaction within a social system constitutes the structure of the system. This is determined by analysis of the elements of a social system. These include the ends or objectives, which may be changes desired by members, or if not change, the maintenance of status quo. They may vary from objectives such as those for a business corporation of producing for a profit, to that of a family whose ends are more general or diffuse, involving such matters as security and love.

The norms are the expected patterns of behavior for system members particularly as they involve the attaining of ends. They are the "rules of the game" and decide what

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1. C. P. Loomis and J. Allan Beegle, Rural Social Systems, (New York: Prentice Hall, 1950) and C. P. Loomis, Studies in Applied and Theoretical Social Science at Michigan State College, (East Lansing: Michigan State College Press, 1948).





is right and wrong in terms of interpersonal relations for members of the system, and between the members and outsiders. They include a totality of expectations, whether they are written and codified, or unwritten. They may vary in degree or specificity from those of the family which may involve norms of demonstrating affection, to the quite specific norms of a large factory.

The ends and norms of a social system are basic in determination of its structure. Structural elements are analyzed in terms of status-role patterns, which refer to the expected behavior for an individual occupying a particular position within the system. The definition of these status-roles and the determination of relationships between them, gives a picture of the structure of a social system. Such relationship can be discussed in terms of power, rank, sanctions, and facilities.

Loomis has developed a procedure for analyzing structure of concrete social systems in terms of an ideal-typical analysis. After delimiting the elements of a social system i.e., ends, norms, and status-roles, he establishes contrasting patterns or types of social systems under the headings of Gemeinschaft and Gesellschaft. In general terms, the Gesellschaft-like social system is characterized by social interaction in which the relationships are means to a given end. In the Gemeinschaft type,

the relationship becomes an end in itself. Characteristics of the Gesellschaft type are functionally specific and contract-oriented ends and norms. Using a large corporate business as an example, the ends may be those of production for a profit. The norms of such a business would generally involve assignment of specific tasks for workers, as on an assembly line, for purpose of attaining this end. Both would be contract-oriented in terms of articles of incorporation for a profit making concern, and written agreements and directives relative to behavior patterns for different jobs.

Within a Gemeinschaft-like system, the ends and norms tend to become fused, and are more functionally diffuse and tradition-oriented. Using a middle-class American family as an example, the distinction between ends and norms becomes difficult to make. The ends of such a unit involve such things as companionship, security, and affection. The way in which one displays such behavior is rooted in tradition, rather than in contractual agreements, although there are certain contractual elements of marriage. Such behavior is generalized or diffuse.

The relationships between members of a Gemeinschaft-like system, in terms of initiation and response to action, are likely to be two-way. Authority is personalized and there is a feeling of a "community of fate," and of blanket

rights and responsibilities for system members. Interaction involves intimacy and sentiment, and, in this sense, is non-rational. Using the family again to illustrate, initiation and response of action often occurs among all members. Decisions involving selection of television programs or even automobiles may illustrate this point. These family members are concerned with what happens to each other, both while interacting within and outside of the system. Authority is personalized in that the emotions and feelings of members are paramount when controlling others.

Ideally within the Gesellschaft-like system interaction is in the direction of being one-way, with impersonalized authority and limited rights and responsibilities. Intervening objects between members are common and the action is rational and planned in terms of attaining objectives. To illustrate, within a large business corporation there exists a "chain of command," with initiation of action following hierarchal lines through established channels. If the president of the concern wishes to communicate with a divisional sales manager, he would do so through the vice-president in charge of sales or through properly passed written directives. The intervening objects, in this case, may be people or written rules. When dealing with employees of the corporation, the president

would ideally act on basis of the specific job they perform, irrespective of who they may personally be. Nepotism has no place in such a system. The president would be concerned with employees insofar as they did or did not do their jobs in the establishment. He would feel responsible for their welfare as related to the job. For example, if an employee broke a leg on the job, then the company would take appropriate action. If this occurred in the man's house, it would not be the responsibility of the firm to take care of him. The status-roles of the employee outside this business is of no concern to the employer. Efficiency, planning, and rationality epitomize such interaction in this ideal sense.

These contrasting patterns have been diagrammed in Figure 1, page 10. These two models in Figure 1 are treated as pure types. They represent theoretically possible patterns of behavior. Although ongoing social systems may not be fully characterized by either Gemeinschaft or Gesellschaft patterns in all cases, it is possible to ascertain which type they most closely approximate. It becomes possible then, to picture an ongoing system as being Gemeinschaft-like or Gesellschaft-like. This has been done by Loomis in comparing an Amish family, a Spanish-American Ditch Association, a government bureau in the United States Department of Agriculture, and a military unit. More

recently, he and McKinney have contrasted Latin-American communities of family farms and large estates on a similar basis.<sup>2</sup>

This was accomplished by developing a continuum of these types placing pure Gemeinschaft and Gesellschaft relationships on either end with intervening degrees of each as follows:

FIGURE 2

A MODEL FOR ANALYSIS OF SOCIAL SYSTEM'S STRUCTURE

Gemeinschaft						Gesellschaft				
5	4	3	2	1	0	1	2	3	4	5

The elements of a social system were then analyzed on basis of where they would fall in this arrangement in terms of theoretically derived categories. For example, indirect contact through use of intervening objects in a pure sense

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2. Loomis and Beegle, op. cit., and Charles P. Loomis and John C. McKinney, "Systematic Differences Between Latin-American Communities of Family Farms and Large Estates," American Journal of Sociology, LX No. 4, (September, 1955) pp. 36-45.

(point five right above) would mean that interaction occurs through written communication or directives or other intervening objects. In a pure face-to-face, direct situation (point five left above) interaction occurs by each member confronting others individually and candidly. Characteristic of the first would be the communication process between a regimental commander and a company commander in his unit. This ideally occurs through written orders or through the person of the battalion commander but very seldom through direct, face-to-face contact.

Within ongoing systems, these pure forms seldom occur. However this model allows comparison of ongoing systems based on these theoretically derived categories of action.

Loomis has accomplished this by having independent observers, who have insight into the structure of ongoing systems, evaluate and place on the continuum, the position represented for the element under consideration. In the studies cited, the Amish family was most Gemeinschaft-like and the military unit most Gesellschaft-like with the other systems between.

The writer will ascertain the structure of retail businesses in terms of Gemeinschaft-Gesellschaft reference points. Upon ascertaining some general structural features of such systems, he will develop a more systematic typology for differentiating retail concerns.

STRUCTURAL ASPECTS OF RETAIL BUSINESS. A social system includes those interacting with each other more than with outsiders for purposes of attaining some end or objective. The members of a retail business social system include the employees-the employer-and the customer. It is necessary to ascertain the general structure of their interaction in order to classify or type it on a Gemeinschaft-Gesellschaft basis. To do this requires examination of retail businesses in the general economic setting of the society in which they operate, and a comparison of their function to that of other economic units within the community.

In a society with a complex economic organization, there are links which can be delimited on basis of their specific economic function. The functional link of retail business is of particular concern at this point. Four kinds of economic activity are relevant in ascertaining the function of the retailer: first, is that of the manufacturer who produces goods more or less on basis of mass production; second, is that of the wholesale distributor whose function is that of getting the product from the manufacturer to the retailer; third, is that of the retail businessman; and fourth, is that of the consumer or customer.

The economic function of retail business is that of selling the product to the consumer. As such, retail

business is placed in the closest position, within the overall economic organization, to the customer. Such a fact has consequences for the social structure of retail business, particularly as compared with manufacturing and wholesaling activities. Another feature of retail business in this economic organization, is that there is less capital investment, generally speaking, required to establish and maintain a retail concern as compared to a wholesale or manufacturing establishment. Also, the number of employees are fewer and business size generally smaller. This means that there is greater opportunity for a larger number of people to become retail businessmen than other types, and that the turnover and entering and leaving of such businesses is relatively greater. In essence then, the retailer is a small time operator, recruited from a great variety of social backgrounds, possessing occupational mobility, and in close contact with the customer. In addition, he is somewhat restricted in what he offers for sale in terms of what he obtains from the manufacturer and wholesaler. As was discussed by Caplow the retailer is between those from whom he obtains goods and those to whom he sells, and subsequently is subjected to pressures from two important economic links.<sup>3</sup>

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3. Theodore Caplow, The Sociology of Work, (Minneapolis: University of Minnesota Press, 1954) pp. 115-120.



Such a socio-economic setting would appear to have the following consequences for the social structure of retail business. The number of people working within a retail business is relatively few. In the sample of this investigation, the average number of workers is four. The figure is somewhat higher when considering establishments in the central business district. Those working for the retail businessman are quite likely to be relatives, usually a spouse or children. In many cases they are un-paid. The physical lay-out of most retail establishments is confined to a single, small building, so that the workers are in visual contact most of the time.

The division of labor is not extensive in that most employees do about the same thing; that is waiting on or serving customers. This is most obvious in businesses with only one worker or a small number of workers. It is also important to observe that in many retail businesses there is but one shift and that all employees are in constant and continuous contact.

The general pattern of interaction between retail businessmen and customers is related to the following factors. The economic function of retailers and customers puts the two in close association. The customers are in visual contact with the businessman when purchasing goods or services in most cases. This contact is also quite



frequent, and may exist over a long period of time. The retail businessman, being the economic link to the consumer, becomes acutely aware of consumer spending habits involving matters of taste. He also is very sensitive to the change in amount of purchasing power of his customer. In many lines of retailing, retailers get their goods from the same sources, and offer the same products for sale at about equal prices. This puts them on an equal economic-competitive basis. The sale of such items, therefore, involves an adequate conception of customer demand. Success, in many ways, is related to rather intimate knowledge of the customer.

The retail businessman's customer usually lives in the local community, and within a relatively close distance to his place of business. The retailer himself often is also a resident of the community and lives in his place of business or close to it. Within the sample of this investigation, ninety-five percent of the businessmen reported that most of their customers were from within the Greater Lansing community and the majority of the retailers lived within ten blocks of their place of business.

Examination of these socio-economic characteristics of retail business in terms of the Gemeinschaft-Gesellschaft model presented, points to the following conclusions relative to placement of such structures within this framework.



Initiation of action. - The customer-employee selling relationship is initiated by the customer with reciprocity on part of the employee. At some point, quite often the employee initiates suggestions as to purchases. Often, interaction involves discussion of factors unrelated to purchases, such as family health, vacation plans, sports, or similar mutual interests. Among employees, initiation of action generally is two-way because of small number involved, the employment of relatives, and a lack of distinct and specific division of labor. When considering the actors within the social system of retail business the initiation of action would tend to fall on the two-way side of the continuum.

Authority. - Control over others within the customer-employer-employee relationship again involves consideration of the economic function of retail business. The customer, by buying goods or services, exercises power over the retailer. In this sense, the seller is influenced very strongly. At the same time, in a mass production economy, the items and services offered are often comparable and the advantage of shopping at different places is minimal. The customer's decision as to where he trades therefore, is based often on considerations other than price. Such considerations may involve treatment afforded him by employees in terms of catering to individual desires. Insofar

as these kinds of factors are relevant, the authority patterns are personalized rather than impersonal.

Control of employees by the employer is related to the personnel size, division of labor, and non-business contacts of personnel. With four or five in a business, employed at non-specialized tasks, having family or friendship contacts outside business, it would be expected that the control exercised within a retail business would be personalized. It would appear that both the authority patterns among personnel and between they and the customer would be placed towards the Gemeinschaft end of the continuum.

Nature of contact. - The interaction between customers and employees, and among retail business personnel in many ways, is direct and face-to-face. In retail concerns, such as grocery and drug stores, the customer contact is frequent, occurring at least once a week. Among the personnel, the contact exists five or six days a week, for eight or more hours a day. In some cases intervening objects are involved in the customer relationship such as when machine dispensers are utilized. Between personnel, contact would involve intervening people or directives in large, bureaucratic type organizations. On this point, it is difficult to generalize for retail business per se. However, in most retail concerns, interaction would tend to be more face-to-face than that involving intervening objects.

Emotional-rational context. - "Pure" Gemeinschaft interaction at this level involves all actions determined completely by such emotions as pride, love, fear and loyalty, especially as manifested in an impulsive way. In Gesellschaft, interaction is calculated with attention given to the product or end of the interaction. Sentiments are important only as they contribute to attaining objectives, with the least expenditure of effort, money and time. The retailer when treating customer sentiments and emotions in this way, would be highly rational.

It has been demonstrated that consideration of emotional factors is built into this relationship. The question of whether they are means to a sale is difficult to demonstrate, particularly if consideration of emotion and sentiment become habituated to the selling relationship. Courtesy, politeness, sincerity, admiration, and sympathy fall into this category. The writer has observed the selling procedure of automobiles in which strong play is made on emotional factors. Generally, the car salesman becomes your friend and you and he combine forces against the "boss" who doesn't want to give you the deal you deserve. Sometimes the "line" may be that you and the salesman are "putting one over" on the boss and you both hope the salesman doesn't get fired for losing so much money on the deal. Several car salesmen when questioned about this, said that





this is the situation as it truly exists, and that they really sympathize with the customer in trying to get a "good deal" for him. In other retail businesses, the emotional-rational context may vary from this in terms of customer-employer relationship. The "reputation" of a concern, however, is often described in terms of non-rational statements.

Interaction among personnel, in this context in most cases would fall between the extremes of pure sentimentism and rationality when considering the factors of size, division of labor, physical proximity, and non-business contact of retail personnel.

Status-role integration. - The fact that the retailer is often a resident of the community in which his business is located, and usually lives close to his customers, means that his behavior both in and out of business is relevant to success of his business. This means that his status-role within the social system of business tends to be integrated with status-roles of being a father, neighbor, citizen, and other significant positions. Deviant behavior which is negatively evaluated by residents on part of the retail businessman in any of these roles, would result in loss of sales. In this respect, the retailer represents a status-role comparable to that of a minister or school teacher. The same would be true for employees, although

not to such an extent. Since this is an occupational role, it represents one of the most pervasive in determining the community standing of the businessman.

