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Value creating processes between firms and consumers:

A phenomenon within the New Economy
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Abstract

Title:	Value creating processes between firms and consumers: A phenomenon within the New Economy
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Course:	BUSM809. Master Thesis in International Marketing and Brand Management
Authors:	Karin Betingen & Maria Laufeld
Supervisor:	Cecilia Cassinger
Key words:	The New Economy, Marketing communications, Co-production, Co-creation, Blogs
Purpose of the study:	To construct a framework by investigating value creating processes within the New Economy. In terms of value the researchers are investigating the process from consumer activation to co-production, and to the last step of using co-production in order to co-create value.
Theoretical framework:	The main theories are Marketing Communications, Co-production and Co-creation. Additional theories have been used as a compliment to two of the main theories. Market Communications includes therefore theories based on the Experience Economy, the DART-Model and Co-branding. Co-production comprises Word-Of- Mouth, Opinion Leader Theory, Collectivism and Blog Communities.
Methodology:	A qualitative method is used a hermeneutical approach applied and further is an interative research strategy used. The empirical material is collected by conducting ten online interviews and two in-depth interviews with fashion bloggers. A few observations have also been conducted to enhance the interviews.
Conclusion:	Activation occurs by using several marketing communications through several channels. Co-production is created due to the power of W-O-M and the desire to belong to different social groups. Co-creation can be attained if firms are using consumers feedback and further incorporate it in the process of Co-creation value.

1. Introduction

In this first chapter is the studied field introduced. The background information is presented followed by a problem discussion. The problem discussion ends up in a solution and three research questions, and in the end is an essay outline displayed.

“Profit in business comes from repeat customers, customers that boast about your project or service and that bring friends with them” (Van Djik, 2008 p.70) Since the beginning of the 1950s the world of marketing has been based on a push and pull strategy, in which firms are developing a product to convince customers that it is the solution to their problems. This strategy includes organised and aggressive advertising, promotion, and distribution tactics. Nevertheless, the power of customers is changing, and as they are gaining more power in the market place, their power has naturally increased. Furthermore, customer feedback is becoming more important for firms, and due to the increased customer power has a new era of decision making occurred (Prahalad & Ramaswamy, 2004). However, firms have to provide the customers with complete and unbiased information, product advices, joint design of products, and a partnership that breeds long-term loyalty in order to represent customer interests and to fulfil their needs (Urban, 2005). Another reason for the increased customer power is the explosion of social media, and more specifically, the Internet (Hagel, 1999).

“The Internet is similar to a large square with people that have different needs. It is like a square in the 1750s, just before the Industrial revolution started. The Internet is a matter of people”(Freely translated by the researchers:disruptive.nu). The Internet has existed in various forms since the late 1960s, was conceived as a data-sharing tool in 1989, and had its real breakthrough in the beginning of 1995, when a serious endeavour of web commerce emerged (Schwartz, 1999). Nowadays, the Internet is the most comprehensive electronic archive of written materials representing our world and peoples knowledge, opinions and desires (Eysenbach & Till, 2001). Moreover, the globalization is a process that is spread rapidly due to the Internet, which makes it possible for people to communicate and instantly share knowledge and information. The Internet has also been hailed as the technology behind the concept of the New Economy (Kotler & Armstrong, 2005). The New Economy implies that not only firms are active in the process of creating value but consumers as well. The use of the Internet has contributed to the development of the New Economy (Prahalad & Ramaswamy, 2005), as it is a various platform for consumers to express themselves (Eysenbach & Till,

2001). The Internet is a central concept in the New Economy as it is a perfect tool to activate consumers. They can easily communicate with each other, share knowledge, information and experiences. A relatively new medium on the Internet is called blogs. It is a simplification of the word weblog and is described as a web diary with periodical published posts (Fallenius & Karlsson, 2007). A blogs is both an effective way to spread information, and can figure as a marketing communication, as it often is perceived as more trustworthy and authentic than traditional marketing communications such as advertising and promotion. Due to the potential of blogs they have become one of the most challenging leading media, whereas the importance and popularity of fashion blogs especially are increasing (Fallenius & Karlsson, 2007). Furthermore, fashion blogs are of great interests for firms within the fashion industry as they consists of a bled of stories, narratives and valuable feedback. Marketers constantly are searching for new techniques to collect information regarding consumers opinions about brands, products and service, and blogs could be a useful medium when developing new marketing strategies (Hanson & Kalyanam, 2006).

1.1 The emergence of the New Economy

The New Economy has emerged from two main approaches within the field of marketing. The first approach is the Traditional View of Marketing that forms the foundation for old marketing literature, and the second approach is the Service Economy, where focus is on the service sector and customer relationships. Below, these two approaches are presented in chronological order, and they are further leading to an introduction about the New Economy.

The traditional view of marketing

The first view of marketing emerged in the beginning of the 1950s, and was based on the exchange of manufactured commodities, where tangible resources played a central part of the marketing idea. The view of marketing emphasises that value is embedded in commodities and that consumption of commodities are separated from manufacturing (Vargo & Lusch 2004). It also was based on a set of social and economic processes, instead of managerial activities and responsibilities from a broader economic and societal perspective. The Traditional View of Marketing was focusing on developments of analytical frameworks in terms of economics, psychology, sociology, and statistical data (Webster, 1992). In other words; the first marketing strategies were not developed in regard to a customer perspective.

Moreover, the first marketing management school was established in the end of the 1950s. It started to develop theoretical frameworks, mostly from a management perspective, whereas theories such as Porter's five forces (competitive rivalry within the industry, bargaining power of suppliers, bargaining power of customers, threat of new entrants and threat of substitute products), the SWOT- analysis (Strengths, Weaknesses, Opportunities, and Threats), and the Marketing Mix (price, place, promotion and product) became notorious strategies. These theories emanate from the environment of firms, and mainly are describing how firms should use organizational tools in order to reach growth (Fill, 2002). They have dominated the Traditional View of Marketing since they were introduced, and hence marketing was perceived as a decision making activity. Marketers were focusing on satisfying customer needs, by first targeting a potential market and thereafter taking suitable decisions,(Vargo & Lusch, 2004) assuming that only the firms were active decisions makers and that the consumers were passive individuals. Nowadays, this strategy is heavy criticised in the marketplace (Grönroos,1997).

The traditional marketing communications are composed of a blend of advertising, sales promotion, public relations, personal selling and direct marketing. They have also been

questioned (Kotler & Armstrong, 2005) as they characterise a one-way communication where information flow from firms to the marketplace and its customers (Vargo & Lusch, 2004).

Service & Relationship marketing

The view of Service Marketing emerged in the 1970s as the Traditional View of Marketing started to lose power (Grönroos, 1997, Gummesson 1998 Vargo & Lusch 2004). The new service concept came into existence due to the globalisation of the world, which led to harder competition, and the creation of new customer demands and requirements. Furthermore, the service concept was affected by the growth of the service sector in both developed and emerging countries. Nowadays, service accounts for two third of gross domestic products in most of the developed countries, which emphasises the importance of the Service Marketing concept (Lovelock & Wirtz, 2007). Vargo & Lusch (2004) stress that the traditional view of marketing is based on a goods-centred view and it was therefore challenged by this new service-centred view (Vargo & Lusch, 2004). The turning point of Service Marketing is also linked to the development of concepts such as customer relationship and retention. Customer Relationship Marketing (CRM) became a leading approach within the field of service marketing, where the central idea is to understand and build customer relationship in order to gain long term profitability (Grönroos, 1997).

The fundamental difference between the Traditional View of Marketing and Service Marketing is the service encounter (Gummesson, 1998). The authors further emphasises that consumers are an important resource during the production of service as production cannot be separated from consumption. The service outcome, based on quality and productivity, is therefore likely to depend on consumers interpersonal skills. This process describes how customers are becoming co-producers of value, and the idea of co-production can actually be tied back to the starting point of the concept of Service Marketing (Grönroos, 1997). According to Vargo & Lusch (2004) consumers can be used as co-producers by both the service sector and by manufactures of tangible commodities and products. Manufactures have started to adapt to this idea by perceiving co-production as an intermediary process where commodities are used as an appliance for the provision of service. Service Marketing can therefore be seen as a customer centric where it is importance to collaborate and to learn from customers. Both marketers and academics have started to use this service dominant logic where customer involvement is one of the central concepts. According to Vargo & Lusch

(2004) Service Marketing is changing and has started to focus on facilitation and support of creating value.

The New Economy

During the late 1990s and in the beginning of the 2000s scientist started to carry out studies about a new approach within marketing; The New Economy. Different researchers(Pine & Gilmore, 1999, Du Guy & Pyrke 2002, Hunt, Arnett & Madhavaram, 2006) have developed central concepts within The New Economy such as The Experience Economy, The Cultural Economy and The Network economy. Pine & Gilmore (1999) explain the previous economic shift (from Service Economy to The New Economy) by emphasis that commodities have moved to goods and further to service, and nowadays to the area of experience. The Experience Economy was unrecognised until marketers understood that firms need more than goods and service to satisfy their consumers.

Nowadays, firms must create an emotional and authentic experience to make customers involved and engaged (Pine & Gilmore, 1999). Prahalad & Ramaswamy (2004) emphasise consumers shifted role as a basis for the New Economy. The view of customers as co-producers has been spread into different consumer industries, not only the service industry (Prahalad & Ramaswamy, 2004, Wikström, 1996). Firms have started to recognise customers as co-producers, which has lead to new frameworks where firms and customers are co-creating value together (Prahalad & Ramaswamy, 2004).

Prahalad & Ramaswamy (2004), Vargo & Lusch (2004) and Pine & Gilmore (1999) describe consumers changing behaviour as they have turned from passive to active, isolated to connected and unaware to informed. These changes have been feasible due to greater information access, which has made it possible for consumers to make more informed decisions (Rezabakhsh et al. 2006). The author also believes that consumers have been more informed due to the development of the Internet and its enormous information flow. The Internet has managed to change the power structure of consumers as it consists of information asymmetry. Prahalad & Ramaswamy (2004) further refers to how this power structure has lead to critical consumers that want to leave more feedback. The Internet has become a splendid source for both positive and negative feedback as people share information and experience with each other. By using the Internet firms and customers are provided with unsolicited feedback. The Internet can therefore be seen as a powerful platform for co-

creating value with customers. By understanding the social dimension of consumer knowledge firms can make use of the feedback that customers are leaving.

A social media channel on the Internet is Blogs and they are perceived as a form of web dairies. The blogs are challenging the leading media sites in both popularity and importance as they create new channels of communication. Blogging is the foundation of the development of a more interactive dialogue between firms and consumers. This dialogue is valuable for firms when they try to understand consumers and their behaviour (Droge et al. 2009, Olavarrieta & Friedmann, 1999).

Du Guy & Pyrke (2002) stress that the New Economy is based on cultural viewpoints, as the boundaries between economy and culture are becoming more blurred. The authors further describe the shift from the traditional use of value into the new use of sign value. This new use of sign value includes personalised service and products with particular meanings and associations, and as consumers tend to desire customized products, have the importance of sign value increased. Fashioning of simple products has been emphasised, and that products are embodied with a certain type of intangible value, that further can be linked to a particular lifestyle. Du Guy & Pyrke (2002) suggest that cultural intermediate occupation of advertising design and marketing is of importance as personalised products and service contain a certain type of value.

1.2 Problem discussion

Marketing literature from the end of the 1990s to the beginning of the 2000s has mostly been focusing on marketing management (Prahalad & Ramaswamy, 2004, Vargo & Luch, 2002, Pine & Gilmor, 1999, Du Guy & Pyrke, 2002) where the customer perspective of marketing has been neglected. However, the literature contains facts that describe a new type of marketing approach called The New Economy. Marketers have started to recognise this approach as an established theory within the marketing literature. Still, The New Economy is a relatively new phenomenon, which has made it difficult to find empirical studies hence most of the studies consist of theoretical facts.

Prahalad & Ramaswamy (2004), Vargo & Lusch (2002) and Wikström (1996) stress that a service dominate logic does not only exist in the service sector as it has started to spread to

the branch of manufacturers. This emphasises the importance of gaining more knowledge about the phenomenon of the New Economy. In terms of research, marketers have to continue to investigate the forces behind the New Economy, especially from a customer perspective (Horn, 2003). Moreover, Payne et al. (2009) claim that most of the previous studies have been conducted from a management perspective focusing on service industries. Instead the author suggests that researchers should conduct studies about the manufacturers branch from a customer perspective.

According to Wikström (1996) firms must adapt to the prerequisites of the New Economy by allowing customers to be a part of the manufacture process and the production itself. If firms can perceive consumers as producers they can use the production of knowledge and information to make improvements in the market place. Firms have to create a mutual and strong relationship with their consumers in order to make use of the information that they are co-producing. If they succeed in creating a sustainable relationship, can they be more adaptive and creative; this ultimately can lead to committed and loyal customers. The author also suggests that firms should include a customer perspective when developing marketing strategies, as the production can be used to create value in terms of sales and revenues (Wikström, 1996).

