Factors of the modernization of marketing in Spain in the XX century. Trends and future challenges

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Abstract

The main objective of this article consists in deepening in the updated situation of commerce in Spain from a historical perspective and explain the factors for modernization occurred through the 20th century. Private and public initiative and main promoters to identify critical success and failure factors and new strategies for future are described. The driving force for renewal came from great scale distribution and, different channels introduced the North American and French influence that became key in the process of adoption of innovation. The case of the firm National Cash Register (NCR) are analyzed in the years marketing was introduced in Spain.

Keywords: commercial modernization, large-scale distribution, Spain, IRESCO, NCR.

JEL codes: N49.
西班牙在二十世纪的营销演化：
政府提案与外来影响

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文章摘要
本文章的目的是要进一步了解西班牙从先前背景到现时的营销状况，确定在二十世纪所出现的现代化因素。本文章分析私营及政府提案和外来影响，为要分辨成功与失败的因素，并为未来找出新策略。改革创新推动力从各大型零售商和北美洲及法国，通过各种方式推展到各地，这在创新的过程中扮演着重要的角色。我们对美国国家现金出纳机公司（NCR）临到西班牙营销的案例进行分析研究。

关键词: 商业现代化、大型零售商、西班牙、社会经济发展与研究中心（IRES-CO）、美国国家现金出纳机公司。

JEL 分类号: N94。
1. Introduction

The process of modernization in Spain is analyzed in the commercial areas in the 20th century. The role of the Government and more outstanding internal influences are considered. The way they have influenced the commercial framework of 21st century are also explained. From this description, business models of main distribution firms are identified and some of the success and failure factors for entrepreneurs are analyzed too. To develop the research, files and bibliographic sources from Madrid Chamber of Commerce, the National Commission for Industrial Productivity and the Institute for the Reform of Commercial Structures in the Ministry of Industry, Tourism and Commerce have been consulted. Historiography on commercial distribution and innovation in Spain from the fifties up to now from Madrid Complutense University and the National Library have also been accessed. Let us describe the main milestones of innovation in the framework of the modernization process.

Nielfa (1985) describes the Spanish commercial reality in the first third of 20th century: many small traditional shops mainly dedicated to offer subsistence products: food, drinks and fuel. Commercialization was primitive: dark shops and lacking of hygienic factors, products were warehoused in cabinets and far from public reach, the prices were fixed by a process of “bargaining and haggling”. Counters were the barrier between seller and buyer and it was frequent to find family houses close to shops and sellers in a boarding school regime. This situation was completed with street trading and markets.

In this context, there are two main aspects to consider, the revenue of population and lack of equality in its distribution. As it is shown in figure one, the per capita rent of Spanish people up to the civil war was under the rest of industrialized countries. This situation illustrates the delay of the country from the crisis of the ancient regime in 1788.
Figure 1. GNP per capita in Spain, France, Great Britain, Germany and United States, 1900-1936 (in international US$, Geary-Khamis from 1990)

![Graph showing GNP per capita in Spain, France, Great Britain, Germany, and USA from 1900 to 1936.]


In table 1, the food expenditure represents the biggest part of consumption in Spanish houses at the beginning of the 20th century. The expenditure in diverse products (transport, leisure and culture, hotels, coffees, restaurants and medicines) would increase as Spain develops.

Table 1. Distribution of family consumption by expenditure group in Spain (percentage)