Norms and ends. - Within the buyer-seller relationship, the objective can be viewed as that of exchange of goods or services for a price and the norms as means to such an end. This can be treated as a functionally specific and contract-oriented phenomenon, and placed on the Gesellschaft end of the continuum. As has been demonstrated, however, such interaction also involves many characteristics which are more diffuse and based on tradition or non-contractual factors. There is nothing written or formally codified concerning matters of courtesy or politeness, or maintenance of a small retail businessman's "reputation."

When approaching the question as to why people shop one place rather than another, it becomes evident that a range of motivations are involved. Stone has classified customers in terms of their orientation to shopping in this respect.<sup>4</sup> He arrived at the following categories of orientations to shopping. They were (1) economic, (2) personalizing, (3) ethical, (4) apathetic, and (5) a residual category.

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4. Gregory P. Stone, "City Shoppers and Urban Identification: Observations on the Social Psychology of City Life," American Journal of Sociology, LX, No. 1, (July, 1954) pp. 36-45.



The economic category included:

Remarks coded in this category clearly indicated that the informant regarded shopping as primarily buying, her behavior being unambiguously directed to the purchase of goods. The criteria applied to the evaluation of stores included: an appraisal of store's merchandise in terms of price, quality, and variety; a favorable evaluation of store practices that maximize the efficient distribution of goods; conversely, an unfavorable evaluation of practices and relationships with personnel which impede the quick efficient sale of merchandise; and a favorable rating of conditions which maximized independence of customer choice.<sup>5</sup>

The personalizing category included:

In this category were placed responses defining shopping as fundamentally and positively interpersonal. Such informants expressed a tendency to personalize and individualize the customer role in the store and rated stores in terms of closeness of relationships between customer and personnel. Consequently, "purely" economic criteria, such as price, quality, selection of merchandise, and highly rationalized techniques were of lesser importance.<sup>6</sup>

The ethical category included:

Responses in this category signified that the informants feel a moral obligation to patronize specific types of stores. They perceive shopping in the light of a larger set of values rather than of specific values and more immediately relevant norms. The following excerpts express it:

'It would be better if they were all neighborhood stores. The chains put people out of work because the people have to wait on themselves. But that's what happens in a machine age. They set up everything like a factory. If there's another

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5. Ibid. p. 42

6. Ibid. p. 42

depression, the chains will put people out of work, because they are a self-help system. So, if you let the chains run the little business out, they will be wrecking their own chances for jobs, if times get too bad.' 7

The apathetic category included:

Included in this category are responses showing that the informant was not interested in shopping and did not discriminate kinds of stores. They emphasize minimization of effort in purchasing.  
8

This evidence indicates that, as far as the consumer is concerned, the ends and norms of the shopping relationship, quite often involve factors other than those of rational-expediency. The personalizing consumer views interaction with retail business personnel in some ways as an end in itself. "This type of consumer shopped 'where they know my name....' Strong personal attachments were formed with store personnel, and this personal relationship, often approaching intimacy, was crucial to her patronage of a store. She was highly sensitized to her experiences on the market; obviously they were an important part of her life. It followed that she was responsive to both pleasant and unpleasant experiences in stores. Her conception of a "good" clerk was one who treated her in a personal, relatively intimate manner."

For the economic consumer, the relationship most closely approximated the Gesellschaft-like pattern.

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7. Ibid. p. 43

8. Ibid. p. 44

"Clerical personnel and the store were, for her, merely the instruments of her purchase of goods. Thus, efficiency or inefficiency of sales personnel, as well as relative commensurateness of prices, quality, or the selection of merchandise, were decisive in leaving her with a pleasant or unpleasant impression of the store. The quality she demanded of a 'good' clerk was efficiency."

The ethical consumer approached the shopping situation in terms of a value orientation which was tradition directed. She shopped where she "ought to" in terms of some broad, culturally based imperative. "She was willing to sacrifice lower prices or a wider selection 'to help the little guy out' or because 'the chain store has no heart or soul.'..."

Such variation in orientation to shopping relationships for consumers suggests that, in many ways, the interaction involves characteristics of both Gemeinschaft-like and Gesellschaft-like social systems. The orientation of retail businessmen to their business will be examined more completely in the next chapter. At this point, however, on basis of material previously discussed, it is evident that his orientation to work includes characteristics of both tradition directed emotional-diffuseness, and contract oriented rational-specificity.



The nature of ends and norms for personnel within the social system of retail business has been discussed earlier under the heading of initiation of action, authority patterns, emotional-rational context, and status-role patterns. The general value orientation of members to the system probably involves considerations of satisfaction or dissatisfaction with their job in terms of "getting along" with fellow employees and customers, or liking the work and finding it enjoyable. At the same time, considerations of making money or making a living are important. At this point it is suggested that the general value orientation of those in the social system of retail business contains features not entirely of Gemeinschaft and Gesellschaft types, and that it would be placed between these extremes on the continuum heretofore described.

A TYPOLOGY OF RETAIL BUSINESS STRUCTURE. From the preceding discussion it is evident that retail business as a social system would be centered between the extremes represented by pure Gemeinschaft and Gesellschaft patterns. It is evident that not all retail businesses would be placed at the same point on this scale with respect to their social structure. This discussion will be concerned with development of a method for determining such a scale placement.



The concern at this point is with those factors which provide a basis for development of Gemeinschaft-like or Gesellschaft-like interaction within the retail business setting. Such factors include: (a) business size, in terms of number of personnel, purchases and customers; (b) the nature of employment, in terms of whether personnel are relatives, working full or part time, and paid or unpaid; (c) length of time in business in the present location; (d) proximity of residence to place of business; (e) location of customers; and (f) the kind of goods or services offered.

These factors will now be examined as they contribute to producing contrasting kinds of structure within a retail business in terms of initiation of action, authority patterns, nature of contact, emotional-rational context, and status-role integration.

Initiation of action and authority patterns. - One-way initiation of action and impersonalized authority exist in retail businesses in which there is an extensive division of labor. In such businesses, each individual has a specific task assigned to him which is different from those of others. His status-role is functionally specific. He is evaluated on how efficient he is in this particular job. Such efficiency is measurable in terms of amount of production. He is responsible to specific other status-roles,

and has under him particular persons likewise responsible to him. Initiation of action and authority within this system are closely related to the hierarchal control patterns within such a system. When interaction occurs involving these factors, it occurs on basis of the specific status-role of the individual; that is, in terms of the particular job he has, not on basis of friendship or similar factors.

Jobs within such a system often require extensive training and it is possible to move from one system to another and keep on doing the same task. Adjustment to such a job involves effort in terms of ascertaining the particular procedures surrounding the new task, rather than getting along with new fellow employees. To illustrate, the job of the inventory accountant would involve adjustments in terms of learning the level of inventories desired by the boss. On this basis, the accountant would apply appropriate inventory control procedures to maintain such a level.

Division of labor of this order generally exists in retail businesses which employ a large number of people. There cannot be extensive specialization with but three or four working in a place. The type of business is one with a number of different jobs required to run it. This occurs in such establishments as department stores, or

large chain groceries, or many drug stores. Besides employing large numbers, such places employ people who are not relatives. Because of the control over employees described above, they would be paid, rather than un-paid.

The shopping relationship for the customer is impersonal in terms of initiation of action and authority patterns. Epitomizing such a relationship would be a store in which all goods are purchased through machines, with no contact whatsoever with clerks. When customer-personnel interaction occurs, it is in terms of a one-way pattern, that is, the customer makes a specific request of the clerk or vice versa. Illustrating this is the experience of a customer in a supermarket. When he interacts with clerks, it's in terms of getting something weighed, or ringing a buzzer to obtain a cut of meat not previously packaged for the counter, and finally paying at the check-out stands. This experience is evident particularly in businesses handling a large volume of customers, and dependent on quantity of sales for a profit. In such places, customers are there to buy goods, and not to talk to store personnel or other customers.

Contrasted to this, two-way initiation of action with personalized authority most often exists in retail businesses with little division of labor. With status-roles undifferentiated, interaction generally is personalized and two-way.

Considering retail business personnel, this condition exists when there are a small number interacting, and when they know each other outside the business, as in the case of relatives. It is evident particularly when these relatives are un-paid. In addition, such jobs require little previous training, and adjustments required in job switches are largely in terms of "getting along" with people, rather than performing a specific task in an efficient manner. Perhaps the "mamma-pappa" grocery store most likely would represent this type of retail business.

With regards to customer-personnel interaction, such a condition exists when the number of customers, relatively speaking are few, and when the customers "get together" in the store for gossip or other informal reasons. Prices are apt to be somewhat higher in these places than in those depending on volume for profit.

Nature of contact and emotional-rational context.

The concern here is with aspects of retail business which provide a basis for direct, face-to-face contact involving intimacy and impulsiveness, as contrasted with that involving indirect contact with intervening objects, and such contact being primarily a means to an end. Many of the factors discussed above which are related to Gemeinschaft-like or Gesellschaft-like initiation of action and authority patterns, likewise are relevant to these aspects of structure.

The following discussion therefore will concentrate on additional factors.

Direct contact between customers and retail business personnel occurs in situations when the latter has to perform a rather extended operation for the customer. Certain retail services, such as those offered by the barber and beautician or tailor, typify such a condition. Within the retail sales category, this exists with automobile dealers and real estate salesmen. In these kinds of businesses, often the interaction contains elements of sentiment, particularly if a sale is based on appeals to taste, vanity, ethics, or comparable factors. Competition for customers between these businesses not only involves quality and price, but the ability to personalize the relationship to the customer's satisfaction.

Of importance to this discussion is the kind of interaction, if any, which transpires between customers in the place of business. On one hand, there are businesses in which no contact occurs between customers, or in contrast, those in which a great deal of interaction takes place often involving sociability. When this is crucial to patronage, the factors of direct, face-to-face contact of an emotional order are built into the system. The neighborhood tavern best illustrates such a business. Not only are the customers in such a relationship but the bartender as well.

Factors producing the contrasting patterns of indirect and strongly rationalized interaction within retail business, are a highly specialized and diverse division of labor with concomittant large size. The business is of the type in which customer-personnel interaction is strictly a means to an end of conducting an economic transaction. Indirectness is illustrated by the change from the butcher-customer relationship, to the pre-packaging of meats in a supermarket. Before the housewife often referred to "her butcher." However, this relationship generally has passed from the American scene. Complaints as to service or products in these places of business pass through established channels and are a highly routinized affair. Some even have a "complaint department" for this purpose. As mentioned previously, interaction is most indirect when a customer purchases everything by inserting coins in a machine. This, also is the least intimate experience conceivable.

Also involved in this kind of relationship, is highly habituated behavior on part of employees and customers, even when it has overtones of friendliness, courtesy and intimacy. Illustrating this, is the behavior of a gas station attendant who, as H. L. Mencken pointed out, taught courtesy to a generation of Americans. It is doubtful that such behavior is spontaneous and emotional. It is

more likely representative of a rationalization of emotional directness. Although not under investigation in this study, a telephone company, known to the writer, has gone so far as to have written down the kind of response the operator should give to callers mentioning the fact that they have a birthday, or want a date.

These patterns are most evident in businesses which cater to a large number of people who come from a wide area. It is impossible for an employee to be on intimate and direct terms with a large number of people per week, particularly if he does not see them often, either in the store or has no contact with them outside his place of business.

Integration of Status-roles. Here the concern is with the degree to which the status-roles of members of the social system of retail business is related to those he has in other social systems of the community. On the Gesellschaft side, there is a complete indifference on the part of members of the system to those roles played by members outside. On the Gemeinschaft side, members are permitted to participate only in roles which are integrated with those of the system.

It has been demonstrated that the retail businessman occupies a position within the community which places him in an extremely sensitive relationship with clientele.

Misbehavior on his part, either in his business or within the community, has adverse consequences on his sales. This is evident particularly when customers know him outside his place of business. If he is a poor family provider, or gets drunk every night, or doesn't support worthwhile community projects, and his customers know this, it has severe repercussions on his business. Such customer awareness of the businessman exists, most directly, when the retailer lives near his customers. This occurs when his customers are from near his place of business and when he lives in the local area. This condition of social awareness becomes heightened the longer the retailer lives in an area. Many reported that it took up to four years to get acquainted with local residents.

In contrast, conditions effecting non-integration of status-roles in and out of business involve situations in which the customer has no knowledge of, or cares little about behavior of the retailer aside from his business. This exists in cases when the majority of customers are transient, or, when he serves a large number of people. Similarly, non-integration is most apt to exist when the businessman lives in an area remote from residence of his customers and particularly remote from his place of business.

A final point relative to business structure involves the credit policy of the businessman. If he allows credit,



then he has rather extensive information about the consumer. In most cases in this sample, such information did not come from credit bureaus, but rather from first hand experience on part of the retailer and customer. Extension of credit therefore, indicates attributes of Gemeinschaft structure.

Salient features of retail business have been examined as they contribute to producing Gemeinschaft-like or Gesellschaft-like structure. Figure 3 summarizes the preceding analysis.

This outline provides a basis for classifying retail businesses of this sample in terms of their general structural character relative to this model. The criteria used to differentiate structure are arbitrarily drawn and not derived directly from the above theoretical discussion. They are, however, reasoned guesses. Later it will be seen that the material on orientations is more closely derived from this theoretical view and at that time the relationship between structure and orientation will be demonstrated.

