Postmodern consumer interaction
– To co-construct value


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Executive summary

This thesis explores the world of the postmodern phenomenon and consumer behavior as well as company-consumer interaction. The idea behind the thesis is that the world of consumers has changed over the past decades due to postmodernism, which brings forward new patterns of consumer expectations to products and services, but also how organizations market these. Thus the aim for the thesis is to uncover the patterns of postmodernism and consumers and which implication these have had on modern marketing. Based on this aim, the thesis revolves around theories of postmodernism and the challenges that modern marketing face which links to further theories of virtual communities and interaction between organizations and the consumers participating in these communities.

The first part of the thesis contains an outline of scientific research methods by illustrating the contrasting paradigms of positivism and constructionism. This depicts why the use of social constructionism suits this thesis as the scientific approach for investigating postmodern consumer behavior and how value is socially constructed when organizations interact with consumers.

The second part creates the theoretical foundation for the thesis as it, first of all, contains the fundamental theories of the postmodern phenomenon, how it has evolved, and how it affects the world of consumers. Secondly, the theory of postmodernism receives a critical view, illustrating the canyon that divides marketers into two types of approaches; the ones who import the theory of postmodernism into marketing, and the ones who continue to rely on traditional, modern marketing methods. This directs to the thesis to a range of challenges for modern marketing that come as an effect of postmodernism which uncovers a need for consideration of alternatives in marketing with more focus on the social dynamics of the postmodern consumers. This leads to theories of virtual communities and the presentation of a Company-Community Interaction Quality (CCIQ) framework covering a range of influential factors concerning corporate activities, consumer sentiments as incentives, and the potential impact of interaction through virtual communities.

The third part revolves around Dell Computers as a case study introducing its background story and its encounter with unsatisfied consumers that were blogging online which lead to the creation of its own community and IdeaStorm as a countermeasure. IdeaStorm becomes the focus of the case study which is put into context the CCIQ framework presented in the second part to provide a practical illustration of the use of virtual communities as a mean for organization to generate
valuable knowledge through interaction with its consumers and also creating experiential value for the consumers that participate in the interaction.

Towards the end, the thesis concludes the results of the investigation led by the problem statement, explaining how postmodernism generates challenges for modern marketing and how interaction through virtual communities can create value for both organizations and consumers. And finally a set of topics for further studies, with relevance to the topic of this thesis, are presented which may provide further insight for organizations to consider using alternative methods of marketing towards postmodern consumers.
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1. **Introduction and problem formulation**

1.1. **Introduction**

In the world of today, we are surrounded by countless products made available by endless providers that each, in some way, attempt to persuade us to purchase their specific product(s) or service(s). Some companies manufacture or provide similar, sometimes almost identical, goods and some provide differentiated products that may suit certain niche markets. Either way, consumers constantly have to choose between products and services that they want to buy based on what is felt suitable to their identity.

The decision of buying a specific product is in the end up to the individual consumer, or purchaser – depending on the circumstances. However, people are greatly influenced by their surroundings, which in the age of globalization could mean anything, and anywhere across the globe. A person may intend to buy a Playstation 3, but discovering that a friend in another city just bought an X-Box 360 because he/she thinks it has better features could in the end influence the buyer to choose a X-Box 360 instead, as it would also enable the two friends to play together online, creating a better consumer experience for both.

Sometimes we seek to be influenced by other people, as we would like to know what a specific group thinks of a product. This could be because we identify ourselves with a specific group and value its opinion. In other cases we are influenced, unknowingly, by the flow of information that we are constantly bombarded with during the day each time we log on to i.e. FaceBook, or turn on the TV where companies promote their products or brands. Everywhere we move, the communities and cultures we surround ourselves with change our perspectives and the experiences we have with the products we associate our lives with, which makes up for new consumer behavior and hence a new way of marketing the products and services.

This age of postmodernism has over the past decades brought with it changes to society and how people live their lives, create identities, behave as consumers, and experience products. This generates the need for new measures of research and marketing as sort of a countermeasure to the old methods of modern marketing which seem to have become challenged by these consumers of the postmodern age.

Gaining insight to the world of postmodernism and the postmodern consumer can prove to be vital knowledge for corporations, as it enables them to further develop the products that they provide, and more importantly increase the consumer value that the end-consumer receives through the
product experienced, both individually and in social contexts which, because of globalization, know almost no boundaries.

In an overall sense, this thesis will dig into the background of postmodernism and lead back to the period of modernism to illustrate from where the postmodern period has evolved. The phenomenon of postmodernism itself is presented by five characteristics that show the tendencies of the marketplace which consumers operate in, and an image of the global evolution that has arisen with postmodernism and new trends of globalization.

The characteristics of postmodernism will be supplemented by an illustration of six natures of postmodernism that pose a set of challenges to modern marketing and pointing towards the need for new measures in marketing – measures of cooperation with the postmodern consumer, and emphasizing the importance of the marketer/consumer relationship.

The relationship between marketer and consumer and the co-construction of value in a social context set the ground for investigation of communities and the potential they carry through this interaction. Through a Company-Consumer Interaction Quality framework, a range of factors influencing the interaction in a virtual community set the ground for a case study of Dell Computers, its community and IdeaStorm, a community for generating ideas for potential new products or services for Dell.

The purpose of the case study of Dell is, however, not to uncover and provide a solution to a specific problem, but more to illustrate the potential of using online communities as an advantage for companies – as a tool for gaining consumer knowledge and also creating value for the consumers themselves through experience and creation of desired/needed products.

1.1.1. Personal motivation

My personal motivation for writing this thesis on the topic of the postmodern phenomenon, post-consumerism, and marketing relates to the education I have undergone involving marketing and communication. My three years as a bachelor and first year as an MA student included much concerning marketing, research, and communication. However, this was built upon the foundation of modern marketing using the traditional tools that this thesis challenges due to the theory of postmodernism. The final year as an MA student, leading to the time of creating this thesis, introduced the term of postmodernism and new ways of looking at consumerism and marketing. This jolted my curiosity and the desire to investigate the phenomenon and which new ways of doing
marketing and communication that have emerged with the new consumer behavior connects with postmodernism.

1.2. Problem formulation

Postmodernism and social-/technological evolution has brought with them changes that have altered the ways of consumption, consumer behavior, and how markets function across the globe. These changes influence the marketing procedures that constitute the link from organizations to the consumers of today.

The age of the Internet has brought the world closer together and every individual is now subject to potential influence that affects consumers’ experience of products, when i.e. people log on to FaceBook, they may be affected by people from all corners of the world as they may share experiences openly with friends or strangers in various groups of interest. Furthermore, the nature of being part of communities and cultures online has expanded in connection with this evolution, bringing people closer together in the various forums or communities that emerge online.

Marketing is of utmost importance to corporations in order for them to be successful, and as the nature of the consumers evolves, corporations need to evolve as well in order to maintain success and profit, which is why changes from modernism to postmodernism require an update of the way marketing and research is conducted.

Modern marketing seems to need reconsideration, according to the postmodern phenomenon, and the classic tools of segmentation that treat the nature of consumption as a linear process with consumers simply as devourers of products are challenged by new unconfirmed methods of co-construction bringing the consumer closer to the organization and the creation of new products.

The concept of postmodern marketing has yet to become fully developed. This is however, a difficult task as the consumer of postmodernism is much based upon a concept of consumer experience that is affected through social interaction within communities and cultures. This is contrary to that of modernism which focuses on the importance of increasing the welfare of the individual through the material goods acquired.

Connecting the theory of postmodernism, the challenges it poses for marketing and communities can help illustrate how acknowledging the alternative ways to modern marketing, if utilized properly, can provide value for both consumers and organizations in terms of knowledge exchange of consumer
ideas or desires for the organizations and experiential value for the consumers by being part of the innovative process.

**1.2.1. Problem statement**

“Which challenges do postmodernism generate for marketing and how can organizations accordingly interact with consumers to co-construct value?”

**1.3. Delimitations**

Materials, texts and research from authors are somewhat vague and inconclusive when it comes to postmodernism and marketing. The topic in itself is rather philosophical, and marketing approaches that derive from the theories are based upon emergent and more experimental approaches that do not leave any clear definition of how marketers are to utilize the theories in praxis, all of which causes this thesis to partially base its conclusion upon the theoretical revelations of postmodernism, challenges to modern marketing, and interaction through communities. The latter is put into a context of using a case study which shows how a corporation has been successful using means that are corresponding with the theory of the postmodern consumers and interaction through virtual communities, instead of based on actual empirical research of a specific case seeing as that would require access to resources and information of the corporation in question which has not been possible in the construction of this thesis.

**1.4. Thesis structure**

This thesis is structured into four parts: The first part creates the frame for the way of thought and interpretation of knowledge and theories which help justify the path of this thesis. The second part revolves around the theoretical framework that constructs this thesis and guides it through an understanding of why organizations should consider cooperation with its consumers through virtual communities to generate value. The third part provides a more practical perspective on the matter through the use of a case study of Dell Computers, which is connected to the theories presented in the second part, depicting how interaction through virtual communities can generate value for both organizations and consumers. Finally, the fourth part concludes the results of the thesis and finishes with a few topics for further studies that may be relevant for the topic of this thesis.
1.4.1. **Chapter outline**

**Part 1: Scientific research and method**

*Chapter 2:* This section revolves around an explanation of research paradigms, approaches to knowledge interpretation and research methods, and an establishment of focus for the progress of this thesis.

**Part 2: Theory**

*Chapter 3:* This section depicts the background of the postmodern phenomenon and the elements that constitute the structure of markets for consumers, as well as consumer behavior in the postmodern era.

*Chapter 4:* This section presents the range of six challenges for modern marketing that come as implications of the postmodern phenomenon, based on i.e. the nature of the consumer, and consumption, which provide an understanding of the possibilities that come from looking at alternative ways of marketing.

*Chapter 5:* This section introduces tribes, (virtual) communities and the Company-Community Interaction Quality (CCIQ) framework through which the factors of interaction between an organization and consumers are presented. This becomes relevant due to the discoveries of chapter 3 & 4 and provides an understanding of why the factors of interaction through communities have an influence on the result of value created for organizations and consumers.

**Part 3: Case study: Dell**

*Chapter 6:* This introduces the case study of Dell and its community, primarily concerned with consumer interaction through Dell’s IdeaStorm linking the case with the theories of part 2, analyzing the community and the co-construction of value between Dell and its consumers.

**Part 4: Conclusion and further studies**

*Chapter 7:* This section concludes the findings that this thesis has come to uncover theoretically and supported through the case study of Dell.

*Chapter 8:* This final section presents topics for further studies that are of relevance to the topic of postmodern consumers, interaction and the construction of value.
Part 1: Scientific research and method

2. Scientific Method

"Not all forms of knowledge will be equally successful in solving a practical problem, equally adequate in explaining a puzzling phenomena....Nor does it follow that we cannot discriminate between different forms of knowledge with a view to their relevance of adequacy in regard to a specific goal." (Knorr-Cetina and Mulkay (1983) quoted in; Marsden & Littler (1996))

As the quote above suggests, it is important to understand which knowledge is proper to solve any given question. This section will cover the scientific foundation for this thesis by characterizing paradigms applicable for conducting valid scientific research, comparing these, and through careful consideration establishing which paradigm suits the topic of this thesis described in the introduction. Put differently, the ambition in the following is to interconnect paradigmatic considerations with a particular methodological approach.

