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The FNAC: A Story of Standardization

Reviewed: Vincent Chabault, *La FNAC, entre commerce et culture*, Paris, Puf, 2010.

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How a culturally avant-garde company gradually came little-by-little to be part of Big Business : Vincent Chabault recounts the story of the FNAC, from its Trotskyite origins to the present.

What traces remain of the two individuals, both former Trotskyites, who founded the FNAC in 1954? What role did the FNAC play in the commodification of culture, and what remains of the company's original mission? Who are the company's employees, and under what conditions do they work? Vincent Chabault's recent book retraces the history of this company, which has received so much high praise over the years that it has been the object of virulent criticism. Two questions can be asked : one side how the company was able to "absorb" changes in the business environment, and other side at what cost to its original mission ? What working at the FNAC has meant to two generations of the firm's employees ?

Contributing to the times...and then adapting to them

The 1950's saw the emergence of a new middle class that was larger, financially better-off, and better-educated than the previous generation. The valid social aspirations of this rising group differed in various ways from those of their elders. The consumption of cultural products served them both a way of climbing the social ladder and as a sign that they had arrived. The FNAC offered an answer to the aspirations of these future clients and above all of its card-carrying members : young people hungry for distinctive signs of their social status and launched in professional path and way of life, if not new,

had not been available to their parents. For them, cultural consumption is a mode of social rising and, both, a sign of it. The goal of the founders of the FNAC was to enhance the access of this new consumer group to cultural products (Chapter 2) into combating rival retailers' abuses in terms of price and quality. In addition to establishing a low-pricing policy, in 1954, Essel and Th  ret founded *Contact*, a magazine for members, which published the results of in-house comparative product tests that were conducted in their own laboratory since 1972. Pursuing its low-price purpose, the FNAC established its first discount bookshelf in 1974, a move that upset the delicate balance of publisher-bookstore relationships and triggered a lively debate between free-pricing advocates and proponents of fixed-pricing that continued until passage of the so-called "Lang Law" in 1981 (with fixed-price for books).

In 1980, the FNAC went public and was listed on the Paris stock exchange. Then, in 1985, it was bought by GMF in 1985 before being sold ten years later to Fran  ois Pinault. From now, the process supplanting the founders' committedness is on with the single-minded pursuit of financial profitability (Chapter 4). Employees hired between 1960 and 1980 for their capacities for personal investment and under labor conditions that were the envy of the business world, were gradually replaced by staff with lower labor status. Tasks were rationalized, margins of employee autonomy vanished, and immediate profitability became the sole priority, while selling won over a focus on originality and high quality that had earlier established the company's reputation. Innovations in personnel management came to an end, and the FNAC was transformed into one among many giant retail distributors, while cashing in on an image that was shaped in an earlier time.

The author sheds light on a segment of the history of the twentieth century middle class by providing a detailed description of two generations of FNAC employees and of the labor conditions under which they worked (Chapters 3 and 6). Through the mid-1980's, the middle class experienced continuous upward growth that provided access to better salaries and improved labor conditions, including increased access to jobs in the cultural sector. Despite continuous increases in educational levels and in the number of

specialized degree programs available to them, however, labor conditions for members of the middle class began to deteriorate beginning in the mid-1980's, and work came to hold less interest as employees' margins of autonomy decreased.

A company “not like” the others that became one “among” others

The portraits of Essel and Théret before and after the company was formed shed light on their project and on their plans for implementing it (Chapter 1). Although they were not necessarily pioneers in every area, the sheer scale of their and their successors' concept of the stores and of their approach to fostering customer loyalty (in 1986, the member card became a credit card as well) profoundly altered the marketing of cultural products. The growth strategy of the FNAC began with the opening of stores in Paris, followed by expansion within France – beginning in Lyon in 1972 – and abroad, with the Brussels store opening in 1981. These impressively large facilities brought together a range of products that was unavailable elsewhere, and they made sustained efforts to organize encounters between authors and the public. Success was not long in coming : the number of membership cardholders, a minority of clients with the largest share of sales over the years, spiraled upward from 20,000 in 1955 to 250,00 in 1969, to 400,000 in France and Belgium by 1987, reaching the milestone figure of 1,000,000 in March of 2000.