Following are the data on which the structural assessment will be made. The schedule from which this information was derived is found in Appendix B. The varying kinds of retail businesses in terms of goods and services offered which are in the sample appear in Tables 12 and 13 in

FIGURE 3

## A MODEL FOR ANALYSIS OF STRUCTURE OF RETAIL BUSINESSES

Characteristic	Gemeinschaft-like	Gesellschaft-like
<u>Nature of</u>	Few employees	Many employees
<u>Employment</u>	Personnel related	Personnel not related
	Personnel unpaid	Personnel paid
<u>Nature of</u>	Small number of	Large number of
<u>Customers</u>	regular customers	irregular customers
	Customers from	Customers transient
	local area	and from large area
	Credit allowed	Credit not allowed
<u>Nature of</u>	Businessman lives	Businessman lives
<u>Residence</u>	in local area	outside local area
<u>Nature of</u>	Little division of	Highly developed
<u>Business</u>	labor	division of labor
	Extensive customer	Limited customer
	personnel contact	personnel contact
<u>Nature of</u>	Extensive informal	Little customer
<u>customer</u>	customer inter-	interaction
<u>interaction</u>	action	
<u>Nature of</u>	Located in area for	Located in area for
<u>Location</u>	extended period	short period

Appendix A. When the term "average" is used herein it will refer to the median value of the distribution. This is preferable to an arithmetic mean since there are unequal intervals and open ended categories in most of the distributions.

Table 1 presents the distribution of the number of workers in the businesses of the sample. The average number of employees is between three and four, with the proportions falling sharply with those businesses employing five or more workers. The sample in this research is<sup>9</sup> comparable to that reported by Mills in his research.

Table 2 refers to those businesses with unpaid employees. When the one person businesses are eliminated from the calculations, the remaining proportion employing unpaid help is twenty-nine percent. Of these, practically all are related to the proprietor of the businesses under discussion. The husband-wife combination constitutes over fifty percent of these cases.

The proportion of retail businesses employing relatives is depicted on Table 3. When the "one person" establishments are eliminated from consideration, the proportion

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9. C. Wright Mills, "The Middle Classes in Middle-Sized Cities: The Stratification and Political Position of Small Business and White Collar Strata," American Sociological Review (October, 1946) XI, p. 521.

of retail businesses employing relatives is close to fifty percent. In the latter, the average number of related employees is between one and two with but four percent employing more than four.

The retailer was asked to estimate the average number of "steady" customers for his establishment and the results appear in Table 4. It will be noted that those giving an estimate report an average of around two hundred. The greatest frequencies were around one-hundred, two hundred, and four hundred with but ten percent reporting having more than five hundred and forty regular customers.

Table 5 shows that slightly over fifty percent of the businessmen give no credit to customers. Of those allowing credit, seventy percent report giving it to "a few" or around twenty percent of their customers. Extensive credit apparently was not the policy for the great majority of the businessmen in this sample. Many of those offering limited credit state that they do so only under special circumstances such as near the end of the pay period.

Table 6 presents data relevant to the amount of customer interaction as viewed by the retailer. Of those reporting such, most state that the purpose of the gathering involved gossiping, "shooting the breeze," and other "informal" reasons. A limited number report that people conduct meetings or more "formal" activities.

Tables 7 and 8 present data on the residence areas of customers. Close to eighty-five percent of the customers are from the community area of Lansing. Of these, around forty percent are from the "local" area or within a radius of a mile of the business. For these, the customers reside relatively close to the business. Those retailers reporting customers coming from surrounding towns are generally located in the "fringe" areas of Lansing.

The majority of retail businessmen live within a mile of their residence as shown in Table 9. Those who live in the same building generally have quarters in the rear or above their establishment and those living within zero to two blocks generally live next door. When considering these factors and the evidence from Tables 7 and 8, it is evident that a large number of retailers live in the same area as do the majority of their customers.

The average length of time in business in the present location for those of this sample is shown to be between four and five years in Table 10. The greatest frequency for a single year is for the one to twelve month period. When these data are plotted on an x-y axis of time-frequency the resulting curve is skewed to the right indicating a relatively large proportion being in business for a short period.

Table 1

## TOTAL NUMBER OF PERSONNEL IN RETAIL BUSINESS

Number of People	Frequency	Percent
1	79	12.1
2	114	17.5
3	134	20.6
4	95	14.6
5	59	9.0
6	34	5.2
7	29	4.4
8 - 12	49	7.5
13 - 17	15	2.3
18 - 26	13	2.0
27 or more	23	3.5
No answer or not ascertainable	8	1.2
Totals	652	99.9

Table 2

## NUMBER OF UNPAID EMPLOYEES IN RETAIL BUSINESS

Number of Unpaid Employees	Frequency	Percent
*None	588	90.0
1	35	5.4
2	22	3.4
3	5	.8
4	1	.2
5	1	.2
Totals	652	100.0

\*Includes those businesses with only one person working.

Table 3

## NUMBER OF RELATIVES EMPLOYED IN RETAIL BUSINESS

Number of Relatives Employed	Frequency	Percent
*None	382	58.6
1	116	17.8
2	82	12.6
3	47	7.2
4	16	2.5
5	5	.8
6	2	.3
7	1	.1
8 - 12	1	.1
Totals	652	100.0

\*Includes those businesses with only one person working.



Table 4

## ESTIMATED NUMBER OF REGULAR CUSTOMERS IN RETAIL BUSINESS

Number of customers	Frequency	Percent
1 - 34	40	6.1
35 - 69	44	6.7
70 - 119	75	11.5
120 - 169	49	7.5
170 - 229	61	9.4
230 - 379	36	5.5
380 - 539	60	9.2
540 - 1229	34	5.2
1230 and over	38	5.8
No regular customers	30	4.6
Don't know	138	21.2
No answer or not ascertainable	47	7.2
Totals	652	99.9

Table 5

PROPORTION OF CUSTOMERS ALLOWED CREDIT  
BY RETAIL BUSINESSES

Proportion Allowed Credit	Frequency	Percent
None	334	51.2
A few	220	33.7
Half	36	5.5
Most	42	6.4
All	14	2.2
No answer	6	.9
Totals	652	99.9

Table 6

RESPONSE TO QUESTION WHETHER PEOPLE  
GET TOGETHER IN PLACE OF BUSINESS

Response	Frequency	Percent
No	489	75.0
Yes	158	24.2
No answer	5	.8
Totals	652	100.0

Table 7

## RESIDENCE OF MOST CUSTOMERS OF RETAIL BUSINESS

Response	Frequency*	Percent**
Local area - customers live		
nearby	110	23.6
City area - customers from		
all over town	148	31.7
Community area - customers		
from surrounding towns	71	15.2
Customers from regional area	19	4.1
No regular customers	11	2.3
From no definite area	27	5.8
Many customers transient	73	15.6
No answer, don't know	8	1.7
Area given in distance	209	
Totals	676	100.0

\* These are multiple punch categories

\*\* Based on 467 total of responses through "no answer, don't know."

Table 8

SIZE OF CUSTOMER AREA FROM RETAIL BUSINESSES  
FOR THOSE GIVING DISTANCES\*

Area in Blocks	Frequency	Percent
1 - 8	44	21.0
9 - 18	18	8.6
19 - 28	17	8.1
29 - 48	19	9.1
50 - 68	18	8.6
69 - 98	10	4.8
99 -148	19	9.1
149 -198	6	2.9
199 -298	19	9.1
299 -398	8	3.8
399 -520	11	5.3
521 and over	20	9.6
Totals	209	100.0

\* These responses constitute a breakdown of the last category of Table 7.

Table 9

## LOCATION OF RESIDENCE FROM RETAIL BUSINESS

Distance from Business	Frequency	Percent
Same building	104	16.0
0 - 2 blocks	101	15.5
3 - 4 blocks	38	5.8
5 - 6 blocks	38	5.8
7 - 8 blocks	20	3.1
9 - 14 blocks	56	8.6
15 - 20 blocks	42	6.4
21 - 26 blocks	43	6.6
27 - 40 blocks	74	11.3
41 blocks or over	53	8.1
Lives in other city	51	7.8
No answer or not ascertainable	32	4.9
Totals	652	99.9

Table 10

## YEARS IN BUSINESS IN AREA FOR RETAIL BUSINESS

Length in years	Frequency	Percent
Under 1	80	12.3
1	41	6.3
2	76	11.6
3	57	8.7
4 - 5	97	14.9
6 - 7	59	9.0
8 - 10	35	5.4
11 - 15	80	12.3
16 - 20	43	6.6
21 - 31	59	9.0
32 and over	25	3.8
Totals	652	99.9

CLASSIFICATION OF DATA INTO STRUCTURAL TYPES OF RETAIL BUSINESS. These data provide a basis for ascertaining the gross structural type of each of the six hundred and fifty-two retail businesses in the sample as they are related to the Gemeinschaft-Gesellschaft model presented in Figures 1, 2 and 3. The basis for classifying the following factors is arbitrary and where possible the data are dichotomized. The rationale for the following cutting points has been discussed and will be referred to in subsequent chapters.

Nature of employment. - Tables 1, 2 and 3 present these data. The business was classified as Gemeinschaft-like if it employed one or more related personnel, or one or more unpaid employees; and four or fewer total number of people. It was classified as Gesellschaft-like if it employed five or more people, none of whom were related. On this basis the business could be classified as possessing up to two Gemeinschaft traits or up to two Gesellschaft traits.

Nature of customers. - Tables 4, 5, 7 and 8 present these data. The business was classified as Gemeinschaft-like if the number of regular customers were two hundred and twenty-nine or fewer; if they came predominately from the local area or two or less miles; and if credit was allowed. The business was classified as Gesellschaft-like



if the number of regular customers were two hundred and thirty or more or if they were irregular; if customers came from an area greater than two miles; and if no credit was allowed. On this basis the business could be classified as having up to three Gemeinschaft traits or up to three Gesellschaft traits.

Nature of residence. - Table 9 presents these data. The business was classified as Gemeinschaft-like if the businessman lived within fourteen blocks of his business, and as Gesellschaft-like if it was above this or in another community. This classification involves the criterion of whether the businessman lived in or out of the "local" area. On basis of other data, he is shown to live outside the "local" area as he conceives of it, in fifty percent of the cases reported, therefore this indicates that those living within fourteen blocks are in the "local" area. (See Table 9.) On this basis the business could be classified as having one Gemeinschaft or one Gesellschaft trait.

Nature of customer interaction. - These data are presented in Table 6. The business was classified as Gemeinschaft-like if some customers were reported to "get Together" in the place of business and Gesellschaft-like if none reported. The business could be classified as having one Gemeinschaft or Gesellschaft trait on this basis.

Nature of business location. - Table 10 presents these data. The business was classified as Gemeinschaft-like if it was in the area six years or more and as Gesellschaft-like if five years or less. Thus they could be classified as having one Gemeinschaft or Gesellschaft trait on this basis.

Based on these breakdowns, it was possible for a business to possess up to eight Gemeinschaft-like traits or up to eight Gesellschaft-like traits. Each business was classified in terms of these criteria. Table 11 presents the distribution of businesses based on this classification.

Position eight (8) above on Table 11 denotes that there are four businesses which possess eight Gemeinschaft-like traits and no Gesellschaft-like traits. Such a business therefore employed related personnel and had four or fewer employees; had fewer than two hundred and twenty-nine customers who came from the local area to whom credit was allowed; had a proprietor who lived within fourteen blocks of his business, and reported that customers would "get together" in his business; and the proprietor had been in business in the local area six years or more.

Position seven (7) above on Table 11 denotes that the business possesses seven more Gemeinschaft-like than Gesellschaft-like traits. This generally indicates that they possess eight Gemeinschaft-like and one Gesellschaft-

Table 11  
 CLASSIFICATIONS OF SOCIAL STRUCTURE  
 OF RETAIL BUSINESS ON BASIS OF  
 GEMEINSCHAFT-GESELLSCHAFT CRITERIA

Social Structure	Scores	Frequency
Gemeinschaft-like	8	4
	7	10
	6	12
	5	17
	4	49
	3	35
	2	67
	1	56
Mixed	Equal	97
Gesellschaft-like	1	70
	2	101
	3	44
	4	54
	5	17
	6	13
	7	4
	8	2

like traits. In some cases, the retailer did not answer the questions in a way that could be classified (such as don't know). These responses therefore were not considered in computing a classification for that business.

The positions towards the center indicate that the business possesses about equal numbers of Gemeinschaft-like and Gesellschaft-like traits and therefore are classified as Mixed structural types.

This classification is admittedly gross, however, it offers a basis of ordering structural data of different types of retail businesses (as noted in Tables 12 and 13 of Appendix A) which would be difficult to do on other bases.

Of concern at this point, is the degree to which this device differentiates retail businesses in terms of their structure. The rationale for constructing the index has been presented. Those businesses towards the top are treated as being more Gemeinschaft-like than those near the bottom. A simple test was made of this in terms of a degree of knowledge the retail businessman has of customers. The following question was posed. "About what proportion of your customers would you say that you know by name?"

It is hypothesized that the businesses which are towards the top of the range, or possess a greater degree of Gemeinschaft-like traits, have proprietors who know a

larger proportion of customers by name than those towards the bottom of the range. Results of this analysis show that seventy-six percent of those businesses between points two and eight inclusive in the Gemeinschaft-side reported knowing between one half to all of their customers by name. Between points one and one inclusive the figure is sixty-two percent. Between points two and eight inclusive on the Gesellschaft-side, the figure is forty-nine percent. A more refined analysis showed that between points three and eight inclusive on the Gesellschaft-side the figure drops to forty-three percent. This indicates that on this general dimension, the index is capable of differentiating structural types of retail businesses.

