Governing Consumers Through Freedom

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In this conceptual paper we provide a critical perspective on the newly emerging logic of co-creation within marketing and consumer research. The aim of the paper is to discuss the premises and consequences of co-creation by framing it as an emerging branding paradigm. In doing so, we problematise the idea of the consumers as productive agents in the process of brand value creation. We argue that co-creation, despite its promising aspects, is a novel form of branding paradigm that seeks to control and govern the consumers in the name of freedom.

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Governing Consumers through Freedom: A Theoretical Discussion of the Co-creation Branding Paradigm
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ABSTRACT
In this conceptual paper we scrutinize the recent marketing technique of co-creation within marketing and consumer research. The aim of the paper is to discuss the premises and possible consequences of co-creation by framing it as an emerging branding paradigm. In doing so we seek to problematise the idea of the consumers as productive agents in the process of brand value creation. We argue that co-creation, despite its promising aspects, constitutes a modern form of governmentality that seeks to control and govern the consumers in the name of freedom. We trace this form of governmentality historically and conclude with some implications for brand authenticity.

At threadless.com consumers are urged to vote for clothing designs that they want to see produced, and to submit their own clothing design. At Lego’s website consumers can form networks, trade Lego models and discuss model design with fellow enthusiast. They may also design their own Lego models and submit them to Lego. If Lego finds the models interesting they may be included in the assortment. Nearly half of the research undertaken by the software corporation National Instrument is performed by an online community of customers who analyse how the firm’s products can meet the needs of the members in a better way (Humphreys and Grayson 2008). In a similar vein, Proctor & Gamble recently introduced the community program Vocal Point, which encourages product enthusiasts to talk about the corporations’ products against discounts and product samples.

These examples, we argue, point towards the emergence of a novel branding paradigm that marketing scholars in various ways have termed co-creation (Vargo and Lusch 2004; 2006; Peñaloza and Venkatesh 2006; Prahalad and Ramaswamy 2004a; Prahalad and Ramaswamy 2004b; Zwick et al 2008). The concept of co-creation originates in the service dominant logic (S-D logic) introduced by Vargo and Lusch (2004). The service dominant logic challenges the conventional assumptions within marketing of how value is created through transgressing the boundary between the roles of producers and consumers in the value creation process. A central premise is the contention that value is created in consumers’ use of goods and services, rather than at the point where the goods is exchanged for money (Vargo and Lusch 2004; 2006). Consumers are seen as resources with intangible specialised skills, competences and knowledge that firms may benefit from in the value creation process (Lusch et al 2007). Value is regarded as jointly co-created between the firm and its consumers, instead of encapsulated in the physical goods that firms offer consumers.

From the perspective of co-creation then consumers are regarded as collaborative partners who generate value together with the firm and not as passive targets of marketing offerings (Vargo and Lush 2004). The marketing management literature increasingly argues that it is inevitable for corporations to acknowledge consumers as innovators and creators of brand value for the firm (Prahalad and Ramaswamy 2000).

In this paper we are interested in examining co-creation as an emerging branding paradigm. The aim is to explore what the co-creation branding paradigm involves through the proposition of Zwick et al (2008) that co-creation constitutes a form of governmentality working through the freedom and autonomy of consumers. In particular we are interested in discussing the historical development of this form of governmentality and its contemporary consequences for consumer subjectivities. Within consumer research the view of the consumer as autonomous has been acknowledged for decades. We argue that the co-creation brand paradigm translates this strand of thought into a new form of control system that aims to manage consumer agency. Presumably, this is done in order to make the newly won agency of consumers in the marketing literature manageable and therefore less threatening to brand management.

