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Crossed Glances on the Perception of Consumer Competencies within the Energy Sector: The Case of a French Energy Supplier

Abstract

This paper discusses the concept of "consumption competence" at the heart of Service-Dominant Logic and the co-creation process of value. In order to examine the issues related to this emerging concept, the research methodology was divided in two parts. In the first one, we introduced a longitudinal ethnography research (2005-2007) based on participant observation and in-depth interviews with employees in a French business energy supplier called "Utility X". This choice was the best means to understand how do managers in the energy sector consider their customers: are clients represented as active actors or as passive actors within their own consumption experiences. The second part of this research based on in-depth interviews conducted in 2009, involved a group of 10 customers of "Utility X". The objective of these interviews was to emphasize the consumer's activation of his competencies in the energy sector. This methodology was applied in order to get crossed glances on the concept of the "consumption competencies" emerging in the energy sector.

Keywords

Competence, energy sector, company representation, consumer education, operant resources

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Extended Abstract

The service dominant logic paradigm, places the consumer and the company at the same level in the co-creation process of value (Vargo and Lusch 2008a). In this perspective, authors point out the tacit idea of the "competent" consumer through the concept of "operant resources" which combines heterogeneous elements such as capacities, abilities and knowledge and reflects the customer's participation. In this exploratory research based on interaction with both professionals and customers, we propose to merge the data on the competencies activated by the consumers with the company representations of the "consumer competency". The concept of "operant resources" which consists in some number of heterogeneous elements does not seem relevant enough to report completely the dynamics linked to the realization of these tasks from the consumer point-of-view. Thus, the notion of "competence" defined in the management field as the result of the mobilized knowledge, the know-how, the social skills, as well as the activation of all these resources (Le Boterf 1994), seems to be more relevant to re-articulate the diverse elements composing the concept of "operant resources ". Therefore, if marketing theories accept the idea of a "competent" customer, is it the case in the managerial sphere? And if yes, do customers activate those perceived competencies? In order to examine these issues, an exploratory research involving both consumers and professionals was considered to better understand the way the customers are perceived by professionals as well as the customers' perception of their own competencies developed within their consumption experiences.

The methodology was divided in two parts. In the first one, we introduced a longitudinal ethnography research (2005-2007) in a French business energy supplier called "Utility X". This choice was the best means to understand how do managers in the energy sector consider their customers: do they represent their customers as active actors or as passive actors within their own consumption experiences. This context is relevant because the energy sector in France is facing major challenges such as customer orientation, environment protection and competitive offers. In this part, the in-depth interviews with employees were the main source of data collected. A convenience sample of 30 employees was obtained through a snowball sampling technique. The second part of this research based on in-depth interviews conducted in 2009, involved a group of 10 customers both male and female. The objective of these interviews was to understand the consumer's activation of his competencies in the energy sector. This method that combines two steps (consumers and professionals) was applied in order to get crossed glances on the concept of the "consumption competencies" emerging in the energy sector. The findings of this study give us evidence about the customers' representations in the company's strategy. The results of the first part of this research show that these representations are in fact a set of recognized or unrecognized customer competencies. Although internal insights showed new trends emerging in the customer practices thanks to Web 2.0 that gives the consumer the feeling of empowerment, professionals in the energy sector still considering him as an incapable actor to co-create value with suppliers and at least he might be competent because of his capacity to organize

the company's resources. The data analysis revealed that there are four categories illustrating customer's profiles coping with the new situation of the "Utility X" group in the energy sector. From a managerial point-of-view, "Utility X" employees perceive their consumers according to four profiles: *myopic, ignorant, uncreative, and organizer of company resources.* The second part of this research carried out among the customers of the energy supplier "Utility X", emphasized the gap between the professional's definition of the customer potential and the competencies developed by customers within the energy sector. This reinforces the idea of the existence of different forms of cognitive, instrumental and usage incompetence, but focuses also on the competencies constructed and developed by the customers, which are not anticipated by the firm.

The results of this longitudinal research illustrate the huge gap between the company representations of its customers and the way these customers perceive themselves when using the resources provided by the company "Utility X". Thus, this French company has just discovered after the establishment of a multi-channel strategy, that its customers were not prepared to mobilize all the channels provided by the company. However, some of them knew how to make efficient their personal effort by referring to third parties to manage all their daily problems according to their perceived risks. More generally, if the marketing studies that share the Service-Dominant Logic point-of-view, underline the importance of the customer participation in the creation of value through the mobilization of various resources, the understanding of the factors that facilitate customer participation and involvement is superficial. Most of these studies and those that revealed positive correlations between the customer participation and the brand loyalty suppose that the customer is perceived as being all the time competent (Sobhy et al., 2009). Interestingly, the real managerial practices emphasize the fact that putting customers to work involves the deployment of competencies that couldn't be mobilized by all the customers to play an active role in the firm strategy (Cova and Cova 2009). Therefore, we argue that the consumers need to learn more about the consumption practises and the suitable behaviours to get empowered and to be able to contribute to the creation of value with the supplier (Bitner et al., 1997; Meuter et al., 2000). Consequently, consumer education policy should focus on empowering vulnerable consumers in the energy sector. Besides, companies, which want to implement a consumer education policy, should beforehand elaborate frameworks that enable them to understand the knowledge, know-how, the expertise that their consumers require and the way consumers acquire them or not in order to build associated learning curves (Hilton and Hughes 2008).