The next problem involves relating these gross structural types of retail business to the modes of orientation of the businessman to his business and to the people in the area about him. It is expected that such orientations will vary with respect to the type of structure of his business, as previously discussed with respect to ends and norms of Gemeinschaft-like and Gesellschaft-like social systems. The general value orientation of members of a Gemeinschaft-like system is tradition directed and functionally diffuse. In the Gesellschaft, the orientation is contract directed and functionally specific. The next

chapter will deal with the relationship of retail business structure and mode of orientation of the retailer to his business.

### CHAPTER III

#### MODES OF ORIENTATION OF RETAIL BUSINESSMEN TO THEIR BUSINESS AS RELATED TO RETAIL BUSINESS STRUCTURE

In the last chapter a method for classifying retail businesses as to their gross structural types was presented. This was accomplished through use of Gemeinschaft-Gesellschaft criteria developed from the theoretical statements of Toennies, Loomis, and others; and applied to the range of data available for the retail businesses of this sample. This chapter is involved with the orientation of the retailer toward his business. It will be concerned with: (a) theoretical statements concerning the prevailing value-orientations within Gemeinschaft-like and Gesellschaft-like social systems, (b) an analysis of the orientations of the retail businessmen of this study, and (c) the relationship of these orientations to the social structure of business.

For purposes of empirical analysis, Loomis considered value orientation as including the ends and norms of a social system.<sup>1</sup> By ascertaining the general nature of

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1. C. P. Loomis, Studies in Applied and Theoretical Social Science at Michigan State College, (East Lansing: Michigan State College Press) pp. 1-13.

ends and norms in an ongoing social system as they are classified on basis of Gemeinschaft-Gesellschaft criteria, one is in a position to make statements concerning the prevailing modes of orientation of system members. These factors have been examined in part with respect to the social structure of retail business in preceding chapters. Of particular concern here is the nature of ends and norms as they influence status-role patterns within Gemeinschaft-like and Gesellschaft-like social systems.

Within the Gesellschaft-like social system the norms are based upon attainment and upon rational and contractual considerations. Action involves planning to maximize returns with minimized expenditure of time and effort. Such norms are based on the application of universal criteria. Further, specific attributes are expected for fulfilling positions within such a system. The action within the Gesellschaft-like social system and the norms influencing such action are instruments for reaching a specific end.

Within the Gemeinschaft-like system, the ends and norms determining status-role patterns are based on tradition. Action is governed by the norms built within the specific system of interpersonal relations and applied in many facets of these relations. Thus diffuse and particularistic norms, function to attain a complete community of fate between members of the Gemeinschaft-like social system.



The structural implications of these normative differences has been demonstrated previously. The particular concern here is with implications of membership in these contrasting systems on the orientation expressed by members.

Loomis utilized the following technique to ascertain nature of norms of orientation of different social systems. A question was posed which involves the articulation of the systems under analysis. An expert on the subject acted as a "judge" and stated how the system would react in the given situation. The expert was asked to place his answer on a continuum representative of Gemeinschaft-Gesellschaft orientations. After several such operations, the systems<sup>2</sup> were compared on basis of these factors.

A TYPOLOGY OF MODES OF ORIENTATION TO BUSINESS. The procedure followed in this research is comparable to that of Loomis except that the "expert" is not used. Instead, orientational questions are posed directly to the members of the social system. Their responses are then analyzed in terms of their orientational direction. The following questions were asked of retail businessmen relative to operational decisions:

"If you could move your business to some other place in the Lansing area, would you stay here or move?"

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2. See C. P. Loomis, op. cit. pp. 3-8.

For those who would stay: "What reasons would you have for preferring this neighborhood?"

For those who would move or change: "Where would you like to move? What reasons do you have?"

"If you had your choice of any business but had to run it in this general location, what kind would you prefer? Why?"

At this point, the concern is with the nature of reasons given for remaining in or leaving the area, and the reasons for business preferences as they are related to a Gemeinschaft-Gesellschaft classification. Figure 4 is an outline of the theoretical categories of such orientations.

A person responding to the above questions in terms of a Gesellschaft-like pattern is most likely to consider factors of profit. A businessman can be postulated as making decisions concerning his business on basis of maximizing profits under given operating conditions. The business itself is a means for accomplishing such an objective. This is the most obvious characteristic of Gesellschaft-like orientation for the businessman. Also, he may consider factors such as those of training and experience in coming to such decisions. The rigid training required in some retail businesses more or less prohibits changes in occupation. In some cases, experience,

FIGURE 4

## NORMS OF ORIENTATIONS IN CONTRASTING SOCIAL SYSTEMS\*

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Gemeinschaft-like	Gesellschaft-like
Tradition directed	Contract directed
Emotional-sentiment	Rational-instrumental
Functionally diffuse	Functionally specific
Particularistic	Based on competence and universal criteria

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\* Adapted from C. P. Loomis, op. cit. p. 2.

coupled with training, provides a basis for wanting to keep the same business. These are clear-cut reasons, based on economically rational considerations.

Within the Gemeinschaft-like pattern, responses to these questions are more of an emotionally diffuse order. Such responses include factors of "liking" or "disliking" certain aspects of retail business. These include liking the people in the area, or having local friends, or the opposite. Also included are statements of personal interest, such as enjoying their work or liking to deal with people.

PRESENTATION OF DATA RELATIVE TO ORIENTATIONS TO BUSINESS. The responses to the questions concerning removal of the business have been coded according to the categories as found in Tables 15 through 21. These tables present the kinds of answers given by retail businessmen regarding hypothetical situations requiring decisions. Such decisions involved the choice of remaining in their area of business or leaving it, or keeping the same kind of business or changing it. The responses have been coded so as to be meaningful in terms of Gemeinschaft-Gesellschaft criteria relative to ends and norms as they apply to the social system of retail business. Figure 5 summarizes this analysis.

FIGURE 5

CLASSIFICATION OF RETAIL BUSINESSMAN'S CHOICES  
REGARDING CHANGE OF LOCATION AND BUSINESS

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Gemeinschaft-like Responses

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Non-economic basis for choices

General "personal interest" as basis for choices

Sociability basis for choices

---

Gesellschaft-like Responses

---

Economic basis for choices

Training basis for choices

---

Each of the retail businessmen responding to these questions relative to moving or changing businesses was classified on basis of the outline in Figure 5. It was possible for the respondents to answer the questions in terms of either the Gemeinschaft or Gesellschaft classifications, or both. As is shown in Table 15, the range of responses is from two Gemeinschaft-like to two Gesellschaft-like statements. Data in this Table indicates that thirty-nine businessmen gave two reasons, relative to area and business changes, which have been classified as Gemeinschaft-like and no Gesellschaft-like reasons. The next group of one hundred and thirteen respondents gave one more Gemeinschaft-like than Gesellschaft-like reasons or one Gemeinschaft-like response and no Gesellschaft-like responses. Among the latter, a few cases answered only one of the questions relative to area or business change. The central or Mixed position indicates that the retail businessman gave an equal number of Gemeinschaft-like and Gesellschaft-like responses. This classification is admittedly a crude one but it is a first approximation which may be useful in pointing the way for future research.

The content of such orientations has been classified in Tables 16 through 22. When coding the data, the responses to these questions were copied and put into like categories. Following this, the responses were classified

Table 15

CLASSIFICATION OF ORIENTATIONS OF RETAIL BUSINESSMEN  
TO THEIR BUSINESS ON BASIS  
OF GEMEINSCHAFT-GESELLSCHAFT CRITERIA

Orientation	Score	Frequency
Gemeinschaft-like	2	39
	1	113
Mixed	Equal	129
Gesellschaft-like	1	179
	2	81
Totals		541

on basis of the Gemeinschaft-Gesellschaft model heretofore described. Three people were involved in this coding operation besides the writer. One coder frequently commented that many retailers were not businessmen as expressed by their orientation to business. This meant that his rationale for leaving the local area or changing businesses was not "business-like." The same comment came from colleagues in the department of Economics. For the latter, the Gemeinschaft-like orientations represented "rationalizations" while the Gesellschaft-like responses were "true." The writer also was somewhat surprised with these data and this led to an attempt to explain such orientations. These will now be examined in greater detail.

Table 16 presents a general classification of reasons retailers give for wanting to remain in or leave the local area for business purposes. The economic categories will be examined first. The proportion giving such reasons for wanting to change is greater than those stating reasons for staying. The figures are seventy-nine percent and fifty-six percent respectively. In Tables 17 and 18 these categories are specified. The most detailed and specific statements made by retailers were by those expressing the desire to move. In Table 18 these reasons are classified. The "ecological" basis for leaving was stated most frequently. Most of these retail businessmen



Table 16

REASONS OF RETAIL BUSINESSMEN FOR WANTING TO  
REMAIN IN OR MOVE OUT OF THEIR LOCAL COMMUNITY AREA

Responses	Number	Percent
<u>For those wanting to stay</u>		
Economic reasons	146	56.4
Non-economic reasons	54	20.8
Combination of economic and non-economic reasons	40	15.4
Answer cannot be classified into these categories	19	7.3
Totals	259	99.9
<u>For those wanting to move</u>		
Economic reasons	83	79.0
Non-economic reasons	16	15.2
Combination of economic and non-economic reasons	6	5.8
Totals	105	100.0
No reasons given	3	
Don't know to entire question	21	

mentioned preferences for locations where they would be in the center of walking traffic or automobile traffic.

Their statements indicated that they would like to get into a point of "median location" for their particular kind of business.

These Gesellschaft-like orientations will now be examined in greater detail. This is necessary since the respondents presented more detailed reasons than is apparent in collapsed code categories. Following are examples of such responses:

This is a good location for business - there is none better in the city. The store is close to shopping areas either way. I own the building and overhead costs are low. I can undersell chain stores since I get food from jobbers at about four percent. The chain stores own their warehouses in which they store products. That costs them five or six percent.

The Post Office, bank, clothing stores are all easily accessible to this location. There is a lot of foot traffic from these and Olds and Reo.

My business is well established here. I can't afford to move. This section's as good as any.

I've developed a good clientele and there is a lot of potential right here.

I know the people in this area and they know me. My business is established in this area.

This is a good location. I know the people and I have a reputation here.

Table 17

ECONOMIC REASONS GIVEN BY RETAIL BUSINESSMEN  
FOR WANTING TO REMAIN IN LOCAL COMMUNITY AREA

Response	Frequency	Percent
<u>Areal considerations</u>		
Proximity to good facilities: parking, traffic, other stores or services	27	13.0
A good business location - general statement	59	28.4
Other areal considerations of an economic order	39	18.8
<u>References to business</u>		
Established in area	44	21.2
Other economic references to business	21	10.1
<u>References to residents</u>		
Good customers in area	16	7.7
Other economic references to residents	2	1.0
Totals	203	100.2

The above excerpts are typical of certain kinds of reasoning presented by the retail businessmen who would remain in their local area. These considerations are largely justified in terms of economically instrumental factors. When the local resident is mentioned, it is in terms of their economic relationship with the retailer. These responses indicate the emphasis placed on "good" customer relations, and point up the close ties between the retailer and customer. Being "established" in the local area for this retail businessman means that he has built a good "reputation" among the local residents. They trust him and "know" him. Moving would require re-establishment of this relationship. This would be quite costly. The following Gesellschaft-like responses were given for wanting to leave the local area.

I would like to move to Michigan avenue. There's more traffic. It's a larger neighborhood and the people are better off.

I want to go to the new area on South Cedar. There's more traffic and a larger thoroughfare into the city there.

I would like a store in the outskirts. Here we are too close to the downtown drug trade. It wouldn't be like that in a factory area.

I don't care where I move as long as it's to a place with a larger amount of business. I need a bigger place - more room.

I am going to move to the east side. Most of my business comes from that area.

Table 18

ECONOMIC REASONS GIVEN BY RETAIL BUSINESSMEN  
FOR WANTING TO LEAVE LOCAL COMMUNITY AREA

Response	Frequency	Percent
Ecological basis: - get better position in terms of traffic, close to customers	27	32.5
Facilities basis: - get better parking, fire, police protection	8	9.6
Competitive basis: - get better competitive position	8	9.6
Expansion basis: - increase business size and/or volume	12	14.5
Existing economic ties with other area	7	8.4
Increase economic chances: - basis unspecified	14	16.9
Other economic evaluations	7	8.4
Totals	83	99.9

These responses, like those to which were previously referred, indicate an economic basis for consideration of changing location.

The non-economic reasons involved in choice of moving are presented in Table 19. The most frequent responses here relate to the "goodness" of the neighborhood, particularly as a place to live. These are probably important considerations to a retailer who lives close to his place of business as is the case with about fifty percent of this sample.

The following from Table 19 are characteristic of what has been classified as Gemeinschaft-like basis for the retail businessman's remaining in, or leaving the local area.

This is my neighborhood. I like it, 'cause I know everyone here.

I like the people in the area. I've lived here twenty years.

It would be too much trouble to move. I've been here a long time.

I grew up here.

The people are tops. I like the neighborhood.

It's more friendly and enjoyable in this district than in other parts of town.

These are friendly people. This is a clean, quiet, district.

Table 19

NON-ECONOMIC REASONS GIVEN BY RETAIL BUSINESSMEN  
FOR WANTING TO REMAIN IN LOCAL COMMUNITY AREA

Response	Frequency	Percent
<u>Areal considerations</u>		
Neighborhood character: - a good neighborhood, like the neigh- borhood, a good place to live.	24	21.2
Long standing friendship ties with area	14	12.4
Other areal references	7	6.2
<u>Resident references</u>		
Sociability of people: - like people in area, they like me	32	28.3
Know the people in the area	7	6.2
Other resident references	3	2.7
<u>Other references</u>		
Close to home	6	5.3
Like the area - general statement	9	8.0
Other	11	9.7
Totals	113	100.0

There is honesty among customers. The people are very congenial. I have many friends in the area.

