

Consumer Involvement in Organizations in the “organization as communication” Perspective: a Multidisciplinary Research Agenda

Andreina Mandelli, SDA Bocconi School of Management, Italy

Abstract

This paper’s goal is to address the issue of how we can conceptualize and build a research agenda on customers’ involvement in organization, through consumer communities. Consumer communities have increased their importance in the last few years, following the diffusion of the use of the Internet by consumers, for business and brand-related activities. This issue is also particularly important in times characterized by the incredible success of the so-called social media, the media in which the user-generated content and user participation become central. This topic has been addressed in the literature on knowledge management and innovation management (within the narrative on communities of practice), and more recently in the literature in marketing (focused on brand communities). We argue that a more integrated and communication-based research agenda should be developed, so to uncover the complex interlink between these two processes (learning and brand building) in consumer communities, but also how they participate to the socio-cognitive and narrative constitution of the new complex and boundaryless organizations.

Keywords: consumer communities; communities of practice; brand communities.

Customers as Innovators

“Consumer involvement in organization” is a strategic new frontier of management, in global and networked markets (Nambisan, 2002). This issue is relevant within the theoretical debate on the shift toward new networked organizations (Powell, Koput, Smith-Doherr, 1996; Dyer and Nobeoka, 2000), but also for its management implications in organizations that face the challenge of the new post-fordist and networked markets.

Literature on strategy, organization, and product development all emphasize the importance of customers in the organizational innovation processes. Special mention deserves the “Customer as Innovator” perspective (Prahalad & Ramaswamy, 2000; Dyer et al., 2000), with the idea that consumer knowledge is central for new product development and strategic competitiveness. The special value of the knowledge “absorbed” (using the notion of “absorptive capability” proposed by Cohen and Levinthal, 1990) from customers – in this perspective – comes from the possibility of combining it with the dynamic capabilities of the firms, their creativity and product development potential (Powell, Koput, Smith-Doherr, 1996).

This research program is consistent with the idea of learning organizations (Senge 1990; Edquist et al., 1998), which seeks to entitle organizations with the role of creating the bases for adaptation, in complex markets, through learning. Knowledge, in this approach, is seen as the engine for evolution. Organizational

learning is described as an emergent, trial-and-error process (Mintzberg, 1996; Rumelt, 1996), "situated" in specific and culturally bounded social settings and communities of practice (Lave and Wenger, 1991; Brown and Duguid 1991; Wenger et al., 2002). Communities of practice can be external, made by customers or other external business partners, who are willing to share their expertise on a relevant topic (Nambisan, 2002).

The biggest problem with the external communities is believed to be the difficulty for organizations of benefiting from this knowledge (Szulanski, 2000), developing relational learning processes and shared narratives for transferring their customers' tacit knowledge, transforming it into an organizational resource.

Customer involvement in organization and brand communities

The role of product brand and brand symbols in consumer culture and behaviour has changed quite substantially in the last decades, as well as our understanding of the complexity of consumption (McCracken, 1986; Carr, 1996; Escalas and Bettman, 2003; Thomson et al., 2005; Arnould and Thomson, 2005). Consumers are not seen anymore as rational decision makers. They subjectively and socially construct their consumption and branding experiences.

With the diffusion of the Internet, consumer communities have started to be considered as a way to facilitate stronger relationships between firms and these new consumers because they become very active online (Schouten et al., 1995; Brown, Tilton, & Woodside, 2002; McAlexander et al., 2002; Dholakia, Bagozzi & Pearo, 2004). These communities develop in virtual and physical communication environments, around common interests related, directly or indirectly, to brands and products. Within this perspective we do not distinguish between corporate brand and product brand, since what matters (in a product-related or brand-related consumer community) is the brand that becomes salient for the consumer in his/her encounter with the product. The corporate and the product-specific values and symbols overlap.

Firms are supposed to benefit from launching or entering in relationships with existing consumer communities, around the social imagery of their brands, to fulfill business goals: increased sales, positive word-of-mouth, more effective market segmentation, increased website traffic, stronger brands; higher advertising and transaction fee revenue; better product support and service delivery (Porter, 2004).

"Consciousness of kind" or "we-ness" is the strong connection that members of a brand community feel toward one another beyond geographic limits, a sense of belonging, a social identity and a collective sense of difference from others not in the community. This sense of difference and oppositional brand loyalty, stemming from a sense of "legitimacy of cause", builds what the brand is and what the brand is not, along

with what the members are and are not. This socially negotiated meaning of the brand is strictly interlinked with experience and knowledge of the product (Muniz and O'Guinn, 2001).

