

Re-facing the Market

Discussing the role of activities for actor identities in dynamic business networks; A multiple case study of digital media evolution and network dynamics in consumer markets

Purpose –

This paper highlights the question of actor identities in business network theory when applied on consumer product markets, which has traditionally tended to polarize industrial - consumer activities and actor identities leaving the consumer activities outside the primary network analysis. Is it perhaps time to rethink the boundaries that are traditionally drawn up between industrial and consumer actors as subjects occupying separate roles, performing interactive but at the same time polarized activities? Previous works of business network theory conducted by the IMP group suggested that the actor identity should be studied as a result of processes in the network, which means that “changes in the network lead to changes in the identities of actors and can even cause new actors to emerge”. However, since consumer activities have hitherto been perceived as far too temporary, fragmented and unorganized they have subsequently not been regarded as part of the process. They have consequently not been perceived as a network actor and/or included in the network horizon.

Due to the increasing access to, and utilization of, affordable digital hardware/software and escalating adaptation to internet-based activities there would however seem to be a shift in role performances. It would appear that a number of activities are being transferred from the traditional activity spheres within business/industries, and taken over by other actor groups. Research conducted within the realm of Consumer Culture Theory (CCT) also indicates that these activities are far but unorganized or merely transaction based. Has the influence of consumer activities in exchange networks with the increasing utilization of digital media and IT altered the identity of the consumer? Does this force us as researchers to consider including these activities when defining the network horizon?

Design/Methodology/Approach –

This discussion paper is based on empirical findings in studies conducted within three markets, popular music, retail banking and consumer electronics; all of these focusing on the impact of digital media. This paper follows a business network approach in which markets are viewed as dynamic exchange networks following the markets-as-networks tradition (IMP). It questions the prevailing theoretical categorization of viewing participating network actors as subjects occupying separate roles in the processes of performing activities over time.

Findings –

Findings from the three case studies suggest that a deepened discussion of the polarized industrial and consumer actor perspective is urgently required. This is especially important in order to conduct research aimed at understanding marketing contexts regarded as heavily affected by the digital media evolution, which at the present date implies more or less all contexts. It would seem that business network theory would greatly benefit by revising the somewhat dyadic firm – consumer actor categorization. Case findings would rather indicate a market-as-exchange-network view consisting of dynamic activity groupings, and viewing the actors as changing hybrids. These hybrid actors are more closely related to time and activity context than to a specific fixed role.

Key words –

Network dynamics, actors, consumers, activities, digital media

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1. Introduction

The process of how various values and benefits, economic or social, are created and perceived through the exchange activities of various market participants in contemporary market economies is said to be undergoing a fundamental change in terms of traditional actor identities and activity structures. Jenkins (2006) argues that the so called digital revolution is more of a fundamental cultural structure shift than a technological/economic one. As the digital mass mediated world is filled with what Jenkins call 'participatory personalities', individuals and groupings whose interests and activities coalesce with what traditionally is regarded as the commercial world, it is important to be attentive to its fundamental impact on markets as concepts:

"Rather than talking about media producers and consumers as occupying separate roles, we might now see them as participants who interact with each other according to a new set of rules that none of us fully understands". (Jenkins, 2006: abbreviated)

This transformation is not only visible in so called content markets (*e.g. news, music, movies, publishing*) as media and information exchange activities are an important part of every contemporary marketing process. Halinen and Törnroos (2005) argue that networks of various actors with different roles and functions are replacing traditional organized market actor structures and vertically integrated companies. The increased weight and presence of dynamic knowledge, technological innovations and globalization in combination with increased availability and utilization of information technology is according to the same authors an influential driver of this change. Treating markets as networks and describing them in such terms is therefore argued to be a more fitting way of picturing the dynamic, social and economically embedded 'exchange environment' compared with traditional mechanisms of organized governance (*e.g. Achrol and Kotler, 1999*), and Jarillo, (Halinen & Törnroos, (2005)

But what activities or what kind of actors *are*, or should be, included when 'painting the network picture'? What activities are found within the business network horizon?

The theoretical approach of viewing markets as networks has primarily, although not exclusively, been associated and discussed in relation to traditional industrial markets and in business to business marketing but not in consumer-product markets. Within this tradition, often referred to as the IMP tradition, the consumer (often referred to as the end-user) has admittedly been regarded as important, but at the same time not perceived as a part of the marketing process in terms of 'incorporating' consumer (or traditionally viewed non-commercial) activities into the study of network processes, patterns and structure. It has consequently been claimed that these theories are not fully applicable in a consumer product markets context.

According to Pels (1999) this view derives from the "IMP assumption" that in order to be 'incorporated' into the business network the actor has to have the characteristics of an active business organization, not an individual, unorganized 'passive' momentary buyer of atomistic consumer market products. The actor consequently has to be organised, performing activities relevant and influential to the studied network over time, issues which all are inconsistent to traditional theories of consumer's behaviour. The traditional marketing view of a receptive but somewhat passive consumer in B2C markets has been questioned with one derived from the key contributions of the theoretical and empirical research family of CCT (consumer culture theory). Similar to Jenkins reasoning quoted above Arnould and Thompson (2005) introduced, based on a twenty year review of consumer research, the notion of the "prosumer" (producer-consumer). The 'prosumer' is a consumer who takes

elements of commercial offers and crafts a customized consumption experience out of these adding a new or altered meaning to the consumption. Consumption is hence a way of becoming a protagonist inside his/her own relational surrounding (Firat and Venkatesh, 1995). Acknowledging this would then also mean that the influence of consumer activities extends beyond just information exchange also incorporating other exchange dimensions.

