Workbook #2

Store Ethnographies and Valuation Practices
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Ox-Chain: Towards secure and trustworthy circular economies through distributed ledger technologies
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Engineering and Physical Sciences Research Council

Blog

https://medium.com/life-on-the-blockchain

Website

http://oxchain.uk
This workbook reports on the first phase of Work Package Two: contextual studies of Oxfam’s current store and valuation practices. The purpose of this work package is to provide a mapping of volunteers’ and managers’ current valuation practices and models of trust across the range of geographical, knowledge and operation contexts, an analysis of the opportunities for introducing new new technology in the form of a distributed ledgers, and the changes that this might require for Oxfam’s current retail business model. The ethnographic work was undertaken primarily with Oxfam stores in south east Scotland, north east England and Greater Manchester areas. Its focus is on the perspective of volunteers, store managers and area managers. Through this, the report provides insight into how distributed ledger technology might be developed by the OxChain project. These potential designs are set out in Workbook Two part b, which presents our ideas and future research direction. In addition, this ethnographic research phase has shed light on those aspects of blockchain applications envisaged by the original research proposal which now can be seen as inappropriate for Oxfam.
Charity shops encompass values and practices that are commercial and more-than-commercial in nature. While Oxfam stores are indeed focused on what might be conventionally understood as commercial concerns such as revenue, costs and profit, they are also distinct from conventional retail outlets in three ways: First, they are run by a mixture of volunteer and paid staff, with some stores almost or entirely run by volunteers. Understanding the motivations, skills, practices, values and challenges of this volunteer force is essential to understanding the Oxfam store network. Second, the stores are afforded a great deal of autonomy from centralised control in almost every aspect of day-to-day retail activity, marking them as distinct from the retail sector and from other charity shops. This means that this assessment of store practices is really an assessment of a heterogeneous network of different stores, which work together and share commonalities, but are also rooted in their own communities and histories. Third, Oxfam stores are also spaces of care and community, that is, spaces where values relating to Oxfam’s vision (both for the UK and for its global
development work) are performed, embodied and practiced. This means that we need to consider the core retail and business activities alongside a broader set of values and ideas that drive the mission and make Oxfam stores embedded, material and community-based entities. In short, Oxfam stores are there to make money, certainly, but they are also spaces where this retail purpose is bound up in a broader set of values and practices, both global and local.

To understand the special nature of the UK charity shop, and Oxfam stores in particular, we draw on research including development and human geography literature which suggests that Oxfam stores are places where the global mission is reproduced and performed, and where items such as second hand clothes enter into broader global networks of the supply and consumption of second-hand clothes at a variety of scales and locations (Brooks, 2013; Crang et al. 2013). We also draw on sociology work which marks charity shops as spaces of care, where social values such as community connection are important (alongside the business of making money), where ‘charity shopping’ is an identifiable cultural activity (Hackney, 2005; Milligan, 2007), and where managers and volunteers are motivated by a ‘cause’ rather than conventional economic motivators (Parsons and Broadbridge, 2006). We also make use of business modelling literatures such as Osterwalder et al. (2014) which enabled us to understand value propositions across customers, donors, volunteers and other stakeholders, and understand how the stores meet the needs of these different categories of people.
3. METHODOLOGY

The research in this work package used qualitative and ethnographic methods including interviews, particularly open and in-depth semi-structured conversations, a fieldwork diary, and observation (sometimes as a participant through undertaking in-store activities alongside volunteers like pricing, cleaning and processing donations). This built on the ideation workshops at Oxfam UK head office (discussed in Workbook One). It is important to note that ethnographic research will continue throughout the project, and as such we consider our participants as co-producers of knowledge and as partners over the whole research process, rather than a source of knowledge to be mined. Readers should also note that this phase did not engage with shoppers directly; this is planned for subsequent phases of the project.

Research participants included: two area managers, a volunteer recruitment manager, 12 store managers, two assistant managers, and six volunteers across three regions: Edinburgh, Lothians and Fife, Newcastle and the
north east, and Greater Manchester. The stores were chosen in order to reflect a diversity of geographies, demographics and location (such as city centre, well-off suburb and high street), and store type and size (including specialist book and record shops along with general stores, and a range of store sizes from large central stores to small market town stores). The stores were approached, usually with the first point of contact being the store manager, and researchers explained the project and why they were asked to take part. Initial contact was usually a store visit and an interview with the store manager over an hour or two. For some stores, we visited on several occasions and conducted multiple interviews with store managers, assistant managers and volunteers, along with participation in store activities. We also followed a snowballing technique, whereby a store manager might suggest volunteers or other managers likely to want to take part. The three managerial staff were contacted on the basis of relevance to the areas in question, and in order to ensure they were informed about the research being undertaken in their area. All comments from participants are reported under pseudonyms which do not identify them.