The importance of constructing a philosophical position and orientation towards the scientific inquiry should not be underestimated (Dainty (2007)), and McCallin (2003) recommends that the paradigm of inquiry should be thoroughly considered early in the process since it “guides the investigator, not only in choice of method but in ontologically and epistemologically fundamental ways” (Guba & Lincoln (1994), quoted in Graham & Thomas (2008)). The various terms and philosophical positions will be illustrated in the following before finally defining the end position taken for this thesis.

2.1. What is a paradigm?

First and foremost, the term paradigm requires definition and elaboration. The term paradigm derives from the work of Kuhn (1970), which is widely referenced by scholars. He defines a paradigm as:

“...a cluster of beliefs and dictates which for scientists in a particular discipline influence what should be studied, how research should be done, [and] how results should be interpreted.” (Kuhn (1970) quoted in; Bryman & Bell (2007))

Put differently, a paradigm is a way of thought on how to do research within a certain field. However, the emergence of paradigms is equally interesting, as each comes with its own revolution before
accepted by the world of scientific scholars. Kuhn (1970) explains natural sciences, before becoming acknowledged, as going through a revolutionary process: Normal science, which is viewed as the science accepted at the current time, will at some point be challenged by anomalies that are inconsistent with the assumptions concerning the specific discipline at the time. As the growth in anomalies increases, the acceptance of the new science will eventually cause a revolution, which in the end may result in the emergence of a new paradigm, hereby taking the place as the normal science of the time being (Bryman & Bell (2007)). To illustrate the emergence of new paradigms more figuratively, the normal science can be considered as a major corporation that controls the vast majority of market share within a specific market segment. The anomaly can then be pictured as a new entrant to that segment. On occasions, the new market entrant acquires a significant amount of market share as it better fulfills the needs of the consumers, becoming more recognized and in some cases, takes over the role as market leader or, in the case of the paradigmatic illustration, the normal science.

2.2. A look at the paradigm spectrum

Looking at the spectrum of paradigms, we find very subjective ones as Positivism and on the other end Constructionism, which is highly subjective. The paradigm that suit a specific discipline is greatly connected to which topic is being processed. According to Kuhn (1970), there are two broad scientific paradigms; one is known as the positivist view of knowledge, or the objectivist, which is the more dominant paradigm in modern marketing. The second one is the constructionist, or interpretivist paradigm, interpreting the intersubjective meaning through which consumers view the world (Marsden & Littler (1996)).

2.2.1. Positivism defined:

Positivism, put shortly, is a research paradigm that relies on the investigation and uncovering of facts. This means that the researcher is embarking on a mission where it is necessary to remain objective regarding the findings before being able to make any conclusions or theories. (Bryman & Bell (2007))

2.2.2. Constructionism defined:

Taking a constructionist approach to research means that the researcher is looking into a social context instead of looking for clear-cut facts. The researcher is investigating social interactions which create some sort of meaning that may explain the topic sought answered (Bryman & Bell (2007)).
There are several paradigms, and amongst many scholars these have different names or illustrations. This thesis narrows it down to just positivism vs. constructionism to give a general impression of the width of the spectrum. These two will later be added to a comparison which is used to explain the choice of paradigm for this thesis.

2.3. **Ontology, Epistemology and Methodology**

In order to understand which paradigm suits a certain discipline, it is also necessary to look into what type of knowledge is acceptable to answer the questions sought answered. The positions concerning knowledge gathering are covered by the terms *ontology*, *epistemology*, and *methodology*. The position of choice will be incorporated in the paradigm for a specific discipline which may require, in example, a more subjective or objective approach to the research conducted.

2.3.1. **Ontology**

“The ontological perspective examines the existence of subject matter broadly as either intrinsically objective physical reality independent of humans, or inherently subjective social reality dependent on human thought and communication.” (Lee (2009))

Put differently, ontology is concerned with *being*; what elements exist and how they exist in the physical world, which has a tendency to become greatly philosophical. For example, to understand the ontological perspective Plato’s: *Allegory of the Cave*¹ can be applied to provide a more figurative image of the perspective.

![Plato's Cave](http://www.associatedcontent.com/article/22696/platos_allegory_of_the_cave_analysis.html)

The allegory, as illustrated from the image, revolves around a group of prisoners who are chained and facing a wall. Behind the prisoners is a group of showmen or puppeteers, and behind them is a

fire that casts their shadows onto the wall faced by the prisoners. The prisoners have never been outside of the cave meaning that what happens on the wall is their whole and only impression of what is reality.

Drawing a parallel to ontology, seen from the prisoners’ perspective, they view the shadows as people or items and see them as what is real, because it is all they know, hence concluding it as facts. This would be looking at the knowledge of the prisoners from an intrinsically objective physical reality independent of humans, as Lee (2009) describes it. Looking at the Allegory from a subjective social reality dependent on human thought and communication, by asking how and why this is reality, we find that the prisoners view the shadows as reality, because the puppeteers influence the minds of the prisoners. Even though viewing knowledge from either an intrinsic human perception or a social reality, the purpose is still to conclude what is real, how, and why.

2.3.2. Epistemology

“An epistemological issue concerns the question of what is (or should be) regarded as acceptable knowledge in a discipline. A particular central issue in this context is the question of whether or not the social world can and should be studied according to the same principles, procedures, and the ethos as the natural sciences.” (Bryman & Bell (2007))

This means that epistemology is concerned with the nature of knowledge and considers the relationship between the knower and what can be known (Guba and Lincoln (1994), (Schwandt (2001)). It is knowledge on knowledge, asking; why is the world viewed in a certain way? How are the ones viewing the world influenced by the surrounding social environment for them to have this view? And according to Searle (1995) quoted in; Lee (2009):

“... the truthfulness of statements made about the meaning and function of physical or social reality”, opposed to the ontological perspective where “... social reality is the subjective creation of humans because its existence depends on their observations and general consensus regarding meaning and function.”

2.3.3. Methodology

“In terms of methodology, Clough and Nutbrown (2002) view its task as uncovering and justifying “research assumptions as far and as practicably as possible, and in doing so to locate the claims which the research makes within the traditions of enquiry which use it.” (Graham & Thomas (2008))
This means that methodology covers practical methods that can be used to support or oppose the theoretical assumptions and/or findings that a researcher intends to investigate. This could include using questionnaires, interviews, focus groups, case studies, etc. In example, if a researcher has uncovered a theory regarding marketing of a product, a focus group may be used to test or support the validity of the theory.

The result of the three ways of viewing and interpreting knowledge differs depending on the paradigm connected to the specific discipline and, furthermore, the information gathered will differ, depending on whether qualitative or quantitative research methods are used.

2.4. Qualitative/Quantitative research

It is important to state the position with regards to qualitative and quantitative research methods, whether the methods are mutually exclusive or allows for a beneficial combination with a higher purpose, as the choice of research type may have an impact on the data gathered.

2.4.1. Qualitative research:

“Exploratory research used to uncover consumers’ motivations, attitudes and behavior. Focus-group interviewing, elicitation interviews and repertory grid techniques are typical methods used in this type of research” (Kotler et al. (2005))

2.4.2. Quantitative research:

“Research which involves data collection by mail or personal interviews from a sufficient volume of consumers to allow statistical analysis” (Kotler et al. (2005))

Some paradigms are better suited for specific types of research. In example, constructionism, with relation to what and how opinions are created in between people, qualitative research will most likely generate the best results, as it is designed to dig deeper than the average facts found on the surface. On the other hand, quantitative research seems to walk well in hand with paradigms such as positivism, which are heavily reliant on facts.

The mixing of qualitative and quantitative methods can be viewed as complementary, echoing the call for methodological pluralism in construction management made by Dainty (2007). The use of multiple methods allows for triangulation, the purpose of which is to confirm findings through convergence of different perspectives, check the integrity of inferences drawn, and ensure validity (Jack & Raturi (2006), Schwandt, 2001).
2.5. **Scientific framework for this thesis**

The various elements explained in the previous section will each play a significant role in guiding this thesis towards valid information required to answer the problem statement concerning postmodernism, consumerism, and interaction. In this section, an assessment of the paradigms will create the link to the topic of this particular thesis, establishing which type of knowledge is suitable and how it will be gathered and interpreted.

Since the overview of paradigms so far has been rather simplistic, only having introduced positivism and constructivism, the assessment of the paradigm best suited for this thesis will be based on a comparison of the two in order to determine which side of the spectrum is best qualified to create an answer the topic at hand.

Marsden & Littler (1996) introduce a set of characteristics, as seen below, illustrating the differences between a positivistic and a social constructionist paradigm. Looking at some of these characteristics will help depict which paradigm is best suited for this thesis with the overall goal of investigating postmodern consumerism and value-creating interaction.

<table>
<thead>
<tr>
<th>Positivism</th>
<th>Social constructionism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimental</td>
<td>Descriptive</td>
</tr>
<tr>
<td>Reductionistic</td>
<td>Holistic</td>
</tr>
<tr>
<td>Explaining</td>
<td>Understanding</td>
</tr>
<tr>
<td>Nomothetic</td>
<td>Idiographic</td>
</tr>
<tr>
<td>Objective</td>
<td>Subjective</td>
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<tr>
<td>Quantitative</td>
<td>Qualitative</td>
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<tr>
<td>Variables</td>
<td>Language</td>
</tr>
<tr>
<td>Hard</td>
<td>Soft</td>
</tr>
</tbody>
</table>

*Characteristics of Alternative Research Paradigms*

As this thesis focuses on consumers in the age of postmodernism, it seems fairly obvious that it revolves around the people that are the consumers. In order to understand how a corporation can create value for its consumer, it needs to understand the mindset of its audience. As previously stated, approaching a task through a positivistic paradigm would mean relying on facts concerning the consumer. However, it is difficult to gain a real insight into this mindset and behavior by seeking facts through quantitative research. The greater chance of success would most likely come from qualitative research that digs deeper into the opinions, attitudes and the behavior of the consumer, which becomes more evident through this report.
Linked to the qualitative research method also comes the need for interpretation of the findings, as illustrated below. A parallel from this can be drawn to the characteristic of social constructionism which uses a softer approach to knowledge.

"To be objective is to be cold and distant... [whereas] to be subjective is to be aware of the agency, that is, of action... The purpose of qualitative research is to get at the world of the agent or subject" (Maykut & Moorehouse (1994) quoted in; Marsden & Littler (1996))

Furthermore, social constructionism takes a more holistic approach, which suits the investigation of postmodernism consumers seeing as, in order to understand consumers, it will be necessary to look at the greater whole of why and by what consumers are influenced. It does not come down to one simple thing, but more a variety of factors which needs to be taken into consideration by a corporation before being able to compile it into a strategy of creating value.

Marsden & Littler (1996), furthermore, state that social constructionism is the more market-oriented paradigm based on:

- The full involvement rather than detachment of marketers and consumers in the research process (marketing research).
- The analysis of markets from the consumer's rather than the marketer's viewpoint (market segmentation).
- The creative license of consumers rather than marketers in developing alternative products (product development).
- An understanding of the consumer's language and what they "do with" promotional communications rather than what communications "do to" them (marketing communication).

These statements support the utilization of the social constructionist paradigm for the topic of this thesis in relation to researching consumer behavior and interaction. Instead of using traditional marketing methods of segmentation, dividing a market into groups of consumers with different needs based on traditional market segmentation (Kotler et al. (2005)), social constructionism takes the viewpoint of the consumers instead which, through qualitative research methods, allows for insight into the minds and opinions of the consumers on corporations and their products, and with this interaction, the researcher is better enabled to create meaningful knowledge on how to create value.
Following the establishment of social constructionism as being the proper paradigm topic of this thesis, it is possible to look into the interpretation of knowledge. Graham & Thomas (2008) explain the ontology, epistemology, and methodology in connection with constructionism as:

- **Ontology:** reality is constructed by individuals or groups “in the form of multiple, intangible mental constructions, socially and experientially based, local and specific in nature.”
- **Epistemology:** the researcher and research participants interact “so that the ‘findings’ are literally created as the investigation proceeds.”
- **Methodology:** through interaction and continuous refinement of the researcher’s and participants’ individual constructions, the aim “is to distil a consensus construction that is more informed and sophisticated than any of the predecessor constructions.”