After a traditional transaction process between a seller (the firm) and a buyer (the customer) will they go separated ways, and consequently is the attempt to create noticeably value very difficult. Instead should firms and consumers have an active interaction they together can create more considerable value compared to a traditional transaction process (Wikström, 1996). When firms are using customers co-production to create value is a process that conceptually are called co-creation (Prahalad & Ramaswamy, 2004). Still, the co-creation process is an unexplored concept and it is far from being fully developed.

Several recognised theories, such as the marketing mix model, are developed on basis of a traditional management perspective. Nowadays the marketing mix model is upgraded and can therefore be applied from a customer prospective, still does it not include concepts within the New Economy such as co-production and co-creation (Lovelock & Wirtz, 2007). As people live in a network society, where an era of the Internet is dominating, is the interaction between people, and the production of knowledge and information, more flexible and fluid than ever before. This implies that firms have great opportunities to seize the production that customers are producing. On the other hand, the Internet and its new communication channels can be

difficult to both allocate and interpret, which makes it difficult to co-create the value that is produced (Szmigin et al. 2005, Ramirez 1999, Rezabakhsh et al. 2006).

The source of the problem discussion can be summarized into three steps. Firstly, the shift from the Traditional View of Marketing to the view of the New Economy is the starting point of the problem. Secondly, as firms are having difficulties to understand contemporary customers, especially due to the Internet and its communication channels, can they not take advantage of consumers co-produced information and knowledge. Lastly, the firms are having difficulties to transform the consumers co-production into a creation process of value.

1.3 Solution

The study consists mainly of descriptions of value creating processes as the researchers consider that there is a lack of information about it in the existing literature. To understand these processes have the researchers investigated three concepts within the New Economy; Marketing communications, Co-production and Co-creation. More specifically are they investigating how Marketing communications can activate consumers, how consumers are co-producing information and knowledge and lastly, how firms can use co-production to co-create value. Moreover, when the researchers collected empirical facts did they used the Swedish international fashion firm, Hennes & Mauritz (H&M), and its co-branding co-operations with fashion designers as a starting point. H&M serves as a suitable illustration firm as they have used different marketing communications to advertise their co-branding collaborations. The researchers have analysed fashion blogs and the information that has been posted about H&M and their co-branding co-operations. The blogs have been used as an informative source when trying to understand the process of co-production.

By conducting this study the researchers are hopefully gaining a deeper understanding about the processes of co-production and co-creation, and how consumers actively are leaving feedback by co-producing information and knowledge. If the researchers can understand these processes they might be able create a new framework that describes the New Economy and its processes on the Internet.

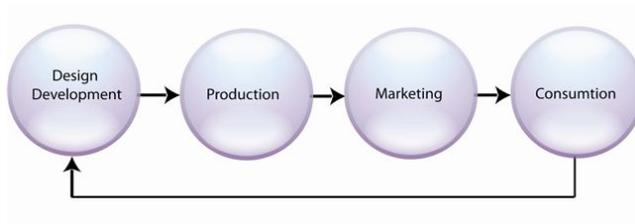


Figure: 1:1 Graphic model
(According to: Wikström, 1996 p.9)

The firm-customer relationship as a sequential process.

There is a one-way communication between the firm and the consumer, where the consumer only has the possibility to leave feedback in the last step of the model, *after* the product has been developed, produced and lastly marketed.



Figure: 1:2 Graphic model
(According to: Wikström, 1996, p. 10)

The firm-customer relationship as a simultaneous and interactive process.

The solution is to incorporate the consumer in all different steps *during* the different stages from design development to consumption. By making the consumer a part of the creation process is the traditional way of communicating replaced by a two-way communication where the consumer constantly can leave feedback.

1.4 The purpose of the study

The purpose of the study is to construct a framework by investigating value creating processes within the New Economy. In terms of value the researchers are investigating the process from consumer activation to co-production, and to the last step of using the co-production in order to co-create value.

Research questions:

- 1. How can marketing communications activate consumers?*
- 2. How is co-production created?*
- 3. How can firms use co-production to co-create value?*

1.5 Limitations

The researchers decided to use three main theories within the New Economy; Marketing Communications, Co-production and Co-creation. They have applied a customer perspective and could therefore gain a deeper knowledge about the research field. To make an in-depth study they did select parts from traditional theories (Word-Of-Mouth, Opinion leadership and Lifestyles), and used them as a compliment to the main theories. Since the empirical material were collected on the Internet, have all of the theories been conformed to that.

To collect empirical material the researchers have only assembled information on the Internet about consumers co-production through fashion blogs. The researchers considered that the blogs served as a suitable source of data, but to collect sufficient data for the analysis, and to strengthen the overall authenticity of the study, data from scientific articles has also been collected as a compliment.

The researchers have conducted online, open-ended interviews with Swedish and international bloggers, but in-depth interviews were only conducted with Swedish bloggers, thus the foreign bloggers could not provide them with any additional information of importance. The researchers only contacted Swedish bloggers from the website www.bloggtoppen.se, but it is the most informative and popular website in Sweden. The international bloggers were found at www.chicismo.com, that it is a well-known website with professional bloggers from different countries.

1.6 Outline of the research

The thesis contains five different chapters.

The first chapter introduces the research topic. The second chapter presents the theoretical approach where three main theories are introduced; Marketing Communications, Co-production and Co-creation. Additional theories have also been used in order to strengthen the main theories. The first theory, Marketing Communications includes theories such as the

Experience Economy, the Dart- model and Co-branding. The second theory, Co-production, contains theories such as Word-Of-Mouth, Opinion leader theory, Blog Communities and Collectivism.

The third chapter consists of a methodology part, where the methodological approach as well as the research design and methods for primary data collection is presented. The end of the chapter provides the reader with a discussion, based on trustworthiness and authenticity.

The fourth chapter introduces the analysis of the study where the theoretical framework is integrated with the empirical material. The analysis is divided into two different parts. The first part involves the first research question (how can marketing communications activate consumers?) while the second part involves the second research question (How is co-production created?) Lastly, these two research questions are interconnected in the end of the analysis. The third research question will be answered in the fifth chapter as it is based on the two previous research questions.

The fifth and final chapter contains of a conclusion that is based on the findings from the analysis. The third research question is finally presented, based on the two initial research questions. A self made framework is also presented in the chapter where the three research questions are discussed and summarised. The framework is also applied on the studies illustration firm Hennes&Mauritz. In the end of the chapter is the researchers recommendation for future research presented.

2. Theoretical framework

In this second chapter is the theoretical framework presented as well as other relevant theoretical concepts. The researchers have also used a few theories from previous marketing approaches. Further, these theories have been used to enhance the studied area, as there is a lack of studies within the investigated field.

2.1 Theoretical overview



Figure: 1:3 Graphic model
(According to: The researchers, 2010)

As a basis for the theoretical framework three main theories have been used; Marketing Communications, Co-production and Co-creation. The description of the third main theory (Co-creation) is less extensive compared to the other main theories as it is incorporates and permeates both of the initial theories. The theoretical overview is based on marketing literature, where most of the literature is dated from the end of the 1990s to the beginning of the 2000s. When the researchers investigated the field of research more extensively, other theoretical perspectives were added to two of the main theories; Marketing Communications and Co-production. As a result of this includes Marketing communications three additional theories; The Experience economy, The Dart-model, and incorporated in the last step of the Dart-model is Co-branding used. These theories are solely based on the view of the New

Economy. Further Co-production comprises of three other theories; Word-Of- Mouth, Opinion Leader Theory and Collectivism, and they are all based on the Traditional View Of Marketing. Co-production also consists of one other theory from The New Economy; Blog Communities. All additional theories are used in order to enhance the theoretical framework in terms of comprehensiveness. The theoretical framework and its ten theories have further been applied on processes on the Internet and on blogs.

2.2 Marketing communications

2.2.1 The Experience economy

According to Pine & Gilmore (1999) is ordinary advertising and branding not enough to activate customers hence firms have to build a series of supporting processes in order to create an outstanding experience. The authors equate experiences with a theoretical play and that consumers expect series of memorable events to accrue, where entertainment is perceived as one part of the experience. The Experience Economy has also been embodied in the retail industry, and the author refers to it as a “shoppertainment” (Pine & Gilmore, 1999). McGoldrick (2002) further describes that the physical attribute of stores are perceived as an interactive theatre, where it is important to capture memories rather than simply goods. Kohler et al. (2010) stress the difficulties of controlling these complex interplay situations as it is often the participants themselves that are managing half of the experience. Consumers are constantly activated due to the Internet, and they tend to, more than ever before, share their experiences with each other (Kohler et al. 2010). According to Prahalad & Ramaswamy (2004) is the need of a virtual interaction the starting point of the emergence of consumer communities, which has lead to a more interactive online dialogue between consumers.

Consumers tend to interact about experiences they interpret as inspiring, intrinsically, motivating and involving. Furthermore, these experiences engage people, they make them more creative, and they are naturally more activated (Payne et al. 2009). Kohler et al. (2010) stress that the quality of the experience is of importance as it decides if customers are willing to be activated or not. The hedonistic part of the experience has also been emphasised as the most important part of an experience where a flow of fantasies, feelings and fun on a sub-conscious level is used to activate consumers. It is also necessary to influence and engage consumers on an emotional level, which can be fulfilled by using different themes, metaphors,

stories, design elements and surprises (Payne et al. 2009). To make consumers involved on an emotional level, should the customer environment include a personalized experience, an “experience of one”. Moreover, the authors believe that it is of magnitude to understand the entire process of activation in order to create the perfect experience for customers (Prahalad & Ramaswamy, 2004).

2.2.2 The DART- model

To encourage consumers to be active, firms need to create valuable experiences. According to Prahalad & Ramaswamy (2004) the DART- model can be used to gain an understanding of customer activation. The Dart- model is built up of for different blocks; Dialogue, Access, Risk Assessment and Transparency. The authors have further extended the DART- model and nowadays it includes dimensions such as; experience through opinions, experience through transaction, experience across multiply channels, and the price-experience relationship. A combination of these different building blocks can be preferable as it provides firms with better possibilities to create an outstanding customer experience (Prahalad & Ramaswamy, 2004).

The researchers have not used three of the dimensions (Transparency, Experience through options and Experience through transactions) as they are not of insignificance, neither in relation to the other theories nor to empirical material. Additionally, the dimensions are not relevant to answer the first research question of the study (How can Marketing Communications activate consumers?), and therefore have the researchers decided to exclude these dimensions.

The Dialogue block contains of engagement, shared knowledge and a two-way communication flow, where just listening to consumers is not enough. Loyal customer communities can emerge if the dialogue between firms and consumers is interactive, and of interest for both of the parts. It is also important to provide customers with products or service that encourage them to be active and willing to share knowledge and ideas (Payne et al. 2009).

The Risk assessment block refers to the likelihood of harming customers. It was traditionally assumed that firms could successfully manage risks on their own, even though this ignorance

has turned out to maximize the risk of misunderstanding consumers. Firms should have an active dialogue with their customers to increase the risk assessment and to regain their commitment. According to Kapferer (2008) brands and products can express certitudes and trust, and therefore reduce the risks between firms and consumers. Perceived risk can be linked to four different factors; economical, functional, experiential and psychological attributes. Well-known brands and products can also serve as a guarantee of quality, and if a brand has high brand awareness, customers often has a positive images about the brand. Moreover, high brand awareness and a strong image generate factors such as high quality, trust, reliability, price ratio and accessibility (Kapferer, 2008).

The Experience across multiply channels block contains the demand of choice; consumers want freedom and they want to decide if, when and how they interact with firms. It is crucial for firms to manage this block in order to create an satisfying experience for consumers. The use of multiply channels will further enhance the experience as long as the experience across different channels is consistent (Pralhad & Ramaswamy, 2004).

The price experience relationship block is one of the most important factors to enhance customers experiences. The price experience relationship is the stage when customers are judging the economical value of the product. Prahalad & Ramaswamy (2004) describe that the traditional pricing system, based on firms price structure, not is taken in consideration when consumers determine the quality of the experience. It is consumers perception of the quality that decides the “worth” of the experience.

