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'Only the Strategic Survive: Independent Record Shops in the Digital Age'

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Abstract

The contemporary retail landscape is in flux and there is a growing perception that patronizing bricks and mortar shops is more expensive and time-consuming than shopping online. For music, illegal downloading and streaming have restructured the retail landscape and put thousands of record shops out of business. Yet some retailers remain attractive consumption spaces. Drawing on a qualitative case study of independent record shops in Stockholm, this paper considers three value-creating strategies that sustain these physical retailers in the digital age: cultivating in-store experiences, creating value through curation and tapping into global markets by going online.

Introduction

The contemporary retail landscape is in flux. Digital technologies are democratizing the tools of production, creating new channels of promotion and distribution and exposing local firms to global competition (Anderson 2006; Bugge 2011; Tokatli 2008). With massive selections, low prices and free international shipping e-commerce giants, such as Amazon, threaten the survival of smaller retail chains and independent shops. Moreover, the ability of online platforms such as Apple's iTunes store, Netflix and Spotify to stream digitized cultural content such as movies, music and books to mobile devices makes consuming this content increasingly 'on-demand' and 'placeless.' As a result, there is a growing perception that patronizing bricks and mortar retail shops is more expensive and time-consuming than shopping online.

However, existing studies suggest that retailers can successfully generate distinction, value and consumer loyalty by offering personalized advice, or curation, from individuals

with high levels of cultural capital and retail environments that offer unique, exclusive and authentic shopping experiences (Bourdieu 1984; Crewe 2010; Leslie et al. 2015; Power 2010; Zukin 2010; Hracs et al. 2013). Despite some notable exceptions (Aspers, 2010; Crewe 2015; Tokatli 2013; Wrigley and Lowe 2007) these processes, including how these strategies can be operationalized in specific locations and retail segments, remain under theorized in economic geography. Therefore, there is a need to investigate the evolving relationship between physical and virtual spaces of consumption, the nature and effectiveness of competitive strategies and the preferences and practices of contemporary consumers.

As a product and industry, music is at the forefront of the digital revolution and the challenge facing independent retailers is acute. Illegal downloading and, more recently, streaming of music has radically restructured the traditionally lucrative nature of music retailing and put thousands of chain and independent record shops out of business in Europe and North America since the late 1990's (Hracs 2012; Leyshon 2014). However, despite the apparent obsolescence of physical formats and retail spaces, the demand for vinyl records is increasing and some independent record shops remain attractive spaces of consumption (Bennett and Rogers 2016; Hendricks 2015; Magaudda 2011; Sonnichsen In Press).

Drawing on a case study of independent record shops in Stockholm, Sweden, this paper considers the key question of 'why' by exploring the spatial dynamics and value-creating strategies that allow some of these physical retailers to remain competitive in the digital age. After outlining the research design and reviewing relevant theory related to retail, consumption and curation the paper presents three strategies: (1) cultivating in-store

experiences, (2) creating value through curation, and (3) tapping into global markets by going online.

It contributes to existing literature in economic geography in several ways. Instead of continuing to privilege global chains and capital-intensive retail spaces such as supermarkets and luxury flagship stores in the U.S. or U.K. context, this paper focuses on local independent shops within the understudied, yet influential, marketplace of Stockholm. In so doing, it advances the analytical focus within the music marketplace, from the crisis of downloading to the contemporary impact of streaming. The empirical findings also nuance our understanding of the experience economy, the links between materiality and symbolic value, the importance and dynamics of the intermediary function of curation and the complementarity of physical and virtual products, channels and spaces.

The Geography of Retail

Geographers have become increasingly interested in the relationships between space, retailing and consumption (Crewe 2015; Leslie et. al 2015; Waxell 2014). Some studies have focused on how retail and consumption spaces facilitate the production and reproduction of meanings, the creation of identities and the exchange of symbolic values (Crewe 2000; Miller et al., 1998). Others have focused on the design of particular shopping spaces and the role that architecture and innovation play in creating distinction and value in the competitive global marketplace (Crewe 2010; Crewe 2015; Goss 1993). By extension, the microspatialities of consumption spaces have been connected to material qualities and consumer experiences including walking, touching, smelling, hearing and feeling in different retail spaces (Crewe et al. 2003; Zukin 2004; 2010). Geographers have also examined the

role that retail workers play in creating atmospheres, experiences and value by interacting with consumers (Leslie et al. 2015; O'Brien 2014). As these studies have privileged formal urban spaces including high streets, malls, supermarkets, department stores and high-end flagship stores (Crewe 2010; Crewe 2015; Gross, 1993; Miller et al., 1998;) there is a need to explore these processes in smaller scale, alternative and less-capital intensive consumption spaces including independent shops (Crewe 2000; O'Brien 2014).

