

The Web 2.0 and the globalization impact on new consumer emergence and classification*

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Abstract - The advances in telecommunications and the rise of the Internet have empowered traditional consumers to act as value producers. They started with self-service technologies and developed unlimited reach and collaboration possibilities in the virtual world. By commuting principles and long established stages of development these new consumers are spreading in all domains, triggering an avalanche of prosumer-oriented features. The present study is trying to classify and explain the origin of all prosumer activities we are able to discover in the physical and the digital environment. The insight in the prosumer world helps us understand how the society and corporate entities could effectively relate to this new consumer role.

Index Terms - creativity, engagement, presumer, prosumer, value creation.

1. Introduction

In the years 2007-2008, the economic crisis that put an end to the old consumption model, in a world stroke by poverty and unemployment, brought to life an era ruled by value added actions and presumption. Therefore, the old consumption model from the industrialization era began to lose ground, because of its bureaucratic and slow reaction to change. The consumption has dramatically decreased and a major shift has been seen in the consumer role which has changed from a passive and uninformed consumer to a knowledgeable and demanding participant in the production process. As a consequence, presumption, the preindustrial concept of individual production of goods for self usage, re-emerged in an improved manner, surpassing conceptual restraints and broadening its production activity from goods, to services and even content for self or universal use, both in the physical and in the digital space. Notwithstanding, the scarce knowledge about the prosumer concept restricts the proper understanding of today's consumer culture and limits the research in this interesting and revolutionary domain. Thereby, the present paper aims to point out the most important prosumer features, outlining basic factors that differentiate prosumers from other market and society roles. The research is based on relevant literature who discusses the subject in depth and on accurate observations along three years of studying presumption practices. Prosumers are acting from a consumer perspective, changing their role, improving their participation, creating value and transforming the industrial mass communication and mass production era. The Internet has empowered them to act as pleased, to collaborate and share

ideas in an unlimited space. Taking into consideration all their main features, we are classifying prosumers in comprehensive groups depending on their activity environment, purpose, presumption method, outcome and subjective culture. In the end we point out further research directions in this domain.

2. Prosumer Definition

Presumption has evolved to have different meanings in literature and in practice. For a thorough understanding of all relevant points of view, we have established in Table1 a chronological analysis of the literature key definitions for presumption.

Table1. Literature prosumer definitions

	Authors	Prosumer definition	Key words
1	[1], [2]	"a person that <i>creates</i> goods, services or experiences for his <i>own use or satisfaction</i> , rather than for sale or exchange"	consumer, create, own use
2	[3]	-	consumer- creative agent, participate, co-production of value
3	[4]	"those who are simultaneously <i>involved</i> in both <i>production</i> and <i>consumption</i> "	consumer, involve, take tasks, produce, value creation
4	[5], [6]	"those who are simultaneously <i>involved</i> in both <i>production</i> and <i>consumption</i> "	consumer, involve, take tasks, produce, value creation
5	[7]	<i>participating</i> in the <i>creation</i> of products in an active and ongoing way; <i>co-innovate</i> and coproduce the products they consume; <i>add value</i> through deeper and earlier <i>engagement</i> ; <i>sharing</i> of creations	consumer, engage, participate, create value, for everyone
6	[8]	when consumers are <i>producing exchange value</i> for companies	consumer, produce, exchange value, for companies
7	[9]	<i>contribute</i> to the <i>usage value</i> of a product or service for <i>own use</i> , without which the product process remains incomplete, regardless if there is or not a <i>payment</i> for that activity.	contribute, work, usage value, own use, payment debate

As we can easily see from the table above, prosumers are individuals (consumers) that make a contribution (provide

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work to produce/create value) by being engaged in a process for own use or for the use of others. Thereby, in our opinion prosumption is not just a concatenation between the term production and consumption ([10]) because in that sense we would be all prosumers and the term would lose worth. We do not subscribe to this line of reasoning and therefore within this paper we try to establish another definition that will encapsulate the most important features drawn from current literature and practice but differentiate the prosumer role from other market roles.

Reference [8] also approached the prosumer concept in their critical perspective on intersecting roles of consumer and producer, by adding a differentiation factor that was opposing Toffler's self use - the production of exchange value. Thus, they consider prosumers as individuals who have traditionally been defined as consumers and who are producing exchange value for companies, producing a fundamental change in economic organization. They are grounding their line of reasoning on the distinction between use value and exchange value, arguing that when consumers produce exchange value for companies, their change is fundamental and determine prosumption. We agree that prosumers indeed are not individuals that simply perform tasks normally handled by a company, and that some produce exchange value through their activity, but we also have prosumers who are producing usage value for themselves ([9]). Therefore, the production of exchange value is not a differentiating factor for prosumer definition; it is just one of the elements according to which we will classify the concept.