The themes of the interviews included: stock sorting, processing, pricing and merchandising strategies, volunteers’ and managers’ values and motivations, shoppers’ motivations (as seen by managers and volunteers), questions relating to the movement and processing of stock throughout the wider network, and questions around existing technology and data. The interviews were predominantly undertaken in person and recorded by audio recorder and then transcribed. Occasionally interviews would be conducted by Skype or telephone, and sometimes notes were taken instead of recording (where this was not possible or where consent was not given). We followed a strict ethics and consent processes whereby informed consent was sought for participation in the research and for being recorded. Participants were only recorded with their explicit consent. Analysis of the audio transcripts followed an interactive and manual coding process, where researcher read the transcripts and re-engaged with the audio recordings while noting and highlighting particular themes. The analysis of participant observation followed techniques from Laurier (2010) and Crang (2003) whereby researchers worked alongside volunteers and asked detailed questions about their processes and practices, while engaging in
conceptual discussion around ideas (for example, on Oxfam’s values and their own motivation) which indicated how such ideas were (re)produced through practice (Gregson et al. 2002). This goes beyond a notion of the field as merely discursive, to take into account the material and physical realities of things as seen through the eyes of those who add value through processing stock in Oxfam networks.

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1 Please see Workbook One for a full discussion of data management and ethics policy.
The business model of a ‘typical’ Oxfam store is shown in the business model canvas below.

<table>
<thead>
<tr>
<th>Key partners</th>
<th>Key activities</th>
<th>Value proposition</th>
<th>Customer relationships</th>
<th>Customer segments</th>
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<tr>
<td>Suppliers of stock (big retailers)</td>
<td>Sorting donations (available / non-replaceable)</td>
<td>Product oriented</td>
<td>Transactional (one-off)</td>
<td>Mass market (but clearly differentiated by individual shops, depending on their locality)</td>
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<tr>
<td>Service providers (e.g. banking, logistics, postal)</td>
<td>Pricing stock</td>
<td>Low cost essential items</td>
<td>Collaborative (trust)</td>
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<tr>
<td>Outreach partners (e.g. teachers, government training services)</td>
<td>Selling second hand goods across different channels</td>
<td>new Oxfam branded merchandise</td>
<td>Widen and long term – engagement on different fronts</td>
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<td>Experience oriented</td>
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<td>Searching for a bargain</td>
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<td>Aiding a charity</td>
<td>Collaborative (trust)</td>
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<td>Mission oriented</td>
<td>Widen and long term – engagement on different fronts</td>
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<td>Engagement with Oxfam’s development mission</td>
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<td>Shopping sustainably</td>
<td>Customer segments</td>
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<td>Mass market</td>
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<th>Key resources</th>
<th>Key activities</th>
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<th>Customer relationships</th>
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<td>Stock:</td>
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<td>- Donations of quality second-hand goods</td>
<td>- Access</td>
<td>- Product oriented</td>
<td>- Transactional (one-off)</td>
<td>- Mass market</td>
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<td>Store:</td>
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<tr>
<td>- Location</td>
<td>- Window display</td>
<td>- Low cost essential items</td>
<td>- Collaborative (trust)</td>
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<tr>
<td>Storage space</td>
<td>- Human capital</td>
<td>- New Oxfam branded merchandise</td>
<td>- Widen and long term – engagement on different fronts</td>
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<td>- Volunteers’ time</td>
<td>- Experience oriented</td>
<td>- Customer segments</td>
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<td>- Volunteers’ skills</td>
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<tr>
<th>Cost structure</th>
<th>Revenue structure</th>
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<tr>
<td>Fixed costs</td>
<td>- Selling assets in store at fixed price</td>
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<tr>
<td>- Store rent</td>
<td>- WISE gift aid</td>
</tr>
<tr>
<td>- Manager’s salary</td>
<td>- Oxfam unwrapped</td>
</tr>
<tr>
<td>- Equipment</td>
<td>- Auctioning online</td>
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<tr>
<td>- Other fixed services (council, utilities, business rates)</td>
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<tr>
<td>- Maintenance, consumables, maintenance</td>
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<tr>
<td>Variable costs</td>
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<td>- Logistics service</td>
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<td>- Costing hire</td>
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<tr>
<td>- Other variable costs (postage, card things)</td>
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</table>
As shown in the canvas, the core purpose of an Oxfam store is to generate value from second-hand goods which are donated by the public directly or through facilities like clothing banks. Stores’ core products are ladies, children’s and men’s clothes, household items, collectables, bric-a-brac, children’s toys, books, DVDs and records, along with, increasingly a range of new items like Christmas cards and coffee. Stores are predominantly staffed by volunteers with a salaried manager and sometimes a deputy manager. A store’s business model is thereby dependent on three key resources: Its stock, its volunteers, and its managers. The network of 680 stores throughout the UK are vital to Oxfam, providing a significant amount of its resources to fund development work, 21% in 2015-2016 (Oxfam Annual Report 2015-2016). Crucially, this money is not restricted, meaning that Oxfam can spend the money as it sees fit. The stores offer several value propositions to its customers, ranging from one-off transactions to experiential and longer-term, values-driven relationships.
Oxfam classifies its stores as Books, Books and Music, Music, and Standard. Standard stores range in size, location and stock type, with some just selling clothes (ladies’, children’s and men’s), and others selling additional products including new stock such as coffee, gifts and toiletries, seasonal new stock like Christmas cards, Oxfam Unwrapped (development vouchers), bric-a-brac, homewares and collectables. Oxfam shops do not sell electrical goods.