There is also a need to determine the impact of new technologies on the nature of consumption and the relative roles and importance of different retail spaces and actors including bricks and mortar shops and store clerks (O'Brien 2014; Waxell 2014). Indeed, technology reduces the need for physical retail space and enables the sale of a wider range of products to more consumers at lower costs (Anderson 2006). The internet facilitates and encourages on demand consumption and social media programs such as Facebook, YouTube, Twitter, and blogs make branding and promotion omnipresent (Bugge, 2011). While these developments appear to be making consumption 'placeless' recent studies demonstrate that place and strategically staged spaces remain important for creating and communicating value(s) (Crewe 2010; 2015; Hracs and Jakob 2015). Jansson and Power (2010) demonstrate, for example, that fashion firms invest heavily in exclusive flagship stores to showcase their brand and that being located on the right street within the right city and neighborhood is crucial to connecting with the right set of consumers. Thus, geographers have also argued that even virtual spaces need to be 'localized' and that they often reproduce rather than challenge geographic space (Aoyama and Sheppard 2003).

Consumption as Identity

The notion that consuming specific cultural products such as music, fashion and art allows individuals to construct identities and communicate characteristics such as class, status, individuality and levels of cultural capital is nothing new. Indeed, the pioneering works of Veblen ([1899] 1912), Simmel (1904) and Bourdieu (1984) identify and interrogate the complex system of codes, symbols and signs through which value(s) are created and consumption choices are made. In the contemporary marketplace, the fundamental nature of these mechanisms remain unchanged but digital technologies and the forces of globalization accelerate consumerism and choice (Hracs et al. 2013). The democratization of cultural production has reduced entry barriers and increased supply while the internet has created and hybridized channels of promotion and distribution (Anderson 2006; Bugge 2011; Hracs 2012). Thus, the desire for social distinction, prestige and personality via consumption and style is intensifying. For Zukin (2004) shopping is the primary strategy for creating value and way for individuals to define who they are and what they want to become.

Whereas fashion may have been the original signifier of class, the consumption of music has emerged as a powerful way, especially for young people, of forging self-identity and signaling the belonging or opposition to groups, scenes and subcultures (Hesmondhalgh 2013). As Shankar notes (2000), consuming music helps us to make sense of our world and our place in it but also serves to let others know who we are and what groups we belong to. Although such information was traditionally shared by intentionally displaying physical artefacts, such as record collections, in the digital age smart phones, social media and music apps, collect and transmit a constant stream of, often unfiltered, information about what people listen to and 'like.' Therefore, and paradoxically, just as consumers need to make more informed choices, the volume of product options and related information is increasing

and many consumers lack the time, energy and knowledge to navigate the marketplace and exercise their judgment of taste (Shipman 2004; Jansson and Waxell 2011). Facing this challenge, a growing number of consumers are 'getting help' from cultural intermediaries who perform the important, yet poorly understood, function of 'curation'.

Conceptualizing Curation

Cultural intermediaries are market actors, existing in-between producers and consumers, involved in the framing, qualification and circulation of symbolic goods, services and experiences (Bourdieu 1984; Maguire and Matthews 2012; Negus, 2002; O'Brien 2014). They share common characteristics, including high levels of cultural capital and positions within subcultures, scenes, industries and organizations that contribute to and validate their legitimacy and authority (Maguire 2014). Yet, intermediation has rarely been studied systematically and the exact nature of the positions they hold within value chains and networks and the functions they perform within the marketplace remain ambiguous (Foster et. al 2011). For example, existing literature describes intermediaries as co-producers, gatekeepers, brokers, agents, match makers and taste makers (Foster and Ocejo 2013; Hracs 2015).

To narrow the focus, this paper asserts that record shops and clerks can be understood as intermediaries who perform the specific function of curation. The word 'curate' is derived from the Latin verb 'curare', which means taking care and is traditionally associated with art and museum collections (Balzer 2014). Over time the role of curators within art worlds (Becker 1982) has shifted from preserving and archiving art to selecting, evaluating, displaying and framing pieces that have varying levels of quality and value. Recently, the

concept has been extended and applied to curators in other fields such as music, fashion, food and craft (Hracs 2015; Joosse and Hracs 2015; Leslie et al., 2015; Shultz, 2015). Based on this literature and our own research we understand curation to involve caring for objects and interpreting, translating and shaping the marketplace through the strategic practice of sorting, organizing, evaluating and ascribing value(s) to specific products.

While the practice of curation is not new, in the contemporary, digital and globalized marketplace for music, and other cultural content, curation is evolving, expanding and becoming integral to the creation and communication of values (Balzer 2014). By extension, some traditional, or professional curators such as, newspapers, magazines, record shops, radio and cultural institutions are being challenged by new or less formal actors including algorithms, amateurs, bloggers and social media platforms (Webster 2015). As new roles, spaces and opportunities for curation emerge research is needed to investigate how specific actors, including record shops, are adapting to increasing competition and technological change.

Research Design

The empirical material comes from a case study of independent record shops in Stockholm. As the project was exploratory in nature - seeking to investigate a poorly understood phenomenon and to identify unknown variables and relationships - it used a mix of appropriate qualitative methods (Baxter and Eyles 1997). Twenty in-depth semi-structured interviews lasting between 45 and 90 minutes were conducted over a period of 18 months (2012-2014). Ten interviews were conducted with individuals who work at record shops, as owners or clerks, and the sample of 10 represents approximately one third of all the active

record shops during the study period. Ten interviews were also conducted with key informants who occupied a range of relevant positions within the marketplace, including industry organizations, streaming firms, major and independent record labels, live venues and radio stations. These informants provided valuable insight into Sweden's music marketplace and the evolving nature of music distribution, curation and consumption. Each interview was recorded with the consent of the respondent, transcribed verbatim and analyzed using dominant themes (James 2006).

