

The secret behind the big orange M



Grocery and clothes shopping, fueling, working out, learning a new language, qualifying in leadership and management, booking a holiday, rethinking your insurances, banking,... maybe you weren't aware of but Switzerland's largest retail company, largest supermarket chain and largest employer covers it all. It is also one of the forty largest retailers in the world.



(German pronunciation 'migo', to make things worse: masculin/feminin in Swiss German, feminin in High German)

The name comes from the French "mi" for half or mid-way and "gros", which means wholesale. Thus the word connotes prices that are halfway between retail and wholesale. The logo of the company is a large orange M, which has led to its surname "the orange giant".

Gottlieb Duttweiler ("Dutti"), entrepreneur and founder of Migros



Migros was founded in 1925 in Zurich as a private enterprise by Gottlieb Duttweiler, who had the idea of selling just six basic foodstuffs at low prices to householders who, in those days, did not have ready access to markets of any kind. At first he sold only coffee, rice, sugar, pasta, coconut fat and soap

from five lorries that went from one village to another. The strategy was to eliminate the middleman from the supply chain. Like that Dutti (his nickname) could cut costs by 40% which led to the broad resistance of his competitors. Finally the producers decided to boycott him in protest. As a reaction, Migros started creating its own line of goods beginning with meat, milk and chocolate.



Another way to get around restrictions was and still is the copying of well-known goods. A famous example was the Ben&Jerry's ice-cream which was first named "Jane&Mary's" but later had to be changed to "Mary Jane's". The cup still looks very much like the original though. (the "Swiss-Chilbi"-flavour is delicious!) It is therefore really interesting to see that Migros of all the companies took legal action against competitors copying their goods (Lidl:ice-tea, Coop: farmer cereal sticks).

In 1926 Gottlieb Duttweiler built his first market, also in Zurich. By 1941, the energetic entrepreneur had built a number of markets but, in that year, he basically gave the business to his customers by transforming everything from his privately owned enterprises into regional cooperatives, headed by the cooperative society '*Migros-Genossenschafts-Bund*' (Federation of Migros Cooperatives).

Nowadays more than 2 million of Switzerland's total population of 8.2 million people are members of the Migros cooperative. You can become a member as a foreigner living in

Switzerland too. You'll be given a share certificate of 10 Swiss Francs for free and your membership includes the weekly magazine, voting at the general assembly, reductions etc.: www.migros.ch. Migros doesn't pay any dividend though. ☺

Philosophy

Gottlieb Duttweiler was concerned by the health of his customers and decided that Migros would not sell any alcoholic beverages nor any tobacco. It is still the case today; although Denner, owned by the Migros group, does sell alcoholic beverages and cigarettes.

Another special thing about Migros is the so-called *Migros Kulturprozent* (cultural percent). Migros has obliged itself to spend one percent of its annual turnover for financing social and cultural projects like performances, exhibitions, nature parks, or educational courses at the *Migros Clubschool*, where I offer one of my leadership seminars.

Gottlieb Duttweiler and his wife Adèle also wrote their "fifteen theses" (1950) which, without being legally binding, are an ethical heritage of Migros. It contains values and guidance such as a goal of "serving the community", "The general principle that we profess is to place people at the center of the economy" and "The general interest will be placed higher than the interests of the Migros cooperatives".

Critics and "Migros-children"

Some critics claim that Migros has lost touch with its founder's ideals. They say that the cooperative is not governed democratically by its members as it was once envisioned by Gottlieb Duttweiler. It is argued that instead, through various amendments to the by-laws, it is now the executive board that decides over all major business matters and policies.



The restaurant at *Park im Grüene* (park in the green, Rüschlikon, very much worth it with smaller children and free), the former estate of Gottlieb Duttweiler that went to public use in 1947 even serves alcohol: not really Dutt's idea you'd say...

Migros is definitely an inextricable part of the life for many Swiss families. The main competitor is Coop and some of us might even refer to ourselves as either a Migros or a Coop-child. Mostly this depends on the shop that used to be closer to the house we grew up in and people usually keep their preference ☺.

And another thing: It's the time of the year to again buy the famous 'Fasnachts-Chüechli' (yummy carnival speciality). Just take it from me: the beyond best ones are from Migros. Never buy others or people will laugh at you (seen several times ;-)).



Sources: www.migros.ch, Migros Magazin, www.wikipedia.org



If you want to avoid to put your foot in your mouth also in more important areas than 'Fasnachts-Chüechli' and if you're looking for more insights into life in Switzerland, join us for our next seminar at the WAC.