

*Towards a customer orientation approach based on customer
competency: a new deal for companies*

Audrey BONNEMAIZON, PhD*
University of Nanterre, France
CREG (University of Pau and Pays de l'Adour)
Address: 9 rue du delta, 75009 Paris (France)
E-mail: audrey.bonnemaizon@yahoo.fr
Phone: + 33618054666

Wided BATAT, PhD**
Business Administration Department (IAE)
University of Poitiers, France
Address: 38 rue Waldeck Rousseau, 16000 Angoulême (France)
E-mail: sabatodz@yahoo.fr
Phone: +33622173145

* Dr. Audrey Bonnemaizon is lecturer in Business and Marketing at the Business Administration Department of Nanterre University. Her works focus on the learning process of marketers, customer relationship management and co-creation phenomenon.

** Dr. Wided BATAT is lecturer in Business and Strategy at the Business Administration Department of the University of Poitiers. Her works focus on the learning process of consumers within a digital context and the consumption competences emerging in consumer experiences.

Towards a customer orientation approach based on customer competency: a new deal for companies

Abstract

Purpose- Customer orientation is one of the most critical business success factors; therefore most companies are seriously concerned about learning from their clients in order to improve and adapt their offers to their target and thus co-create value with them. In this paper we discuss the notion of co-creation, at the heart of Service-Dominant Logic as well as the concept of customer competence as supposed by this notion.

Design/methodology/approach- In order to examine these issues, a longitudinal ethnography research (3 years) based on participant observation and in-depth interviews with employees in a French business energy supplier “EDF Group” 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.

Findings- The key findings illustrated that, although the 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 incompetent customer not capable to co-create value with suppliers in terms of usages, instrumental and cognitive aspect of his consumption.

Research limitations/ implication- our research focused on one case study. We observed and analysed marketers discourse in only one company which does not reflect the entire reality in the French energy sector.

Practical implication- The fact of taking into account the competence developed by the customers can lead the marketers to focus on the requested skills or behaviours in order to understand how to get a huge profit from the company offer by targeting the competent customers.

Originality/value – this paper discuss the notion of “competent customer” as defined by the company and the use of ethnography to study marketers practices.

Keywords

Customer orientation, competence, co-creation, energy suppliers, customer, S-D Logic

Introduction

The Service-Dominant logic debate has opened up discussion and stimulated new ways of thinking around a number of theoretical aspects and related managerial implications. The collaborative model of value creation (co-creation) at the centre of S-D Logic is much closer to business-to-business theory development around the interactive and networked nature of value creation (Achrol and Kotler 2006; Gronroos 2006). For Lush and Vargo (on 2006, p. 284), "*the customer is always a value co-creator*": They support logic of collaborative marketing which makes the customer a partner in the co-creation of experiences and involves customer's competencies in the co-creation process. Competencies and actions are linked. The claimed control or not of a technique or a knowledge, as long as it is not concretized by a deployment, is staying in a potential stage. The co-creation seems possible only if the customer's competencies are recognized by the company. Indeed, this recognition is a fundamental condition in the implementation of method of identification of these skills and in their activation by the customers. In this paper we look at a particular aspect of co-creation: customer competence as well as his representation in the company.

The paper is based on a research process, carried out between January 2005 and December 2007, involving one case company: a French energy supplier EDF Group. We chose this context for the reason that the energy sector is facing major challenges such as environmental problems and customers satisfaction. Our key interest has been to understand how customers are represented in the marketing strategies of companies within a competitive energy sector. Therefore, our work is disposed in the following way. First, we describe the marketing literature on the concept of co-creation in the heart of S-D logic and the relationship between customer competence and value co-creation. Second, we focus on the research process and the methods used for data collection as well as data analysis. Third, we describe the representation of clients and we discuss the notion of competence in the co-creation process of value and its managerial implications.