Even if not all authors from Table 1 develop the same prosumer definition, and they argue different prosumer features, nevertheless they envelop this innovative concept with similar key words as follows:

- consumer (role)
- involvement/engagement (the motive for exceeding their traditional role)
- the action performed: creation, production, contribution (process)
- use(usage) value vs. exchange value
- own use vs. others' use

Therefore, prosumers are a market segment which arises from the consumer concept. If a consumer is engaged, somehow empowered by someone or something to change his behaviour and involve himself in an activity, he is likely to become a creator of value. This produced value can be usage or exchange value, depending on its worth for the self and for the market. Prosumption is influenced, as [11] argued, by the subjective culture of the prosumer, by allocentric tendencies (when prioritizing communal goals, creating for others) or idiocentric tendencies (when focusing on personal goals, needs and rights, creating for own use). Both tendencies are important and they represent criteria for future prosumer classification. Regarding the differentiation factors for prosumer definition, we propose the term "engagement" ([12]) for Toffler's self service enhanced with participation ideas and

involvement in a community, that expands the consumer role, as the first differentiation factor for prosumption. But engagement isn't enough. Solely drawing consumers into taking over steps or tasks that create use value (e.g., when they disperse their own drink at a fast-food restaurant, fill the tank of their own car in a gas station) are not changing their fundamental role in the economic system ([8]). Thus, to create added value we need more than just engagement in choosing between different options, we need a certain level of creativity to create new options ([12]). This creativity dimension determines the productive thinking required for today's urge for innovation, becoming the differentiation factor between customization and prosumption.

Considering these two differentiation factors (engagement and creativity) and the literature analysis undertaken as the basic requirements for prosumer transformation, we furthermore classify prosumers according to:

- their creative engagement in an activity
- the environment where they prosume
- the type of value provided
- their tendency to focus on the self or on others
- the ease of prosuming
- the possible payment of their work.

3. Prosumer Classification

In Figure 1 the authors propose a prosumer classification on five levels. The *first level* separates two stages of prosumption in the preceding prosumption stage we call "prosumption" and the actual prosumption stage. The prosumer is therefore a self-service technology user limited to the use of a product or service as it was intended to by a company. He or she is not providing added value. The customization opportunity is also a part of the preceding prosumption stage because the consumer is directed by the company to choose and not to create, to buy one of the corporate options.

The prosumption itself is a final stage where a valuable contribution is made from the consumer point of view (engagement and creativity). In this case the consumer transcends his role to an innovative prosumer who contributes, creates by himself or collaborates with others to co-create value.

The *second level* of classification separates prosumers according to the environment where they prosume in physical and virtual prosumers. And the specific traits of those two types create a *third level* of classification, as we will furthermore see.

Reference [3] identified two prosumer profiles from the physical world: the avid hobbyist and the archprosumer. The avid hobbyist is considered a producer in two domains, his main occupation and his major hobby (e.g., avid gardener, home repairer, skilled cook) and the archprosumer practices a lifestyle of "voluntary simplicity" closer to nature (e.g., grows own plants, knits and sews own clothing, avoiding mass production).

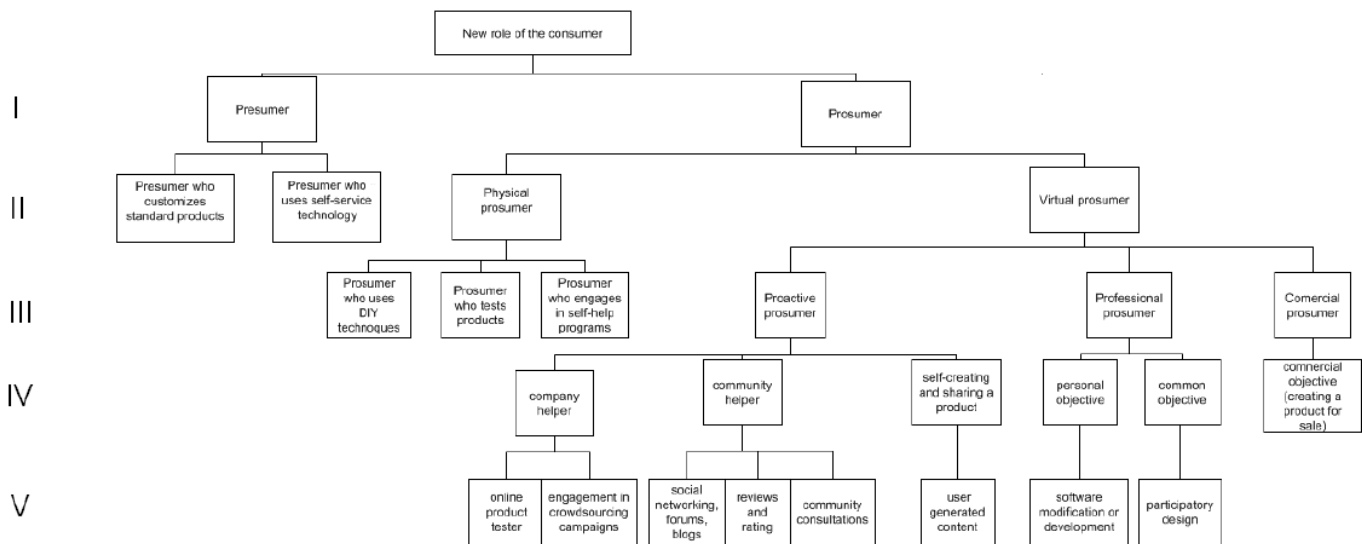


Figure1. Prosumer types on five levels of classification

Even if a person is prosuming for a hobby or as a lifestyle, it uses do-it-yourself (DIY) techniques for this purpose. And he or she becomes a prosumer when the DIY output is original, and not an IKEA oriented pre-established task allocation. Besides the DIY techniques, prosumers in the physical world can become feedback providers. Regardless of the situation, a prosumer will analyze, complain or express his personal opinion about the purchased product or service through a letter in the suggestion box of the respective company or indicating the seller his amendments. One of the most interesting prosumer types from the physical world are the individuals involved in peer support, an activity clearly stated in the virtual environment as well, with multiple tasks and unlimited creative and proactive power.

