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FAR AWAY, SO CLOSE? REGIONAL CLUSTERING OF MAIL ORDER FIRMS AND RELATED BUSINESS SERVICES IN THE LILLE METROPOLITAN AREA/FRANCE

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By

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Abstract

After the decline of traditional industries such as textile, iron and steel as well as coal mining, the regional economy of Nord-Pas-de-Calais/France has undergone a profound restructuring process in which advanced business services play a crucial role. One of the most remarkable evolutions is the formation of a highly specialised service cluster due to the presence of France's major mail order houses, the latter either succeeding or being founded by former textile companies. A large variety of knowledge intensive business services (e.g. logistics firms, PR consultants, designers and product photographers) constitute a localised network and apparently represent an indispensable environment for mail order firms.

The paper approaches this topic in two ways: First, a theoretical framework based on evolutionary approaches is discussed in order to conceptualise the emergence of these particular activities in an old industrial region.

Second, results of an exploratory study are presented in order to document characteristic path dependencies and their impacts on the services sector in Nord-Pas-de-Calais. In addition, current tendencies and future prospects are discussed – not least with regard to the growing importance of internet retailing and e-commerce.

Keywords:

mail order services, distance selling, e-commerce, regional clustering, evolutionary perspective, institutionalism, France, Nord-Pas-de-Calais

JEL Codes: F14, L 23, L 67

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1. Introduction

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With 175 firms and about 28,500 jobs in the mail order industry, the Nord-Pas-de-Calais region is by far the most important location in France for this sector, and even at the European level this concentration is unique. It represents about 65 % of this industry's activities in France (15 % of the European market). The two major groups in the French distance selling, *La Redoute (Redcats)* and *Les Trois Suisses*, as well as the main subsidiary of the German *Quelle* and many other mail order firms are located in the Lille Metropolitan Area (Figures 1 and 2).

At first glance, it might seem contradictory that an industry specialised in *distance* selling could benefit from spatial *proximity* on the supply side respectively from a specific institutional environment. While it is purported to be a footloose industry only depending on a certain communication and transport infrastructure, obviously other location factors led to this cluster building. But it would be limiting to quote only historical backgrounds of this industry which succeeded the highly concentrated textile industry. It admittedly plays a crucial role and was undoubtedly the starting point for this development (see Section 3.3), but the development of this cluster seems far more complex and influenced by a wide range of factors.

The present paper tries to use approaches in evolutionary economics to conceptualise the rise of this industry and to shed some light on current tendencies in this still very dynamic industry. We have to admit that this paper will have a rather exploratory character since we are at the very beginning of a more sophisticated and empirically more detailed study of this region. This is the reason why this contribution is mainly based on conceptual literature, firm documents, former studies on the Lille Metropolitan Area and its mail order firms as well as on a couple of exploratory expert interviews carried out in the region.

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After some general remarks on the use of evolutionary approaches in economic geography and a summary of its main aspects (Section 2), the study area and the rise of the mail order industry and its historical background will be presented (Section 3). In Section 4, particularities of the production system and its regional organisation will be discussed, and its specific environment will be exemplified. Current trends within the industry and their consequences for the cluster will be considered. The conclusions in Section 5 will comprise a determination of the most promising research questions for our further work.

Figure 1: The Nord-Pas-de-Calais-Region and the Lille Metropolitan Area in France

2. Conceptual framework: Evolutionary perspectives in economic geography

In recent years, evolutionary approaches have become more popular in economic geography since they provide interesting models and explanations for the analysis of and for the inquiry into the emergence of spatially concentrated industries or other spatial differentiations within the economy. However, standard models in evolutionary economics (cf. Nelson & Winter 1982, Dosi et al. 1988, Cimoli & Dosi 1995) focused on technological change and innovativeness within certain industries, without really considering spatial aspects as having an influence on the firms' competitiveness and learning capacities. It is the merit of only recent works in economic geography (e.g. Grabher & Stark 1997, Boschma & Lambooy 1999, Schamp 2000, 2002, Hayter 2004) that they discuss the obvious and fruitful linkages between evolutionary perspectives and current approaches in our discipline like localised production systems, embeddedness, regional learning processes and so on.