This thesis is carried by an epistemological approach to knowledge, which is linked by the consumer behavior of postmodernism and the interaction between the consumers themselves, as well as with organizations, in order to generate knowledge and experiences, which can be combined for the creation of value for consumers by organizations. This all becomes more evident when digging deeper into the postmodern phenomenon in chapter 3.

2.5.1. **Methods**

This thesis will primarily be based on a range of theoretical studies of various scholars on:

- Postmodernism
- Postmodern consumer behavior
- Postmodern challenges to modern marketing
- Interaction within communities

To support the theories, a case study will provide a practical spin on the topic which will help illustrate the usefulness of the theory for organizations as to how it is possible to co-construct value with consumers.

It should be noted that the aim for this thesis is not to provide a generalization on how organizations should construct marketing towards the postmodern consumer, as the theory comes to show, because of the need for more emergent approaches that are dynamic and based on differentiating factors. However the use of theory and the case study will clarify the factors organizations need to take into account, and why, when interacting with postmodern consumers for co-constructing value through a community, which is in line with the paradigm of social constructionism and epistemology.
Part 2: Theory

3. Consumers in the postmodern era

This part of the thesis sets out to illustrate the world of consumerism and will provide insight to the shifting trends from modernism to postmodernism, which will prove useful for the later investigation of interaction between organizations and consumer, and the co-construction of value.

As most corporations rely on consumers with regards to producing, improving, and marketing products, it is necessary to gain an understanding of how consumers function economically and socially in order to tap into the knowledge needed for successful creation of value for both the consumer and the organization itself. This section will first of all depict the age of modernity leading to postmodernity before introducing a set of characteristics of the postmodern phenomenon covering the nature of consumers and markets. Furthermore, this part looks into the challenges that the postmodern phenomenon creates for marketing, illustrating the canyon that is created between that of classic modern marketing and what marketing, according to postmodern theories, should be focusing on.

The age of globalization and the use of marketing throughout the years have brought with them changes to consumer behavior, what they expect from corporations, and how they themselves create meaning about products, brands, etc. In addition, the theory of postmodernism depicts how consumers operate as cognitive individuals and how their personal decision making is influenced, which can be of great importance for corporations when needing to develop and market themselves and their products.

As the theory of postmodernism becomes evident, a parallel from this can be drawn to the theory of social constructivism, showing how decisions made by consumers are often a result of the social communities and the cultures that they operate in.

Introducing theories by Venkatesh (1992), Firat & Venkatesh (1995), and Brown (2006) will provide an illustration of modernism and postmodernism. This is later on added to by Firat & Dholakia (2010) lifting the topic to a more practical level and showing the implications and challenges that postmodern consumerism create for marketing.
3.1. Introduction to modernism and postmodernism
To gain an understanding of the change in consumer culture, the stage it is now at, and from which stage it has evolved, it is necessary to take a look into the background of modernism before digging deeper into the theory on postmodernism and a comparison of the two.

3.2. Modernism
The period of modernism involves two related periods called pre- and post-modernism. The prefix pre refers to something that comes previous to something else, which in this case precedes modernism. As a contrary, the period that comes after modernism has the prefix post-modernism (Venkatesh (1992)).

As this section on modernism is meant mainly to establish an understanding of the background leading towards postmodernism and to avoid confusion, focus will be directed at modernism in a general sense, illustrating characteristics of consumer behavior to create an understanding of the evolution that has lead to the postmodernist consumer behavior in more recent time.

3.2.1. What is modernism?
Borgmann (1992) and Firat & Venkatesh (1995) define modernity and modernism as:

“The label “modernity” generally refers to the period in Western history starting from the late sixteenth century or early seventeenth century up to the present. Modernity usually refers to the time period, and “modernism refers to the philosophical and sociocultural ideas and conditions marking this period.”

As described in the statement above, modernity refers to the actual time period and modernism involves the psychological and social factors of that period. These factors are most important to this thesis as the goal is to understand how consumers function and operate in order for a corporation to market effectively towards them.

In the period of modernism, individuals are defined as cognitive subjects operating in a social and economic order driven by the power of reason (Venkatesh (1992)). Put differently, people in this period are greatly focused on how to improve their way of life through material goods or services available. It is a time where here and now is highly valued, and where the consumer will seek to improve quality of life through goods that can be acquired. This materialistic focus of the time, along with the industrialization, created the rise of the capitalist society which boosted the need for marketing as companies had to find ways of selling the products to the materialistic consumers (Venkatesh (1992)).
The question that remains is how this modernist view has changed as it evolved towards postmodernism? There are many speculations on what caused change in modernism, but it seems naïve to think that one single factor caused the industry and consumer paradigm to change. It is rather a combination of influencers that range from i.e. technological advances to changes in social culture.

Venkatesh (1992) points to some historical and social factors that may have had an influence on the evolution of modernism towards the emergence of postmodernism. Technological advances herein had an effect on the evolution from modernism. In the late sixties and early seventies, the industrial societies began to change. The society entered a more information oriented period revolving around information technology in both production and consumption. This centralization of IT granted ease to corporations in terms of improvements in the actual production of goods, but it also influenced consumption, as the new technology began to enter the consumer homes (Venkatesh (1992)). Consider the television entering the consumer market and the effects that it brought with it in terms of marketing and advertising possibilities; it was not the type of marketing we see today, but it broadened the options for companies to reach consumers, and allowed for the creation of images that consumers can relate to. Whether the changes in the society came as an effect of the technological advances of the time, or the other way around, is debatable, but social changes were evident as people started to act more individually in terms of opinions and the expression of these. This is probably one of the most important changes that correspond with postmodernism as we know it today – The want to break free and choose an individual path.

In the wake of modernism, and where postmodern tendencies began to emerge, people started to become more focused on their own visual image. This is not just meant literally in terms of their physical appearance, but more the image of who people want to be and how they want to be perceived. According to Venkatesh (1992), it is connected with people starting to express attitudes and opinions more freely and choose their own way of being. This reflects in the consumer behavior of the time making consumer experiences important to companies. Consumers start to form more fragmented wants and needs as they create their own individual image of how they want to be perceived and what lifestyle they want to pursue. Put differently, this construction of reality (Venkatesh (1992)) means that people can control their own reality using the products and services they apply to represent themselves in real life. Opposed to “classic” modernist behavior, instead of just consuming products, the products that are applied become a way of life for the consumer, and in
a way products gain a “life of their own”. This can be considered as an evolution of materialism, as consumers live through the products they purchase.

Throughout modernism, focus is not on the human individual, but more on human life as a whole and thereby on people in one great big category (Williams & Sewpaul (2004)). But as the search for alternatives becomes greater, increasing differentiated consumption patterns and changing the lives of the consumers in general, the world is forced to change as well. Since the world is operated by people, if people, their wants and needs change, the world must arguably change with it, as compared to politics in a democratic society that have to adapt to the needs of the people.

As previously stated, changes started to emerge in the late sixties. It seems only natural to think about the revolution of the “swinging sixties” as an example of people breaking free of the incarceration that they have been put in by society. This, to draw the parallel, spread into opinions, politics, appearances of people etc. and it started an avalanche where people try to free themselves and just being who they want to be, and hereby creating the search for alternatives.

At this point we are looking at the transition from modernity towards post-modernity, which has no clearly defined year as it is a societal revolution taking place over time and eventually becoming accepted as the new way of life. It is a new way of thought and the emergence of a new paradigm, as defined earlier. Nevertheless, it is now possible to take a deeper and more detailed look into what characterizes postmodernism as the general background for modernism has been illustrated and the emergence of the post-modernity has started to show.

### 3.3. Postmodernism

There is no definite starting point of postmodernism. Like the definition of paradigms, it is a way of thought and action that at some point became accepted and applied, before gaining momentum, and in the end pushing out the “old” way of thought. Scholars’ work on postmodernism such as Brown (2006), Firat & Venkatesh (1995), and Firat & Dholakia (2010) provide insight to what postmodernism is all about and how it proposes change in marketing context based on the social interaction of consumers. As an introduction to modernism, it seems only right to start this section on postmodernism with a definition of the period.

#### 3.3.1. What is postmodernism?

“In a distinction similar to the distinction between modernity and modernism, postmodernity refers to the time period overlapping with late modernity, and
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“Postmodern consumer interaction – To co-construct value” (Firat & Venkatesh (1995))

Postmodernism touches a vast variety of areas in society. However, the main purpose of this thesis is to illustrate the transformation that the world of consumerism has undergone with the emergence of postmodernism, in order to look into the corporations’ options of connecting with their consumers. Justified hereby, this section will direct attention to the characteristics of the postmodern phenomenon that have an effect on consumerism as this constitutes key knowledge for marketers.

Firat & Venkatesh (1995) and Brown (2006) illustrate five key elements of the postmodern phenomenon in consumption. The theory was originally founded by Firat & Venkatesh and the work of Brown gives a more figurative take on the theory. This works well as a supplement to creating an understanding of the concept as Brown, eleven years later, has a more “updated” look at things and how they have evolved – Technological advances and the internet age, for instance. The five elements depict the postmodern phenomenon and provide a first look at the consumers of the time, drawing parallels to examples of the present world experiences in 2010. Furthermore, in the wake of these characteristics, an additional theoretical and/or philosophical section concerned with the challenges that postmodernism brings to marketing will be included, based on literature by Firat and Dholakia (2010). This will lay the ground for a look further into the possibilities of organizations creating value for consumers. But first of all, the five elements in question are referred to as: 1) Hyperreality, 2) Fragmentation, 3) Reversed production and consumption, 4) Decentred subjects, and 5) Juxtaposition of opposites.

3.3.2. Hyperreality

“... we live in a world that is a continuous making of the present, especially through electronic media. What is experienced momentarily becomes the real, and the construction of this condition and its intensification constitute the hyperreal” - (Firat & Venkatesh (1995))

The quote of Firat & Venkatesh points out that the world is in the “fast lane”, constantly undergoing changes. Many environments that we find ourselves in today are societies created with the sole purpose of marketing products or services to the ordinary consumer. The world in cyberspace, for instance, is an example of one where we are bombarded with advertisements and endless product options on a daily basis. Another example is the giant-type shopping mall that has almost anything
one could possibly wish for, from the everyday grocery shopping to hunting equipment (Brown (2006)).

The idea of hyperreality is that anything can be made possible anywhere. It doesn’t matter if it involves tangible consumer goods or an experience for the consumer (Cova & Cova (2002)). The point is that marketers can create environments that may actually be “fake”, but though we actually know that it is fake, as it is the reality we surround ourselves with, it becomes the “real” which we accept (Firat & Venkatesh (1995)). Las Vegas is an obvious example of the hyperreality of postmodernism. If you go to Las Vegas you can experience a “fake” Eiffel Tower\(^2\) though the real one is in Paris, France. And even though people know that it is a fake Eiffel Tower, they will still take the real experience with them home.

