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## MARKETING | RESEARCH ARTICLE

# Failing to develop a sense of ownership: A study in the consumer co-operative context

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**Abstract:** Emerging interest in psychological ownership in the domain of marketing calls for better understanding of situations wherein the customers are also the owners of the company. Accordingly, psychological ownership has been proposed to capture the intimate link between customer-owners and the cooperative. However, empirical research has found a diluted relationship between customer-owners and cooperatives in practice. The paper examines empirical data from customer-owners of a Finnish retail cooperative for insight into the factors that prevent feelings of psychological ownership from emerging. By means of thematic analysis, the study identified nine challenges and several distinct reasons for them.

**Subjects:** Social Sciences; Economics, Finance, Business & Industry; Business, Management and Accounting; Marketing

**Keywords:** psychological ownership; consumer cooperative; cooperative

### 1. Introduction

One of the recent areas of interest to emerge in the domain of marketing research involves development of the concept of psychological ownership (e.g., Gineikienė, Schlegelmilch, & Auruškevičienė, 2017; Kamleitner & Feuchtl, 2015; Karahanna, Xu, & Zhang, 2015; Peck & Shu, 2018; Sembada, 2018; Sinclair & Tinson, 2017). The literature notes that consumers can cultivate a sense of ownership of an offering or of a company whose products they consume (e.g., Fuchs, Prandelli, & Schreier, 2010). This has been characterised thus “I feel that this product/company is mine” (e.g., Asatryan & Oh, 2008). Perceived sense of ownership should be understood separately

### ABOUT THE AUTHORS

Antti Paavali Talonen Article's theme and context relates to Mr. Talonen's wider research interest. He will defend his doctoral dissertation on customer ownership and mutual insurance companies in the end of October 2018 at the University of Tampere. This specific article forms one important building block of the dissertation. Professor Jussila and Dr. Tuominen have an extensive experience in the field of consumer cooperative research, while professor Koskinen has been publishing articles that concentrate on customer-view in the context of financial institutions.

### PUBLIC INTEREST STATEMENT

Consumer cooperative is a company form that merges the roles of customer and owner. Accordingly, a sense of ownership, a mental state where one feels the cooperative as his/her, has been proposed to capture the intimate link between customer-owners and the cooperative. As our article shows, a sense of ownership towards the company does not; however, develop automatically after the juridical ownership relationship has been formed. The question is whether ownership concretises in the mind of the customer-owner or not. To increase understanding of this issue, we identify all together 9 different challenges and 27 reasons behind them to explain why customer-owners may not develop feelings of ownership towards their cooperative. This framework provides managers of a customer-owned company a solid tool to evaluate their own operations.

from legal ownership (e.g., Dittmar, 1992). In the field of organisation research, the development of the theory of psychological ownership began with considering why legal ownership rights do not necessarily influence employees' behaviour in the workplace (Pierce, Rubenfeld, & Morgan, 1991). In contrast, most research in the marketing discipline has concentrated on contexts that involve regular customership. Much less attention has been given to contexts that entail legal ownership arrangements in addition (Jussila, Tarkiainen, Sarstedt, & Hair, 2015).

To examine psychological ownership in a context that features customers' legal ownership too, this article concentrates on customer-owned consumer cooperatives. These companies have established themselves all over the world, distinguishing themselves through a history of approximately 150 years (e.g., Hansmann, 1996). Consumer cooperatives in the fields of retail, banking, and insurance generate some 1,500 billion US dollars in revenue annually (International Co-operative Alliance, 2017).

In a theoretically oriented paper, Jussila and Tuominen (2010) argue that customer-owned consumer cooperatives could have special potential to facilitate the emergence of psychological ownership. Furthermore, they suggest that psychological ownership should be treated as the defining link of customer-owners with their cooperative—a cognitive/affective state of ownership on customer-owners' part that expresses the extent to which the members feel the cooperative to be theirs (i.e., "I feel this is my co-operative").

Apart from the latter conceptualisation, earlier empirical literature on consumer cooperatives provides evidence that the close link between customer-owners and their cooperative is sometimes rather diluted (e.g., Keneley, 2010; Puusa, Mönkkönen, & Varis, 2013). This, in turn, indicates that some cooperatives may face challenges in creating feelings of psychological ownership among the customer-owners. Consequently, there is a scientific gap to thorough understanding of the challenges and the reasons for them.

The purpose of this paper is to explore and identify hindrances to customer-owners gaining a sense of ownership of their cooperative. In other words, we explore the reasons for which customer-owners do not take the particular routes that enable feelings of psychological ownership to emerge. What prevents them from controlling the cooperative, developing intimate knowledge of it, and/or investing themselves in the cooperative? We approach the matter by analysing, in all, 63 interviews with customer-owners of a Finnish consumer cooperative who did not consider themselves to be owners. The analysis contributes to many research domains, addressing cooperatives and psychological ownership alongside marketing in general. Furthermore, we provide a useful tool for managerial evaluation of what a cooperative could do to increase the sense of ownership among its customer-owners.

The following sections provide a review of prior literature, a presentation of our findings, and conclusions suitable for scientific and managerial application. We start by reviewing the concept of psychological ownership, which forms the backbone for our study, then describe the context and data for the study, before proceeding to present the findings. Discussion and conclusions, including managerial implications and avenues for future research, round out the paper.

## 2. Psychological ownership

Psychological ownership is a mental state wherein one feels an object to be "mine" (e.g., Pierce, Kostova, & Dirks, 2001). It is a psychological bond that an individual develops with a target object. The concept has been defined by scholars as having two core aspects: a possessive feeling towards an object and attachment of that object to the self (e.g., Furby, 1991; Litwinski, 1942; Snare, 1972). Accordingly, objects that are perceived as one's own become part of one's self-identity. Psychological ownership can emerge via any of three (possibly interrelated) mechanisms or "routes." The individual "travels down" these routes, reaching the sense that the object is his or hers by (1) controlling it, (2) generating intimate knowledge of it, and/or (3) investing personal resources in it (e.g., Pierce & Jussila, 2011; Pierce et al., 2001; Sartre, 1943/1969).