Based on a fundamental critique of the static and a-historical character of neoclassic economic theory, evolutionary economics is referring both to *behavioural approaches* (heterogeneous agents) and to the concept of *bounded rationality* (routines, habits), in order to explain specific (historical) development paths of firms, industries or regions – the latter being a main interest of economic geographers and increasingly taken into account by other scholars.

The main characteristics of evolutionary theories can be summarized as follows (for more detailed explanations see Boschma & Lambooy 1999, Schamp 2002):

- economic development is generally *path dependent* and strongly influenced by individual/entrepreneurial decisions, technical and organisational innovations, and institutional settings;
- within a development path, different *variations* can occur and are subject to *selection* processes; from a more narrow evolutionist point of view, variation or

diversity is even the crucial precondition for selective evolution (cf. Grabher & Stark 1997);

- a (irreversible) *lock-in* in a particular path (e.g. technology or production mode) stabilises the selection result and is often related to *increasing returns* for other firms imitating (consciously or not) successful strategies (cumulative causation); on the other hand, lock-ins may turn out to have negative implications on the innovativeness of industries/firms/regions if they fall into the "trap of rigid specialization" (cf. Grabher 1993);

- at the beginning of successful developments, *small events* play a crucial role; they are rather intentional actions than historic accidents or contingencies, but a certain notion of *randomness* or *chance* seems inherent to most cases (cf. Storper 1988).

As Hayter (2004:98) pointed out, there is a narrow link between evolutionary perspectives and approaches in dissenting institutionalism (or "old institutionalism", cf. Schamp 2002), since evolutionary explanations are "also embedded in social and political as well as economic processes". Thus "institutional trajectories" are "inevitably path dependent" themselves (ibid), or, as he puts it later in his paper: "Bluntly stated, new incremental, major and radical 'hard' technologies require new incremental, major and radical institutional arrangements, habits, routines, values and conventions." (ibid:103). Hence, besides the pure economic development path related to innovations and organisational changes and their regional implications, institutions such as collective conventions, untraded interdependencies, increasing returns (see above) and further aspects of embeddedness have to be considered as path dependent. In the same way, aspects of collective learning, interorganisational transfer of (tacit) knowledge and their relation to spatial and other forms of proximity have to be taken into account (Schamp 2002:47 et seq.). On the other hand, institutions are themselves path determining with regard to firm behaviour and the development of industrial sectors, which leads Hayter (2004:104) to refer to Myrdal's concept of circular interdependence and cumulative causation.

While the conceptual debate on evolutionary approaches in economic geography has become more dynamic in recent years, there is still a lack of application and empirical studies using this perspective. Most of the empirical work done so far and dealing with path dependent spatial developments (e.g. Boschma 2003, Moßig 2000, Klepper 2002) was mainly looking at localisation patterns of manufacturing industries, whereas service industries played a minor role. One of the few exceptions[4] is Boschma's and Weltevreden's (2004) study on the evolutionary nature of e-commerce in inner cities. We will refer to this study later in our analysis when dealing with recent developments in the mail order industry which is strongly interwoven into internet retailing. But the specific situation in our study area should be described, first.

3. Regional pathways in the Lille Metropolitan Area: From a textile industry region to the "Mail Order Valley Europe"

"… history becomes the raw material for new dynamics"
(Boschma & Lambooy 1999:415)

As already indicated in our introductory section, the unique concentration of mail order firms in Northern France and especially in the Lille Metropolitan Area is one of the results of a profound restructuring process that followed the deep crisis of traditional industries in this region, and of the textile industry in particular. We will illustrate the current situation in a more detailed manner before we elaborate on its historical background and the different trajectories that emerged from the regional economic decline.

[4] See also Bathelt (2001) on Leipzig's media industry cluster.

3.1 Current situation

As Table 1 shows, eight out of the fifteen most important mail order firms in France are located in the Nord-Pas-de-Calais region. Among them, two companies are outstanding, not only at the national scale: *Les Trois Suisses* and *La Redoute* (*Redcats*).