Theoretical background

Customer orientation which could be defined as "closeness to the customer" is one of the most critical success factors; therefore most companies are seriously concerned about building strong relationships with their customers as well as learning from their clients in order to improve and adapt their offers to their target. Indeed, customer orientation creates a sustained edge over the competition in a contemporary and a digital context. For today's customers who are living in a digital context surrounded by Information and Communication Technologies, Internet has created an interactive learning that promotes a power shift from sellers to buyers (Strauss and Frost 2001). Therefore, the global reach of the Internet facilitates customer access to more market information that involves larger choices sets, customer ability to exchange information and sharing opinions and values with others. The changing media landscape implies a behavioural shift of customers which require new marketing and management theories.

New approaches in the marketing literature have been considered by researchers in the consumer behaviour field to address the issues raised. Indeed, authors argue that companies should focus on their clients by considering them as social and economic actors. Therefore, companies have to go beyond the philosophy of Goods Dominant (G-D) Logic towards Service Dominant (S-D) Logic perspective. In the first approach "G-D Logic", the main goal of the company is to maximize profit through the efficient production, distribution and marketing of goods. In the second approach "S-D Logic", the service is what is always

exchanged (Vargo and Lusch 2006) and goods become a special method of service provision. This logic views service rather than goods because the purpose of economic activity is mutual service provision. Therefore, a service-dominant logic by definition is inherently customer oriented and relational, reflecting deeper and more complex connections between suppliers and customers. The service mindset driving increased collaboration enables suppliers to have deeper understanding on co-creating and sharing value with their customers considered as integrators of knowledge, skills, expertise, capacity (Vargo and Lusch, 2008). This raises the question of the customer competence in terms of his consumption and purchase practices to co-create value with suppliers. A major question that emerges from the marketing literature relates to the competencies developed by customers when requiring digital technologies such as Internet within their consumption experiences. However, we need to clarify the concept of competence which in theory can enhance the co-creation of value-in-use.

Competent customer in the marketing literature

Consumption activities not only encompass the economic capacity to buy goods and services but also involve skills, attitudes and knowledge associated with rational approach to consumption (Lachance and Legault 2007). Psychologists such as Bandura (1977) and Schunk (1982) define competence as an achievement of personally or socially desired outcomes determined by an individual's ability to use two kinds of resources, those that are unique to the environment and those that are unique to the individual. Therefore, competent individuals have a sense of self-confidence in their abilities to obtain valued outcomes and exercise self-control and self-regulation. Without both a sense of self-confidence and self-control, an individual may be much less likely to attempt to master the challenges of a situation. In marketing, authors such as Alba and Wesley (1987) talk about consumer expertise which is defined as the ability to perform product-related tasks successfully. These tasks include information search, interactions with salespeople, choice and decision-making and the various task involved in actually making a purchase, e.g., handling money, dealing with credit terms...etc. In her research on young consumers, Batat (2008) has described 12 dimensions of young consumers competencies related to the use of media and new technologies to improve their consumption experiences.

According to Batat, the behaviours associated with the young competent consumers are classified into 12 domains: (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. Therefore, we can argue that teenagers are fully competent consumers because almost adolescents revealed competency in some aspects of consumption. In spite of these competences, Batat points out that teenagers can also be viewed as victimised consumers even they are empowered by using Internet as a source of information because of their vulnerability and the lack of their experiences and knowledge in terms of consumption and purchasing. We propose therefore that a competent consumer is ultimately seeking to achieve successful consumption outcomes and that in order to do so must use both environmental and knowledge-based resources and have the self-confidence to ensure that these resources are used effectively and the self-control to refrain from acting on undesired impulses and to regulate behaviour in order to ensure a positive outcome.

In this paper we discuss the notion of co-creation, at the heart of Service-Dominant Logic, and the emerged concept of “consumer competence” linked to this kind of behaviour. Even though consumers are empowered by using Web 2.0 as a source of searching and exchanging information to improve their consumption experiences, researchers in the consumer behaviour field and marketers ignore the competencies and the real potential of their customers in the co-creation of value. In order to examine this issue, we focused on the professional’s perception of customers and their representations in the company’s marketing strategy. A longitudinal exploratory research was the best means to understand the representations of customers from a managerial point-of-view. For this study, we carried out an ethnographic research based on participant observation and in-depth interviews with employees of a French supplier in the energy sector. We chose this context because the energy sector is facing major challenges such as customer orientation.