As it becomes possible to create fake realities that consumers can take home with them as experiences, the real world suddenly seems to become a lot smaller. The hyperreal is greatly connected with globalization, as you have the option of getting your hands on or experience anything from any part of the world almost anywhere you are. Go online, and you can order anything that you can imagine and get it delivered to your doorstep. Or you can, as explained above, go to places and experience the fake reality (Brown (2006))

On another note, also connected to hyperreality, comes how things have changed in terms of what is actually marketed towards consumers. In the past it was enough to simply market the specific products and send the message that “this product is good – buy it” (Brown (2006)). Today it takes more to influence consumers to buy anything. Today, products and services are often sold because of brands (Picton & Broderick (2005)) carried by signs, symbols, meanings or lifestyles that are connected to products or services. This phenomenon is referred to as hypersignification (Firat & Venkatesh (1995)) and how a commodity is transformed into a linguistic sign. In this context, hypersignification has its advantage as it is more sustainable to market a sign or symbol over time than a specific product that may be unpopular the next day. Marketers take advantage of this because symbols can be reproduced, manipulated, and reconstructed. This way, an organization can better adapt to the market and sell the idea to consumers.

\(^2\) http://www.vegas.com/attractions/on_the_strip/eiffeltower.html
3.3.3. **Fragmentation**

“Fragmentation means, literally, the breaking up into parts and erasing of the whole, single reality into multiple realities, all claiming legitimacy, and all decoupling and link to the presumed whole” - (Firat & Venkatesh (1995))

In the era of postmodernism, and as earlier touched upon, consumption has become greatly fragmented, compared to classic modernism. Put differently, the market has changed in an attempt to suit every possible combination of needs that consumers may have. A consumer has endless options to suit every possible persona that the individual chooses to identify oneself with. (Brown (2006)) At this point and on we become more acquainted with the consumer as a fragmented subject which is illustrated by the statement below:

“...the emergence of the fragmented subject, a subject whose multilayered existence seeks neither repressive unity nor conformity but freedom of movement in an expansive space” (Firat & Venkatesh (1995))

There is no one way or style to live your life by as a consumer. The consumer is met with the endless options that he/she may choose to spend their money on which help enable the consumer knit together his/her own identity (Cova & Cova (2002)). Furthermore, the consumption patterns change constantly, which may be seen as a result of the endless possibilities available to consumers (Brown (2006)). There is nothing that binds them to any one solution, and therefore the consumer may easily change his or her consumption pattern and shift to alternative products, or services which call for organizations to find ways of gaining/maintaining loyalty amongst their consumers (Picton & Broderick (2005)).

Take the example of the everyday Danish consumer market within grocery shopping, a variety of product types have emerged over the past decade or so. In the beginning, focus started to rise on the ecological market. Then in Denmark, “svanemærket” (the swan symbol) emerged showing that certain products are environmentally friendly³ which was followed by “nøglehullet” (the keyhole symbol) that helps consumers identify the healthier choices when buying food⁴, and so on. These are just some of the examples of symbols that differentiate products within grocery products in Denmark. However, these can be the symbols of the lifestyle that a consumer chooses to live by and identify him- or herself with. A consumer may live his/her life by ecological principles and may be

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³ [http://www.forbrugerraadet.dk/svar-alle/evalsvan/](http://www.forbrugerraadet.dk/svar-alle/evalsvan/)
⁴ [http://www.noeglehullet.dk/services/English/forside.htm](http://www.noeglehullet.dk/services/English/forside.htm)
attracted by the swan symbol, which is consistent with the theory of hypersignification, and how symbols and signs are used to represent certain products or services even though they may change.

The ironic thing about the fragmented consumer world is what it results in; as the consumer wants endless options that the countless corporations must attempt to fulfill, it creates the fast changing “always given what they want” kind of attitude, which creates new demands easily when changes occur in society that influence the consumer and hereby creating new demands and once again starting the circle anew (Firat & Venkatesh (1995)).

3.3.4. Reversal of production and consumption

The balance between consumer demand and production supply is also one of the represented elements of postmodernism. This is relevant because of balance in power between the two parties as the consumers create a demand which the producers must respond to (Brown (2006)). The signs and symbols previously referred to by hypersignification play a role in this context as the weight and importance of a specific symbol held in the mind of the consumer may be influenced by environmental or cultural stimuli (Arnould et al. (2002)) - What may be cool one day, may suddenly be uncool the next when put into a social context of an environment or culture. This element is interesting when considering hyperreality and the world of cyberspace we all operate in, where national boarders are broken down due to technological advances (Arnould et al. (2002)). Before the creation of the Internet, the world seemed larger and the environment that influenced individual consumers was smaller as the means of communication simply were less developed. Now, it is no problem for a person in Denmark to have a live video conversation over the Internet with someone in America about some underground concert played in Belgium. This means that even though the local music culture of the one in Denmark says one thing, he or she can be influenced by the American culture halfway around the globe, thus changing the opinion of what may be good or bad music, and at the same time open up to the world of niche markets. The point of this little story simply is to illustrate that the minds of the consumers can change at any moment due to outside environmental influence, which may create a totally different need or expectations for certain products. Since this ball has already started rolling and communication between people globally seem unstoppable – as long as freedom of speech is prioritized and censorship is not generally practiced – trends and wants will change constantly. It becomes a circular movement (Firat & Venkatesh (1995)); as a product is consumed, creating new needs, resulting in other products again creating new needs. A contrast to modernism, which was more of a linear movement where
products were simply provided to and devoured by the purchaser, before disposing of it, and then ending the line before starting from the beginning again with the next product made available.

3.3.5. Decentered subject

Moving on through the elements of postmodernism, the interconnection in-between becomes more apparent when proceeding to the decentered subject (or consumer).

“The classic theories of subjectivity (whether social or psychoanalytical) stress the resolution of contradictory forces in favor of the dominant: they explain the construction of social subjectivity in terms of the victory of the dominant forces. Their outcome is, inevitably, a relatively unified single subject, or subject in ideology. More recent theories, however, stress the disunited, contradictory subject, in which the social struggle is ongoing, in which the contradictory subject positions sit sometimes uncomfortably, sometimes relatively comfortably, together” (Firat & Venkatesh (1995))

This point covers at the difficulties of targeting consumers and how marketers may be unable to successfully market products specifically to the postmodern consumer. As the market has become greatly fragmented, and as the individual consumer is constantly “on the move” with ever changing preferences, traditional marketing segmentation becomes next to impossible (Brown (2006)). Traditional market segmentation, which is theorized upon by marketing gurus such at Philip Kotler who have preached segmentation by more static parameters such as occupation, social class, demographics etc. (Kotler et al. (2005)), does not work with the idea of the postmodern consumer and the constant changing markets (Cova & Cova (2002)).

Looking back at the three elements previously mentioned should give an understanding of why the postmodern consumer has become a “moving target” for marketers as this consumer type is simply so dynamic and subject to constant influence and change.

“The harder marketers try to pin down the decentered consuming subject, the less successful they’ll be” (Brown (2006))

Put differently, the more marketers attempt to categorize targets, the more likely they are to be unsuccessful as they may only reach a very narrow target group due to already changed needs – Or as Firat & Venkatesh (1995) state:

“... there can be no transcendental subject, but only an everyday subject”
Furthermore, consumers of today are aware that they are being subjected to marketers’ attempts to sell them products and, in addition, they are aware of the position that they are in, and that they can always get the product needed elsewhere. Therefore, they are not as likely to be influenced by marketing tricks (Brown (2006)).

Instead of looking at the consumer as the central element of the market, it is necessary to look at the bigger picture and the “production of consumption” (Firat & Venkatesh (1995)). Here the term decentered subject shines through as it becomes more apparent to look at the relationship between the consumer and the product (or the object). Instead of products being elements that simply secure consumer welfare, the consumer relates to the products, granting a certain “life” for the product (Firat & Venkatesh (1995)). This, as earlier touched upon, can further be related to the socio-cultural environment that influences the relationship that a consumer has to some products (Picton & Broderick (2005)).

3.3.6. Juxtaposition of opposites
The final element concerns the juxtaposition or opposition of the subject and the object, be it the consumer and the product, organization, or marketer. This revolves around the interaction of the two parties and how marketing is influenced when acknowledging the postmodern consumer.

As previously stated, the postmodern consumer is aware of marketers trying to influence him/her and at the same time, the market is so fast changing that even if marketers try to sell products directly to the consumers, the consumers may not be interested in what the marketers have to offer. In other words, it is near impossible to successfully target consumers, but that does not rule out the possibility of engaging with them. According to Brown (2006), the key to successful postmodern marketing lies with open, untargeted, ill-defined, ambiguous approaches, which leaves scope for imaginative consumer participation. This means that contrary to traditional modern marketing, it is vital to think outside the box, and instead of just selling consumers a range of products, it is necessary to intrigue them, make them wonder instead of just showing them a product and illustrating that this is good, throw an idea, a thought, or something symbolic into the public and let it grow in the minds of people as they interact in their social environments.
3.4. Summing up modernism and the elements of postmodernism

The base of this thesis lies much within the characteristics of the two time periods and in order to maintain an overview and increase reader friendliness, the key features for modernism and postmodernism are summarized below.

In modernism we saw a society focusing primarily on material goods and how they could improve the life for the individual consumer. The consumer was seen as nothing more than a person that acquired goods, devoured it, and disposed of it in a linear process, and was not considered in a context of society that could influence this balance.

Technological advances improved the ways of production which lead to an increase of product output, and thereby the choices that consumers had. Furthermore, social advances increased the sense of people becoming more individual in their expressions and their wants in products, in search for an alternative, which was the beginning of the fragmented consumer and postmodern tendencies.

As consumption patterns evolved over time, we saw marketing evolve with it creating a fast changing society that revolved around fragmented markets of endless options and hyperrealities that provided “fake” realities, but were still considered as the real by the consumers that operate in those realities.

The consumer became the constructor of his/her own lifestyle and hypersignification became a new way of marketing through signs, symbols, and experiences instead of just products.

The world of information technology and the age of globalization and communication evolved bringing people closer to each other as well as bringing in constant stimuli that influenced consumer behavior, granting new experiences about products, leading to the consumption patterns, and hereby making the production of consumption an ongoing circular one opposed to the linear pattern of modernism.

Marketing has become more difficult as the influence of the surrounding society, which could be anywhere after the Internet has taken over, made the consumers moving targets for marketers which leads to the need for alternative ways to market products to the consumer and the acceptance of the power that the consumer has in him/her responding to outside interaction with a product, symbol and then creating an experience.
3.5. Linking postmodernism and social constructionism

Having illustrated the key features of postmodernism it is now possible to take a look back at the connection between the postmodern paradigm and the social constructionist paradigm, explaining why this school of thought is appropriate for investigating postmodern consumer in order for corporations to market products or perform branding campaigns.

Recalling the section on scientific method we have constructionism defined:

*Taking a constructionist approach to research means that the researcher is looking into a social context. Instead of looking for clear-cut facts, he/she is investigating social interactions which create some sort of meaning that may explain the topic sought answered.* (Bryman et. al. (2007))

And the epistemological approach to social constructionism stating:

*The researcher and research participants interact “so that the ‘findings’ are literally created as the investigation proceeds.”* (Graham, Brian. Thomas, Ken (2008))

As the previous section has come to show, postmodern consumer behavior revolves around the social interaction of other people, whether it is face-to-face communication or via the Internet. It concerns the construction of opinions and the interaction of individuals that come together and create an experience of a product that contributes to the lifestyle that a consumer pursues through the acquisition of a product, or buying into a symbol.

This corresponds with the theory of social constructionism with an epistemological approach when researching the postmodern consumer, as the purpose of this research method is to “look into a social context” and “investigating social interactions”.

