

In fact, consumer communities have an impact on the market and on companies that is totally different compared to the impact individual consumers have.

Communities intervene and invade space that used to belong only to the company.

Moreover, the company cannot do without communities because their power of influence is strong.

The participation era began with blogs, for example, which are an evident sign.

The application of digital technology to the new practice of global conversation which is typical of third millennium markets has radically revolutionized the relationship between product/service suppliers and consumers. Previous studies regarding marketing and Internet communications, which in time have been significantly influenced by relationship marketing approaches, one-to-one marketing, permission marketing, guerilla and viral marketing (Godin, 2001; Levison and Rubin, 2003; McKenna, 1992; Peppers and Rogers, 1996; Prandelli and Verona, 2006), have included reflections relative to the possible shift, through the use of the Web, from a mass economy to an economy of scope (Anderson, 2006). At the same time, studies have been made on the post-modern consumer in the Internet world, with references to individualism and tribalism processes (Codeluppi, 2003; Cova, 2004; Fabris, 2003, 2008).

The growth of social relations in business communications, as a result of consumer-to-consumer conversations and the abundance of niches within which the consumer can make purchase decisions, the effect of the new personalized dialogue between company and customer are the two main driving forces that have contributed to the creation and development of so-called consumer generated media.

The individual consumer has rapidly taken possession of this communication tool generated by users and regarding companies, brands and products, as a relevant source of information and as a way of shaping opinions and behavior. Companies therefore are beginning to consider this communication modality a part of their communication mix, with some companies rapidly introducing it as part of its strategies, while others are evaluating its use potential and impact on their markets.

Most organizations, however, are still in a uncertain phase of waiting because they are unable to fully understand this phenomenon and its potential. They therefore run the risk of being blown over and having to react in a defensive way instead of in a proactive way.

Blogging, in the access era (Rifkin, 2000), contributes to allow each person to be heard by the public, and to become a living voice for the consumer citizen, the expert, the journalist, the enthusiastic amateur, and the opinion leader in a wide range of fields of interest by leaving information traces that end up influencing group behavior. Companies, therefore, can be affected by uncontrollable flows of information that regard them and condition how they are perceived. These companies cannot leave their knowledge and active participation to chance in these forms of communication.

The strong point of blogs is their independence and transparency through the generation of authentic and not directly promotional dialogues. This makes blogs



much more influential and credible than other traditional marketing tools. Their refractory nature to advertising logic, public relations and control of communication does not make blogs easy to use by companies compared to its typical use of media.

However, they do represent a challenge to traditional ways of market communication. This challenge must be accepted by companies which, in spite of their intentions during the last ten years to become lighter, more flexible, less hierarchical and, above all, closer to the customer, are still far from having a real cooperative relationship with their consumers.

In Italy, many marketing and sales managers are not able to clearly define what a blog is. Companies, therefore, continue to rely on traditional communication tools that make interaction and conversation difficult and focus only on unilateral communication. They risk finding themselves unprepared for their consumers' growing requests for transparent relations. What emerges in general from the relationship between companies and the blogosphere is a wide gap between the phenomenon's dimension and importance and its understanding and use by companies.

In the millennial generation market, the creation of an excellent product, the laying out of an effective commercial strategy, and marketing communication is not enough to obtain attention, credibility and market success. Companies must open their doors to consumers who are assuming more and more power and want companies to talk to them and with them, providing them with clear and direct answers to their questions and their desire to know. As has recently happened, the consumer is a step ahead of company competencies and company answers. This distance underlines the relationship crisis in consumer markets that organizations are trying to overcome, often through obsolete means and modalities that are more familiar and comfortable but remain far from the customers' requests. Blogs perhaps have become the metaphor and signal of a crisis concerning the need for a renewal in marketing strategies that is worsening, and must foresee, *horribile dictu*, an active consumer.

Another participatory interpretation of the consumer has been suggested by Bernard Cova's tribal marketing approach (2003). Cova advances what he calls a Latin vision of society, based on tribalism as post-modern social dynamics and characterized by fragmentation, hyper-realism and passion.

The difference between a tribe and a market segment, made up of the total number of isolated consumers, consists in their relationships. A tribe is a network of heterogeneous persons in terms of personal characteristics that are united by a common passion or emotion. A tribe is also capable of group actions, contrary to the market segment, and members of a tribe are not only simple consumers, but they are also supporters of a brand or product with a strong symbolic value. Value, in fact, is represented by the relationship occasions that the brand offers to those belonging to the tribe. The presence of companies is accepted only if they agree to a relationship based on equality, sharing and developing the tribe's skills, and supporting and helping it in the development of its real life experiences and activities. This occurs within marketing proposals participating and supporting the rituals that are carried



out by the tribe, thus expanding the members' tribal imaginary.

We then have critical consumption that comes from a variety of factors, including change in consumption models, cultural growth, the spreading of information, and consumer associations' role in the control of company activities.