THE CO-CREATION BRANDING PARADIGM
A branding paradigm consists of a shared set of principles among firms that structure the way that brands are built from a managerial point of view. The paradigm is formed when some branding principles are used as the taken for granted guiding principles for how to build brands successfully. Here we use Holt’s (2002) dialectical model of branding as a starting point for a contextualized understanding of the development of the co-creation branding paradigm. The model explains how different branding paradigms attain their shape in relation to an evolving consumer culture. As the branding paradigm works within the confines of the prevailing consumer culture, however, the success of its principles in generating brand value hinges upon how well it captures what consumers value in a particular culture. Holt argues that as firms start to press these branding principles to their logical extreme, consumers tend to become more reflexive and able to scrutinize these principles. This leads to a tension between the prevailing branding paradigm and the consumer culture propelling an institutional shift in both. Eventually the paradigmatic principles lose their ability to capture what consumers find relevant. In order to maintain the value of the brand, a new branding paradigm consisting of new branding principles needs to be developed. Here we understand co-creation as a marketing management induced re-conception of how brand value ought to be created in a market characterized by consumer agency (Muniz and O’Guinn 2001; Holt 2003; Borgerson 2005) and various dimensions of consumer resistance (Peñaloza and Scott 1993). Within the co-creation branding paradigm, consumer agency does not, as was thought before, constitute a dangerous threat to the brand. Rather consumer activities are regarded to produce symbolic and cultural content, which—when appropriated and included in the firm’s offering—strengthen the value of the brand.

Distinguishing Co-creation from Co-production
The marketing literature commonly distinguishes between co-creation (Prahalad and Ramaswamy 2000) and co-production (Arvidsson 2008). Before proceeding further in the paper, we would like to briefly consider this distinction in order to define our use of co-creation. The main difference between the concept of co-production and co-creation is that while co-production represents the cultural, symbolic, and immaterial or material content produced in social relations that award the producers with a use-value, co-creation refers to the process where exchange value is co-created between firm and consumers. In the latter the firm appropriates what has been produced by the consumers and sells the produced content to the general market.

Drawing upon Lazzarato’s (1997) notion of immaterial labour, Arvidsson (2005) demonstrates how in co-production social rela-
tions are transformed into brand value. Immaterial labour represents practices that either produces the social context of production per se or the immaterial and cultural content of commodities. Immaterial labour encompasses an array of activities that are normally not defined as regular work. It involves the kind of activities that defines artistic and cultural standards, fashions, tastes, consumer norms and even the public opinion. Immaterial labour occurs primarily outside the organized system, and particularly in the consumption sphere. Arvidsson argues that today’s consumers do not merely use up goods and resources, but produce socialities. These socialities are created in the formation and maintenance of, for instance, brand communities (Muniz and O’Guinn 2001), consumption communities (Cova 1997) and subcultures of consumption (Schouten and McAlexander 1995). In addition to the production of social relations the productive forces of consumption may also take other forms, such as the creation of identities and shared meanings, containing aspects that allow it to function as a form of immaterial labour. By deploying a common capacity to socialize and interact, a common symbolic framework, and an array of competences and knowledge, these activities produces an ethical surplus (Arvidsson 2005; 2006). The ethical surplus represents a social relation, a shared meaning, a sense of belonging and community-a common. According to Arvidsson the common feeds into the post-Fordist process of production by supplying a temporary context, which makes the production and the realization of value possible. The ability of immaterial labour to produce social relations generates this type of surplus value, which, in line with Lazzerato (1997), exploits the communitarian dimension of social life. If the local and specific consumer produced use-value (perhaps taking the form of a brand community, or a shared identity), is to be transformed into a general and economic brand value for the firm, it must be appropriated by the firm and subsumed under capital. Not all form of consumer production generates economic value. The new kind of production that consumers undertake in for example different types of communities generate immaterial and material content that has use-value for the consumer where the reward is social recognition and status from the community members (Arvidsson 2008). Hence, consumer’s activities cannot generate economic value for companies unless it is appropriated and sold back to a large number of consumers. Exchange value, as Humphreys and Grayson (2008) recognise, is therefore only co-created between firms and its consumers when the context specific consumer co-produced use-value is transformed into general exchange value.