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Introduction

The role of the "competent" consumer is at the heart of the Service-Dominant Logic perspective (Vargo and Lusch 2004). Indeed, it suggests that the creation of value is the result of a combined effect of "operant resources" (Baron and Harris 2008), defined as a set of knowledge, skills, expertise and ability, activated by both the company and the consumer (Vargo and Lusch 2008b). Although the marketing research contributes to enhance the figure of the "creative customer" who is expert and competent within his consumption experiences (Cova and Cova 2009a), there is a need to clarify the firm's representations of the customer. How are these narrative discourses internalized by both professionals and today's consumers? Do the consumers and the companies share the same definition of the consumer competencies needed to play an active role in the co-creation of value with suppliers?

First, we suggest that the concept of "operant resources" does not seem relevant enough to report completely the dynamics related to the realization of these tasks from the consumer point-of-view. This consists of a number of heterogeneous elements among which the structures, the contents, the links that they maintain remain relatively vague. The notion of competence seems to be more relevant to re-articulate the diverse elements composing the concept of "operant resources ". In this exploratory research based on interaction with both professionals and customers, we propose to merge the data on the competencies activated by the consumers with the company representations of the "consumer competency".

This crossed glance approach leads us to underline the existing gaps between the representations of the company and the competencies activated by customers within their

consumption experiences in the energy sector. Finally, we will discuss the idea according to which the existence of these discrepancies should invite the companies to build analytical frameworks allowing them to get out of their partial and limited representations of customer competencies in order to include within their policies a relevant consumer education approach to empower their customers.

The literature

The figure of the competent consumer at the heart of the value co-creation paradigm

The service dominant logic paradigm, places the customer and the company at the same level in the co-creation process of value (Vargo and Lusch 2008a): the customer contributes and participates in the creation process of value by activating the operant resources defined as a heterogeneous set of knowledge, skills, expertise and capacity (Vargo and Lusch 2008b) among which the structure, the contents, the links which they maintain remain relatively vague. The notion of competence seems to be more relevant to re-articulate the diverse elements composing the concept of "operant resources ". The notion of competence is defined in some research studies in the management field as the result of the mobilized knowledge, the know-how, the social skills, as well as the activation of all these resources (Le Boterf 1994). In the Science Education disciplines, the competence is represented as a device allowing the individuals « to deal with complex situations, to create a fitting feedback without seeking a predefined solution » (Perrenoud 1999). These studies around the notion of competence and its managerial implications have been carried out to better understand the prior concept of “Knowledge Marketing” argued by authors in marketing (Curbatov 2003) or more recently, the research focusing on young consumer competencies which describes 12 dimensions linked to the young consumers’ usage of new technologies. In her works on teenagers, Batat (2008) described 12 dimensions of young consumers creative capabilities

related to the use of media and new technologies to improve their consumption experiences. She defined the concept of the "consumption competence" according to 12 dimensions: (1) good managing of pocket money, (2) making good decisions, (3) using Internet and *blogs* to improve their consumption skills, (4) dealing with salespeople, (5) seeking appropriate assistance and advice, (6) comparison shopping, (7) controlling impulsive purchasing, (8) innovation by consumption and usage, (9) ability to transgress, (10) Internet risks consciousness, (11) consumer's moral consciousness and (12) ecological consciousness. Even though marketing researchers begin to consider the customer in terms of his competencies and not only in terms of his needs, the concept of the "customer competencies" has not been conceptualized by the authors in the consumer behaviour field (MacDonald and Uncles 2007). Consequently, the first question that came to our mind is about the definition of the notion of « consumer competence ». How is this competence perceived in the consumption process such as purchasing a product, a service, or living a consumption experience?

A conceptual definition of the consumer competence

In order to enrich the conceptualization of the consumer competence, Bonnemaizon et al., (2010) based their research on the literature in the Human Science disciplines such as Education and Management science. These works emphasized the necessity to distinguish between the competence as a « result », a particular alchemy, a specific combination of a set of relevant resources to deal with a given situation, and the competence as a « process » of mobilizing different resources. In other words, the definitions of the competence emerging in both management and education science, lead us to conceive the consumer competence as:

- The mobilization of consumer' personal resources. Arnould et al., (2006) provide a very helpful categorization of consumers' operant resources. They are: physical resources (physical and mental endowment: energy, emotion, strength), social

resources (family relationships, consumer communities, commercial relationships) and cultural resources (specialized knowledge/skills, history, imagination). Other authors talked about the communicational and the notional resources (Mottet 2007).

- This mobilization might be declined into various and diverse competent behaviours linked to the situation where the consumer is involved in his interaction or not with the company. Those competencies in action include:

a) The cognitive competence linked to the capacity to decode the discourses and the advertising messages of the companies (MacDonald and Uncles 2007), as well as to the cognitive efforts emerging in the purchase process: the information-seeking process, the creation of meanings, and the awareness of consumer' rights and duties (Alba and Hutchinson 1987; Passebois and Aurier 2004). We can find this kind of competence in the education science disciplines under the vocabulary of « cognitive competence » and the notion of « informational competence ». These two concepts are defined as the capacity to identify the nature, the impact and the available sources of the required information. Furthermore, both terms reflect also the efficient way to search information and the efficacy of this process through reading, understanding and memorizing information. The cognitive competence of the consumer is therefore represented by the consumer' capacity to read, interpret, memorize and organize the information about the company offers (product and service).