2.2.3 Co-branding

The last building block of the Dart-model is Access. Experiences that firms are providing consumers can serve as a gateway to access a desirable lifestyle. Co-branding co-operations, especially within the fashion industry, are a commonly used marketing communication to create desirable commodities. Co-branding became common in the end of the 1990s when mass retailers began to collaborate with famous designers. This made it possible for ordinary people to buy luxury clothes to a reasonable price. Furthermore, the collaborations has been described as the first assembly of two different worlds- Haute Couture and High Street. Tungate (2008) suggests that co-branding co-operations has laid the foundation of free publicity for everyone, which has made co-branding even more attractive. Blackett & Broad

(1999) stress that co-branding can lead to high customer recognition and more desirable products. When managers are evolving co-branding-strategies they should be based on a trustful, long-term relationship between the included parts (Blackett & Broad, 1999). One of the main reasons for using co-branding is that each of the two brands often dominates in different product categories, which means that the combination of the brands creates a broader consumer appeal. (Armstrong & Kotler, 2005). According to Motion et al. (2003) co-branding has the potential to strengthen firms corporate brand values, and it can also generate loyal customers. Managers usually expose consumers to familiar stimuli, such as images connected to the brands, to enhance the co-branding activities. Often are least a few familiar stimulus with favorable associations used to streamline the co-branding. When consumers are exposed to familiar stimuli they are more likely to relate to the co-branding and to formulate associations to both of the brands. Furthermore, Priluck et al. (2002) suggest that consumers evaluate a low quality host brand more favorably when a high quality branded ingredient is added. Additionally, Du Gay & Pyrke (2002) stress that co-branding co-operations have influenced the importance of sign value, which means that personalize service and goods with particular meanings and associations, are formulated in order to attract consumers.

2.3 Co-production

Already from the beginning, when social science literature started to established have people co-produced the value of goods and objects of everyday use, and thereby given them different kinds of meanings. These meanings have been measuring the value in peoples own life worlds from material to social production (Arvidsson, 2008).

After traditional consumer practices, such as studying the productive potential of social interaction in general, were new developments in marketing arising parallel to new forms of media as gramophones, television sets and transistor radios. This gave a new global coherence to consumer culture, enabled commodities to be inscribed in a wider range of mundane practices, and helped trends and fashions to diffuse and circulate more rapidly. Customer production form the basis for Consumer Culture Theories, and is understood as an expression of large-scale trends that further are increasing the power and relevance of social co-production. Social co- production consists of peoples self-organized systems, and includes mostly of immaterial production evolving around the diffusion of networked information and communication technologies (Arvidsson, 2008).

The evolution of the most important communication technology, the Internet, is a platform where social networks are created and where knowledge is exchanged. The use of the Internet has challenges the old, traditional standpoints between production and consumption, as well as the public and the private world (Bonsu & Darmody, 2008). Nowadays, social production is a widespread phenomenon mostly due to the Internet and social media (Arvidsson, 2008). On the Internet and through social media consumers can create value or more exactly co-create and even co-invent it. This kinds of activity, when customers are co-producing information, is not merely an instant moment of co-creation but an engaging and interactive activity as well (Humphreys & Grayson, 2008). Therefore, the emergence of social co-production has become an important social and economical phenomenon, and an important source of value for the capitalist economy. Co-production has been pointed as the ideal-type commodity of contemporary capitalism due to its embodiment of the digital economy. As the Internet serves a majority of the world's population it is a site for exploring all different kinds of co-production in terms of infinitive community sharing (Arvidsson, 2008). These social networks have further encouraged customers to constantly co-produce information, which also have been mobilized by the capitalist economy and its actors (Bonsu & Darmody, 2008).

Two central concepts within Co-production are exchange value and value in use (Bonsu & Darmody, 2008). The exchange value of an object is its relative worth when it is placed in a value or exchange relation with another commodity of a different kind. Use value exists for people to the extent that a product directly satisfies their wants (Marx, 1867 in Arvidsson, 2008). In other words, exchange value is realized only at the point of sale while use value only becomes a reality by use or consumption. Conceptually, an objects exchange value is independent of its use value (Arvidsson, 2008). It is the customers that are creating exchange value by actively taking part of the co- production process and therefore do not solely firms contribute to creation of value (Zwick et al. 2008). Value is instead determined in collaboration with resourceful consumers, especially those consumers that desire to be included in all aspects of the value chain (Bonsu & Darmody, 2008). When consumers are involved in the whole value chain exchange value is embodied in firms commodities (Arvidsson, 2008). This makes consumers completely drawn into the production of commodities, and more importantly the innovation process of these objects (Zwick et al. 2008).

Consumers co-production thus becomes a platform for participation in a culture of exchange,

where firms offer consumers resources to produce information, and where consumers offer firms a direct contact with the fast-moving marketplace (Zwick et al. 2008). The purposeful construction of consumers as co-producers (in mutually beneficial innovation and production processes) is a necessary strategy in order to arrest the difficulties associated with activated consumers, whose sophisticated tastes and consumption patterns are increasingly heterogeneous, and less amenable to control (Bonsu & Darmody, 2008). Additionally, consumers have specialized competencies and skills that firms are unable to match. Therefore, firms must both attract and retain their customers, and have an open dialogue with them (Zwick et al. 2008).

The true potential in the revolution of social co-production is occurring when consumers are being asked and often willingly agree to take over steps in the value chain in order to create exchange value. The production of exchange value is apprehended as a fundamentally different process than the co-production of use value (Arvidsson, 2008). If firms are using the exchange value that consumers are co-producing will the interaction between firms and customers generate more value than a traditional transaction process (Wikström, 1996). When customers are participating in the value chain, they are not only helping firms to become more successful in the marketplace, but they provide firms with real rethinking and even new thinking (Humphreys & Grayson, 2008).

On the other hand, when consumers actively are co-producing information, firms are indirectly losing control over the co-production process (Arvidsson, 2008). This might be destructive as consumers are more unmanageable and sophisticated than ever, and their main reason for co-producing is not to please firms, but to satisfy themselves (Zwick et al. 2008). However, to use consumers as producers will probably become even more important in the future, as consumers constantly are gaining power in the marketplace. (Arvidsson, 2008)

2.3.1 Word-Of-Mouth

According to Tylee (2010) is Word-Of-Mouth (W-O-M) a formal medium in which people interact and are telling each other how much they appreciate or dislike products or service. W-O-M is created when consumers are sharing information and experience, traditionally obtained from firms marketing activities. When customers obtain information from interacting with each other is the shared information perceived as more trustworthy and

reliable compared to the original source of the conversation, such as a marketing activity (Solomon et al. 1999).

Historically, has W-O-M happened serendipitously not strategically, but nowadays is W-O-M moving from an emerging marketing discipline to an enduring one. The social network explosion on the Internet has especially given a huge impetus to W-O-M, and it bounds to grow in the coming years due to the increase of influential bloggers. W-O-M on the Internet is also called Buzz-Word based Viral Marketing. It has challenged the traditional W-O-M due to the unique properties of online interaction and the almost complete absence of contextual cues facilitates the interpretation of what is essential and subjective information (Dellarocas, 2003). Noticeably, Buzz-Word based viral marketing is different from traditional W-O-M, and it has a few additional advantages compared to traditional marketing communications. It is launched via web-based communication platforms, such as instant messaging systems, web blogs and chat forums, which make the storage of information more efficient. Buzz-Word based Viral marketing is also spread rapidly at a significantly low cost, which implies that it exists everywhere and is accessible for everybody that is online. Another advantage is that people do not have to reveal their personal identities on the Internet and can thus choose to be anonymous, which makes the communication between people on the web much easier than in real life (Jianmei et al. 2010). Furthermore, Wilson (2000) suggests that Buzz-Word based viral marketing can make efficient use of public positivism and behaviours establish communication networks and share resources of other people.

Valck et al. (2010) stress that positive W-O-M, either it is Buzz-Word based viral marketing or traditional W-O-M, reinforces firms marketing activities and provides intelligence for everything from packaging to product development. Silverman (2001) claims that customers become a real valuable asset when they are spreading positive W-O-M, as it often includes recommendations of firms products under a long time period. Further, Valck et al. (2010) are linking Buzz-Word based viral marketing to the creation of rumours and stories. On the Internet can information transform into cultural stories that creates expectations, sense of belonging and trust. In general prefer people to transmit good news rather than bad, but this reluctance does not always appear, which can lead to negative W-O-M. According to Solomon et al (1999) consumers tend to speak more about negative experiences rather than positive, as positive experiences are likely to be expected and soon forgotten. Negative W-O-M does often occur when firms are the topic of the conversation. Moreover, Solomon et al

(1999) argue that negative W-O-M weight more heavily as dissatisfied customers tend to share negative experience with more people. Negative W-O-M can also reduce the credibility of firms marketing activities, which can influence consumers' intention to buy their products (Solomon et al. 1999). This emphasises the importance for firms to gain knowledge about the pattern behind W-O-M. If firms are able to gain knowledge and an understanding about the creation of stories they could turn the stories into positive W-O-M instead (Valck et al. 2010).

2.3.2 Opinion Leader Theory

Opinion Leaders are challenging traditional media such as advertised controlled communications, as they are acknowledged to possess superior knowledge and information, which empathizes the strong influence they have on other consumers (Chan & Shekhar, 1990). Chanet (2001) claims that Opinion Leaders are tremendously valuable as they have the ability to build relationships and confidence with other consumers. According to Corrigan (1997) it is also of importance to pay attention to social class hierarchies, families, households, and other formal groups in society, as they often determine customers' consumption choices. Further, the author suggests that fashion agency, fashion gurus and the fashion press play an important role as they influence consumers' purchase patterns. Opinion Leaders, especially within the fashion industry, are therefore essential for firms as they can spread positive information about their products or service, and thereby help consumers to take consumption and purchase decisions (Chan & Shekhar, 1990). According to Chan & Shekhar (1990) Opinion Leaders are often young people with great social mobility and a respected education. They can further be described as information providers (Bodendorf & Kaiser, 2010) whose consumers are utilizing to not only take purchase decisions, but to evaluate products or brands as well (Yale & Gilly, 1995). Chan & Shekhar (1990) also stress that product familiarity is not enough to maintain the role as an Opinion Leader, as new products and innovations constantly emerge in the marketplace.

According to Yale & Gilly (1995) are three other concepts related to the Opinion Leader Theory; Innovators, Opinion Followers and Market Mavens. The two first concepts are used in nearly the same context as Opinion Leaders. Innovators can be described as early adopters that try new products without having any previous experience from the product, and can hence leave valuable feedback to others. But the majority of consumers are addressed as Opinion Followers. They actively seek information from those they believe have a wide

acquisition of knowledge and information, and are using them as guidance when taking purchasing decisions (Chris & Fill, 2002). Market Mavens can be distinguished from the other two concepts in terms of possessing more general market knowledge (Yale & Gilly, 1995).

2.3.3 Blog communities

Researchers have emphasised the importance of understanding the structure of virtual communities as they need techniques for collecting valuable feedback that consumers create on the Internet. Hanson & Kalyanam (2006) try to describe the structure of virtual communities by using five different characteristics. The first characteristic shows that network connections are growing much faster than the number of participants. The second characteristic refers to the high level of local clustering where people within networks tend to have the same friends. This results in a high overlapping of information and Word-Of-Mouth, where different opinions flow with a high speed within local clusters. It is also common that information within a cluster stays in the community as a result of the high clustering effect, and lack of new connections. This implies that the linkages within a community are strong with frequent contacts, and that they serve as a tool for sharing ideas and creating mutual trust.

Korzinets et al. (2010) have stressed the importance of being able to build friendship, trust and alliances as blog communities not always can be used in terms of information sharing. To maintain trust and a strong friendship within a blog community, must bloggers pay attention to the specific topics that are discussed, and they have to be active in the debate in order to emit trustworthiness towards the community. By doing this bloggers will strengthen the boundaries that link the community together.

The third characteristics equate communities with small worlds where it is possible to connect two members of one network by linking it with other networks. A few members within a network are always stringed together with more links compared to others, and therefore are they called Leaders. The Leaders have a critical role in the communication pattern of the network and are named as “A” bloggers, as they influence the majority of the other bloggers. (Hanson & Kalyanam, 2006). According to Droge et al. (2010) are “A” bloggers frequently posting notes on their blogs, which makes them both interesting and entertaining. A minority

of all bloggers within a community can be labelled “A” bloggers. Once the “A” bloggers have become officially approved do they normally receive positive feedback from other within the network, which helps them to become even more prominent (Droge et al. 2010). The fifth characteristic refers to losing community members. But as long as only random members and not “A” bloggers” decide to leave the network, is the harm of the community limited (Hanson & Kalyanam, 2006).

2.3.4 Collectivism

According to Arnould & Thomson (2005) consumer culture theory has been used as a tool to describe different kinds of social grouping, as a result of market capitalism and the globalisation. The authors stress that sociologists, during a long time period, have tried to understand the link between consumption patterns and the transformation of social groupings. Holt (1997) also emphasises this link by describing how consumers are using special assortment of objects to express their identity. The author further describes objects as a resource that is used to interact with other people, as they can either make people attracted or uninterested. This shows that objects have an embodied symbolic meaning and that they consist of a certain intangible value. An object can therefore characterise a certain lifestyle as shared consumption patterns signifies belongingness within a specific social group(Holt 1997). According to the poststructuralist perspective are lifestyles constructed when they exists in opposition to other consumption patterns, hence people make comparisons with other consumption patterns in relation to their tastes or distastes for certain objects. Arnould & Thompson (2005) suggest that a given type of consumption is more likely to express symbolic boundaries of social categorisation than others. A certain type of consumption can be central for the upholding of key boundaries such as class gender or race, while other social categories are more likely to vary across different social contexts (Arnould & Thompson 2005). This assumption has shaped the foundation for small micro consumption cultures. Today’s micro consumption cultures do not only capture national members, but also international members, as a consequence of a more fragmented labour specialisation and increased movement of people and capital (Holt 1997).