Critical consumption is pursued by consumers who try to influence company decisions through their own purchasing and consumption choices and seek to contribute to the improvement of the environment and society they live in. An ecological-environmental component and a socio-cultural component can be identified in this case. In particular, on one hand the socio-cultural dimension features solidarity and worry for the lack of cultural and social balance due to the loss of certain moral values, while on the other hand leads to the desire for social participation, as seen in "fair trade" products (DeLuca, 2006). Fair trade purchasing groups are active in this situation and consist in free associations made up of persons who have decided to buy convenient and general goods collectively. These groups are the expression of an active consumer and are perfectly in line with a more general change that is heading towards an increase in the contribution of consumers who are now involved in various processes, both cultural and productive, according to a peer-to-peer logic, and a corresponding reduction in the separation of the roles that are assumed by various social actors (Brunetti, 2007).

### **Customers enter the company: invading customers**

We can therefore discuss the presence of cognitive type relations on the market, especially within industrial markets, and of affective type relations, in particular in consumption markets. From communities of practice, which are typical in cognitive relations, we go to brand or interest communities which characterize affective relations. Brand communities are groups of persons who share an interest in a specific brand and create a parallel social universe with its own values, rituals, reciprocal collaboration, languages and hierarchies. Where possible, management has the task of developing a brand community since it represents a powerful value driver of the brand itself.

An obvious, yet rather important question, arises from the brand community phenomenon: who really owns the brand? The company, as has always been believed, or consumers? Communities claim justified property rights, based on the value of their contribution to the brand's creation and to the meaning that the brand's identity has for them. If the brand is part of a group of persons' identity then their claim controls rights both implicitly and explicitly, for they want more power and more rights based on core competences that were previously reserved for the company (Muniz and O'Guinn, 2001).

At this point the customer comes into possession of company assets, in particular brand, reputation, etc., and decides on their fate. As a result, the customer becomes involved in the company's definition of social and marketing policies in a direct manner through communities.



Up until this moment, the invading customer was described, above all, by a dimensional paradigm: big customers ended up invading companies by dominating relationships and, therefore, taking part in the governance of these companies. Small customers and consumers on the contrary had no say whatsoever in the company, if not only indirectly through their power to refuse the offer.

After having ascertained, however, that new market conditions, the supply's dematerialization, and the new media have given the customer more power in market relations, we can say that this situation can represent the beginning of a new phase in company-customer relations leading to new power combinations and, as a consequence, to new combinations of company governance.

In truth, the desire on the one hand to establish partnership relations with customers whose effects the companies are not always fully aware of, and the request of identity creation made to customers through brands and products on the other hand, end up leading to the sharing of power and company governance.

However, it seems as if companies forget or ignore this fact, or are at the most naively aware of it.

While companies are very slow to share power, consumers are trying to gain control of the relations rapidly and actively. On-line tools make consumers capable of avoiding or strongly reducing their exposure to traditional marketing actions and activities and controlling many aspects of the purchasing process, concerning what and how to buy (Smith, 2004).

Instead of sharing market power and company decisions, managers have often made marketing actions even more aggressive and invasive, thus irritating customers and provoking their reaction. However, consumers' responses can be configured into a sort of "retaliation" from an increasingly invasive type of marketing to an invading customer.

The transfer of power currently being carried out in markets in various degrees according to the industrial sectors and company strategies in question appears to be inevitable. As a result, it is more useful and wise to manage and govern this process as much as possible instead of being forced to reach a costly "peace agreement" following a useless war with consumers.

For example, there is no simple answer to the need for information exchange with the customer if not that of carefully considering the change in distribution of power that foresees the relation's survival only if the customer consents (Fletcher, 2003).

This is how the invading customer's profile is formed. An invading customer strongly requests to enter the company and share decisions regarding the product and markets with the company, thus inserting his interests directly into the company's management processes. Invading customers are present in both B2B and B2C markets.

In industrial markets, through collaboration and partnerships, whoever collaborates and is asked to assume partner-like behavior wants to be constantly subjected to decisions made by others: such a partnership therefore presupposes co-management.



In consumption markets on the contrary, through identity and community, no one is willing to give up control of their identity to others: communities have the power and influence to prevent and to condition this. The more a consumer considers his life as being tied to brands and products and fully accepts only what the company has continued to propose for years, the more he requests to participate in the management of those objects that make up his identity.

As a result, he ends up requesting to take part in the company's governance. This request is made significantly easier by means of the communication features offered by new media that allows conversation, collaboration and decision sharing.

Not always and not in all cases, however, do customers want to invade and intervene immediately, so the invasion takes the shape of a latent situation. If they wish to customers can do it and at times have been doing so more often and temporarily. This means that both permanent invasions and territorial incursions are possible. Permanent invasions occur when the customer is called upon in an important and constant way to favor the company's success. Temporary incursions occur when the company transitorily enters the customer's area of interest or identity through its marketing strategies, and the customer responds actively to the company's actions during such periods by requesting to share in decisions.

Not always is the invading customer a loyal one; he can be interested in the company, the brand, or its products with both a long-lasting loyalty that leads to invading behavior, or temporary interest that leads to incursion behavior. The former case deals with products and brands that have a permanent role in groups of customers, tribes, or communities' identity construction processes. The latter case takes place when the product or brand assumes a temporary importance or interest that can be tied, for example, to issues concerning health, safety or ethics.