Table 1: Ranking of France's 15 most important mail order firms in 2000 (ARDNPC 2001 :3; in bold: headquarters located in Nord-Pas-de-Calais)

Rank	Company	Affiliation	Activity	Annual Turnover (€m, Mail Order only)
1	**La Redoute**	Redcats	General Assortment	1,452
2	**Trois Suisses France**	Trois Suisses International	General Assortment	1,182
3	CAMIF	CAMIF	General Assortment	690
4	**Quelle La Source**	Quelle France	General Assortment	398
5	**Movitex**	Redcats	Textile	326
6	**Blanche Porte**	Trois Suisses International	Textile	237
7	**La Maison de Valérie**	Redcats	Housewares	207
8	Yves Rocher	Yves Rocher	Cosmetics	199
9	**Damart Serviposte**	Damart	Textile	153
10	Dial		Music, Videos	150
11	**Sadas Vert Baudet**	Redcats	Textile	142
12	France Loisirs	France Loisirs	Books, Music, Videos	128
12	Sélection du Reader's Digest	Reader's Digest	Books, Music, Videos	128
13	Editions Atlas		Books, Music, Videos	126
14	Europe Epargne		General Assortment	118

The majority shareholder of *Les Trois Suisses* is the German company *Otto Versand*, the largest in the world (followed by Quelle). *La Redoute* was ranked fourth worldwide in 1998 and has become third due to a variety of acquisitions mainly in North America (Morganosky & Fernie 1999:275; Redcats 2004). This growth has been accompanied by a renaming in *Redcats*, combining the two syllables "Red" from *La Redoute* and "Cats" from catalogue retail, in order to "encapsulate the company's new corporate identity and its growing international stature" (Redcats 2004a).

More than 95 % of the regional employment in the distance selling industry is concentrated in the two cities of Roubaix and Tourcoing (Guilbeau 1992:5). This eastern part of the Lille Metropolitan Area is also called "the golden triangle of distance selling" ("Triangle d'Or" - ibid:34).