It is often claimed that the purchasing process or buying behaviour of the 'consumer' is different compared to the 'customer' (*industrial*). This is allegedly due to the 'fact' that the role and identity of the 'customer' is more well defined as these activities take place within the compounds of a formal organisation guided by the company structures *i.e. the internal processes and patterns of the organisation*. Even though it is stated that both the consumer and the customer acts through similar human actions the dissimilarities in both the internal and contextual structure is regarded to be fundamental in terms of actor identity and activity influence. (see e.g Håkansson & Wootz 1975). This paper do not disagree with "IMP assumption" as such, the issue is more whether the latter is the case. As mentioned above criticism has been forwarded towards the oversimplified and over individualistic view of the consumer meaning that the modern consumer always is part of a 'behaviour system' similar to an organization

Cova & Salle (2008) questioned the B2B/B2C dichotomy meaning that the view of an atomized B2C market must be juxtaposed with the concept of the *consumer tribe* (Cova et al., 2007). Maffesoli (1996) referred to this as "the re-emergence of quasi-archaic values involving a local sense of identification, religiosity, syncretism and group narcissism". Compared to the somewhat outdated concept of segmentation a tribe is defined as a network of heterogeneous persons – in terms of age, gender, income, etc. – who are linked by a shared passion or emotion. A segment is defined as a group of homogeneous persons, which though they share the same 'visible' characteristics are not connected to each other. A segment is consequently not capable of collective action; its members are 'simple consumers'. A tribe on the other hand is perceived to be capable of collective action, its members are not simple consumers, they are also advocates. Thus, tribes or (sub)cultures of consumption does according to Cova & Salle (2008) provide opportunities for the traditional commercial world to engage in symbiotic relationships with the traditionally regarded non-commercial sphere, the consumers.

Previous works within the IMP group suggests that the actor identity should be studied as a result of processes in the network, which means that "changes in the network lead to changes in the identities of actors and can even cause new actors to emerge" Håkansson and Snehota (1995). The definition of the actor identity is consequently not perceived as chiselled in stone, but rather as highly subjective and dependent on the view of the beholder and the studied context. However, since consumer activities have been perceived as far to temporary, atomistic, fragmented and unorganized they have subsequently not been regarded as part of the process, consequently not being perceived as a network actor and/or included in the network horizon.

Pels (1999:31) states in reply that consumers can theoretically be incorporated into the network since it is not the actor specifically but the interaction activities that are of relevance. Perceived consumer passivity might furthermore be a matter of "marketing myopia" in not viewing consumer activities as influential enough to the business network context.

"...from a theoretical point of view, the interaction and network approach can be applied to both business and consumer markets". (Pels 1999:31)

Several studies examine the theoretical grounds for such a network horizon extension (see for example Pels, 1999, Bengtsson, 2006, Pitta and Laric, 2004, Cova and Salle 2008). In these cases it is argued that consumers can be viewed as active due to their engagement in various necessary activities over time. The evolution of IT-based communication system also often encourages the participants of these previously fragmented activities to become part of larger global communities (Internet communities devoted to certain consumption, a brand, product etc)

But isn't the industrial/consumer or B2B/B2C dichotomy simply a matter of research delimitations and network boundaries; Are consumer activities, even if they can be perceived as organised within a 'tribe', actually sufficiently influential to consider that it is not possible to disregard, and should therefore be incorporated into the studied business network horizon? The question whether or not network theory can be applied to consumer markets can consequently be somewhat reversed; can business networks be studied without including the consumer?

Taking a look at the more founding theoretical classics of marketing, Alderson (1957) argued that it is vital to view consumption as an *activity over time* as opposed to simple momentary *transactions*. And also that in order to understand the marketing process it is necessary to take a closer look at the real nature of its participants, i.e. the market actors, their activities and their functions within the network. It is hence the activity performed that is of importance not necessarily the actors as such. It is often said that no business is an island, but the same logic dictates that no consumer is an isolated entity. The behaviour of the individual is according to Alderson often an action taken on behalf of the group in which the individual "holds membership". He thus regarded the concept of household (i.e. a *connected social unit and/or structure*) as an important organised behaviour system and influential part of the 'exchange process' that consequently must be given special attention and something that needs to be looked upon beyond just the act of transactions (Alderson, 1957:31, Sheth et al., 1988:25). However, even if Alderson emphasized the importance of viewing consumption as sort of behaviour/activity system similar to a commercial enterprise he acknowledged the difficulty of bringing them together.

Following the above reasoning it would however appear that consumption should rather be regarded as a process describing the ongoing activity before and after the temporary act of transaction and that this activity is equivalent of other traditional organised activities. In acknowledging such reasoning, one also acknowledges that consumer markets are, even if they are heterogeneous, not fragmented and atomistic in organized actor terms. Being part of a global internet community consisting of thousands of individuals does theoretically empower the consumer as an important actor equivalent to an organisation. If consumption can thus be viewed as equivalent to other business actor activities then they should not be studied in isolation or as a separate market phenomena, nor should they be excluded from the network horizon. This as other actors' activities require adaptation due to the influence of consumers' activities. Bringing in what traditionally is perceived as non commercial actors and activities into business network theory should of course not be an end in itself but should instead be regarded as valuable dimension assisting our understanding of business networks as a whole.

It has been pointed out (see for example Wikstrom, 1996), that buyer-seller interactive models have been developed theoretically, are empirically tested and applicable as predictive models. These are primarily utilized when analysing one particular section of the overall market structure, the industrial actors, while allowing other market sections to remain in shadow beyond the network horizon. The other

market section, in which we find so called end-consumers of products and various traditionally regarded non-business actors, is more or less acknowledged without further ado, thus excluding the relationships in which they are involved, the activities in which they are engaged and ultimately the effect that these have throughout the network structure.

