

# Relationships in Marketing Channels: Examining Communication Abilities through Cognitive Structures

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## ABSTRACT

**The purpose of this article is to examine how product meanings overlap among the subsystems of design, manufacturing and retailing in the marketing channel. This means analyzing how designers, manufacturers, and retailers perceive the same product, and to what extent product perception is shared among them. In order to understand how a product is perceived in each role (i.e., the role of designer, manufacturer, or retailer) and in what way product meanings are shared among these roles, the researchers begin with a theoretical description. This concerns how the sharing of product meanings can have an effect on communication in marketing channels, and what kinds of product meanings have been found to be essential in the roles of design, manufacturing, and retailing. The theoretical description is further elaborated by an empirical analysis carried out in the Finnish furniture industry, where in-depth interviews with six designers, five manufacturers, and five retailers were carried out. The interviews aimed at revealing the product knowledge structures of the respondents. These knowledge structures were analyzed and compared within and between the**

**groups of designers, manufacturers, and retailers. This was done in order to find out what kinds of meanings may be highly role related on the one hand and what kinds of meanings may be shared between the roles on the other hand. © 1998 John Wiley & Sons, Inc.**

We are surrounded not only by an extensive variety of products through which we may be able to measure our standard of living but also by a vast number of images and symbols that imbue these products. Products seem to be more than physical entities presented by a bundle of attributes: "Modern goods are recognized as psychological things, as symbolic of personal attributes and goals, as symbolic of social patterns and strivings. In this sense, all commercial objects have a symbolic character . . ." (Levy, 1969, cited in Leiss, Kline, & Jhally, 1986, p. 242).

In marketing literature, the subject of product symbolism mainly appears in the context of consumer behavior: The main question asked is how consumers construct and impregnate products with subjective meanings. However, some researchers emphasize that product symbolism is a dual phenomenon: On the one hand consumers use and consume products with symbolic meanings, and on the other hand symbolic products are created and produced in several marketing systems (e.g., Hirschman, 1986; Solomon, 1992). Marketing channels and people within them can be taken as an examples of creators of symbolic products: Designers, manufacturers and retailers operate as mediators of the product image and symbolism. These people evaluate products through their roles in the marketing channel, and in this way they are able to mold product profiles.

Designers, manufacturers, and retailers play different roles in the marketing channel, and it is highly probable that their roles affect the nature of product meanings attached to products (see Hakkio, 1994). Are these roles by nature so different that communication between designers, manufacturers, and retailers suffers from a lack of mutual understanding? The need for communication between designers, manufacturers, and retailers becomes essential to an ever-increasing extent when products are more often described by means of abstractions and in nonmaterialistic terms. The possibilities of describing and evaluating products in more abstract terms are numerous, although products have much the same concrete appearance. To what extent are designers, manufacturers, and retailers then able to communicate through meanings attached to the same products?

The purpose of this article is to examine how product meanings overlap among the subsystems of design, manufacturing and retailing in the marketing channel. This means analyzing how designers, manufacturers, and retailers perceive the same products, and to what extent product perception is shared among them. The study begins with a theoretical description concerning how the sharing of product meanings can

influence communication in marketing channels. This is followed by an analysis of what kinds of product meanings have been found to be essential in the roles of design, manufacturing, and retailing. The theoretical analysis is based on previous research concerning channel management, consumer behavior, cognitive structures, and design theories. This type of interdisciplinary approach provides not only a wider but also a deeper understanding than traditional research on marketing communication. The theoretical analysis is further elaborated by an empirical analysis carried out in the Finnish furniture industry. This empirical analysis is aimed at offering an in-depth description and comparison of the relatedness of the perceiver's role and product meaning structures. This study is explorative in character because previous research on this subject is rather scarce. Thus, this kind of approach can be claimed to be quite novel. This study aims at creating preliminary understanding and at raising questions to be answered in future large-scale research.

## COMMUNICATION IN THE MARKETING CHANNEL

By communicative actions we express ourselves, and by communication from outside we interpret the world and phenomena in it: "Man needs goods for communicating with others and for making sense of what is going on around him. The two needs are but one, for communication can only be formed in a structured system of meanings" (Douglas & Isherwood, 1979, p. 95). Communication in a "structured system of meanings" implies that it unites a group of people into a social system where each individual plays his or her role. The reason individuals play their roles is to accomplish the goals, objectives, and desires they have attached to these roles. If the goals are not and cannot be conveyed to other people in the system, they may not be fulfilled. When someone has goals contrary to those of the others in the system, it is likely that this person is replaced by someone else who fits into the system thanks to appropriate goals.

