MA-Thesis / Master

Martin König

The willingness of consumers to take part in consumer resistance in times of Web 2.0



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Table of contents

Abstract	3
Introduction	4
1. The era of postmodernism: blessing and curse for consumers	7
1.1 In favour of the consumer - from universalism to individualism	7
1.1.1 Liberation from cultural authorities	7
1.1.2 Postmodernism – the extension or improvement of modernism	. 10
1.2 Characteristics of postmodernism	. 13
1.3. Postmodern consumer culture – blessing or curse?	. 17
1.3.1 Postmodernism – a new era of consumption begins	. 19
1.3.2 Postmodernism – an increasing burden for consumers	. 21
2. A conceptualization of resistance	. 23
2.1 What people resist against – how consumers' patience is strained	. 24
2.2 What makes consumers finally become active?	. 29
2.3 Enough is enough – how to resist ruthless business practices	. 34
3. Immersion in the online world – new opportunities for consumers	. 40
3.1. Deeper insights into the term "Internet"	. 40
3.1.1 How everything began – from a military project to the WWW	. 40
3.1.2 The Internet and its revolutionary development	. 42
3.2 A new type of consumer is born	. 45
3.2.1 Web 2.0 technologies – powerful tools	. 46
3.2.2 Anti-brand sites – a contribution to keep others informed	. 50
3.2.2.1 Communities – collectively gaining power	. 50
3.2.2.1 A conceptualization of anti-brand sites	. 54
4. Empirical studies – How it looks in reality	. 62
4.1 Findings on anti-brand sites	. 62
4.2 Consumer behavior in the times of Web 2.0	. 72
Conclusion	. 77
Attachment	. 81
Bibliography	. 98
Monographies and Articles:	. 98
Internet Sources:	102

Abstract

This thesis offers an overview of developments in consumer resistance. For a better understanding of what has changed in terms of consumer culture compared to the era of modernity, postmodernity is explained in detail. This is the starting point for the investigation on consumer resistance. In this sense, it is shown why people develop critical attitudes and what finally makes them willing to participate. On the basis of these findings, different forms of resistance were considered. The extent to which the Internet has an influence on consumer behavior and resistance was investigated as well. After presenting how conditions for consumers have improved especially in the times of Web 2.0, the extent to which they are more willing to actively take part in consumer resistance was examined with the help of investigations based on real findings.

Introduction

The central topic of this master's thesis is the growing power of consumers along with the associated likelihood of their resistance. Though in the past the manufacture controlled market activity, a shifting towards the consumer can be detected nowadays. Due to ongoing developments in the online world, it can be assumed that consumers will become even more powerful in the future. In other words, consumers are incrementally gaining importance so that through resistance they will become strong enough in influencing business decisions. Thus, in the long run the possibility of achieving a balance between consumers and producers is given. In this sense, the Internet is an especially important tool for increasing the power of people. While consumers have the possibility of accessing an unlimited amount of information, they are also able to be connected on a global level which makes the exchange of information easier. According to an estimation by the International Telecommunication Union (ITU) there were 1.542 billion Internet users worldwide in 2008 which represents approximately a quarter of the world's population. Taking into consideration that the amount of users has more than doubled within 5 years – compared to 721 million users in 2003, it can be assumed that the number of people with access to the Internet will also continue to grow in the future (HTTP://ITU.INT/). Moreover, new applications which have arisen in the wake of Web 2.0 especially support the development towards more powerful consumers. Thanks to the permanently growing popularity of social media incorporating social networks such as Twitter, the trade of information and data between like-minded people is much easier and quicker. Theoretically, everybody can be informed about business practices of a certain company anywhere in the world. Consequently, global companies no longer have the possibility to hide any kind of information so the whole world becomes more transparent.

Looking at consumption behaviour in postmodern times it can be realized that people are starting to consume more consciously. Out of the huge amount of highly diversified goods available consumers can choose those commodities which are most suitable for representing their identity. This means that they decide in reference to their personal selection criteria which brands they will consume. Hence, in order to better evaluate goods, information is sought before consumption. Especially anti-brand sites, also known as corporate hate sites – web pages, in which the practices of a company and the quality of its brand are critically examined, yield a vast amount of information. Today, it can be seen that more and more consumers create their own web sites with the aim of expressing their opinions and collecting each kind of critical information about a brand in order to exchange their experiences of

consumption with each other. Has there been only one corporate hate site in 1995, nine years later already more than 10,500 pages are circulating on the Internet. That is why, according to a survey of the mi2g Intelligence Unit, corporate hate sites are the biggest digital risk problem nowadays among CEOs of major global brands (HTTP://MI2G.NET). Due to the power of 'wordof-mouth' and the fact that especially negative news is gaining consumers' attention, companies have to be completely aware of their behaviour. Thus, it is obvious what influence those pages might have on a company's performance. Consequently, the problem in the main focus is how dangerous those pages truly are and how companies have to deal with them. As already indicated above, it is the consumer who can accomplish his personal interests in business processes through rejecting certain unwanted company practices. Additionally, it is also him who can force multinational enterprises to act in a positive, responsible way. In the end, thanks to these new technologies it is this transparency which permanently keeps up the threat of bad publicity. In order to establish a better image and to avoid becoming the target of such anti-brand sites, companies even start to take environmental and social issues into consideration. Thus, corporate sustainability is one of the factors determining corporate practices.