Examples of such “casual acknowledgement” of vital network actors can be found in the analysis of the evolution of “greener” paper pulp as described by Håkansson and Waluszewski (2002, see for example chapter 4) or the description of the resource framework surrounding IKEA’s Lack table (Baraldi, 2003). In the latter example, the importance of consumer participation is noted, as confirmed in the following lines;

“In fact, Lack signals IKEA’s convenience – thanks to its high recognition rate among customers – and contributes to selling other products. Lack is very often purchased by impulse, together with other bulkier products.”(Ibid., p. 134)

The consumer is thus present as customer, displays signs of activities expressed through recognition of convenience and impulse behaviour and are thus clearly addressing resource-development issues. The deeper implications of this, i.e. the effects that the interaction and resource-development activities of “customers” have on resource development (product development) within the entire network, is omitted from the analysis and thus leaving an unfilled gap. The product in question is a bearer of value, a potential locus of activities. Such loading of value does not occur solely within one section of the market structure; it occurs on both sides and through the network tangles which are knotted all around the focal product.

Such a view harkens back to a dyadic approach to marketing (see for example Gundlach and Murphy, 1993) and is similarly echoed by Campenhausen and Lubben (2002) whom argue for a recalibration of analytical tools to integrate participant activities into a manageable single approach. Troye and Howell (in Harrison et al., 2004, p. 229 - 247), proceed to list a number of clear shortcomings in previous marketing research, which have contributed to the fragmentation of the discipline. Among these critical points it important to note the notion of a lack of focus on consumers’ participation in production processes (based on Firat et al., 1995), on consumer behaviour viewed as response behaviour and not goal-directed and consumer as a passive participant and not as active and dynamic (from Bagozzi and Dholakia, 1999). In addition, the underutilization of existing theory which limits understanding of substantive areas, despite numerous studies (from Malhotra et al., 1999 p. 177).

A key point of from which to embark are the criticisms noted by Firat and Venkatesh (1995) on the lack of understanding of consumer participation in production, a lack of understanding of the integration of these in the process. The point made by Bagozzi and Dholakia (1999) on the common marketing practice of viewing the consumer as manageable, passive and lacking in individual drive reflects back on similar criticism on the market management approach. The observation on the underutilization of existing theory made by Malhotra et al. (1999) serves as an additional stimulant and encouragement to return to tested theory and expand this to encompass broader vistas. The over-focus on dealers in the dyad, as noted by Deshpandé (1999) encourages a broader research field where the activities in the dealer-consumer dyad is the starting point for a larger network study, expanding links and ties outwards beyond the imminent network horizon.

Wikström cautions that *“In consumer markets it is obviously more difficult for*

producers to learn together with the end-users, as the two sides have few interaction points, and the capacity of the retailer, as the intermediary, to function as a channel for their exchange of information is often limited" (2005 p. 11). The field studies and empirical data underlying this particular paper can to some extent be viewed as performed in light of this statement, in that they look at the effects that the development of digital media has had on these points of interaction and alterations in actor capacities in handling activities and resource development.

The activities, referring to what the various actors do and how they interact are perceived to be what forms structures based on patterns of behaviour which in turn in many ways define the marketing process itself. Activities carried out by an actor are always related to those of others, consequently co-creating the activity structures of the actors involved. In this way the market is created by those enacting within it and cannot (and do not) exist without it highlighting the importance of market dynamics. This as market dynamics and diversity is what constitutes the networks dynamo or "energy source", the forces that keep up the pace and tempo of market activities (from Montgomery, 1995, Day and Montgomery, 1999).

These dynamic structures and patterns of behaviour are naturally also affected by the use of certain common basic technologies, as well as certain personal relationships between the actors. These aspects, despite being equally important, are however not used as the primary unit of analysis in this particular paper. They are nonetheless by no means disregarded in terms of their importance to the network as a whole.

2. Treating the empirical data

Looking empirically at this issue, in what kind of interaction/exchange situations and contexts is it vital not to disregard the consumer as a network actor when trying to gain a deepened understanding of the studied network, avoiding 'network myopia'? The empirical findings forming the empirical basis of the paper's discussion derive from somewhat diverse but complementary studies conducted within three business areas; popular music, financial services products and consumer electronics. The studies demonstrate in varying ways how IT has altered market activities, roles and identities.

Activities can be defined broadly as a sequence of acts directed towards a purpose. The purpose is however perceived differently depending on the actor but can all the same be regarded as connected to a purpose (whether it is called perceived value, benefit etc). The separation of an activity sequence is hence always to some extent subjective, especially when we face a complex activity pattern (Håkansson, 1982). In the upcoming cases illustrated in this paper an activity is perceived as relevant to the network if it can be regarded as influential by other activities of the network over time. The cases hence describe various market processes by presenting contextual activities and their functions to and within the network.

3. Empirical findings

3:1 The popular music market

The upcoming presentation derives from an ongoing retrospective study examining the impact of IT and the utilization of digital media on the market of popular music. The study examines changes in 'market behaviour' focusing on internet's impact on the various activity dimensions of the market, identifying various dimensions of the consumption activities and the relationship between the two activity dimensions to establish a deeper understanding of how IT has affected the market behaviour. The presentation below will however focus on the various activity dimensions of the market and the influence of IT in terms of blurring the traditional actor identity boundaries.