Stores are also classified by location (the demographic of the area and the footfall of the store) into premium, mid-range and lower-range, and by the amount and quality of the stock they receive. A similar typology formed the basis of McKinsey’s 2014 report, which aimed to make cascading goods more efficient by pairing stores according to their characteristics. This also forms the basis of the currently-used Rags to Riches scheme, discussed in section 6 below. However, while we note that stores can roughly be categorised, we did not conclude that this automatically
means that the 60-80% of stock that McKinsey identified as going to waste is valuable stock which can be cascaded. This will be discussed further below.

The location of the store is key to its success. For example, Morning-side in Edinburgh is a standard store, which attracts premium items and shoppers, and receives a large quantity of donations, making it standard-premium-rich. This means that the stores are very dependent on their geography, which influences the quality and consistency of donations they receive, and the shoppers and volunteers which live in the local area.
Figure 1: Store Front, Glenrothes, Fife

Figure 2: Store Front, Glenrothes, Fife
6. STOCK

Sourcing good stock

Sourcing good quality, sellable stock in a consistent and reliable way is one of the main challenges that stores face. And, good stock is key to the store’s success. While the quality of donation varies, the majority of donated items are unsellable, with reported amounts of between 40 and 90 per cent of donations not suitable for sale in store. Nearly every manager reported that their number one challenge was getting good stock on a weekly basis to support their business.

Consequently, stores have multiple strategies for sourcing stock. The extent to which these feature varies from store to store. Strategies are discussed as follows.
Donations

Most stores’ primary source of stock is donations. The quality of donations depends on several factors including the location of the store, especially whether it is convenient for cars to drop off large amounts of items and the demographic of the area, which affects the quality of stock. Several managers described putting up good quality stock in the windows as a means of attracting more donations. One explained that “if you want more jeans, men’s clothes, whatever it is, you put that in the window. You have to fake it to make it” (store manager). Other strategies included using social media and direct appeals in store to attract donations.

The quality of donation was important to all managers, as Oxfam’s reputation for selling good quality second-hand goods is an important value proposition. However, several reported concerns that quality had declined due to, in their interpretation, wider economic conditions which meant that people were wearing clothes for longer and buying cheaper in the first place. Several store managers discussed the careful balance that Oxfam had to strike in generating good donations. On one hand, they had to accept all donations with gratitude, while on the other, wished that some donors would not use Oxfam as a ‘dumping ground’ (this in particular affected those stores with drive-in access). A manager described how Oxfam had struggled to address this dilemma in the past:

“Well I know that Oxfam in the past had this idea of considering what you bring and that seemed to backfire badly as we were then accused of being picky. It really upset people who thought “Oh my god, are you going to assess my donations when I come in?” ……… It is treading the line between saying we want you to bring us your stuff and we want you to bring us nice stuff that we can sell. You have to be skilled in your communication to sell the line to people that we would love you to bring us your stuff, we don’t really want you bring us your rubbish. We really aren’t a recycling centre”
Another reflected on the risk in turning away what seemed to be a low quality donation: “It is a really hard balance for us to be polite to the public and tell them we don’t want some things, while also taking care not to miss the gems” (store manager).

Despite this dilemma, other managers felt that Oxfam had a reputation for selling good stock, so reported that some donors tended to only bring good donations which they felt that Oxfam would take care of (this attitude of care and responsibility to donations is discussed further in the section on pricing below).

**Clothing banks**

Not all stores sourced goods from clothing banks, but these can be an important source of stock for donation-poor stores. However, sourcing good stock from banks can be challenging. The quality of goods can be

> “[It is mostly really awful……….a disposable gloves job……….We don’t have masks but sometimes we wish we had”

This means that sorting through clothing bank bags is a significant drain in volunteers’ time, and can yield only small amounts of sellable items. Moreover, stores in the Edinburgh and Lothian’s region reported paying for bags of clothes from banks, for example Nicholson Street pays £1 per bag (multiple bags delivered three times per week), plus £12 per month. Nevertheless, for larger stores which do not receive enough doorstep donations, banks provide much-needed stock.