<table>
<thead>
<tr>
<th>Year</th>
<th>Food</th>
<th>Clothes and shoes</th>
<th>Housing</th>
<th>Home expenses</th>
<th>Diverse expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>65.7</td>
<td>6.2</td>
<td>10.0</td>
<td>11.1</td>
<td>6.9</td>
</tr>
<tr>
<td>1939</td>
<td>60.1</td>
<td>9.4</td>
<td>14.6</td>
<td>8.5</td>
<td>7.4</td>
</tr>
<tr>
<td>1958</td>
<td>55.3</td>
<td>13.6</td>
<td>5.0</td>
<td>8.3</td>
<td>17.8</td>
</tr>
<tr>
<td>1967</td>
<td>44.7</td>
<td>13.5</td>
<td>10.5</td>
<td>8.6</td>
<td>22.7</td>
</tr>
<tr>
<td>1973-74</td>
<td>38.0</td>
<td>7.7</td>
<td>11.6</td>
<td>11.1</td>
<td>31.6</td>
</tr>
<tr>
<td>1980-81</td>
<td>30.2</td>
<td>9.8</td>
<td>12.3</td>
<td>13.9</td>
<td>33.8</td>
</tr>
<tr>
<td>1990-91</td>
<td>23.0</td>
<td>9.6</td>
<td>18.2</td>
<td>8.0</td>
<td>41.2</td>
</tr>
<tr>
<td>2000</td>
<td>22.0</td>
<td>9.5</td>
<td>11.1</td>
<td>7.5</td>
<td>49.9</td>
</tr>
</tbody>
</table>

Source: Carreras and Tafunell (coords), 2005.
Consumption at this period was far away from other advanced countries, where mass production and consumption was implemented. Most part of population was centered around covering basic needs: food, clothing and housing. Only a minority of people with higher purchasing power (aristocracy, middle class and owners of a large estate) could escape from this basic consumption. The inequality in the revenue was doing that the consumption was “restricted and of elite, led by the wealthiest classes” (Alonso and Conde, 1994).

Immediately after the great economic development in the sixties, this consumption will be socializing and included to major sectors of the population. In this regard, García Ruiz (2007) points out that commercialization and marketing were relegated to a secondary position in the great growth that took place in Spain from the sixties. The cultural resistance was the principal reason: more attention was paid to production facing distribution in Spanish firms.

The modernization of the commercialization in Spain will come fundamentally from the hand of two Spanish businessmen, both of Asturian origin, Pepín Fernández and Ramón Areces, who founded, respectively, Galerías Preciados and El Corte Inglés at the forties and revolutionized the “way of selling” in Spain. These entrepreneurs brought to Spain, from Cuba, the most modern American way of commercialization. Both emigrated to Cuba at the beginning of the 20th century and worked in the department stores “The Encanto”, were modern commercial and marketing techniques were applied: fixed prices, credit payment, window dressing, new uses of publicity, packing, mother day or customer service.

The permanent competence between Galerías Preciados and El Corte Inglés, and constant commercial innovation developed by both, was the principal area of commercial modernization of the country in the 20th century. Both firms were searching for a differentiation through quality and excellence in service. Finally, the Corte Inglés business model will be imposed, that acquired Galerías Preciados in 1995.

Another important catalyst of the modernization in Spain came from the hand of the French capital. After the failure of Madrid-Paris Department Stores in the twenties, first Department Store in Madrid in the image and likeness as Parisian ones as Printemps-Prisunic and Crédit was incorporated to the capital of the popular Department Store SIMAGO in 1963 (Castro Balaguer, 2010). The success of this experience will serve as ramp of launch for the later arrival of the French hypermarkets to Spain, from Carrefour, with PRYCA brand, Promodes Group, with Conti- nente Brand to Auchán, with Alcampo brand. They have also competed under the framework of a strategy based on price and cost reduction. In 1980, El Corte Inglés joint to the industry of Hypermarkets with the Hipercor brand.

The process of modernization will accelerate from the adhesion of Spain the EU in 1986. In the last decades of the 20th century, new commercial innovations would come as commercial centers, commercial parks, and establishments of discount or the electronic commerce, all of wide diffusion nowadays.
2. Public Initiative

The role of government in the Spanish process of modernization has been more important than admitted until now (Hernando, 2014). Before the great devastation produced by the Spanish Civil war, the intervention of the State centers were on the first stage on the agricultural and fishing sector. This way, in 1939 the General Police station of Supplies and Transport (CAT) is created. It is a public organization in charge of assuring the minimum resources of basic products, control prices and commercial margins, prevent and combat fraud and elaborate statistics referred to resources and consumption.