Design/Methodology

The business energy sector in France

The construction of a single European electricity market began in 1999. EDF group is an energy market leader in Europe operating in all branches of industry and supplies about 38 million customers throughout the world with electricity, 28 millions of them in France. Indeed, EDF group was the only supplier to provide electricity to all the French customers who can’t compare EDF offers with other suppliers. In response to this situation, the French government decided to establish a final stage of the progressive deregulation which ended on 1 July 2007. Since then, all customers have freedom of choice in selecting their electricity supplier. Consequently, EDF group has to be innovative regarding the way he is managing the relationship with his customers by focusing on the marketing as well as the communication policy. Indeed, since 1 July 2007, EDF has offered customers energy other than electricity, such as natural gas, guaranteeing customers security of supply and simplified energy management, through a single contact in the company and just one invoice. EDF also offers its customers services associated with electricity supply specifically consumption monitoring and assistance for home building and renovation work.

An ethnographic research in a French energy supplier “EDF Group”

Given the exploratory nature of this study, an ethnography research was considered to be the most appropriate methodology to address the research objectives. Ethnography is one of the most in-depth research methods because it allows the researcher to see for a long time what people are doing as well as what they say they are doing. Therefore, an ethnographer obtains a deep knowledge and understanding of the people, their behaviours, the organisation and the broader context within which they work. The main difference between case study research and ethnographic research is the extent to which the researcher immerses himself or herself in the life of the social group under study. In a case study, the primary source of data is interviews, supplemented by documentary evidence such as annual report. In an ethnography research, these 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 emphasise detailed, observational evidence (Yin, 1994). By choosing, ethnography in EDF 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 EDF 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 EDF 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.

A convenience sample of 30 employees was obtained in this manner, and our initial observations suggested that there were new factors emerging, which caused us to seek additional informants through a snowball sampling technique. Using this process, initial informants provided names and email addresses of their colleagues for the researcher to contact them. Otherwise, we combined several materials such as a diary to collect daily observations in the company and an interview guide to gain a deeper understanding of managers and marketers practices. This methodology was used in a pragmatic way without much reflection or concern. Therefore, our interview guide was divided into four principal sections. The first part focused on the relationship between the company “EDF Group” and the customers, the second part illustrated company’s knowledge about customers, the third part pointed out the scattering information process on customer’s experiences and finally the last part of our interview guide focused on the company reaction to client outcomes. We used different qualitative techniques to adapt our research strategy to the context we were conducting our research. This method was useful to create an appropriate environment to exchange easily and interact with the professional actors within a friendly as well as confident context.

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-Center of Reims (East)/ saleswoman
Informant 9	F	Call-Center of Reims (East)/saleswoman
Informant 10	F	Call-Center of Reims (East)/ supervisor
Informant 11	M	Call Center of Reims (East)/ salesman
Informant 12	F	Call Center of Anglet (South West)/manager
Informant 13	M	Strategic Marleting Department/manager
Informant 14	M	Commercial Department South of West/manager
Informant 15		R&D/sociologist Commercial Innovation
Informant 16	F	Call Center 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

Figure 1. Informant profiles

Data analysis

Our qualitative research based on in-depth interviews and ethnography generates large amounts of data, which tend to overwhelm novice as well as experienced researchers. A one hour interview and observation could easily take 5-6 hours to describe in full. Thus, a central aim of data analysis, according to Robson (1993), is to reduce data. Our data analysis consists of a number of stages, i.e. examining, categorising and tabulating or otherwise recombining the evidence, in order to address the initial goal of a study. Our process of qualitative analysis aims to bring meaning to a situation rather than the search for truth focused on by quantitative research, using an abductive logic which consists in comparing collected data with theoretical constructs in constant evolution (Blumer, 1996 Pidgeon, 1991).