This method of research is supported by the following scheme showing research approach to postmodernism:
In Belk’s scheme it is not directly presented that a social constructionist paradigm or an epistemological approach is applied. However, it is evident that his focus on ethnographies, qualitative, and emergent theory can be connected to the focus on people that he is investigating more than just the simple facts, but more in depths as well as emergent approach, which corresponds with the epistemological approach of the findings being created as the investigation proceeds.

In addition, focus on the sociological, consuming, emotions, and the multicultural is also supported by social constructionism and epistemology, mainly because these are factors that are involved when people interact.

### 3.6. Critical view on postmodernism

There are certain issues with the entire postmodern phenomenon that makes it problematic to do marketing research towards the postmodern consumer. First and foremost, it is very important to understand that the postmodern phenomenon is not a concept that can just be applied, but it should be viewed as a critique of modernism (Brown (2006)). The five elements of the postmodern phenomenon only illustrate how things have come to pass and what it has brought with it in the sense of consumerism and evolution of the markets surrounding the consumers. The theory on postmodernism does not give us specific tools that can or should be applied in certain situations in order to market products, as can be found when doing traditional modern marketing by segmentation through i.e. demographics (Kotler et al. (2005)).
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“Postmodernism simply argues that “scientific” knowledge is not the only knowledge and that science should not relentlessly pursue universal knowledge. Translated into the field of consumer research, it means that we must opt for the multiple theories of consumer behavior rather than a single theory that silences all other theories” (Firat & Venkatesh 1995)

One might ask how it is possible to do marketing research without any tools for doing the actual research, which constitutes a paradox. However, this encourages marketers to think differently and using their senses in seeking new ways of gathering knowledge by looking at the actual people, the consumers that constitute the market, and the interaction they have with their surroundings (Cova & Cova (2002), Cova & Pace (2006)) instead of only relating to the hard computed facts found through traditional marketing tools that may be questioned in terms of effectiveness. This is where the social constructionist and the epistemological paradigms come into play – To investigate the social context of what constitutes the topic sought answered. Or put differently:

“The critical consciousness of postmodern thinking impels us to situate ourselves in the phenomenological realm of microconsumption practices of everyday life rather than embracing theories based on universalism and reductionism.” (Firat & Venkatesh 1995)

The acceptance of the postmodern phenomenon and how (not) to deal with the challenge of marketing towards the postmodern consumer creates another problem. Brown (2006) asks an interesting question that helps illustrate this issue: Should we be postmodern marketing researchers or researchers of postmodern marketing? This seems as a matter of marketing “religion”, so to speak. There are the marketers that accept the way of postmodern marketing, trying to find new methods of researching the postmodern consumer, and the ones that swear by the “old-fashioned” way of data collection through traditional methods of segmentation. Postmodern marketing researchers are the ones that import the theory of postmodernism into marketing and use unconfirmed methods, the ones who take to chances and use more emergent approaches. This is compared to the researchers of postmodern marketing that use the traditional methods of marketing, depending on the acknowledged published research works.

The point is that it creates a crisis (Brown 2006) in the world of marketers that has some of the following implications:
- **Crisis of representation**, where established modes of depicting ‘reality’ (e.g. theories, metaphors, textual genres) are inadequate to the task;
- **Crisis of legitimacy**, where conventional criteria for assessing research output (validity, reliability, objectivity etc.) leave a lot to be desired; and
- **Crisis of praxis**, where academic contributions signally fail to contribute to the resolution, or even clarification, of practical problems.

This gives the impression that the world of marketing praxis is torn in two; that there are no specific theories to handle the postmodern consumer research, that it still needs much attention before there will be (if ever), and that the problem needs greater attention if it is to become solvable.

It should be noted that using traditional methods of marketing does not necessarily leave a marketing campaign unsuccessful (Brown 2006). However, according to theory on postmodernism, the consumers of today are more likely to react positively to marketing and communication built upon the foundation of co-construction between the marketer and the consumer (or the object and subject) (Firat & Shultz (1997).

Another problem with the postmodern paradigm, or any other paradigm for that matter, is that no one can tell when it will end and what the next new revolution within consumerism will carry. Marketing is something that is best defined in retrospect according to Brown (2006), which seems undeniable as we cannot argue against history. But for the future, however, it is only possible to look for the signs of change in behavior and evolve with them and adapting, which requires the acceptance of the need for change in marketing religion. Firat & Dholakia (2010) put it well to words:

“For many of us who have been educated in the modernist mode, much of postmodern sensibility may not be easy to accept, or even contemplate. We must however, try an understanding in order not to be crushed by – what may turn out to be – postmodernism’s inevitable advance”
4. The nature of the challenge

Assuming the position of a postmodern marketing researcher, accepting the postmodern phenomenon, and importing the theory of postmodernism into marketing by using more unconfirmed methods, we are led to a deeper look into the actual problems of postmodern marketing. This carries the intention of clarifying what needs to be addressed more closely in order for a marketer to connect with the consumer. This section presents six challenges for modern marketing that will be taken into account when looking at the potential for the co-construction of value that concurs with the postmodern theories.

4.1. The nature of reality

In modern thought of marketing, reality is something that is static, universal, and independent of human action. This refers to the linear process of consumption, previously mentioned where marketing responds to consumers that have the need for products which enhance the existence or reality of the one individual, referred to as the one truth (Firat & Dholakia (2010)). The reality revolves around an exchange partnership between the subject and the object.

Postmodern thought suggests that the real is constructed by the experience of an object through the social context, communities, or cultures that the subject operates in (Firat & Dholakia (2010)). This is a dynamic property as the view of an object changes over the course of time and when processed through the input from these surroundings, meaning that the consumer experience changes over time as well (Cova & Cova (2002). This leads back to the circular process touched upon earlier; that what the consumer is actually buying into, is the experience connected to an object, which is dynamic in a social context, creating a new need for marketers to follow.

4.2. The nature of the human being

The modern marketing perspective looks at human beings as subjects acting as individuals on the basis of their own scientific knowledge, as subjects acting upon an object and controlling it (Firat & Dholakia (2010)). The product is nothing more than an object that is used until depletion, until disposed of, only to enhance the reality of the subject.

In postmodern thought, objects can take control of the subject. Put differently, human beings start to live their lives through products and the experience that they provide. This experience is, however,
not something that the individual controls as it becomes something that is influenced by outside stimuli (Arnould et al. (2002). This can be illustrated by a consumer purchasing a product, which could be a new HTC mobile telephone, and as he/she is subjected to the socially constructed outside stimuli that could come from other HTC mobile telephone owners or perhaps owners of iPhones, the experience may change for the consumer as the input the consumer is subjected to, good or bad, generates a new way of experiencing the mobile telephone.

Furthermore, human beings are subjects of desire (Firat & Dholakia (2010)) seeking experiences that enhance their lives. These experiences arise with products when put into a social context which may lead to control loss as they are drawn into the desire for this experience that is created in that specific social context (Goulding et al. (2001)). Take the example of mobile telephones again, as a consumer may be drawn by a desire to own an iPhone because of the expected experience that is generated for the consumer due to the outside stimuli from other iPhone owners.

### 4.3. The nature of consumption

The nature of consumption viewed from a modern marketing perspective covers a point that has been covered several times already. It illustrates consumption as a linear process with the act of consuming the product till depletion and disposal, being the end of the process.

Likewise, also covered in a postmodern thought, consumption is a circular process (Firat & Dholakia (2010)) – The production of consumption, where products are through use experienced, interpreted, and put into a social context, resulting in a new creation of meaning and experience, or expectation of future products. Put differently, when a consumers utilizes a product, he/she puts an individual spin on the product, which is important for marketers to be aware of, as this is transferred into the environment in which the consumer travels.

### 4.4. The nature of the consumer

This looks at the orientation and the purpose of the consumer referring to the consumer as part of a consumption community with life experiences, identities, and values that a consumer can tap into through a product.

The consumer, in modern marketing, was only viewed as the devourer of products, maximizing present life through consumption with a detached reasoning about the products (Firat & Dholakia
The postmodern consumer is more concerned with the experience that comes with the products at the present time instead of the value of the actual product (Cova & Cova (2002), Firat & Dholakia (2010)) – A consumer might consider what the product contributes him/her with culturally and socially, and what community it is possible to connect with through the product. A practical example of video games can be used to illustrate this point. A video, being the product of consumption, is not necessarily the main contributor of value for the consumer. Amongst people who spend time with video games, it is evident that people receive their true gaming experience when it is taken into a social context that involves real people and not just a calculated machine. People do, whether illegal or not, download games off the Internet. However, when doing so, it is often not possible to enter the online world of the games, as it requires a unique game-key that is included when purchasing a game legally and is not possible to copy through the illegal downloaded copies. This drives people to spending the 4-600 DKK on an original video game, as the real gaming experience comes from joining the online communities that the game lets the user join. This means that the consumers buy into the “experiential value” that comes from the social interaction, rather than the value game itself.

4.5. **The nature of organizations and business**

This area concerns the position of the consumer in relation to the organization or marketer, where modern marketing separated the two parties and viewed them as individual entities – Simply put, one expressing a need and one supplying to the need.

As the consumer, in postmodern thought, creates his/her own identity, experiences, and values through a product, the consumer becomes more insisting on being part of the process of constructing these products and having an influence (Firat & Shultz (1997), Wathieu et al. 2002) instead of just having to choose between varieties of finished products on the shelves (Firat & Dholakia (2010)) – To co-create with the organizations, is the important issue of this point, which means that information exchange between organizations and consumers has becomes vital.

Using video games as an example again, producers often use beta testers to find out, of course if the product is functioning, but also how the end user experiences the product, and how he/she evolves

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5 Knowledge of people using video games and their preferences to buy them derives from personal experiences.
with the game as the beta period moves forward. This type of investigation sits well with the thought of postmodernism as the producer and consumer come together to co-construct and maximize the value of a product.  

4.6. The nature of communication
The nature of communication is in modern marketing primarily unidirectional (Firat & Dholakia (2010)). This means that the organization or marketer transmits or encodes a message that is decoded by the receiver (Picton & Broderick (2005)), which is a repeated process until the sender evaluates that the knowledge intended is received by the decoder.

In postmodern thought, communication between the sender, the receiver, and the community he/she is involved with becomes a matter of negotiation. When informing about a product, the receiver and its surrounding culture create symbolic meanings from the message transmitted that makes up the interpreted value of the product. This symbolic meaning needs to be taken into account by the sender which calls for bidirectional communication (Spaulding (2010)) – Again, it becomes a partnership between the two parties which also serves as part of the consumer experience, when co-constructing the value of the product.

4.7. Six points of marketing to postmodern consumers
(An interpretation of six philosophical challenges to modern marketing)
This section of the thesis has revolved around illustrating the challenges for modern marketing which becomes evident through the theories of postmodernism and the role that the postmodern consumer plays. Below is an attempt to boil down the information provided from the six previous sections, into six key sentences that illustrate the crucial points of consideration for marketing towards the postmodern consumer which will provide an aid in the following part of this thesis.

1. Consumer experience is dynamic and is created in a social context.
2. Objects put into a social context for interpretation create desirable experience for consumers
3. Consumption leads to production of new consumption.
4. Consumer experience value is co-constructed between marketer and consumer
5. Organizational value is co-constructed between marketer and consumer

Experience with beta testing comes from personal experience with World of Warcraft beta testing
6. Consumer empowerment creates consumer experience

The six points have a couple of things in common: They show us that the co-construction of experiences and/or value is closely related to the social context that consumers involve themselves with, and that organizational value can be linked to ongoing communication with the consumers. Put differently, main interest for organizations to create value seems to lie with communication with consumers that operate in a social context. This guides us to looking into the next part of tribes and communities, what constitutes communities, and how interaction with them can create value.
5. Tribes and (virtual) communities

So far, much has suggested that value for postmodern consumers is created in a social context and through interaction in the communities that consumers connect with, via products, and in co-creation with the organizations or marketers. Furthermore, the process of interacting with consumers can also create value for organizations. In this section, we will look into the world of communities, what constitutes them, and illustrate the process of interaction between companies and consumers and how it can lead to the co-creation of value for both parties.