In 1966 The Ministry of Commerce creates Central Markets of Supply, S.A. (MERCASA), with the intention of improving the distribution and commercialization of perishable products. From this precedent, the “purchases” or “central markets” arise: Mercamadrid, Mercabarna, Mercalgeciras, Mercagalicia, etc.

Markets in Origin, S.A. (MERCORSA) was created in 1970 with the same purpose of previous initiatives, but it was centered on the agriculture industry. In offers accounting, legal and technical advice to farmers, apart from offering them new markets in big Spanish cities.

Other public interventions would be the Central Information Office for prices and products, whose mission was to improve the transparency on the market, and the Office of Orientation of the Consumption, with the main objective of publicizing the consumption of season products and promote the rational buying and

Figure 2. Number of Hypermarkets in Spain 1973-2000

Source: Cliquet, Perrigot and Gil Saura, 2006.
consumption (Marrero, 2000). All these public initial interventions seek to solve failures of the market.

In 1952 the rationing in Spain ends and the General Police Station of Supplies and Transport (CAT) is centered around in the modernization of the food commercialization. This Organization, together with the National Commission for Industrial Productivity (CNPI), promoted the introduction of the self-service in Spain in the second part of the fifties. The CNPI organized travels for entrepreneurs in the United States to study self-service supermarkets and published works offered to traders interested in these sale techniques in Spain (CNPI, 1959a). CNPI insisted in the improvement of productivity by means of applying the self-service technique that enabled the mechanization of the system. The CAT opened the first “experimental self-service supermarket” in October 1957 in the Barceló market in Madrid. Another of these supermarkets would open, as an experimental experience, in Feria de Campo.

The Madrid Chamber of Commerce created an “Office of Productivity”, that was explaining meticulously the technology of the modern supermarket with self-service in the Chambers of Commerce of the whole country. The Chamber of Commerce used 12 movies from the NCR (National Cash Register) American firm explaining at great detail the technique of the supermarket, and they even used a school bus where the movies were projected. They also visited the Corte Inglés and Galerías Preciados with the main intention to introduce the self-service technique in their respective food areas (Ortiz de Zárate, 2010).

The Government also created the Auxiliary Company of Supplies S.A. (CABSA), trying to promote the self-service and open a public network of supermarkets. This was a novelty in the Spain of the epoch. This operation was coordinated by the Ministry of Commerce, Alberto Ullastres and was named “Supermarket Operation” (Venteo Meléndrez, 2010). The objective was improving the productivity by means of self-service. CABSA opened the first supermarket in San Sebastián in 1958, and later in Bilbao, Gijón, Coruña and two in Madrid were opened, in San Blas and Embajadores neighborhoods. Figure 3 shows the evolution in the number of supermarkets in Spain from the “Supermarkets Operation”.

This public initiative stimulated the implementation of the supermarket in regime of self-service in Spain. From year 1959 private supermarkets appear, that will substitute to these first public supermarkets. As it was demonstrated for people in charge of this operation, the idea of the authorities was not to supplant the private initiative, but to promote the change in the traditional merchants by means of the example.
The National Commission for the Industrial Productivity (CNPI) was created to manage the North American technical assistance derived from “the Madrid agreements” in 1953 (Álvaro Moya, 2010). It was founded in a permanent basis in 1958 as an Organization directly reporting to the Ministry of Industry and whose main objective was to increase the productivity in the Spanish industry. In order to reach objectives, diverse studies and researches, travels abroad, training and measures in favor of the industry were done. In the training part, the CNPI performed some courses for managers and technic profiles. The Market and Selling Course is remarked. It had as a main objective the consumer’s sovereignty and a multidisciplinary focus, by including subjects such as psychology (CNPI, 1959b). This organization edited books related to marketing and sales issues as for example Psychology for sellers from Garcia Biondi (1962) whose main objective was to dignify the profession of being a seller, lacking of social prestige at that time. The CNPI was aware of the importance of marketing and sales for the country economic development. This way, Bordera and Herreros Asín (1965) indicate that we were present at the transition from an economy of production to a consumer-based economy, in which it was necessary to possess the needs of the consumer, and the birth of the science of the commercialization in Spain was identified at this moment.

