ONLINE CONSUMERS AS A SOURCE OF ORGANISATIONAL KNOWLEDGE.

Theme: The Social Processes of OL and KM

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Abstract

Consumers are an increasingly valuable source of knowledge about an organisation's products and services. This paper outlines a research project which explores the relationship of e-Commerce and Knowledge Management from a consumer perspective. The research draws on the theory of the 'personalization strategy' and on the 'socially constructed models' of Knowledge Management identified by McAdam and Mcreedy (McAdam and McCreedy, 1999). The first stage in this cycle of the research is an explorative investigation into consumers' uses of the Internet in consumption practices. The paper reports the early findings of the research. It concludes that in order to promote innovation and the development of new knowledge, organisations must facilitate interaction across their boundaries, and integrate knowledge exchange with consumers into normal working practices

Contextual Background

Introduction

Consumer knowledge is a very important asset for an Organisation. Two types of consumer knowledge have been identified, "knowledge about customers" including customer segments, individual customer preferences, potential customers, and "knowledge possessed by customers" including knowledge about product ranges, companies, and the marketplace.(Rowley, 2002:269). Research frequently focuses on knowledge about customers, in the context of data mining and customer relationship management. While researchers recognise that knowledge possessed by consumers "cannot be ignored" (Rowley, 2002:269) this remains an underdeveloped area of research. The Internet offers organisations great opportunities to access the rich knowledge that consumers construct about products, services and companies they experience. This paper focuses on the synergy of e-Commerce and the management of knowledge possessed by consumers. It reports the early findings of an explorative investigation into consumers' uses of the Internet in consumption practices.

e-Commerce and the consumer

In the initial 'start up period' of e-Commerce, two clear approaches to developing an electronic presence emerged: the *Informational* approach and the *Transactional* approach. The Informational approach focused on building brand presence, and informing the consumer's buying decision, while the transactional approach focused on facilitating the retail process - exchange of product or service for financial value. There was a general belief that a transactional approach offered greater competitive advantage. This can be seen in the surge in virtual companies or 'dot coms', and in the numerous early definitions of e-Commerce that focus on electronic transaction alone:

> Electronic Commerce provides the capability of buying and selling products and information on the Internet and other online services (Kalakota and Whinston, 1997:36)

Electronic Commerce is the use of computer networks to conduct business - basically the buying and selling of goods and services - electronically with one's suppliers customers and / or competitors. (Hayashi, 1996:150)

This 'Trading View' (Holsapple and Singh, 2000:150) or transactional approach offers limited leverage of the potential of electronic commerce and may account for the number of failed virtual start up companies. Attempts to assimilate highly social learned behaviours such as shopping and banking with the solitary new environment of the PC Internet have merely culminated in the use of crude semiotic devices aligned to prior learning and cultural forms such as virtual shopping carts and virtual checkouts. This approach has failed to capture the true potential of electronic channels.

Research shows that people currently use the Internet to research products and services, and increasingly fail to complete transactions online. Consumers are not ready to accommodate online purchasing into current shopping practice. Instead, it is the communication capabilities of the Internet that consumers more readily make use of. They are using the Internet to share their experiences of using products and of interacting with companies. The impact of these experiences may be positive or negative, but in either case in the e-society it can be more far reaching than ever before. Whereas in the old economy one person was generally thought to influence the attitudes and behaviour of two people, in the new economy a person communicating online is thought to influence approximately eight people (Pastore, 2000). Consumers have become:

'cyberworld town criers, whose voices are not measured in decibels but in megabytes, (and who) are able to express their opinions at extraordinarily high rates, using the Internet as their virtual soapbox' (Pastore, 2000)

They have the potential to improve or seriously damage a company's reputation. The challenge for business is to address this potential impact, and to attempt to harness consumer knowledge and opinion to create value for companies and their customers. Electronic Commerce is still evolving, but it is clear that this new channel offers enormous potential for both consumers and businesses. The Internet offers the potential to dramatically change the ways in which consumers interact with each other and with companies. Enabling these two sides to communicate and create and share knowledge has enormous potential for an e-Commerce business strategy.