Findings

The findings of this study give us evidence about the representations of customers in the company's strategy. This study shows that these representations are in fact a set of recognized or unrecognized customer competences. 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 incompetent customer not capable to co-create value with suppliers except in his activity as an organizer of company resources. The data analysis revealed that there are four categories illustrating customer's profiles coping with the new situation of EDF group in the energy sector. Therefore, EDF employees perceive their customers according to four profiles: *myopic*, *ignorant*, *uncreative*, and *organizer of company resources*.

The "myopic" customer

The customer is perceived by our informants 'EDF employees' as a vulnerable actor who is not capable to acquire a power and make good decision because of his "myopia" in a context of competitiveness fitting with the deregulation due to market opening in the energy sector. Indeed, 'captive' customers (buyers or users) are reluctant to substitute one product with another because of the high cost (in terms of discomfort, effort, and/or money) involved in switching. Therefore, the fact of viewing customers as 'captive' clients who automatically think of EDF as their unique supplier is a direct consequence of the energy sector deregulation in France. Our EDF informants argued that their clients are not aware of the change that happened within the French energy sector. In addition, they pointed out that their clients are unable to distinguish between EDF electricity offers and "Gaz de France" which is an additional gas offer of EDF group. These customers are not interested in looking for a bargain by comparing EDF offers with offers of other energy suppliers. For that reason, EDF informants talked about 'customer inertia' within the electricity sector.

"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 customer 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 that could be a source of empowerment for clients through given them the power to choose among additional references and compare offers. Consumer's incapacity to utilize 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.

"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 EDF and GDF (Gaz of France)¹, and secondly let us say, between the regulated market and the unregulated one". (Informant 19, Strategic Marketing Department, 02/23/2007).

The cognitive aspect of customer's incompetence is related to the strong position of EDF group within the energy market: the clients are passive; they show a high level of dependency on their unique supplier EDF who obviously has a good image among French customers (French's favourite enterprise), EDF has a significant customers database, offers interesting rates, and is not obliged to cope with aggressive competition in the energy market. The struggle for power perceived by the market actors could be explained by the huge level of schizophrenic mindset of our EDF informants. In other words, EDF group did accept the rules imposed by the competitive game in the energy market by leaving his clients who should search another energy operator such as Poweo. This strategy is approved by all the market actors in order to avoid the abuse of a dominant position of EDF group in the 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, 09/28/2005).

The informants argued that there are diverse reasons which enhance customer inertia for example: customers are often afraid of unknown, the cost of exit barriers associated with switching supplier, lack of price competitiveness and less appealing offers comparing to EDF, and of course the high level of customer trust. Thus, some informants use the metaphor of transitology to express this trust by comparing customer with the general passage of the communism towards the liberalism, 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 customers hesitate to change "world" by custom, by comfort, by fear of the stranger or of an attractive but dangerous freedom: customers are perceived as having some difficulties to assert customer's status which the opening on the competition confers to them and to use the right to choose this status supposes.

"This fear, this apprehension to leave EDF, 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 EDF, because " I am out of order, we are on Saturday

¹ EDF-GDF was a unique firm who has benefited from a monopoly situation before the start of energy sector deregulation process

evening, I am not sure another competent company can go to repair my electric system, I prefer to stay with EDF". (Informant 7, Commercial Department, South West of France 09/29/2005).

The metaphor of married couple is also used to describe the influence of a sustainable relationship enhanced by everyday life which both creates habits and reassurance. If the customer can change to another supplier and that this possibility highlights some negative aspects of the relationship with EDF, 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, 06/12/2007).

Other informants suggest that the customer don't use its new rights to choose because he couldn't give his point of view on deregulation phenomenon which is above all the results of 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, EDF 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).