Today’s marketplace provides consumers with a lot of different opportunities to create their own individual and collective identities. These collective are further completed by consumers ability to actively rework marketing messages by changing symbolic meaning of different

brands to fit their personal identity and lifestyle goals. This is often made by the use of narratives through which they can express their identity. Furthermore, active consumers have also constructed lifestyles that are challenging the corporate power of marketers and firms (Arnould & Thompson 2005).

2.4 Co-creation

Prahalad & Ramaswamy (2004) suggests that customers changing behaviour in the marketplace has led to a new form of value creation. This creation of value has challenged the Traditional View of Marketing when value was created by firms and then transferred to customers through goods and service. According to the Traditional View of Marketing cannot customers influence the value creation process until they had received the products or service. In The New Economy, in contrast to this, value is perceived as a form of co-creation where firms and customers are creating value together. Additionally, Prahalad & Ramaswamy (2004) suggest that firms must create an “experience environment”, a customized experience that is adapted to their customers. If firms can manage to invent a tailor-made experience are customers more willing to leave feedback, which will facilitate the co-creation process between the two parts.

In terms of co-creation should firms (instead of acting individually) take consumers in consideration and incorporate them, and make them a part of the process of value creation. Customer feedback should therefore be used when firms are taking decisions about product design, production distribution, and development of marketing activities as well as choice of different sales channels. If consumers feedback is embodied in firms activities, from marketing development to production and marketing, can a mutual process of co-creation be possible.

3. Methodology

In this third chapter the methodology and the approach of the study are presented, as well as motives for the used research strategy. Further, the research variables and objects of the study are introduced, followed by a discussion about the trustworthiness and the authenticity of the study.

3.1 Qualitative approach

The qualitative method is the most frequent used method in social science (Bryman & Bell, 2005), and consist of three different data collections; in-depth interviews, open-ended interviews, direct observations and written documents, such as questionnaires and diaries and program records (Patton, 1987). In qualitative studies is the main purpose to collect and analyse words or a succession of events (Bryman & Bell, 2005). The method permits researchers to study selected issues, cases or events from a more detailed perspective (Patton, 1987). Qualitative researchers perceive the world as subjective and are often using social constructivism in order to understand and interpret phenomenons. The qualitative process in general terms is uncontrolled and it can be difficult for qualitative researchers to follow a strict scheme (Bryman & Bell, 2005). Meanings and interpretations that attach significance to counts and classifications are fundamentally matters for the qualitative process (Gummesson, 2000). Furthermore, qualitative studies are emanating from an epistemological view and how objects of the study interpret the reality that has been studied (Bryman & Bell 2005).

The researchers consider that a qualitative method is suitable as the study is based on a linguistic and subjective analysis of a social phenomenon. Further, a qualitative method gives the study a deeper depth and makes it more flexible compared to a generalized quantitative method. The purpose of the study is to examine social and intertextual concepts and the interplay between objects, such as firms and consumers. Therefore is a qualitative method suitable as the researchers ought to find descriptions and explanations of these sociocultural concepts.

Qualitative methods can be perceived as too subjective and impressionistic, and they are often unstructured and dependent on the objects of the study and their subjective experiences. This

can make it difficult to conduct a replication of qualitative studies. It can also be difficult to generalize the analysis and the findings of a qualitative research as a small sample might not represent the whole population. However, the researchers consider that the empirical data is collected from a large sample of people, which facilitates the replication of the study and increases its trustworthiness (Bryman & Bell 2005).

3.1.1 Research strategy

A research strategy consists of several steps describing how to find appropriate sources of information and theoretical material. It should be easy to follow and consist of different sources of documented information to strengthen the reliability of the study (Bryman & Bell, 2005).

According to Bryman & Bell (2007) researchers can use three different research strategies; a deductive, inductive or iterative approach. The researchers choose to use the latter approach where theory is a result from collection and analysis of data. In the beginning did the researchers use an inductive approach and they selected three main theories (Marketing Communications, Co-production and Co-creation). But the complexity of the research topic and due to the unexplored research area was it impossible to use an inductive approach, hence other theories become relevant after the empirical material had been collected. This changed the approach of the research strategy and it was decided to use an iterative approach instead. An iterative approach is used when researchers alter between theory and data, and therefore were theories added to the original theoretical framework (Word-Of-Mouth, Opinion Leader Theory and Collectivism) These supplementary theories become useful when the researchers analysed the empirical material, and further drawn a conclusion based on the findings.

3.1.2 Hermeneutical perspective

To conduct the study has the researchers chosen to use a hermeneutical perspective. It is known as an inter-textual analysis that shows how personal meanings are reflecting general cultural viewpoints that are implicitly conveyed in languages or documents. These inter-textual interpretations offer insights into the sociocultural meanings that underlie skeptical, nostalgic and pragmatic consumer orientations. The hermeneutic perspective is often used to

understand a demarcated phenomenon of peoples life experiences from a broader cultural viewpoint. Furthermore, expressions of personal meaning are viewed as self-interpretations in which more general cultural viewpoints are adapted to the unique contexts of peoples lives. Hermeneutic researchers usually seek to highlight the unspoken background of socially shared meanings by which people interpret unique experiences (Thompson et al. 1994).

The hermeneutic perspective is used in the study as the purpose is to analyse inter-textual meanings in online open-ended- and in-depth interviews. These interviews have been conducted in order to capture subjective experiences and personal opinions and attitudes towards the studied phenomenon. The respondents answers have made it possible for the researchers to understand greater sociocultural viewpoints.

3.2 Empirical Illustrations

The Swedish clothing firm Hennes&Mauritz (H&M) has been used as an empirical illustration when conducting the study. Urde (1997) suggest that Illustrations can be compared to case studies, but the latter one contains a more extensive empirical investigation and a more exhaustive analysis. Empirical illustrations are used when researchers want to emphasise a few aspects of particular importance. Therefore, the researchers consider that illustrations are useful as they ought to create a general and less thoroughly understanding of H&M.

H&M is used as an illustration firm as the researchers, after conducting general online observations, became aware of the attention that fashion bloggers had given H&M's co-branding collaborations. Therefore, consists the empirical material of questions that solely concern H&M and their co-branding collaborations with famous designers, and as H&M is a well-known, international firm it was possible to illustrate it from an international viewpoint.

3.2.1 Hennes & Mauritz

H&M is a Swedish, international firms that is established in more than 37 countries around the world. Its aim is to offer fashionable clothes and good quality at a reasonable price (www.hm.com). In the end of 2004, the firm started to collaborate with famous fashion designers, and the result was exclusive co-branded clothes offered in a limited edition. H&M's first co-operation was with the famous designer Karl Lagerfeld and it became a huge success. The stores where completely stormed, and the day after the launch was the co-

branded collection sold out all over the world. This was the first co-branding collaboration with one of the world's most famous designers to an affordable price (Tungate, 2008). Since the first launch in 2004, H&M has continued their successful co-operations with other famous designers such as Victor and Rolf, Stella McCartney, Robert Cavalli, Commes des Garçons, Matthew Willimason, Jimmy Choo and Sonia Rykiel (www.hm.com). These co-branding collaborations turned out to be not only a huge success but an effective marketing strategy as well (www.resume.se). (Pictures of the co-branding collaborations can be found in the appendix.)

3.3 Primary Data collection

3.3.1 Netnography

Netnography is a research method similar to ethnography where the aim is to study cultures and communities that are emerging on the Internet (Kozinets, 2002). The rising of netnography can be linked to the development of the Internet, as it has become one of the most comprehensive electronic archives of multiply views of information (Brownlow & O'Dell, 2002). Prahalad & Ramaswamy (2004) emphasise the Internet as the main reason behind people's changing behaviour, from being passive consumers to becoming active producers. Within the New Economy the Internet has become the main source of information search, networking and customer feedback (Pralhad & Ramaswamy, 2004). As the purpose of the study is to develop an understanding of how customer activation and co-production are created on the Internet, netnography is considered to be an appropriate method for data collection. The use of netnography will allow the researchers to gain access to a rich amount of data consisting several viewpoints, which enhances the use of a qualitative method. By using netnography the researchers can also gain a deeper understanding of a newly emerging and complex phenomenon within the New Economy. Furthermore, netnography will enable both the use of an international perspective and the possibility to conduct a richer analysis (Brownlow & O'Dell, 2002).

The researchers decided to specifically investigate fashion blogs on the Internet as they are a great source of customer feedback (Hanson & Kalyanam, 2006). Bryman & Bell (2007) stress that people who are engaged in online communities often are perceived as knowledgeable enthusiasts, and therefore can blogs provide the researchers with rich data related to the topic

of the study (Bryman & Bell, 2007). To find suitable Swedish blogs for the study have blogs from www.bloggtoppen.se been used. Bloggtoppen is a webpage that serves blog readers with conspicuous blogs, and the webpage lists blogs according to their number of visitors, where a high number of visitors indicates a blog of interest. The blogs are also categorised by different themes which made it easy to select blogs related to the theme of fashion (www.bloggtoppen.se). To find suitable foreign blogs the webpage www.chicisimo.com have been used. Chicisimo.com is a global community where bloggers can share information about fashion and get inspired by others.

Moreover, a sample of eighty blogs has been chosen, fifty Swedish blogs and twenty foreign blogs. All the chosen blogs were fashion blogs, and the bloggers were women 15-30 years old. Frequently posted notes were also important when selecting the blogs as it indicates that the blogs are continuously updated (Kozinets, 2002). The chosen blogs will hopefully provide the researchers with more valuable information compared to blogs with less posted notes. According to Bryman & Bell (2007) is this sampling method a form of probability sampling, where the sampling details mentioned above can be seen as stratifying criteria (Bryman & Bell, 2007).

The researchers have used both an active and passive role during the data collection. They considered that a combination of these two techniques was appropriate. The passive role allowed an understanding of the complex phenomenon and as a compliment was a communication based research method used. The communication based method was used when the researchers found particularly interesting blogs and if the bloggers had important insights about the phenomenon. Afterwards the bloggers were contacted by e-mail and asked if they could participate in an online interview. Eight open- ended interview questions were sent by e-mail to eighty respondents, and eleven of the bloggers answered to the online interviews. Moreover, he answers from the online interviews were analysed in the same way as the in-dept interviews that were conducted with two of the bloggers. Both of the interview techniques will be described in the next chapter (In depth interviews).

When the researchers used netnography were ethical considerations emphasised as the border between public and private is becoming more and more blurred. In terms of ethical considerations the researchers have concluded that the blogs of interest were public as a particular access not was needed when entering the blogs. Moreover, the researchers have

not use any sensitive data as it would not have been ethically right to make use of it (Eysenbach & Till, 2001). To protect the respondents anonymity have the researchers used pseudo names instead of their real names. However, the blog addresses are available in an appendix as they consist of public information.

3.3.2 In-depth interviews

Qualitative interviews are becoming more common within marketing research as they are a suitable method for predicting and controlling consumer behavior (Kvale, 1997). The researchers used in-depth interviews as an complementary method to netnography, and they were therefore able to create a deeper understanding of the phenomenon.

By conducting interviews the researchers will hopefully gain a deeper understanding of consumer behavior and hence be able to understand the whole process of customer activation to co-creation of value (Easterby-Smith et al. 2008). To give the reader a clear picture of how the in-depth interviews were conducted the researchers have used Kvales seven different stages; thematizing, planning, interviewing, printing, analysing and authentication. (Authentication will be treated in the chapter regarding trustworthiness and authenticity).

Thematizing and planning

The researchers decided to conduct two in-depth interviews with two of the respondents from the online open-ended interviews. Two in-dept interviews are considered to be an opportunistic sample as online interviews and observations also were conducted. As the researchers aim was to carry out an in-dept analyse the representatives is less important. Therefore, they have decided to use a theoretical approach, which entails sampling of primary data until a theoretical saturation has emerged (Bryman & Bell, 2007).

A relatively clear purpose of the study was decided before the in-depth interviews where conducted, which made it possible for the researchers to use a semi-structured interview guide (Kavle, 1997). The semi-structured interviews can be used to answer the purpose of the study, as they make it possible to capture an overall picture of the phenomenon.