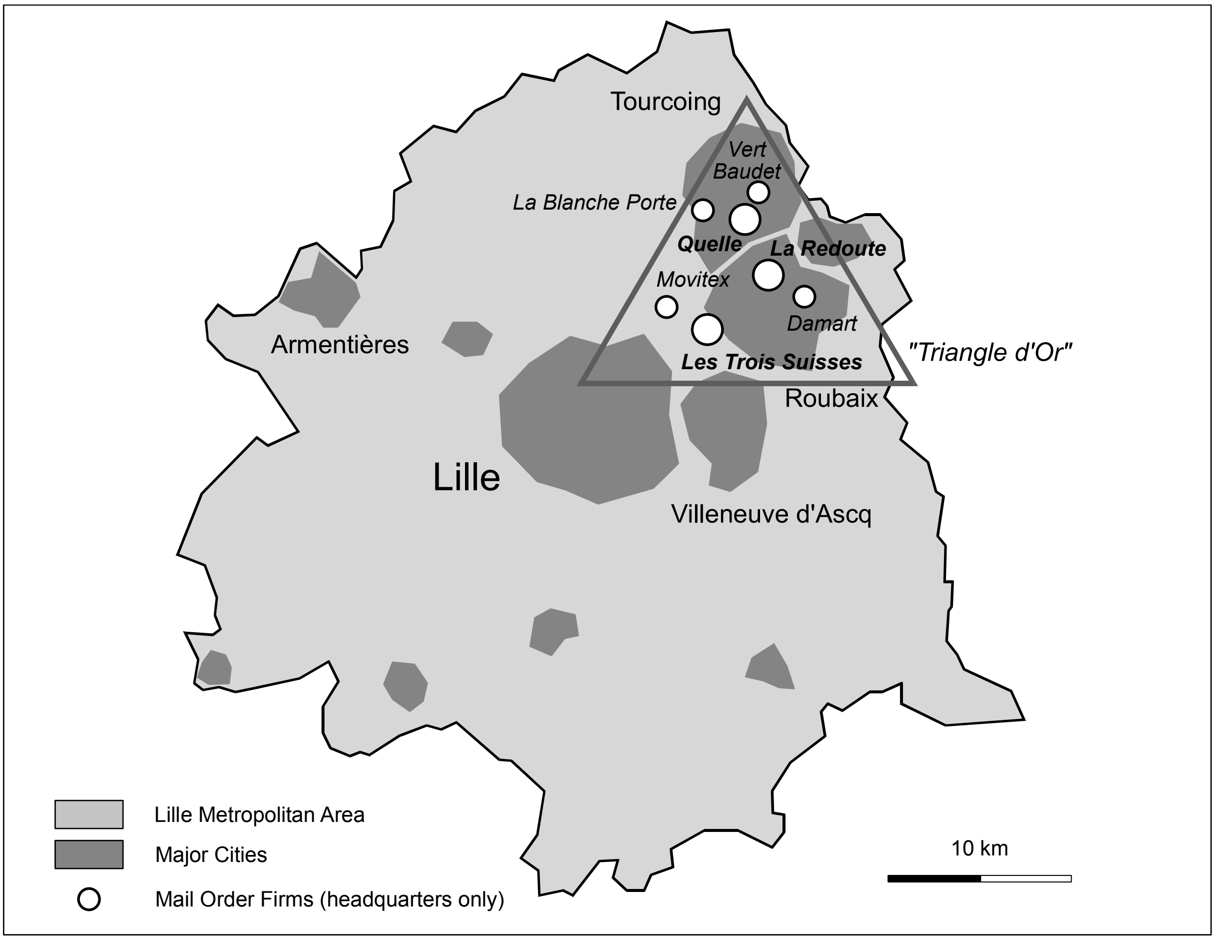

Figure 2: Localisation of important mail order firms in the study area ***(Draft: C. Schulz)***

With the activities of the major firms and their functional reorganisation due to new and lean management strategies, a wide variety of narrowly linked service firms and specific suppliers have emerged in this region. Beside traditional linkages to the transportation and logistics sector, the mail order industry is today strongly depending on and interacting with highly specialised service providers such as product photographers, design agencies, printing shops (for catalogues etc.), and financial services (for leasing contracts). Furthermore, ICT-services have become more important due to an obvious convergence between traditional forms of mail order and new types of e-commerce (see below).

3.2 Historical background

The profound and ongoing restructuring process of the regional economy started much earlier than the actual decline of the formerly dominating textile industry. Even in the late 19th century, some textile companies diversified their activities towards more (e.g. garment retailing, mechanical engineering) or less (e.g. publishing companies, newspapers) related sectors. But generally speaking, the textile industry has known a positive and relatively stable development for more than one century - even if the change from wool and linen to cotton as the predominant raw material has caused substantial change. This period has influenced the industry as well as the region, since the latter is characterized by the rising of a limited number of successful entrepreneurial families which soon dominated the market. Needless to mention that only a few entrepreneurs from other regions succeeded in penetrating their very close and tied interfirm patterns. On the contrary, the well established entrepreneurs pursued a marriage policy that further tightened the links between the regional firms and strengthened their community (see below for the still considerable importance of some of these family owned companies in the French economy; further details are exhaustively presented in Pouchain 1998).

World War I, however, heavily affected the border region of Nord-Pas-de-Calais, not only in its general economic impacts, but particularly in the confiscation of industrial equipment during the German occupation as well as the bomb damage to the residential and industrial fabric. Therefore it is not very surprising that soon after 1918, the local firms began to explore other fields of activities. This was the time when *Phildar*, the predecessor of the trade chain *Auchan*, nowadays one of the big players on the European retail market, was founded. Another new industry emerged in the real estate sector as local firms began to reuse and deal with ancient industrial land and buildings. The mail order industry also has its origins in the turbulent 1920s and 1930s (see below). After World War II, the retailing and the mail order companies expanded and were imitated by many other newly established firms. In addition, other new businesses like the hotel industry (e.g. the *Accor* group with its chains *Mercure, Novotel, Ibis*, *Formule 1* etc.) and the automotive supply industry grew impressively.

3.3 The rise of the mail order industry

The factors for the rise of this industry can most easily be exemplified by the trajectories of the two earliest and still most important French companies, *La Redoute / Redcats* and *Les Trois Suisses*.