Although the interviews generated detailed data and allowed respondents to express experiences and opinions in their own words, record shops contain complex physical and social milieus, including store layouts, interactions and behavior, that cannot be fully understood through mere description. Therefore, we supplemented and triangulated our interview data with observation. In each shop interviewed we spent additional time observing, taking photos, and writing notes about specific dynamics and activities listed in the observation schedule – see figure 1 (Bryman 2012). We also observed their websites, blogs and social media accounts.

Figure 1: Observation Criteria

- The physical layout, design and feel of the shop and the assortment and arrangement of products and activities. For example, the size of the shop, whether there were designated spaces to eat, drink and hangout and what the shop sold (music in specific formats and genres and potentially related products such as books, audio equipment, clothes etc).
- Evidence of additional services such as audio equipment to 'try before you buy.'
- The shop's relative location and fit within the local neighbourhood including where it was, the storefront and signage, and what other types of shops and activities were located close by.
- Evidence of curation including displays of staff recommendations, albums or compilations of the year, free or paid subscription services and the manner in which the sections were displayed and organised.
- The range of customers and staff members in the shop and the interactions and familiarity between different individuals.
- The practices of consumers including browsing behaviour.
- Evidence of linkages between the physical and virtual including computers for online searches, promotion of websites and social media and collaborations with online retailers such as Amazon or Spotify.
- Evidence of in-store events including live performances or artist signings.

To get a broader sense of the microspatialities and practices contained within record shops we also conducted similar observations in 45 additional shops.

Figure 2: International Scope of Observation

Stockholm = 15	**Europe = 23**
15 Shops	1 Amsterdam
	1 Bournemouth
Other parts of Sweden = 7	4 Brighton
6 Uppsala	1 Bristol
1 Gothenburg	3 Cardiff
	4 London
North America = 10	4 Manchester
3 Chicago	3 Rotterdam
1 Los Angeles	2 Southampton
2 New York	
4 Toronto	**Total = 55**

The paper is also informed by a wider and ongoing set of projects which examine the impact of digitization on the nature of music production, distribution, curation and consumption. These involve 95 in-depth interviews with musicians and key informants within the music industry and participant observation at live performances and music studios. Each author has also engaged directly in the industry and this familiarity, as noted by Valentine (1997), proved useful in establishing rapport with respondents and interpreting the rich results of the interviews and observation.

Study Site Context

The decision to conduct this study in Sweden, and more specifically Stockholm, is motivated and justified by several factors. Sweden is a well-established player in the international

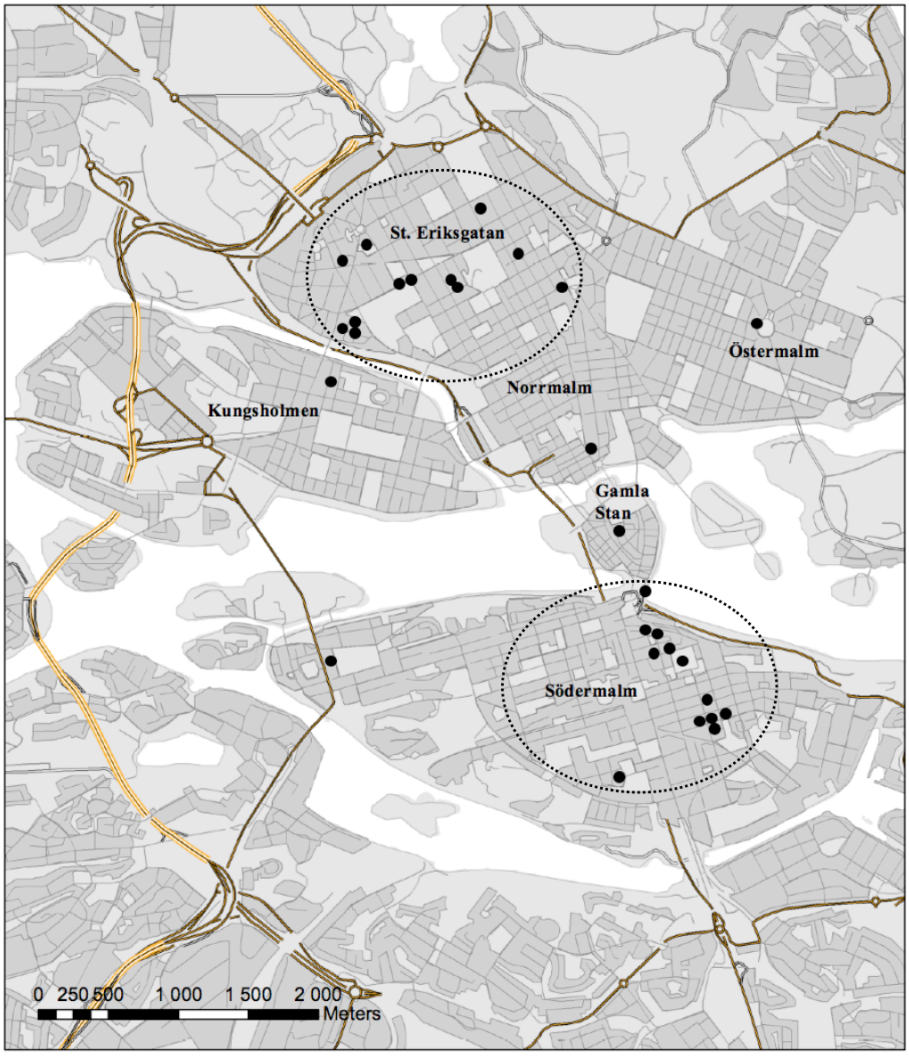
music industry and Stockholm features a strong export-oriented music cluster with a large number of local and global music firms involved in core (song writing, music production) and related activities such as music video production and music instrument software development (Power and Jansson 2004). With respect to the digital transition, Sweden is an extreme and illustrative case (Musiksverige 2014). Sweden features high levels of internet penetration and Swedish music consumers have been at the forefront of adopting digital practices such as illegally downloading music (Pirate Bay was run by Swedish tech savvy libertarians) and embracing new streaming services (Spotify originated in Sweden in 2006). Moreover, the percentage of digital music sales is relatively high in Sweden, 79% of the total in 2013 (Musiksverige 2014), and this has arguably put even greater competitive pressure on physical formats and retailers, such as independent record shops, than in other markets such as the U.S. and U.K.