I like the people. They're not so high class such as East Lansing people.

I would like to move to South Logan. My mother and lot of friends live there. There ain't so much noise.

These excerpts typify the Gemeinschaft-like categories utilized in classifying data for Figure 5. Basic to these considerations, is the matter of sociability of relationships between the retailer and the local resident, either in his place of business or out of it in the local area, or both. They are more characteristic of affective relations than in the case of those previously discussed, that is, those involving the local resident in an economic relationship. They represent diffuse feelings and are often based on sentiment.

Tables 20, 21 and 22 present a classification of responses to the question involving whether the businessman would prefer another business or keep the same if he had a choice.

Table 20 shows the general pattern of such choices. The great majority of retailers of this sample prefer the same business as they presently operate. When considering only those who stated such preferences (rows one and two of Table 20), the figure is close to eighty percent. Only



four percent stated preferences for leaving retail business.

Tables 21 and 22 present classifications of reasons given by retailers regarding business choices. In the first the responses involving keeping the same business are about equally distributed among the interest, economic, training and habitual orientations. In Table 22, involving changing businesses, the economic orientation is most frequent and the additional category of regularity is evident. No retailer stated that he wanted the same business because it is easy work but some said they would prefer another because it would be less difficult work or have more regular hours.

The Gesellschaft-like orientations will be examined first. Classified under this label are the economic and training categories. These code categories will now be made more explicit.

Included under the economic orientation are responses comparable to those discussed previously with respect to the retailers desire to stay in or leave the local area. Generally, these emphasized the fact of profit for the present type of business in the local area. The training orientation involved responses emphasizing training, experience and knowledge as a basis for choice of business. Following are excerpts from these respondents:

Table 20  
TYPE OF BUSINESS PREFERRED BY RETAIL BUSINESSMAN

Response	Frequency	Percent
Same as present	470	72.1
Different	121	18.6
None - would get out of business	24	3.7
No preference	3	.5
Don't know	26	4.0
No answer	8	1.2
Totals	652	100.1

I am experienced in this type of business - it's my line.

I know and understand this business better than others.

I am trained in this field. It took a long time to become a pharmacist.

I would prefer the garage business. I am mechanically minded. I have been in it for eighteen years in Lansing before coming into the store business. I am better trained for that.

The above statements carry with them an instrumental connotation. These businessmen conceive of themselves as being competent in their particular field, either through experience or training, or both. A change in business is considered in terms of time and cost of this past experience as related to the return potential of a different business.

Within the Gemeinschaft category on this question are those code classifications which are called interest orientation, habitual orientation and sociability orientation. The interest orientation includes those respondents who express positive or negative feelings of enjoyment with their jobs as follows:

I just love to cook.

I find this work quite interesting.

We wouldn't change businesses 'cause we just like this one.

I would like to sell stamps - work my hobby.



Table 21

REASONS GIVEN BY RETAIL BUSINESSMEN  
FOR CHOOSING SAME BUSINESS

Response	Frequency	Percent
<u>Interest Orientation:</u> - like		
this work - enjoyable	82	26.1
<u>Economic Orientation:</u> - good		
area for business, profitable		
business	67	21.3
<u>Training Orientation:</u> - trained		
at this business, experienced		
in it, know it better than		
others	67	21.3
<u>Habitual Orientation:</u> - only		
business I know, been at it a		
long time, too old to change	82	26.1
<u>Sociability Orientation:</u> - enjoy		
working with people	16	5.1
Totals	314	99.9

I've been in business so long, I'm sort of married to it.

I would like a sporting goods store. This is interesting work. My hobbies are hunting and fishing. I have one thousand dollars worth of equipment.

I like to do just about anything but sling hash. I get real tired of it.

Closely related to this, is the sociability orientation in which the businessman expresses pleasant or unpleasant feelings concerning interpersonal relations in his establishment.

I just like meeting people. I get along with people good.

I like the people who come in here.

I enjoy working with people.

I'd like a beer tavern. We don't have a Negro tavern in Lansing. Negroes do not feel comfortable in other taverns. I want them to be at home and feel comfortable.

I'd like real estate. You deal with a different class of people. People would treat me with more respect.

The clothing business would be good. It's clean work, respectfully regarded. You're treated as humans.

I'd like the wholesale business. It's easier to deal with dealers than customers.

These responses are akin to those of retailers who established friendship and congeniality ties with local

Table 22

REASONS GIVEN BY RETAIL BUSINESSMEN  
FOR CHOOSING DIFFERENT BUSINESS

Response	Frequency	Percent
<u>Economic Orientation:</u> - higher		
profits, more profitable business	81	61.4
<u>Regularity Orientation:</u> - more		
regular hours, income, easier work	17	12.9
<u>Interest Orientation:</u> - more		
interesting type of work, same as hobby, always wanted to do it	15	11.4
<u>Training Orientation:</u> - have		
been trained in it, experienced in it	12	9.1
<u>Negative Orientation:</u> - do not		
like present business - basis unspecified	7	5.3
Totals	132	100.1

residents. Again, in these cases the orientation is of an affective order. They indicate that much of the satisfaction or dissatisfaction of being in business is related to factors which are diffuse and based on emotion.

The habitual orientation refers to retail businessmen who expressed strong habituation to their jobs. He expresses, in some cases, a feeling of futility regarding a change in business. The following represent this category.

This was my father's business and mine too.

I make a living here. If I change, how do I know what will happen - like you - you now live in a clean room - why move? - maybe you get a dirty room.

The above responses indicate conservatism on part of the businessman. Past experience is seen as a brake on future action and the force of tradition is evident. In one sense, what has been discussed as Gemeinschaft-like orientations to business under the "non-economic," "interest," "sociability," and "habitual" headings, are conceptually akin to Weber's affective and traditional categories. The "economic" and "training" classifications, on the other hand, more closely represent the zweckrational, which is fundamental in the Gesellschaft-like social system. These categories provided the basis for classifying retail businessmen in terms of their orientation to business.



THE RELATIONSHIPS OF THE RETAIL BUSINESSMAN'S ORIENTATION TO BUSINESS AND THE SOCIAL STRUCTURE OF BUSINESS.

The next problem involves the relationship between these modes of orientation to the social structure of retail business, as discussed in the previous chapter. Each business was classified as to its structural type on basis of the Gemeinschaft-Gesellschaft model. In this chapter, most of them have been classified relative to the orientation of the respondent to the business. It is expected that those retail businesses which are Gemeinschaft-like in structure are characterized by the proprietor possessing a Gemeinschaft-like orientation to business. The converse of this also is expected.

The structural model presented in Figure 3 of Chapter II classified businesses on a scale ranging from the Gemeinschaft to Gesellschaft extremes. The orientation model presented in Table 15 of this chapter classifies businessmen on a seven point index. Following in Table 23 are the results of cross runs of these figures.

A comparison of distributions on Table 23 indicates that Gemeinschaft-like structure tends to be associated with Gemeinschaft-like orientations and vice versa. The association is most pronounced in the extreme cases, as noted by the Chi-square and probability figures and is less pronounced for the center of the table. In any case

Table 23

SOCIAL STRUCTURES OF BUSINESS AND ORIENTATION TO  
BUSINESS ACCORDING TO GEMEINSCHAFT-GESELLSCHAFT SCORES

		Social Structure		
		Gemeinschaft-like	Mixed	Gesellschaft-like
		Scores: 2 - 8	1 - 1	2 - 8
Orientation to Business	Gemeinschaft-like	17	25	38
	Mixed	53	63	62
	Gesellschaft-like	41	38	50
	2 - 1	35	44	34
	1 - 2	18	12	9
	Totals	164	182	193

$\chi^2 = 9.54$   $p < .01$ ; - Chi-square was computed for columns one and three, rows one and five,

$\chi^2 = 4.85$   $p < .05$ ; - Chi-square was computed for columns one and three, rows one and two, three and four.

the probability values are beyond the five percent level which is the usual basis of statistical significance.

The data in Table 23 demonstrate the general tendency for the type of association hypothesized. This evidence supports the earlier contention that the retail businesses which possess structural traits which are Gemeinschaft-like are most apt to be associated with businessmen who possess Gemeinschaft-like orientations to their business. Conversely the Gesellschaft-like business structure is likely to coexist with businessmen who have a Gesellschaft-like orientation to their business.

## CHAPTER IV

### MODES OF ORIENTATION OF RETAIL BUSINESSMEN TO THE LOCAL COMMUNITY AREA AS RELATED TO BUSINESS STRUCTURE

The general social position of the retail businessman places him in close contact with the local community area. As was discussed in Chapters I and II, a variety of factors converge to make him cognizant of the local area. His functions within the distribution system make him the closest link with the consumer. As such, he becomes most directly aware of purchasing patterns of the customer. Success in many ways is dependent on the ability of the retailer to appraise properly these habits of consumption and the changes in them.

Caplow pointed out that, in addition, the retailer<sup>1</sup> often has to know a great deal more about his customer. He must have knowledge of their personal affairs and express interest in them in order to succeed. Caplow noted that this is particularly true in cases of the "neighborhood store." Stone demonstrated that the "personalizing"

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1. Theodore Caplow, The Sociology of Work, (Minneapolis: The University of Minnesota Press, 1954) pp. 110-120.



type of consumer expressed a "tendency to personalize and individualize the customer role in the store, and rated stores in terms of closeness of relationships between customer and personnel."<sup>2</sup> For many retailers these conditions result in considerable knowledge of certain conditions in the local community area. Such information is usually valid, since misinformation may result in business failure.

While the retail businessman is in a position to know a great deal about certain conditions in the local community area, he probably lacks a basic attitude towards the "public." The reasons for this have been implied above in the discussion of certain structural aspects of retailing. The retailer is not organized into a socially cohesive group from which occupational attitudes are developed. Except in a few cases, he does not have organized spokesmen to tell his story to the public or to influence governmental bodies. As such, he stands in contrast to the professional and manufacturing interests which have such organizations as the National Association of Manufacturers and American Medical Association. No one, to the knowledge

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2. Gregory P. Stone, "City Shoppers and Urban Identification: Observations on the Social Psychology of City Life," American Journal of Sociology, LX, No. 1 (July, 1954) pp. 36-45.

of the writer, speaks on national issues for the retail businessman. If he is a member of local associations, they are usually service clubs or in some cases chambers of commerce. In many cases, he is not a member of any such association. One result of this is that the retailer, on entrance into business and during his tenure, does not have ideology concerning how the public should be treated or conceived formulated for him by established business associations. Likewise he is not under direct pressure to maintain specific attitudes towards the public.

Another factor relevant to the orientation of the retail businessman to the public involves the background of those who enter retailing. In terms of social class, their recruitment is usually from middle and lower strata. In the former, entrance often involves inheritance of business from parents. With the latter, entrance involves movement up the social class scale. In this sense retail business offers one the major avenues for upward mobility in the class order. This means that there is no single pattern associated with a particular social class orientation in terms of recruitment.

The retailer generally has not gone through a formal education program in preparation to becoming an owner or operator. Numerous studies of recent date have demonstrated that the business administration majors in American colleges

and universities plan to join large, established business bureaucracies rather than go into business for themselves or into small retail concerns.<sup>3</sup> The retailing recruit therefore does not have the college-bred business administration outlook on what constitutes a businessman.

If what Caplow said about patterns of deference is true, a college education may hinder rather than help the retail businessman. He pointed out that the merchant is expected to minimize his status and play up that of the customer by exaggerated forms of deference.<sup>4</sup> Customers may be reluctant to patronize an establishment if they feel that the proprietor is above them in status. On the other hand, there are probably few customers who refuse to shop in an establishment because the proprietor is below them in status. This means that many retailers tend to reflect the status level of the area in which they are located, particularly if their customers are from the local area. It may be expected therefore, that the retailer is quite conscious of the social class make-up of the local area.

Some research has demonstrated that the ambition of many hourly rated employees of industry is to open up a

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3. Gilbert Burch, "So You Want To Make Money," Fortune, May, 1953.

4. Theodore Caplow, op. cit. p. 120.



"small business."<sup>5</sup> In some of the cases interviewed in this investigation, the owners mentioned that they had worked in factories and the husband and wife saved enough to start or buy into a small retail concern. In other cases, the wife ran the business during the day while the husband worked in a factory and he took over at night. This is comparable to similar findings concerning the residents on farms working in Lansing factories and farming on weekends. Both of these cases appear to occur most frequently in what has been defined as the "fringe" area of cities.

The number of people entering and leaving retail business as owners or managers is much higher than for those in wholesaling or manufacturing. Their tenure is also shorter. This relatively rapid mobility, along with the factors discussed above, preclude the development of a coherent occupational ideology as would be the case in the medical profession. For example, the retailer's attitudes towards the "public" are probably developed through direct interaction with the "public" rather than through

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5. Eli Chinoy, Automobile Workers and The American Dream, (Garden City, Doubleday, 1955) pp. 110-122; and Pierre Gonon, "The Relationship of Independence in the Work Situation to Job Acceptance; A Study of the Job Aspirations of Employed Adult Males," Unpublished M. A. thesis, Department of Sociology and Anthropology, Michigan State University, 1956. pp. 82-85.

interaction with fellow retailers, or by common experience in preparation for his life's calling. The "public" for the retailer generally constitutes his customers from the local community area. The patterns of orientation he displays towards these residents therefore are representative of the retailer's outlook towards the public.

A PRESENTATION AND CLASSIFICATION OF ORIENTATIONS TO THE LOCAL AREA. It is expected that the retail businessman, because of the general structure of his business and the position he occupies in the local community area is conscious of particular social qualities of the residents about his place of business. Since interaction with the local resident often is Gemeinschaft-like, it is expected that the retailer is cognizant especially of the sociability qualities of such residents. This includes such factors as whether they are friendly or unfriendly, or easy to get along with or not.