It is important that researchers act in accordance to the participants during interviews, thus they are comfortable with the situation (Bryman & Bell, 2005). A part of an interview can be

characterized by a conversational quality, where the interview questions are formulated directly in coherence with the participants, as unexpected answers can occur during the interview (Thompson & Haytko, 1997).

A predetermined interview guide was constructed, consisting of a list of different addressed themes, where a few interview questions were formulated under each headline. Still, the respondents were not required to answer the questions in a specific order, and the order was therefore adapted to each unique interview situation. The different themes of the guide were similar in each interview situation, which made it possible to compare the answers to a wide extent (Bryman & Bell, 2005). In terms of preparations, the interview guide was sent to the respondents one day before the actual interview, so they had the opportunity to prepare themselves and read through the questions.

Interview situation

The researchers conducted two telephone interviews and these are, compared to ordinary interviews, less time consuming and less expensive in terms of travel costs. Telephone interviews can open up possibilities but they are also limited in terms of body language, which can be useful when analysing empirical material. Due to the absence of body language during the researchers' telephone interviews, it could have narrowed down the analysis of the material (Bryman, 2001). To make the respondents feel as comfortable as possible during the telephone interview, they were informed in forehand about the topic of the study, as well as the purpose of the interviews (Kvale, 1997). Each of the interviews lasted for 45 minutes and a tape recorder was used in order to capture all aspects of the interview. A speaker's telephone was also used, and for that reason the researchers could point out relevant follow-up questions.

Printing and analysing

To transcribe an interview is likely to be an interpretive process, where the discussion of whether the research method is scientific or not, has been highlighted. Supporters of the hermeneutical approach are proponents of different interpretations, as a text has different meanings depending on the analysis of the empirical material (Kvale, 1997).

In this study the text is interpreted in relation to a more general understanding of a phenomenon, where less attention has been paid to the respondents' perception of the

phenomenon. Less emphasis has also been paid to the expressed sentence, as the researchers consider that the dispatches sentence to be more important.

During the analysis of the empirical material the researchers have used an Ad hoc analysis. By using the Ad hoc analysis could the researchers use different approaches and techniques in order to find underlying meanings in the empirical material (Kvale, 1997). The whole empirical material was analysed, which made it possible to exclude some parts of the material and further focus on the parts of particular interest.

Moreover, the purpose of the study is to gain a macro understanding by using micro data, therefore the analysis of the empirical material has been an ongoing process, which is common when using a qualitative method. The ongoing analysis also helped the researchers to gain a deeper understanding about the phenomenon in an early stage of the study, which facilitated the later analysis of the collected empirical material (Bryman, 2001).

3.4 Trustworthiness and authenticity

According to Kvale (1997) serves criteria such as creditability, transferability, dependability and conformability the qualitative researchers with suitable standards when evaluating trustworthiness and authenticity. Patel & Davidson (2003) emphasise that a qualitative research ought to capture the whole research process to make it easier for the reader to understand the research process. Researchers are using methodological reasoning, consisting of four criteria (creditability, transferability, dependability and conformability) when evaluating the reliability and trustworthiness of studies.

The researchers have used triangulation during the collection of primary data to ensure high creditability, as both interviews and observations were conducted. By using both research methods could they capture a better and more general understanding of the phenomenon, from activation of consumers to co-creation of value (Patel & Davidson, 2003).

Qualitative research methods, such as netnography and in-dept interviews, are often associated with subjectivity. To ensure the creditability of studie has member checking become more commonly when using these research methods (Cho & Trent, 2009). The researchers conducted online interviews, which made it possible for the respondents to re-read

their replies. Therefore is subjectivity less assumed and the use of member checking less relevant (Bryman & Bell, 2007). The analysis consists both of quotes and the researchers own comments, as the combination can provide the reader with a deeper understanding of the phenomenon. The aim of the study is further to provide the reader with an extensive analysis that creates compliance between the research topic and the empirical material. Less attention has therefore been paid to transferability as a relatively small sample has been used.

To ensure a high level of dependability all different steps within the research process have been taken into consideration. In the problem discussion as well as in the theoretical chapter established researchers and recognized sources have been used. The sources are critically examined and most of them are double peer-reviewed scientific articles and generally accepted theories. The researchers have used a combination of both older and newly published sources to distinguish the different process of the phenomenon. To ensure a high level of dependence during the collection of primary data different interview guides have been tested before the real interviews were conducted.

Moreover, there are a few problems with interviews that can be difficult to control. The problems related to the response sets are usually of two different kinds: firstly, acquiescence where the respondents consistent are agreeing or disagreeing to the interview questions and secondly, social desirability where the respondents try to create a positive image of themselves (Bryman & Bell, 2005). This may have lead to measurement errors that might narrowed down the potential findings of the study. However, it is difficult to measure the extent of these effects as they are likely to vary from situation to situation. It is therefore important to be as neutral as possible during the interviews. The researchers have not tried to influence or lead the respondents to answer in a specific manner thus it can result in personal assumptions. To overcome the problem of social desirability online observations have been used a complementary method to the interviews (Kozinets, 2002). During the data analysis both of the researches have been active as it is important for the studies dependability (Kvale, 1997). The study has also a high confirmability as the different techniques above can ensure avoidance of personal values during the research process.

4. Analysis

The analysis is divided into two main parts where the theoretical framework and the collected empirical material form the basis of the analysis. Further, the two main parts of the analysis are divided into two different chapters where the two first research questions are analysed.

4.1 Marketing communications that activate consumers

4.1.1 Dialogue

According to Prahalad & Ramaswamy (2004), dialogue is important for the development of active participation, where shared knowledge and two-way communication are central ideas. Kohler et al. (2010) further stress how the rising of the Internet has taken consumer activity to a whole new level, where consumers constantly are sharing their experiences on a virtual basis. The authors also point out how consumers need to be inspired or motivated to share experiences more intensively. The fashion blogger Alexandra explains that her inspiration to leave feedback, as well as others' motivation, comes from H&M's beautiful and attractive commercials that have been adapted and available particularly to bloggers.

People are blogging extensively about H&M's collaborations since it is easy to access information about them on the Internet. H&M has adapted their commercials to become more blog friendly and they always use beautiful campaign pictures and lookbooks that are adapted to bloggers. (Freely translated by the researchers: Alexandra)

This can be equated with Payne et al. (2009) and their explanation of how firms can invite customers to become more active participants, by providing them with tools and knowledge that stimulates the activation process. Johanna also claims that H&M has used beautiful blog commercials as a tool to stimulate higher customer activation. According to Johanna it is the bloggers' early and easy access to firms' material and commercials that makes them more encouraged to write about a particular firm. She explains how H&M always makes blog materials and commercials for the upcoming collections available before the actual launches, compared to other firms that used commercials after their collections had been launched. The importance of early access to a firm's material has also been highlighted during the interviews with our respondents as well. Sara explains that it is important that bloggers provide their readers with news very quickly. She further refers to blogging as a way to show others that you are up to date. This emphasizes how early access into firms' advertising material can encourage bloggers to be active compared to later releases. According to Prahalad & Ramaswamy (2004) provision of knowledge and information can be a starting point for

activation, and moreover lead to the development of an interactive dialogue between firms and consumers. Sara refers to this interactive dialogue by explaining that some firms nowadays try to use the feedback that customers provide them with. She explains that firms often invite bloggers to their office, and that they try to give them something in return for their work. Moreover, she also explains that different events, galas and awards arranged by different firms, have become common as a way to show appreciation towards the bloggers. According to Sara is this something that can stimulate the emergence of more fashion blogs. It can also encourage existing bloggers to post notes more frequently on their blogs.

Some companies send bloggers personal emails where they thank them for their feedback. They rarely try to manage the blogs, although they often provide pictures that they want them to publish based on their upcoming collections. (Freely translated by the researchers: Johanna)

Johanna refers to an interactive dialogue that is suggested by Prahalad & Ramaswamy (2004). She explains how firms nowadays provide customers with feedback based on personal emails. The use of personal feedback is linked to the development of a personalised experience or an “experience of one”, that ought to activate the participant’s emotions to a higher level, which probably will enhance their creativity. Johanna describes that it has become common to give the bloggers different kinds of products as a way to encourage them to leave feedback. By the provision of personal feedback, information, products and different awards, firms involve the bloggers in something that can satisfy their own interests. According to Prahalad & Ramaswamy (2004) is this important in order to gain committed and loyal consumers.

4.1.2 Risk assessment

Prahalad & Ramaswamy (2004) stress that firms traditionally have emphasised their superior role as risk reducers and ignored consumers ability to manage risks. As a result of this, firms have entirely focused on their own benefits when interacting with consumers. By combining the building blocks dialogue and risk assessment, firms can create an interactive dialogue that also provides them with negative feedback. To encourage active participation it is important to make use of the negative feedback, and moreover incorporate the consumers role as a risk reducers. Sally explains how she has read a lot of negative online discussions regarding the quality of the garments. The debates have mostly been about H&M’s collaboration with the designer Jimmy Choo. Many customers considered that quality of the clothes was poor and encouraged other consumers to avoid the collection. Sally’s statement indicates how valuable

consumers' negative feedback is and how important it is for firms to make use of the feedback. By not incorporating consumers role as risk reducers is it likely that consumers will harm the firms. According to Sara should H&M listen to their consumers to be able to launch successful collaborations:

The likelihood that H&M will listen to consumers feedback regarding their co-branding collections will probably increase in the future. I don't think that the Jimmy Choo collection sold enough, and I think that was something that they took into consideration as that has been the only collection that was not successful. I don't believe that they listen to me in particular, but I think that they listen to the public. (Freely translated by the researchers: Sara)

Sara neglects her own role as a powerful blogger by explaining that she does not believe that firms listen to her in particular. Instead she emphasises the more powerful bloggers and how whole communities of bloggers might have greater ability to affect H&M. According to Prahalad & Ramaswamy (2004) is a two-way communication flow important, both to activate but also to control the consumers. It is the active interaction between firms and consumers, and firms ability to incorporate customers roles as risk reducers, that will build the foundation for loyalty and re-purchases.

Brands as risk reducers

According to Kapferer (2008) strong brands can express certitudes and trust, and they can also function as risk reducers for consumers. Alexandra explains that strong brands can increase consumers activation by playing the role as a risk reducers.

I believe that it depends on H&M's position in the market and that others know what H&M stands for. People know what they buy and you often know your own size which makes it easy to just order the clothes that you like from the website. (Freely translated by the researchers: Alexandra)

This indicates that consumers prefer to buy clothes from brands that they are familiar with, rather than from brands that they do not recognise. This further emphasises a strong brand's role as a risk reducer and that consumers perceive a greater satisfaction from a well-known brand. Johanna and Sara claim that blogs are sources of inspiration and they emphasise the importance of being responsive to the readers and write about things they find interesting. According to Johanna is H&M a well-known firm and bloggers tend to post notes, whose readers are familiar with. This implies that well-known brands often activate bloggers to a greater extent compared to less known brands. Kapferer (2008) also suggest that a high brand awareness often is linked to the perception of better quality and higher price ratio.

4.1.3 Experience across different channels

Technology changes have made the development of different communication channels possible. This implies that consumers can choose to what extent they want to interact with firms (Prahalad & Ramaswamy, 2004). According to Ida is the ease of access to a firm important to activate consumers, and something that attracts bloggers to frequently post notes about the firm:

Since H&M is so accessible geographically, both to consumers in Sweden but in other countries as well, is H&M attracting bloggers to post notes. Other less well-known clothing firms have not received as much attention in Sweden, probably because they are not equally available for people in Sweden as H&M is. Blog readers find it therefore more interesting to read about H&M compared to less accessible firms. (Freely translated by the researchers: Ida)

Ida emphasises the importance of geographic accessibility, which indicates that only well-known firms with several physical stores can activate bloggers extendedly. In contrast to this, Johanna describes that posted notes on blogs, such as pictures of clothes, often are guaranteed to be available to consumers directly, which indicates that even smaller firms can access consumers due to the Internet and blogs. These less well-known firms can also make use of online interaction channels and e-commerce to create a more intimate relationship with their consumers (Prahalad & Ramaswamy, 2004).