Adopting a Knowledge Management Approach

Given this, it is to a company's advantage to focus on areas other than the 'transactional' and 'informational' functions of their web sites. A third approach to e-Commerce is increasingly common; the *Interactional* approach. In this more evolved approach to e-Commerce 'information or content is not merely transmitted from a sender to a receiver, but instead, mediated environments are created by participants and then experienced' (Hoffman and Novak T., 1997:44). Consumers can *interact* with each other and with the companies they choose to do business with.

It has been argued that to add maximum value for a company, the e-Commerce function should attempt to replicate the way people shop in the 'real world' and 'create a sense of community and opportunities to communicate' (IPA, 1995). The success of companies such

as ebay, who don't actually sell anything but simply facilitate consumer-to-consumer exchanges, or Amazon, a pioneer of electronic consumer reviews, suggests the demand for consumer connectivity.

At the same time, consumer research has moved away from the view of a passive, cognitive, information processing consumer to recognise a more pro-active, discriminatory and social individual. Foxall et al. state that:

> 'It is almost certain that ….he or she will seek information from friends, neighbours or relatives about the relative merits of different brands. Indeed several studies indicate that informal word-of-mouth communication may be more effective than formal advertising in moulding consumers' decisions.' (Foxhall et al. 1998:68).

The "information seeking process" may include an internal search evoking the consumer's memories and previous experiences, and an external search gathering information and knowledge from explicit sources such as consumer guides and reviews. It may also include knowledge of products, services and companies constructed through interactions with family, friends, colleagues, manufacturers, and suppliers. It is into this stage of the consumer experience that electronic channels are most likely to be accommodated. Qualitative research with consumers supports this, suggesting commercial benefits of online communities:

> There appear to be commercial benefits for organisations providing virtual communities on their Websites. Many …. people would like to use a virtual community to communicate with the company itself. (Evans et al. 2001:157).

And even a *reliance* upon a virtual community:

> I go to Amazon instead of a regular book store because if I'm interested in a book, I can find out what 100 other people think about it. If I go to a bookstore now, I'm lonely. Where are those 100 people? (Brewer, 2000)

Social Constructionists argue that it is through communication and social interaction that knowledge is created. This may be knowledge about products on the market, or the quality of customer services departments of various companies. Through the Internet the potential for consumer connectivity or interaction is vast. A person can exchange opinions and experiences of a product or company with thousands of other consumers. She can read a customer review of a book, and then read how useful that review was to others before making her decision to purchase. Finally she can add her own ratings. She can compare the experiences of consumers who purchased different brands of camera a year ago, reflect on their experiences of using the product and interacting with the company before deciding which brand she should purchase (e.g. See http://www.epinions.com/). Through the Internet a whole new world of such conversations has opened up. It has even been suggested that online communities of consumers operate a 'gift economy', investing great time and effort in contributing their 'knowledge'. These practices have resounding echoes of the Knowledge Management practices promoted within many organisations, and in particular of the models of socially constructed knowledge management models proposed by Demerest (Demerest, 1997) and McAdam and Mcreedy (McAdam and McCreedy, 1999). To explore consumer's use of the

Internet as a Knowledge Management system, and to propose ways in which organisations could create maximum value from knowledge created and shared by consumers through the Internet the following research study is proposed.

The Research Project

Introduction

The research explores consumers' use of the Internet through the lens of Knowledge Management with the following research objectives:

- To explore the idea that consumers currently use the e-Commerce facility as a Knowledge Management function, to seek and share knowledge about products and services.

- To explore the idea that consumers are 'empowered' by the Internet.

- To propose a framework for e-Commerce to facilitate interaction, and integrate knowledge exchange with consumers into normal working practices.

Study design

Avison and Fitzgerald outline the importance of a philosophical approach in designing a research project,

> 'A methodology is a collection of procedures, techniques, tools and documentation aids… but a methodology is more than merely a collection of these things. It is usually based on some philosophical view, otherwise it is merely a method, like a recipe.' (Avison & Fitzgerald, 1995:44)

The purpose of this section is to outline the philosophical and practical aspects of selecting an appropriate methodology for research, and to justify the choices made in selecting a methodology for this study.