Such an orientation to the resident is expected to be most pronounced on part of those retail businessmen whose business structure most closely approximates the Gemeinschaft model. It is in such structures that interaction is characterized by diffuse and affective elements. When individuals engage consistently in a particular form of interaction with others, they become aware of those qualities of others which contribute to that pattern. In



the case of the retail businessman under discussion, he is expected to become aware of those qualities of residents which contribute to that pattern of interaction which involves sociability.

As was suggested by Caplow, the retailer often finds it necessary to engage in deferential behavior with respect to his customer. Patterns of deference vary considerably with respect to different groups within a given society, and particularly in one with heterogeneous composition in terms of social class or ethnic factors. What constitutes deference for the middle class may be quite different from that of the upper class.<sup>6</sup> What constitutes deference towards a white customer is different from that for a Negro.<sup>7</sup>

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6. Harvey W. Zorbaugh, The Gold Coast and the Slum (Chicago: University of Chicago Press, 1928). Zorbaugh presented many cases of proper deference for the middle class individual which appeared out of place to many readers. One of the tasks of the "instructors" in social climbing involved that of "relearning" the social graces of deference. For example, the middle class practice of complimenting the hostess on the taste of meals was out of place in the Gold Coast setting although other practices in this setting were deemed appropriate.
  7. Allison Davis, Burleigh B. Gardner and Mary K. Gardner, Deep South, (Chicago: University of Chicago Press, 1941) pp. 457-459. The white retail businessman was reported as starting to engage in deferential behavior towards the Negro during the depression. This was evident particularly in case of the small grocer located in the Negro area and on part of the service station attendants. The forms of such behavior were different than for the white customer however.

Since deference is defined differently by particular status levels the retailer must be cognizant of the status of his customer. It is expected then, that he is well aware of such social characteristics of the local community resident. When the emotional-rational context of interaction between the retailer and customer was discussed, it was suggested that factors of pride, loyalty, politeness and courtesy are often built into the relationship. When the retail businessman treats customer sentiments and emotions in a way so as to effect a sale, the interaction is a means to an economic end. Patterns of deference are most likely to be utilized by such operators and they are probably conscious of their use. It is suggested that such instrumental behavior is generally most associated with business structures that are essentially Gesellschaft-like in structure. Proprietors of such businesses then probably are most often cognizant of the status of the resident of the local community area.

To ascertain the general conception held by the retail businessman of the local resident this question was asked: "How would you describe people who live around here?"

Table 24 presents data on general orientations of retail businessmen towards the local resident in terms of status, sociability, and ethical categories. It may be observed that about half of the retailers described the

Table 24

ORIENTATIONS TOWARD LOCAL RESIDENTS  
BY RETAIL BUSINESSMEN

Orientations Towards Local Residents	Frequency	Percent
<u>Status</u> - described in terms of social standing, income, occupation, education.		
	337	50.4
<u>Sociability</u> - described in terms of friendliness, congeniality.		
	208	31.1
<u>Ethical</u> - described in terms of honesty, integrity, righteousness, being hard working, or lazy or opposite.		
	124	18.5
Totals	669	100.0

resident in their area in status terms, while thirty percent saw them in sociability terms, and around twenty percent described the local resident in ethical terms.

Table 33 in Appendix A presents a breakdown of the status categories as perceived by the retailer. Slightly over twenty percent saw their customers in economic or class terms while the remainder used prestige references. In either case, the local resident was described as being from lower income groups or from the working class. These tables demonstrate the high degree of sensitivity of the retail businessmen to the economic and social background of the local resident.

The other categories in Table 24 included statements also indicating such awareness. In the sociability orientation, the responses include both positive and negative connotations concerning congeniality of residents.

Following are excerpts from the interviews:

These are the most cooperative bunch of people in Lansing. They're pleasant to deal with.

They are very friendly. It's a small area and everyone knows everyone else.

They're very congenial - all around good American people.

They are just a friendly bunch of neighborly people.

They are very friendly and warm hearted.

The people around here are self styled big shots.

They are difficult to get acquainted with.

The above responses were largely favorable towards the local resident and emphasized the factors of friendliness, congeniality, being easy to get along with, and similar outlooks.

The ethical orientation includes statements which evaluate the local resident in terms of moral references. The following excerpts illustrate this orientation:

These people are independent and self sustaining.

They are good, hard workers - honest people.

They are very civic minded - this is a energetic, growing community - a continuous building of new homes.

Their character is above reproach except one family. They're very ethical in promises.

They are very honest in their dealings but sometimes slow in paying bills. There is no difference in cleanliness or intelligence of white and colored customers. The dirt on the collar of colored men's shirts washes out much more easily than that of whites.

These are just normal, every day, upright people.

People of foreign origin live here. There is much drinking and low moral standards, but customers are friendly.

The above responses emphasize or have connotations concerning the ethical character of local residents. They indicate that the retail businessman is conscious of and



identifies with certain moral qualities of the people living in the local community area. Contrary to suggestions of Caplow, these orientations indicate that many<sup>8</sup> retailers seek to identify with the local resident.

It was suggested that the way in which the retail businessman conceives of the local resident is related to the pattern of interaction occurring between the two. It was further hypothesized that the proprietors of businesses essentially Gemeinschaft-like in structure primarily possess sociability orientations to the local community area, and those with businesses essentially Gesellschaft-like in structure primarily possess status orientations to the local community area. These hypotheses are drawn recognizing that both orientations are likely to be found in both types of retail businesses but that these general tendencies will be evident.

The comparative distribution of status and sociability orientations with the structural types of business is presented in Table 25. The Gemeinschaft and Gesellschaft structural categories included scores two through eight on Table 15. It will be noted that the general pattern indicated in Table 25 supports the stated hypotheses. The mixed business structure category in each case is between

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8. Theodore Caplow, op. cit. pp. 110-120.

Table 25

RETAIL BUSINESSMENS' ORIENTATION TO THE LOCAL  
RESIDENTS ACCORDING TO TYPE OF BUSINESS STRUCTURE

Type of Business Structure*	Orientation to Local Resident		
	Sociability	Status	Total
Gemeinschaft-like	98	95	193
Mixed	91	116	207
Gesellschaft-like	86	127	213
Totals	275	338	613

$$\chi^2 = 4.38$$

$$p < .05$$

\* Row 2 was excluded in computation of the Chi-square.



the Gemeinschaft and Gesellschaft categories as would be expected. It can be seen that both orientational categories are present in each structural type of business. However, the differences found between the two extremes are probably not due to chance since the probability for such a distribution using the Chi-square test is below the .05 level.

The degree of knowledge of the retail businessman as related to the social structure of business. - Another important aspect of orientation of retail businessmen to the local community area involves the general degree of knowledge he has of social conditions of the local area. Here the concern is with whether or not the retailer knows and is concerned about certain social features of the local area. To approach this problem the responses were analyzed to questions asked the retailer concerning the degree of intimacy among residents, their activities, organizations, and other characteristics. The primary interest at this point is with those retailers who are not cognizant of these features and the reasons for such lack of knowledge.

Table 26 provides the questions asked of retailers. The data indicate that the great majority (over 80%) of the businessmen expressed awareness of certain social aspects of the local community area. The analytical

concern here is with those features of retail business which may account for the lack of awareness of local area conditions on part of the businessman as indicated by "don't know" responses to the question posed to them.

Since such awareness is most likely developed through contact between the retailer and customer in his place of business, it would be expected that proprietors of those establishments with the majority of customers from outside the local area would know least about such conditions. Closely related would be the situation in which the interaction in the business is impersonal and indirect. Under these conditions the businessman would not likely find out facts about the social contacts, organizations, and other social characteristics of the local area.

Because of these factors, it is expected that the "don't know" responses would be most frequent among proprietors of businesses which are essentially *Gesellschaft*-like in structure and vice versa. Table 26 indicates that the greatest proportion of "don't know" responses occurred for the *Gesellschaft*-like business structures and the least with the *Gemeinschaft*-like. In all three cases the mixed structures were between these two types. That this relation was not due to chance is indicated by the probability of less than .001 for such a distribution based on the Chi-square test between the *Gemeinschaft* and *Gesellschaft* categories.

Table 26

DISTRIBUTION OF "DON'T KNOW" RESPONSES TO QUESTIONS POSED TO RETAIL BUSINESSMEN WITH DIFFERENT BUSINESS STRUCTURE CONCERNING THE SOCIAL CHARACTER OF THEIR LOCAL COMMUNITY AREAS

Question	Type of Business Structure*					
	<u>Gemeinschaft-like</u>		<u>Mixed</u>		<u>Gesellschaft-like</u>	
	Answered	Don't know Response	Answered	Don't know Response	Answered	Don't know Response
How well do people around here know each other?	168	26	184	39	166	69
Are there any organizations or activities for local people around here?	172	22	188	35	178	37
How would you describe the people around here?	190	4	208	15	213	22
Totals	480	52	580	89	557	148

$$\chi^2 = 28.13$$

$$p < .001$$

\* The mixed category was excluded in computation of the Chi-square.

Evaluations of local residents as related to social structure of business. - The problem here involves the manner in which the retailer evaluates the local resident (positive, negative, or neutral), and the relationship, if any, of these evaluations to the structure of business. From the quotations recently cited it is evident that the retailer is sometimes quite emphatic concerning the way he evaluates people in the local area. These quotations were in response to the question, "How would you describe the people that live around here?" The responses were analyzed with respect to their evaluative component. Table 27 presents this information.

In general, the evaluations of retail businessmen of local residents were positive. Close to sixty percent gave positive evaluations and thirty percent neutral, with the remaining tenth negative. The positive and negative evaluations are self explanatory, but "neutral" evaluations were more difficult to classify. This category included such statements as the following:

These are average people - nothing particularly noticeable about them.

They are average - just like any other neighborhood.

The people around here are middle class - just ordinary people of all types.

They are average and common - lots of working people who come in in working clothes and housewives.

Table 27

EVALUATIVE COMPONENTS OF DESCRIPTIONS BY RETAIL  
 BUSINESSMEN OF LOCAL RESIDENTS AS COMPARED  
 WITH RETAIL BUSINESS STRUCTURE

Type of Business Structure*	Evaluation of Local Residents**			
	Positive	Negative	Neutral	Total
Gemeinschaft-like	116	8	54	178
Mixed	119	15	66	200
Gesellschaft-like	112	8	82	202
Totals	347	31	202	580

$$\chi^2 = 4.33$$

$$p < .05$$

\* Row 2 was excluded in computation of Chi-square.

\*\* Columns 1 and 2 were combined in computation of Chi-square.



These neutral responses along with the positive and negative statements were compared with the type of social structure of business of the retailer making these evaluations. The data from Table 27 indicate that there is a tendency for the proprietors of businesses with Gemeinschaft-like structure to evaluate the resident either positively or negatively rather than neutrally. In the Gesellschaft-like structure the retailer is more likely to evaluate local residents in a neutral sense. That this relationship is not due to chance is indicated by the Chi-square whose probability is beyond the .05 level.

The reason for this relationship may result from interaction within the Gesellschaft-like structures which tend to have an impersonal order. Also the proprietor may not come into contact with the local resident in a way which would result in positive or negative evaluations of the local resident.

EVALUATIONS OF LOCAL RESIDENTS AS RELATED TO CHOICE OF REMAINING IN OR LEAVING THE LOCAL AREA. The retail businessman has been shown to express evaluations of the local resident which are related to certain structural aspects of his business. Since the retail businessman, more than the wholesaler and manufacturer, is likely to be affected by interaction with the resident near his place of business, it is expected that his orientation

to the local resident is tied in with desires to stay in or leave the area.

In general, it is expected that if a businessman expresses a desire to stay in the local area he will evaluate the local resident in a positive way. This is expected since the success of retail establishments is often closely tied in with local patronage. Besides this, the retailer often engages in face-to-face relationships with the local resident, and unless this interaction is satisfactory, the businessman may want to leave or get out of business. To ascertain this relationship the comparisons were made as in Table 28.

From the distribution in Table 28, it is evident that retail businessmen who evaluate the local resident in a positive or neutral sense are more likely to want to remain in the local area for business purposes than the retailer who evaluates the resident in a negative sense. A Chi-square test of the positive and negative evaluations compared with the choice of remaining in or leaving the local area yielded a value of 20.97, which indicates a probability of less than .001 for such a distribution.

Summary. - This chapter has been concerned with the way in which the retail businessman orients himself to the local area. Of particular interest was an analysis of the way in which the retailer conceives or describes the local

Table 28

DISTRIBUTION OF EVALUATIONS OF LOCAL RESIDENT BY  
RETAIL BUSINESSMAN ACCORDING TO CHOICE OF  
REMAINING OR LEAVING LOCAL AREA\*

Evaluation of Resident**	Choice	
	Remain in Area	Leave Area
Positive	286	51
Negative	16	15
Neutral	167	28
Totals	489	103

$$\chi^2 = 20.97$$

$$p < .001$$

\* Based on this question: "If you had your choice, would you remain here or move someplace else."

\*\* Row 3 was excluded when computing Chi-square.



resident. The data revealed that he is particularly aware of three facets of the social nature of the resident; his "sociability," "status," and "ethical" characteristics. The reasons for these orientations have been demonstrated to be related to the general social position of the retailer in the community in terms of his social origins, his relationship to other retailers and business organizations, and particularly, his interaction with the local resident.

Such interaction was shown to vary somewhat with respect to the general structural order of the retail business. Most retailers through interaction with the local resident, become aware of the sociability and status of the resident. It was shown that proprietors of businesses essentially Gemeinschaft-like in structure are more likely to refer to sociability traits of residents when describing them, and the proprietors of Gesellschaft-like business structures are more likely to emphasize the status traits of residents. The reason for this is that interaction in Gemeinschaft-like social systems of retail business often contains face-to-face, emotionally based elements. Under such circumstances, factors of congeniality and amicability become important contributors to a satisfactory relationship. It would be expected then that members of such a social system would describe others in terms of their "sociability."