Popular music is by many regarded as one of the most popular and culturally influential consumer products and markets in the world and is also regarded as one of the products and markets fundamentally 'hit' by the increasing common use IT and digital media. The record industry has been said to be suffering from decreasing sales due to file sharing and digital copy piracy. The study has however shown that change goes beyond just the issue of file sharing and online piracy and that 'the' record industry as an entity is far but united.

In order to understand changes in the market of popular music it is important to understand the underlying aspects of how values are created around music and how technology have influenced the features of creating and receiving music over time . It has been claimed that the history of music is always, in a sense, a history of technology (i.e. Libbey 1994 (in Gilbert and Pearson, 1999)). The complex interdependence between technology and music should however, even if it's tempting not to, be considered to have emerged side by side and not as a linear cause and effect. Case findings clearly state that technology's impact must for this reason be measured in a wider sense that concentrating on one single technological item whose impact might be minor compared to how more common items have affected the total outcome. The internet is hence not per se the cause of the alleged decline of the record industry. It is therefore important to consider how items are appropriated and altered, actively re-contextualized and re-constructed within the changing patterns of social and cultural practices. It is the way technology is used (or misused) that alters the limits of a certain item.

On one hand early recording technology made it possible to create a distance between the performer and the listener separating the unity of time and space. The experience of music was in a way thrown in to a state of chronic flux as it is no longer controlled by the initial performer. On the other hand modern digital technology has melted together the way music is produced with the way it is listed to (using digital technology, computers, MP3 files, online streaming/distribution). This also contributes to the difficulty of maintaining a strict categorization of production and consumption in terms of activity and passivity as user generated material as music video-clips found on the YouTube website or music found on file sharing networks are sometimes edited by the "consumer". This concept of remixing/cut-up/mash-up derives the clubculture of the late 1970's, from when dj's began to re-edit songs to make them more suitable for the dance floor. At the time this was done with help of ordinary cassette tape recorders, using the pause button to make a certain section of a song longer by recording and repeating it or by turning the beginning of one song and they end of another into a new song. Consumers and 'non-traditional actors' adopting modern Dj's-culture (remix-culture) started in the 1990's to digitally distribute new versions of old songs, recreated and re-edited by fans and musicians which in some ways blurred the boundaries between producer and consumer. A number of well established artists such as Björk, electropop gurus Depeche Mode and hip hop legends Public Enemy have embraced this trend and directly encouraged fans to remix their song by uploading sound files on their websites. This is also seen in radio and TV shows where the listener is encouraged to make their own remix of the show's lead theme. The enabling of remixing due to IT and digital media is therefore an example of how the relationship between technological development and culture practice is bidirectional as culture in many ways drives technology and technologies enables the practice and emerge of cultural activities. The term and philosophy of Do-It-Yourself (DIY), referring to the attitude of taking available technology in to own hands, has in recent years been perceived as threat to the established corporate structures. As the creation of various outputs without the help of established 'professionals' or 'traditional corporations' have *videlicet* in recent

years, due to available and affordable digital technology and the internet, user generated material such as films, music and literature have increased in popularity.

With so called social networks and communities such as YouTube and MySpace, the boundaries between user and producer have been somewhat blurred. Music in the form of digital files can be shared digitally between fans using file sharing networks and artists previously limited to a local geographically bounded market can now market and distribute their music globally without the need for vast financial resources.

“...An unsigned act can (and should) relentlessly promote their music on MySpace and other similar sites and if people like it, they will pass it on...If you cannot reach the mainstream media, target grassroots sites, blogs and Podcasts who might like your music. If it is any good, the momentum will build”. (Young 2007)

Music production, performance and consumption at the local scene-level have become an important entrepreneurial activity. The scale of such local music making activities and various support networks is such that they constitute an alternative form of ‘transnational’ music industry, coordinated by young people for whom such informal means of making a living are becoming an accepted norm as more conventional routes to professional and economic success are increasingly blocked by unemployment and the “casualisation of labour”. Sociologists have described the birth of music scenes such as the club scene as part of modern mans revolt against being a passive spectator, a start of the interactive society. Hanson stated the following regarding the growth of the disco-scene in the 1970’s.

“Unlike customers of a cabaret, sitting back to be entertained, the customer at discotheques pay money to entertain themselves. It’s the people who are the real show at the discos-they haven’t come to find liability, they’ve come to play” (1978).

The birth of electronic/dance music and the “rave-culture” in the late 80’s gave rise to an explosion of small independent DIY record companies (often individual, ‘bedroom producers’) marketing and performing their music on mess-like dance parties (normally referred to as rave parties) The club-scene has frequently been compared to the punk scene from the late 1970’s in terms of political economy due to the approach of owning and/or controlling the means of production, releasing and promoting music using independent manufacturing and distribution networks. There is also a link between the hacking-culture, emerging in the mid -late 1980’s, and the club-scene. The sharing of techno-futuristic aesthetics and rebellious attitude towards established structures has amongst other things made the scene been described as sort of soundtrack to the digital network society. (E.g. Walleij, 2000)

Rave parties or “Gatherings” in the late 80’s were (unlike discotheques) initially marketed and arranged by the very people that participated in the parties themselves. The scene and their illegal warehouse parties relied on informal networks who found and organized Dj’s and secured and transported the necessary sound and lightning equipment. (e.g. Redhead, 1993). The use of internet, as seen today, was at this point of time (late 1980’s early 1990’s) yet to be discovered so instead of the user forums, blogs and social-networks sites we see on the internet today, masses of dancing people gathered in fields and abandoned factories, marketed by cultural networks and word-of-mouth.

