

# **Cognitive Justice for Consumers: Mediation through Efficiency of Information Exchanges**

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## **Introduction**

The quest for justice is centuries old. However, the recent past has given new meaning to it. There is increasing number of complaints against economic institutions. Consumers are seeking outlet for all these issues. Assertion for justice has increased due to the growth of meta organizations, where external force has become the dominant force (Anand, S, 2006). External force is represented in the form of consumer groups who are also shaping the process of production. It has been argued that a farmer's or consumer's voice is as strong as a dictum from scientist. Creativity for cooking is as important as an innovation from a CSIR laboratory, "Sensory or intuitive knowledge as of Cooking evolves in one's life through encounters with information which one processes according to one's cultural context and then assimilates. Cognitive justice ensures the acceptance of alternative knowledge, and the right of many forms of knowledge to exist, as all knowledge is seen as partial and complementary with each bit containing incommensurable insights "(Visvanathan, S. as quoted in Anand, S. 2006).

## **Research Problem**

In the above mentioned context, the following questions emerge which are discussed in the study:

1. Is cognitive justice the 'necessary criteria' for defining consumer justice?
2. How is it getting influenced by emergence of online communities and consumer groups (Evolving Meta Organizations)?
3. How is it getting influenced by civil society movements (Evolving Meta Organizations)?
4. What is the common problem which consumers in both the communities (online and civil society) are facing?
5. Is there any common framework which can facilitate the understanding of cognitive justice for consumers?

## **Methodology**

The methodology followed here is discourse analysis of the existing literature and facts.

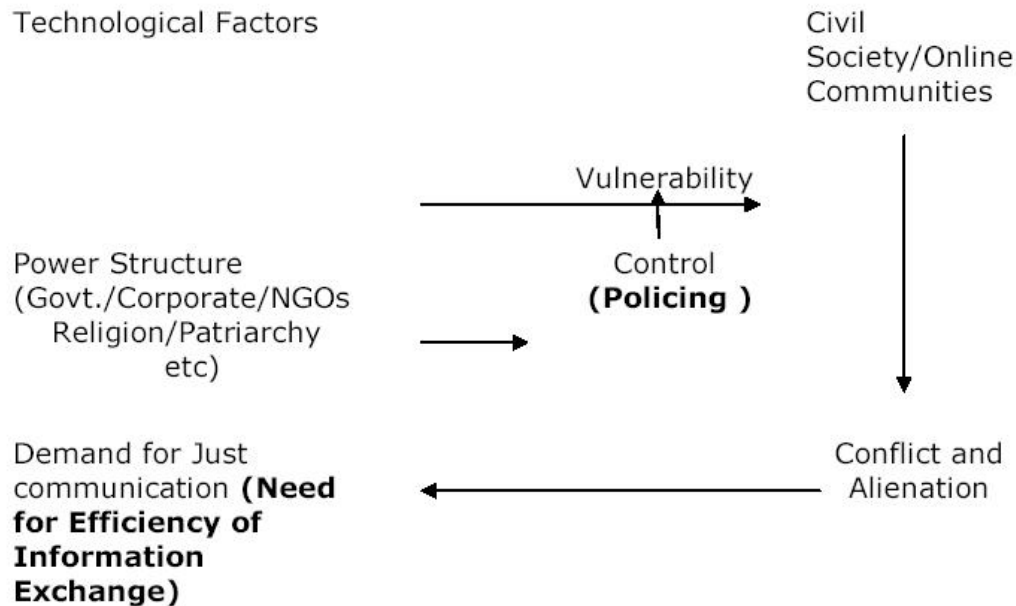
## **Discussion**

Across the globe, there is emergence of various forms of online communities. Internet revolution has reemphasized the collective bargaining power and so we see more and more online communities being setup by companies; Axe Unlimited Academy, BeingGirl.co.in to name a few. Through these on-line communities, companies are trying to negotiate upon the product and pricing. All this suggests a collective bargaining power, which is required to solve our problems. These online communities are helping consumers to raise their voice. The consumer is empowered. For instance at <http://www.ldraw.org>, Adult Fans of LEGO are influencing key decisions of the company (Schutz et al. 2006). Technology seems to be mediating the expression of one's voice. However these online communities are limited to few. Not everybody has an opportunity to raise his/her voice through email.