Within a Gesellschaft-like social system such factors are less a part of the interaction system. When they are, they tend to be incorporated into patterns of deference and become means for obtaining an economic end. It was shown that deference patterns vary by status levels and awareness of such characteristics of local residents by the retailer is tantamount to proper deferential behavior on his part towards the resident. Since such a proprietor is most inclined to be aware of the local resident in terms of purchasing potential, it would be expected that he would be aware particularly of the economic status level of the resident.

Another important aspect of orientation of the retailer to the local area was the general "positive," "negative," or "neutral" evaluations of the resident. When the structure of business was compared with these evaluations, the proprietors of Gesellschaft-like business structures were shown to express more "neutral" evaluations, proportionately than those of the other types. It was suggested that the reason for this is that interaction in such businesses between retail personnel and customers tends to be impersonalized and rational-efficient.

The last concern was with the relationship between the evaluations the retailer has of the local resident and his desire to remain in or leave the local area.

It was shown that a positive or neutral evaluation of the resident was associated with the desire to remain in the local area, while a negative evaluation was most closely associated with the desire to leave. These relationships can be explained in terms of the generalized relationship between the retailer and the local resident. If the local resident does not purchase from the retailer he would be expected to want to move, providing he could go someplace where he could get local patronage and providing his business is based on local patronage. However, most often the negative evaluations of residents involved statements indicating unfriendliness, dishonesty and unethical conduct. This would indicate that unsatisfactory interpersonal relationships, along with lack of patronage together account in part for a desire to move for the retail businessman who evaluates the local resident negatively.

## CHAPTER V

### MOBILITY CHOICES OF RETAIL BUSINESSMEN

It has been demonstrated that the type of retailers studied is integrated with the local area by various kinds of economic and social bonds. It is necessary for him to balance these economic and social factors in any decision he makes regarding his business. A decision to move his business to another area, or change his business involves severance of such bonds with the local area. Yet it is necessary for the retail businessman at times to reach such decisions. This chapter is concerned with this problem. As such, it is tangential to the preceding research. However, the concern here deals with an aspect of retail business which has generally been ignored.

Of interest are the choices of the retail businessman with respect to wanting to change locations or change businesses, and the kind of business he prefers moving into. As was pointed out, the great majority of retailers (80%) stated that if given the choice, they would rather remain in the local area than move somewhere else. Seventy-seven percent stated that they would keep the same kind of business if they had an opportunity to change it. Thus,



there appears to be both satisfaction with their present location and kind of business.

The matter of choice of remaining in or leaving the local area was examined in the preceding chapter as it related to the businessman's orientation to the local area. In general, it was shown that those retailers who evaluated the local resident in a positive or neutral sense rather than negatively, were more likely to express a choice of remaining in the local area.

THE RELATIONSHIP OF ORIENTATION TO BUSINESS TO CHOICE OF REMAINING OR LEAVING LOCAL AREA. Since a great proportion of retailers state preferences for remaining and did not evaluate the resident negatively, it would be expected that only strong economic incentives would compel them to leave. In accord with theoretical expectations these would be retailers who are oriented to their business in a *Gesellschaft*-like manner. Conversely, fewer of those with an orientation to business which is *Gemeinschaft*-like would be expected to want to leave the local area. In addition, businessmen with a *Gesellschaft*-like orientation to business would be expected to be more willing to consider the possibility of changing areas, particularly if there was a chance of making more money in a new or different location.

The data of Table 29 supports the expectations. In general, those with Gemeinschaft-like orientations to business expressed relatively more often the choice of remaining in the local area, while those with Gesellschaft-like orientations relatively more often expressed choices of wanting to leave. That this distribution was not due to chance is indicated by the probability value of Chi-square which is beyond the .001 level.

THE RELATIONSHIP OF ORIENTATION TO BUSINESS TO CHOICE OF CHANGING BUSINESSES. Similar findings to the above might be expected relative to changing businesses. The proprietor with a Gemeinschaft-like orientation to business would be least expected to want to try a different business, while those with Gesellschaft-like orientations would be expected to express relatively greater willingness to try a new venture. To ascertain this, the retailer was asked the question: "If you had your choice of any kind of business, but you had to run it in this general location, what kind would you prefer?" The data on Table 30 indicate that these relationships are as hypothesized.

Slightly over thirty percent of businessmen with Gesellschaft-like orientations to business expressed the choice of wanting to change businesses, while sixteen percent with Gemeinschaft-like orientations expressed this

Table 29

DISTRIBUTION OF ORIENTATIONS TO BUSINESS  
OF RETAIL BUSINESSMEN AND CHOICE OF REMAINING  
OR LEAVING THE LOCAL AREA

Orientation to Business*	Choice	
	Remain in Local Area	Leave Local Area
Gemeinschaft-like	135	15
Mixed	100	28
Gesellschaft-like	186	63
Totals	421	106

$$\chi^2 = 13.89$$

$$p < .001$$

\* Row 2 was excluded when computing Chi-square.

Table 30

DISTRIBUTION OF ORIENTATION TO BUSINESS  
OF RETAIL BUSINESSMEN AND CHOICE  
OF CHANGING BUSINESS

Orientation to Business*	Choice	
	Same	Different
Gemeinschaft-like	121	23
Mixed	100	19
Gesellschaft-like	165	75
Totals	386	117
$\chi^2 = 11.12$ <p style="text-align: right;"><math>p &lt; .001</math></p>		

\* Row 2 was excluded when computing Chi-square.

choice. The Chi-square test yielded a probability of less than .001 for such a distribution which suggests that it is not due to operation of chance factors.

THE RELATIONSHIP OF BUSINESS STRUCTURE TO MOBILITY CHOICES. Closely related to the preceding discussion is the matter of mobility patterns as they related to the structure of business. It would be expected that, as in case of business orientations, those proprietors of Gesellschaft-like business structure would indicate proportionately greater choices of changing locations and businesses. Choices of changing location were analyzed as in Table 29 preceding, with the contrasting structural types of retail business, and the Chi-square was .13 indicating a probability between .80 and .70 for such a distribution. Apparently there is no significant relationship between the structural type of business and the choice of changing areas.

However, when comparing the structural type with choice of changing business, it is discovered that the opposite resulted from what would be expected as discussed above. Table 31 indicates the proprietors of businesses essentially Gemeinschaft-like in structure stated relatively greater preference for wanting to change businesses while those of Gesellschaft-like structures

Table 31

DISTRIBUTION OF BUSINESS STRUCTURE TYPES  
AND CHOICE OF CHANGING BUSINESSES

Structure of Business*	Choice	
	Same	Different
Gemeinschaft-like	128	48
Mixed	162	36
Gesellschaft-like	179	37
Totals	469	121

$$\chi^2 = 5.83$$

$$p < .02$$

\* Row 2 was excluded when computing Chi-square.

stated relatively greater preference for keeping their business.

This is in contrast to results of Table 30 which show that the most likely to want to change businesses are those with Gesellschaft-like orientations to business. This indicates that the retailers most often wanting to change business would be those who operate one Gemeinschaft-like in structure and have a Gesellschaft-like orientation to business. Those least wanting to change would be those operating a business Gesellschaft-like in structure and who have a Gemeinschaft-like orientation to business. Table 32 tests for this relationship. The distribution supports the expected relationships. The probability of the Chi-square is .001 which indicates that such a distribution is probably not due to chance.

The basis for the relatively greater desire to change for the first may involve two factors. First, it will be remembered that those businesses classified as Gemeinschaft-like in structure were smaller in terms of number of employees, customers, and volume and amount of sales. For a person to own such a business and at the same time express Gesellschaft-like orientations towards it would indicate that the retailer does not find the profit he is looking for. It may also indicate that he would be more satisfied with a larger operation. The second factor

Table 32

DESIRE TO CHANGE BUSINESS COMPARED WITH  
 CONTRASTING TYPE OF BUSINESS STRUCTURE  
 AND ORIENTATION TO BUSINESS

Business Structure	Orientation to Business	Choice of Business	
		Desire Same Business	Desire Different Business
Gemeinschaft- like	Gesellschaft- like	37	27
Gesellschaft- like	Gemeinschaft- like	36	4
Totals		73	31
$\chi^2 = 12.11$		$p < .001$	



that may be involved is that the type of interpersonal relationships which characterize Gemeinschaft-like business structures in terms of store personnel and customers, are not entirely satisfactory to such retailers. It is possible that such retailers may want a different business so as to change the kind of social relationships in which they find themselves, as well as to change the profit and volume aspect of the business operation.

These data on Table 32 also show that those least wanting to change businesses are presently operating Gesellschaft-like business structures but possess a Gemeinschaft-like orientation towards business. This is a relationship which appears quite difficult to explain.

The explanation may involve these factors. The Gemeinschaft-like orientation to business was constructed from responses to questions, such responses which had "non-economic," "interest," and "sociability" connotations (Figure 5, Chapter III). Businessmen with such an orientation emphasized factors of liking and enjoying their work and the people with whom they came into contact, and similar considerations. At the same time these retailers owned businesses which were relatively large in terms of number of employees, number of customers, and general volume. Such businesses were probably the most profitable. From this it can be concluded that the most "satisfactory"

business in terms of this discussion is one that the retail businessman enjoys operating yet is profitable and a fairly large enterprise.

Summary. - The foregoing discussion indicated that mobility choices of the retail businessman with respect to changing locations and businesses are related to the particular way in which the retailer is oriented to the local area and to his business, and that such choices are also related to the structure of his business. In general, those retailers who evaluated the local resident in a positive or neutral rather than a negative sense were most likely to have expressed the choice of wanting to remain in the local area for business purposes. In addition those who possessed Gesellschaft-like orientations toward their business generally expressed greater choices of changing locations and businesses.

When these choices were compared with type of business structure it was shown that no significant relationship existed between structure and choice of moving. However those proprietors of businesses Gemeinschaft-like in structure expressed greater desire to change businesses than those operating businesses Gesellschaft-like in structure. It was then demonstrated that the businessman most wanting to change his business was one who had a

Gesellschaft-like orientation to business but operated Gemeinschaft-like business structure and vice versa.

From this it was concluded that the least "satisfactory" arrangement of business structure and orientation was one in which the retailer operated a small business characterized by interpersonal relations which were likely to have been face-to-face, two-way, and personalized coupled with an orientation to business which was characterized by economic-rationality. The most "satisfactory" combination of business structure and orientation appeared to be that of the retailer who operated a larger business characterized by interpersonal relations which were more indirect, one-way and impersonalized coupled with an orientation to business which was based on liking their work and the people they deal with.

## CHAPTER VI

### SUMMARY

This research grew out of a larger investigation concerning urban integration conducted by sociologists at Michigan State University. The investigation in the Greater Lansing area gathered various data concerning ecological, demographic and social sub-areas within this community. Part of this research included analysis of retail trade areas and retail business structure with respect to size and type of sales or services offered. It was from the latter that the data for this research were gathered.

It was demonstrated that two points of view have been held by students of city life concerning the structure of industrial communities. The first emphasized the impersonal or *Gesellschaft*-like aspects of such a community while the second was concerned with the more *Gemeinschaft*-like experiences of residents, particularly as they exist in relatively permanent social settings. The perspective of this research was that even in retail businesses one was likely to find both *Gemeinschaft*-like and *Gesellschaft*-like structural features, and that to

approach such city enterprises with an over emphasis on either aspect is shortcoming.

A review of research which dealt with sociological aspects of retail business demonstrated that such investigations were concerned chiefly with analysis of particular kinds of business or dealt with ecological and demographic phases of retail business location. There were some studies which suggested the relationship of retail businessmen to the community status arrangement, and their career patterns and ideologies.

From these findings it was evident that the structure of retail businesses varied in terms of size, kind of service offered, degree of training necessary for recruitment, amount of capital investment required and other ways. It was shown that out of varying retail businesses in terms of their structure came different conceptions of success, and that the orientation the retailer has towards his business and the customer was related to the structural type of his business. The retailer was seen as being in a marginal position in terms of development of occupational ideologies as contrasted with other occupational categories. As such, his relationship with the customer and local resident were seen to be decisive concerning the development of occupational attitudes.

The sample of this investigation was selected with the above factors in mind. A variety of businesses were included so as to be representative of varying kinds and locations. The community selected was large enough so as to include this variety of retail concerns. The method selected for classifying the data into structural and orientational categories was of an order which enabled comparisons of such different retail businesses.

Retail business was analyzed as a social system. The structure of such systems were compared on basis of Gemeinschaft-Gesellschaft criteria following the frame of reference of Loomis. In general, those businesses which were classified as Gemeinschaft-like were small in terms of number of employees and customers and had proprietors who lived in the same areas as their customers, both being near their place of business. The businesses classified as Gesellschaft-like were larger operations. They had relatively larger numbers of employees and customers and probably were the most profitable enterprises. The proprietor most likely lived away from his customers who were largely non-local in terms of residence as related to business location.

After classifying each business as Gemeinschaft-like, mixed, or Gesellschaft-like with respect to structure, the retail businessman was analyzed with respect to his

orientations to his business. This was accomplished by categorizing their responses to questions concerning choices of changing areas or businesses. Those retailers whose rationale for such decisions included connotations of economic-rationality were classified as being oriented to their business in a Gesellschaft-like manner. Those whose rationale included non-economic, sociability, or affective connotations were classified as possessing Gemeinschaft-like orientations. ] Those including both kinds of connotations were classified as possessing a mixed orientation to business. [ It was ascertained that in general those proprietors of Gemeinschaft-like business structures possessed Gemeinschaft-like orientations to their business and vice versa.