The branding principles of co-creation enable firms to tap into mass consumer intellectuality. According to Zwick et al (2008) co-creation involves an experimentation of new ways of value creation, which are premised on the expropriation of the free technological, social, affective, cultural, and intellectual labour of the consumer masses. The latest brand management techniques involve developing platforms for consumer practices where consumers’ labour can take place, while at the same time being possible to direct to generate valuable outcomes that increase the value of the brand (Arvidsson 2005). Branding platforms provide consumers with an infrastructure within which the firm can govern the co-creation of the brand by means of monitoring the formation of social relations between consumers and between consumers and the brand (ibid.). In a way then co-creation is seen as anticipating Marx prediction that the evolution of capitalism involves new forms of productive cooperation that challenge the traditional dichotomy between production and consumption (Bonsu and Darmody 2009). Like the service-dominant logic of marketing, the idea of co-creation rests on the assumption that control over consumers are best carried through providing managed and dynamic platforms where consumption can take place (Arvidsson 2008). Zwick et al (2008) suggest that co-creation as marketing strategy constitute a form of governmentality. By government they mean a political form of power, which aims at generating particular forms of life. The idea is that the management of consumers relies on the control of consumers’ innovative and creative practices that produce certain forms of being. In this way branding principles are seen as entering into life itself. Zwick et al write

Co-creation, as a set of organizational strategies and discursive procedures aimed at reconfiguring social relations of production, works through the freedom of the consumer subject with the objective of encouraging and capturing the know-how of this creative common. (2008, p.23)

The goal of the mechanisms of governmentality is to control and make realms and objects calculable. Co-creation as a managerial device enables predicting and controlling consumer actions. In order to be able to do so, however, Zwick et al. argue, the compliance of the consumers must first be mobilized through the notion of freedom. In the next section we discuss what governing consumers through freedom entail and what possible consequences this form of governmentality have for the co-creation branding paradigm.

GOVERNING CONSUMERS THROUGH FREEDOM

The relationship between government and freedom has recently experienced a renewed importance within the social sciences.1 The idea of government seeks to answer the complex question of how government is possible in liberal democracies. How can political authority be integrated in all domains of life? With the spread of capitalism under advanced neoliberal society the boundary between economics and politics has somewhat become blurred, that is to say that to govern politically is also to govern economically. To this end indirect mechanisms of governing were established that seek to govern at a distance. Before one can seek to manage a domain like for instance the activities of the consumers on newly established platforms that the web 2.0 has made possible relations and process of how to manage the actions that take place here has been developed. In the book *Powers of Freedom*, the sociologist Nicholas Rose (1999) sees governmentality as attempts to shape, guide and direct the conduct of others. In contrast to prior understanding of governmentality as operating through a defined sovereign such as the state, from his perspective governmentality refers to the conduct of conduct. According to Rose there is no longer a conflict between the self-interest of the economic subject and the patriotic duty of the citizen. Instead the fulfilment of one’s obligations to one’s nation is most effectively pursued through the enhancement of economic well-being of oneself, one’s family, business and organization. Self-realization hence coincides with individual activity. The self-regulating capacities of subjects are shaped in large part through the powers of expertise that constitute key resources for modern forms of government, which enables governing in a democratic way (Miller and Rose 2008). Involved in this governing is that the regulating techniques of the self, to a larger extent than before, works through notions of autonomy and self-fulfilment. In a neoliberal economy conduct is governed via the notion of the free subject. Rose (1999) writes:

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1Foucault briefly mentioned the notion of government in his later writings. For him governmentality refers to a certain mentality, which undergirds all modern forms of political thought and action (Miller and Rose, 2008).
To govern is to act upon acting. This entails trying to understand what mobilizes the domains or entities to be governed; to govern one must act upon these forces, instrumentalise them in order to shape actions, processes and outcomes in desired directions. To govern is to presuppose the freedom of the governed (Rose 1999, p.4).