Customer as an "ignorant" actor

The cognitive dependency of the customer is enhanced by the firm's judgement and the way EDF actors are representing their clients. According to our informants, the client 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 his own. In fact, it seems like a patient who can not rationalize his symptoms and tries to call his doctor to be reassured. In our case, the customer expects his company EDF which is the unique and a powerful energy supplier on which customer's personal and professional life are dependent, to find a solution to his problem. The customer is then perceived by EDF professionals 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 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, 12/19/2005).

Sales people and marketers argue that client requirements such as «information requests» reflect the feeling of the customer dependency on EDF expertise.

"The customers use deficiently 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 which is excessive for 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 10/14/2005).

Furthermore, the informants emphasized the fact that the customer is obliged to follow several stages when purchasing because he does not master all the stakes of the energy business, so first of all he starts searching information by building up technical knowledge, then he elaborates his own knowledge by sorting out information and finally he chooses his energy supplier.

“Fundamentally, it is consumption not a purchase. One day, the consumer can make the decision to change his electricity supplier, but he has never been involved in a purchase process, in a marketing perspective, that is, ‘I know the marketplace, I take the information, I compare, I decide’” (Informant13, Strategic Marketing Department, 12/19/2005).

The “uncreative” customer

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 customer 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.

“When you try to convince customers to participate to a focus group, they answer you, they make efforts to answer you, but generally, they are not very creative, it turns very fast in the science fiction” (Informant 13, op. cit.).

Our EDF informants perceived their customers as being incapable to express their needs regarding the company offers (products and services). Otherwise, EDF marketers argued that the lack of creativity and innovation of their customers reaches a significant level.

The “organizer” of company resources

In 2004, a marketing director coming from the Information and Communication Technologies (ICT) Sector was recruited by EDF group, 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 canal is to create and establish a link between customers as well as to help the company to control management charges like in the banking sector (Benavent and Gardes 2006). 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, and also to guide high valued customers towards sales people in order to obtain a huge benefit from one-to-one services by orienting low valued customers towards channels which are less costly to manage this type of customers.

The customer is seen by EDF actors as consciously capable to manage and organize these channels. Therefore, the ‘multichannel customer’ device (Belvaux, 2006) enables them to legitimate strategic choices in terms of management costs as showed in the verbatim below.

“Unvalued calls (transmission of the consumption index) should be transferred to Internet. [] a survey launched by IPSOS (French marketing studies agency) shows that 62 % of customers use Internet as a primary source to search information about company offers (product or service). Regarding the electric system, some experimentation showed that it was more relevant to launch this offer on the Internet. It is necessary to take into account the shift happening with mobile phones, all the companies are developing these technologies, it’s the choice that we made but the customer also wants this kind of relationships through Internet” (Head of Operational Marketing Department during a meeting located in R&D department, 06/10/2006)

Competence is defined as the capacity of customers to utilize different resources (psychological, social, cultural or commercial) provided by the company (Arnould, Price and Malshe 2006). These resources could be classified into three categories: cognitive competences (Macdonald and Uncles 2007), instrumental competences (Lüthje 2004) and competences linked to the product usage (Von Hippel 2005; Berthon 2007). Our empirical work revealed customer incompetence as perceived by EDF actors. This incompetence might be explained according to three dimensions: the cognitive dimension (the incapacity of customers to get power of choice because of their ignorance of the market deregulation and the new position of their supplier EDF in the market energy), the instrumental dimension (the incapacity of customers to express their needs and their lack of technical knowledge regarding the energy offers), and the incompetence related to the use of product (which reflects the uncreative way customers are dealing with energy offers (products or services). However, they recognize that customers dispose of some “ideal” competencies such as the ability to use channels which can legitimate firm’s strategic choices: the notion of competence as perceived by our EDF informants is limited to the organization of company resources by customers.