## Conclusions and managerial implications

What we are actually seeing is a process of increasing invasion with competitors who assume the roles of allies and invading customers. This process has passed from the companies' total control over market actions that was typical of mass markets, to managed governance, where allies and customers are given generic importance, to participated governance, in which instructions and suggestions from customers enter partially but structurally through the development of stable relations, to today's shared governance, where a new decision-making order must be established in a collaborative way, based on common and inseparable interests.

There is a driving force, therefore, that induces the creation of a new system of company governance: the unsolved problem is how to manage and organize such a system.

The governance system in a company changes and takes in new actors from the market represented by customers and consumers who request a spot alongside traditional structures, boards of directors, shareholders, managers, and control committees, even if they follow less institutional or less formal modalities.



Obviously, this process faces significant difficulties coming from companies that have to give up a part of their governance to share it, especially, though not only, in SMEs. The governance system, however, is the result of power distribution, so if the distribution of power changes so must the governance structure.

Problems in governance also exist for each company that is part of a network, not only for those that act as system integrators, but for companies in any part of the network. A company's success does not only depend on a single organization, but on the entire network; therefore, system governance is a network governance and a condition that significantly reflects on each single participant. Governance independence is also reduced through the increase in common design and planning of the various network partners that are constantly called upon to propose innovations and improvements. What an individual company can directly dominate constantly decreases because of the complexities and innovation needs that have spread throughout the network.

Two questions still remain unanswered: how to manage opportunistic behavior and the matter regarding reserved aspects in the construction of a company's value and competitive advantages.

By taking advantage of their market power, customers could at least theoretically but in any case possibly assume opportunist behavior that would force companies to put together offers that would be advantageous only for them. Companies would be forced to create these offers, thus pushing themselves to the limit of survival and going beyond the threshold of low costs, with consequent problems for the company itself, for the customers would then migrate towards other brands and products. The extreme opportunist attitude no longer sees the consumer as part of a win-win type of behavior, but as being oriented only towards the maximum exploitation of the value produced by the company for their exclusive benefit. This situation is theoretically possible even though should companies no longer be able to generate products and brands, symbols and signs of value, the consumer's satisfaction in time would be reduced. Therefore, this type of behavior would be short-lived and to no advantage. However, the customer does not always have long-term vision.

The second aspect that must be faced is related to the problem regarding the company and confidential parts of the company in constructing value and competitive advantages that should be open to customers. Of course, reserved strategies and competencies exist in every company as they make competitive decisions and behavior possible, and though these reserved strategies cannot be of public domain, they can be made totally known to the public. According to Tapscott and Williams (2007), value transmigrates from secret operations to open operations at least in part through mass collaboration involving customers, competitors other subjects. There are some significant examples in this sense, from open source to wiki, to mashups, even if the company models supporting them are not always clear once the part characterized by a sort of pioneering type of voluntary enthusiasm ends.

The question therefore is just how invading can an invading customer be? What is the trade-off between market advantages and the possible economic disadvantages



of this type of opening? Is it possible to resist this push or would resistance only be a useless attempt to hold back the future and, therefore, correct management solutions must be found?

When thinking about governance tools in an inclusive way, companies can consider at least three hypotheses with growing levels of difficulty in replying to invading customers.

The first hypothesis consists in implementing strategies and structures capable of listening to customers, such as product tests and marketing surveys; from a company's internal point of view, this hypothesis is easy to accept and relatively simple to manage. The problem is that, with respect to the hypothesized objectives and the environmental conditions of the market that were outlined, this solution only allows a placebo effect.

The second hypothesis considers customers as institutional stakeholders, so they are treated as communities that must be kept informed and from which suggestions concerning social and market behavior are received. This means institutional type relations need to be traced; these relations therefore tend to favor formal and official contents and collaborations that usually run the risk of not being very effective and increase the bureaucratic aspects of the company-customer relationship.

The third hypothesis considers promoting customer involvement in partial co-management processes, such as new products development, the planning of communication actions, or distribution choices. This is a difficult solution for companies to accept and manage because it would cause both the internal and external balance of power created in time by the company to be modified. If this type of solution works, however, it can be very effective for solving problems concerning invading customers. The question of a possible opportunistic behavior by communities of customers comes into play, however, and this cannot easily be accepted by the companies.

At the moment, a clear and univocal solution is not possible but there are companies that are moving along these three hypotheses in an attempt to manage the problem of invading customers.

Invading customers do not pose a threat to the company, rather they represent an important opportunity to strengthen market relations and value creation. The novel element is represented by the fact that this shift in power no longer allows the company to have full control of their relationships. The reconstruction of governance processes requires customers to be involved in a new way and it would be a mistake to ignore this fact; building walls in fact has often slowed down, but not stopped, this type of invasion. Companies with a high level of conversation and collaboration with customers have an easier time establishing a strong position on the market. Invading customers could represent a new source of competitive advantage, and a way of thinking back to an old adage of company management that requires transforming perceived threats into real opportunities.

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