In the sixties Spain experiments a great economic growth but it lacks of modern commercial structures. The Government was conscious that it was necessary to modernize the same ones to continue in the development path. This one was the reason of the creation of the Institute of Reform of the Commercial Structures (IRESCO) in 1973, reporting to the Ministry of Commerce. This organization collects in one of its reports (IRESCO, 1978) the problems that presented the Spanish
commercial system, slowed down with regard to other European countries: atomization, scanty formation, small size of the business ventures and showing financing problems.

The objective of IRESCO was modernizing and restructuring the commercial system in Spain to increase the productivity in the industry. First, studies were started to do a diagnosis of situation and then measurements were taken. Market freedom, private initiative as the engine for the commercial activity and a role of the Government, reduced to the legal framework, the regulation and good functioning of the free competence were the main principles for IRESCO. Other functions were the support of the Government to the existent commercial firms to get adapted to the competence of large supermarkets and the promotion of new trading ways and the improvement of the trader image.

In July 1978 IRESCO starts the Program to Reform the Commercial Structures that include plans for the modernization of the established commerce and commercial equipment in underserved areas. This program includes technical training for traders and entrepreneurs in the industry and a financing plan. The government destines an initial contribution of the equivalent to 1.2 million euros and collaboration agreements are performed with more than fifty saving Banks, what allowed to obtain in 1979 a volume of long-term credit over 48 million euros. In addition, the equivalent was contributed to 15 million Euros of official credit.

At the beginning of the eighties, the IRESCO evaluated the degree of functioning of the Program (IRESCO, 1983). For it, surveys were performed at wholesaler and retailer levels of 20.800 companies. The conclusion was that the sector was modernizing, but very slowly. Though there were very dynamic areas, structural problems existed, as the high number of business ventures, the small size of the same ones and the lack of associations. In 1985 the IRESCO disappears, assuming the Autonomous Communities the competitions on commercial modernization.

The Chambers of Commerce and Industry were centered on the small and medium companies, to which they provided formation; advice and technical services. They also prepared businessmen for the European integration. In 1980, the Madrid Chamber of Commerce founded the Madrid Fair Trade Institution (IFEMA) that along years turned into a great revitalizing area, globalizing and modernizing the business into the economy of the city. Of special interest are the surveys that, in a periodic way, the Chamber of Trade realized of Madrid to know the main problems that the merchants had.

As it is shown in table 2, the worries of the merchants of Madrid did not change very much during these years. Main ones were the weak of inner demand and the strong competence of most innovative commercial mechanisms: Departments store, supermarkets or hypermarkets. Merchants had to create or imitate more innovative ways of doing trade not to remain out of the market. Big Department Stores were the revitalizing element of the commercial modernization. At the end of the century, The Corte Inglés and French hypermarkets were dominating the commercial distribution both in Madrid and in the rest of the country, as it can be observed in table 3.
Table 2. Main problems from Madrid commerce, 1981-1995

<table>
<thead>
<tr>
<th>YEARS</th>
<th>PROBLEMS</th>
</tr>
</thead>
</table>
| 1981  | 1º Weakness of domestic demand  
2º Tax pressure  
3º Increase of running costs  
4º Competence from other options (supers, hypers, department stores, etc.) |
| 1987  | 1º Competence from other options (supers, hypers, department stores, etc.)  
2º Citizen’s insecurity  
3º Tax pressure  
4º Weakness of domestic demand |
| 1992  | 1º Weakness of the domestic demand  
2º Competence from other options (supers, hypers, department stores, etc.)  
3º Tax pressure  
4º Schedule |
| 1995  | 1º Weakness of domestic demand  
2º Competence from other options (supers, hypers, department stores, etc.)  
3º Citizen’s insecurity  
4º Tax pressure |

Source: own elaborated from surveys of the Chamber of Commerce and Industry in Madrid, 2014.