H&M's physical stores and their in-store events have been mentioned by several of the respondents. According to McGoldrick (2002) is the physical store an important communication channel, and it works as an interactive theatre to capture consumers memories experiences of the store. Jennifer explains that her friends have visited H&M's stores during the launches and how they afterwards explained what they experienced:

A lot of friends always attend the launches as they thought that after the launches all the exclusive items would have been sold out or not in their size. Funnily enough all of them explained later that the launch was always chaotic and they could never find anything in their sizes because it had all gone out! (Jennifer)

This indicates that H&M have managed to provide their customer with memories during the launches of the designer collections. The memories of the events have further turned into stories. Allis also explains what she has heard through friends; "She went there to find some nice pieces, but it was tragic! There was a huge crowd and almost all clothes were sold out

after only 30 minutes” Both Jennifer’s and Allis story indicates that the visitors experienced something unexpected during the launches. This can be equated with Payne et al. (2009) as they stress how surprises often managed to activate consumers. Furthermore, Sally told us a story of the launches by explaining the following;

Most people I spoke to in the queue were genuine people who just wanted the chance to get some lovely designer cloth from designers they admire at a price they could afford. It was pretty exiting. It is a shame about all the people who went only to sell on the cloth on ebay, they where generally the rude onces who ruined it for everyone else. After this I haven’t been to the launches such as Jimmy Choo or Sonis Rykeil as I don’t want to be in that sort of environment. The experience was just awful; people were fighting over the clothes, pushing over the displays and generally acting badly. I saw some people just scooping up the whole rail to go and sell them on ebay! (Sally)

Sally emphasise how customer to customer interaction can ruined what a firm has managed to built up, and how customers can influence each other. Kohler et al. (2010) emphasis the difficulties of controlling these complex interplay situations as the participants themselves are managing half of the experience. By analysing the participants stories it was obvious that the quality of the experience was relatively low. According to Prahalad & Ramaswamy (2004) is the quality of the experience of main importance. This can be equated with our online interviews, where our respondents stressed that bloggers posted notes about H&M before the actual launches and that follow ups were used more seldom.

4.1.4 The price relationship experience

In the price experience stage consumers are judging the economical value of the experience (Prahalad & Ramaswamy, 2004). Throughout both the online and the in-depth interviews it was clear that H&M have challenged the traditional price system. The traditional price system is built on a firm's conventional price structure based on their production costs. According to Tuangate (2008) were H&M’s designer collections the first luxury collections sold to an affordable price tag. Sally and Sofie explain that they have been excited about the opportunity to buy clothes from their favourite designers to an affordable price. Kotler et al. explains that the quality of expectations is of importance, and according to Sofie and Sally exceeded the quality of the co-branding clothes their expectations. According to Sara the price experience stage is also important and she describes it as follows:

H&M is the only store that has designer clothes at a low price that anyone can get hold of. Jimmy Choo is a famous designer and suddenly they sell shoes designed by him. Anyone can buy their co-branding clothes, which makes it fun to blog about it. (Freely translated by the researchers: Sara)

This indicates that the low price that H&M has used encourages bloggers to attend the launches and to actively blog about their experiences. However, not all of the respondents enjoyed the collaborations. Jessica explains that her friends did not consider the designer clothes to be worth the money because it is still H&M. This further indicates how the traditional price system loses favour during customer activation, and that it is the unique value of each garment that encourage consumers to be active (Pralhad & Ramaswamy, 2004).

4.1.5 Access

Pralhad & Ramaswamy (2004) describes how access can be linked to a firm's ability to invite consumers to a desirable lifestyle. According to Tuangate (2008), were H&M's co-branding collaborations the first assembly between two different fashion categories; haute couture and high street. Jennifer refers to this by explaining how ownership of a non-descriptive Louis Vuitton bag can be a way to access a desirable lifestyle. H&M's designer collaborations can therefore be a gateway to a more fashionable lifestyle.

Co-branding collaborations started to emerge in the 1990's and laid the foundation for free publicity, which has generated a lot of attention for the involved firms (Tungate, 2008). Alexandra explains how a constant shift in co-branding partners generates variation and that it continuously keeps consumers activated. "I think it is smart of H&M to choose different designers instead of just co-operating with one, variation is always appreciated". In contrast to this Blackett & Backer (1999) suggest that a long-term relationship is the key to a successful co-branding collaboration. Even if H&M have managed to have short collaborations, and constantly have shifted co-operation partners, they still have difficulties to encourage and attract consumers. According to Jessica it was "more interesting when Karl Lagerfeldt launched his collection in 2003 because everybody was talking about it. Now the launches are mostly something to check out if you have any spare time" This emphasises the importance of having short and unexpected collaborations that can offer something unique and unexpected. Sally and Anna also explain that the "limited editions" is an effective way to activate consumers. Sally makes a comparison with the clothing firm Top Shop: "Unfortunately they did not manage to create the same attention as H&M's collaborations as the clothes were not advertised as a limited edition".

4.2 Co-production

4.2.1 The concepts of co-production

H&M has during the recent years invested heavily in co-branding collaborations with famous fashion designers, which has had an enormous impact both on customers, media and the fashion world. The collaborations have created hysteria, street races and long queues for the coveted clothes. Soon, it is time for new chaos in the stores, as the release of a new collection will take place next month (Freely translated by the researchers: <http://blogg.aftonbladet.se>)

In 2009 Sofie Fahrman was appointed as one of the most influential bloggers in Sweden (www.solo.se). She has frequently posted notes about H&M's co-branding co-operations since they started in 2004, and her blog has therefore automatically functioned as an effective marketing communication free of charge. Arvidsson (2008) claims that the Internet will become an even more important marketing communication tool in the future, as information on the Internet is easily spread at a low cost. He further argues that blogs are a perfect medium for co-producing information, and that they can be perceived as a measure of the extension of consumers social impact on others, and how many people to whom they matters. This implies that Sofi Fahrman's blog (and blogs in general) are driven by the bloggers desire to post notes of a social character. In other words, blog are consisting of both community-oriented sharing of information, and on the other hand, a rational and reflexive pursuit of self-interest. As Arvidsson (2008) suggests, activated consumers are constructing a world of social meanings by interacting with each other. Bonsu and Darmody (2008) stress that within this social world is the interaction between consumers often very extensive, and that it consists of networks and communities of different characters. Another factor that intrigues consumers interaction process is the possibility to effectively share information and knowledge about a particular topic, such as H&M's co-branding collaborations (Humphreys and Grayson, 2008). As Sofi Farhman suggests, H&M's fashion collections have been noticed by bloggers as they are a topic of great interest. Further, Humphreys and Grayson (2008) stress that a constant interaction is fundamental for an effective co-production.

Intangible value

If an affordable high-street store like H&M is collaborating with an generally unaffordable designer brand, it is great news to those that won't ever be able to afford designer clothes. The core of the obsession to buy these co-branding items, is the same as owning a non-descript Louis Vuitton bag. It's not really the design that makes people spend so much money, it's rather the name and the image of the brands that make people purchase the items. As the brands that H&M is collaborating with already have earned consumers trust and recognition, is an H&M price tag just like a cherry on top. Imagine a Chanel design, with a high-street style price tag! (Jennifer)

Co-production includes different theoretical concepts whereas two of them, value in use and exchange value, were invented by Karl Marx in the late 1900th century (Karl Marx, 1867 in Arvidsson, 2008). Value in use becomes reality by use or consumption while exchange value is realized at the point of purchase or sale (Zwick et al. 2008). Jennifer is mentioning that a form of symbolic value springs from consumers' images about brands. A well-known brand, such as H&M, has already a relatively strong image, and the collaborations with famous fashion designers have considerably enhanced H&M's image. Customer commitment and trust towards the two united brands (H&M and the fashion designers) depend, according to Arvidsson (2008), on the exchange value of the co-branding items. As Jennifer describes, the intangible value of the designed fashion clothes has been tremendously desirable, and H&M has therefore succeeded in creating co-branding clothes of high exchange value. When consumers that normally are shopping at H&M can afford to buy designer clothes, increases the worth of them decidedly, even though they are still bought at H&M. In other words, the co-branded clothes have a higher exchange value compared to items from H&M's standard range. Conceptually, an object's exchange value is independent of its use value, which means that both of these values might not comply with customer demands (Arvidsson, 2008). Still, Jennifer means that the obsession of the clothes is so strong that the value in use of the items is of significant worth as well.

4.2.3 The creation of collectivism

4.2.3.1 Communal norms

According to Konzinets et al. (2010) are bloggers usually identifying themselves with the communal norms that exist within networks. The ability and importance of adapting to these communal norms have been emphasized by the respondents when the interviews were carried out. However, the way the respondents apprehend themselves in relation to these norms differ. Anna is describing how a particular dress can be linked to the communal norms by saying that "bloggers often show the same type of clothes, they try to find clothes that don't protrude too much, but at the same time, they have to appear to be better than the average clothes." This can partly be equated with Arnould & Thompson (2005) as they claim that a certain type of consumption is linked to a particular social group. The authors further describe that certain types of consumption are more likely to express symbolic boundaries than others. What Arnould & Thompson (2005) suggested can be equated to Anna's statement, as she refers

to communal norms by using clothes as an example. Anna's statement might also indicate that clothes are important for the upholding of key boundaries and more interwoven with communal norms than other types of commodities. In addition to this, Anna is also emphasizing the importance of being able to protrude from communal norms. She explains that clothes, posted on blogs, should look a bit better than the average clothes. Sara is also mentioning the importance of being able to protrude in a proper way and to be able to distinguish one self from others. She is using the famous Swedish blogger Kenza as an example:

Kenza is blogging about what she feels is right and she is the only blogger that I know who manage to do this. A lot of other bloggers are only writing about things that they think that other people want to read about, as most of the today's bloggers want to make money on their blogs. To be able to make a living based on blogging, there is a need for adapting to what others want it's as simple as that. Kenza has managed to combine these two things and it makes her popular, and she is one of the few who is successful in doing it (Freely translated by the researchers: Sara)

Rebecca perceives Kenza as a blogger that managed to protrude from social groups on the Internet. Kenza's blogs contains posted notes about subjects that only she finds interesting, which implies that she does not care about the communal norms that so often affect other fashion bloggers. There is a balance between a bloggers ability to identify her self with existing norms, and to be able to protrude from the group. Sara also explains that the willingness to identify one self with communal norms is something that emerges over time, and that the reason for starting blogs often is linked to personal interests. Sara further claims that bloggers become aware of their readers by the feedback they are posting on their blogs. When bloggers make notice of the feedback they automatically know what is interesting to read about, and can continue to post notes of importance. High reading value and frequent feedback can unconsciously shape blogs to fit existing communal norms and the social group. In terms of social groups, Hanson & Kalyanam (2006) stress that communities often are very closely united due to frequent contact, communication and idea sharing. However, Sara also claims that other bloggers try to distinguish themselves from communal norms, by explaining that they often post unique notes to distinguish them from other bloggers:

Many bloggers want to protrude from other bloggers but it is also important to fit within the existing community. There is also a lot of competition and everybody, some how, is trying to be unique to get attention from other bloggers, as there are strong unwritten rules both about how to write and what to write about (Freely translated by the authors: Sara)

Sara explains that communal norms can be equated with tacit knowledge, and that they are well rooted within the community.

4.2.3.2 Inspiration

The respondents refer to professional bloggers as “communal norm setters”, which further can be equated with the description of “A-bloggers” (Droge et al.,2010), and also to the description of “Opinion leaders” (Chan & Shekhar, 1990). The researchers were able to discern different A-bloggers (or Opinion leaders) during the interviews and the observations, such as Elin Kling- *Style by Kling*, Sofi Fahrman – *Sofis Snapshots* and Kenza - *KENZA*. They are often called A-blogs due to the amount of frequently posted notes, whose are considered to be both interesting and entertaining (Droge et al. 2010). It is obvious that A-bloggers are a source for inspiration for less professional bloggers. Sara refers to Elin Klings blog and claims that her blog can be categorized as an A-blog:

When Elin shows something on her blog she always gets very positive feedback. The feedback she gets from other bloggers is almost always positive as she manage to picked out and combine different items perfectly; everything that she shows is good! (Freely translated by the researchers: Sara)

Sara emphasizes that every fashion item that Elin Kling choses to post on her blog automatically gets positive response from other blog readers. Sara continues to explain that the fashion items that Elin shows can trigger the readers to buy it, and that different clothing stores are adapting their assortment based on Elins recommendations.

4.2.3.4 Influences

Other bloggers really influence me. I have a few favourite bloggers, especially Elin Klings blog- *Style by Kling*. When Elin posted a note about H&M’s collaboration with Roberto Cavalli, I got quickly inspired and wanted to buy all of the items. But I have to confess that it gets too much sometimes, that I must have everything I see on the blogs. Still, I guess that other bloggers feel the way I do, we always want something new:) (Freely translated by the researchers: Sofie)

Sofie claims that Elin Kling has a strong influence her on her, as well as Sara states that Kenza has a strong impact on her, and other bloggers:

At an unconscious level am I, and other bloggers as well, influenced by certain blogs that seems to be just a little bit better than others. If a popular blogger is posting something on her blog, will it spread like a wildfire on other blogs as well. When I have read Kenza’s blog I have been truly inspired, and noticed that other bloggers are emulating her by blogging about the same things as Kenza. (Freely translated by the researchers: Sara)

According to both Sofie and Sara are a minority of bloggers within a community influencing

the majority of less professional bloggers. They also stress that other bloggers have paid great attention to Elin's and Kenza's blogs by imitating their posted notes. This indicates further how consumers have been inspired and affected by their blogs. Chan & Shekhar (1990) suggest that this imitative behaviour occurs due to the perception of Elin and Kenza as Opinion Leaders (a synonymous word to "A" bloggers, Droge et al., 2010) Opinion Leaders provide other people with valuable information about products as they often possess great knowledge about commodities in general. Furthermore, Opinion Leaders are perceived to be both reliable and trustworthy, which facilitate and hasten peoples consumption and purchase decisions (Chan & Shekhar, 1990). According to Yale & Gilly, (1995) have marketers within the consumer behavior literature always observed and analyzed Opinion leaders, and Hanson & Kalyanam (2006) stress that firms can use them as a great tool to communicate with consumers. In accordance to marketers, it seems like the contemporary consumers, as Sofie and Sara, are keeping a strict watch over Opinion Leaders as well.