Within the global context of record collectors and music tourists Stockholm also appears to be a popular vinyl hotspot. While further and more targeted research would be required to determine why this is the case, our respondents raised a series of interrelated economic, cultural and historical reasons. Sweden's relative economic strength in the post war period resulted in high levels of disposable income, music appreciation and vinyl record consumption. There were many records in circulation but the high volume, quality and rarity of Stockholm's current used vinyl stock can be attributed to Swedes taking good care of their record collections, playing them on high quality equipment, which did less damage, and storing them in dry and well insulated places – as apposed to damp sheds in the U.K. for example.

Music retailers typically cluster in neighborhoods that attract consumers who are interested in cultural products and experiences ranging from music to art, design, fashion

and literature (Sonnichsen in press). International examples include Soho in London, the Northern Quarter in Manchester and Queen West in Toronto. In Stockholm, independent record shops have traditionally located in two different neighborhoods (St. Eriksgatan and the island of Södermalm).

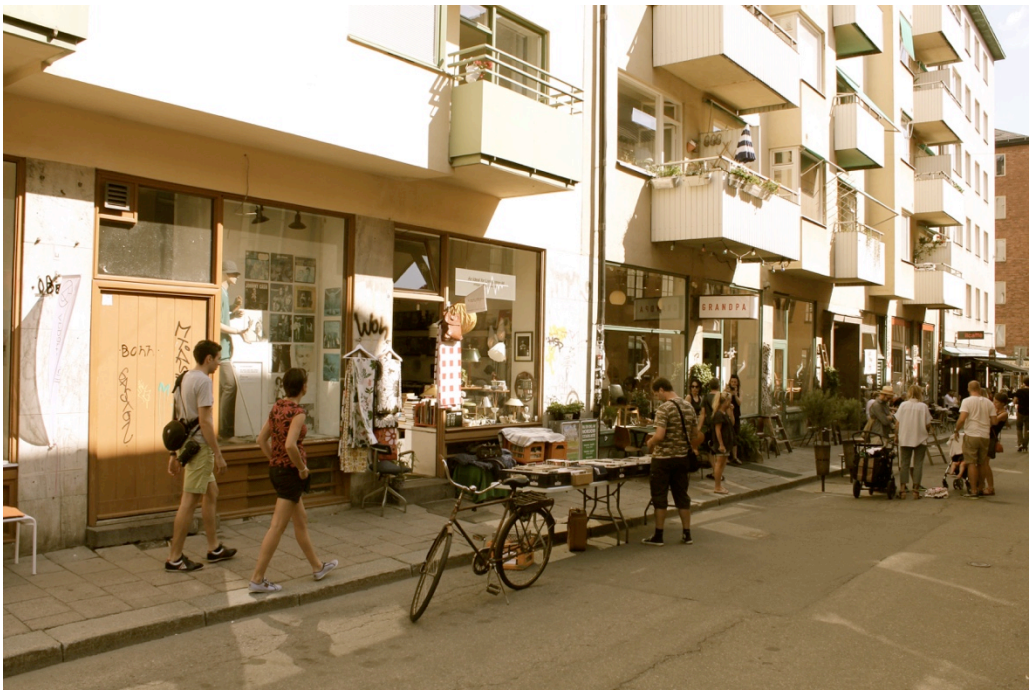
Figure 3: Map of Stockholm's Record Shop Clusters



Once the place to be St. Eriksgatan has become stale due to gentrification and the ageing of its residents. By contrast Södermalm has become a vibrant destination for young locals and tourists alike. Like other gentrified 'hipster' quarters in other global cities, Södermalm hosts

a dense network of fashion boutiques, design houses, art galleries and cafes surrounding the record shops (Maly and Varis 2015; Schiermer 2014).