It is increasingly important for researchers to reflect on the research process, engaging with ontological and epistemological issues in selecting the most appropriate method of enquiry for the research question. The reflexive researcher should address the questions of *what* they are claiming to know (ontology) and *how* they are claiming to know it, or how they will justify that claim (epistemology). In order to address these questions with some consistency the researcher must develop an awareness of their own epistemic perspective, and ascertain to which epistemic domain or paradigm they belong.

Approaches to research into the consumer experience have been debated for some time. Woodruffe noted that "The possibility that consumer research is in crisis and that new reason must prevail in order to overcome the inadequacy of existing theory has been explored and new directions sought" (Woodruffe, 1997b: 674). Foxhall suggests that:

"Qualitative research, the adoption of interpretive stances, post-positive investigation – all so long derided by the preeminent quantitative positivism – have emerged as vital and vitalizing components of the new consumer research." (Foxhall, 2000:769).

Further, Woodruffe proposes:

"the idea of a Utopian vision of consumer research ...... which rejects traditional, positivistic approaches and focuses instead on the experiential perspective of consumers as individuals" (Woodruffe, 1997b:668)

The approach selected for this research is informed by the debate into philosophical approaches to consumer research. As a generative exploration into the experiential perspective of consumers' uses of the Internet, with the aim of developing a framework for organizations to learn and benefit from the consumer experience, this research is rooted in the Interpretive paradigm. The research questions assume a subjective reality, a reality that is constructed through social interaction and construction of meaning (subjective ontology). Similarly, that reality cannot be wholly objectively observed. e-Commerce and Knowledge Management are social functions that can only be understood in terms of prior knowledge, values, expectations and interaction (subjective epistemology). The epistemological stance that will be adopted in this research will be Social Constructionist-Critical Theory. This approach is considered more appropriate than a pure Critical Theory approach which would "entail both constructivist and socio-rationialist epistemological commitments located in an objectivist (i.e. realist) ontology." (Johnson and Duberley, 2000:185). It is argued that the objective view of reality taken by the Habermasian approach to Critical Theory refers to:

"social constructions... and .. an established format of communication that has been reified into a form of 'reality'. This reality with its embedded dominatory forms, heavily influences the way in which the various actors behave, to the benefit of some and the detriment of others" (Nolan, 2003:30)

By adopting a social constructionist-critical theory approach this assumption is made explicit.

Critical theory is concerned with emancipation and enlightenment. Its contribution in a paper on how organisations can learn and benefit from knowledge possessed by consumers may be unclear. Quoting Grice and Humphries (Grice and Humphries, 1997), Johnson and Duberley point to an apparent contradiction in the concerns of critical theory and the aims of organisational management. They state that:

"...some writers point to the fundamental contradiction between critical theory and the aims of management, with the former "fundamentally opposed to alienation and exploitation" and the latter "implicity directed towards structuring organizational and societal relationships by means of oppression and exploitation". (Johnson and Duberley, 2000:123)

This contradiction could equally be applied to the adoption of critical theory in an exploration of the relationship between consumers and companies. However, consumer researchers have

frequently argued that this approach has a valuable contribution to make to the field (Woodruffe, 1997b), (Murray and Ozanne, 1991), (Olander, 1993), and that "individual consumers are rightfully entitled to benefit from the results of consumer research". (Woodruffe, 1997b:672). One objective of the current research project is to explore ways of 'empowering' or giving consumers a voice that companies can hear, respond to and learn from. For that reason, critical theory is considered an appropriate approach for this research

Methodology

From the approach that this study will take, it is important to survey relevant groups with 'high experience levels of the phenomena under study' (Pettigrew, 1990:165), in this case online shopping. Questionnaires were adopted as a preliminary data collection method, and as a means of identifying suitable interview participants with relevant experience. To ensure consideration of stable usage patterns the sample was made up of consumers who are experienced Internet users and have engaged in commercial activity (transaction, product / company research) on the Internet for at least one year.