There are a few other concepts related to Opinion Leaders and "A" bloggers, such as Opinion Followers, and a vast majority of consumers are addressed to be Opinion followers (Yale & Gilly, 1995). They actively seek information from those they believe have a wide acquisition of knowledge and information, and use them as a source of information (Chris & Fill, 2002). Sofie and Sara have indirectly pointed out Opinion Followers on the internet, and it seems like the majority of fashion bloggers can be identified as Opinion Followers.

4.2.3.3 Affinity

I have started a private community with some other bloggers as we shared the same interest for specific clothing firms. We have also decided to see each other once a year in Stockholm, so we can keep contact in real life as well. I feel that I have become friend with these bloggers, and we have a feeling of solidarity towards each other (Freely translated by the researchers: Johanna)

Johanna describes that she has started a community with bloggers that have similar interests as she has. She stresses that they are close friends, and a strong feeling of togetherness permeates the community. This implies that people can get attracted to each other if they have similar interests (Holt 2004). Johanna claims that she managed to build a strong friendship due to her blog, and according to Kozinets et al. (2010) can blogging be linked to the willingness of building trust and friendship. Johanna is blogging about specific clothing firms, and she has regular meetings with her friends within the community. They became friends during a meeting that was arranged by one of the clothing firms they had been blogging

about. Arnould & Thomson (2005) suggest that the feeling of belongingness is something that is common within communities. For a long time researchers within the Consumer Culture have tried to understand this kind of social grouping, and how consumption patterns can be transformed within these groups. Further, Arnould & Thomson (2005) stress that members within social groups consume similar assortment of objects in order to express similar identities. Johanna claims that “the community has truly become a part of my identity”, which enhances the feeling of affinity within the group.

In contrast to Johanna Sara tries to distinguish her self from the social group of fashion bloggers by claiming that she is not a part of a community:

I don't feel affinity with other bloggers because I don't want to feel it. I don't see my self as a fashion blogger, I don't want to be in that category, or I don't want to be in any category at all. However, I think that other bloggers can feel affinity with each other, and that they are blogging about similar firms or brands within the fashion industry. (Freely translated by the researchers: Sara)

Sara statement can be equated with the poststructuralist perspective, where people try to differentiate themselves from other peoples consumption patterns by having certain taste or distaste for objects. Still, she suggests that it is common that other bloggers feel affinity. She also describes that “People blog because it is trendy and to feel a sense of belonging and they have a chance to show that they are up to date - it becomes cool to blog about fashion.”

Sense of belongingness among bloggers became truly obvious during the online interviews. A few of the respondents were willing to be interviewed even though they had not been to the launches of H&M's collaborations. This implies peoples willingness to be acknowledged as a “A” fashion blogger. According to Droge et al. (2010) a blogger want to be recognised as an “A” blogger as it enhances her status within the social group.

4.2.4 Creation of hypes

4.2.4.1 The power of word of mouth

My first experience was the Stella McCartney collection. I did not go to the launch but went later on during the week. There was plenty of the range left to choose from; it was pretty much like a regular H&M shopping experience. My next experience was with Roberto Cavalli, for this launch I queued for about half an hour to make sure I got all the pieces I wanted, as it was such a fantastic collection! It was a lot busier but I managed to get everything I wanted. The last launch I went to was Jimmy Choo, this was a totally different experience. I think it was publicised more so there

was a huge queue. I got a few pieces but checked back in the store over the following week for any returns and eventually got what I wanted. One piece, a pair of shoes was only sold in London but I read on a blog that I could buy it of ebay. I had to pay around double its retail price but it was worth it! (Sally)

According to Tylee (2010) is Word-Of-Mouth (Buzz-Word based viral marketing) both a way to spread information about products or service, and to share knowledge and experiences with people. Sally claims that H&M's first co-branded collection was not as noticed as the following co-operations, and customers paid more attention to the launches and the events around the latter collections. During the first co-operation consumers did not share or spread information with each other since it was the starting point of the launches. But as H&M carried on their co-branding collaborations were customers interest awoken, they became eager to talk and share information, and naturally started the process of W-O-M. Dellarocas (2003) suggests that the Internet has given a huge impetus to W-O-M (Buzz-Word based Viral marketing) especially due to the increase of influential bloggers. Jianmei et al. (2010) stress that W-O-M is spread rapidly at a significantly low cost, it exists everywhere, and it is accessible for everybody in possession of a computer. Valck et al. (2010) further link the process of W-O-M to the creation of rumours and stories. This is adequate with Sally statement when she describes her experiences of H&M as informative and short stories. Valck et al. (2010) stress that W-O-M can transform into sociocultural stories, and thereby create a sense of belongingness to a specific social group. Sally mentions that a blogger told her where she could get hold of particular items from one of the collections, which indicates that W-O-M is spread through different networks and social groups.

I've read on several blogs that those who had pre-ordered clothes from H&M's co-branding collections thought that the sizes were too small. I also read that they thought that the quality of the clothes were poor. Someone even said that she would not buy more clothes at H & M in the future. I think that the small sizes made her upset but I'm not sure if she really meant to not buy any more clothes at H&M (Freely translated by the researchers: Johanna)

In general people prefer to transmit good news rather than bad (Vlack et al, 2010), but according to Solomon et al. (1999) consumers tend to speak more about negative experiences rather than positive, as positive experiences are likely to be expected and soon forgotten. Furthermore, negative W-O-M tends to occur when firms are the topic of the conversation (Valck et al. 2010). This is adequate with Johanna statement as she mentions that negative W-O-M has been spread quite frequently about H&M. However, negative W-O-M does not always have to be disreputable. According to Valck et al. (2010) can negative W-O-M be perceived as a sort of feedback that firms can take advantage of and use to understand

consumer behaviour and preferences. This implies that W-O-M can be a positive force because of its credibility but also destructive due to its negativity.

4.2.4.2 W-O-M turns into hypes

I went to a launch of the co-branding collaboration with the designer Roberto Cavalli, and I have to say, it was crazy! People almost wrestled and pulled in some clothes that actually broke. The guards frightened some of the people as they were told to leave if they didn't cool down. It felt like I was in the middle of a hype, and it was enhanced by the fact that the items were sold in a limited edition. A true hysteria was created! (Freely translated by the researchers: Anna)

Anna's statement indicates that H&M's co-branding collaborations have had the power to create hypes. A hype is created when "everyone" must have an object to the point where "everybody" feels that they need to consume it (www.urbandictionary.com). Hypes seem to spring from a collective behavior, and they occur when people within a social group desire to purchase the same commodities. Hypes also show the importance of belonging to a certain network and how the people within the networks are affecting each other.

According to the interviews suggest the respondents that W-O-M (in other words; co-production of information, experiences and knowledge) is one of the reasons behind the creation of hypes. W-O-M about H&M's collaborations has been widely spread on different blogs as bloggers have posted notes about their launches. The power of W-O-M has further been enhanced by the more professional bloggers, also called "A" bloggers (Opinion Leaders) Moreover, the hypes have been extended as H&M is an international firm operating in most of the world's countries, which means that bloggers (and consumers for that matter), in all corners of the world, have had the opportunity to take part of the hypes.

5. Conclusion

5.1 Framework

The researchers have been able to construct a self-made framework based on the theoretical models, and by analysing the findings from the empirical material. Each of the three steps in the framework symbolises one of the three research questions of the study. In terms of generalizability the researcher believe that the framework, to a certain extent, can be applied when other studies are conducted in the future.

Value creating processes between firms and consumers:

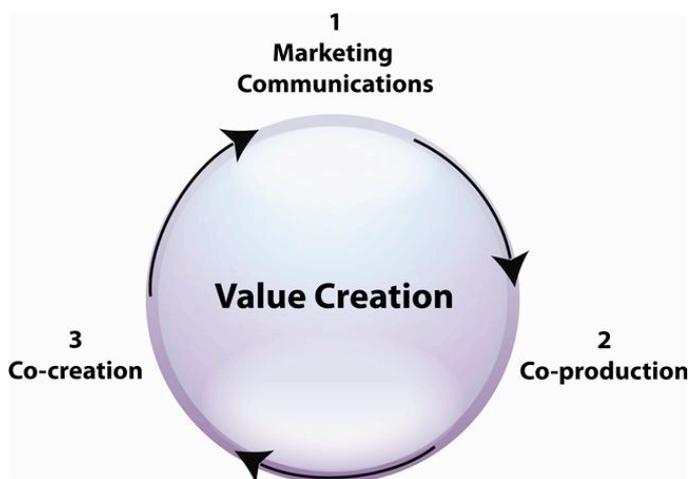


Figure:1:4 Graphic framework
(According to: The researchers, 2010)

Step 1 in the framework: How can marketing communications activate consumers?

Marketing communications can activate customers by the offer of a unique and unforgettable experience. The experience should be customized to a minority of consumers instead of a majority of people. On the Internet (compared to the “real” world) consumer activation occurs to be more efficient and comprehensive, and it is spread more rapidly due to the medium of blogging. The activation becomes more extended by the use of several marketing communications through different channels. If firms succeed in developing marketing strategies, including extraordinary and unique experiences, will it generate a higher level of activation. The DART-model made it possible to understand that marketing communications are processes, whose need to be adapted to the contemporary consumers. Within these processes are different sequenced linked together, such as accessibility, assessment and risk

reduction. If these sequences are managed correctly consumers become committed and loyal towards the firms, and the more sequences firms are using the more increases the likelihood of effectively activating consumers. Loyalty can further be linked to the willingness of being more frequently activated, and by conceiving marketing communications as process can firms succeed in seizing consumers activation.

Step 2 in the framework: How is co-production created?

Consumers are creating co-production by sharing information and knowledge about commodities, brands or experiences. The co-production process begins after the activation has taken place, and depending on the nature of the activation, customers start to produce different kinds of co-production. Co-production on the Internet on blogs leads to an establishment of networks, communities and further to sociocultural identities. Within these networks the power of W-O-M (Buzz-Word Based Viral Marketing) is tremendously strong, and it leads to the creation of stories and rumours, which enhances the co-production even more. Additionally, a sense of collectivism is permeated within the networks, where a few “A” bloggers or Opinion Leaders make the rules. They tend to decide what kind of co-production that is suppose to be created, whereas the Opinion Followers (the majority of bloggers) imitate their behaviour. This implies that “A” bloggers have reached the highest level of status that can be attained within a social group. Furthermore, when consumers co-production is enormously strong, it might end up in the creation of hypes. Hypes are a sign of high customer involvement and commitment, and that something (a brand, commodity or experience) has succeeded in capturing their interest by storm.

To fully answer the research question (how is co-production created?) the discussion has to be taken to an unconscious level as well. Co-production is created due to peoples instinctive willingness to belong to a certain group of human beings, as the feeling of affinity and to make friends is fundamental for all living species. People also need to get an outlet for subjective and personal opinions in order to evoke the interest of the group. They want to interact with people within the group to share experiences, and to make sure that their voice has been heard. Therefore, co-production is created in order to satisfy and please the community-oriented group but also in terms of self-interest.

Step 3 in the framework: How can firms use co-production to co-create value?

Co-creation is the last step of the framework and can only be fulfilled if the two first steps (activation and co-production) has taken place. Firms can co-create value by allowing customers to be a part of the co-creation process where the use real re-thinking is of great importance. Firms should also employ multiple channels of marketing communications hence customers will be more willing to act as co-producers, which is a prerequisite for co-creating value. When consumers are activated, firms ought to (effectively) make use of the consumers feedback, and integrate it (the co-produced information and knowledge) into their systems of customer data. Moreover, feedback is a useful tool for firms when they try to develop and improve their organisation, either the feedback is negative or positive. In a successful co-creation process firms have managed to gain a deeper understanding of consumers behaviour. They are thus able to develop both new marketing strategies as well as streamline their sales channels, improve their products and even cause innovations.

The core of the framework: Value creation

In the middle of the framework is the core element which is value creation, and the errors symbolizes the time. The model declares how the creation of value can become reality after the three steps (Marketing Communications, Co-production and Co-creation) have been accomplished. I other words, the purpose of the framework is to visualise how value can be created both for firms and consumers (see figure 1.4, *Value creating processes between firms and consumers*).