Practical Implications

The findings of this research lead us to redefine the notion of co-creation at the heart of S-D Logic. Indeed, the nature of the relationship based on customer co-creation of value with supplier depends on the perception of the customer as competent actor and/or incompetent actor within his consumption experiences. Therefore, three generic situations could happen and have to be taken into account by researchers focusing on the customer orientation topic. The first situation represents the kind of companies who define the customer as an incompetent actor. In this case, our hypothesis would focus on the fact that firms still think of their clients in terms of their needs and not in terms of their competences. We then argue that this non-recognition is a manner to legitimate the implementation of stakeholder’s injunctions which in this case have the priority comparing to the “voice” of the customer (example from our case: European regulation in terms of energy control, guarantee of market competitiveness). In this first case, the co-creation approach seems restricted or even “impossible”. In the second situation, the company perceives the customer as a competent actor who disposes of consumption skills that are defined by the professional actors as the “ideal” competences. In theory, the company discourses emphasise the fact that customers can make their choices through different communication devices provided by the company. However, this way of enhancing consumer competence allows a less added-value in terms of empowerment and learning because the first goal of the company is to reduce costs by pushing customers to use Internet in response to their requests rather than dealing with the actors in the company. This method offers the customers more control on their exchange with the firm but also continues to keep the influence on the purchase decision-making; we call this approach the “oriented” co-creation of value. Finally, the third situation illustrates the case of a company who recognizes the competences developed by customers and wants to know more

about the appropriate techniques or methods to identify these skills as well as the factors of their emergence. In this case, we talk about “collaborative” co-creation of value supposed by: an approved consumption, volunteer, customer participation which is enhanced by a democratic access to technologies such as Internet, and information exchange.

Conclusion: originality, research limits and perspectives

The one case study in EDF group on which depend our findings represents an interest because of its remarkable character (Yin, 1994): the introduction of customer orientation in a new context characterized by the deregulation of the energy market was a relevant case to illustrate the way companies are coping with this new situation. Beyond the fact of analysing the transformation process of a public monopoly which is a very common topic, this case allowed us also to analyse the adaptation of “market actors” to the ecology change and its impact on the relationship at the heart of customer orientation between companies and their clients. We can argue that this case leads researchers in the marketing field to focus on the analysis of all the elements composing the customer orientation through a narrative and a rich managerial storytelling on professional actions. However, the fact of studying and analyzing one empirical case “EDF Company” is considered as a limit of our research because it reflects only one case in a French context and we can't compare our results on the customer representations with other works on the same topic. Therefore, our case remains an “extreme” case in a particular context of the energy sector deregulation in France. A similar exploratory research based on observation focusing on customer representations with professional actors has been conducted with a sample of 15 companies (Batat, 2008). By comparing the representations of different professional actors, we can be able to build a draft representing the dimensions of customer orientation based on the nature of the requested competences to co-create value with supplier. While marketing literature and professionals' discourse point out the concept of co-production by focusing on the customer, perceiving him as a “partner”, an “actor”, or even a “king” and placing him at the heart of the company strategy, customers are not all equal in terms of learning, accumulating knowledge and constructing competences. Thus, the company should take into consideration when focusing on the customer, the circumstances of the creation of competences: how does customer construct competences? According to which condition? Asking these questions leads the professionals to question themselves about the appropriate policy that allows the customer to construct and develop new skills to improve his consumption and his purchase and consequently co-create value with the company.

References

- Achrol, R.S. & Kotler, P. (2006), "The service-dominant logic for marketing: A critique. In: R.F. Lusch and S.L. Vargo, Editors, *Toward a service-dominant logic of marketing: Dialog, debate, and directions*, ME Sharpe, pp.320-333.
- Alba, J. W., & Hutchinson, W. J. (1987), "Dimensions of Consumer Expertise," *Journal of Consumer Research*, Vol.13 N°4, pp. 411-54.
- Arnould, E. J., Price, L. L., & Malshe, A. (2006), "Toward a cultural resource-based theory of the customer" In: Lusch, R. F., Vargo, S. L., editors. *The service dominant logic of marketing: dialog, debate and directions*, Armonk, New York: M.E. Sharpe, pp. 91-104.
- Bandura, A. (1977), "Self-efficacy: Toward a unifying theory of behavioral change". *Psychological Review*, Vol.84, pp.191-215.
- Batat, W. (2008), "Exploring Adolescent Development Skills Through Internet Usage: A Study of French 11-15 year olds", *International Journal of Consumer Studies*, Vol. 32N°4, pp.379-381.