Figure 4: Södermalm's cultural cluster (Author)



Economic geographers have attributed such concentration to the benefits of shared infrastructures, lower transaction costs, pools of skilled workers and face-to-face interaction which stimulates trust, knowledge-sharing, observation, comparison and imitation (Gertler 2003; Storper and Venables 2004). For record shops, the primary benefit of being located in a cluster is the increased ability to attract customers. As one respondent asserted: "It is a win-win situation because the shops don't overlap or steal customers…They help bring people in who will come and look at records for a day and go to all the shops."

Much like well-documented clusters including Silicon Valley there appears to be a 'healthy competition' between the shops who admitted to closely monitoring the other shops, learning from their strategies and using them as motivation to continually innovate and improve. As one respondent explained: "We have spies that go around…We know the

people working in those stores and we know what they're doing." In the Södermalm cluster, many shops have developed a unique niche and this limits direct competition. For example, some stores sell a broad range of genres and formats while others only sell vinyl or used vinyl in specific genres such as jazz or electronic.

Music Retailing in the Digital Age: The Rise of Streaming

Until the late 1990's recorded music was only available in physical formats (vinyl records, cassettes and CDs) and consumers were forced to visit independent or chain-owned record shops. Our respondents called these the 'happy days' because demand was strong and there was no need to be innovative or strategic to make sales. In the early 2000's the introduction of digital formats (MP3s), file sharing networks (Napster) and the widespread practice of illegal downloading constituted a structural shock to the music industry (Leyshon 2009; 2014; Hracs 2012). The so-called 'MP3-crisis' produced a myriad of consequences but traditional retailers, who failed to react and diversify their product offerings, bore the brunt (Fox 2005; Hracs 2012).

In Sweden 700 music retailers closed between 2000 and 2010 (SCB). In the U.S. approximately 1,200 music retailers closed between 2000 and 2003 and giants such as Tower Records declared bankruptcy in 2002 (Power and Hallencreutz 2007). By the mid 2000's digital music was monetized and distributed through legal channels such as Apple's iTunes Music Store - "in November of 2006 alone, 55 million songs were sold online" in the U.S. (Hendricks 2015,1). This stabilized the fragile balance sheets of the major record labels but the immediacy, convenience and price of the internet had irrevocably altered music

retail and the relationships between music producers, retailers and consumers (Hendricks 2015).

While existing studies focus on the causes and consequences of the MP3-crisis of the 2000's, the contemporary music marketplace continues to evolve and we argue that there is a need to move beyond illegal downloading to consider the impact of legal streaming on the nature of consumption and the relevance of bricks and mortar shops. Unlike Apple's 'pay per song' model which sought to replicate the traditional consumer experience of buying and owning music (but in a digital format), music streaming services allow consumers to rent access to over 30 million songs for a small monthly fee or free (in the add supported version). Whereas streaming has only recently taken hold in North America, with Apple Music being released in July 2015, the Swedish firm Spotify, which has emerged as the global leader, launched in Sweden in October 2008. Thus, the impact of streaming is more discernible in the Swedish context and several respondents asserted that streaming has been more disruptive than downloading. As two shop owners explained:

> Downloading was difficult but Spotify killed us!…Because they told consumers that they could get all the music in the world for the same price as one CD.
>
> The same day that Spotify started sales went down by about 20 or 30%. The idea that people could get access to music online and they didn't have to pay for it and they didn't actually have to own anything has been a big change.

Music Consumption in the Digital Age: The Resurgence of Vinyl

Digital technologies have facilitated the profusion of independent music production, marketing and distribution channels, and ways to consume music and the marketplace has become global, saturated and highly competitive (Hracs 2012). Unprecedented choice empowers consumers but negotiating the marketplace, to discover interesting and relevant

content, has become difficult and the demand for personalized recommendations is increasing (Hracs et al. 2013; Webster 2015). Thus, although record shops have lost their monopoly on music distribution they remain vital spaces and sources of music-related curation.

The ubiquity of digital music has been accompanied by a resurgence of vinyl records (Magaudda 2011). Between 2006 and 2013 vinyl sales in the U.S. increased by 599% with two-thirds being purchased at independent record shops (Hendricks 2015). In Sweden, vinyl sales increased by 1050% between 2010-2014 and currently account for 2.2 of total music sales (Ifpi Sweden 2015). As one respondent explained:

> In the late 1990s I think we had one box of records - maybe 40 or 50 different titles and that was it. Now vinyl is really big in our store and certainly other stores. Now every month I would say that between 30% and 50% of our sales come from vinyl records!

After reaching its peak in the 1970's vinyl was able to survive successive rounds of technical innovation in the 1980's and 1990's because of the strong support of music collectors and subcultures, including post-punk, ska-reggae and dance-based genres, who prized records for their material qualities and symbolic value (Magaudda 2011). Yet, the current counter trend seems to be driven by dissatisfaction with the disposable nature of MP3's and consumers discovering or rediscovering the quality of vinyl's sound and artwork and the experience of finding, opening, feeling, looking at, listening to and displaying vinyl records (Hendricks 2015; Sonnichsen in Press). As one respondent argued:

> Vinyl sales are going up because people are tired with streaming. Streaming is a new thing but they still want a cool item for the home, to put on the coffee table to display…And then there are these Hi-Fi lovers who play the vinyl because the sound is much better.