**Cascading**

Cascading works through pairing a premium, standard or basic (lower end) store with another store of the same classification. The goal is to move
surplus, sellable stock around the network to give all stores a more steady supply of quality items. Decisions on what to cascade from the initial sorting process are based on what stock that particular store already has a surplus of. The official channel is the Rags to Riches scheme whereby stores are partnered according to their category (premium, standards and basic), and whether they are stock-rich or light on stock (with stock-rich stores obviously cascading onwards). So, a premium, donation-rich store would in theory cascade to a premium donation-poor store. In practice, cascading also follows the existing distribution networks, such as the Pringles van route which takes a one-way loop around the Edinburgh/ Fife/ Lothian’s region.

Reports on cascading were mixed. While cascading can be an important source of stock, several managers noted concerns around process (that is, stores are stuck with existing routes rather than the system being more flexible. For example, one reported that “if I could change one thing, it is that rags to riches is based on existing Oxfam logistics, especially the waste save vans, rather than actual store need. For example, because of our one-way relationship, even vintage stock, for example, excess stock from the Oxfam Vintage store opposite, comes through us and on to this other store. However, this stock is just not relevant for them” (store manager). Managers were also concerned about quality, with one stating that goods which have not sold in one store won’t necessarily sell in another – “it didn’t sell at £3.99, didn’t sell at £1.99, don’t send it to me” (store manager). Stores were also concerned with cherry-picking, with stores refusing to send on valuable stock through the cascading system. As a manager commented:

“If you had a beautiful £20 dress and it hasn’t sold in a couple of weeks or something like that and you think “No, I am not sending that to someone, I will get the money for it.” I think a lot of it is cherry picking what other shops get……Well we all have targets and you are all trying to achieve your target”
Managers also reported informal cascading practices outwith the Rags to Riches channel, which involves communicating on an ad hoc basis to relevant managers through email, social media, manager’s meetings or telephone that a particular category of stock (e.g. DVDs, men’s clothes) is needed, which can then be transported through the Pringle van route, by an individual manager or as part of area manager store visits.

**Corporate partnerships**

Oxfam has partnerships with high street retailers including M&S and Ted Baker, negotiated at a corporate level. These provide new clothes with selling restrictions so that shoppers cannot either return them to the high street store or try to claim the full price on them. These can be sold at relatively high prices.

**Processing and sorting**

Much of the time of volunteers and managers is taken up by stock processing. The first phase is stock sorting. The sorting is undertaken by volunteers and managers. It is the main way in which stores get stock to sell, so managers often play a key role in the sorting process, with trained and experienced volunteers also sorting. Processes differ across stores, but generally goods are usually sorted by volunteers in the first instance.

The rules for sorting for clothes are:

a) Check condition. Anything stained, bobbled, damaged, dirty or torn gets immediately sent to Wastesaver - placed in black bags.

b) Anything which there is a surplus of and which cannot be stored by the store should be sent through cascading – placed in blue bags.

c) Check if the item is unusual or high value, for example vintage or designer labels. These are set aside for further attention from the manager or a specialist volunteer.
Figure 3: Items awaiting sorting at Oxfam store

Figure 4: Sorted and steamed clothing awaiting being put on the shop floor
The rules for sorting bric-a-brac, jewellery and household items are similar.

The rules for sorting books and records are:

a) Check condition. Anything torn, stained, written on, scratched or damaged is sent for pulping.
b) Check for number of copies and local sell-ability
c) If unusual and potentially valuable, consult a specialist or conduct research. Specialist items include designer labels, especially if new, vintage clothing, antiques, valuable jeweller, and for books and records rare titles or signed copies of books e.g. signed JK Rowling

The ‘bread and butter’ items for all general stores are ladies mid-range clothes, followed by good quality household items and bric-a-brac, followed by children’s (if stocked) and men’s wear. Stores often mentioned they could not get enough good quality menswear.
# Women’s Clothing Price Guide

Index: Pricing depends on condition & current fashion. Check online for a valuation especially for higher value or designer items. New with tags will achieve “premium prices” (around 1/3rd of new price) This is a GUIDE ONLY.