The scene was for a number of reasons like the one above initially less concerned with performer identity of a single artist or individual band- brands like with rock-stars.

Instead the scene has been described as more concerned with the experience of music as decentralized “holistic experience” making the disc-jockey a producer and a performer and the dancing audience the stars. The scene originates thereby from an underlying philosophy of refusing the traditional aesthetic priorities of popular music, like “rock stardom” (Reynolds, 1998). This became a problem to record industry trying to keep up with new scene. There were no traditional artists to market, the music consistent of samples from old record which had not been authorized and appearances on popular TV programs as Top of the pops in the UK was made difficult since these programs insisted that the music was performed live. Further on since the people making the music discovered that they could produce, distribute, and market the music outside the major record industry the ‘standard’ exclusive contracts were less appealing to the creators. This resulted in non-exclusive short term contracts where only one of the creators many artist/producer/DJ aliases was signed which made it more difficult for the major industry to build the traditional artist brand.

For the creators and labels outside the majors however no big money needed to be spent on the marketing and creation a specific artist or “star” the DIY labels, often run by the artists and producers themselves. This often meant that they could afford to release a large amount of records with various aliases/artists/producers enabling the genre to flourish. The music was of course primarily of interest to DJ’s but as dj-ing became a bedroom activity turning the practice into consumption the sales of 12” vinyl singles took off. Seen as slightly paradox mix of punk-attitudes and discogrooves, religious cults and post-modernism as well as being hi-tech oriented and full of creative entrepreneurship this youth culture made a huge impact on society and the music industry. This as the scene among other things appropriated technological developments to bring about the start of an encouraging decentralization of music production and consumption. Club culture in the late 1980’s early 1990’s can for this reason be seen as a reflection of the rising interactive society, as the participators, embracing high-tech aesthetics, was also the maker of the experience of the product. Consequently boundaries between producer and artist, marketer, organizer, supplier and consumer became blurring. It is fairly easy to see how the aesthesis and philosophy on the initial DIY club-scene are implemental into an internet network environment and context. This is naturally a part of the file sharing, MP3, phenomena heavily discussed today.

The dominating paradigm in established consumer marketing research is an oversimplified view of the market as consisting of one value creative activity and one value consuming activity. There are only black or white actors and nothing in between. Even in marketing theories where the consumer is regarded as influential and interactive involved in a relationship it is still a categorisation of a relationship between ‘the’ consumer and ‘the’ company. The traditional music industry is example of how this categorisation is established in both business studies and everyday news. There is ‘the’ record industry which can either be the majors or the independent actors, ‘the artist’, ‘the media’, ‘the consumer’ etc. Case findings do however indicate that it is the activities of the ‘grey’ actors, opposed to the black or the white, linking ‘the traditional business actor’ and ‘the average consumer’ that are becoming more influential to the market(ing) process. This as also been indicated in related studies on the topic:

“A few years ago we (the record companies) just talked to journalists, editors, and magazines. Now my contact database has over 7,000 people in it, because everybody has some type of publication on the Web or has a little Web scene”. (from Graham, Burnes, Lewis and Langer 2004)

Within the studied music scene, the commercial and cultural context of electronic /dance music, this has been evident the past decades and with the evolution of various digital media these activities are becoming a big part of the industry, if not becoming 'the' new industry. Today there are thousands of web pages dedicated to the activities of the scene; there are blogs and discussion forums which have consequently made the consumer the media. People are at the same time running small web shops and download sites where music is traded and sold. People are sending in playlists to recommend their favourite music to others, creating Podcasts and online radio shows outside the traditional boundaries of the music industry. It is possible to record and distribute a music piece from your bedroom and design your own music video using copyright free images online. This might be regarded as merely the activities of a chosen few but it might also be an indicator of what the future might hold. Ironically exemplified by a quote from a prominent record industry actor in the early 1990's.

"File sharing is not going to be a big problem because so what if a few computer nerds wants to waste time and energy on sending music and downloading music over the internet, it's their time ...and their phone bills!"

Even though it is getting harder to pin point the strictly economic exchange the case indicates that in terms of influence consumer and non-traditional actors and activities needs to be included into the network horizon to understand the network process as a whole. Understanding the escalating change of the music industry needs to acknowledge the relationship between the traditional commercial sphere and the 'non-commercial' sphere as well the connected activities of these traditionally polarised spheres.

3.2 Mobile telephones

This case is based on a study which aims to deepen the understanding of how the Internet has influenced consumer-firm interaction in the Swedish mobile telephone market. Data has been collected from consumer focus group interviews as well as interviews with retailers, producers, and information intermediaries during 2006-2008.

From a research point of view the market of mobile telephones is interesting since it in many aspects has been highly influenced by the increasing Internet use. Even though the number of product and service providers in the Swedish mobile telephone industry has remained largely untouched of the Internet's increasing use, the number and sorts of retailers has multiplied at a rapid pace. The opportunity of starting Internet stores with sales on demand has attracted many new Internet based retailers to sell side by side with well established retail chains and specialised electronic stores. The Internet has also become the breeding ground of what traditionally is viewed as non-commercial activities such as various consumer communities or forums, where information of products, services, and purchase places, as well as software and service, is generated and exchanged.

Mobile telephones belong to the product category consumer electronics, which is a generic term for electronic appliances such as TV's, video cameras and DVD-players. In 2007, 94 percent of the Swedish population between the ages 16 and 75 claimed to use mobile telephones (PTS 2007). Official statistics over the last 15 years show steady growth in Swedish mobile telephone use. Around 1993 growth was immense as a multitude of consumers purchased their first mobile telephone. Since then growth is to a less extent caused by new subscribers, but by double subscriptions and USB-modems. During the last decade growth has stayed around 3.5 percent, which equals 100,000 new mobile telephones into the market each month.