La Redoute

Les Filatures de la Redoute, founded in 1873 by the Pollet family, had a long tradition in the Roubaix wool industry (spinning and weaving mills). It was literally by chance that in 1922 the Pollets entered the mail order market. After an unsuccessful deal with a garment-producing client firm, they had to reduce their redundant stock of wool, and - necessity being the mother of invention - decided to turn towards retailing. A first attempt at selling knitting wool directly to individual (female) consumers through placing a small advertisement (4 cm²!) in a local newspaper (*Journal de Roubaix*) was very successful, in particular due to its considerable price advantage (no wholesalers or other intermediaries involved in the trade). Three years later, the firm edited a monthly journal (*Penelope*) presenting fashion products. When the first catalogue (16 pages, textiles only) was published in 1928, *La Redoute* already had about 600,000 clients. This success story continued after Second World War, and led the firm to even stop its own production in 1960 and to concentrate on its mail order activities only. In the early 1960s, *La Redoute* was one of the early adapters of new computer aided techniques and robots for their inventory management and packaging which considerably reduced the time of delivery[5]. In 1970 the traditional mail order business was extended by a multichannel selling strategy (see below), i.e. by the implementation of a first call centre for telephone orders and by the opening of more than 100 agencies/chain stores all over France. In the 1980s and early 1990s, *La Redoute* took over a series of important French mail order firms like *Movitex (*1983), *Le Vert Baudet* (1989), and *La Maison de Valérie* (1991) (Table 1). In 1994, *La Redoute* merged with the Franco-Swiss *Pinault-Printemps* group. The increased investment capital stock enabled the group to realise numerous further acquisitions since 1995, mainly in North-America, Great Britain and Scandinavia. Today, more than 50% of its sales are conducted outside France. (Redcats 2004a, Guilbeau 1992, Pouchain 1998)

Les Trois Suisses

At the beginning of the 1930s, a lot of well-established and large textile firms in Roubaix and Tourcoing ran into difficulties due to decreasing demand and general economic uncertainty. Thus Xavier Toulemonde, inheritor of the Toulemonde-Destombe spinning company, decided in 1932 to imitate the Pollet brothers and also started - with four employees - a mail order service for knitting wool which was called *Les Trois Suisses*. Legend has it that the only packer carried the parcels by bike to the local mail office. The ensuing success was comparable to the *Redoute* story, and the number of employees increased rapidly to 100 in 1936 and to 238 in 1938. In 1934, the first foreign subsidiary was founded in Belgium. Since 1974, *Les Trois Suisses* have cooperated with the German company Otto-Versand, now majority shareholder (50 %) of the company[6]. In 1968, the company's first call centre was opened, and from 1983

[5] From 1984 on, *La Redoute* was able to offer a 48 hour dispatch service and to guarantee a full refund in case of delay; in 1995, the maximum delivery time was reduced to 24 hours after ordering.

[6] The second largest shareholder is the local Mulliez family (45%), owner of the French *Auchan* and other important trade chains; the "*Auchan* empire" is also a result of successful diversification strategies in the textile industry (cf. Pouchain 1999:344-347).

ordering via the French *Minitel* system was possible (Les Trois Suisses 2004a, Guilbeau 1992, Pouchain 1998). The firm expanded continously through the acquisition of other French mail order firms (*La Blanche Porte* 1983, *Becquet* 1987) and by founding various subsidiaries in European and overseas countries. However, it was only in 1991 that the company closed the last spinning plant and thus abandoned its still working textile industry branch.

Table 2: Key facts of the two most important mail order firms in France (ARDNPC 2001; Les Trois Suisses 2004b; Redcats 2004b)

<table>
<tr><th></th><th>Redcats
La Redoute</th><th>Les Trois Suisses
International</th></tr>
<tr><td>Annual turnover (million Euro)</td><td>4,400*</td><td>2,600**</td></tr>
<tr><td>Annual turnover in France</td><td>2,008*</td><td>1,130**</td></tr>
<tr><td>Number of employees worldwide</td><td>19,000</td><td>10,700</td></tr>
<tr><td>Client contacts per year</td><td>150 million</td><td>70 million</td></tr>
<tr><td>Number catalogues per year</td><td>22</td><td>300</td></tr>
<tr><td>Number of parcels sent per year</td><td>85 million</td><td>60 million</td></tr>
<tr><td>Share of textile products</td><td>64%</td><td>70%</td></tr>
<tr><td>Selling channels:</td><td></td><td></td></tr>
<tr><td>- telephone</td><td rowspan="2">82.5%</td><td>52.4%</td></tr>
<tr><td>- mail order</td><td>34.4%</td></tr>
<tr><td>- internet/minitel</td><td>14.1%</td><td>10.6%</td></tr>
<tr><td>- local shops</td><td>3.4%</td><td>2.6%</td></tr>
<tr><td>Number of commercial web sites</td><td>51</td><td>35</td></tr>
</table>

*2003, **2001

4. Specific aspects of the production system

Before we discuss the mail order value chain in more detail, the industry has to be defined more precisely, in particular with regard to the often synonymously used term "distance selling". The latter is the generic term for different kinds of trade dealing with remote clients. According to the European Commission, a *distance contract*:

> *means any contract concerning goods and services concluded between a supplier and a consumer under an organized distance sales or service provision scheme run by the supplier, who, for the purpose of the contract, makes exclusive use of one or more means of distance communication up to and including the moment at which the contract is concluded.*
>
> (European Commission 1997:4)

Hence, beside the traditional mail order business, distance selling comprises also internet commerce and other forms of direct marketing (e.g. personal direct mailing, telephone marketing), and even door-to-door distribution (i.e. the sales agent is considered as being a "mean of distance communication" used by the supplier). Generally speaking, no direct face-to-face contact between the supplier and the consumer takes place. Due to the convergence of traditional mail order services and more recent forms of e-commerce etc., it seems appropriate to apply the more general term of distance selling[7]. In this study, however, we prefer a distinction and will mainly use the term mail order meaning the traditional type of distance selling.

4.1 The value chain of mail order services

The value chain of the Nord-Pas-de-Calais mail order industry is characterized by numerous backward and forward linkages within and beyond the region. On the supply side, both external suppliers as well as company-owned producers deliver the goods and

[7] With the same thrust, the French term "vente par correspondance" (VPC) is increasingly replaced by "vente à distance" (VAD); sometimes an abbreviated combination of both is used: VPC/VAD

services offered in their catalogues. With the exception of some separate or decentralised distribution centres (e.g. *Quelle* in Orléans), all goods are delivered to the companies warehouses where they are stocked and prepared for further processing (Figure 3).