Semi-structured interviews with consumers exploring their experiences of online interaction provide qualitative data. Data is continuously analysed in relation to the research questions throughout collection. Through the social interaction of an interview, meaning can be constructed and negotiated between the participant and the researcher. Woodruffe states that "it is argued that the interview is the most powerful means for attaining in-depth understanding of another person's experience" (Woodruffe, 1997a:328) Easterby-Smith et al state that:

> "Interviews, both semi-structured and unstructured, are appropriate methods when:
>
> 1. It is necessary to understand the constructs that the interviewee uses as a basis for her opinions and beliefs about a particular matter or situation" (Easterby-Smith et al 2002:87)

The aim of this research is to explore how people use the Internet in consumer practices with the objective of suggesting a framework for e-Commerce to facilitate interaction, and integrate knowledge exchange with consumers into normal working practices. An in depth understanding of the experiences, beliefs and opinions of participants is essential. Semi-structured interviews allow the researcher flexibility to explore interesting lines of enquiry throughout an interview. This method of data collection was considered most appropriate.

The respondents are a non-probability purposive sample located through postings to students and academics at two universities in the North West of England, general networking with other researchers, and snowball sampling (asking respondents to identify other people with relevant experience). Robson states that non-probability samples 'typically involve the researcher using her or his judgement to achieve a particular purpose' and 'are acceptable when there is no intention or need to make a statistical generalization to any population beyond the sample surveyed'(Robson, 1993:141). Purposive sampling is particularly suited to the method of analysis used in this research. Theme analysis involves researchers carrying out initial sampling and the sample is extended as a result of the emerging theories. In this method the approach is towards 'theoretical sampling' rather than 'representative sampling', and generalization is based upon underlying theories rather than representative samples.

Data Analysis

This paper reports work in progress. To date, fifteen interviews have been carried out, each one lasting between thirty and sixty minutes. Interviews were recorded with the permission of the participant, and verbatim transcripts were produced from the recordings. In analysis, the researcher made use of transcripts, recordings and field notes. The method of data analysis selected is pattern coding and theme analysis. Such analysis is an iterative process involving data collection and analysis simultaneously. Theories are generated and confirmed or refuted by further exploration. Theory-laden language and the researcher's subjective interpretation is acknowledged. According to the Interpretivist tradition all research is value-laden as the researcher makes subjective choices in methods of data collection and analysis. The researcher's own experience and interests will have a role in informing the study. In fact the grounded theory approach, which bears many similarities to pattern coding and theme analysis, actively recognises the positive contribution and insight that the researcher's own experiences can bring. Similarly, Woodruffe argues that in consumer research "if humanly possible the interviewer must be subjective" and that "it has been demonstrated that new kinds of approach to consumer research mean that the personal, the subjective and the experiential are not only acceptable but essential." (Woodruffe, 1996:17)

Interview questions, based around the research questions, were general and open to allow the researcher to discover emergent themes. A "mid-range accounting scheme" (Miles and Huberman,1994:61), between a priori and inductive was adopted. This allows for the identification of domains in which codes can be developed inductively. Initial coding domains were based around the research questions. Table one shows initial domains and illustrative interview questions. Pattern coding and theme analysis involves two stages. Firstly transcripts are analysed against existing codes and further codes can be generated. Secondly, codes are grouped into a smaller number of themes or patterns. At this stage, more interviews can be carried out to explore emergent themes more fully.

Early Results

The emergent themes from the first cycle of data collection and analysis that are of relevance in this paper are:

The Internet
Interaction with Commercial Organisations
C2C interaction and Communities
Power

Domains	Illustrative Questions
The Internet	*What does the Internet represent to you?* *Has any area of your life changed as an effect of the Internet*
Researching Products	*Tell me about your experiences of researching products on the Internet* *Do you feel that you can learn more about a product on the Internet than through other channels?*
Buying Products	*Tell me about your experiences of buying products on the Internet*
Communication	*Tell me about your experiences of communicating with other consumers through the Internet* *Tell me about your experiences of communicating with companies through the Internet* *How do you feel about companies contacting you through the Internet?*
Knowledge Management	*Tell me about your experiences of communicating with other consumers through the Internet* *Tell me about your experiences of communicating with companies through the Internet* *Have you published your own reviews / opinions?* *Do you feel you have access to a range of perspectives through the Internet?* *Where would you look to find out about a product through the Internet?*
Empowerment	*How far would you say the Internet empowers you as a consumer?*

Table 1. Initial coding domains and illustrative questions.