For Muniz and O'Guinn (2001) rituals and traditions represent "vital social processes by which the meaning of the community is reproduced and transmitted within and beyond the community." They are usually centered on shared consumption experiences with the brand and social narratives. "Storytelling is an important means of creating and maintaining community. Stories based on common experiences with the brand serve to invest the brand with meaning, and meaningfully link community member to community member." (Muniz and O'Guinn, 2001) This social narrative include the institution that owns and manage the brand, since brand stories sometimes emanate from commercial texts and advertising. From these stories consumers negotiate brand identity (brand values), often including adversarial nuances and challenges to the firm's sense of ownership on the brand (Kozinets, 2004). Just because of this perspective, often adversarial consumerism can be included in the organizational discourse, since it can become part of the brand-consumer conversation.

Communities construct their life and social identity through dynamic processes, embedded in rich social contexts. Consumers participate to this symbolic construction bringing their knowledge and rational expectations but also their individual and social emotions and dreams. But the link between this rich social context and brand building does not seem so simple to researchers and practitioners yet (Kozinets, 1999; As Bagozzi and Dholakia (2002) write: "Much effort in the last five years or so has gone toward creating virtual communities for commercial purposes. Early simplistic thinking of 'build and they will come' has given way to a less obtrusive, hands-off 'nurture and cultivate' approach – but even here, the focus of marketers has been on keeping the commercial topic (discussion regarding the product) as the underlying focus of the community. ... such an emphasis may be somewhat myopic and misdirected. The group, not the product must be the object of nurturance, for virtual community builders" (Bagozzi and Dholakia, 2002, p. 18).

Another underexplored issue regards the influence of the so-called internal organization on the external organization. On the knowledge side of the problem it is relevant to understand how the knowledge that emerges from organizational practices enters the life of consumer communities. On the brand identity side it is a matter of relationship between formal brand communication (advertising) and this consumer-driven social sensemaking. Knowledge and identity emerge from a complex dialectics between consumer narratives and corporate communication. What are the implications for marketing communication management in organizations?

Proposing a new interdisciplinary approach, grounded in communication theories of organizations

In this paper we propose a communication-based integrated approach to the study of consumer knowledge (in particular knowledge for product development) and brand identity, within the "customers' involvement in organization" area of research.

The studies on customer involvement in organizations have highlighted the importance of socialization processes among consumers, and between consumers and organizational actors, in order for firms to achieve the expected benefits. This is why consumer communities (often in the form of brand communities) have been increasingly considered a strategic phenomenon for organizations, from different fields of management studies and firms are suggested to enter in rich and relaxed relationships with these informal groups of consumers, if they want to reach their learning and brand-based goals.

The application of these principles have, though, highlighted how difficult is to establish these bridges between the so-called internal and external organization. On one side it is reported to be difficult to understand how to transform external into internal knowledge, and how to use it, particularly in contexts of radical innovations. On the other side firms are still struggling with the challenges posed by a negotiated and collaborative view of brand identity.

Some of these problems can arise from the approach used to conceptualize the relationship between firms and consumer communities. Knowledge is often conceived as something to be "acquired", "absorbed" or "accessed". Collaborative brands are often considered as negotiated extensions of advertising-based product identities. We consider this the main fallacy in the approach applied, in the mainstream research, to the study of this issue. Knowledge and communication are conceptualized using a "message transportation" metaphor, while in communication studies we have since long understood that communication is a "ritual" social construction of reality (Carey, 1989).

Research that in both fields (innovation management and marketing) are starting to apply an ethnographic and conversational perspective (Kozinets, 2004; Cova and Cova, 2002; Lundkvist and Yakhlef (2004) are showing how richer can be our understanding, if we study consumer communities as part of the organizational conversation. But today even these studies are separated by disciplinary boundaries and still limit the exploration to their object of interest: consumer knowledge or brand identity. We instead contend that leaving these efforts on separate grounds we are still missing the point.

From a communication perspective there cannot be knowledge without identity and identity without knowledge. Communication rituals and practices generate both knowledge and identities.

It is a matter of relationship between knowledge and social sensemaking, but also a matter of understanding how the process of knowledge building is related to identity construction. Communication

scholars contend that these two terms cannot be separated (Taylor, 1999). "Organizations ... need to know that they are organizations - that they form a community of people united by a common fate. Otherwise, if the community itself has no identity to the people who make it up, it will eventually fall apart. Thus, this means that what the community knows, as a community, must somehow be given a voice so that it can, in Weick's (1969) words, 'know what it knows because it sees what it says.' And that means voicing the network's practical knowledge discursively, to make it intelligible to the community as a whole. " (Taylor, 1999) It is through narratives and narrativity that we come to know and make sense of our social world, and it is through narratives that we constitute our social identity (Somers, 1994).