<table>
<thead>
<tr>
<th>Category</th>
<th>Premium</th>
<th>High</th>
<th>Mid</th>
<th>Value</th>
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<tbody>
<tr>
<td><strong>TOPS</strong></td>
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<tr>
<td>L/S T Shirt</td>
<td>4.99</td>
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<tr>
<td>Cardigans</td>
<td>Premium</td>
<td>High</td>
<td>Mid</td>
<td>Value</td>
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<tr>
<td>Dresses</td>
<td>Premium</td>
<td>High</td>
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<td>Value</td>
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<td><strong>Jackets or Coats</strong></td>
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<td><strong>Skirts</strong></td>
<td>Premium</td>
<td>High</td>
<td>Mid</td>
<td>Value</td>
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<td>♥ Jeans</td>
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<tr>
<td><strong>Shorts</strong></td>
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<tr>
<td>♥ M&amp;S Bras</td>
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<tr>
<td>Cotton</td>
<td>3.99 - 4.99</td>
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**Figure 5: Pricing guide at Oxfam store**
Secondary criteria include seasonal or pop cultural factors. For example, one store manager described a strategic process which took advantage of back-to-school needs:

“We put that school stuff out 2 or 3 weeks ago and the schools weren’t even finished. What you have got to do as a manager is forward think. That is one of the main things you have got to do. So I put that out and there was week I think £309 in about 4 days because all the grannies came in and bought it up. When I spoke to the area manager to say I was going to put them out, no other manager had put them out. I was quick in thinking because Marks and Spencer had all their school wear out and they were running a 25% off school wear”

A volunteer in a book store described rescuing items from pulping due to Netflix:

“I also try and keep an eye on pop culture tie-ins as well. There was a day I came in and somebody had obviously been culling the children’s books and there was a complete set of Lemony Snicket books sitting in the Book Donor’s box but that was the week they had put it on Netflix so I took it back out and displayed it”

Unusual and potentially rare items, if spotted, are put aside by volunteers to be checked by a manager, by a specialist volunteer or through research such as Ebay.

Overall, the process of sorting and pricing is incredibly quick. There is some knowledge of what might sell elsewhere, but this is dependent on relationships and not necessarily front-of-mind. Due to HQ pressure and pride in their own business, managers focus on their store primarily.
Stock rotation and culling

Stores spend a significant part of time rotating and culling stock, according to relatively standardised systems. Stores rotate items around the store within the four week culling period, especially bric-a-brac, to freshen shelves and make them look attractive.

In general, stores reported that they do not like to leave items on the shelf for longer than four weeks, as this creates a negative impression of tired stock. Similarly, they do not like to visibly reduce stock in price to get sales, though they will re-price if they have not sold items that they consider should be sellable in their market. Stores use a system of coloured blocks on clothes hangers to rotate or cull items. Items that are culled but still in good, sellable condition are cascaded to other stores.

Stock storage

Stock storage is a major challenge for many stores which have small back rooms. As the quality of stock donation can vary from week to week, so can the type, meaning that stores can see seasonal items donated throughout the year, such as Winter coats donated in Summer. Rather than cascade or send these items to Waste Saver, shops prefer to store them if they can. Where possible, some stores kept back supplies of seasonal wear (such as party tops for Christmas or New Year). Stores with the storage space to do this included Penicuik, and this store even holds stock for other shops. This is important because the ‘cascading’ of value in this network can also extend stores sharing differential advantages like storage space.
“[T]here is a three-point policy [which] I always tell my new managers; you are pricing for 3 people. You are pricing for the person who has donated the item, they don’t want you to give it away or they wouldn’t bother giving it to you. They want you to get a good price for it and make as much money as you can for the cause. You have got the customer of course, who doesn’t want to be ripped off. They want to have a good quality item but feel when they go out that they could have paid a lot more for it if they had gone somewhere else, they want to feel they have got a bit of a bargain and that will keep that fire going. If you go too high they won’t come back, if you go too low you are not meeting the needs of the donor. Then the third port of call is the person who is going to benefit from that sale at the end of the day. You are trying to make as
much money as you can for them. You don’t want to give them stuff away when it is worth more because then you feel you have let them down. This is a 3 point dilemma that most shop managers, who are very savvy with their pricing, are juggling every day. (Area Manager)

**Pricing for ‘bread and butter items’**

After the unsellable and unusual stock is removed, items are priced. Managers can price how they like for their area, meaning there is not officially standard pricing, although there are commonalities and general trends across stores. ‘Bread and butter’ items including ladies’, mens’ and children’s wear, bric a brac and household goods, DVD and books. The pricing of these items can be done by managers or experienced volunteers who in some stores such as Penicuik can take ownership of particular sections (e.g. children’s—see section 8 below for more information on how tasks are distributed throughout volunteer teams). Pricing of these standard items is highly dependent on market knowledge built up over time and through trial-and-error. The key criteria relate to the demographic and local market conditions (for example, fashion and fun items such as fancy dress sell in student areas, affordable ladies’ tops in high street stores, and good quality high street items such as John Lewis in middle class areas). Some stores have attempted to write these rules down (for example, Nicholson Street store has created a list of clothing brands), whereas other volunteers described them as they went along.