- Batat, W. (2008), "L'appropriation des compétences de consommation par les collégiens. Le cas des loisirs interactifs chez les 11-15 ans", Thèse de Doctorat en Sciences de Gestion, IAE de Poitiers.
- Belvaux, B. (2006), "Du e-commerce au multicanal : les différentes implications d'internet dans le processus d'achat du consommateur", *Revue Française du Marketing*, octobre, N° 209, pp. 49-68.
- Benavent, C., & Gardes, N. (2006), "Evolution des canaux de distribution", *Revue Banque*, January.
- Berthon, P., Pitt, L. & Campbell, C. (2008), "Ad Lib: when customers create the ad", *California Management Review*, Summer, Vol.50 N°4, pp. 6-30.
- Blumer, H. (1969), *Symbolic Interactionism, Perspective and Method*. Englewood Cliffs, NJ : Prentice-Hall.
- Bonnemaizon, A. (2008), "La mise en œuvre de l'orientation client : rôles attribués au client et instrumentation de gestion, le cas d'EDF (2004-2007) ", Thèse de Doctorat en Sciences de Gestion, Université de Pau et des Pays de l'Adour.
- Grönroos, C. (2006), "What Can a Service Logic Offer Marketing Theory? " In Lusch, Robert F. and Vargo, Stephen L., eds., *Toward a Service-Dominant Logic of Marketing: Dialog, Debate, and Directions*. New York: Sharpe, pp.317-333.
- Lachance, M.J. & Legault, F. (2007), "College Students' Consumer Competence: Identifying the Socialization". *Journal of research for Consumers*, http://www.jrconsumers.com/data/page/4658/Nov_12_College_students_consumer_competence_V5.pdf
- Lusch, R. F., Vargo, S.L. (2006), "Service-dominant logic: reactions, reflections and refinements", *Marketing Theory*, Vol. 6 N°3, pp.281-288.
- Lüthje, C. (2004), "Characteristics of Innovating Users in a Consumer Goods Field". *Technovation*, Vol. 24 N°9, pp. 683-695.
- Macdonald, E. K., Uncles, M.D. (2007), "Customer savvy : conceptualisation and measurement", *Journal of Marketing Management*, Vol.23 N° 5/6, pp. 497-517.
- Pidgeon, N. (1991), "The use of Grounded Theory for conceptual analysis in knowledge elicitation", *International Journal of Man-Machine Studies*, Vol. 35, pp. 151-173.
- Robson, C. (1993), *Real world research a resource for social scientists and practitioner researchers* Oxford: Blackwell.
- Schunk, D.H. (1985), "Self-efficacy and school learning", *Psychology in the schools*, Vol.22, pp. 208-223.
- Strauss, J. & Frost, R. (2001), *E-Marketing*, Upper Saddle River, NJ: Prentice Hall.
- Vargo, S. L., & Lusch, R. F. (2004), "Evolving to a new dominant logic for marketing". *Journal of Marketing*, Vol. 68, pp. 1-17.
- Vargo, S. L., & Lusch, R. F. (2006), "Service-dominant logic: What it is, what it is not, what it might be". In R. F. Lusch, & S. L. Vargo (Eds.), *The service-dominant logic of marketing: Dialog, debate, and directions*. Armonk, NY: ME Sharpe, pp. 43-56.
- Vargo, S. L., & Lusch, R. F. (2008), "Why service", *Journal of the Academy of Marketing Science*, Vol.36 N°1, pp.1-10.
- Von Hippel, E. (2005), *Democratizing Innovation*, Cambridge, MA: MIT Press (April).
- Yin, R. (1994), *Case study research: Design and methods* (2nd ed.). Beverly Hills, CA: Sage Publishing.