b) The instrumental competence: in the consumer behaviour field, the instrumental competence is represented as the capacity of the consumer to manipulate the tangible products before, during and after the consumption process. These tangible products might be the tools which constitute an integral part of the consumer environment such as computers or software (Tricot 2006), the online tools such as social media YouTube, social networks Facebook and

Twitter or the tools provided by the companies such as interactive platforms and Internet Websites, which allow him to create his own product. This definition joins the definitions proposed by some researchers in marketing who privileged a large approach. According to their approach, the instrumental competencies of the consumer emphasize the coordination of the usages, the master of a technique or a technology, and the knowledge needed to achieve a task (Lüthje 2004). The instrumental competencies may also emerge by using a number of the social resources such as friendships, professional and social networks or online networks (MacDonald and Uncles 2007) to achieve a given objective.

c) The competence linked to the product/service or media usage: these competencies allow the customer to express himself and give his feedback on the media, the product and the service provided by the company. In marketing, these competencies have been studied by researchers such as Von Hippel (1978, 1986, 1999, 2005) and Béji-Bécheur and Gollety (2007) or more recently by Berthon et al., (2007). These competencies are very closed to the concept of the meta-cognitive competencies (Mottet 2007), which reflect the activation of the creative capacities: creation of new representations, new knowledge, heuristic solutions to the practical questions on consumption, and deviations / creations of new meanings. Even though, we tried to classify the customer competencies into categories for a better understanding of the customer activities generated by the purchase process, the product usage and the consumption experience, it is obvious, that in reality, these competencies are not mobilized in an isolated environment but they depend on different elements (the instrumental competencies) depend on the prior knowledge on the functioning of the technical tools (notional resources) and on the capacity to activate them (the accumulated cognitive competencies) according to the context and the consumption experience of the consumer.

The concept of “operant resources” which consists in some number of heterogeneous elements does not seem relevant enough to report completely the dynamics of the realization of these tasks from the consumer perspective. Thus, we argue that the notion of competence seems to be more relevant to re-articulate the diverse elements composing the concept of "operant resources ". If marketing theories accept the idea of a “competent” customer, is it the case in the managerial sphere? And if yes, do customers activate those perceived competencies? Now, we propose to merge the data collected on the competencies activated by the consumers with the way companies and professionals perceive the customer competencies. This crossed glance on the perception of the competence leads us to highlight the gap between the company representations and the competent behaviour of the consumer.

METHODOLOGY

An exploratory research involving both consumers and professionals was considered to better understand the way the consumers are perceived by professionals as well as the consumers’ activation of their own competencies developed within their consumption experiences. Therefore, the methodology was divided in two parts. In the first one, we introduced a longitudinal ethnography research (2005-2007) in a French business energy supplier called “Utility X” (Bonnemaizon 2008). This choice was the best means to understand how do managers in the energy sector consider their customers: are consumers represented as active actors or as passive actors within their own consumption experiences. This context seems relevant because the energy sector in France is facing major challenges such as customer orientation, environment protection and competitive offers. The second part of this research based on in-depth interviews, involved a group of 10 customers both male and female (Cova et al., 2009b). The objective of these interviews was to understand the consumer’s activation of his competencies in the energy sector. This methodology in two parts focusing on both

consumers and professionals was applied in order to get crossed glances on the concept of the "consumption competencies" emerging in the energy sector.

Research 1: An ethnography research in a French energy supplier "Utility X"

Given the exploratory nature of this study, an ethnography research was considered to be the most appropriate methodology to address the research objectives. In an ethnography research, the data sources are supplemented by data collected through participant or non-participant observation. Ethnographies usually require the researcher to spend a long period of time in the field and emphasize detailed, observational evidence (Yin 1994). By choosing, ethnography in "Utility X" group rather than a qualitative research based on focus groups or in-depth interviews, we have been able to provide managers and marketers with a relaxed and a friendly environment to conduct the study for 3 years from 2005 to 2007.

We began our ethnography research by observations and seeking to internalise all that we are seeing and learning, recording everything we observe, e.g. behaviours, activities, events, goals the managers are trying to achieve and our feelings as researchers as well as those feelings we observe in our subjects. Therefore, spending time observing "Utility X" employees and getting to know them is a great way of accessing their private world. If they accept you and get used to you they will relax and reveal much more about themselves and their managerial practices. By observing "Utility X" employees in their company, we developed some outcomes regarding their managerial practises when dealing with customers. This exploratory method based on observation and interaction in a social and a managerial context of the company was an opportunity that is not attainable by any other research method. We point out that these data collected through participant or non-participant observation and put in a diary were supplemented by in-depth interviews. The details of this methodology are not

taken into account in this paper because almost findings presented in the following session emerged from the in-depth interviews that we have conducted with “Utility X” market actors.