We argue that we can produce a better understanding of consumer communities, and how we can include them in organization innovation and identity building, if we take an interdisciplinary, communication-based approach. An interdisciplinary integration of the research on consumers' communities of practice with the one on brand communities, around the communication processes involved in these practices, promises to be the best conceptual framework within which we can place the study and the management of customer involvement in organizations.

If we think at organizing as "intersecting networks of conversations" (Maturana, 1997, p. 61), knowledge is not something that can be "absorbed" from somebody (consumers in our case); It is a symbolic complex and interactive construction of meaning. We think that a robust research agenda in this area should build on the idea of organization developed in social psychology of organizations by Karl Weick (Weick, 1969, 1995; Daft and Weick, 1984) and in organizational communication by James Taylor, Linda Putnam, Barbara Czarniawska, D. Robichaud, and Cooren (Taylor and Cooren, 1997; Taylor, 1999, 2001; Heaton and Taylor, 2002; Taylor and Robichaud, 2004; Robichaud, 2001; Robichaud et al., 2004; Czarniawska, 1997; Putnam and Cooren, 2004). In their work organizing is social sensemaking and communication.

The one that we propose is an innovative research agenda, because the researchers we cited applied their communication-based view of organization only to intra-organization analysis or (in very few cases) to inter-organization practices, while we propose to apply it to the study of consumer involvement in organizations. If organizations are conversations; consumers are part of this interactive construction of knowledge and meaning, but also this conversation constitutes both organizational knowledge and identity (and therefore brand).

Without understanding what constitutes social identity in what we can still call the "external part of the organization" and how it links to practices and communication in the "internal" organization, firms cannot explore collaborative knowledge building with their customers. Identity builds on symbols and narratives. But also collaborative branding cannot be built apart from this dynamic process of learning. Knowledge and

collaborative brands, in the interaction with consumer communities, are the products of the same process, a process that we call communication.

Within the plan of this short article we limit our interdisciplinary proposal to the theoretical research agenda on these issues. Future studies should address also the managerial and practical implications of this approach, exploring the normative dimension of this perspective. What management rules for the new firm-consumer encounters? We think there is room for relevant research in this area.

References

Arnould, J. E.; Thompson, J. C. 2005 Consumer Culture Theory (CCT). Twenty Years of Research. *Journal of Consumer Research*. Mar 2005. Vol. 31, Iss. 4; p. 868

Bagozzi, R. P., & Dholakia. U. M. (2002). Intentional social action in virtual communities. *Journal of Interactive Marketing*, 16(2), 2-21.

Brown, S. L., Tilton, A., & Woodside, D. M. (2002). The case for on-line communities. *The McKinsey Quarterly*, 1.

Brown, J. S.; Duguid, P. 1991 Organizational Learning and Communities-of-Practice; Toward a Unified View of Working, Learning and Innovation, *Organization Science* 2, No. 1, 40–57

Carey, James W. (1989), *Communication as Culture: Essays on Media and Society*, Boston: Unwin Hyman.

Cohen, W. M. & Levinthal, D. A. (1990). 'Absorptive Capacity: a New Perspective on Learning and Innovatin', *Administrative Science Quarterly*, Vol35, No1, pp. 128-152

Cova, Bernard and Veronique Cova 2002, "Tribal Marketing: The Tribalisation of Society and Its Impact on the Conduct of Marketing," *European Journal of Marketing*.

Czarniawska, B. 1997. *Narrating the organization: Dramas of institutional identity*. Chicago: University of Chicago Press.

Daft RL, Weick KE. 1984. Towards a model of organizations as interpretation systems. *Academy of Management Review* 9: 284–295.

Dholakia, U. M., Bagozzi, R., & Pearo, L. K. (In press). A social influence model of consumer participation in network- and small-group-based virtual communities. *International Journal of Research in Marketing*, 21(3), 241-263.

Dyer J.H., Nobeoka K. (2000), "Creating and managing a high performance knowledge-sharing network: the Toyota case", *Strategic Management Journal*, 21 (3): 345-367.

Edquist, Charles; Hommen, Leif; Johnson, Björn; Lemola, Tarmo, Malerba, Franco, and Smith, Keith (1998). "The ISE Policy Statement: The Innovation Policy Implications of the 'Innovation Systems and European Integration' (ISE) Research Project", Linköping 1998

Escalas, Jennifer Edson and James R. Bettman (2003), "You Are What They Eat: The Influence of Reference Groups on Consumers' Connections to Brands," *Journal of Consumer Psychology*, 13 (3): 339-348.