Table 3. Ranking of commercial distribution firms at Madrid Community by turnover in 1998 (millions euros)

<table>
<thead>
<tr>
<th>FIRMS</th>
<th>TURNOVER</th>
<th>RANKING MADRID</th>
<th>RANKING SPAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>El Corte Inglés</td>
<td>5,997,956</td>
<td>1º</td>
<td>1º</td>
</tr>
<tr>
<td>C. C. Continente</td>
<td>3,426,816</td>
<td>2º</td>
<td>2º</td>
</tr>
<tr>
<td>C.C. PRYCA</td>
<td>3,153,831</td>
<td>3º</td>
<td>3º</td>
</tr>
<tr>
<td>Alcampo</td>
<td>3,000,781</td>
<td>4º</td>
<td>4º</td>
</tr>
</tbody>
</table>

Source: Distribution and Consumption, number 53, and Current Distribution, number 275.

3. External influences

The foreign influence in the development of the commercialization in Spain is unquestionable. The countries that have weighed more are the United States, pioneers in marketing and new forms of commercialization, and France as a consequence of its level of development and proximity. Through this last country, main North American commercial innovations arrived into Spain.

From the Private initiatives (Galerías Preciados and The Corte Inglés), modern commercialization techniques came via Cuba. The French influence coming from supermarkets and hypermarkets has also been reinforced. Another route of
modernization took place in our country by means of the implementation of Marketing clubs in the sixties

Barceló Valls (1984) analyzes the development of Marketing clubs in Spain. The origin is found in the North American firm Sales and Marketing Executives International (SMEI), a non-government organization that was born in 1935, dedicated to the promotion, education and improvement of marketing and sales. The Organization grouped different marketing clubs spread in the United States from the end of the 19th century.

Two of its members, Al Sears (president) and Robert Whitney (chief executive officer) visited the American Chamber of Commerce in Barcelona in 1958, within the “Enterprise Operation”, a volunteer project where knowledge on marketing and sales were shared with the countries recovering from the effects of the Second World War. Modern marketing and sale techniques taught at the SMEI, were a whole innovation in Spain. Lessons taught were based on the cardinal importance of the sales as culmination of the process of production. Besides, they tried to provide with prestige to the marketing, the sales and the seller’s occupation, across slogans as “a better world across better sales” or “nothing happens until anybody sells anything”.

Manuel A. Caragol founds a Chiefs’ Club of Sales in 1950, which would turn into the Club of Marketing of Barcelona in 1962. This first club was associated to the SMEI and translated, adapted and used numerous documents and leaflets relative to sales and marketing of the North American organization. In 1960, the Club of Marketing of Madrid arose that was followed by different Spanish provinces.

This way, the SMEI was undoubtedly a fundamental vehicle across which the modern marketing and scientific sales came to Spain. One of the founders of the SMEI was Thomas J. Watson, president of IBM and maker of the great growth of this company in the first half of the 20th century. Before joining to IBM, Watson had been employed for 15 years in sale areas at the company National Cash Register (NCR), specialized in machines cash registers. There he worked with John H. Patterson, founder of this company, and one of the principal makers of the modernization of the sales and the marketing in The United States.

At the end of the 19th century, the mass production appears in United States with firms such as Eastman Kodak, Coca Cola, General Electric, Pepsico or even NCR. These companies were producing in mass and had to sell in mass too. Recognizable brands started arising for the consumers. John H. Patterson, contemporary of businesspersons as Heinz or Burroughs, understood sales in a scientific way, to the Taylor style with the production (Friedman, 2004). He was a pioneer by studying and assigning territories of sale to the sellers, systems of incentives, analyzing information of sales, management of objections, establishing competitions and rewards between sellers and elaborating information leaflets and organizing periodic conventions. This new way of conceiving the sales would be imposed in the companies in the 20th century.

Patterson was thinking blind that his commercial abilities were capable of creating demand for his products. NCR, based in Dayton, Ohio was a success and
extended through other countries. Patterson created a “School of sales” where all the aspects related to sales were introduced: from the exploration, sale methods, attitudes with regard to the clients, physical appearance or closings sales: nothing was left at random. This school of sales, will be visited in the fifties by Spanish technical staff through the CNPI to learn innovative commercial and marketing North American techniques (Ortiz de Zárate, 2010).