One volunteer at Morningside demonstrated the process of sorting as assessing each item against a mental record of ‘sellability’, based on the following:

a) A secondary assessment for any quality issues that were missed in first sorting. Oxfam stores all aim for high-quality stock so any damage,
stains, stress marks or bobbling (and for books, unless they are rare or old, any tears, missing pages or stains) usually result in the item being discarded.

b) A check for indicators likely to make the item more sellable such as a desirable label, or the tags still on (indicating new)

c) An assessment of the item’s quality and desirability. While this is down to each volunteer, they do not apply subjective criteria or try to impose their own personal taste.

The pricing across stores is not standardised, and stores can charge what they like according to local market conditions. Multiple factors feed into pricing, including:

a) The tacit knowledge, built up over time, as to what tends to sell well in an area

b) The quality of the item (as discussed above, a function of its condition, its desirability and its label)

c) The need to secure a quick sale versus getting the maximum

d) The need to secure a good price to support development projects

e) The responsibility to the donor to make the most of the gift

f) Likely competition from other charity shops

g) Seasonal or cultural factors (Christmas, weather, pop-culture)

h) The chance to do a themed display (e.g. if they have several wedding dresses or comics)

Although pricing is not completely standard, some general guidelines are as follows. It is more straightforward to do standard pricing in books:

Ladies top, mid-range high street: £1.99-£3.99
Men’s shirt: £2.99-£4.99
Winter coat, ladies £10.99 - £29.99
Paperback fiction: £2.49
Paperback non-fiction: £2.99
Cookbook: £4.99
Nicholson Street has created a list of prices which is somewhat indicative of prices across the network, but these are not official and process are set by each store.

Pricing specialist and high-value items

Potentially high value rare items require more specialist pricing, undertaken by a specialist volunteer or by a manager using a variety of tactics including Internet searches, social media, drawing on contacts or telephone detective work. For example, in connection with a potentially valuable painting, one manager described how a colleague “got a lot of praise at the area meeting. She traced the artist and contacted them so she knew exactly how much it was worth and there was a bit of information that went with it that she put in the window and there was quite a lot of interest and I think she sold it within 24 hours for about £400. That was a good sale but you need to do the leg work”. It is also important to justify to the shopper the price of a high value item, which is done through explanation and narrative, such as shown in figure 5 overleaf:
Figure 6: High-value pricing and merchandising strategy in an Oxfam store
Pricing dilemmas

Pricing is not always a straightforward process. Each store’s approach will vary, depending on the Manager’s strategy and the local market. Dilemmas include:

Should the store sell an item locally for less than it might fetch in other stores?
In these cases, all managers we spoke with would sell in their store first. The stores are incentivised to sell locally. If the manager can sell it then they will, regardless of what price it would get somewhere else.

At what point should an item that has not sold be reduce in price?
Stores try to keep stock fresh and interesting for shoppers, so having an item hanging around for more than 4 weeks generally does not happen. Items will usually be culled after 4 weeks, but during this period, they may be freshened by being moved to a different location, cleaned, arranged with different partner shock or as part of a themed display, or put on a nice wooden hanger. If these tactics do not work, stores may reduce, but they also caution against having visibly reduced prices for large amounts of stock as this encourages shoppers to try to knock down prices or to wait in the hopes of a reduction.

Should stores price for a quick sale or for maximum value?
This is a contextual decision, and shaped by local market knowledge and manager strategy. Generally, managers reported that they would prefer to sell for the maximum and reduce prices if necessary. However, it is important to understand this is different across locations, and some stores in poorer areas also felt a duty to provide good quality clothes at affordable prices to their local customers.
New Products

Most, though not all stores sell a range of new products (coffee, chocolate, toiletries) and seasonal items (cards, Christmas gifts). These are priced centrally and ordered by the manager or a trained volunteer.

To sum up, the bulk of donations across Oxfam Trading are donated in stores. However, the vast majority of stock received, as reported by managers, is not sellable in store. This is not necessarily a cascading issue, rather a quality issue. Stock donations vary across stores, with some ‘stock-rich’ stores cascading to others, while ‘stock-poor’ stores making use of clothing banks. Oxfam managers and volunteers have a number of strategies to make the most out of each donation. Sorting is a core process and is undertaken by managers or trained volunteers. Items undergo two assessments, with the first sort discarding all the dirty or damaged items, and the second sort consisting of pricing, quality-checking and discarding sellable but unwanted items through Wastesaver.
8. VOLUNTEERS

“Some of our volunteers can be quite troubled. I had one lady, all she wanted to do was stand in the back and steam clothes. But now, she is out the front, happy on the tills.” (Store Manager)

Volunteers are a key resource for Oxfam stores. The history of Oxfam is a volunteer-led organisation, with the only paid positions in Oxfam stores being managers or deputy managers. The majority of sorting, pricing, valuation, customer service and merchandising of stock is therefore performed by volunteers. However, as discussed in the quotation above, the skills, motivations and availability of volunteers can vary greatly.