These technically complex products are generally considered fairly expensive and are used during an extended period of time (See e.g. Grönroos, 1997), thus involving more than one isolated exchange between firm and consumer. Apart from the core product, that is, the mobile telephone, its user is dependent on a subscription which gives the user access to the mobile operator's telecommunication system. In addition, services before and after the purchase may be requested by the user as well as software such as specific ring tones, games, music or other additional functions. Acquisition and use of the core product and its complementary services presupposes coordination of producer, retailer, and consumer activities.

Since the 1980's both mobile telephones and telecommunication systems have undergone technological development, which has gone hand in hand with changing demand and usage. Similar to the music industry case the product and its use has developed parallel to development of Internet technology and maturing Internet use from both firms' and consumers' point of view. The core product has evolved from a simple mobile telephone to a multi-function product that by some has been labelled "communicator" or recently even as an 'entertainment center'. The first models of mobile telephones were heavy and space demanding compared to today's models, and were therefore often transported and used in cars. During the last two decades producers have put more emphasis into design and functions, which has resulted in mobile telephones that are smaller, more easily handled, and equipped with more functions.

This development had not been viable without parallel development of telecommunication technology and of other products like cameras, computers, and broadband. The evolution from first to third generation's (3G) mobile telephony has resulted in mobile telephones equipped with camera, mp3-player, Microsoft Office tools, calendar, GPS, Internet-access, and even TV. New models are generally accompanied by upgraded versions of these functions, like larger storage space for music files, and faster Internet-connections. Generally, six to eight different mobile telephone functions are used by consumers.

The Internet has accelerated both technological development and also turnover of mobile telephones. The demand for new models with new or improved functions has increased and these are sold faster than ever before due to buzz among consumers on the Internet. Many consumers purchase new mobile telephones more often than necessary, because it's high fashion. Possibly this development would have occurred also without the Internet, but at a much slower pace. The Internet has also made it possible for consumers to download and share software like games and music for their mobile telephones, independently of firms.

However, the Internet-driven hype increasing the demand for new and improved mobile telephones seems to be limited to certain circles of consumers. Accusations have been directed towards mobile telephone producers that their products are adapted to consumers in the ages 15-25; the group that is most receptive to new technology, including new mobile telephone functions and new functions of the Internet. This has resulted in a large group of middle aged and older consumers that are discontented with functions that are unnecessary or too advanced in their opinion. Producers and mobile operators generally consider these older groups as non-profitable since they do not use their mobile telephones as frequently as younger groups. Another explanation to the narrow target group is the fear of price competition; if producers do not regularly introduce new and technically more advanced products prices will drop and profits with them.

During the Internet's infancy many expected a diminishing need for retailers, along with increasing consumer activities in terms of self service and direct connections to producers. Nevertheless, time has proven there is still a need for intermediaries coordinating and

distributing necessary products and information flowing from producers to consumers and vice versa. The mobile telephone market (and also consumer electronics industry as a whole) is witnessing an increasing number of retailers and also new sorts of intermediaries (e.g. PriceRunner and Kelkoo) coordinating information stemming from producers, retailers, and consumers. Mobile operators do, however, diverge from this pattern, as they sell directly to consumers both via the Internet and via traditional stores. This entitles them to two different roles; that of a producer or service provider, but also that of a retailer.

Somewhat clear boundaries are still present between production and consumption, even if consumers seem to have shouldered some traditional activities of a firm depending on what part of the product that is referred to. Production of the core and complementary product, that is, the mobile telephone and the subscription seems to be an activity where consumer and producer roles and activities are pretty distinguished and traditional. Possibly one could argue that consumers generate more input into the innovation/production process due to their Internet use.

Production and distribution of complementary products and services, on the other hand, involves a shift of traditional roles and activities between consumers and firms. Additional software like ring tones, games, music, and other functions can be produced by consumers for consumers and be distributed via e.g. Internet forums. Service before, during, and after a purchase can also to some extent be generated by consumers. Before a purchase information can be obtained from consumers and/or firms. If a purchase takes place via the Internet some consumers may seek support from other consumers, rather than consulting a firm. After a purchase, that is, during consumption, support may be obtained from other consumers as a complement to support from the retailer/producer. Support of hardware is still subject to the producer and/or the retailer, while software support may be generated by consumers for consumers.

Internet forums are increasingly used as a platform where consumers meet to exchange products and information related to mobile telephones and other electronic products. Instead of relying on traditional information sources like advertising and retailer sales staff, Internet forums enable consumers not only to find information quickly, but also to generate and contribute to the accumulated knowledge that is exchanged. Positive and negative purchase experiences, opinions, and advice can be read by all forum visitors who can also respond to posted reviews. Topics vary from the pros and cons of foldable mobile telephones and SonyEricsson's latest models, to inquiries of where to acquire free GPS maps for a Nokia 6120. By responding to each others' inquiries consumers can also provide support to each other, solving product related problems independently of company expertise.

Consumers' collective generation and exchange of information has become a source of influence on both producers' and retailers' activities, forcing them to carefully consider consumer needs. Companies have witnessed how consumers no longer enter a store randomly searching for a product. Rather, they have already sifted out products they want to examine more closely, and are well aware of reasonable price levels for those particular products. Some retailer representatives have experienced consumers asking for products that are new in the U.S. market, products that may never even reach Scandinavia. In addition, consumers gathering in Internet forums have made the issue of word of mouth escalate to other proportions. Instead of spreading a rumour to ten or twenty other consumers, both complaints and praises can be read by hundreds or thousands.