Introduction - The Internet

A common thread runs through participant's views of what the Internet represents to them. It is seen as a source of information (or knowledge), and a means of communication:

> "It's a huge body of information…. Like huge libraries ..So it represents a huge body of knowledge really, more so than anything" (Interview 6)

> "A source of information really on anything" (Interview 10)
> "It's actually made communication a lot easier for me" (Interview 9)

> "It's very easy to get in touch with people all over the world, and I find that very empowering, a very positive sort of thing. In terms of a source of information, if you want to know anything, it's all there" (Interview 5)

When asked directly about their use of the Internet in commercially related activities, participants frequently referred to the *information* available about different products rather than the ability to purchase:

> "We used it just to gather information really relating to the product"
> (Interview 2)

> "it tells you instantly all the information about it .... you can go on and compare the different prices that they have for the same thing." (Interview 8)

More significantly, they referred to the range of perspectives available through the Internet:

> "Because it's available, it's accessible, I'll get information about the product itself whereas before you'd rely on a salesperson to give you that information. I've got there from other sources so it's different ways of getting information on products that I'm going to purchase" (Interview 12)

Given that participants related that the Internet has opened up communication and information channels, the strong sense of barriers separating customers and companies that emerged was surprising.

Interaction with Commercial Organisations

Narratives using language which constructed dichotomies of oppressor / oppressed, and metaphors of power and control, invasion, and revolution were pervasive. The barriers participants experienced separating them from companies ranged from poorly designed or inefficient websites:

> "Some websites you get a list of topics and it could be in there, it could be in there, so you click on here and that gets you to somewhere else where it might be there or it might be there. It's a labyrinth and you get fed up with it. They're thrown together by people who write PC software" (Interview 5)

> "When something hasn't worked and I've found a blockage that I couldn't get around, you know it gives you very negative feelings. Because you've got nobody directly to speak to it can be very frustrating. It's almost like dealing with a faceless bureaucracy kind of thing – you know, there's simply no way around the system and it leaves me feeling useless" (Interview 4)

and lack of channel integration:

> "I emailed them and I had to ask them by email could they give me a phone number to contact them….. They emailed me back with a telephone number and I phoned up, but I couldn't have dome that from their website alone so that was a problem" (Interview 12)

To a more negative construct of companies as dishonest and deceitful:

> "…they lie. Companies are selling products that they haven't got in stock" (Interview 2)

> "Of course you hear loads of stuff like ... if you order online you get not so fresh produce. 'Let's get rid of it on our Internet buyers'" (Interview 1)

and controlling:

> "I've filled in enquiry forms and that sort of thing, where they are basically gathering data on me…..I just don't like the idea anyway because all they need to do is put in your postcode and your name and there you go! They've got you! And how do they link that up with other databases? You don't know do you?" (Interview 4)

Another barrier to consumer / company interaction was simply failure to reply to emails. Significantly one participant responded that:

> "If you talk to someone its just that you feel like they're doing something about it. It might not actually be any different it's just a perception. If I get something personal saying so and so has received you order, you know, you can tell when it's not just an automatic reply" (Interview 6)

This Suggests that standard automatic replies are not perceived as opening up communication channels, but reinforce the perception of barriers between customer and company. Similarly, electronic marketing communications prompted strong reactions expressed in terms of power and control and, in many cases, ending rather interestingly with imagery of closing down communication channels.

> "I hate it. It irritates the hell out of me. I hate being bombarded with junk e-mail. I can't stand it. It's the scourge of the Internet. I really think that it needs controlling there's no control, you know with the Internet it's unstoppable isn't it? It's going to put people off" (Interview 6)

> "I don't like getting advertising material. I don't read it because if I want to find out about something then I will find out about it. So it just goes in the bin" (Interview 10)

> "I don't like having to look at advertising. If you log onto the Internet you're becoming increasingly bombarded with stuff coming into your computer. You come off the Internet and you realise that there's three or four windows up of advertising stuff and you weren't even aware that they had come into your machine and I don't like that. They do it so that the window is slightly shifted so that you can't get to the cross. Somebody's thought all this through and it's just irritating and they should be shot." (Interview 5)

In the narratives of the participants in this research, the Internet does not facilitate communication with companies, nor does it enable the erosion of organizational boundaries, but appears to strengthen them. For them, the social processes that encourage knowledge construction are not taking place on commercial websites. A valuable source of knowledge about products and services, is not being heard by companies.