All forms of government depend on a particular mode of representation. Government rests on the use of a language that presents the nature of reality, while representing it in line with political calculation and argument (Miller and Rose 2008). The notion of co-creation in this sense, we argue, is then not only a management tool, but needs to be seen in a wider context as a response to the neoliberal ideal of free market subjects and the attention to the consumer as agent. Individuals are shaped as free through a range of different discursive mechanism there among branding techniques. Miller and Rose (2008) argue that contemporary governmentality accords a crucial role to action at a distance, to mechanisms that promise to shape the conduct of diverse actors without shattering their formally autonomous character. The citizen in the neoliberal model is addressed as a consumer. Consumers are considered as entrepreneurs seeking to maximize their quality of life through the artful assembly of a lifestyle put together through the world of goods. In this vocabulary of the enterprise, the worker is translated into the consumer who seeks to maximize its success in terms of returns and achievements. The analogy between consumers and the worker is naturally not clear-cut and difficult to make a case for. Ritzer (1999) argues for example that since fewer workers are involved in production nowadays consumers are doing more and more of the kind of labour that formerly was carried out in the factories. The twentieth century capitalism has therefore experienced a shift from production to consumption. While Marx argued that the capitalist ownership of the means of production enabled the exploitation and control of the workers, consumers are not forced to consume and can choose what to consume. Nevertheless, Ritzer observes that the new means of consumption intends to lead people into consuming more that they can afford or intend to.

Forging a New Type of Consumer Subjectivity

The close relation between the subjectivities of consumers and marketing is documented by amongst other Miller and Rose (2008). They show how marketing historically forged a consumer subjectivity centred on choice and identity. Organisations were to manage group relations to maximise contentment not by rationalising management to ensure efficiency but by releasing the psychological strivings of individuals for autonomy and creativity and channelling them into the search of the firm for excellence and success. Psychological consultants to the organisation charted the cultural world of the enterprise in terms of its success in capitalising upon the motivations and aspirations of its inhabitants and invented a whole range of new technologies in order to give effect to these programmes by reducing dependency, encouraging internal competitiveness and stimulating individual entrepreneurship. The autonomous subjectivity of the productive individual was a central economic resource in such programmes: autonomy was to be an ally of economic success and not an obstacle to be controlled and discipline.

During the period 1950-1970 a new form of consumer subjectivity was forged, which connected consumption to the individual through psychology expertise in advertising research, most notably carried out by the Tavistock Institute of human relations. This made possible different kinds of relationship between human through the mediation of material goods. Inspired by psychoanalysis these psychology or psy techniques was targeted to consumers’ sub-conscious and placed beneath consumers’ level of awareness. It was assumed that people did not really know what they wanted and that desire could not be properly expressed in interviews. Therefore, the task of marketers was to identify hidden motives and needs which resided in the consumer’s sub-consciousness (Arvidsson 2006; Miller and Rose 2008). Miller and Rose describe how the early marketing of ice cream was carried out according to the psychoanalytic notion of pleasure. The intention of serving ice cream as round little balls was to appeal to an oral stage and give connotations to breasts and milk, which would encourage licking and sucking the ice-cream.

As marketing evolved it moved away from disciplining consumers through appealing to their hidden desires to controlling them in a more direct sense (Zwick and Knott 2009). The new subjectivity that the new branding principles of co-creation forge, we argue, link to the sense or obligation of enacted oneself as free and innovative and creatively working with brands. Note that this is different from the so-called bricoleur and the postmodern version of consumer subjectivity as a poacher of texts and unruly force within the market place (Gabriel and Lang 1995). The new consumer subjectivity works not through the opposition to the market, but with the market actively engaged. Even tough this consumer subjectivity may not be new per se; the advent of user-based platforms enabled by Web 2.0 has visualised the organisation of large numbers of consumers in communities in the name of their own innovativeness. Apparatuses such as psy do not crush subjectivity, but rather consumers are obliged to be free, to construe their existence as the outcome of choices that they make among a plurality of alternatives.