These changing processes of information exchange have forced producers and retailers to closer cooperation in order to respond to consumers' needs. The flood of new Internet

retailers tend to have lower service levels than traditional retailers which may cause damage also to producers by consumers' negative word of mouth. One of the largest producers of mobile telephones has responded to this issue by recommending selected Internet retailers on their web site. These are retailers with whom the producer has well established relationships and whom can guarantee a certain level of service. Taking advantage of the Internet forum trend, the particular producer has also created a discussion forum where their users meet to discuss producer-related issues. Producer-retailer cooperation, the creation of new Internet forums, in addition with consumer surveys generates better knowledge of consumer needs and has brought product development close to customization.

To conclude, mobile telephone consumers have become more active due to their increasing Internet use. Their roles and activities have changed to some extent but not as thoroughly as in the music industry case. There still seem to be clear boundaries between producer and consumer roles concerning production, distribution, and consumption of the core product. There is still a need retailers handling distribution of products and information, since there is no direct business exchange between producer and consumer. Mobile operators, on the other hand, conduct direct business exchange with consumers. Consumers' activities have changed as they gather in Internet forums to exchange software and services independently of producers and retailers. In this sense, consumers have become producers, distributors, and retailers of information, software, and support.

3.3 Financial products

Research into the realms of consumer financial services or retail banking is interesting from a number of angles. The field is admittedly one of the most overworked, research-wise, in regards to marketing, and has been viewed through most available research-lenses from relationship and service marketing to actor network theory and beyond. It is nevertheless of interest to return once again to this particular field, defined as concerned with individuals, organizations and their finances (Ennew and Waite, 2007) or rather activities and benefits which offers financially related value to the customer (Meidan, 1996). The affixed "services" stamp and affiliation with consumer marketing has caused the field to be placed somewhat outside the industrial marketing interest horizon. It is however argued that within a product-specific context and with the use of adequate research tools, such as the 4-R model, it is possible to overcome the fear of theoretical cross-breeding (Cova and Salle, 2008) and utilize empirical data to discuss the extension of network boundaries and the inclusion of the consumer as a valid network actor. This particular study defines the consumer as a representative of an organized behaviour system, the household as described by Alderson (1957), and in the particular context of the ICA Bank and bank card. Firms are treated qualitatively, while consumer perceptions are touched via quantitative survey.

The sphere of financial services, in this particular case retail banking, is actually an exceptionally relevant forum when discussing such questions. It is by tradition a sector characterized by organizational actors with relatively tight boundary demarcations and where activities are generally pursued via regulated and formalized channels. The products developed and available within the sector vary, but are characteristically of a constant-consumption nature in that the fruits of resource commitment and development evolve through actor interaction over a long period of time. These must at the same time be constantly accessible for activities at the convenience of the participant actors to solve respective needs. This indicates that a "here and now" transaction view is not a relevant approach, but rather that

there is by nature a long-term nature to the relationship which beds for a customer oriented perspective (Sharma and Sheth, 2004). These factors have been heavily influenced by the development within information technology (IT), to the extent that these developments have caused fundamental changes in the market settings. These in turn provide interesting insights into the consumer-as-network-actor question.

As interviews with representatives for marketing and IT-development functions within several large Swedish retails banks and corporate documentation demonstrate, the processes of participating in the development of IT-based systems within the various consumer interaction points of contact was generally based on intra-organizational pressure to cut cost and increase profitability. These notions are supported by data provided by the Swedish Banking Association. Opportunities for consumer selfservice activities and resource access through IT-based systems, such as ATM machines and Internet-based banking was thus viewed as utilities to reduce overhead cost and transfer a certain amount of risk to the consumer. There was some awareness that this implied opening up organizational boundaries and increasing transparency with the integration of external IT communication channels, but the long-term effects of this were generally not considered. The subsequent effects of increase in rapid access to information and new activity possibilities in managing resources have had significant effects on the relationship between firms and with consumers, the effects of which are still emerging at the present date. As a senior Swedbank marketing executive notes in 2006, *“We have come very far technically, but not nearly as far when it comes to understanding how to utilize it’s (IT - authors note) potential. Neither the banks, nor our customers...”*

One of the effects of IT-development is a significant lowering of entry barriers for new actors. The choice of the ICA Bank as a specific case study thus has several logical foundations in this context. The firm is primarily active in the consumer retail sector, and is as such well established in the Swedish market. It is well experienced in market activities both towards suppliers and consumers, and has been the subject of considerable previous research. The sub-units which combine to create the ICA Bank are in themselves the results of such market experience and the abovementioned developments in IT that have taken place. The development of the bank as a particular entity can be seen as an attempt by ICA to utilize existing consumer business networks to promote new activities and expand the current network, as well as expanding established “backwards” network connections to other firms. Furthermore that this has taken place recently, within a relatively short time frame, is an ongoing process and the participant’s perceptions of the various steps and processes are thus fresh and available. Basing a bank on a consumer loyalty scheme and crossing over into another field of activities *viz.* banking is in itself not original, but does force the participants into reviewing the nature of the consumer business relationship, simultaneously creating research opportunities.

Available research data from the study is viewed through a matrix structure based on Information exchange, business exchange, activity and function. The data is mostly derived from firm-representative interviews and documentation and thus such an actor view on the topic. It is however to some extent backed up with consumer survey data, derived from the Uppsala Consumer survey performed in 2005. The survey allows this actor group to express their perception on a number of issues relating to activities, interactivity and resource-utilization via IT-based channels. Although the survey data is only partially analysed it does nevertheless offer some corroboration to firm actor perceptions.