As a mental state, psychological ownership needs to be understood separately from legal ownership. In fact, it is common for people to psychologically experience a sense of ownership between themselves and various targets (Dittmar, 1992), which may even include songs (e.g., Isaacs, 1933) or personal values (e.g., Csikszentmihalyi & Rochberg-Halton, 1981). In general, the objects can be material or immaterial in nature and either legally owned or not (e.g., Pierce et al., 2001; Pierce, Kostova, & Dirks, 2003). Whatever the target, if it is able to facilitate the individual's "journey" along the above-mentioned "routes," the target becomes a "candidate for the attachment of ownership feelings" (Pierce & Jussila, 2011, p. 68).

Scholars in the field of marketing have only recently begun to exploit these insights to explain customers' psychological bond and its development in relation to companies, products, and services. Specific interest has been shown in new digitised business models that build on an active role for consumers. The topics addressed include customers controlling T-shirt design (Fuchs et al., 2010), creating social media content (e.g., Karahanna et al., 2015; Zhao, Chen, & Wang, 2016), collaborating in virtual worlds and communities (Kim, Kim, Jeon, Jun, & Kim, 2016; Lee & Chen, 2011; Lee & Suh, 2015), and consuming music-streaming services' content (Sinclair & Tinson, 2017).

Notwithstanding the wide application of the concept, psychological ownership is recognised most as an important construct in explaining individuals' behaviour in the context of legal ownership, yet prior research shows that legal ownership per se does not influence an individual's actions if the person does not feel he or she is an owner (Pierce et al., 1991). The question is whether legal ownership provides possibilities for control, generation of intimate knowledge, and investment of personal resources—the mechanisms of development of psychological ownership. If it does, legal ownership can facilitate that development (e.g., *ibid.*; Pierce & Jussila, 2011); consequently, a mental state of ownership can be regarded as the mediating construct between legal ownership and the person's behaviour (e.g., Shu & Peck, 2011). Most research from this perspective thus far has concentrated on contexts in which employees are owners of the company too (e.g., Pierce & Jussila, 2011), with much less attention paid to situations wherein *customers* own the company (Jussila et al., 2015). By examining a context in which the roles of customer and owner merge, our study is directed towards understanding the intersection of psychological ownership and legal ownership.

### 3. The context and data

Customer-owned cooperatives have joined the significant actors in Finland's society and economy over the past century, gaining special prominence over the last three decades. As one might expect, the success of the case company, S Group, in the country's economy has varied with the times. The group faced serious problems in, for example, the 1980s, as conflicts between social objectives and the need for efficiency became apparent. These factors left the whole "cooperative movement" lacking felt legitimacy in Finland (e.g., Skurnik, 2005). In response, S Group strove for efficiency by carrying out major structural changes that entailed dividing its organisational structure into a network of 34 independent regional cooperatives, alongside the central organisation (SOK) and chains that cross the boundaries of the regional cooperatives (Neilimo, 2005; Schediwy, 1989).

After these structural changes, S Group cooperatives managed to achieve major success. At the time of writing, S Group consists of 20 regional cooperatives and SOK. The latter operates as the central firm for the cooperatives and produces procurement, expert, and support services for them. Also, SOK is in charge of S Group's strategic steering and the development of the various chains (for a study specifically of S Group networks, see Uski, Jussila, & Saksä, 2007). The S Group cooperatives are owned by their members. In total, the S Group cooperatives had more than 2 million customer-owners in 2016; for comparison, the population of Finland is around 5.4 million (see [www.s-kanava.fi](http://www.s-kanava.fi), accessed on 11 April 2017). It has been argued that, alongside this approach, another reason for the group's success is that it returned to its cooperative roots: the cooperative's purpose is to provide services and benefits for customer-owners (Jussila, Tuominen, & Saksä, 2008). Businesses the cooperatives operate include food and grocery stores, speciality-goods outlets, hotels and

restaurants, hardware and agriculture companies, automotive facilities and service stations, and banking services (see [www.s-kanava.fi](http://www.s-kanava.fi), accessed on 11 April 2017).

Our study was conducted within one of the regional retail cooperatives of S Group, South-Karelian Retail Cooperative. This cooperative, known by the name “Eekoo,” is the largest organisation in the service industry in South Karelia, operating in 11 cities in the region. Approximately two-third of this region’s citizens are customer-owners of Eekoo (see [www.eekoo.fi](http://www.eekoo.fi), accessed on 11 April 2017). In our empirical research, we aimed at understanding the qualities of the membership as well as the members’ expectations and wants. Therefore, we chose qualitative analysis methods (e.g., Denzin & Lincoln, 2005), conducting, in all, 100 semi-structural/thematically organised interviews with randomly selected customer-owners. For the analysis, we selected 63 interviews of respondents who reported not perceiving any sense of ownership of the company. Semi-structural interviews were chosen because we wanted to collect numerous accounts addressing particular issues.

We used the main concepts and theories from research on psychological ownership (Belk, 1988; Jussila & Tuominen, 2010; Pierce et al., 2001, 2003; Pierce & Rodgers, 2004; Pierce et al., 1991) as the basis for the interview questions. The instrument, covering basic information on the interviewees, separate claims (pertaining to psychological ownership, its development, and motives), and open questions, was tested a couple of times (in pilot interviews) before customer-owners were approached in various Eekoo stores. Interviewees were selected such that the sample was representative of all age groups and represented male and female customer-owners equally. Due to the aim to capture responses from these different customer-owner groups, cluster random sampling was utilised. All interviews were carried out in April 2012, and they lasted about 5–10 min each.

For the selected dataset of 63 interviews, we conducted a thematic analysis that made it possible to identify and analyse patterns within the data that were related to our research interests (cf., Braun & Clarke, 2006). Applying the core principles of thematic analysis, we studied the data systematically and codified concepts and themes at several levels (e.g., *ibid.*; Attride-Stirling, 2001; Tuckett, 2005). In the first phase of the analysis, we identified all the relevant aspects in terms of the research question. These facets, pinpointed separately for all three paths to psychological ownership, constituted our “first-order concepts.” After two iterations of data analysis and revision of some first-order concepts, we obtained a coherent set of 27 first-order concepts in all, outlined in Table 1, below.

In the second phase of analysis, we conducted “axial coding,” which included identifying relationships between first-order concepts. Identification of these relationships enabled us to conceptualise second-order themes that capture similarities among subgroups that are umbrellas for first-order concepts. In this stage, we were able to formulate, all told, nine second-order concepts, three of them related to control, four to intimate knowledge, and three to investment of the self. These too are shown in the table. In the end, the essence of the second-order themes was articulated as “challenges” while the first-order concepts were the “causes of the challenge.”