This expression of voice has started compelling corporations to emphasize about ethical behaviour, where duties and obligations are being redefined. It seems that it is unavoidable. Today, in this way, 'socialization of corporations' is happening. What one will call it in psychoanalytic fashion that 'Super Ego Structure'<sup>1</sup> of corporations is being formed. Corporations are being forced to make a choice not only between profitability and non-profitability in

immediate context but choice between what is good for citizens and not-good for citizens. The indirect impact of citizen branding in terms of creation of wider good and trust and thereby enhanced customer loyalty is well documented (Willmott, 2003). Citizen branding indicates towards common societal good and set up the context for just communication.

**Fig 1. Framework for Consumer Justice**



The above suggested framework depicts the need for consumer justice getting mediated through efficiency of exchanges.

According to this framework, the technological changes have made it possible to live two lives simultaneously. We get an opportunity to live in cyber reality, where one lives second life (Paul Hemp, 2006). This second life provides us opportunity to collectively bargain as consumer by becoming member of an online communities. Collective bargaining and so there is conflict with power structure. Many such communities are available which provide opportunities to raise one's voice.

*“the Internet has given birth to online infomediaries such as shopbots, virtual advisors, and consumer opinion platforms. With the help of shopbots (e.g., shopping.com, mysimon.com, dealtime.com), buyers can retrieve comparative information on prices, companies, products, and services at low costs and very quickly. Virtual advisors (e.g., ActiveDecisions.com, MyProductAdvisor.com) provide consumers with expertise in complex purchase decision settings. Moreover, virtual consumer opinion platforms (e.g., epinions.com, consumerreview.com, ciao.com) allow consumers to engage in electronic word-of-mouth and share experiences about nearly all kinds of products and services”.*

(Rezabakhsh et al 2006).

However, when one finds that this is being misused by power structure or power structure is not responsive enough, one feels alienated even within this online system. A study done by Sahoo, A & Subramanian, P. (2007) shows that though on the website of sunsilkgangofgirls.com, many forums have been created to share one's views but company have not made any effort to listen to the customers voice, so they have become *“frustrated”*. They find the communities like orkut to be more appropriate, which not only provide them opportunity to share their voice but has been more responsive in terms of providing value added services.

At the same time, there is a certain population in the third world countries which sees elevators in a high-rise apartments or escalator in a shopping mall but can not develop belongingness for that. This population is unable to develop the belongingness for these ultra modern technologies in real world because the activities around these technologies are not for him/her. So, both online communities and deprived community feel alienated and conflict gets created in their mind. Both the communities (Internet and deprived) are in constant search of an equilibrium which economic institutions could offer them.

It can be argued the nature of conflicts are different and so the needs of the communities are also very different. But, if the problem is conceptualized at the level of exchange with economic institutions, it can be observed that the if both the parties involved start performing their duties and obligations as expected from them , an efficient exchange system gets created. If home country gives the equivalent treatment to the host third world country, the problem gets resolved. It appears that Internet technology and civil society movement have created a convergence point. It is the point where both main stream consumer group and deprived consumer group is meeting. The common theme is feeling of alienation and conflict with the economic institutions or power structure.

However, the other side which represents the power structure is trying to exercise the control on both of these communities in various forms. Many instances of such control exercise may be seen.

For Instance, In India, there has been a debate revolving around genetically modified (GM) seeds and cotton for the last one decade. However, political citizen living in various parts of the country is not well informed about it. In one way, one can sense that citizenship is not being treated in the same way as will be in the host country. For Example BT cotton debate has raised issues related to health of soil, environment, crop, animals and human being. However, citizens of India do not have information related to that. It is well known now that worldwide, edible fish is contaminated with metals. In the developed countries, there is clear cut warning against that but in India that warning is not present in the formal sense. So, we see that in India there is clear lack of exchange of information which creates barrier against efficiency of exchange.