Thomas J. Watson developed a sales model in IBM inspired in NCR style. Watson, same as his teacher Patterson, gave more importance to sales than to production. As the own Watson recognized: “We were selling more than other manufacturers that had better technology because we knew how to offer the argument to the client” (Olegario, 1998).

These modern commercial technologies remained reflected in documents that came to Spain across the Club of Marketing of Barcelona, associated with the SMEI.

In 1963, the First National Congress was celebrated on marketing and sales in Zaragoza, Spain, in the style of the conventions that were celebrated in the United States. The leaders’ club of sales of Zaragoza organized the event. It defended a scientific method of sales, according to the Patterson’s one, seeking to dignify simultaneously the seller’s profession (Club of Zaragoza’s sales managers, 1963). From this Congress, that took place the 30th of June 1967, the marketing clubs in Madrid and Barcelona created the Marketing Spanish Federation, aligned with the one of SMEI, whose mission would be to coordinate the clubs of Marketing of the whole Spain.

It is important to highlight that the promoters of the French hypermarkets, who from the seventies would expand to Spain, came to the training courses that NCR was giving in Dayton, Ohio. There, entrepreneurs and managers were trained of the hand of Bernardo Trujillo, expert of the large-scale distribution in the fifties. Marcel Fournier and Denis Defforey (Carrefour), Edouard Leclerc (E. Leclerc) or Gérar Mulliez (Auchan) were among the attendants to these courses. Approximately 13,000 businessmen came to these training courses.

In order to obtain the aim to raise the Spanish productivity, the CNPI organized trips of technical exchange abroad to learn of the distribution and commercialization in more advanced countries. Both, businessmen and government employees involved in functions of commercial modernization came to these trips. In 1958 a trip was realized by Europe with the aim to study the distribution of food and the commercial education (CNPI, 1959c). They visited diverse centers of productivity, commercial schools, supermarkets, cooperatives, chains as SPAR and even NCR’s subsidiary in countries as Sweden, Norway, Denmark, Germany and France. The CNPI also arranged two trips to The United States to study the Sales department in the industrial textile, one in 1956 (CNPI, 1959d) and the other one in 1959 (CNPI, 1961). Prestigious universities, textile factories, department stores and public organisms were visited and even the American Management Association too. The CNPI, across the International Cooperation North American Administration, brought foreign experts to give formation in Spain too. An example of this was the stay of 10 months in our country of distribution, August W. Swentor, expert in commercialization, in
1957. He studied the food distribution in Spain, taught, and spread the new North American technologies in this sector (CNPI, 1957).