Since we wished to identify challenges related to cooperatives, the data were reflected upon in light of earlier literature on cooperatives. Accordingly, the challenges and reasons identified were considered in relation to characteristics that “should be” strengths of a customer-owned cooperative. On account of the reflection on the data and prior literature in the course of analysis, our study can be characterised as abductive (e.g., Dubois & Gadde, 2002; Strandvik, Holmlund, & Edvardsson, 2012).

Finally, the authors have every reason to believe that the interviews conducted offer reliable data for the research in question. This conclusion is supported by the fact that the data clearly reached saturation before the full data-collection process envisioned was complete.

#### 4. Findings

The data allowed identifying various challenges that customer-owners face in travelling the routes to psychological ownership. These challenges can be categorised as related to (1) control over the

Table 1. The data structure

Route to psychological ownership	Second-order theme—challenge	First-order concept—cause of the challenge
Control	No sense of control via indirect use of voice	Customer-owners not having much say as individuals
		Customer-owners not being the ones with power to make decisions
		Elected customer-owners lacking the time to safeguard customer-owners' interests
		Exit being perceived as more efficient than use of voice
	Lack of channels for direct use of voice	Customer-owners not having channels to influence the selection of products
		The channels being inadequate
		That a simpler feedback process would create incentive to influence
		The feedback process not being transparent
		Distance from the elected customer-owners existing in the administration
Intimate knowledge	Lack of (relevant) information	That store assistants could be more visible
		Member magazines not providing interesting information
		The promotions seeming arbitrary
	Lack of knowledge of the ways to exercise influence	Customer-owners not knowing how to exert influence
		Customer-owners knowing how to exert influence only via feedback
	Lack of knowledge of the principles of cooperation	Customer ownership being identified as regular customership
		Interest in volunteer work persisting only as far as this is not just collecting money for the shop
		Customer-owners not "owning" anything (the term is inaccurate)
		The "bonus" not being enough (in a private shop, one can bargain more)
		That a larger market share raises prices
	Inability to identify with the co-op	The operations being detrimental to local business
		The cooperative's basic principles becoming eroded
	Investment of the self	Lack of opportunities to invest the self
More training in product knowledge being needed		
The co-op losing out in the competition for people's time		Life situation rendering people unable to contribute
		Contribution to other things being perceived as more meaningful
Investment of the self leading to negative emotions		"Customer-owner days" needing better promotion, further in advance
		New customer-owners being offered gifts while existing ones do not receive such surprises

cooperative, (2) intimate knowledge and understanding of the cooperative, and (3) self-investment in the cooperative (cf., Pierce et al., 2001). Next, we will discuss the findings in relation to these “routes” to psychological ownership and prior scientific research on cooperatives.

#### 4.1. Control

According to Tuominen, Jussila, and Kojonen (2009), members may exercise control over their cooperative directly and/or indirectly, through market and/or voice mechanisms (see also Chaves, Soler, & Sajardo, 2008; Jussila, Goel, & Tuominen, 2012; Spear, 2004). Market control refers to customer-owners’ influence via consumption behaviour. Using one’s voice shifts attention from consuming the current offering to envisioning the future of the company. A customer-owner has the opportunity as an owner to steer the company indirectly via administrative posts or directly by giving feedback (e.g., Talonen, Jussila, Saarijärvi, & Rintamäki, 2016). Our data indicate that the main obstacles to customer-owners travelling down the “control” path are related to a sense that it is inefficient to use one’s voice indirectly or that the cooperative lacks channels for direct exercise of that voice. We will now discuss in detail the causes of these challenges, which are summarised in Table 2.

##### 4.1.1. A lack of sense of control via indirect use of voice

The literature on cooperatives recognises that expanding a cooperative’s size and scale may start diluting its relationship with the customer-owners (e.g., Somerville, 2007; Spear, 2004; Vierheller, 1994). This may lead, in turn, to customer-owners’ decreased sense of control since the power becomes too dispersed. Our data echo this concern, indicating that customer-owners may feel that an individual cannot influence the cooperative since the customer-owner base is far too large. It seems that in these circumstances, the democratic cooperative principle “one member, one vote” does not necessarily provide a sense of control. Hence, customer-owners do not always feel motivated to attempt to influence the company. One of the respondents put it thus

No. I’m just ... I’m a customer-owner, but I don’t have that much say, as a single person.

Furthermore, dispersion of power among the customer-owners may lead to a situation in which the cooperative is controlled by the operative management (e.g., Biener & Eling, 2012; Mayers & Smith, 1981; Pottier & Sommer, 1997). In consequence, customer-owners become more and more like “regular customers” and the special characteristics of the ownership function fade away. This issue was addressed by one interviewee thus

No. It is not customers who have the power to make decisions. It’s total hogwash to say that this affects ‘customer-owners’. It’s a misleading word. And it’s the wrong term to use.

Our data indicate that some may feel also that elected customer-owners are not qualified to do the job. This was elaborated upon by some of the interviewees, who felt that the problem stems from the individuals elected not seeming to have enough time to see to the customer-owners’ interests in the administrative domain. In part, this echoes the recognised fact that usually some customer-owners are more active in general than others and may “bite off more than they can chew” (e.g., Giroux, 1992). As one of the respondents put it

[w]ell, the way it usually goes is they take the active ones ... but there’s a downside to that. They’re active with so many other things as well.

Earlier literature identified that when customer-owners are dissatisfied with the perceived value of the cooperative’s offering, they may turn to using their voice with the aim of developing the offering and the company (e.g., Talonen et al., 2016; Tuominen et al., 2009). Our data indicate, however, that when customer-owners see the possibilities to exert influence as inefficient, they would prefer to “vote with their feet,” exercising the exit option (e.g., Hirschman, 1970) rather than their voice as an influence mechanism:

**Table 2. Control-related themes, concepts, and illustrative quotes**

Second-order theme—challenge	First-order concept—cause of the challenge	Illustrative quote
No sense of control via indirect use of voice	Customer-owners do not have much say as individuals	“No. I’m just ... I’m a customer-owner, but I don’t have that much say, as a single person”
	Customer-owners are not the ones with power to make decisions	“No. It is not customers who have the power to make decisions. It’s total hogwash to say that this affects ‘customer-owners’. It’s a misleading word. And it’s the wrong term to use”
	Elected customer-owners lack the time to safeguard customer-owners’ interests	“Well, the way it usually goes is they take the active ones ... but there’s a downside to that. They’re active with so many other things as well”
	Exit is perceived as more efficient than use of voice	“I don’t feel any need to contribute. I buy my groceries there as long as it’s low-priced enough for me, and if another supermarket has lower prices I’ll switch”
Lack of channels for direct use of voice	Customer-owners do not have channels to influence the selection of products	“I don’t agree. Well, hmm, I don’t feel I can influence the selection or anything in S Group stores, so the competitors are ... they beat them completely in that. At K food stores, you can make requests because the local store-owners make those decisions and the store-owners can react to your feedback. But because S Group stores are so, erm, similar everywhere, they always have the same selection. So you can’t influence that in any way”
	The channels are inadequate	“Well, I haven’t really thought about that. There is a feedback system, but, since most of the customer belong to the Internet generation, it would be good if it were possible to give feedback via the Internet as well”
	A simpler feedback process would incentivise customer-owners to exercise influence	“Well, maybe one way to contribute could be that while you’re doing your shopping you could tick a box or give some suggestions in an easy way. So it wouldn’t be like I have to go and vote and so on. I could just familiarise myself somehow and it would be customer-focused and so on. So if you had-you could choose from among some options or something. It should be quite easy, since you don’t really have the energy to get that deeply into anything when you have small children”
	The feedback process is not transparent	“Well, sometimes like if you want to influence the service and the selection in the store, there should be some other channel to do that. I don’t know what it could be other than the suggestion box that’s emptied once a month. I would say you can talk to a customer-service director, of course, but you’re not really sure whether they will take it forward”
	There is clear distance from the elected customer-owners in the administration	“Well, our local S Group has the customer-owner administration [executive board] or whatever it’s called, so ... I don’t really know them. So an ordinary consumer doesn’t really have a say in that. They can’t really take their message forward. The only route to do that is: In our store, we have the CEO. You just go to his door and press the button, so I think you could do that if you wanted to discuss something. But these administrative boards and so on, they’re quite distant”



I don't feel any need to contribute. I buy my groceries there as long as it's low-priced enough for me, and if another supermarket has lower prices I'll switch.

#### *4.1.2. Lack of channels for direct use of voice*

The customer-owners of a co-op are usually situated within a restricted geographical area. Consequently, the co-op should have a competitive advantage in gaining information on local needs and desires related to the products sold (e.g., Tuominen, Tuominen, Tuominen, & Jussila, 2013). However, our data indicate that the potential to gather insight from the customer-owners directly is not harnessed in S Group. This is due to the purchasing decisions that are made at chain level (in the central organisation). Accordingly, customer-owners may not feel that they have channels to influence the products sold in their local stores.

I don't agree. Well, hmm, I don't feel I can influence the selection or anything in S Group stores, so the competitors are ... they beat them completely in that. At K food stores, you can make requests because the local store-owners make those decisions and the store-owners can react to your feedback. But because S Group stores are so, erm, similar everywhere, they always have the same selection. So you can't influence that in any way.

Only recently have scholars begun to show an interest in user-owned data cooperatives. These platform-economy solutions provide user-owners with digital channels that enable individual-level influence on the cooperative (e.g., Hafen, Kossmann, & Brand, 2014). According to our material, a traditional co-op may face certain challenges in implementing these modern applications in its processes. The younger respondents felt especially strongly that the feedback system they have encountered is not adequate anymore.

Well, I haven't really thought about that. There is a feedback system, but, since most of the customer belong to the Internet generation, it would be good if it were possible to give feedback via the Internet as well.

Impracticality in the feedback process was elaborated upon further by some interviewees, who seemed to find feedback process too complicated. This resulted in decreased respondent willingness to apply influence. As one interviewee stated, the feedback system should be integrated into the shopping processes more deeply.

Well, maybe one way to contribute could be that while you're doing your shopping you could tick a box or give some suggestions in an easy way. So it wouldn't be like I have to go and vote and so on. I could just familiarise myself somehow and it would be customer-focused and so on. So if you had- you could choose from among some options or something. It should be quite easy, since you don't really have the energy to get that deeply into anything when you have small children.

Furthermore, the lack of possibility of direct influence was spoken of by respondents who said that the feedback given does not "get through." Accordingly, it seems that the feedback process is not transparent enough, and, consequently, customer-owners do not sense that their voice is heard.

Well, sometimes like if you want to influence the service and the selection in the store, there should be some other channel to do that. I don't know what it could be other than the suggestion box that's emptied once a month. I would say you can talk to a customer-service director, of course, but you're not really sure whether they will take it forward.

According to Tuominen et al. (2009), customer-owners may exercise direct influence also by being in touch with the elected customer-owners in the administration. Accordingly, those elected should be sensitive and open to the feedback that they receive. Our data indicate that the reality, in contrast, involves the ones who hold administrative posts remaining unknown to the "regular"



customer-owners and not interacting with them. Hence, these relationships are rather distant and cannot serve as a direct channel of influence.

Well, our local S Group has the customer-owner administration [executive board] or whatever it's called, so ... I don't really know them. So an ordinary consumer doesn't really have a say in that. They can't really take their message forward. The only route to do that is: In our store, we have the CEO. You just go to his door and press the button, so I think you could do that if you wanted to discuss something. But these administrative boards and so on, they're quite distant.

#### *4.2. Intimate knowledge*

According to Jussila and Tuominen (2010), ownership of a cooperative has much to do with association with the organisation, which can be achieved through usage or through participation in governance (see also Giroux, 1992). Furthermore, it is through interaction that one gathers information on the relevant object and comes to know its meaning, which has potential to generate association with that object. According to the literature on the psychology of possession, association has a particular role in the development of psychological ownership. In the nineteenth century, Kline and France (1899) had already indicated that to recognise an object as part of the self, one must recognise it as his or her own. According to our data, the main challenges to developing intimate knowledge are related to lack of (relevant) information, lack of knowledge of the ways of having an influence, lack of knowledge of the principles of cooperation, and difficulties in identifying oneself with the cooperative (see Table 3).