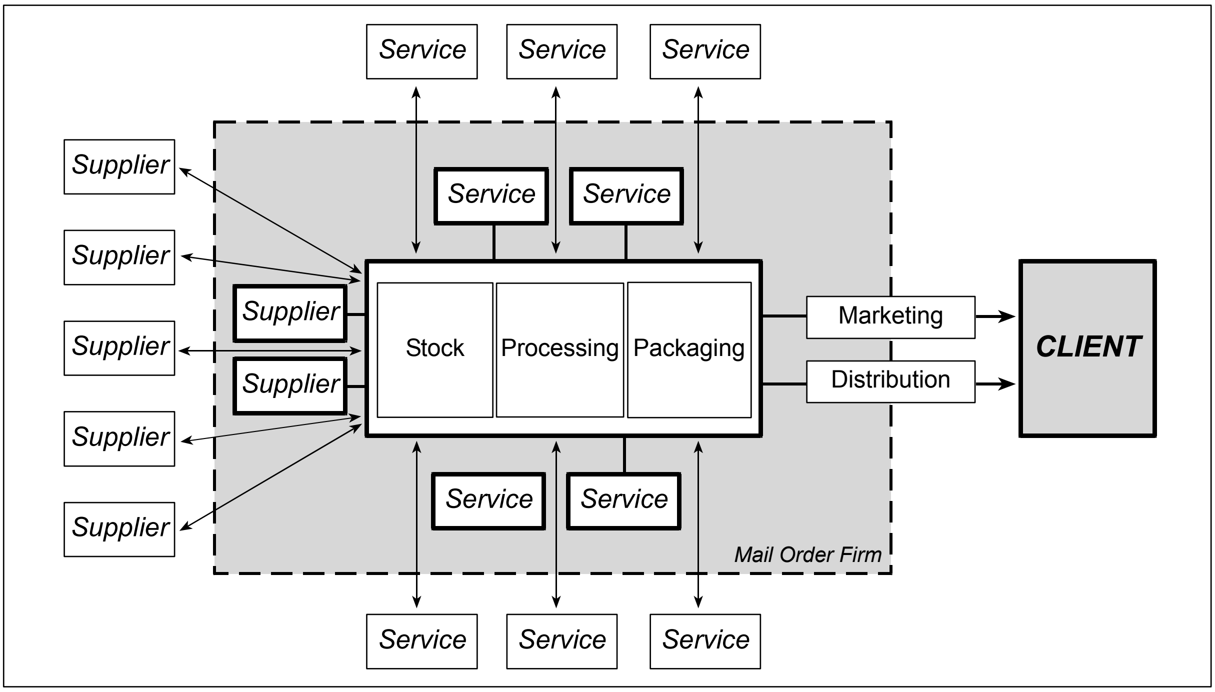

Fig 3: The value chain of the mail order industry ***(Draft: C. Schulz)***

Some of the mail order firms still own production units in the garment industry, but most of the goods come from external suppliers. The clients' orders reach the provider via different channels (see below), and are processed and lead to the packaging before the goods are delivered to the client. Within this process, as well as in the marketing realm, more and more tasks have been externalised to specific business services. In addition, general (public) services such as the national railway company *SNCF* and the French postal service (*La Poste*) are used and have adapted to the specific needs of the mail order firms The *SNCF*, for example, through its transportation subsidiary *SERNAM* operates no fewer than three freight stations in the Roubaix-Tourcoing area, and *La*

Poste manages two distribution centres for the millions of parcels and catalogues sent to the clients each year. It should be mentioned that more than 10% of all parcels distributed in France are dispatched by the mail order firms in the Lille Metropolitan Area (Guilbeau 1992).

From an organisational point of view, four types of service firms can be distinguished:

- independent providers offering specialised services (e.g. design, printing shops), in general not exclusively for the mail order industry;
- formerly internal departments that have been externalised (e.g. management buy-outs and subcontracting);
- firms created by the mail order companies offering services outside their core business, but complementary to it (e.g. financial services);
- formerly independent firms incorporated into the respective group through mergers and acquisitions in order to control their activities and to reduce transaction costs (e.g. logistics).

Most of these service providers are located close to the headquarters and formed a dense supplier network in this region. About 900 firms in the region are supposed to work at least partly for the mail order industry (FACE 2003:27).

Among the most important company owned service providers, the following examples should be mentioned: In 1970, *La Redoute* founded the *Finaref/Kangourou* financial service offering loans to its clients to enable them to purchase its products. *Les Trois Suisses* did the same by creating *Cofidis* in 1982. As for logistics, *La Redoute* incorporated a local transport company and built up *Sogep*. In the marketing realm, the most spectacular development certainly is the creation of the design centre *La Cité Numérique* by *Les Trois Suisses* in 1996. This centre regroups several firms and departments such as design agencies, product photographers (50,000 photos taken per year), multimedia experts, marketing firms etc., and was conceived as a central service unit (one stop shopping) for all mail order firms belonging to the *Trois Suisses International* group (LCN 2004). 250 employees are working for *La Cité Numérique* which, in the meanwhile, has established a second site at Paris[8] and is now also working for clients outside the mail order industry (e.g. *Air France, La Poste, Renault*). The same strategy was followed when *Les Trois Suisses* founded *Mondial Relay* as the group's exclusive packaging service.

4.2 The local institutional environment

The aforementioned network of various service firms is accompanied by several (mainly public) initiatives to improve the local environment for the mail order industry. Three areas of activities should be exemplified: strategies for regional marketing and specific support for SME, professional and higher education, and the organisation of professional gatherings.

Regional marketing and support for SMEs

Under the "catchy" label *Mail Order Valley Europe* (MOVE), a wide range of private and public actors in the region have created a network whose major objectives are:

- "To contribute to the development of multi-channel Distance Selling;
- To act as a link between the different actors of the Distance Selling industry;
- To aid in the transfer of knowledge and information." (MOVE 2004)

The network comprises local and regional public authorities, the local chambers of commerce and other business associations, several institutions of higher education, *La Poste* as well as the *Lille Grand Palais* convention center. It is mainly funded by the partaking municipalities and the two Departments of the Nord-Pas-de-Calais region. Its *MOVE. CENTER* offers training courses particularly for SMEs to enable them to adapt to technical innovations and changes in the mail order market. Its newsletter tries to foster communication within the industry. Furthermore, it is one of the major organisers

[8] Through the acquisition of the firm "Web Valley" in 2001, strengthening its expertise in the internet business.

of the annual distance selling congress held in Lille since 1997, *Les Rendez-Vous de la Vente à Distance et du Marketing Direct* (see below).

Professional and higher education

Several institutions of professional and higher education are offering specific study programs and courses in the realm of distance selling and direct marketing. Undoubtedly the most prominent one is the *MD-Lab* (Direct Marketing Laboratory), established by the renown *Lille Graduate School of Management (Ecole Supérieure de Commerce de Lille, ESC*[9]*)* and co-funded by the *European Regional Development Fund (ERDF)*. It offers an MBA program in direct marketing and e-commerce and is supposed to be the most reputable European school in this realm. It narrowly co-operates with the firms located in the region both in terms of recruiting external teaching staff as well as in terms of internships offered to the graduate students.