However, demand for just production and communication is increasing. On many occasions, the voice is getting reflected on media. On Television programmes, consumers can directly participate and voice their problems. They are acting as consumer journalist as one Television channel in India ,CNBC Aawaj has defined it. However, not all the audience participates in it directly. There is limited number of audience who is actively participating in it. If one analyzes the programme content and looks at the detail one finds that efficiency of exchange is not created at its first level through efficient exchange of information. For instance, in many complaints registered against credit card companies, the problem is there as consumers have not been informed properly about the credit card usage or payment conditions. On the contrary, there is policing of these consumers where with the help of organized physical force, where they are being tortured. Companies argue that problems happened because the consumers did not ‘know’ about credit card usage conditions. The knowledge of consumer is limited. The companies seem to be shirking away from the fact that onus of creating efficiency in exchange of information of lies upon them.

An empirical study done by Agarwal et al (2007) very clearly indicates that consumers are seeking, expecting and demanding more and more information from the advertisements. The study was done to explore and identify the reasons for ad avoidance in the context of advertising by HLL. Information related expectations are being observed in the entire related categories viz. oral care segment, Deodorant category, Hair Care, Tea and Coffee, cosmetics, laundry. Consumers feel that advertisements are repetitive in nature and do not provide any information to us. The relationship of consumers on the dimension of trust with advertisement is also low. Studies done abroad also reflect in the same direction. A survey done in the UK by the Work

Foundation and the Future Foundation shows that Nike had the lowest trust rating amongst 30 companies. Ratings were quite low in comparison with brands like The Body Shop or Virgin (Willmott, 2003). The major complain by customers here is that companies are not transparent. They need more information related to the products and companies. A study done by Mahapatra, J (2007) shows that customers are carefully looking at constituents for talcum powder and deodorant. They say that they want to know what all chemicals are being used by the companies. All these empirical evidences seem to be indicating that value based communication & practices are likely to impact our future. Value based communication requires transparency at its minimum. Companies need to look at their conscience, particularly Multi-national companies as lack of trust is more associated with those. So, it requires an introspective thinking on the part of companies. Therefore, it seems that demand for just communication shall be met only through value driven information exchange.

*“First generation communication as we have called it, was outward-facing. Second generation communication faced inward. In the values-based business world heralded by the changing patterns of work, lifestyle and social issues, and the call for an economic model more in keeping with nature than the one that’s got us into the ecological mess we’re in, Third generation communication will move further inward-into the very consciousness of the organization” (Youell et al. 2000)*

There is substantial evidence available in favour of investment on values and value driven corporate strategy. The values are being defined in terms of values serving common good. The major challenge for value driven strategy is conflict of values, particularly between individual & organizational values and global and local values. The challenge requires creation of plural values in democratic manner. Openness to plurality or co-existence in itself indicates emphasis to human values. The emphasis needs to translated in all its form. Realization of this seems to be increasing and so the capitalization of these for differentiation purpose. Many a times, it is being handled in symbolical manner. E.g Johnson & Johnson’s surgery division not only practices but communicates that for human life, lives of pigs are being ‘sacrificed’. It is sacrifice on the part of pigs. Many human rituals related to funerals are performed for that. It symbolizes that everybody’s voice including of animals is of equal importance. An animal is also contributing in creation of human knowledge and understanding. So he should be recognized for the same and cognitive justice should prevail.

### **Implications for Marketing and Consumer Policy**

It is often observed that companies are loosing their consumers because the efficiency in information exchange could not get created. Initially, many companies do not seem to bothered when there is loss of few customers. However, gradually the number of lapsers increases and there is effort to create the ‘Just Communication’. Just communication implies that companies are trying to communicate their true selves to consumers and in the process they try to remove the contradictions inherent in the communication. So, in the given context, this paper tries to argue that these problems could be tackled if both the parties give substantial views to each other points at the time when the conditions of communications are being set. It is time when designing of product and communication its happening. Through this, one assigns equal importance to other party who is not any expert in the entire process. It also creates the efficiency in the entire exchange process and so the cognitive justice prevails.

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<sup>i</sup> In Indian Context, post independence and pre-1991 liberalization phase, one would like to call as 'Id' of Corporations in India where the contact with outside reality was minimal. The opening of economy in 1991 starts building the ego structure of corporations in India, where one starts recognizing competition from outside world. After a decade, it finds itself , in the domain of rights and law. That happens because world wide, anti-logo consumer movements become stronger and moral responsibility comes at the centre stage, which one calls as the development of super-ego structure of corporations. The entire process is termed as socialization of organizations.