Heaton, L. & Taylor, J.R. (2002). Knowledge management and professional work: a communication perspective on the knowledge-based organization. *Management Communication Quarterly* Vol. 16, No. 2, pp. 210-236.

Kozinets, R.V., 1999, "E-tribalized marketing? The strategic implications of virtual communities of consumption", *European Management Journal*, 17, 3, 252-64.

Kozinets, R.V, 2004 Burning man: can consumers escape the market?, *Journal of Consumer Research*.

Lave and E. Wenger (1991) *Situated Learning: Legitimate Peripheral Participation*, Cambridge University Press, Cambridge, UK

Lundkvist, A. & Yakhlef, A. (2004) Customer Involvement in New Service Development: A Conversational Approach. *Managing Service Quality*, Vol 14 No 2/3.

Maturana, H. 1997 *Metadesign*. Instituto de Terapia Cognitiva INTECO - Santiago de Chile.

McAlexander, James H., John W. Schouten, and Harold F. Koenig. 2002. "Building Brand Community." *Journal of Marketing* 66 (January): 38-54.

McCracken, Grant. 1986. "Culture and Consumption: A Theoretical Account of the Structure and Movement of the Cultural Meaning of Consumer Goods." *Journal of Consumer Research* 13 (June): 71-84.

Mintzberg H. (1996). Learning 1, Planning 0. *California Management Review* 38(4): 92-93.

Muniz A., O'Guinn T. (2001) Brand community. *Journal of Consumer Research*. Mar 2001

Nambisan, S. (2002) Designing virtual customer environments for new product developments for new product development: toward a theory. *Academy of Management Review*, 27 (3), 392-413.

Porter, C. E. (2004). A typology of virtual communities: A multi-disciplinary foundation for future research. *Journal of Computer Mediated Communication*, 10 (1).

Powell, W.W., Koput, K.W., Smith Doerr, L. (1996). Interorganizational Collaboration and the Locus of Innovation: Networks of Learning in Biotechnology. *Administrative Science Quarterly*, 41: 116-145.

Prahalad, C.K. and Ramaswamy, V. (2000), "Co-opting customer competence," *Harvard Business Review*, 78 (1), 79.

Putnam, L.; Cooren, F (2004) Alternative Perspectives on the Role of Text and Agency in Constituting Organizations. *Organization* London May 2004 Vol. 11, Iss 3p. 323

Robichaud, D., Giroux, H. and Taylor, J. R. (2004) 'The Meta-Conversation: The Recursive Property of Language as a Key to Organizing', *Academy of Management Review*.

Robichaud, D. (2001) 'Interaction as a Text: A Semiotic Look at an Organizing Process', *American Journal of Semiotics* 17: 141-61.

Rumelt RP. 1996. The many faces of Honda. *California Management Review* 38(4): 103-111

Senge P. 1990. *The Fifth Discipline: The Art and Practice of the Learning Organization*. Currency Doubleday: New York.

Schouten, John W. and James H. McAlexander (1995), "Subcultures of Consumption: An Ethnography of the New Bikers," *Journal of Consumer Research*, 22 (June), 43-61.

Somers, M 1998 *The Narrative Constitution of Identity: A Relational and Network Approach.* *Theory and Society* 23: 605-649

Szulanski, G. (1996), "Exploring stickiness: impediments to the transfer of best practice within the firm", *Strategic Management Journal*, Vol. 17, pp. 27-43, (Winter Special Issue).

Taylor, J. (1999) *The Other Side of Rationality* *Management Communication Quarterly*. V. 13/2

Taylor, J. R.; Cooren, F. (1997). What makes communication "organizational"? How the many voices of a collectivity become the one voice of an organization. *Journal of Pragmatics*, 27, 409-438.

Taylor, J.; Robichaud, D. (2004) *Finding the Organization in the Communication: Discourse as Action and Sensemaking* *Organization* 2004 11: 395-413.

Thomson, M.; MacInnis, D. J.; C. W. Park 2005 *The Ties That Bind: Measuring the Strength of Consumers' Emotional Attachments to Brands*. *Journal of Consumer Psychology*. Hillsdale:. Vol. 15, Iss. 1; p. 77

Weick, K. E. (1969) *The Social Psychology of Organizing*. New York: Random House.

Weick, K. E. 1995. *Sensemaking in organizations*. Thousand Oaks, CA: Sage.

Wenger, E., McDermott, R., & Snyder, W. M. (2002). *Cultivating communities of practice*. Boston: Harvard Business School Press.