Professional gatherings

The annually-held *European Distance Selling and Direct Marketing Rendez-Vous* in Lille is organised by MOVE, FEVAD (the French association of distance selling) and AEVPC/EMOTA (the European association). The main sponsor is - unsurprisingly given the importance of its mail order clients - *La Poste*. For more than eight years, this conference, held in the main convention centre of the region, *Lille Grand Palais*, has gathered 200 exhibitors and 8,000 visitors for three days. According to Maskell et al. (2004) it therefore forms a *temporary cluster* of experts in this industry. Its importance for the knowledge exchange and the innovativeness of this industry can be considered as an important supplement to the *permanent cluster* of firms in the study area, or as Maskell et al. put it, they are “a bit like close cousins” (ibid:24). In addition, the fact

[9] The ESC in France are privately conducted business schools which are part of the French “Grandes Ecoles” system of elite schools.

that Lille is the uncontested location in France to host this international exhibition underlines the importance of this cluster.

4.3 Current trends

As indicated above, there is a certain convergence between the traditional mail order business and new forms of internet commerce. Yet, "catalogue firms have been most successful to embrace e-commerce" (Boschma & Weltevreden 2004:6). Among the ten most important internet commerce firms in France, three mail order firms are listed, together with the main actors of the national tourism and media/music industry (ARDNPC 2001:13). Due to the new information and communication technologies, the mail order firms have not only become able to use further channels for marketing, product presentation and selling, but also to improve their processing and transport logistics. Furthermore, the new technologies also allow new forms of contacts between supplier and client. So-called consumer response strategies in the retail sector have primarily been developed by the mail order industry and have lead to an *ultra personalisation* of the client relationships. Data on the individual profile of the consumers are systematically analysed and used for adapted marketing strategies (cf. EAN 2004, ECR 2004).

5. Conclusions and research agenda

The rise of this unique mail order industry cluster and its continuous adaptation to new market requirements, technological changes and other factors offer a promising playground for the empirical application of evolutionary approaches. As we could see in this rather exploratory study, a mix of historic incidents and proactive strategies, both strongly embedded in the local economic and social environment, has marked the development of this industry. However, the first results presented in this paper will have to be verified by a more profound and diversified analysis of this evolution. According to Boschma & Lambooy (1999:422), the *trigger* for the respective innovations and adaptations can be far more complex than discussed here and merits a much closer look at the *small events* and their impacts on the regional economy.

Consequently, the following questions should guide our further research in this case study:

- Who are the key actors during the rise of the local mail order industry? When did they take which kind of crucial decision? Which other options did they pursue and abandoned, for which reasons?
- What kind of structural persistence (financial, organisational, social …) can be identified over the restructuring process?
- How do the suppliers and service providers contribute to the quality of the location, and how do they profit from the focal mail order firms?
- How do they interact and which types of knowledge transfer and collective learning can be observed?
- Why did other mail order firms and related service providers choose the region when (re-)localising?
- What is the role of public authorities and other intermediary organisations/institutions? How important are local research and higher education institutions?
- How are the local entrepreneurs interwoven into the regional and national policy?
- How does the mail order cluster adapt to new challenges and ongoing concentration and internationalisation processes within the industry?
- What kind of changes can be observed regarding the specific value chain of this industry?
- Does the sector interact or even converge with other important industries in the region (e.g. the big trade chains) and what kind of synergies might be used?
- What are the general perspectives for the regional economy?
- Is the cluster sustainable?

The main challenge will certainly be to operationalise these research questions regarding both an appropriate methodology (certainly with a qualitative thrust) and a sustainable access to the main actors related to the cluster. It is also planned to take into account the evolution in the German mail order industry since it is strongly connected to the French market. A strictly comparative study, however, seems inadequate given the uniqueness of the situation in Northern France.

For our further research in this field, the recent trends and the foreseeable changes in this industry are of a particular interest. Thus we can examine the rise of this industry not only from an historical perspective, but also to analyse the current adaptation strategies of the mail order business in real-time. This will probably allow us to identify misleading paths and strategic failures, often more difficult to detect in retrospective studies.

6. Acknowledgements

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