

Doctoral Dissertation

# The Price We Pay

**The Autonomy of Store Managers in Making Price Decisions  
The Case of Grocery Retailing**

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*Business*



During the years 2011-2018, Madelen Lagin (born 1982) has been a PhD student at Örebro University School of Business, and Dalarna University School of Technology and Business Studies. Her research is conducted at the INTERORG Marketing Research Centre at Örebro University, and at the Microdata Analysis Centre at Dalarna University. During her PhD studies, Madelen has taught in the areas of retail management, organisation theory, and methodology.

This dissertation focuses on store managers of grocery stores, and how the autonomy of the store manager's price decisions can be explored by embedding the store manager as an actor in the manufacturer-retailer-consumer triad. From a theoretical perspective, the concept of autonomy and the conceptual nuances of autonomy are applied to incorporate the store manager as the fourth actor. The dissertation consists of a cover paper and five appending papers, which provide the possibility to explore the autonomy of the store manager's price decisions through a mixed method approach.

The findings in the dissertation show that despite the organisational drive to centralise price decisions, and thereby restrict the store manager's autonomy, the store manager still has the possibility and space to make price decisions. The reason for this is that the store managers are responsible for implementations within the store, as well as for the store performance. The structural autonomy that the store manager still has creates the freedom to make the decisions that the store manager considers suitable. In addition, when the store manager is embedded in the manufacturer-retailer-consumer-triad, his/her autonomy can be restricted, due to the connected relationships in the original triad.

By exploring the store manager's autonomy in price decisions, the contributions made in the dissertation are directed at the micro-foundations of pricing, in which it is assumed that the individual acts under a certain level of freedom. As such, this dissertation contributes with an understanding of why the store manager resist price decisions in relation to the other actors in the triad, and in which way he/she shapes the price decisions made by being autonomous in other market-related decisions. Moreover, this dissertation provides a line of reasoning in relation to price decisions and the outcomes of price decisions, since the store manager can influence these in an iterative process of local adaption in the product assortment.

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