In addition to older consumers trying to resurrect nostalgic experiences of record collecting, young people - in their teens and early 20's - are buying vinyl either instead of or in conjunction with digital formats (Magaudda 2011). As one respondent explained:

> This has changed over time. I would say two years ago we didn't have that many 20-year-olds in the store, but now we have loads of them. And these younger people, they buy vinyl. The hipsters are coming in!

As distinction is an essential ingredient in the hipster subculture consuming vinyl allows individuals to signal their resistance to mass-market formats and content and to engage with music in a more 'real' or 'authentic' manner (Maly and Varis 2015).

In the early 2000's many music industry executives believed that the apocalyptic mix of blank CDs, Napster and the rise of e-tailing would make traditional bricks and mortar record shops extinct but this has not materialized (Fox 2005; Hracs 2012). While many music-centric chains have been replaced by more diversified 'big box' retailers such as Media Markt and Åhléns in the Swedish context and Wal-Mart or Tesco more broadly and thousands of independent shops have gone out of business, physical formats and retailers have not disappeared. In fact, many independent record shops in cities such as Stockholm, London, Toronto, Chicago and Los Angeles have weathered the storm and some are even expanding (Sonnichsen In Press). The subsequent sections analyze three main value-creating strategies distilled from the empirical material.

Cultivating In-Store Experiences

As Trigg (2001) notes, the search for status through consumption is never ending and the ubiquity of goods has compelled some consumers to shift their focus to experiences

(Gilmore and Pine 2007; Zukin 2010). Firms in many sectors endeavor to 'stage' environments, artifacts and contexts that facilitate interaction and allow consumers to co-create their own experiences. Spaces are not mere production sites or containers of economic activity but rather important sites of consumption that shape interactions and exchanges between producers, intermediaries and consumers (Lorentzen and Jeannerat 2013; Hracs and Jakob 2015).

Like other specialized retailers including independent book shops (O'Brien 2014) and fashion boutiques (Leslie et al. 2015) independent record shops remain spaces where meanings are created, rituals are performed, interactions occur and experiences are staged and consumed (Sonnichsen in press). Beyond simply selling music, successful record shops generate distinction and value by cultivating authentic atmospheres and catering to the demands of different consumers, from local 'regulars' to 'record tourists.' Although independent record shops trade on their uniqueness, the following section presents some common sources of value.

At a time when music can be streamed with the push of a button, the act of visiting a record shop remains a valuable cultural experience for many consumers. As Hendricks notes there is a ritual dimension to "walking into a store, picking up a record, touching it, going home and listening to it" (2015, 10). As Simmel (1904) argued, a greater investment of time, thought and effort makes it more rewarding for consumers. As one respondent explained: "Saving up and going to the store and buying it means that the music is worth more to me as a listener than just sitting on my computer and pressing one button to download it." Shops that sell used vinyl enhance the ritualized nature of visiting the shop by displaying the new additions to the collection (including rare and coveted albums) only on set days and times. This builds a sense of anticipation about the potential for serendipitous discovery, imposes a

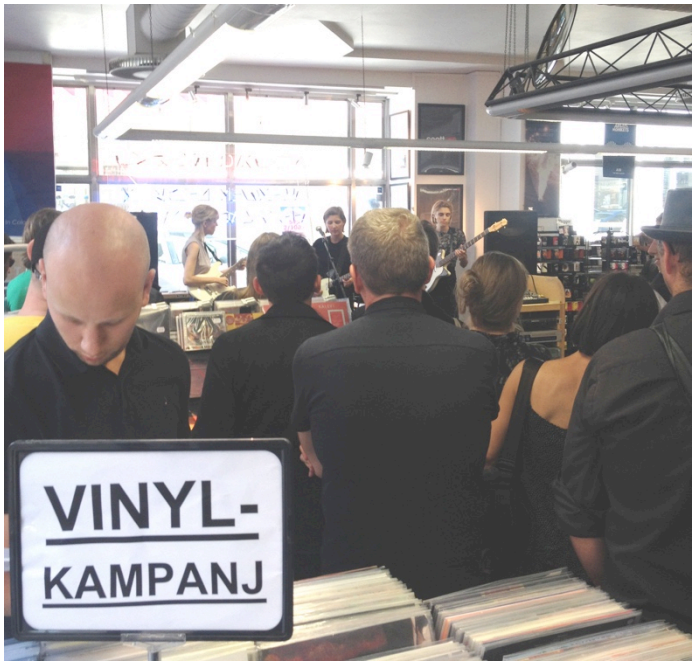
reward-enhancing obstacle and encourages consumers to habitually revisit specific shops which reinforces the ritual aspects.

While some consumers can frequent record shops and spend hours 'scrolling' without ever saying a word, many consider the shops as social spaces and derive value from interacting and hanging out with clerks and other consumers who may belong to similar subcultures. As one respondent asserted: "It's a social thing...you come to the store, you get some information...and talk about music interests. I usually put coffee on when we have our regulars in the store." Another owner even bought the unit next door to put in a café and explained: "The idea with the café is that you get people coming in for coffee and to meet and then of course they browse and spend money on records." Yet, shops must balance between catering to specific groups and being inclusive and welcoming to new customers. Many respondents spoke of the unfair reputation as being snobbish and exclusionary institutions and that regulars, especially during 'new arrival' frenzy periods, can be intimidating.