##### *4.2.1. Lack of (relevant) information*

According to Jussila and Tuominen (2010), customer-owners can obtain information on the cooperative and its services via interaction with the personnel. In other words, the staff can serve as a mediator in the member-cooperative relationship, thereby making a difference in how a member experiences the relationship with the cooperative (in particular, a specific part of it) and also being able to shape the quality of the information exchanged (e.g., Byrne & McCarthy, 2014). In our data, however, the service personnel were perceived as not being there when needed:

Well, the store is not- How should I put it? The shop assistants could provide better service. It's a bit stiff and, well, who knows? The friendliness [...] can be good among the employees, but they don't have the best possible relationship with the customer. They could be more visible, at least for older people.

Furthermore, Jussila and Tuominen (2010) argue that differences between members in reception of information and in their activeness in acquiring it are likely to be significant. Giroux (1992) suggests that an active member may develop in understanding of the cooperative by, among other things, reading member magazines to gain information. If the customer-owner is passive and has little interest in "digging deeper," the connection between member and cooperative remains psychologically remote. It is likely also that there is a reciprocal relationship between recognition of ownership and activeness in learning more about the cooperative. A passive member "wearing blinkers" is likely to disregard almost any information on the cooperative and not seek out more independently (Jussila & Tuominen, 2010). This was illustrated by one of the respondents saying:

Yes, I get *Yhteishyvö* [the member magazine] and then another publication that provides information. It's this "I flip through it and forget everything".

Furthermore, Giroux (1992) notes that a member is provided with large amounts of essential information about the cooperative simply aimed at helping him or her develop an opinion of the matters subject to collective decision-making. According to our data, this may not always be the case, though the information provided concentrated primarily on advertising. This approach

**Table 3. Intimate knowledge-related themes, concepts, and illustrative quotes**

Second-order theme—challenge	First-order concept—cause of the challenge	Illustrative quote
Lack of (relevant) information	Shop assistants could be more visible	“Well, the store is not- How should I put it? The shop assistants could provide better service. It’s a bit stiff and, well, who knows? The friendliness [...] can be good among the employees, but they don’t have the best possible relationship with the customer. They could be more visible, at least for older people”
	Member magazines do not provide interesting information	“Yes, I get <i>Yhteishyvö</i> [the member magazine] and then another publication that provides information. It’s this ‘I flip through it and forget everything”
	The promotions seem arbitrary	“It somehow feels like these promotions you get are quite random”
Lack of knowledge of the ways to exercise influence	Customer-owners do not know how to exert an influence	“Especially if I had to influence [something] somehow, I wouldn’t even know how”
	Customer-owners know how to have an influence only via feedback	“What do they mean by that? Well, I guess you can make product requests and [can] give feedback if you’re not happy about a product or something, so in that way, yeah. I didn’t think of anything else with regard to influencing”
Lack of knowledge of the principles of cooperation	Customer ownership is identified as regular customership	“Well, no. I guess in effect it’s just that [regular customership]. It’s nothing more than that”
	Interest in volunteer work is maintained only as long as it is not just collecting money for the shop	“Yes, I’m interested. I’m interested in all volunteer work. I’m actually volunteering four days a week at the moment. All these sorts of things. As long as it’s helping people and not collecting money for the store, I’m interested”
	The customer-owners do not own anything; this is the wrong term	“Yeah, it’s nothing more than that, because a customer-owner ... we don’t own anything in this. If you owned one per cent, you’d already be quite rich ([one per cent] of this co-op, I mean). So you see what I mean. So ‘customer-owner’—it’s the wrong term”
	The bonus is not enough; in a private shop, one can bargain more	“They say we get the bonus, but no, it’s all so relative. And it’s hard to bargain. In a private shop, you would be able to bargain more”
	A bigger market share pushes prices up	“And then I’m thinking that it’s like if their market share gets too big, then their prices will go up. And that’s not good for us consumers. That’s a risk there”
Inability to identify with the co-op	Local business is harmed	“About S Group in general, I sometimes think that- the ABCs are expanding maybe a little too much, and what they do is they look for an existing and successful service/petrol station, and then they push them out. So it leaves kind of a bad impression”
	The basic principles of the cooperative become eroded	“But they are so big that ... I don’t think a co-operative can function if it’s this big ... so it’s not a co-operative anymore; it’s more of a chain, a chain store. A chain rather than a co-operative. So that has completely disappeared—it’s only in the name. There used to be all kinds of co-operatives, especially in the countryside. But there’s nothing left, only memories ... and in banks as well they are trying to sell all kinds of things, like insurance and everything. They’d might as well sell candy. Like the post offices do”

prevents customer-owners from increasing their knowledge of the important role they have as owners of the cooperative. As one interviewee stated,

[i]t somehow feels like these promotions you get are quite random, but maybe if you had something that presents the co-op's whole offering, in its entirety, some kind of Web search where you could search for specific things....

#### *4.2.2. Lack of knowledge of the ways to exert influence*

If the cooperative is to build on the unique value-creating characteristics of consumer cooperation, it is pivotal for customer-owners to understand how to exercise influence. Our data suggest that some customer-owners simply do not know how to use their voice—either directly or indirectly. This creates a further stumbling block, hindering individuals from starting to familiarise themselves with the special characteristics of the company they own. One of the respondents stated the following:

Especially if I had to influence [something] somehow, I wouldn't even know how.

On the other hand, customer-owners may recognise the channels of influence to some extent even while the knowledge seems to be limited. Our data suggest that some customer-owners do understand that they can provide input by giving feedback on the products directly but lack knowledge of other ways to apply influence:

What do they mean by that? Well, I guess you can make product requests and [can] give feedback if you're not happy about a product or something, so in that way, yeah. I didn't think of anything else with regard to influencing.

#### *4.2.3. Lack of knowledge pertaining to the principles of cooperation*

As is noted in the description of this article's scope, merging the ownership function with the customer function represents great potential for generating a sense of ownership. To harness this potential, customer-owners need to understand and assimilate their role as owners of the cooperative (e.g., Spear, 2004). With the case company, however, full recognition of the dual role of the member as both user and owner seems to be rare and customer ownership is perceived as only a "customer-loyalty programme." Consequently, the customer-owners have not received impetus to start familiarising themselves with the special characteristics of cooperatives and customer ownership. One of the respondents gave this description:

Well, no. I guess in effect it's just that [regular customership]. It's nothing more than that.

This was further accentuated by lack of understanding of the mission and purpose of a customer-owned company. As earlier research highlighted, the corporate purpose of a cooperative is to maximise perceived value for the customer-owners as consumers, not as investors (e.g., *ibid.*; Talonen et al., 2016). On the contrary, though, some of the interviewees understood the objective of the cooperative in the same way as that of limited companies: to bring in money, drawing it away from customers. One of the interviewees illustrated this thus:

Yes, I'm interested. I'm interested in all volunteer work. I'm actually volunteering four days a week at the moment. All these sorts of things. As long as it's helping people and not collecting money for the store, I'm interested.