C2C interaction and Communities.

Participants were not asked directly about their participation in, or membership of online communities, but the theme strongly emerged. One participant noted that the Internet is "a

very good way of making contact with like minded people" (Interview 9). Field notes made by the researcher immediately after each interview frequently highlighted one point at which the participant became animated and enthusiastic. The change in tone was in stark contrast to that used in narratives of researching and buying products or in communicating with companies. One participant became animated when talking about the website of a farm where she regularly takes holidays:

> "There's a place we go in Scotland who now have a website where you can keep up to date with the site. Because I'm into pigs and I collect pigs and this particular place we went was on a farm and they had pigs, so she puts photographs of the pigs on the website and you can email and ask how the pigs are. She obviously sends out marketing information too about, you know, we've just bought another cow or whatever and they've built up a real base of people who go. She's even got a forum, I mean she's got the right idea." (Interview 3)

For another, it was a self help group for a specific medical condition that sparked enthusiasm:

> "It's an area of deep personal interest. They were self help groups and so on and they have discussion boards and they put on their own experiences of taking certain medicines…. So there was so called factual information and then actual users experiences were on as well. She got a lot of information which altered what she actually settled for" (Interview 4)

A third participant spoke very animatedly about ebay:

> "Then because I had some questions I actually emailed the fella and he was just brilliant because he kept e-mailing me back saying "Hello, Susan. Now let me just tell you about this game that I'm sending you" and it was brilliant, it was like making a new friend. It was really, really good. I was very impressed with ebay. It's like a community. It's like you see names coming up time and time again and you can read what they've done in the past with other people and how good they've been and things like that. They say things about you and you say things about them, it's a two way thing so it's worth it" (Interview 12)

This contrasts greatly with another participant's comment that corporate marketing messages are "a one way thing" (Interview 11), preventing social interacting and exchange. These accounts also illustrate how meaningful and valued interchanges are most frequently constructed around an area of interest rather than within a purely commercial interaction. More significantly, even though participants spoke of how they valued reviews by other consumers "because they had no reason to put any falsities on there" (Interview 4) a totally different belief about consumer reviews within a commercial website emerged:

> "It's whether you would actually trust that as a source. Would they actually put very disparaging comments from consumers on their particular site or would they just be full of glowing reviews for their products." (Interview 3)

As another participant responded "you're looking for a negative to prove the positive" (Interview 1), and ultimately:

"If you wanted something a bit less biased perhaps you could go to a forum, there's lots of forums where they discuss anything and everything so if you wanted to know what someone really thought about a subject you'd go on one of those." (Interview 6)

Power

Throughout the interviews a discourse of power and control strongly emerged. So too did a sense of resigned acceptance on the part of the consumers. Critical to this is the sense of communication breakdown between companies and consumers. One participant narrated his experience of house hunting on the Internet:

"I saw one yesterday, phoned up and it was gone because they haven't updated their website. Well why not? This is really annoying especially over something like that… I mean, I, being the kind of person I am, I was [*makes action to imply speaking on the telephone]* WELL WHY NOT?" (Interview 1)

When asked what the response from the company was, the participant responded "oh, they just gave me some line, you know", suggesting a resigned acceptance of a corporate message. Habermas proposed that "where power is present, communication is systematically distorted", and further that "power would act as a barrier to the free and unconstrained realization of the human interest in achieving rational truth or enlightenment" (Clegg,1989:94) The model of Knowledge Management proposed for this explorative research is a model of socially constructed knowledge, which brings about consumer emancipation and business benefits. The process of socially constructing knowledge depends upon effective communication networks. The participants of this research do not construct a view of the Internet as opening up communication channels with companies where social interaction may facilitate the construction and exchange of knowledge. When asked how commercially orientated use of the Internet could be improved, one participant responded that they would like to see more transparency or transaction tracking devices. It was significant that the language he used to express this constructed an image of the company as a fortress to be invaded, three times he used the phrase "you could go right into the company":