A convenience sample of 30 employees was obtained through a snowball sampling technique. Using this process, initial informants provided names and email addresses of their colleagues for the researcher to contact them. These interviews take the form of a conversation between the informants and the researcher, guided by a general structure rather than an exhaustive and pre-established list of items and topics. The task of the researcher is to prop the informants and encourage them to involve themselves in the conversation. In our research, the objective was to understand and explore the professional’s representations of the consumer in the energy marketplace. This leads us to ask the energy market actors questions about their managerial and marketing practices as well as their customer relationship management. Therefore, our interview guide was divided into four principal sections. The first part focused on the relationship between the company “Utility X” and the consumer, the second part illustrated company’s knowledge about consumer, the third part pointed out the scattering information process on consumer’s experiences and finally the last part of our interview guide focused on the company reaction to consumers’ outcomes. The length of each interview was about 55 minutes to 120 minutes. These interviews combined formal and informal discourses about the managerial practices and the consumer representations in the “Utility X” group and provided us with nearly 300 pages analyzed through a content analysis method.

Figure 1. Informant profiles

Informants	Gender	Department
Informant 1	F	Operational Marketing B-to-C Department/director
Informant 2	M	Operational Marketing B to B Department/Director
Informant 3	M	R&D/Project officer Commercial Innovation Department
Informant 4	M	Commercial Department East of France/manager
Informant 5	M	Commercial Department South West of France, DCPP Sud-Ouest/manager
Informant 6	M	Commercial Department South West of France/ manager
Informant 7	M	Commercial Department South West of France/manager
Informant 8	F	Call-Centre of Reims (East)/ saleswoman
Informant 9	F	Call-Centre of Reims (East)/saleswoman
Informant 10	F	Call-Centre of Reims (East)/ supervisor
Informant 11	M	Call Centre of Reims (East)/ salesman
Informant 12	F	Call Centre of Anglet (South West)/manager
Informant 13	M	Strategic Marketing Department/manager
Informant 14	M	Commercial Department South of West/manager
Informant 15		R&D/sociologist Commercial Innovation
Informant 16	F	Call Centre of Anglet (South West)/manager
Informant 17	M	Commercial Department South West of France/ manager
Informant 18	M	Relationship Marketing Department B to C/director
Informant 19	M	Strategic Marketing Department/Director
Informant 20	M	Operational Marketing Department/Director
Informant 21	M	R&D/ Commercial Innovation Department, chief project
Informant 22	F	Sales Department / director
Informant 23	M	Operational Marketing B to C Department /manager
Informant 24	M	Operational Marketing Department B to C/ chief product

Informant 25	M	R&D/ Commercial Innovation Department, chief project
Informant 26	M	R&D/ Commercial Innovation Department, chief project
Informant 27	F	R&D/ Commercial Innovation Department, engineer
Informant 28	F	R&D/ Commercial Innovation Department, chief project
Informant 29	F	R&D/ Commercial Innovation Department, chief project
Informant 30	F	R&D/ Commercial Innovation Department, chief project engineer

The data analysis process aimed at bringing meaning to managerial representations of consumer using an abductive logic, which consists in comparing collected data with theoretical constructs in constant evolution (Pidgeon 1991): in our case, the comparison has been done through a multidisciplinary literature on the consumer competencies in order to set out similarities and divergences regarding the concept of "consumer competence" developed by Utility X's employees.

Research 2: in-depth interviews with the consumers of the French energy supplier "Utility X" group

This research (Cova et al., 2009b) explores the consumption competencies activated by the consumers in the energy sector. Particularly, the figure of the « multichannel consumer » as defined by the company "Utility X" in the first part of our fieldwork, is calling into question. We can then ask the following questions: does this figure emerge in the relationship linking the firm to the consumer? Are the supposed « competencies developed through the use of the channels provided by the company » activated by the consumer? Do the consumers activate other competencies not expected by the company? In order to respond these questions, the relationships linking the company "Utility X" with its consumers was the focus of the second

part of this research. This part was based on a narrative storytelling methodology as described by Bruner (1990) in the United-States and Bertaux (1997) in France. The aim of this methodology is to develop a comprehensive framework of the consumer's past experience with the brand by asking the consumers to describe their experiences and their life. The narrative storytelling involves a strong dominant of consumer introspective. The narrative discourses of the consumers were collected using in-depth and interactive interviews (Gubrium and Holstein 2003). These interviews were conducted in a confident climate involving both the researcher and the customers. This approach allowed us to produce 10 narrative discourses involving 10 individuals. The participant's profiles are described in the figure 2:

Figure 2: Customers Profiles

Name	**Gender**	**Status**	**Age**
Arthur	M	Student	23
Catherine	F	PR manager	40
Danielle	F	Professor	50
Dominique	F	Professor	50
Elios	M	Civil servant	48
Jérôme	M	News agent	32
Léonie	F	Student	22
Maha	F	Student	23
Mathieu	M	Worker	26
Zannie	F	Professor	45

The analysis of the 10 narrative discourses followed the interpretative protocol to decode the data collected according to the thoughts of the consumers interviewed, their attitudes and their

behaviours as well as their perception of the competencies activated within their consumption experiences.

FINDINGS

Professional representations of the consumers' competencies within the energy sector

The findings of the first part of this study give us evidence about the customers' representations in the company's strategy. This study shows that these representations are in fact a set of recognized or unrecognized customer competencies. Although internal insights showed new trends emerging in the consumer practices thanks to Web 2.0 that gives the consumer the feeling of empowerment, professionals in the energy sector still considering him as not capable to co-create value with suppliers and at least he might be competent because of his capacity to organize the company's resources. The data analysis revealed that there are four categories illustrating consumer's profiles coping with the new situation of the "Utility X" group in the energy sector. From a managerial perspective, "Utility X" employees perceive their consumer according to four profiles: (1) *myopic,* (2) *ignorant,* (3) *uncreative, and* (4) *organizer of company resources.*

The "myopic" consumer

The "Utility X" informants argued that their customers ignore the change that happened within the French energy sector. In addition, they confirmed that their clients are unable to distinguish between "Utility X" electricity offers and "Utility Y" which is an additional gas offer of "Utility X". These customers are not keen on searching a bargain by comparing "Utility X" offers with the offers of other energy suppliers. Therefore, "Utility X" informants talk about "consumer inertia" within the electricity sector. However, there is a need to distinguish between "Consumer inertia" and "consumer loyalty".