The social dynamics of postmodernism are, according to Cova & Cova (2002), linked to tribes which revolve around something that gather people around locality, kinship, emotion, and passion in the sense that they participate in the re-enchantment of the world. The terms tribes and communities are both used in connection with the same topic. (Cova & Cova (2002))

Tribes:

“A tribe is defined as a network of heterogenous persons – in terms of age, sex, income, etc. – who are linked by a shared passion or emotion; a tribe is capable of collective action, its members are not simple consumers, they are also advocates”

(Cova & Cova (2002))

Communities:

“... community serves a metaphor for those bonds among individuals that the market is eroding and is a reaction to globalization... They are reactions to a sense of uprootedness which is countered by seeking/roots connections through forms of associations which preserve particular memories of the past, a measure of stability in the present and particular expectations for the future.” (Bounds (1997))

Although the original sense of the term community meant the existence of blood-related bonds, with the development of the Internet, it has now conjoined with the word of “interest” which sits well with the idea of consumers coming together around the interest of products and experiences. Cova & Cova (2002)

The use of tribes as a marketing aim for organizations to create value, sits well with the challenges of the postmodern phenomenon, as tribal marketing approaches, according to Cova & Cova (2002), focus on:
The consumer/consumers relationship.
- Positioning the company as a support of the relationship; a company’s members, products, services and servicescapes are there to support the link between consumers.
- Relying on rituals and cult places.
- Aims at building affective loyalty

The points of globalization, technological advances, and the Internet have frequently been touched upon throughout this thesis, and the fact that people are commonly connecting with others across the virtual borders of cyberspace direct the attention of this thesis towards the virtual communities, and how these may be utilized as a communication tool for tribal marketing and interaction with consumers, for as Bob Pearson, Vice President, Communities & Conversations at Dell puts it: “The web reflects reality”

5.1. Virtual communities
Virtual communities are well-defined by the comprehensive statement of Schröder & Hölzle (2010):

“A virtual community consists of a large number of individuals, who share common interests and serve the common purpose of innovation. The community is bound by a shared culture, consisting of a set of rules, norms and values. It provides emotional support to its members. Participation is voluntary and members share no prior organizational affiliation. Community members interact on a regular basis over the internet and intend the exchange to form a mutual relationship. Communication is multidirectional and members can expect reciprocity. The individuals’ shared goal is to seek new, creative solutions to product related topics or personal needs”

Virtual communities do not cover any one manner or method of interaction. Virtual communities can be everything from a minor discussion board/forum to massive online role-playing games (MMORPGs) (Spaulding (2010)) such as World of Warcraft, as mentioned earlier. The more commonly known communities FaceBook, Twitter, and Flickr fall under the same category as gatherers of people around a common interest.

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8 www.facebook.com
9 www.twitter.com
10 www.flicker.com
Increasingly, organizations attempt to engage in collaboration with virtual communities in order to interact with the participants of these to tap into the innovative potential that it may hold (Schröder & Hölzle (2010)). The reason for the attractiveness most likely lies with the price of the innovative knowledge. Through modern marketing, what would normally have to be uncovered by an organization spending resources and funding on research, could come almost free of charge through virtual communities (Jeppesen & Molin (2003)). However, according to Jarvis (2007), organizations are often unsuccessful in this engagement due to the lack of understanding of how the virtual communities work and how to use them. He furthermore claims that the success of an organization’s engagement in a community can be seen in the continued presence of it, as if being unaccepted by the community will result in outbursts of dissatisfaction and rejection.

In general, virtual communities seem to be highly connected to emotions (Jeppesen & Molin (2003)), thinking back to the definition of tribes and communities gathering around passion and interest. This can be linked to the foundation that communities are built upon, which some corporations may fail to understand. Spaulding (2010) points to social contracts as what constitutes wellbeing for virtual communities. These social contracts revolve around the notion of trust within the communities, and the expectation of decent conduct. He stresses that when taking part in a community the participant places trust in others to show respect and not abusing that trust by i.e. trying to sell products to others without being transparent about the intentions. Using World of Warcraft, once again, it is becoming an increasing nuisance for players that hackers gain access to the virtual world, placing ads to third party websites which is in violation of the terms of use or the social contracts that players accept when playing. This can be related to corporations not understanding how operate within virtual communities and only focusing on selling products which may abuse the trust of the community participants. Instead, corporations might benefit from that trust to construct a willingness to exchange valuable knowledge between the community and the organization. In the following section, this willingness to exchange knowledge is an important part of a framework which elaborates on company-community interaction through a range of influencing factors that may lead to an innovative impact for organizations.
5.2. Company-Community Interaction Quality (CCIQ) framework

Schröder & Hölzle (2010), based upon a redevelopment of a framework of elementary forms of behavior by Homans (1974), created a model of Company-Community Interaction Quality that help clarify the factors of interaction through virtual communities. This enables us to see how value can be created for both consumer and company. The model itself however, does not illustrate what companies must do specifically to become successful by using virtual communities, but it depicts which elements come together in virtual communities to create an impact, which may constitute value depending on the strategy of an organization.

The framework consists of the main areas; Channel, Activities, Sentiment, CCIQ (Interaction) and Impact, elaborated in the following:

**Channel** is the actual technological mean through which interaction takes place. This could be any form of virtual community as expressed in the beginning of this section, and the technical settings that it allows for - For instance, if utilizing a discussion board, the technical privileges allow for a user to communicate with others.

**Activities** are observable actions or contributions of organizations that can be measured by quantity as well as by the correctness of their execution. It covers the *governance* of the community which
involves notions of trust, culture, behavior, and goals, which is referred to as control and steering by Schröder & Hölzle (2010), and social contracts by Spaulding (2010). Furthermore, in addition to the notion of trust, participants of virtual communities rely on social contracts in order to give up time, money, or other resources for being part in the communities. It is a matter of what can be expected within the community, that for instance, a sense of mutual respect and that truthful information or shared, or that use of flaming\textsuperscript{11} might result in banning\textsuperscript{12} of users violating the rules of conduct within the community Spaulding (2010). Social contracts are agreements that participants accept to ensure the wellbeing of a community, which applies to all, as a violation may result in participants leaving and potentially the death of the community.

The activities also refer to the actual purpose or strategic alignment of an organization to interact with the community. These could involve the purpose of product development, technical support or gathering of consumer opinions. However, importance of transparency is linked to the strategic alignment, as being unclear may viewed as having ulterior motives, which could potentially damage the trust. Corporate capabilities are concerned with the handling of the information exchanged back and forth which involves specific actors that are involved with the actual communication that is transmitted from the organization and out- as well as inwards. For instance, if an organization has a strategy of product support it would most likely be expected to have technical staff as corporate capabilities. Schröder & Hölzle (2010),

Sentiment involves the human emotions, motivations and attitudes that influence interactions and activities. It is the incentive for a participant to interact in the community, and what participants can expect to gain. The drive for a person to join a community can be linked to the positive experience of sharing knowledge, participation and social ties that comes with it (Firat & Shultz (1997), Cova & Cova (2002), Spaulding (2010)). Furthermore, intrinsic motivation and the desire to evolve personal skills and knowledge becomes a factor as well, which is enabled through the interaction of a community (Schröder & Hölzle (2010)).

Where the three previous areas have involved the driving forces of a virtual community, Company-Community Interaction Quality (CCIQ) is the area of actual interaction between the participants from which some sort of benefit is expected. Schröder & Hölzle (2010) identifies four sub-factors that describe interaction between an organization and the participants of the community; communication, mutuality, recognition of efforts, and cohesion.

\textsuperscript{11} Flaming is the use of hostile or insulting behavior towards others

\textsuperscript{12} To be banned can be a result of misconduct resulting in being excluded from the community
Communication is basically put, the actual exchange of knowledge and information, and this refers to the possibilities of the community for having exchange, in which parties can communicate directly with the organization, other participants, etc. Mutuality is concerned with the issue of contribution between parties, what one participant is willing to give and what he/she can expect to get in return (Kollock (1999), Preece (2001), Shah (2006) in Schröder & Hölzle (2010)) This can be linked to the social contracts of a community and the norms the community is built upon (Spaulding (2010)).

Recognition of effort relates back to the motivational activity. As participants devote time, effort and knowledge to the community, they need to feel a sense of recognition in order not to lose motivation and devotion to the cause (Janzik & Herstatt (2008) in (Schröder & Hölzle (2010)). You can relate it to a soldier gaining a military rank which is visible to other soldiers. Cohesion refers to the sense of commitment that participants have to a community and what keeps them coming back, which is linked to the general purpose of the community and maintaining interest in its cause as a binding interest creates emotional value (Casalo et al. (2009) in (Schröder & Hölzle (2010)). These four factors of interaction become clearer in the following part when connecting the framework to a practical example through a case study of Dell.

Impact is also divided into four sub categories, and is mainly concerned with what the organization that sponsors the community gains from the community and its participants. However, through the case study of Dell, it becomes evident that also the consumers may benefit from the impact of interaction.

The Degree of innovation refers to the types of innovation or ideas that are the result of the interaction process. These may be ideas that serve as a further development of a previous innovation, or it could be a more radical idea resulting in an innovation taken towards a totally new direction, which may come as a result of the community culture being as diverse as it is – with participants of varying backgrounds. The Nature of the transfer means how the innovation is delivered. For instance, knowledge can be carried through critique of a topic or dissatisfaction illustrating areas that an organization can put more focus on for further developments on a product. It could also be in form of a well-formulated idea or solution to a problem, leaving the organization with more ease of implementation if accepting the knowledge (Jeppesen & Frederiksen (2006), Füller, Jawecki & Mühlbacher (2007) in (Schröder & Hölzle (2010)). This also illustrates the quality fit of the innovation and how easily an organization can put the contribution into its strategy or production. Finally, quantity obviously refers to the amount of innovative contributions that the interaction of the community leaves an organization with (Schröder & Hölzle (2010)).
The CCIQ framework provides an overview of various factors of input that may influence the interaction amongst participants of the community which is connected to the quality of the information exchange and hence the impact that an organization may benefit from, as well as the participants. However, literature specifically on how organizations should enter the realm of virtual communities and reap the benefits of quality innovations from these is quite limited, which seems to be quite a trademark when researching postmodern consumers and company-community interaction (Schröder & Hölzle (2010)). As the section of postmodernism also points out, taking up the challenge of the postmodern phenomenon requires a more emergent approach and unconfirmed methods. This, however, does not mean that the model is not useful. Understanding the factors that are influential for the potential quality of outcome, can help organization understand how the process works, remembering Spaulding (2010) who point out that lack of understanding is a key reason for organizations being unsuccessful.

Undisputedly, the factors of the CCIQ are dynamic and case specific as each organization that seeks to enter this type of interaction has different motives, strategies, technological capacities, etc. which also seems as a fair argument to the lack of literature that states clear definitions of proceedings for organizations. In the following section, a case study of Dell is presented in line with the CCIQ framework, depicting the use of company-community interaction in praxis to show how it can generate innovation, success for an organization, and furthermore create value for the consumer, what seems to be a sort of win/win.
Part 3: Case study: Dell

This section presents the case study of Dell Computer which first of all is presented with an illustration of the background history of the corporation leading to the creation of its community and IdeaStorm which becomes the point focus for the case study. Following a descriptive outline of the structure, mechanisms and strategy, concept of IdeaStorm is put into the context of the CCIQ framework analyzing the influential factors and which results the interaction process carries.