Virtual prosumers have the following features: “knowledgeable consumers, digital users who employ technologies (software applications) for collaboration, to produce and share content or have the ability to participate to a product or service conception, design, execution and/or testing and have a certain impact on their social network” ([13]). Depending on the ease in tool usage, the focus on self or others and the commercial orientation, we have three main virtual prosumer types: proactive prosumer, professional prosumer and commercial oriented prosumer.

Each virtual prosumer type can be classified on a *fourth level* according to their main objective and on a *fifth level* according to current activities performed with the objective in mind.

Thereby, the proactive prosumer can help a company, his community or himself. When the proactive prosumer wants to help a company, he has two choices, to correspond with the company directly and test its products, services, offering feedback or to participate in a crowdsourcing challenge. When helping the community we have multiple ways of action: self-

aid forums, social networks formed around some interesting topics of great interest, blogs, review and rating sites or community consultations. But a proactive prosumer can be also self-oriented, he/she producing, remixing and enjoying a tool, platform or experience for own use, as long as he/she shares the result to the community. This prosumer type has multiple options to create and share his outcome as follows in music mixing or generating picture/video/other online content.

The professional prosumer represents an individual who activates in the domain of his or her expertise. The name comes from the degree of professionalism and the knowledge needed to realize specific tasks in a professional field like IT for example. A usual proactive prosumer that has all the motives to build an open source is unable to create one without the necessary programming knowledge which makes creativity possible. If the proactive prosumer was empowered by the ease of use of the majority of Web 2.0 applications and tools, the professional prosumer exceeds his role by his engagement desire and knowledge base in a related domain. This differentiation is important for outlining a separation within prosumer communities from amateurs and professionals. Despite this knowledge factor, both proactive or professional virtual prosumers remain individuals who engage in online activities and create something original, personal content, for different reasons. Professional prosumers can be furthermore classified regarding their prosuming purpose in self-oriented or others-oriented individuals because one could create by himself towards satisfying a personal need or collaborate with others for the sake of a whole community.

The last category of virtual prosumer classification refers to those prosumers who create not entirely for self or others to share, but also for sale. Their commercial orientation influences their behaviour and activities.

4. Discussions and conclusions

Humphreys and Grayson (2008) argue the fact that “when consumers are paid for their participation in the exchange value creation process, it makes them no different from temporary employees”. We agree with their statement regarding “sell it yourself” techniques because companies like Amway, Avon and others are engaging their own consumers to furthermore sell their products to peers for a percentage of the order value. This method of paying consumers for their work is indeed transforming them in external employees. That is why we did not enclose this type of activity as prosumption, because prosumers are acting primarily as consumers and not employees.

The product tester by mail or in stores is also a prosumer until he receives constant material gains from the company he provides feedback for. The same is true for the virtual proactive prosumer who is helping companies by online product testing. If the respective person receives for each activity a steady gain, cash, vouchers or products, he becomes a part time or external employee and loses his prosumer role. But in the case of crowdsourcing campaigns, even if the final prize of the contest is materialized in money, it does not transform those prosumers into company employees for the simple reason that only one of them will receive the prize and the others are working for nothing in return. Money here represents only an incentive. Thereby, a prosumer who creates and shares ideas in a contest is not paid regularly for that kind of work and in addition it must be the best to win the prize at stake.

The commercial-oriented prosumer is also collaborating with a company to realize a product or service not for him to receive a pay from the company, but for other consumers to pay him for his commercial outcome. Therefore he starts as a consumer, consuming ideas, tools and resources provided by a company and transforms or produces a new product/service as entrepreneur and not as employee for his own future gain.

Many other correlations with this new consumer emerged and need to be understood and explained, our work is just a starting point for this interesting and meaningful area of research.

Because people have always produced value for their own use or for others, we began the study with the following question in mind: “Who are prosumers and what are they like?” And we realized that this question has multiple answers depending on who responds. Each domain has its specific prosumers therefore we cannot provide a definition to fit all categories but generally we can envisage prosumers as

consumers who are adequately motivated to surpass their role (engage in a certain activity) and become productive (creative).

The present article saw the opportunity in today’s literature and practical interpretations of the prosumer expression for developing and delimiting it for further research. The ultimate aim of the already designed framework is not only to establish who is a prosumer and who is not, but also to develop classification criteria for prosumption value driven activities which will constitute a basis for further research in prosumer behavior and prosumer innovation potential for organizational benefit.

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