A medium-sized store such as Morningside standard store has around 70 volunteers, who usually come in 1-2 days per week. Volunteers spoke of
a mixture of motivations for volunteering at a store. Some are looking for skills, in particular language and retail skills. Others are motivated by partaking in a sense of community, with one volunteer reporting that she sought out volunteering opportunities after the death of her husband. In turn, these volunteers that are rooted in a particular place often attract members of the community in to visit and shop, with traditional high street stores such as Penicuik hosting long-term volunteers who know many regular shoppers. Such volunteers are not primarily motivated by Oxfam’s international development work. Still other stores attract volunteers specifically seeking engagement with Oxfam’s mission and overseas work, and view this as an expression of political identity and a desire to ‘make a change’ and ‘do good’. One volunteer, for example, reported that her engagement with Oxfam was part of a broader life change following the murder of MP Jo Cox.

Each manager organises their volunteers in different ways, meaning it is not possible to generalise. Some stores such as Newcastle City Centre operating as volunteer-led stores, and Penicuik assigning sections of the ‘business’ to volunteers who then have significant autonomy over sorting, pricing and merchansising in that category. Still others retain the manager as the central point of organisation and strategy, who then delegates tasks to volunteers. This often depends on the willingness of volunteers to undertake organisational or strategic work – in several cases, volunteers reported simply wanting to come in and undertake simple, straightforward tasks that they feel comfortable doing, rather than more stressful tasks. Several managers acknowledged that it was important that volunteers choose their own level of engagement.

Stores often described struggling to recruit volunteers, with some managers viewing this as a result of social and economic pressures meaning that skilled and experienced people were not available for volunteering. One Area Manager and a specialist Volunteer Recruitment Manager stated that social changes such as a rise in working hours and two-job households, and the extension of retirement age for women would have a negative impact on volunteer recruitment. Some store managers, particularly in cities, reported that a significant number of their volunteers were looking
to Oxfam to improve their employability, and often, these volunteers had emotional, or physical or mental health problems which meant they were seeking volunteer rather than paid employment. As such, managers dedicated a significant part of their time to caring for and training these volunteers, which impacted on the amount of time they had to run the store. This marks charity shops as broader spaces of care outside of conventional paid employment or state services, with managers playing a significant role in helping vulnerable volunteers.

Managers reported that a core part of their role was motivating and thanking volunteers. The techniques for this exposed a tension between the need to allow volunteers to work according to their capability and desire, and the need to run a profitable and effective store. One manager described how she motivated volunteers by reminding them of the mission: “I tell the volunteers, that is why we are here. That is why we sort stock. That is why we have to make more money at the end of the day” (Store Manager). However, the commercial aims of the store have to be met without placing such pressure on volunteers that they leave. The solution for many managers was to emphasise the creation of a fun and collegiate culture: “I always make sure I say thank you to them. Ask if they had a good day. We have cake and things like that. Their time is a gift to us” (Store Manager).
“The key to a successful store is a good manager. They have to be organised, enthusiastic, and know their market. And they can be very hard to find.” (Area Manager)

The glue holding each store together is its manager, with each Oxfam store having a paid manager position, and, increasingly, a paid deputy manager. There are some exceptions, with isolated volunteer-only stores, and in some cases, manager or deputy manager positions can be part-time. Nevertheless, generally speaking managers are responsible for all aspects of the store, from sorting, pricing and moving stock, to reporting to Oxfam HQ, to recruiting and managing volunteers, and dealing with third parties such as local councils. Managers must also set the tone for good customer service and stock quality, and as a result, the manager’s role is
busy, hands-on and varied. Much of the knowledge held by managers is tacit, based on learned knowledge of their particular market and experience gained in other charity shops (if relevant).