Inertia shows that sometimes, it is easier for customers to put up with a mediocre supplier rather than go to the difficulty of switching to another. Customers just tend to put up with poor service and results, as long as it doesn't get too bad. They just keep "rolling" along. The informants argued that there are diverse reasons, which enhance customer inertia for example: consumers are often afraid of unknown, the cost of exit barriers associated with switching supplier, the lack of price competitiveness and less appealing offers comparing to "Utility X", and of course the high level of customer trust.

> "*We realized that in a mass market situation, it's not the same it appears in B to B market, it's rather profound trends: you don't lose 10% of market shares in three months; when the market of professional customers opened in July 2004, we didn't lose 10 or 15 % in three months, we lost 1,8 % 1 the year later*" (Informant 4, Commercial Department, 08/31/2005).

This kind of inactive consumer is not concerned about the energy market shift, which reflects a completely open retail energy market in Europe as well as a deregulation in the electricity sector. This shift might be a source of customers empowerment through given them the power to choose among additional references and compare offers. Consumer's inability to use his integral power to make choices and even search a bargain is a direct consequence of his low level of awareness and knowledge about the energy market deregulation. We can make the hypothesis that employees do not consciously provide relevant information to empower their customers, in particular high valued consumers. Indeed, they don't give them a clear and global vision of the market energy situation or information and details about the interesting offers to retain them.

"In my opinion, this customer notion in customer's mind will be progressive, because the evolution of the electric system that we have to cope with is a little bit complex, and a couple of years will be necessary for the customers to make a difference, primary, between Utility X and Utility Y)[1]*, and secondly let us say, between the regulated market and the unregulated one*". (Informant 19, Strategic Marketing Department, 02/23/2007).

Some informants used the metaphor of transitology to express this trust by comparing the consumer with the shift from the communism to the capitalism, with the democratic transition experimented by the populations of Europe of the former Eastern bloc: the setting of the freedom is not a decree, it has to be learnt. Inertia is described as the fact that consumers hesitate to change "world" by custom, by comfort, by fear of the stranger or of an attractive but dangerous freedom: consumers are perceived as having some difficulties to assert customer's status, which is the opening on the competition confers to them and to use the right to choose this status supposes.

"This fear, this apprehension to leave Utility X, it seems like the east communist power, where people, they had the freedom, but they did not really leave it because they were afraid (laugh); thus there are some who stay with Utility X, because " I am out of order, we are on Saturday evening, I am not sure another competent company can go to repair my electric system, I prefer to stay with Utility X". (Informant 7, Commercial Department, South West of France 29/09/2005).

[1] Utility X and Utility Y was a unique firm who has benefited from a monopoly situation before the start of energy sector deregulation process

The metaphor of married couple is also used to describe the influence of a sustainable relationship enhanced by everyday life, which creates habits and reassurance. If the customer can change to another supplier and that this possibility highlights some negative aspects of the relationship with "Utility X", which could be an alibi (a pretext) to switch, these are not enough important to make such a decision.

> *"I would say, we are a couple, here we are, I try to imagine our customer relationship like a couple, it has been years since we live together, everything is ok between us, but at the end of 7 years.. "it has been 7 years since I tell you to close the tube of toothpaste and at the end of 7 years you don't make it, today, I have the opportunity to go away, to see somewhere else what it takes place, so nor you close it now nor I go to see somewhere else". Naturally everybody is clever enough to realize that the fact that the cork of the toothpaste tube stays here, is not going to cause the break; but on the other hand, every morning, it will be the same: "be careful I go to see somewhere else". In my opinion, the customer is going to cope with this situation".* (Informant 23, Operational Bo to C Marketing Department, 12/06/2007).

Other informants suggest that the customer don't use its new rights to choose because he couldn't give his point of view on the deregulation phenomenon, which is above all the result of the economic ideologies. He is perceived as really reluctant to change and try to display his resistance by keeping the same behaviours.

> *"Before consuming in a competitive marketplace, Utility X customer is beyond all the facts a consumer of electricity. Inquiries on these consumers, quite as their representatives, consumer associations, show that most of them are hostile to the*

market deregulation, the point which would make it acceptable, would be a decrease of electricity price; but this will not happen." (Informant 19, Strategic Marketing Department, 23/02/2007).

This cognitive aspect of consumer's incompetence is related to the strong position of "Utility X" group in the energy market: the consumers are considered as passive actors; they show a high level of dependency on their unique supplier "Utility X" who obviously has a good image among French consumers (French's favourite enterprise), has a significant consumers database, offers interesting rates, and is not obliged to cope with aggressive competitions in the energy market. This perceived balance of power in favour of "Utility X" is linked to the huge level of schizophrenic mindset of our "Utility X" informants: "Utility X" marketers have to accept the rules imposed by the competitive game in the energy marketplace by leaving their consumers who might search another energy operator such as Poweo in order to avoid the abuse of a dominant position of "Utility X" in the French energy market.