Nowadays, apparatuses such as psychology co-exist with other forms of governing there among a focus on the entrepreneurial consumer, which endows the subject even greater degrees of autonomy. The actively choosing subject is based on an active and choosing self, but also on a self that plans for and hence controls the future. To conduct oneself as an entrepreneur and creator of things seem to be closely related to the degree to which one can overcome risks through controlling the future. The new type of consumer brought about by the co-creation paradigm resembles the rational consumer of the Tavistock institute albeit the consumer instigated by the co-creation paradigm is less defined by rationality than by creative and innovative features. It is actually the ability and the insight that the consumer is not rational that makes it possible for the co-creation paradigm to work. The acknowledgement that the consumer can create another form of value for the firm is possible precisely because her or she is not considered rational, but culturally defined, a member of a tribe and even irrational (Prahalad and Ramaswamy 2000; Cova and Cova 1997). As consumers are increasingly conceptualized as innovative, the relation between subjectivity and freedom must be forged. Zwick et al points out that the governmentality of co-production risk trapping the consumer in a game of innovation and entrepreneurship by controlling and creating subjective processes wherein the consumer’s subjectivity and ultimately life itself becomes involved in the production of value. In turn this may lead to feelings of not being good enough as oneself and the surrounding world becomes a project that constantly needs to be worked on. In what follows we move on to discuss two consequences of the co-creation branding paradigm. The first concerns a new way of creating brand authenticity, whereas the second has to do with how authenticity give raise to feelings of exploitation.

Brand Authenticity and Control

The consequences of co-creation are not only visible in the domain of consumer culture, but the notion of co-creation is translated into the very essence of everyday life from where the value of the brand is now extracted. In enabling consumers to symbolically and materially create brand value, the co-creation
branding paradigm seems to take brand authenticity to its extreme. In marketing management the individual is re-responsibilised for the management of ones own risk (Miller and Rose 2008). Affiliations to communities of lifestyles through regulated consumption practices displace older forms of habit formations that enjoined obligations upon citizens as part of their social responsibility. It is often presumed that the value of brands is connected to the authentic place it occupies in consumer culture. As consumers are argued to be overly cynical towards branding techniques and are now argued to be able to ‘see through’ the logics of marketing, authenticity is threatened by extinction (Holt 2002). With the co-creation branding paradigm follows a different way of producing authenticity. By way of setting up brands as platforms that enable consumers to do things, as highlighted in the introduction, rather than building the brands through conventional marketing channels, consumers are partly made responsible for shaping the brand and the branded products. This responsibility involves a new form of authenticity. For what can be more authentic than what one creates for oneself? The authenticity produced in co-creation might perhaps explain why so many consumers are willing to engage in co-production despite the awareness that one’s own creativity becomes owned by the firm and generates profit for the firm. At the same time the debate around the role of the social medias also points towards that users are becoming increasingly frustrated over the management of co-created contents on these sites as corporate assets. For example many high profile users have recently deactivated their accounts in protest against Facebook’s changed privacy policy. The changed privacy policy enables Facebook to share and store user information, which has upset users who feel that they loose control over what they share with others on the Facebook site. One of the users who have deactivated his Facebook account is Steven Mansour. On his blog he writes:

...you can’t really close your Facebook account once you open it; you can only deactivate it, which I somehow missed when reading their 913 page privacy policy...It’s one thing when I choose to leave a web service (Flickr, Youtube) because I don’t want them profiting from my content. It’s another when they prevent me from leaving. Is this really the only choice we have left? Shitty web companies vs. shitty web companies that keep and distribute your personal data ad infinitum even when you request your account to be closed? As it turns out, I had to ‘contact’ Facebook and ask them how to delete my account, only to find out that I have to manually delete every single minified item, friend, post, wall writing, etc by hand, one-by-one, or else they will refuse to close your account. When you’re a member of the Internet High Society as I am, you find that you have thousands of these items to delete (Steven.Mansour.com/blog).