4. Commercial panorama in the 21st century

In 2000, the Corte Inglés was the leader of the commercial distribution in Spain with a turnover of 1.6 billions of pesetas (9.728.37 million Euros), being the second position for Carrefour Malls with 1.15 billions of pesetas (6.888.03 million Euros) (Slope Valiño, 2006). Little time later, the group Carrefour obtained the first position until in year 2005. Mercadona went bust to the French company with sales of 9.601.5 million Euros opposite to 9.070.5 million Euros of Carrefour (Castro, 2010). In 2008, the crisis highly impacted Spain and to all the companies of the sector. The Corte Inglés had to face in the first moment Carrefour and Alcampo, later to specialized companies as IKEA, Media Markt or Decathlon and finally to companies with a more innovative profile as Mercadona or Inditex. The loss of purchasing power of the Spanish consumers because of the crisis, the decrease of sales and an inherited structure of costs did that the Corte Inglés was reaching a debt of 5.688 million Euros in 2013. This promoted the entry of a foreign investor who acquired a 12.25 % of the capital of the company in 2015 (López Morales, 2016). The crisis produced three changes in the industry, first one, the stop of the demographic growth what meant a decrease of the consumption, second one was the great increase of the sales of white brands from distributor and the third one, the expansion of the close supermarkets (Rodríguez, Junquera y Cruz, 2013). During the crisis, two companies stand out over other: Inditex and Mercadona. Such is the case that, both were placed between the 50 principal groups of worlds’ distribution in 2017. Besides, the Corte Inglés and Día were located at positions 73 and 99 in the global rankings (Deloitte, 2017). Inditex group, with a fashionable rapid and attainable strategy extended all over 73 countries around the world, oriented to reduce costs by means of subcontracting the basic products to countries with minor labor cost, obtained a reduction of the risk due to a minor exhibition to the Spanish market (Penas-Franco, 2017). This company took the mode of the gangplanks to his shops, renewing the collections every two weeks. All this was possible thanks to an excellent logistic management in a business without intermediaries and placing establishments in locations favored in the principal cities of the whole world. Besides, Mercadona followed during the crisis its strategy SPB “Always low prices”, turning into the leader of the commercial distribution into Spain. This firm followed the “Total Quality Model” seeking to satisfy in a complete way to what it is considered five principal actors of business: the client, whom they name “the chief”, the workers, the suppliers, the company and the capital. The objective is to obtain high quality products at most lower prices as possible. This model explains the success of Mercadona in the Spanish market (Blanco Callejo, 2012). In addition, the company owns co-innovation centers where it investigates together with its clients the launch of new products
and the improvement of the existing ones. In this sense, the firm is “democratizing the innovation” by obtaining innovations directly developed by its own clients (Von Hippel, 2005) apart from the manufacturer, what it has become one of the factors of success of the company. Mercadona is a company that puts the client in the center of all the considerations. This commercial panorama is completed by the increasing protagonism of the electronic commerce in Spain, which grew to quotas of 20.3% in 2016 in Spain (National Commission of the Markets and the Competition, 2017) being the North American company Amazon the first one in Spain with a turnover of 871 million Euros in 2016 (Statista, 2017). Facing this situation, El Corte Inglés is using a strategy of multichannel stocks on several channels of sale for the customer: shops, web, telephone and television, besides of being oriented towards clients’ segments of high purchasing power that visit Spain. Other commercial new actors who are gaining great relevancy in the second decade of the 21st century and who competed principally in costs and limited prices are the German chains Lidl and Aldi and the Irish Primark.

5. Final considerations

One of the reasons of the delay in commercial matters and of marketing in Spain up to advanced the 20th century was the traditional prejudice of society towards mercantile actions, considered less important activities than those related to production.

The commercial Spanish modernization in the 20th century came from the hand of the large-scale distribution, with special relevance of department stores Galerías Preciados and the Corte Inglés from forties that introduced in Spain the North American innovations learnt from their respective founders in Cuba. French capital was another important area of innovation across the hypermarkets. The Government, conscious of the delay of the country in commercial questions, realized diverse efforts to prevent these deficiencies from concerning the economic growth. Until the end of the century, the delay was not solved in this area. On the other hand, the sales and the modern marketing, understood as science, were generated in The United States in companies as NCR and came to Spain across diverse routes such as Marketing Clubs, the trips and CNPI training as the training from the Chambers of commerce too. Definitely, the innovations in commercial matter and marketing were not generated in the country, but they were copied and adapted to the society and to the Spanish economy.

Galerías Preciados was the pioneering company in introducing the commercial innovation in Spain, but the Corte Inglés overcame it with a model of business that positioned it as company of quality products and excellent service. French companies as Carrefour or Alcampo mainly competed in costs and prices being able to adapt perfectly to the market and Spanish consumers’ tastes. We can conclude therefore, in terms of Porter’s strategy, that el Corte Inglés used a strategy of differentiation whereas the French companies chose for a model of cost reduction. These business
models and strategies explain that the companies were successful and should come as leaders at the beginning of the 21st century. Apart from this, Galerías Preciados did not count on with a commercial strategy as clear as its competitors being this one of the reasons of his managerial failure. From here, following the theory of Schumpeter's creative destruction, more innovative companies than El Corte Inglés or French hypermarkets arise (Inditex, Mercadona, Amazon). They rapidly overcame the business models that had worked so well in the 20th century.

They are the most innovative companies and those who center their strategy on customers. For these reasons, they have become leaders in the 21st century.

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