"We have to explain to our collaborators that we should adopt a posture which leads us to lose customers, and it's suitable for us right now in the professional marketplace where professional actors such as Poweo and its CEO, Beigbeder, says that he has much more customers. But it's clear that this posture is really specific." (Informant 5, Commercial Department South West of France, 28/09/2005).

Moreover, the market actors in the energy business are convinced that:

- Consumers do have an insufficient knowledge about the energy sector offers and also about their usages (*consumer as an "ignorant" actor*).

- They are not able to express their energy needs and they are uncreative in terms of consumption practices and usages. Consequently, they are not considered as a creative source to help the companies to improve and adapt their offers (*the "uncreative" consumer*).

Consumer as an "ignorant" actor

The cognitive dependency of the consumer is enhanced by the firm's judgement and the way "Utility X" actors represent their consumers. According to our informants, the consumer seems to be anxious in particular situations e.g. when he calls an energy operator because he was incapable and powerless to resolve the problem by himself. In fact, it seems like a patient who can't rationalize his symptoms and tries to call his doctor to be reassured. In our case, the customer expects his company "Utility X" which is a unique and a powerful energy supplier on which customer's personal and professional life are dependent, to find a solution to his problem. Therefore, "Utility X" professionals perceive the customer as an ignorant actor because of his lack of knowledge and also the low level of his acquaintance with the energy field within his consumption experiences.

> *« The customer, he does not exist, what I want to say it is that it is a prospect in power but he ignores himself, he doesn't know what he wants, when we ask him questions, he doesn't know anything" (Informant 13, Strategic Marketing Department, 19/12/2005).*

Sales people and marketers argue that client requirements such as «information requests» reflect the customer dependency on "Utility X" expertise.

"The customers use badly their heating. The outgoing calls are the opportunity to carry out some advices but customers don't respect them and come to complain about it then […] When we discuss with customers, we manage to demonstrate to them without they seek to question everything, that the amount of charges considered excessive by them, is in fact the result of a misuse of their devices or an uncontrolled use." (Informant 10, Call Centre in Reims, East of France 14/10/2005).

Furthermore, the informants emphasized the fact that the customer does not master all the stakes of the purchase process in the energy sector. First of all, the customer starts searching information by building up technical knowledge, then elaborating his own knowledge by sorting out information and finally choosing his energy supplier.

"Fundamentally, it is consumption not a purchase. One day, the consumer can make the decision to change his supplier of electricity, but he has never be involved in a purchase process, in a marketing sense, that is, 'I know the market, I take the information, I compare, I decide'" (Informant13, Strategic Marketing Department, 19/12/2005).

The "uncreative" consumer

Another representation reflects the lack of consumer creativity in the energy field. Indeed, the energy sector is not considered as a domain that requires customer's involvement. Thus, customers are not very demanding and they are not aiming at any offer (product or service) in particular. Therefore, the consumer is not perceived as a source of innovation for the company because of his situation of user who did not settle the question of his needs which maybe are hidden, tacit, hardly expressed, or unexploited by marketers.

"The customers when you manage to convince them to participate to a focus group, they answer you, they make efforts to answer you, but generally, they are not very creative, it's turns very fast in the science fiction" (Informant 13, op.cit.).

The "Utility X" informants perceived their consumers as being not able to express their needs regarding the company offers (products and services). Otherwise, "Utility X" marketers argued that the lack of creativity and innovation of their customers reaches a significant level.

The "organizer" of company resources

In 2004, "Utility X" group recruited a marketing director coming from the Information and Communication Technologies (ICT) sector in order to improve the public marketing policy of the company. Indeed, he was an ex-marketing manager of Wanadoo and he worked for Club Internet from 2002 to 2004. As a result, the multi-channel strategy has taken a decisive turn. In addition to the traditional channels such as telephone, mails, sellers on spots and in stores, the Internet channel development became a strategic point.

The main interest of using Internet channel is to create and establish a link between customers and help the company to control the management charges such as in the banking sector. Thus, the multichannel strategy helps the firm to move away all the operations with low added value (index relay, account management, information requests) towards automatic channels. In addition, this strategy also consists in leading high valued consumer towards sales people to get a benefit from one-to-one services and orienting low valued customers towards channels, which are less costly to manage this type of consumer. The "Utility X" actors represent the consumer as consciously capable to manage and organize these channels. Therefore, the

"multichannel consumer" role (Belvaux 2006) enables them to legitimate strategic choices in terms of management costs as showed in the verbatim below.

> *"Not valued calls (transmission of the index consumption) must be transferred on internet. [] a survey launched by IPSOS (French marketing studies agency) which shows that 62 % of the customers were at first on Internet to research information about products offered by companies. Concerning the starting of electric system for example, some experimentation showed that it was more relevant to make it on internet. It is necessary to think of all which is going to take place with mobile phones, all the companies are developing these technologies, it's the choice that we made but the customer also really want this kind relationship through Internet" (Head of Operational Marketing Department during a meeting located in R&D department, 10/06/2006)*

The first part of our empirical work revealed the consumer incompetence as perceived by "Utility X" actors. This incompetence might be explained according to three dimensions:

- The *cognitive dimension* related to the incapacity of customers to get power of choice because of their ignorance of the market deregulation and the new position of their supplier "Utility X" in the market energy,
- The *instrumental dimension* linked to the consumers' inability to express their needs because of their lack of technical knowledge regarding the energy offers,
- And the *incompetence related to the product usage,* which reflects the uncreative way the consumers are dealing with the energy offers (products or services).