Mansour illuminates experiences related to a loss of control over what one share with others on Facebook and how these experiences could result in feelings of exploitation of one’s own personal integrity and creativity. While Facebook thrives on being about the freedom and creativity of users, their privacy policy prohibits that same freedom by imposing a rigorous set of rules on users. At Facebook anyone is free to be whomever he or she wants, but must be ready to accept being targeted by adverts based on previous clicks and status updates. At the same time it is difficult to avoid using Facebook as social activities are organized via the forum. In this sense Facebook resembles the unavoidability of the means of consumption needed to cope with everyday life.

CONCLUSION

Our aim in this paper was to discuss the emerging branding paradigm of co-creation. We began by distinguishing co-creation from co-production arguing that co-creation refers to the creation of exchange value through valorising consumers’ social relations. We then moved on to discuss the recent observation within marketing and consumer research that co-creation as a marketing technique works as a mode of governing through conceptions of freedom and autonomy central to the neoliberal economy. The co-creation branding paradigm seems to construct a novel form of entrepreneurial consumer subjectivity. Consumers nowadays actively engage in value generating labour for firms in exchange for reputation and the establishment of social networks and relations. Paradoxically, however, consumers seem to have received more agency and freedom, while at the same time being controlled by these concepts. The emerging branding paradigm of co-creation therefore needs to be approached as a branding principle, which seeks to control consumers in the same way as the psy apparatus in marketing’s early years. The difference is that co-creation builds on a different logic of control with different consequences for branding, like, for instance, brand authenticity. What is more authentic than that which one has produced by and for oneself? Thus, our contention is that co-creation needs to be studied from the perspective of control, rather than as a value generating mechanism for the firm. The valorisation of social relations within contemporary branding practices opens a space where consumers’ identities become forms of conduct, which may result in feelings that one is obliged to create and innovate. Such feelings may ultimately culminate in experiences of exploitation as consumers realise that they are constant labourers.

REFERENCES


Getting co-creation right takes careful foresight and planning, as well as a deep knowledge of a brand’s customer base. We’ll take a look at how 10 companies are getting it right but first, a quick reminder: What is customer co-creation, exactly? Co-creation also includes plenty of fun, light exchanges, like musicians using Twitter to take fan suggestions regarding album titles, or football clubs asking for feedback on their rebranding efforts. Customer co-creation can lead to some great innovations, such as Etihad Airways’ customizable cabin interiors. Through its Open Innovation platform, launched in 2010, Unilever presents specific challenges to the public, encouraging individuals to submit responses for potential adoption by the company. Emotional Branding explores how effective consumer interaction needs to be about senses and feelings, emotions and sentiments. Not unlike the Greek culture that used philosophy, poetry, music, and the art of discussion and debate to stimulate the imagination, the concept of emotional branding establishes the forum in which people can convene and push the limits of their creativity. Emotional Branding explores the buying patterns, needs, and belief systems of a variety of different demographics: the boomers through to the millennials, various minority populations, women, and the gay community. The book looks at how color, packaging, sound, scent, etc can be used to produce certain feelings. Brand Example: Commerzbank. This advert for Commerzbank entitled “The Painted Truth” plays to German honesty and directness. It features a German celebrity making sensational claims to camera about a savings account. Or fear of debt, German consumers today still prefer to use cash, with Germany remaining one of the most cash-intensive advanced economies on earth. Debit cards are catching on gradually, particularly amongst younger generations, but take up of credit cards is low driven by a loathing of debt and privacy issues with electronic payment methods. Contactless payments and mobile payments via smartphones have also so far been unsuccessful due to these trust concerns.