To generate greater exposure, reinforce their position within scenes, attract new customers and reward their regulars, record shops also stage a variety of events and experiences. These typically include live shows, artist visits, record signings, and live DJ sets. As one respondent explained:

> Tomorrow we have an artist that's coming in and I know the store is going to be packed… The main reason why people will come and play in the store is that they have a new album out. They perform three or four songs and then they will sell and sign records in the store. The events help us attract people to the store.

Figure 5: In-Store Gig (Author)



These events are promoted both in-store and online through blogs, social media and websites. This is important because it demonstrates, as we argue later, that strategic shops harness virtual channels to sell physical products and physical and virtual spaces as well as local and global scales complement rather than compete with each other. As one respondent explained:

> For special events we use the website and Facebook to promote. Our plastic bags have our website and we try to promote traffic to the physical and virtual store. We want people to be aware that we exist online the website promotes all of the in-store shows and physical things. We also have a newsletter which talks about in-store activities. So the idea is that both spaces should complement each other and work together.

Space shapes the nature and effectiveness of these events. Not all shops possess the requisite size or layout to host live shows and the location of the shop within the city dictates the level of consumer traffic and whether artists will be willing to visit. In Stockholm, the shops in Södermalm benefit from the city's position as a major tour destination and being co-located near the main music venues. These findings echo the study

of independent fashion retail in Toronto where Leslie et al. (2015) report that staging events in retail spaces provides opportunities to strengthen bonds with customers and generate distinction, value and loyalty.

Creating Value Through Curation

Although music-related curation has become increasingly important in helping consumers to navigate the saturated marketplace, the growing range of actors (music journalists, algorithms and friends) offering curation and channels (magazines, blogs, social media and apps) has only served to exacerbate the challenge of finding the right content (Joosse and Hracs 2015; Webster 2015). Thus, the relative attractiveness and value of curation hinges on its qualities and effectiveness. Our research suggests that independent record shops can offer consumers a form of curation - face-to-face interactions that yield personalized recommendations from trusted curators with high levels of cultural capital (Bourdieu 1984) - that is not only highly valuable but difficult to replicate electronically or in virtual spaces (O'Brien 2014).

As we observed first hand and learned during interviews, record shop clerks are skilled at identifying subtle clues and translating this information into concrete recommendations, value and competitiveness. As one respondent explained:

> It is about the service…it's scary but if somebody walks in the door and they have a certain look I can usually tell what they're looking for without them telling me…It is something you learn develop over time. I can identify certain types, I know what they're wearing, watching, reading and listening to and I can put that together and figure out what kind of music they may like.

Despite recent advances in electronically-mediated communications (Grabher and Ibert 2014) and the ability of modern algorithms to convert vast amounts of personal data into meaningful suggestions (Webster 2015) respondents told us that face-to-face interactions in physical spaces are still the best way to send and receive information. As one owner argued:

> Sometimes people get recommendations from Amazon and it's computer-generated and they laugh…If you go into Spotify and you try to find some new music it's a mess. But when you come to the store and you talk to one of us you get the real recommendations. People are so busy now that I get a lot of people coming in to the store who say 'give me five good albums.' And if they like three or four of them they will come back for more recommendations and buy more albums.

In describing these interactions many respondents raised the importance of trust and credibility. This is underpinned by the literature on cultural intermediaries which indicates that cultural capital serves as the basis for their expertise and legitimacy to mediate culture and provide curation (Maguire and Matthews 2014; Webster 2015). Consumers appear willing to seek and accept the advice of clerks because of their position in the marketplace, experience and personal biographies. In addition to working behind the counter at a record shop, which signals high levels of cultural capital, many clerks have also gained specialized knowledge, experience and notoriety as musicians, DJ's, collectors or hardcore fans. As one respondent explained:

> For most people the trust comes from the fact that I am standing behind the counter at this record store and I'm surrounded by music-related stuff. But for some big music consumers there is even more trust if they know that I've been playing in bands or that I have been a DJ.

Beyond legitimacy, experience enhances the value of their curation and may elevate it above algorithm-generated playlists or the opinions of part-time bloggers. As one respondent argued:

> [The ability to make recommendations] is definitely a skill that I've acquired through being a DJ for 27 years and owning my own record store for 10 years. I don't think the average person can do it as well or as quickly as I can.

Trust is also cemented and strengthened over time and through repeat interaction. Once the time has been invested to establish a relationship, consumers are more willing to buy (advice and albums) from their supplier (the clerk/the shop) (Storper and Venables 2004). As one respondent explained: I have some regulars who come in to get my suggestions…and they really love the idea that I know what they bought last time." Trusting relationships often encourage a two-way flow of information and feedback (Leslie et al. 2015). As one respondent explained:

> When I introduce somebody to a new band, song or album and they really like it they will come back and tell me about it…It's a rewarding ego boost…Some of the regulars here start to understand what kind of music I like and they will come in and give me suggestions too.

But ultimately the curation needs to be appropriate and effective to maintain the relationship and repeat business. As one respondent noted: "You have to learn what each customer likes. If he is a Bob Dylan fan and you recommend Wu-Tang Clan, they will never come back to your store!"