However, the "Utility X" professionals recognize him some "ideal" competencies such as the ability to use channels, which legitimated the firm's strategic choices: the notion of

competence as perceived by our "Utility X" informants is however, limited to the organization of company's resources by the consumers.

Consumer activation of consumption competencies emerging in the energy sector

The second part of this research carried out among the customers of the energy supplier "Utility X", emphasized the gap between the professional perception of the customer potential and the competencies developed by customers within the energy sector. It highlights the fact that "Utility X" has just discovered after the establishment of a multi-channel strategy that its customers were not prepared to mobilize all the channels provided by the company. However, some of them knew how to make efficient their personal effort to resolve their problems. Thus, if this second research reinforces the idea of different forms of cognitive, instrumental and usage incompetency, it focuses also on the consumption competencies activated by these customers and not anticipated by the firm.

Consumer's incompetence

Consumers are incompetent in some areas:

- *Instrumental incompetence* in understanding everything relayed to the contract signed with the company. Consumers usually do not know, or do not make the effort to know, how their contract is drawn up. In general they take it over from the former tenant or owner and view the operation as automatic and simple ("a switch").
- *Cognitive incompetence* involving the customer knowledge of "Utility X" and other energy suppliers. His poor knowledge of today's energy market actors has an impact on his ability to choose. *"I switched to Utility Y because that's where my brother-in-law works".* (Jérôme, 32). He is incompetent in terms of knowledge about offers. In addition, he is not very familiar with the content of the company's website. Almost

customers emphasized the fact that the website is clean, clear and well done but they ignore the offers and the service presented on “Utility X” website. They even have poor knowledge of the key services offline.

- *Usage incompetence* when interacting with a “Utility X” consumer service operator on the phone, the consumers remain focused on their problem and very quickly get bored in their interaction with the “Utility X” employee. They are much more competent (or polite? but that is a use skill) in the face-to-face interaction with a technician at home. They are overall incompetent to circulate through the various channels to reach “Utility X”, even though that incompetence has to do with the telephone’s weight as a historic means of communication. Whereas the first research highlights the fact that “Utility X” believes in the role of “Multichannel consumer”, the most surprising result of the second research is that the consumers use only the phone and ignore all the other communication channels, from the most traditional (agency) to the most advanced (website). A previous “Utility X” internal survey sheds light on the findings: the phone is the most commonly used means of contact. It is considered as fundamental and often has an exclusive character (if the transmission by post of contractual documents is left out). In other words, it is the only means used by the customers to reach the company. The consumers told us that the phone is the best means of communication because “it’s instantaneous”. They often compare it to the agency, which seems to be a slower and, above all, more time-consuming way to solve problems with “Utility X”. *“I’ve got better things to do than go down to the agency”; “I never went to see Utility X directly albeit the local headquarters are 200 metres away on A Street”* (Maha, 23). Another point in these results is that the consumers are less worried with “Utility X” energy suppliers comparing to the other industries such as banking, insurance and telephony (even former State operators) because of the strong feeling that they might be robbed.

With “Utility X”, *“you always get your money back no matter what”* (Jérôme, 34). For these customers, the bill might be nearly incomprehensible but it is still easier to understand than the phone bill. The result is an economy of means to solve a problem with “Utility X” because the risk of losing money is considered zero. Consumers “know” that “Utility X” is not trying to rob them. Of course, “Utility X” is not always able to solve the problem but this is not risky for them. If worse comes to worst, “Utility X” will reimburse them when it finds a solution. There is no need to travel or to use various means of contacting them for that. Moreover, “Utility X” consumer service phone representatives clearly tell people like what a young lady in our sample said: *“if a monthly estimate is too high it’s even better for me. If they take out too much money during the year I shall be happy to get it back at the end of the year: Utility X is a kind of bank.”* (Maha, 23). In her words, “Utility X” seems to act like the tax office, which gives refunds if it has withheld too much money from a person’s salary. The message is clear: don’t worry; you always get your money back with “Utility X”. You just need a little time and patience!

Unacknowledged consumer’s competence by the firm

In general, consumers feel competent but say that “Utility X” does not acknowledge their competencies. Consumers have:

- *Instrumental competence* to decode the bill (“indigestible” according to them), check it and look for (and find!) mistakes. Consumers often feign incompetence, which gives “Utility X” the impression that they really are. That is a consumer ploy, and not naïveté, whose aim is to “cheat” “Utility X” employees. They are willing to pretend that they are incompetent in order to “scrounge something”. Most of the time customers know they have gone past their limit and are aware of other special actions but expect the employee

to “make a commercial gesture” to respond to their real or feigned naïveté. Other times they blame the operator before admitting they have gone beyond their limit. After a discussion with an employee customers usually end up admitting they cannot “cheat” and must pay.