The purpose of the case study is to provide a practical illustration of how it is possible for an organization to generate value for consumers through innovation experience while also creating value for the corporation as an impact of the interaction process that comes in the form of knowledge exchange. This will serve as a supporting element for the possibility of co-construction of value between organizations and postmodern consumers which corresponds with the challenges that postmodernism generates for marketing.

6. Case study: Dell

In terms of historical events, the story of Dell Computers first began in 1984\textsuperscript{13} when Michael Dell founded the company in the US from his dorm room with the idea of supplying PCs directly to consumers and through this direct link understand their true needs. The idea grew, and in 1985 Dell offered the first computer of the company’s own design. In 1987, Dell expanded to the United Kingdom and the business kept on growing for and as time passed, Dell embarked on new technology when, in 1996 the corporation began to sell its computers through its own website, ranking it in the top 5 of computer system makers in the world. In 2004, Dell was making roughly 1 PC, every 1.5 seconds, and business was booming. In 2005 however, trouble was waiting around the corner for Dell, as a man named Jeff Jarvis made it clear what he thought about Dell, its products, and service, which lead to the birth of its online community.

6.1. The story of the community

Jeff Jarvis posted the article “Dell lies. Dell sucks”\textsuperscript{14} on his blog, in June 2005, clearly expressing his dissatisfaction without beating around the bush, which quickly received much attention amongst other Dell consumers worldwide. This put Jarvis’ site in the top of Google’s search list on Dell creating

\textsuperscript{13} http://www.associatedcontent.com/article/277263/the_history_of_dell_corporation.html?cat=15
an avalanche of negative attention with people reading about and confirming the dissatisfactory issues with the company’s products. A couple of months later, in August 2005, Jarvis reached out to Michael Dell through an open letter, recommending that the company should engage in corporate blogging, reach out to its consumers for guidance, and join the conversation that they were having without Dell (Jarvis (2007)). Michael Dell took this information to heart and acted by assembling technicians, in April 2006, to respond to the problems that the displeased consumers were having, which seemed to cease the fire Dell was taking. The corporate blogging activities resulted in the launch of the “Direct2Dell” blog, in July 2006, where consumers were invited to have a dialogue with employees of Dell, lead by Lionel Menchaca, who became the voice of Dell online. Further down the line, in February 2007, “IdeaStorm” was launched as part of the Dell community on its website, with the intention of not only having a dialogue with consumers, but also gathering ideas and solutions from them with an intention of implementing the ideas carrying potential value. (Jarvis (2007)).

6.2. The community offers:
The Dell community revolves around a support forum, corporate blogs, hereunder Direct2Dell, and IdeaStorm – according to an internal presentation on “nine observations” by Head of Digital Media Communications, Kerry Bridge (2008), the community had reached more than 1.5 million members by November 2008, and it receives more than ten thousand posts per week.

6.2.1. Support forum
The support forum serves as an extension of the “old-fashioned” call center, where people seek answers to technical problems. The brilliancy in Dell’s community support forum is that users can also help each other. The system works by registered users posting a thread containing the nature of the problem to which other users can comment and post possible solutions. These can be ranked by visitors from 1 to 5 according to how useful the information posted is found, or label it as a suggested answer. Furthermore, Dell’s technical operators can supervise the various threads and verify specific answers to ensure the validity. This part of the community is primarily based upon user-to-user knowledge sharing.

15 http://www.ideastorm.com/
16 http://en.community.dell.com/
6.2.2. Corporate Blogs and Direct2Dell

The corporate blogging branch of the community has more company-user dialogue, but in contrast to the support forum, Dell’s employees are the ones who post the topics for discussion here. Any relevant news concerning Dell’s technology is posted on this forum for users to comment on and have an actual conversation about with Dell’s representatives. According to Kerry Bridge (2008), this branch generates over 400,000 unique visits every month and 100-200 comments per week.

6.2.3. IdeaStorm

The first two branches of the community include interaction and dialogue amongst users and to some extent also Dell employees, but the actual impact of this interaction is of a somewhat minor nature for Dell and the users. IdeaStorm, however, is where the real innovation takes place, and where an actual impact for both consumers and the company occurs, for which reason this branch will receive the majority of attention for the remainder of the case study.

The IdeaStorm branch of the Dell community revolves around user generated ideas. It is an open forum where users can post ideas on any Dell-related matter to which other users may provide further constructive input or critique. All ideas posted receive a certain score that can be promoted or demoted, which can help users track the popularity of an idea. The point of IdeaStorm is that Dell will implement some of the ideas that are provided which, assumedly, must be a screening process of Dell’s employees to find which ideas are viable for Dell and for the consumers. The status of implementation for each idea is possible to follow with each idea being labeled: not planned, acknowledged, partially implemented, or implemented and, in addition, Dell provides further feedback on what has been done with the idea. An impression of the activity carried by IdeaStorm is be seen in the factual information from November 2008 where it had an average of approx. 10,000 visitors each day and during its lifespan, the community has already generated more than 10,000 ideas (keeping in mind IdeaStorm was launched in February 2007). In addition, of all the ideas, more than 215 of them have been implemented into Dell’s product or service line (Kerry Bridge (2008)).

6.3. IdeaStorm in the CCIQ framework

With an outline of the Dell community and IdeaStorm, it is possible to put the case into the context of the CCIQ framework to better understand where the creation of value emerges, how and to

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17 Participants of the community are referred to as users as you don’t necessarily have to be a Dell consumer to take part in the process
18 An example of a posted idea can be found in the appendix – Exhibit A
whom, which includes both Dell and its consumers. The focus on value for both parts comes from the problem statement seeking to answer how organizations can create value through co-construction with its consumers, and based on the postmodern and community theories of consumers gaining experience and value through interaction.

(Dell’s IdeaStorm illustrated in the context of the CCIQ framework)

The CCIQ framework shown above depicts the first influencing factors, although not illustrating the impact of the interaction, but covered in that end of this section, as it best served with an explanation rather that bullet points in the framework.

Information on the actual technology of the interaction channel is unavailable, and in the context of how value is created between Dell and its users/consumers is of no real relevance to this thesis. The activities of the community are however, as they lay the foundation for how the community operates. The Dell community, in general, operates under a set of rules, a code of conduct which has previously been explained by social contracts that are agreed upon by the joining parties. These are listed in the “terms of use” that all users have to accept before being allowed into the community and a breach of these terms can result in exclusion from the community. Breaches could include adding third party content to the community in exchange for payment, such as ads for other sites, or

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19 The full terms of use for the Dell community can be found in the appendix – Exhibit B
the impersonation of others as well as adding content on behalf of others. The purpose of the terms of use is to secure the wellbeing and functionality of the community. Dell utilizes a sense of transparency in its strategy for the community which remains, to create dialogue amongst the users with intention of letting “ideas reign” that can potentially be implemented into Dells supply of products or services. The transparency is seen by Dell openly updating the status of the ideas proposed, showing the users how far the corporation is taking the idea. This type of involvement with a consumer is what Spaulding (2010), refers to as prosumerism, meaning that participants will see their ideas and suggestions put into action by the company.

The company’s capability for making it all happen is based upon the “score system”, which serves as a quality filter for bad or poorly explained ideas, as the users themselves create the rank of the ideas with most potential. Furthermore, the technical and communicational staff that serves the community is an important element, as the ideas posted need interpretation and response.

The CCIQ part is actually much like a summary of how IdeaStorm is described previously. It revolves around user generated idea for others to respond to and/or promote/demote using the score system, and with status updates added by Dell staff. All parties come together in the community for information exchange with the intent of generating innovation. The recognition of the effort for bringing ideas to the table can be seen in the score system, and in the implementation of the ideas. The CCIQ part, in the Dell case, creates the frame for the construction of quality or value as it holds the actual exchange of ideas and input from the various parties. However, the actual value for the consumers and Dell can be found in the sentiment and impact.

The users are the fuel for the whole IdeaStorm machine for which reason the sentiment for the consumers is important to acknowledge, recalling the theories of tribes and communities, people are drawn to these groupings by interest, passion and emotions. Examining the process in IdeaStorm, in accordance with the theory of Schröder & Hölzle (2010), users can involve themselves with innovation experience as an idea is generated, this way being part of creating something new and contributing to a cause which in collaboration with others creates a bond of trust in-between users, but also towards Dell, and the feeling of being part of a group, gathering around a common interest. This gathering in a group around innovation experience can be evaluated as one of the main purposes for joining of the community. It is can be viewed as an equal to a hobby between friends creating something from scratch.
The whole interaction process creates an impact of thousands of varying ideas that need to be processed and evaluated. Here, the score system “automatically” makes the process easier for Dell by filtering out the ones that according to the users, who in the end will become the potential purchasers of the products, have the least potential. This means that the impact of IdeaStorm narrows down the range of ideas that potential end-consumers see as products with value, based on their own contributions, which is valuable to Dell, as the company becomes showered with potential ideas for products, but also to the consumers who gain the benefit of actually being supplied with products that they feel suit them.

6.4. How has it affected the Dell Corporation?
It seems that the suggestion of Jeff Jarvis for Dell to enter into a dialogue with its consumers was a good idea, based on the presented facts of the Dell case, the factors of the CCIQ framework, as well as the theories on postmodern consumers and their communities, but what were the results really for Dell?

Looking at the stock value of Dell Computers Corp. in the period of January 2004, before engaging in interaction with its consumers, and up until today, creates a better picture of how successful Dell has actually been in launching Direct2Dell and IdeaStorm.


Comparing the events of the Dell organization, depicted in the background story, to the Dell stock price of the period in question, will illustrate whether it has had a positive effect on the stock value.

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First of all, looking at mid 2005, the period in which Jarvis (2007) wrote his blog “Dell lies. Dell sucks” which brought a lot of negative attention towards the corporation. This is reflected in the stock value that shows a major decline until the first quarter of 2006, the time at which Michael Dell started engaging with the unsatisfied consumers and initiated a dialogue – the first sign of Dell reaching out, followed shortly after by the Direct2Dell blog. In the Dell stock value it shows as stopping the decline and turning things around. The stocks remain somewhat stabilized with a slight increase, and with the launch of IdeaStorm in February 2007, the stock seems to keep increasing. However, around the end of 2007, the stock value of Dell starts to plummet again - but is this because of the Dell’s newly applied strategy?

Looking at the S&P 500 (Standard & Poors 500) stock index provides a general impression of the stock market in the US, illustrating whether the decline in Dell’s stock value is an isolated incident, suggesting a failure of the recent strategy.

![S&P 500 stock value index (2006-2010)](image-url)

The S&P 500 is a stock index of 500 large American corporations, which combined provide a reasonable image of the general business economy in the US. Comparing this to the stock value curve of Dell, shows consistency, suggesting that the value drop is not connected to the Dell strategy of

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interacting with its consumers, but rather a result of the financial crisis that affected corporations worldwide.\textsuperscript{22} 

As an alternative measuring tool, the satisfaction of consumers can provide another view on whether the strategy is successful. Looking at the American Customer Satisfaction Index for computer manufacturers we find a more positive result, compared to stock prices, as seen below:

\textbf{American Customer Satisfaction Index for computer manufacturers}\textsuperscript{23} (Scores rank from 0-100)

The index shows that by entering into dialogue with its consumers through Direct2Dell and IdeaStorm, Dell has increased consumer satisfaction by 4 points from 2005 – 2006, although declining again the year after. However, contrary to the stock values, the ACSI index shows that Dell maintains a steady increase in consumer satisfaction up till 2010, which gives the impression that the recent strategy has been somewhat successful. It should, furthermore, be kept in mind that this is during the time of the financial crisis where the sales of luxury commodities such as PCs may suffer.