Echoing the above sentiments, some have characterised the essence of being an owner of a customer-owned cooperative as consisting of ensuring maximum benefits for oneself as a consumer (Spear, 2004). Our data indicate that some customer-owners identify the nature of their ownership with that in limited companies, in which the goal is to maximise profit. This

apprehension in its turn hinders these individuals from starting to familiarise themselves with the principles of cooperation. One of the interviewees stated the following:

Yeah, it's nothing more than that, because a customer-owner ... we don't own anything in this. If you owned one per cent, you'd already be quite rich ([one percent] of this co-op, I mean). So you see what I mean. So "customer-owner"—it's the wrong term.

In a customer-owned cooperative, the economic value is created via two distinct mechanisms: an immediate bonus received after the purchase (as in our case co-op) and a possible patronage refund after the business year has ended. The idea behind a patronage refund is to return a certain amount of the profit to the customer-owners in proportion to their contribution or the trade they have conducted with the cooperative (e.g., Mills, 2001). Our material indicates that this process can prove challenging for some customer-owners to understand. Accordingly, customer-owners may instead place emphasis on immediately received benefits that take the form of direct discounts. This contributes to customer-owners not starting to journey towards psychological ownership by increasing their intimate knowledge of this company form's unique characteristics that create economic value. The lack of understanding is illustrated by this quote from one of the respondents:

They say we get the bonus, but no, it's all so relative. And it's hard to bargain. In a private shop, you would be able to bargain more.

Customer-owners can take advantage of their voice in the event of dissatisfaction with the products and services of the cooperative. Accordingly, a consumer cooperative is a tool by which consumers can come together and work with each other for maximising their perceived benefits as consumers (e.g., Byrne, Heinonen, & Jussila, 2015). Hence, consumer cooperatives can be posited to possess potential to operate in customer-owners' favour even as a monopoly (Talonen et al., 2016). According to our data, however, some customer-owners lack knowledge of cooperation as a value-maximisation mechanism. There is evidence, instead, of a belief that *competition between companies* is the ultimate mechanism of guaranteeing benefits for consumers. One of the interviewees described this prevailing way of thinking:

And then I'm thinking that it's like if their market share gets too big, then their prices will go up. And that's not good for us consumers. That's a risk there.

#### 4.2.4. *Inability to identify with the cooperative*

The final reason seen for customer-owners not developing intimate knowledge of the cooperative is that they were not able to identify with the entity. This is an important aspect of the picture, since identification with the cooperative plays a crucial part in developing feelings of possession (e.g., Kline & France, 1899). Our data suggest, further, that there were two reasons for the relatively low level of customer-owner identification with the cooperative in the case considered here. First, the mission and purpose of a regional cooperative is to support the vitality of the region in which that cooperative operates (e.g., Jussila, Kotonen, & Tuominen, 2007), yet our material points to some customer-owners in certain circumstances perhaps feeling that the cooperative acts counter to this goal by actually *destroying* local small entrepreneurs' operations. Because the customer-owners value work towards local vitality, this may prevent identifying with the cooperative and thereby cultivating in themselves feelings of ownership. The following quote illustrates this:

About S Group in general, I sometimes think that- the ABCs are expanding maybe a little too much, and what they do is they look for an existing and successful service/petrol station, and then they push them out. So it leaves kind of a bad impression.

Second, many scholars have recognised that there seem to be major hurdles to cooperatives organising themselves so as to harness and cherish cooperative principles (e.g., Keneley, 2012). Cornforth, Thomas, Lewis, and Spear (1988) articulate the "degeneration thesis"; thus, this problem

may arise when a cooperative begins implementing objectives similar to those of a stock company/ investor-owned firm (IOF) and the control moves towards the operative management. According to our data, customer-owners may recognise the special characteristics of consumer cooperation without seeing their own cooperative implementing them. Feelings of ownership therefore do not arise: the customer-owners cannot identify with the current ideas behind the cooperative's operation. It is important to note that pulls in opposite directions may be hard to avoid, since making a cooperative efficient and able to yield benefits for customer-owners demands enough size, volume, and profit for future development of the services (e.g., Tuominen et al., 2013). From this, contradiction may arise with the sensibilities of customer-owners who feel more familiar with smaller entities. One of the respondents illustrated this with the following comments:

But they are so big that ... I don't think a co-operative can function if it's this big ... so it's not a co-operative anymore; it's more of a chain, a chain store. A chain rather than a co-operative. So that has completely disappeared—it's only in the name. There used to be all kinds of co-operatives, especially in the countryside. But there's nothing left, only memories ... and in banks as well they are trying to sell all kinds of things, like insurance and everything. They'd might as well sell candy. Like the post offices do.

#### 4.3. *Investment of the self*

Customer-owners taking an active role lie at the core of a consumer cooperative's value-creation processes (Talonen et al., 2016). Some have suggested that it is specifically the participation of member-owners and investment of their personal resources in the cooperative that can lead to a special cooperative link developing between the cooperative and its member-owners (Giroux, 1992). This investment can come in many forms, such as energy, time, effort, and attention, all of which may lead to emergence of psychological ownership (e.g., Csikszentmihalyi & Rochberg-Halton, 1981). Furthermore, there are indications that for this sense to be encouraged, customer-owners should have an incentive to "provide higher quality, more frequent, and greater amounts of information than would a customer [...] of an IOF" (Cook, 1994, p. 53). Hence, Jussila and Tuominen (2010) posit that investing personal resources plays an important role in customer-owners' development of psychological ownership. According to our data, the main challenges to investing oneself are associated with lack of investment possibilities, competition for customer-owners' time, and negative emotions stemming from investment of self. Next, we will elaborate on specific factors in these challenges (summarised in Table 4).

##### 4.3.1. *Lack of opportunities to invest oneself*

Talonen and colleagues (2016) conceptualise customer-owners as having a pivotal role in the cooperative's value-creation processes. For example, the amount of trade conducted increases the perceived economic value via bonuses and patronage refunds, and participation in developing the cooperative generates perceived emotional and symbolic value. The interviews indicate, however, that the role of the customer-owner is not always recognised and that possibilities for investment of the self often are not developed. On the contrary, the cooperative's part of the interaction is perceived as one-way marketing communications, with less interest being shown in developing channels that could facilitate customer-owners' willingness to participate:

Well, I have nothing to say about that. As I said, I don't feel like I'm an owner in this store. No-one ever asks me anything about anything [...]. I just get advertisements.