- *Cognitive competence* involving expectations of sustainable development and the control of energy but that are neither organized nor structured in the same way as Utility X’s knowledge. That explains why both the customer and the customer service representative have the impression that the other is incompetent. Customers have cognitive competencies with regard to choices they do not take advantage of because electricity and “Utility X” are not priorities compared to other problems requiring them to make choices.
- *Usage competence*, which seems limited to the use of the phone as the only way of reaching “Utility X”. But in that case consumers know how to get rid of an incompetent hotline operator or ring another hotline. Besides, they deploy specific usage competence, to pass the problem on to a third party and rank the problems they come across in the same situation (moving, new construction, renting, etc.). Throughout its multi-channel strategy, “Utility X” seems to increase the possibilities of contact with customers, but in the event of a problem the latter seem to do all they can to re-intermediate the relationship and avoid contact. It must be pointed out that some consumers are not in direct contact with “Utility X” and do not seek it. Others, in direct contact with “Utility X” through the bill and monthly payments, seek the intermediation of a more knowledgeable third party to interact with the company after unsuccessful attempts to contact it by phone or face-to-face. They solve their problem not by using points of contact with “Utility X” but by using points of contact outside “Utility X”. Third parties mentioned in the interviews include:

- the promoter
- the architect
- the property manager
- the owner
- the electrician
- the do-it-yourself store
- the neighbours
- a forum on the Net, etc.

A typical situation is when customers join forces to put pressure on "Utility X". For example the case of this customer (Elios, 48) who was having a new house built in April 2006. He contacted "Utility X" by phone to make sure he would *"have power by August"*. The problem was that some work needed to be done to bring the electrical cable to the house: *"they had to dig a ditch across the road*!" he said. *"Utility X didn't warn us until August that a private company had to do the work but that this was only done for companies or emergencies".* At that point Elios decided to contact his new neighbours, who were also having a house built, to put pressure on "Utility X". *"At the end of August,"* he said, *"we made a joint request… After making many phone calls and putting some light pressure on Utility X we got our first appointment with a technician, who came right out to the site. Guess what? They started digging the ditch a few days later and the next day we had the satisfaction of seeing them lay the cable. Who knows how long we would've waited if all our neighbours hadn't pulled together."*(Elios, 48)

DISCUSSION

The results of this study illustrate the huge gap between the company representations of its customers and the way these customers mobilize the resources provided by the company "Utility X".

If the marketing studies that share the Service-Dominant Logic point-of-view, underline the importance of the customer participation in the creation of value through the mobilization of various resources including the commercial resources, the understanding of the factors that facilitate customer participation and involvement is superficial. Indeed, most of these works and those that revealed positive correlations between the customer participation and the brand loyalty suppose that the customer is perceived as being all the time competent (Sobhy et al., 2009). We support the idea that the competence results from a social construction and emerges from the actors' representations (Dejoux and Dietrich 2005). The identity of the competent consumer builds itself within the relationship the consumer maintains with the company: then he can realize that he is competent only if the company recognizes him as such. Recognizing the "consumer competence" means not only admitting it but also, in the case of the incompetent consumer the company should provide his the commercial resources to develop it (Sen 1985). Therefore, we argue that the consumers need to learn more about the consumption practises and the suitable behaviours to get empowered and be able to contribute to the creation of value with the supplier (Bitner et al., 1997; Meuter et al., 2000). Consequently, there is a need for an education policy to help the customers to become more active within their consumption experiences especially in the energy domain.

We can argue that all the customers are not equal in terms of using technologies to improve their consumption competencies (Dujarier 2008), especially in the energy sector. We can then point out the vulnerability of the customer when dealing with the energy offers (products or services). This consumer vulnerability concept provides a unifying label for a variety of studies focusing on the social consequences of consumption for different populations in a wide range of marketing contexts (Baker et al., 2005). Indeed, the consumer vulnerability has been defined in various ways. Most authors agree that all consumers can expect to be

vulnerable at some point of their lives according to the consumption field they are involved in. Consequently, consumer policy should focus on empowering vulnerable consumers to facilitate the movement away from vulnerability. We believe that a first step in helping vulnerable consumers develop abilities to handle lack of knowledge and experiences in the energy domain is to recognize these cognitive, instrumental and usage incompetence that they are largely self-generated and can therefore be self-managed. A second step is to provide consumers enough accurate knowledge to develop an adequate picture of risks. Knowledge alone is not sufficient to ensure appropriate action, but it is a vital component to any program to enhance consumers' education. Therefore, marketing and policy responses must be against promoting or facilitating learned helplessness and for empowerment by assisting people to develop competencies that foster optimal consumption. The results of the study emphasize the need for changing the current focus on consumer education and consumer policy. A shift from the present emphasis on the vulnerable consumer to a more inclusive agenda would maximize the engagement of 'active' (Bianchi 1998) consumers in driving innovation and success in the economy at large.

Besides, we can notice that consumer education is mainly envisaged in marketing literature through the methods used by companies to improve the competence of the consumer without taking for granted the other learning sources or resources (forums, blogs, social networks for example) in which the consumers develop his competence (Batat, 2008; Sobhyet al., 2009) to appropriate products or services and contribute to their value. Recognizing the consumer competencies, means admitting the fact that these competencies did not emerge only in commercial resources provided by the company but also in the personal resources of the consumer, which do not enter the usual mental models of the company. Thus, companies that want to develop a consumer education policy should beforehand elaborate frameworks that enable to understand the knowledge, know-how or the expertise, which their consumers

require; the way the consumers acquire them or not in order to build associated learning curves (Hilton and Hughes 2008).

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