If the framework is applied properly can different forms of value be achieved, depending on how the processes of activation and co-production appear. Below the researchers are suggesting what kind of value that can be created if the steps within the framework are functioning properly.

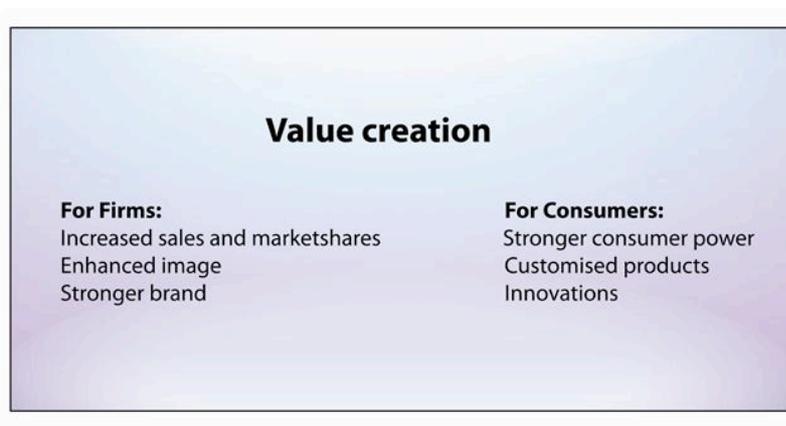


Figure: 1:5 Graphic model
(According to: The researchers, 2010)

5.1.2 Applying the framework

The researchers decided to apply the self-made framework by answering the three research questions in accordance to H&M, as the firm has served as an empirical illustration in the study. Moreover, the originally research questions are slightly modified in order to consort with H&M and their co-branding collaborations.

1. How have H&M's marketing communications activated consumers?

The study implies that H&M has co-operated with new fashion designers every year since 2004 (2004-2010). Their co-branding collaborations have mostly been intense co-operations during a short-term period. H&M's short-term co-operations seem to have activated consumers continuously, and can therefore be appointed as an effective strategy for creating awareness and attention. The activation of consumers has mostly been discovered on the Internet among fashion bloggers. The bloggers have responded positively to the co-branding collaborations as they have been a topic of great interest. H&M has also managed to create interaction opportunities through different events, such as the well-advertised launches. Additionally, H&M has directed their advertisement to bloggers by giving them early access to pictures of the garments. The firm has also been able to activate consumers as they have perceived value for money (a high level of exchange value). Furthermore, H&M is a well-known international firm, which has increased the firms accessibility considerably.

2. How was co-production about H&M created?

H&M has been able to activate consumers and turn them into creators of production due to the use of marketing communications through different channels. H&M did not communicate with customers noticeably in the beginning of the launches, but as the firm started to

recognise that the co-branding collaborations were appreciated by a great number of consumers, did they encourage (in terms of marketing communications) customers to talk and write about the launches, both before and after they had taken place. Consumers have co-produced information about H&M mainly on the Internet on blogs, and therefore has the virtual world been the main place where co-production has been co-created. Especially started fashion bloggers to spread information and knowledge about the launches, and as bloggers usually belong to different networks and communities, was it socially and culturally “right” to to blog about the co-branding clothes; it became a part of the bloggers lifestyle. The creation of co-production was very intense among fashion bloggers, and it was further spread by the “A” bloggers (Opinion Leaders) “A” bloggers became a strong source of inspiration for other unprofessional bloggers (Opinion Followers) as well as for ordinary consumers. Different hypes (most of them very powerful) have been created around H&M’s launches due to geographical factors (H&M is a well-known international firm operating in most of the world’s countries) and sociocultural factors (W-O-M, stories and the creation of fashion networks).

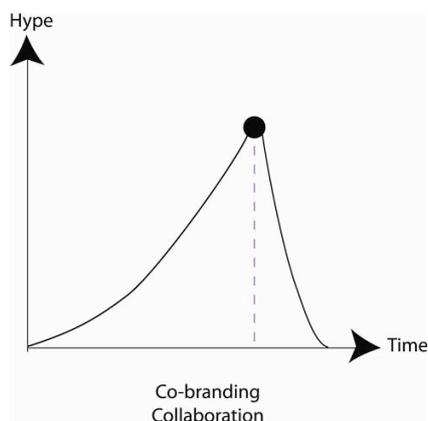


Figure:1:7 Graphic model
(According to: The researchers, 2010)

A hype is built up slowly by the power of W-O-M but it disappears very quickly. When a hype reaches its peak it has often created hysteria among consumers. During H&M’s launches of the co-branding clothes hypes have been created, both due to a collective behavior but also because of peoples desire to belong to a certain social group.

3. How has H&M used co-production to co-create value?

It seems like H&M, to a certain extent, has developed a deeper understanding about consumers by analysing information on the Internet and on fashion blogs. H&M has namely acted as they are aware of the fact that a minority of powerful “A” bloggers can affect the majority of unprofessional bloggers. Professional “A” bloggers have probably been a support and source of information when H&M has decided to collaborate with the different fashion designers. In 2009 was a collaboration with the famous designer Jimmy Choo carried out. After the launch were consumers complaining that the quality of the garment was not good enough, and that some of the shoes appeared to look cheap. The collaboration was followed by a huge amount of negative W-O-M, especially among fashion bloggers. The following year when H&M collaborated with yet another designer, Sonia Rykeil, were the complaints of the quality of the garment almost non-existent. Still, they made another mistake when they collaborated with this designer. The first co-branding collection with Sonia Rykeil was launched in 2009 and it was sold very poorly. Consumers complained that the co-branding garment not were reflecting the distinguishing-mark of Sonia Rykel. Early the next year the co-branding collaboration was extended, and the new collection of designer items reminded distinctly of Sonia Rykeil’s self-made collections, and were therefore sold instantly. These co-operations (with Jimmy Choo and Sonia Rykeil) indicate that H&M, to a certain extent, listen to consumers feedback and is using it as well.

When answering the modified questions related to the empirical illustration (H&M) the researchers have proved that the framework is a sufficient model to understand theoretical processes within the New Economy. They have also demonstrated that there is a linkage between the three steps of the framework and moreover proved that they can lead to value creation, more specifically in terms of improved products and more customised experiences.

5.2 Contribution

The researchers have conducted a study that has enabled them to developed a new theoretical framework that can be useful when understanding value creating processes within the New Economy. They have succeeded in defining a theoretical framework consisting of three concepts; Marketing Communications, Co-production and Co-creation. They have also shown that there is a linkage between these concepts, and that this linkage can lead to mutual creation of value between firms and consumers. A process of value includes all these

concepts, and the more times the concepts are being used, the more steps within them are completed, and finally will more value be created.

5.3 Future research

The diffusion of how processes of value can be attained and seized will probable increase even more in the future, on account of the intensified use of the Internet and its different communication channels, as well as due to the upcoming hand-held techniques such as pc tablets.

The researchers are suggesting that a topic of importance for future research are empirical studies within the field of the New Economy. For the future of marketing is it crucial to conduct empirical studies to answer if present theoretical frameworks can be acknowledged as reliable and credible scientific sources. Other researchers should also conduct empirical studies on how firms can make use of consumer feedback, whether it is negative or positive, in order to develop new marketing strategies. If future research findings can support the invention of new technological systems, firms might be able to store information that can facilitate the process of understanding customer behaviour. These systems should effectively get hold of and make use of customer feedback that is found on the Internet as well as through other channels such as social media. The New Economy implies that customers have come into power and therefore are consumers the most interesting topic for future research.

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Appendix 1

Online Interviews:

The opened online interviews and the in-depth interviews have both been conducted with the owner of the blog, and the observations are solely including the owner of the blog as well. All of the blogs are fashion blogs, and their primary context consists of notes about the field of fashion. The interviews were sent out on the 14th of April, 2010

A dream of a lifetime available on [http:// punkieshoes.blogspot.com/](http://punkieshoes.blogspot.com/)

Amy.blogg.se available on <http://amy.blogg.se>

By Rebecca available on [http:// rebecca-byrebecca.blogspot.com/](http://rebecca-byrebecca.blogspot.com/)

Fashion pearls of wisdom available on [http:// fashionpearlsofwisdom.blogspot.com/](http://fashionpearlsofwisdom.blogspot.com/)

Julia available on [http:// julia.blogg.se/index.html](http://julia.blogg.se/index.html)

Malin something always bring me back to you available on [http:// maaaliin.blogg.se/](http://maaaliin.blogg.se/)

Mimesis available on [http:// linn-linuspalinjen.blogspot.com](http://linn-linuspalinjen.blogspot.com)

Nailpolishbloggen med Esther Alenius available on <http://withnailpolish.webblogg.se/>

Park & Cube available on <http://www.parkandcube.com/>

Theodoras blogg available on <http://theodorasskafferi.blogspot.com/>

In-depth interviews

Two of the ten bloggers that were interviewed online did also participate when the in-depth interviews were conducted. These two bloggers were chosen due to their informative and knowledgeable answers during the online interviews.

The interviews were conducted on the 22 of April, 2010.

By Rebecca available on <http://rebecca-byrebecca.blogspot.com/>

Theodoras blogg available on <http://theodorasskafferi.blogspot.com/>

Observations:

A few observations have been conducted and the chosen blogs have been selected to be the most influential fashion bloggers in Sweden. The observations have continuously been done during the collection of empirical material.

Sofis Snapshots available on: <http://blogg.aftonbladet.se/22226> (observed 14-17/5-2010)
Observations concerning H&M's co-branding collaborations.

Kenza available on: <http://kenzaas.blogg.se/> (observed 2010-05-14)
Observed as an "A" blogger.

Style by Kling available on: <http://stylebykling.tv4.se/> (observed 2010-05-14)
Observed as an "A" blogger.

Style by Kling available on: <http://stylebykling.tv4.se/> (observed 14-17/5-2010)
Observed concerning positive W-O-M

Appendix 2

Interview guide - online interviews

4. Do you know someone / some people who have been on the launches of H&M's design collections?
5. Why did they choose to go there and how did they experience these events?
6. Have these people been talking a lot about their experiences?
7. H&M's design co-operations have generally been very discussed on the Internet. Why have they been so debated and how have you noticed that?
8. Why have people particularly been blogging so much about H&M design co-operations?
9. What have people specifically been blogging about according to H&M?
10. Have they been blogging mostly before or after the design co-operations?
11. Have the bloggers been given positive and / or negative feedback on the design co-operations?

Interview guide- In-depth interviews

Activation – what activates consumers:

- Have you heard anything about why other bloggers have started to blog about fashion?
Do you know how people try to select what kind of fashion news that they want to write about?
- Why have you decided to blog particularly about H&M? Why are some firms or events engaging consumers more than others?
- Do you know why so many fashion bloggers have decided to blog about H&M's collaborations? Is it easier for bloggers to access customized avatars about H&M's collections compared to other clothing firms?

How information is spread within a particular community:

- Have you heard if certain fashion blogs are considered to be authoritative than others?
Do you know if bloggers usually are reading major blogs such as Elin Klings?
Do you know where other bloggers find inspiration to their blogs?

Collectivism versus individuality:

Do you know if other bloggers often writes about things that evoke their interest or do they write about things they believe that others want to read about?

Do you know if other fashion bloggers feel affinity with other fashion bloggers?

Do you know if other fashion bloggers want to stand out or is it more important follow community norms or a certain lifestyle?

Many fashion blogs are today very similar, for example bloggers decide often to show the same type of clothes on their blogs. Have you heard anything about why people often tend to show and write about the same type of clothes?

Is blogging a way for you to attain self-fulfilment or is it more important for you to provide other people with information?

Have you heard anything about what other people want to read about on fashion blogs?

The value of consumers feedback:

How much power do you think that you have as a fashion blogger? Do you think that you can affect H&M's co-branding collaborations by blogging?

Do you believe that H&M pays attention to bloggers opinions when they will have collaborations with designers in the future?

Do you think that it will be common for firms to collaborate with bloggers in the future?

Do you consider your blogging as beneficial for H&M (e.g. free advertising) ?

A lot of stories about H&M's collaborations can be found on the Internet, some are focusing on the different clothes that they have manage to buy. Do you think that postings notes about H&M will affect their collaborations in the future?

Have bloggers been giving positive or/and negative feedback regarding H&M's designer collaborations?

Do you think that more fashion bloggers will become professional bloggers within the future or do you consider blogging to be a hobby?

How selective do you think that H&M is when they decide to collaborate with a designer

Appendix 3

H&M's Co-branding collaborations in chronological order:



Karl Lagerfeldt, 2004



Stella McCartney, 2005



Victor and Rolf, 2006



Roberto Cavalli, 2007



Comme de Garconnes, 2008



Matthew Williamson, 2008



Jimmy Choo, 2009



Sonia Rykeil, 2009-2010