Literature on cooperatives has identified one of the pivotal tasks of a cooperative as being to empower customer-owners by educating them as consumers for the cooperative's products (e.g., International Co-operative Alliance; Madane, 2006). This creates additional value for the customer-owners and emphasises the cooperative as being "on customer-owners" side, a tool for looking after their interests (Byrne et al., 2015). According to our data, this aspect is not always highly developed. As one of the respondents outlined, more could be done to educate customer-owners in relation to special products and their usage:

**Table 4. Themes, concepts, and illustrative quotes related to investment of the self**

Second-order theme—challenge	First-order concept—cause of the challenge	Illustrative quote
Lack of opportunities to invest the self	Interaction is only one-way	“Well, I have nothing to say about that. As I said, I don’t feel like I’m an owner in this store. No-one ever asks me anything about anything [...]. I just get advertisements”
	More product-knowledge training is needed	“Product-knowledge training, so when you need to ask something it would be nice if their answers were backed up by facts. There is training; the company organises that, which is good. It is important to invest in that. Because there are a lot of new brands of clothes and shoes and everything like that, so you want to know facts like why this is better and what’s good about this and that. ...[T]hey should maybe have more store assistants there, because they are experts”
The co-op losing out in the competition for people’s time	Life situation renders people unable to contribute	“As the mother of two small boys, I don’t have any extra time, especially for this sort of thing [...]. [The] retirees may have time for this sort of thing”
	Contributing to other things is perceived as more meaningful	“I personally think that if I were to do charity work in my leisure time, it would be for some other organisation, like—Can I mention names? But more like UNICEF and these sorts of things, so I’m not ... I feel that sports and such things are a lot more important activities, so I wouldn’t [...] busy myself with things like this”
Investment of the self leading to negative emotions	“Customer-owner days” should be promoted better and earlier	“I quite like the ‘customer-owner days’, when they offered good discounts. But they happen quite rarely. And they don’t really promote that until—They should promote it a bit sooner and more often so people would know, if you’re about to purchase something. So you feel kind of tricked when you buy a washing machine and the next day it’s 20% off, so if we’re talking about customer ownership, openness, getting the information out there—like, for example, that ‘customer-owner days’ will start next month. So if I need a washing machine I should go and look for it there”
	New customer-owners are offered gifts, but existing ones do not receive any surprises	“Well, I don’t know. At least I have been thinking that the S Group is really keen on getting new people as customer-owners, but I feel like the rewards have grown worse over the years. And like ... this is all really negative, but it’s funny that the new customer-owners are offered all kinds of gift cards and stuff but the existing ones, sure they get their Bonus but there are never any surprises. There are other groups where you get, even several times a year, some small thing and it’s quite nice”

Product-knowledge training, so when you need to ask something it would be nice if their answers were backed up by facts. There is training; the company organises that, which is good. It is important to invest in that. Because there are a lot of new brands of clothes and shoes and everything like that, so you want to know facts like why this is better and what's good about this and that [...]. [T]hey should maybe have more shop assistants there, because they are experts.

#### 4.3.2. *The co-op losing out in the competition for people's time*

Our dataset includes accounts of something that has not been fully addressed in prior research. Cooperatives compete for people's time with other day-to-day activities (participation in and contribution to cooperation has a voluntary basis, as noted by the International Co-operative Alliance) and may end up "losing the battle" if customer-owners are not aware of the meaning, importance, and benefits of the cooperative and of having an influence on it. According to our data, there are two distinct reasons for this. First, as one of the respondents noted, one's situation in life (e.g., raising young children) may discourage investing more personal resources in the cooperative. This may tie in with the issue, mentioned above, of the cooperative not fully recognising the possibilities for initiatives related to customer-owners' day-to-day social activities:

As the mother of two small boys, I don't have any extra time, especially for this sort of thing [...]. [The] retirees may have time for this sort of thing.

Second, customer-owners may feel that devoting personal resources to other voluntary engagements is more meaningful. As one of the respondents put it,

I personally think that if I were to do charity work in my leisure time, it would be for some other organisation, like- Can I mention names? But more like UNICEF and these sorts of things, so I'm not ... I feel that sports and such things are a lot more important activities, so I wouldn't [...] busy myself with things like this.

#### 4.3.3. *Investment of the self leading to negative emotions*

As mentioned above, the key mechanisms that facilitate creation of economic value for customer-owners are immediate bonuses and patronage refunds after the business year (e.g., Mills, 2001). Both are paid in line with the individual's contribution to (trade with) the cooperative, which makes these mechanisms as fair as is possible between customer-owners. Our data indicate that a cooperative's additional seasonal discounts may cause interference with these two mechanisms. A customer-owner who misses the seasonal sales may have a sense of not receiving the economic benefits that are due him or her. In the worst case, customer-owners may feel that they have financed others' benefits. Consequently, seasonal discounts may appear problematic when reflected upon alongside the *unique* mechanisms that cooperatives have for creating economic value:

I quite like the "customer-owner days," when they offered good discounts. But they happen quite rarely. And they don't really promote that until- They should promote it a bit sooner and more often so people would know, if you're about to purchase something. So you feel kind of tricked when you buy a washing machine and the next day it's 20% off, so if we're talking about customer ownership, openness, getting the information out there—like, for example, that "customer-owner days" will start next month. So if I need a washing machine I should go and look for it there.

Many scholars of cooperative and mutual forms recognise that when cooperatives have primarily open membership, new people can join the company as customer-owners without any monetary investment or by paying only a small membership fee. This can lead to a situation wherein new customer-owners gain considerable benefits from the contribution of earlier generations of customer-owners (e.g., Borgen, 2004; Mason, 1967; Nilsson, 2001). Inter-generation solidarity can be perceived as part of the cooperative DNA, and our data indicate that the situation mentioned



above is accepted, yet our material shows also that additional rewards for new customer-owners can be perceived as unfair. Investment of self in the cooperative may lead to negative emotions if long-time customer-owners sense that only newcomers are rewarded:

Well, I don't know. At least I have been thinking that the S Group is really keen on getting new people as customer-owners, but I feel like the rewards have grown worse over the years. And like ... this is all really negative, but it's funny that the new customer-owners are offered all kinds of gift cards and stuff but the existing ones, sure they get their Bonus but there are never any surprises. There are other groups where you get, even several times a year, some small thing and it's quite nice.