"If you could search *right into the company* without having to phone them up, you could track the progress of where my house purchase is just now, where my will is just now where my injury claim is just now…I think some companies are starting to put these gateways in to *go right into the company* so you don't have to talk to anybody, but the security implications must be a minefield because you *go right into the company*" (Interview 1)

This image of invasion also reinforces the idea of organisational boundaries, and barriers between companies and consumers.

Significantly, the participants generally did not feel that the Internet empowered them as consumers. Some participants did say they felt empowered, quoting convenience, choice, or competitive prices available through the Internet. However, the same respondents commented that they tend to return to the same sites, or only use "well known and well trusted" companies' websites (Interview 8), implying limitation. Generally however, participants responded that the Internet was "*potentially* very empowering" for consumers

(Interview 6) or simply that they did not feel empowered by it. Several participants commented that they were aware of websites where consumers can post their complaints or reviews of companies, but commented that they hadn't done that as "they just hadn't got round to it" (Interview 3) or because "there's not much point" (Interview 8) implying a resigned powerlessness.

Conclusions

Knowledge possessed by consumers can only become a source of organizational knowledge if consumers are given a voice In order to create value for themselves, companies must explore ways of harnessing the consumer-to-consumer conversations which are already taking place around virtually any topic of interest. Companies must facilitate interaction, and integrate communication and knowledge exchange with consumers into normal working practices.

Consider the following example of a company director engaging in conversation with consumers. This example was brought to the attention of the researcher by one of the interview participants. Following negative comments about the company's products on a message board the Managing Director writes:

> 'Airflo's historic problems clearly affect people's opinions. To prove a point I would be happy to provide a FREE fly line to the first 30 people who respond on this forum with their details and model required. In return all I ask is that the line is tested and a fair review placed back on this forum. If you hate the product then come back on the board and slate it, if as I suspect you agree that the lines are some of the best available then please let everyone else know about it'

The following responses were posted:

> 'I appreciate the line sent….Am unable to test for a week or so but a comment on the dispatch. I received the line within two days…That's up there with the best of them for delivery service' (Posting No. 86)

> 'I am extremely impressed with a Managing Director who is so in touch with his customers and the obvious faith he has in his products' (Posting No. 95)

> 'I would have no hesitation in recommending this line to any other angler' (Posting No.100) (Fish and Fly Messageboard (archived thread) (2000))

By engaging in conversation and exchanging knowledge with his customers the Director appears to have improved the reputation of the company and the products. In an earlier posting he even gains input for a possible new product to develop: 'any chance of an intermediate, with non-stretch core, in double taper format?' (posting 75). This interaction takes place on an independent message board.

Consumers are already utilising the technology to communicate and share knowledge. 'The same technology that has opened up a new kind of conversation in the marketplace has done

the same within the corporation, or has the potential to do so.'(Levine et al, 2000:18). Companies must now focus on the communication capabilities of the Internet and use the technology to facilitate conversations across the corporate boundary. They must meet consumers on neutral ground and encourage consumer-to-consumer and consumer-to-business interaction in order to leverage a most valuable resource; the knowledge constructed by and embodied in the customers. In return they must share corporate knowledge with the consumer. Sinkula proposes that for organisations to learn from their customers:

> "Particular attention should be paid to serendipitous, unsolicited, customer information, particularly that which revolves around complaints. Marketing managers must do two things to better listen to customers" (Sinkula, 2002:265)

Firstly he argues they "must process the information better", and secondly they should "become more open to criticism" (Sinkula, 2002). This research suggests that before they can do this, companies must first learn to have conversations with their customers.

Further Research

This paper reports the early findings of the research project. Pattern coding and theme analysis is an iterative process. Further interviews will now be conducted in an attempt to discover new themes, and to explore those discussed here more fully, Finally, a framework for e-Commerce to facilitate interaction, and integrate knowledge exchange with consumers into normal working practices will be developed.

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