In addition to recommending music clerks also help obtain music by making special orders for rare or limited products - something not possible through Amazon or iTunes. They also add value by using their knowledge of the marketplace to educate consumers, helping them, for example, to understand and filter the confusing amount of information about music and vast array of product variations (some albums have over 50 versions listed online).

Respondents also explained that through repeat interactions consumers become more knowledgeable and confident and may stop asking for advice. However, even without direct interaction between clerks and consumers, by offering a limited, or pre-curated, supply and enabling physical browsing, the shop remains a valued filter and regulars keep visiting. As one respondent explained:

> There are a lot of people who come in here who are regulars to the store, they don't come here to talk to me. They like the selection here and the fact that it is limited is actually a good thing…People also like browsing around in a physical space where they can touch and pick things up and see what is next to music they like.

This finding support the work of Hendricks (2015) who argues that many contemporary independent record stores communicate their authenticity and value by curating their inventory.

Figure 6: Browsing the Curated Displays (Author)

To increase their attractiveness and value, many independent record shops not only curate music but a range of related products including scene-appropriate clothing and audio

equipment such as turntables and headphones. For our respondents, product diversification was viewed as crucial to weathering market volatility while also reinforcing their position as curators.

By connecting producers and consumers at the point of sale record shops have long served as key intermediaries in the market for music. But beyond acting as 'brokers' clerks at independent shops act as curators by selecting and displaying specific content and helping consumers to navigate the marketplace by offering information and recommendations.

Selling Physical Products Through Virtual Channels and Tapping into the Global Markets

Local independent record shops are assumed to be locked in to an outdated model of physical distribution and many have failed to develop sufficiently flexible strategies to cope with the changing marketplace. They are considered to be at war with digital sources of music and curation. Indeed, one of our respondents said that the only way to keep his shop in business was to "track down and kill the inventor of Spotify." However, our research suggests that some more pragmatic shops are going online and using virtual channels to tap into global markets. One shop, for example, recently started working with a streaming service: "Since we couldn't break Spotify we decided to join them and work with them." The shop has developed an app for Spotify that allows people to listen to their recommendations and curated playlists. The respondent explained that if the listeners like the recommendations they will visit the shop and buy music and that even listeners outside of Sweden might order music through the shop's website and have it delivered.

Thus, while online distribution has created global competition and made it difficult for local record stores to sell to local consumers, the flip side is that the shops can open up their own online channels of promotion and distribution and tap into the global marketplace. As one respondent asserted: "We have customers all over the world. We have many European, American and Japanese customers…Most of the mail-order stuff is sold outside of Sweden."

Respondents explained that although local regulars are highly valued and crucial to sustaining their business tourists, who may even become 'regular' tourists, or 'remote consumers,' are also important. In a global city like Stockholm there is a constant stream of tourists and attracting those who make 'pilgrimages' to specific music scenes and shops, can be highly lucrative. As one owner explained:

> I call them record tourists. Maybe they come once or twice a year, maybe they live in the North or South of Sweden…they scroll through everything and can spend a couple thousand (SEK) that day instead of the regulars that come every week but only spend a hundred (SEK). So that makes the summer.

One of the shops we studied runs a mail order service for used vinyl. To stand out in the marketplace it employs a team of 6 workers who listen to, photograph (to show the condition) and grade each record (over 300 a week) that comes into the shop. As the manager explained:

> The competition is global…each record we have has a set of information on the website and also a little blurb taped onto the record about the rating system. Online there is a sound clip from the album so that you can hear the quality of the record… For every record we have to do a new sound clip and also take photos of the actual record and the sleeve…But I think this is what gives us an edge. Because you can buy records online from different places but from most places you only get the title of the artist and nothing more.

In this way the shop is still trading on its curatorial prowess but selling to discerning consumers around the world. Crucially, they maintain a physical storefront in Södermalm

because being located in the scene enhances their credibility with global consumers and people come to the physical shop to sell or exchange their used records.

This section demonstrates that binaries which pit bricks and mortar shops against online retailers or physical against virtual products are too simplistic. As the marketplace evolves spaces, channels, services and formats are more likely to complement, extend and enhance each other than compete directly.

Conclusion

This paper considered why some independent record shops remain competitive in the digital age. It argued that the ritualized and tactile experience of visiting record shops and consuming vinyl remains attractive and that shops can create distinction, value and loyalty by staging events and creating opportunities for interaction and socialization. As music-related curation is increasingly important and there is an influx of new actors and channels, it highlighted why independent record shops remain valued spaces and sources of information and advice. Indeed, their mix of knowledge, capital, legitimacy, and the ability to cultivate personal and trusting relationships, enables record shops to offer a more valuable form of curation than algorithms. However, the paper also demonstrated that survival does not mean defiant opposition to digital developments and that the most strategic shops are finding ways to take their strengths online and increase their customer base by using virtual channels to tap into global markets.

Beyond continuing to examine the value propositions and relationships between physical and virtual spaces of music distribution and curation, future research could compare the experiences of record shops in different cities. Given the high degree of micro-

spatial and strategic uniformity among supposedly 'unique' shops in distant markets, investigating the mechanisms through which they monitor, interact and learn from each other, including temporary clusters and trans-local movements like 'record store day,' could contribute to existing literature in economic geography about the diffusion of knowledge, practices and values across space.

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