Managers reported different motivations, and, like other aspects of life in an Oxfam store, it is impossible to generalise on why a manager ends up in the role. For some, especially music and book store managers, reported that the attraction is to work with books and records. Others have experience in other charity shops and are attracted to Oxfam because it provides an opportunity to gain more autonomy over their store. Still others described having professional careers in industry and commerce, and wanting to give something back using this experience. One described how, after a period of unemployment, Oxfam provided a second chance. Many described how they were attracted to an interesting and diverse role with the chance to ‘give something back’.
10. TECHNOLOGIES AND DATA

Stores make use of several different types of technology, including online selling through Oxfam Ebay, along with social media, and data collection through Gift Aid. Technology is a particular area of focus by trading management level, who are interested in improving stores’ performance in online selling by recruiting specialist deputy managers or volunteers tasked with increasing online sales, as well as other innovations such as iPad screens to improve uptake of Gift Aid. Notably, processes which are labelled ‘digital’ often have a significant manual component; online selling also requires the sorting, storing, photographing and posting of items, while Gift Aid, as well as capturing customer data for HMRC also involves a lengthy and relatively complex process of manually labelling donated items from Gift Aid customers, and ensuring this is maintained throughout the sale of the item. Gift Aid and online selling are important sources of revenue for the stores, with Gift Aid providing a further 25% of the value of the donation, and online sales of high-value items growing. Consequently, managers view these processes as vital, and spend time with
volunteers ensuring they are correctly followed.

However, despite the increasing focus on technology and its related manual procedures as a key source of value, volunteers have mixed responses to following detailed procedures, and to the world of online and data technologies in general. Several managers reported that they are sometimes concerned about volunteers’ capacity and willingness to follow the manual and online procedures necessary to capture value from these opportunities. Gift Aid requires the following steps: Asking customers for personal data (which is then passed to HMRC); printing labels and stickers with a unique code to ensure the donated items are recognised as Gift Aid, ensuring these labels remain with the items throughout the sorting and pricing process (a key point at which labels can be lost), and finally that the item is registered as Gift Aid at point of sale. Similarly, online selling requires a process of identifying the item as suitable for online sale, setting it aside and storing it away from the shop floor, photographing and advertising the item online, responding to potential buyers, packing and posting the item, and receiving online payment. A volunteer can feel uncomfortable with any or all of these steps.

There are two important points from this discussion. First, ‘virtual’ and ‘online’ processes are actually also manual and physical ones, and linked to the store footprint and to volunteer’s existing skills. Second, any change in technology or approach to data would require detailed training of volunteers.
11. CONCLUSIONS

The purpose of our initial in-depth ethnographic engagement has been to start to understand how value is created in one part of Oxfam – its network of stores. What we have learnt about Oxfam and its valuation practices will then go on to inform further research phases, alongside other engagement with Oxfam’s policy, program, technology and other head office staff. It will also facilitate a long-term engagement with the stores throughout the rest of the project, allowing us to return to receptive and willing stores to explore potential technologies and designs in more detail.

Oxfam stores fundamentally exist to support its wider development mission through providing non-directed or conditional revenue. As such, the mission of an Oxfam store is to sell as many good-quality donated and new items to make as much money as it can for Oxfam. This core mission presents the stores with challenges around sufficient good-quality donated items, securing volunteers to process the donations, and shoppers willing
to spend money. However, Oxfam stores are also spaces of care and community, where its broader mission of development is performed and communicated (and sometimes contested), and where managers and volunteers find roles which provide them with wellbeing, enjoyment and purpose.

Oxfam shops also provided us with a way to understand materiality of ‘things’ and place. Oxfam stores are very much intertwined with, and rooted in, their local place. The demographic of the area strongly influences the type of goods that get delivered and the type of items that sell well, along with the availability, capacity and number of volunteers. These aspects all vary throughout the network of stores. In addition, size and storage capacity is not the same across the stores, meaning that each shop is unique in its material and community make-up. For this reason, and in recognition of Oxfam stores as spaces of care and community, the OxChain project has moved away from its earlier consideration that an internal market (where stores or volunteers ‘compete’ for valuable items in a network and greater value is generated through networked efficiencies) would unlikely suit the values that we observed in the Oxfam stores we visited.

The multifaceted values and obligations of an Oxfam store are reflected in its pricing policies. This was neatly summed up in Oxfam’s ‘three point’ pricing policy, which means that its managers and volunteers must price for the donor, the purchaser and the aid beneficiary. This goes beyond the idea that the stores simply exist to provide revenue for development work; instead, we see how Oxfam staff must negotiate a complex series of ethical obligations. Through paying attention to these multiple commitments, Oxfam builds up and maintains trust. These multiple commitments were also revealed through its business model, which illustrated how Oxfam engages in a series of relationships with its customers, from one-off transactions to much more in-depth and extended values-based relationships, where a person might donate to, shop in, and support Oxfam’s campaigns over several years. However, we also observed how these multiple obligations and range of value propositions means that Oxfam stores can face dilemmas over value, especially when it comes to pricing.
11. REFERENCES


GROWS VEGETABLES
FILLS CLASSROOMS
BUILDS W Wells
EMPOWERS WOMEN
FIGHTS POVERTY