## 5. Discussion and conclusions

The content of the so-called cooperative link (Giroux, 1992) and the “strong linkage” (Normark, 1996) consists largely of psychological ownership. This is a clearly defined individual-level cognitive/affective state that can be measured with the instrument validated by Van Dyne and Pierce (2004). In other words, in investigation of the depth of a member's relationship with the cooperative, the construct of psychological ownership and existing metrics for it are extremely useful. In research on consumer cooperatives, the psychological state of ownership has been referred to prominently in the work of Jussila and Tuominen (2010), Jussila et al. (2007), and Tuominen, Jussila, and Saksä (2006). Furthermore, Beal and Sabadie (2018) determined that customers of cooperative banks exhibited a stronger sense of psychological ownership of the bank than did customers of investor-owned banks. Our study shows that, at the very least, not all customer-owners show perceived ownership in their consumer cooperative. Furthermore, in a continuation in the vein of Beal and Sabadie's work, we have identified several reasons—all backed by data from customer-owner interviews—for a sense of ownership not having begun to develop.

The obstacles to customer-owners' control of their cooperative are an important factor in terms of psychological ownership. Kim and colleagues (2016) found that members of an online community were more likely to make contributions if they sensed themselves to be “highly acknowledged” within the community for doing so (p. 107). This suggests that clear communication as to what opportunities exist for customer-owners to exert influence and encouragement of them to exercise the associated mechanisms could increase their willingness to contribute. In addition, it is vital to make the importance of the contributions visible: it is the contributor's perceived power upon seeing that he or she contributed successfully that allows psychological ownership to emerge (cf., Sembada, 2018).

Whether a company's cooperative nature and customer-owners' role and rights are communicated well does make a difference. If they lack understanding of what a consumer cooperation is all about and that they are owners of the company, it is hard for customer-owners to develop feelings of ownership. First, it is necessary to get customer-owners to understand that they are actual owners of the company. Kachersky and Palermo (2013) recognised that even using the word “I” or “my” on product names (in contexts without legal implications) has potential to nurture a sense of ownership. This may offer a good example of how marketing communication in consumer cooperatives can at least steer customer-owners' interest towards thinking about what being an owner really means. Second, our study indicated that customer-owners may not have the knowledge they need for exercising influence. Earlier literature on product appropriation emphasises the importance of informing the consumer and teaching people how to use the product (e.g., Steils, Crie, & Decrop 2018). Along similar lines, consumer cooperatives could benefit from providing education, training, and/or information addressing what customer ownership means. Thereby, customer-owners could learn how to “use” their company as originally intended.

### 5.1. Managerial implications

It is not only the uncovering of the consumer cooperative relationship and highlighting of a useful metric that we believe to be of practical value. Our specification and analysis of the routes to psychological ownership should aid cooperatives' managers in reinforcing the cooperative link and,

thereby, contributing to their organisations' favourable position in the marketplace. It is noteworthy that this appears to be in line with the purpose of consumer cooperatives, with management action of this sort being aimed at creating additional value for the customer-owner without a corresponding offset being manifested in price increases.

What can managers do to develop a stronger and more intimate link between consumers and the cooperatives they own, one that is bundled with feelings of ownership and a sense of being one with the cooperative? Our work suggests that this goal can be reached by emphasising consumers' opportunities to interact and associate with the cooperative. First, it is necessary to critically evaluate how the administrators elected from among customer-owners operate and approach matters. Is administration handled in an open forum that provides opportunities for other customer-owners to engage in the processes? Does the administration really channel the customer needs into the decision-making? Furthermore, since it is obvious that not all customer-owners can be elected to the administrative positions, how can the cooperative best provide other channels for direct influence—in such a way that the contribution of other owners can be harnessed just as well?

A second element to consider is the importance of stressing the value of educating customer-owners in the benefits of being an owner of the company. Many of them may be unaware of the means of influence and the principles of cooperation. This education could come in the form of providing relevant information via several channels, with for example, knowledge spread by shop assistants, member magazines, and online portals and applications.

## *5.2. Future research*

In-depth discussion of the full range of consequences that can be identified as sprouting from psychological ownership is an important avenue for future work. Research by scholars such as Pierce, Jussila, and Cummings (2009) specifies various attitudinal consequences of psychological ownership in addition to satisfaction—for instance, commitment to the organisation and a sense of responsibility. In addition, that work addresses behavioural effects such as extra-role behaviour, taking of personal risks, and personal sacrifices (to the benefit of the target of ownership). We believe that thorough consideration of the “effects” side of psychological ownership, theory in the analysis of consumer cooperative relationships would benefit cooperative-related scholarship and practice alike. One option in this connection is theoretical work addressing the connections between psychological ownership and the attitudes and behaviours identified as manifested in cooperatives. From a practical perspective, since the effects may be mixed and more contextual factors must be taken into account, a case study taking into consideration the full variety of dynamics associated with psychological state might be more appropriate, though. That said, a quantitative survey too might have merit, because many elements of the nomological network, as we understand them, seem to have established means of measurement.

On the more abstract level, much of what is put forward above applies not only to consumer cooperatives but to other types of cooperatives as well. However, given that cooperatives vary in who the owners are and, accordingly, in their operation and purpose, we would like to offer a word of caution. In light of the potential of cooperatives as satisfiers of the above-mentioned motives, there are likely to be differences across consumer cooperatives, workers' co-ops, and those cooperatives that are most reflective of multiparty alliances of entrepreneurs. The relative “weight” of objective and subjective elements and the felt importance of various motives for ownership probably vary from one of these types to the next. We assume also that context makes a difference, particularly when one is analysing the consequences of psychological ownership and the dynamics associated with them in the various types of cooperatives. Of course, future research could prove our assumptions wrong.

Finally, while it must be acknowledged that all three “routes” to psychological ownership can be interrelated, we believe that our categorisation by route serves as a valid framework for considering the challenges that customer-owners face. Also, while the interrelatedness of the routes was beyond the scope of this article and hence was not specifically dealt with here, the routes can offer

a fruitful avenue for future research, focused on examining how these routes correlate with each other and what the implications are.

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