Out of this current situation the overall aim of this thesis is to investigate if there is any relation between the ongoing spread of the Internet and the growing resistance among consumers. Thus, the research question is: "Does the Internet have a significant impact on consumers' willingness to participate in consumer resistance?" During this investigation the emphasis will be put on two different aspects: Why are consumers increasingly critical and why are they more likely to resist? This in turn requires an examination of what opportunities the Internet provides and how these tight anti-brand communities operate.

At the end of this research it shall be verified whether the following assumptions are right or not:

- The internet is a tool which helps to enhance consumer power so that the domination of the market can consequently be broken down. (H1)
- Members of anti-brand communities are dissatisfied consumers who can be regained when required improvements are executed. (H2)
- Brands which are consistently highly ranked in 'Most powerful brand lists' and which have a high brand value are more likely to be targeted by anti-brand sites. (H3)

- The higher the interactivity in brand communities is, the stronger the member's feeling of belonging becomes so that the probability of consumers' engagement rises. (H4)
- Understanding the underlying motivations for anti-brand sites is a chance for corporations to better perform in the future. (H5)

The theory of postmodernism will help to explain how the consumer culture has generally changed. Therefore, it has to be investigated what new conditions accordingly underlie present times. Those new conditions are necessary to understand why an eventual rising resistance among consumers occurs. Hence, while postmodernism can be understood as a blessing for consumers, it can be seen as a curse at the same time. After giving a short overview of motives and different forms of resistance, the focus should be especially placed on anti-brand sites; one way for consumers to express resistance. The second part of this research picks up on this point. In this sense, it will be first explained what new opportunities exist thanks to the Internet. In the second step, a description of what technologies and applications are particularly used will be explored. After this brief introduction a deeper look will be taken at the theory of tribes and online brand communities. Here, the intention is to show how these tight communities work and how it is possible that people with similar interests start to unite even though the whole interaction remains anonymous and virtual. Finally, it shall become clear what the underlying incentives for the creation of anti-brand sites are, how people there are organized and why these sites pose such a threat to corporations.

This theoretical part is followed by empirical studies. In order to check if the assumptions are applicable in reality, an investigation including case studies and monitoring will be carried out for examining what trends can be deducted from anti-brand sites of some global corporations. The aim of this investigation is also to see how those pages are designed, what their content is and who the operators of these pages are. In order to get deeper inside the way of thinking of consumers a survey among potential buyers will be conducted. After getting some general information about their online habits, the intention is also to find out what makes them to resist and what their attitudes towards anti-brand sites are. All the findings of these empirical studies will finally serve to validate the hypothesis. Thus, at the end of the master's thesis the question of how influential the Internet is on consumers' likelihood of resistance shall be answered. Depending on the final conclusion, it will be possible to give a preview of how corporations have to deal with anti-brand sites in future.

1. The era of postmodernism: blessing and curse for consumers

1.1 In favour of the consumer - from universalism to individualism

Before discussing postmodernism as such it is necessary to examine the previously existing conditions in society. Only through comprehending the irregularities and problems of the former period can it be understood why this new postmodern era finally emerged. Looking at those times of modernity, in which rationalism was the dominating aspect in life, it quickly becomes obvious that there was no chance for consumers to create an individual lifestyle. Hence, the peculiarity of postmodernism, in which the consumer as an individual human being is in the centre, is best expressed. In this sense, a short overview of the modern consumer culture shall be given. This is followed by the comparison of modernism and postmodernism. Keeping in mind the differences between both, the full concentration is to be put on postmodernism in order to understand why a growing consumer resistance is emerging.

1.1.1 Liberation from cultural authorities

By analyzing patterns of consumption the term 'consumer culture' seems to be of high importance. Depending on its characteristics, it is determined how people understand the offerings of the market and how they interact with them. Thus, the prevalent mode of consumption is also to be specified. With the help of marketing activities firms have had the unique ability to structure this mode for a very long time. In this way, consumer desires have been shaped. Thus, the way of feeling and thinking of people was organized by marketers – so called cultural engineers who influenced consumers through branded commercial products and the corresponding commodified meanings. That is why pleasures and identities specified by those 'engineers' could be only accessed through their brands. Once the cultural authority of marketers was accepted and the consumer culture internalized, people gave firms the permission to organize their tastes (HOLT 2002: 71 ET SEQ.). Following Adorno's and Horkheimer's idea on 'culture industries', the period of mass culture industries which especially came into bloom after World War II was characterized by the striving for the satisfaction of identical needs with identical goods. In the logic of culture industry, products for standardized consumer needs were required due to the fact that many people participated in it. Segmentation was only based on organizing, labelling, and classifying consumers differently. By providing something for all, taking some slight distinctions such as quality into consideration, each single target group was reached. In the end, according to the indexed level in reference to income groups, the category of mass product had to be chosen. Thus, for