In triangulating information exchange activities, it is clear that this follows the same pattern as with other on-line information search patterns and that firms are increasingly aware, and sensitive, of this. Consumers actively pursue and present information on actors and available products via IT-based forums such as blogs and e-mailing lists. Consumer survey data derived from the Uppsala survey of 2005 suggests a strong awareness of such information search and presentation opportunities, and an interest in utilizing these both as a tool to optimize own resource development as well as to inform other consumer actors. The information distributed can include both opportunities and risks, such as product combination possibilities and prices. This is also used to distribute critical incident descriptions and warnings on service failure or product flaws, and suggesting alternatives. Representatives of the ICA Bank are well aware of these information exchange activities. They admit that this increases the transparency of the market as a whole, and that consumer activity manoeuvrability has been increased. This is directly connected to the information exchange/function, where the consumer actor uses such information exchange as a basis for steering up activities. This reinforces the effects of word-of-mouth.

It is slightly more difficult to vector in on the business exchange/activity field, as this is in many ways strongly connected to the activity field. There are however indications that the opportunity to self-service, albeit with the bank as technical intermediary, stimulates consumers to more actively explore and then share out experiences concerning pursuit activities such as fund transfers and product purchases. In facilitating the entrance of external actors to the organizations systems these gain the opportunity to extend their supply limits, compare and re-evaluate such options and alter these according to needs. This in turn places pressure on product development and design, in that the needs of the end-consumer actor are clearly expressed and must be taken into account.

There are several noteworthy points of controversy in the survey data. Perhaps the most interesting is the display of loyalty that permeates the survey participants. Almost all participating actors (1 175 individuals, age mean 47 years, 59% female, 41% male) consider themselves to have one identifiable firm actor counterpart, and the duration of this relationship is on average just over 20 years. Despite this the participants demonstrate a strong interest in the opportunities offered by IT-based channels to extend their activity structure and effects on the product in question. Responses to questions concerning opportunity to have a more direct effect on product design indicate both an interest as well as a feeling that this is not yet adequate. This would support the notion that we find ourselves in an interim period, where actors are aware of potential but have much left to explore in terms of implementation and extent.

A summary of the case study would thus imply that there are strong arguments for including consumers within the network horizon in that their activity presence and resource access/utilization opportunities are a growing force to be reckoned with. While participating actors within all business units, be it firm or household, are aware of these developments, all participants agree that this is very much an ongoing process.

4. Conclusions

On aggregating the above case study narratives and preliminary conclusions, the first immediate reaction is that much work remains in theory adaptation. All studies

support a notion of a profound effect of digital media development, and that the notions of shortcoming in IMP theory listed by Troye and Howell (2004) are fully valid. As stated earlier, acknowledging the in 'non commercial' or consumer activities as being within the business network horizon is not an end in itself but is instead to be regarded as vital to deepen our understanding of various patterns, processes and structures.

These studies do at the same time illustrate that digital media development affects both the actors participating in activities, be it firm or consumer, as well as possibilities for researchers to approach and handle these actor groups. The findings derived from the three case studies do indeed suggest that a deepened discussion of the polarized industrial and consumer actor perspective is urgently required. This is especially important in order to conduct research aimed at understanding marketing contexts regarded as heavily affected by the digital media evolution.

The case studies utilized as data sources for this paper all focus on sectors of business activities where digital media evolution has without doubt been extremely apparent, and had profound effects on structures and processes. These effects vary to some extent between the cases. For instance, the music industry case illustrated how technology in some aspects has decreased the distance between producer and consumer, knocking over deep-rooted conceptions of traditional roles and activities. Even if the traditional activities of production, distribution, promotion etc are still being performed these activities are no longer exclusive to 'the' music and media industry. This is not necessarily the case in the mobile telephone industry, where production and consumption of mobile telephone "hardware" still seem somewhat polarized. The significant difference between the cases featured lies in the core products; music as well as financial services are highly intangible and can be distributed and provided digitally, while mobile telephones are tangible and thereby subject to distribution issues not present in the music industry.

These structural and procedural effects can also be expected to become visible in more or less all fields of business activities. It is thus reasonable to suspect that research approaches must be adapted to incorporate and measure the effects of such changes. It would seem that business network theory would greatly benefit by revising the somewhat dyadic firm – consumer actor categorization. Sure, there will always be a producing activity and one consuming one as this is part of the basic market concept. The case findings would however indicate a market-as-exchange-network view consisting of dynamic activity groupings, and viewing the actors as changing hybrids. These hybrid actors are more closely related to time and activity context than to a specific fixed role.

An important common denominator in all studies is the awareness expressed by all actors, firms and consumers alike, in the opportunities that IT offers to expand participation in spheres of activities. Firm actors acknowledge that it is increasingly important to facilitate and include the effects of consumer activities, as these are increasingly stretching into areas previously controlled by firm-side actors. Self-service or creative roles shift actor roles according to context and is thus removed from a notion of fixed, clear-cut roles in activity structure. Furthermore that these changes occur rapidly and spread quickly between actors, more actor constellations are activated and can participate within the network horizon. The consumer, on the other hand, is increasingly aware of opportunity, of increased weight of effect on activity structures and the power that is shifted, and data indicates that there is significant interest in expanding and exploring such power. Any attempt to understand the evolution of network activities and the nature of market as network must thus be expanded to include consumer activities as a natural landmark in the network map.

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