Expanding the company was expensive, however, and there were lows as well as highs in terms of results. The GMF episode, led by Jean-Louis Pétriat, was of short duration because of investments that placed the company at risk. His tenure was long enough, however, for Pétriat to implement subsidiarization, which ensured that employee benefits obtained in some stores could not be applied to all company employees. He also initiated computerization, which, although obviously necessary, gradually reduced employee autonomy. Beginning in 1996, François Pinault accelerated these changes by centralizing purchasing under “Product Management” (except for books, which accounted for only 40% of centralized purchases in 2003), a step that resulted in significant economies-of-scale and increased profit margins. Innovations under Pinault also included an upper management hiring preference for *grandes écoles* graduates with

well-established intellectual pedigrees instead of in-house promotions to management positions. During the 2000's, a site for on-line sales was established, and by 2008 there were fifty-nine stores outside France, while the number in France was increased to a total in the same year of seventy-eight stores in fifty-six cities, primarily in suburban ring-cities intended to counter competition from rival cultural product retailers. The end of the decade has proved difficult, however. Denis Olivennes' recent replacement at the helm of the FNAC by the former CEO of Castorama signals the primacy of profitability over other considerations. The FNAC has no other choice, though, than to uphold its image while it strives to maintain the lead position in the cultural products market (which is very expensive), a position that is its singular strength as well as its weakness as it confronts competitors less burdened by the problems of *«image de marque»*.

From employees of a cultural business to business employees

The FNAC began in 1953 as an association of two individuals and evolved from a small to a modest-sized business as it grew from 22 employees in 1960 to 580 in 1969. By 2008, the company was a very large corporation that counted 19,357 employees. Along the way, beginning in 1985, the original management approach had given way to make place of a large specialized retailer that is accountable to stockholders foreign [«outside of» ?] in the cultural market and reduced to the pursuit of short-term profits. The two generations of FNAC employees who cohabitate today differ in how they were recruited, their work conditions, and how their careers are managed. The older generation experienced labor conditions and a work environment that have now either ceased to exist or are in the process of disappearing. There are radical differences between these group of employees and the younger in terms of their levels of personal investment in their work and in their sense of attachment to the company.

Essel himself recruited the first generation of employees. Those didn't ask especially for a high degree of autonomy, it was exactly what require management policy. The intellectual substance of their work enabled their higher educational levels, to be realized through their involvement in advices to the clients in buying decisions which have an real impact on «benefit». The nature of the products on sale further strengthened

this feeling of intellectual substance of their work : the contact with legitimate culture and with its practitioners augmented the social status of the sales staff's activities. Furthermore, possibilities of upward mobility within the company and employee benefits – which have to be won over – enabled every employee to hope for continuous and uninterrupted professional advancement. Associated three “series of indices – the degree of economic security, the capacity for expertise and organizational control of labor, and the possession of cultural capital” (p. 73), the occupation of book seller in FNAC placed these employees firmly within the middle class from 1960 to 1985. Vincent Chabault explains why these employees showed high levels of union membership (the first union affiliation was in 1968, and the first social movement in 1973) that is in direct contrast with unionization levels among employees of other large retail distributors of the period.

Beginning in the mid-1980's, personnel management was refocused on cost reduction (Chapter 5). Although university graduates continued to be recruited because of their disposition towards work and client relations, possibilities for internal promotion diminished. The FNAC's earlier labor environment gave way to deteriorating labor conditions, and a strategy of dividing labor collectives helped deny newer employees the levels of labor protection and job security enjoyed by others employees. Further, the rationalization of work tasks greatly decreased the level of employee autonomy. A high turnover among cashiers and sales staff with little or no job security, and increasing numbers of managers who quit the company to avoid stagnation, became the order of the day. Meanwhile, however, the preferential treatment of “good salespersons” was based on the presence of “expert salespersons” from the the first generation's to combine profits and culture, “expert salespersons” which become increasingly rare . The second generation of employees, as professionally unattached as they are to the company, has tended to join the SUD (Chapter 7) instead of the CGT or the CFDT. Indeed, the primary issue for the most militant employees is no longer about improving labor conditions in a company environment characterized by low job security and diminished interest in the job, resulting in a pronounced sense of detachment. It has become more interesting for these activists to focus their energies on broader social issues related to the labor movement in general.

Vincent Chabault's book is far from a mere monograph about the company "that everyone thinks they know." In fact, by reconstructing the history of strategies for corporate growth and by highlighting the role of the two generations of employees in making these strategies operational, the author's principal contribution is to situate the history of the FNAC within the social and economic history of France in the second half of the twentieth century. He achieves this by linking his study of the distribution of cultural products to issues of employment and labor instead of to more classical issues of access, clientele, or practices.

Chabault's documentary sources range from direct observations of labor in the stores to roughly forty in-depth interviews of managers and employees in FNAC stores around Paris. Extended excerpts from these interviews illustrate the diversity of employee profiles, and they make reading the book a pleasant experience, although the author's use of the same excerpts to explore several different topics is a bit surprising. One might also criticize the absence of actual reports of his observations and, above all, of direct quotations from the sources on which he bases his analysis. It is worth noting, however, the presence of a highly useful recapitulative chronology in the appendix.