Although Dell has shown success through its interaction with consumers, and though the theory of postmodernism, communities and interaction seems to correspond, it is still not possible to create a generalizing model of how organizations must act in order to become successful as the factors for interaction differs depending on intent, strategy of corporation, and resources available. However, the sections on the postmodern challenges to marketing, communities and the CCIQ framework still

\textsuperscript{22} http://www.globalissues.org/article/768/global-financial-crisis

provide valuable understanding of the organizational potential for interacting with the postmodern consumer and which influential factors come into play when the two parties come together in search for the construction of mutual value.
Part 4: Conclusion and further studies

7. Conclusion
The purpose of this thesis was to investigate the challenges of postmodernism on marketing and how it is possible for organizations to create value through interactive co-construction with consumer.

First of all, it has been discovered that the world of consumers has changed dramatically over the past decades, and thus also the marketing methods needed to reach the consumers. In the age of modernism, consumers were viewing products simply as a physical mean of life improvement, and by marketers seen as nothing more than devourers of goods, that could be put into categories of segmentation allowing for marketers to use generalizing models to target these consumers.

Theories on the postmodern phenomenon illustrate that consumers are now more concerned with the symbolic meanings and experiences that are connected to products, rather than the actual product itself. These experiences are ever changing and highly connected to the social stimuli that come from the surrounding environments. However, due to globalization and the world of cyberspace the, variety of environments and communities, as well as the amount people possible to interact with, have become next to limitless. Furthermore, fragmentation of markets and the environmental influence on consumers result in constant changing buyer behavior, making them moving targets for marketers and calling for new methods of connecting with consumers in order to research and develop products that have added value.

The world of marketers are indicated as torn in two, between those who acknowledge the postmodern phenomenon, attempting to import the theories into marketing practice, and those who maintain an attachment to traditional marketing methods of segmentation by, rather than embarking on emergent approaches, basing their marketing on what is socially constructed.

The nature of the challenge, for the marketers of organizations acknowledging the postmodern phenomenon, lies within the dynamic environments of the consumers in which meaning and experience of products are created. It becomes necessary for marketers to gain access to these environments and the circular process of production of consumption – contrary to modern marketing methods they enter into a sort of negotiation with the consumers rather than attempting to dictate with unidirectional communication methods.
As consumers create experience within social groups that are gathered by a sense of passion, emotion or purpose, the use of tribal marketing through virtual communities presents itself as a potential mean for organizations to gain access to knowledge of consumers through interaction; opening the possibilities for bidirectional communication, and exchange of knowledge allowing for co-construction of value between an organization and the consumers.

The Company-Community Interaction Quality framework provides a range of factors that are influential for the wellbeing and potential success when interacting in a virtual community. As organizations’ reason for being unsuccessful often lies within the lack of understanding of how virtual communities work, these factors help depict what needs to be taken into consideration when embarking on consumer interaction through virtual communities.

The case study of Dell shows that as a major organization, creating its own community, which builds upon dialogue with consumers and knowledge sharing, has the advantage of bringing the discussion of problems and dissatisfaction regarding products or services to the organization, as the consumers would have this discussion of opinions no matter what, with or without the organization. Through the IdeaStorm, Dell manages to bring its consumers into the development process of products and services, through which consumers can find a sense of experience and sentiment that comes from being part of a group, sharing a common interest, and gaining innovation experience. This grants incentives for consumers to join a community, share innovative knowledge and ideas. In addition, Dell is granted the impact of the community in the form of quality ideas that are supported by the consumers, thus leaving the organization with knowledge value coming from the cooperation with its consumers.

It is not possible to create a general guideline for organizations on how to cooperate with its consumers, due to the varying factors of organizations, such as corporate strategy or resources available, and the constant emergence of new meaning amongst consumers based on the social dynamics of postmodern consumer. However, theory on the postmodern phenomenon and challenges to modern marketing, combined with theories of community interaction, the CCIQ framework and the case study of Dell show that co-construction of value between consumer and organization is possible.

By entering an interactive exchange of information through a virtual community, the organization can potentially gain knowledge of consumer needs and/or ideas for further development of
products, services, or corporate strategies. This is built upon the incentives of sentiment such as innovation experience and trust for consumers to take part in the interactive process.

This means that organizations that choose the way of postmodern marketing research, accepting the utilization of more emergent approaches to marketing, have the possibility of making information come to them, rather than having to search for it themselves through traditional methods of modern marketing research.
8. Topics for further studies

From this thesis, a few questions for further studies may be raised that have not been attended to. First of all, from theories on postmodernism, it has become obvious that a shift in the balance of power between the consumers and marketers has occurred. As the consumers become more insisting on being a greater part of the value construction process, it may be argued that the consumers step closer into what normally has been viewed only as corporate activities. In modern marketing, corporations decide which elements should come together to add value for products and services. However, the more engaged consumers become in corporate activities, the more blurry the distinction between corporations’ and consumers’ boundaries become. It may be questioned whether consumers are starting to fulfill part of the role of the Research & Development departments, hence taking over corporate activities, and should perhaps start to be viewed more in line with internal stakeholders of organizations. In fact, how much more integrated in an organization can consumers become before having to have a seat at the corporate board meetings?

Furthermore, the acceptance of consumers becoming a greater part of a corporation may carry with it financial benefits for consideration. No doubt that creating a virtual community, such as the one Dell operates, requires great funding. However, an economical investigation of the matter may be beneficial for corporations, attempting to compare the financial value from the consumers that comes relatively free when creation costs of the mean of communication has been eliminated and focusing on the savings that a corporation can make internally within research and marketing departments.

In addition to economical investigations of the value of consumer contribution, it may also be significant to research the return on investments from communities such as Dell compared to others that are not constructed by the corporation itself. On FaceBook, which has been mentioned as a community where people gather in groups of interest, it is also possible to create a corporate group for people to join that can carry i.e. news updates and ads which may be commented on. However, seeing as corporations are unable to govern these groups and these also being with limited capabilities compared to the Dell community, this does not necessarily leave the FaceBook groups impact free. An economical analysis comparing the impact of a relatively cheap-to-join community to a corporately controlled community may provide further insight to the choice of marketing strategy in terms of interacting with consumers.

Research on risk also seems relevant for further studies when considering new strategies for corporations, studying risks from not entering into dialogue and interacting with consumers, as well
as the risks that exist when entering into dialogue. When entering into a dialogue like Dell has, the transparency does not allow for Dell to control the conversation. If Dell was to start censoring the conversations taking place in its community, it would most likely not sit well with the postmodern consumer. Take the case of Nike, in which Nike had empowered its consumers to design their own shoes by adding their own text and choosing colour. Jonah H. Peretti ordered a pair of Nike running shoes with the text “Sweatshop” based on workers’ rights issues faced by Nike. The company refused to manufacture the shoes, censoring him, which led to a consumer and media storm of dimensions.

Finally, in Part 2, this thesis sided with the postmodern marketing researcher, investigating possibilities of corporate interaction with consumers to co-construct value. Further studies could include an investigation siding with researchers of postmodern marketing, with the same goal but relying on modern marketing methods, in an attempt to illustrate the assumed limits, of impact compared to potential impact discovered in this thesis.

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24 http://shey.net/niked.html
9. **Source Index**

**Books:**


**Articles:**


Postmodern consumer interaction – To co-construct value

By: Bjarne Nielsen

December 1, 2010

Exam Number: 288503


Web sites:

- http://www.theacsi.org
- http://www.associatedcontent.com
- http://www.businessweek.com
- http://www.buzzmachine.com
- http://en.community.dell.com
- http://www.euroinvestor.dk
- http://www.facebook.com
- http://www.flickr.com
- http://www.forbrugerraadet.dk
Postmodern consumer interaction – To co-construct value

December 1, 2010
By: Bjarne Nielsen

Additional sources:

- Kerry Bridge (2008). “Nice observations” - Internal Dell presentation on social media
10. Appendix

Exhibit A
An example of a high scored idea posted in IdeaStorm with over 600 comments (not all included)

By ambiguity Feb 16, 2007
I think a clean computer option would be differentiator for Dell. I'd be willing to pay a premium to replace the lost software placement fees.

By jshelton Feb 16, 2007
I agree with ambiguity

By thebittersea Feb 16, 2007
Yeah, but I think Dell gets kick backs from Google and the such. It's really an inconvenience for the uber-geeks, but it think it's fine for normal users. I'd rather have the option to remove unnecessary software that actually saves me money at the checkout.

@thebittersea: The 'normal users' in my family (my mother-in-law, etc) are the ones who hate it the most. Because they get their shiny new Dell and all this software keeps popping up, asking for her attention all the time, and she has no idea how to get rid of it, unlike us geeks. I think you have it flipped around. I know for a fact that my relatives would pay a premium to have no extra software installed.

By onethumb Feb 16, 2007
@thebittersea: I agree, but there's always a "no" or "cancel" button on those pop-ups.

If you have to install the bundled software to satisfy the software partners, what about a simple 'Uninstall All' button with check box confirmations for each program after the first boot up? Or add this as a separate feature to the "Remove Software" control panel program.

By Marc-19 Feb 16, 2007

By onethumb Feb 16, 2007
@marc1919: The problem is that there are those software partners in the first place.
There shouldn't be deals like that in place which degrade the customer experience. I suppose it's possible I'm unique, but of the three or so dozen people I've helped get Dells in the last few years, every single one of them was dismayed that there was unnecessary software pre-installed. Most would have no idea how to "Uninstall All" or would be scared of doing so. Somehow, there should be a way to offer a machine without extra software installed. Every piece of software should have a "no thanks" option next to it in the install process, and the end result is you end up with a pristine machine.

I agree. This is something that is definitely required. Give user to select clean install at an extra premium. Atleast they can select the addons or no addons.

Just so you all know, having the software taken off means drastically more expensive products to make up for less product "sponsors"

As a computer tech who has to spend up to 1.5 hours uninstalling crap and making things work on new dells, i would be willing to pay the extra, i think it would be cheaper for my clients in the long run, as they have to pay me by the hour to clean a new Dell machine up...

It's not that difficult...pop the windows disc in, delete the main partition, reformat.

Bloatware"=cheaper prices.... Not ever going to change, it's how the system works. How do you think Dell offers those super coupons now and then? Those really good deals sometimes? More bloatware going on the system. Some new company paid Dell to put their software on the computer. Dell is always making money on every peice of hardware that they ship. The margins might change sometimes due to overstocking situations and they want to move warehoused product. The bloatware contributes to the price, or subtrac
ts is a better way of putting, just as much as component cost. They can put 100GB of bloatware on my laptop if it knocks the price down.

Hell yes I agree otacon! Give me a $100 laptop that has a laptop filled to the brim with it!

Absolutely agree. If Dell 'financially' benefits from distributing the software then provide it on an optional load DVD

I agree as well. For example, I have FiOS, I don't need AOL or any other ISP. I'm all set. So let's stop putting them on my computer - I'm not gonna use them.

Dell makes hundreds of millions of dollars in marketing dollars for placement and registrations from these software companies. It would take a lot to get them to stop adding this "extra" software.
Exhibit B
Terms of Use for Dell community site

(Last Updated: June, 2010)

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- You will treat other Site users with respect.
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- Contains or installs any viruses, worms, bugs, Trojan horses or other code, files or programs designed to, or capable of, disrupting, damaging or limiting the functionality of any software or hardware; or
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