The next problem involved the relationship between the structure of business and the way in which the retailer oriented himself to the local area. Of concern were the particular facets of the social nature of the local area of which the retailer was cognizant, and the evaluations he made of the local resident. It was shown that the retail businessman was particularly aware of the "sociability," "status," and "ethical" character of such residents. He was further shown to evaluate the resident in a way which had positive, negative or neutral connotations. The relationship of these local area orientations were

compared with business structure. In general, proprietors of businesses Gemeinschaft-like in structure described the local resident in terms of his congeniality and sociability, while those operating Gesellschaft-like structures were particularly cognizant of the economic and social status of the resident. With respect to evaluations, the proprietors of Gesellschaft-like business structures expressed relatively more neutral evaluations.

The final problem concerned the relationship between the above factors and mobility choices of the retail businessman. Such choices involved the decision of wanting to change locations and businesses.

In general it was ascertained that those retailers who evaluated the local resident in a negative sense most often stated the preference for wanting to leave the local area. When business orientations were compared with choice of changing locations and businesses, it was demonstrated that the retailer with a Gesellschaft-like orientation most often stated the preference for change.

These mobility choices were then compared with business structure and no significant relationship existed between structural type and choice of changing areas. However, those least wanting to change businesses were proprietors of Gesellschaft-like structures. This led to the conclusion that the most "satisfactory" arrangement



of business structure and orientations was one in which the retailer was oriented to his business in a Gemeinschaft-like manner and operated a Gesellschaft-like business structure.

This research has suggested that retail businesses vary considerably in social structure and that such contrasting structure has consequences for the orientations of the retailer to his business and to the local resident, and that these factors are closely related to mobility choices of the businessman. As such, the retailer more than other businessmen, economically and socially is closely tied in with the local community resident. To understand his position therefore requires analysis of how he is related to this larger social context.

The sociologist's interest in relating particular social structures to their larger setting in the community makes him particularly cognizant of the kinds of problems involved in research into retail business. This research has been exploratory and suggestive as to how this matter can be approached.

There are certain suggestions concerning future research into the kinds of problems raised herein. It is suggested that a general framework has been presented for classifying social structure of retail business

based on data readily available and subject to systematic classification on basis of Gemeinschaft-Gesellschaft criteria. If such an analysis could be repeated and the more extreme business types investigated using participant observer techniques, the nature of social interaction of people in such businesses could be described and classified by more direct means than were possible in this research.

It would be desirable also to investigate more thoroughly the orientations of retail businessmen to their businesses and the local resident. This could be accomplished through use of more intensive interviewing techniques than utilized herein. By combining the participant observer and intensive interviewing techniques based on the more general framework developed in this research, the student would be in a position to make more accurate and incisive statements concerning sociological aspects of retail business.

## APPENDICES

## APPENDIX A

Table 12

## RETAIL BUSINESS CLASSIFICATION BY MAJOR TYPE

Type	Frequency	Percent
<u>Retail Sales</u>		
Small items - food.	172	26.4
Small items - other: drugs, hardware, clothing.	118	18.1
Large items: appliances, furniture, automotive.	43	6.6
<u>Retail Service</u>		
Personal service: barber, beauty shops.	54	8.3
Cleaners, laundry.	46	7.0
Other.	21	3.2
<u>Others</u>		
Sales and service - gas stations.	93	14.3
Entertainment - recreation.	5	.8
Food and liquor dispensing.	73	11.2
Professional - M. D., Lawyer, contractor.	21	3.2
Other.	6	.9
Totals	652	100.0

Table 13

## RETAIL BUSINESS CLASSIFICATION BY TYPE BREAKDOWN

Type	Frequency	Percent
<u>Food Sales</u>		
Grocery	132	20.2
Bakery	13	2.0
Dairy	5	.8
Other	16	2.4
<u>Non-Food Sales - small items</u>		
Drug	49	7.5
Hardware	22	3.4
Clothing	22	3.4
5 and 10	3	.5
Sporting Goods	3	.5
Florist	7	1.1
Other	20	3.1
<u>Large item sales</u>		
Furniture - floor covering	12	1.8
Appliances	13	2.0
Auto	10	1.5
Real Estate	11	1.7
Other	14	2.1
Sub-total	352	54.0

Table 13 (Cont.)

Type	Frequency	Percent
<u>Personal Service</u>		
Barber	35	5.4
Beautician	19	2.9
Other - excl. M. D., etc.	8	1.2
<u>Item Service</u>		
Cleaners	27	4.1
Laundry	8	1.2
Shoe repair	10	1.5
Auto repair	12	1.8
Other	9	1.4
<u>Food and Liquor Dispensing</u>		
Restaurant	36	5.5
Bar	31	4.8
Restaurant and Bar	7	1.1
Dairy Bar	2	.3
<u>Other</u>		
Gas station	74	11.3
Contractor-plumber	10	1.5
Professional - M.D., D.O., Lawyer	7	1.1
Bowling alley, pool hall	5	.8
Sub-total	300	45.9
	352	55.0
Totals	652	99.9

Table 14

## AVERAGE PURCHASE FOR RETAIL BUSINESS

Amount of average purchase	Frequency	Percent
\$ .01 - .34	13	2.0
.35 - .69	49	7.5
.70 - 1.19	88	13.5
1.20 - 1.79	66	10.1
1.80 - 2.59	83	12.7
2.60 - 3.79	56	8.6
3.80 - 5.79	53	8.1
5.80 - 12.99	28	4.3
13.00 and over	56	8.6
Cannot ascertain - too variable	40	6.1
Don't know	48	7.4
No answer or not ascertainable	72	11.0
Totals	652	99.9

Table 33

CLASSIFICATION OF CONTENT OF RETAIL BUSINESSMAN'S  
STATUS DESCRIPTION OF LOCAL RESIDENTS

Classification	Frequency	Percent
<u>Economic status references</u>		
Below average - low income, poor housing	35	11.3
Average - middle income, average housing	19	6.1
Above average - high income, very good housing	14	4.5
<u>Prestige status references</u>		
Lower class - below average status	9	2.9
Working class - working people, including those considering these as middle class	128	41.3
Middle class - connotation of middle status of residents	90	29.0
Upper class - connotation of above average status of residents	15	4.8
Totals	310	99.9



## APPENDIX B

Business Interview Schedule  
Census Tract Study

Social Research Service  
Michigan State College

(INTERVIEWER: RECORD TYPE OF BUSINESS OR SERVICE

OFFERED \_\_\_\_\_)

\*\*\*\*\*

1. How long have you been in business at this location?

\_\_\_\_Years                      \_\_\_\_Months

2. Does this area around here have any name?

\_\_\_\_Yes: What is it  
called?  
\_\_\_\_\_

\_\_\_\_No: Do people think of  
\_\_\_\_DK: it as a distinct  
part of town?

What are its  
boundaries?  
What is the name  
of the street on  
the:

North \_\_\_\_\_

East \_\_\_\_\_

South \_\_\_\_\_

West \_\_\_\_\_

\_\_\_\_No

\_\_\_\_Yes: What are its  
boundaries?  
What is the name  
of the street on  
the:

North \_\_\_\_\_

East \_\_\_\_\_

South \_\_\_\_\_

West \_\_\_\_\_

3. Do you live in this building?

\_\_\_\_Yes

\_\_\_\_No: Where do you live?

(Street) \_\_\_\_\_

(Nearest two  
cross streets) \_\_\_\_\_

4. Do most of your customers come from the same part of town?

<p>___ Yes: What are the boundaries of this area on the:</p> <p>North _____</p> <p>East _____</p> <p>South _____</p> <p>West _____</p>	<p>___ No: Where do they come from?</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Don't know</p>
--	--

5. About what percent of your customers would you say you know by name?

\_\_\_ None

\_\_\_ A few (e.g., a quarter, a third)

\_\_\_ About half

\_\_\_ Most (e.g., two-thirds, three quarters)

\_\_\_ All

6. For the most part, what kinds of jobs do people around here have? \_\_\_\_\_

7. Where do most of them work? \_\_\_\_\_

8. How well do you think they know each other?

(INTERVIEWER: READ LIST EXCLUDING "DON'T KNOW")

\_\_\_ Very well

\_\_\_ Quite well

\_\_\_ Fairly well

\_\_\_ Not so well

\_\_\_ Not at all

\_\_\_ Don't know

(IF ANY BUT "DON'T KNOW" IS GIVEN AS AN ANSWER)  
What kinds of things did you have in mind when you decided this? \_\_\_\_\_

9. How else would you describe the people who live around here? \_\_\_\_\_

(IF SOME GENERAL TERM LIKE "VERY GOOD," "NEIGHBORLY", "AVERAGE", OR "NICE" IS GIVEN, ASK) What do you mean by (Insert term)? \_\_\_\_\_

10. Do the local people have any organizations and/or activities that you know of/

\_\_\_ No  
 \_\_\_ Don't know  
 \_\_\_ Yes: What are they? \_\_\_\_\_

11. Do the local people ever get together in your store or use it for a meeting place?

\_\_\_ No  
 \_\_\_ Yes or sometimes: What people use it? \_\_\_\_\_

(IF GENERAL ANSWERS LIKE NEIGHBORHOOD PEOPLE" OR "PEOPLE WHO WORK AROUND HERE" ARE GIVEN AS ANSWERS, ASK) Are they mostly of one specific group, like men or young people or factory workers, for example?  
 \_\_\_\_\_

(ASK OF ALL WHO SAY "YES" OR "SOMETIMES") What do they do while they're here? \_\_\_\_\_

12. Is there anything else that you would like to say about this neighborhood? \_\_\_\_\_
13. In general, how has your business been recently? \_\_\_\_\_
14. About how many people work here:

___ Full time:	___ Paid
	___ Unpaid
___ Part time:	___ Paid
	___ Unpaid
___ Total:	___ Paid
	___ Unpaid

(ASK ONLY IF THE OWNER OR PART OWNER OF THE BUSINESS IS BEING INTERVIEWED) Are any of these people your relatives?

\_\_\_ Yes: How many? \_\_\_\_\_  
 \_\_\_ No

15. Could you please estimate:

- a. The no. of regular customers you have?\_\_\_\_\_
- b. The amt. of an average purchase by a regular customer?\_\_\_\_\_
- c. The number of other customers you serve in an average week?\_\_\_\_\_
- d. The amount of an average purchase by these people?\_\_\_\_\_

16. Do you belong to any local business organizations?

- \_\_\_No
- \_\_\_Yes: What are they?\_\_\_\_\_

17. Do you allow credit?

- \_\_\_No
- \_\_\_Yes: What percent of your customers do you extend credit to?
  - \_\_\_A few (e.g., a quarter, a third)
  - \_\_\_About half
  - \_\_\_Most (e.g., two-thirds or three quarters)
  - \_\_\_All

18. Do you deliver?

- \_\_\_No
- \_\_\_Yes: We'd like to know the boundaries of the area within which you make most of your deliveries. What is the name of the street on the:

(INTERVIEWER: FILL IN NUMBER OF  
BLOCKS AWAY FROM CENTER OF SHQ-  
PING DISTRICT FROM MAP IN OFFICE)

North_____	_____
East_____	_____
South_____	_____
West_____	_____
Other (SPECIFY BOTH STREET AND DIRECTION)	_____
_____	_____

19. (ASK OF STORE OWNERS) If you could move your business to some other place in the Lansing area, would you stay here or move?
- (ASK OF STORE MANAGERS) If you could manage any of your company's stores in the Lansing area, would you stay here or move to another one?

\_\_\_\_ Stay: What reasons do you have for preferring this neighborhood?

\_\_\_\_\_

\_\_\_\_ Move or change: Where would you like to move?

(IF A SPECIFIC LOCATION IS GIVEN)  
What reasons do you have for choosing that place? \_\_\_\_\_

Will you be moving there in the foreseeable future?

\_\_\_\_ Yes

\_\_\_\_ No: Why not? \_\_\_\_\_

20. What reasons do you have for wanting to move from here?
- \_\_\_\_\_

21. If you could have your choice of any kind of a business, but you had to run it in this general location, what kind would you prefer? \_\_\_\_\_

(IF SPECIFIC BUSINESS (ES) MENTIONED) What reasons do you have for choosing this (these)? \_\_\_\_\_

(IF SPECIFIC BUSINESS (ES) MENTIONED) Why haven't you gotten into this kind of business? \_\_\_\_\_

22. Where are your main competitors located? (INTERVIEWER: GET STREET AND NEAREST CROSS STREETS OR CORNERS. IF STORES ARE NAMED, LIST THE NAMES.)

	STORE NAME	STREET	NEAREST TWO CROSS STREETS
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

23. Do you think that Lansing (East Lansing) should expand its city limits to include all of the unincorporated residential areas around the city?

☐ Yes  
☐ No  
☐ Don't know

(INTERVIEWER: FILL OUT, BUT DO NOT ASK THE PROPRIETOR FOR THIS INFORMATION)

LOCATION OF STORE: Street\_\_\_\_\_

IF IN THE MIDDLE  
OF BLOCK:

Side of st.\_\_\_\_\_

IF ON A CORNER:

Other st. forming  
corner:\_\_\_\_\_

Two nearest cross  
streets:

1.\_\_\_\_\_

2.\_\_\_\_\_

Direction of  
corner:

NE\_\_\_\_SE\_\_\_\_

SW\_\_\_\_NW\_\_\_\_

NAME OF STORE\_\_\_\_\_

AREA NUMBER\_\_\_\_\_

INTERVIEWER: Name\_\_\_\_\_ Class\_\_\_\_\_ Section\_\_\_\_\_

DATE\_\_\_\_\_

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INTERVIEWER IMPRESSIONS

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