Communication is commonly seen as a process where different domains (the domains of source, channel, message, and receiver are the commonest) can be separated and therefore examined separately. Communication is then understood as transmission of messages between sender and receiver. This kind of model of the communication process as one-way transmission is like an electronic transmission model. It may be unsuitable in a study of human communication that is largely based on the *sharing* of meanings, not just on transmission of meanings (Sless, 1986). Communication is not transmitting thoughts, but sharing messages and meanings in them. This offers an interesting approach to studying the marketing channel not as a flow of transmitted messages but as an arena of shared or not shared messages. Indeed, Sless (1986)

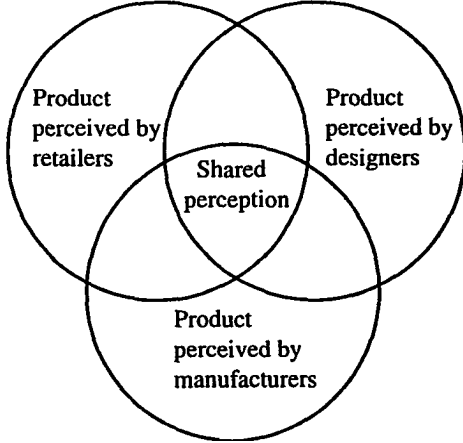
is somewhat skeptical about communication as the sharing of meanings. He emphasizes that we should ask "whether sharing is actually taking place" (p. 29), rather than taking this for granted.

When the research interest is in revealing the messages carried by products, we are talking about product perception. Because perception is subjective by its very nature, three interesting questions can be posed about the roles in the marketing channel. Communication in the marketing channel can be examined through studying communication as the sharing of product perception and meanings on three levels that are based on the relations among the subsystems of designers, manufacturers, and retailers. These three levels are (a) sharing in one of the subsystems, (b) sharing between two subsystems, and (c) sharing among three subsystems.

Communication as the sharing of meanings is most effective when the interacting people are similar (Rogers & Shoemaker, 1971). Similarity is a result of corresponding attributes of these people. A person's role or position can be assumed to be an attribute connecting him or her with similar roles or positions. Then manufacturers could be assumed to be similar among themselves, as are designers and retailers in their own groups, and thus be likely to communicate and share meanings most effectively within their subsystem. Similarity can be a result of communication as well as the reason for communication to occur. The more similar people are, the more easily they communicate, but also the more communication occurs between people, the more similar they are likely to become (Rogers & Shoemaker, 1971). Triandis (in Stewart, 1985) has used the term "subjective culture," and according to him "people who . . . engage in similar activities (e.g. have similar occupations) are likely to share the same subjective culture" (p. 214).

The more you communicate with someone, the more probable it is that you will begin to understand and even adopt her or his messages and the meanings in them, even if this other person is not similar to you. Then you "cut the pie of experience" (Stewart, 1985, p. 214) with this person, and experience the same subjective culture. This means that a larger sharing of meanings in the marketing channel is attainable. The second level of sharing occurs between two subsystems, while the third does not participate in communication. Questions of how and why two subsystems communicate can be answered through analyzing meanings that both parties attach to the same products.

However, if the whole marketing channel is to function most effectively, shared product meanings between two subsystems must be communicated to and adopted by the third subsystem as well. Wuthnow, Hunter, Bergesen, and Kurzweil (1984) in this sense refer to Peter L. Berger's definition of culture as institutions. Institutions are the roles in society as seen from a micro perspective, but at the macro level these institutions or roles are structurally integrated. The scope of integration depends on how evenly distributed meaning systems are between the



**Figure 1** Overlapping areas of product perception

roles. The more sharing there is between the roles, the more integrated (and effective) the whole system is (see Figure 1).

When claiming that the shared area of meanings could and should be extended, it is too inaccurate and simple to make rules of thumb like “more/improved communication needed.” But the literature on communication strategies in marketing channels has concentrated on just that (Mohr & Nevin, 1990). To know *how* the area of sharing could be extended, one needs to know what this sharing consists of and what is excluded. Product perception can be revealed through product knowledge structures, and communication as sharing meanings becomes palpable when one examines convergent patterns of meanings (both quantity and quality) in knowledge structures (see Hakkio, 1994). Communication as shared product perception is successful when product knowledge structures are shared by designers, manufacturers, and retailers. This can be achieved by examining the abstraction levels of product meanings and the intensity of communication involved.

## **ROLES IN THE MARKETING CHANNEL AS MEDIATORS OF PRODUCT MEANINGS**

When the marketing channel is understood as a vital part of symbolic consumption, it follows that products are charged with imaginary and experiential meanings. This would mean that people in the marketing channel may not use product criteria based solely on economic aspects but on more personal, symbolic aspects. What kind of criteria can then be found to be essential in the roles of designer, manufacturer, and retailer?

Different roles in the marketing channel mediate subjective meanings: "at the cognitive level, roles mediate specific sectors of the common stock of knowledge" (Wuthnow et al., 1984, p. 42). Relevant, specific meanings and knowledge in the roles may be revealed by finding out the codes of product perception. According to Durgee (1986), code is the rule system indicating how people perceive and structure reality: codes represent "socially shared sources of product meaning" (p. 332). Codes are systematic rules by which perceived product characteristics are associated with more abstract meanings, and as such they can be defined as basic orientations in product knowledge structures. Next an attempt will be made to reveal what kinds of codes are used in different roles in the marketing channel.

### **The Codes of Design, Manufacturing, and Retailing**

In order to find out the codes of product perception used by *designers*, the researchers turned to the literature concerning art, art history, and design. This literature suggests that the prominent dimensions of man-made objects are function and aesthetics (see Kruskopf, 1989). Designers may have more of an expressive than an instrumental role when they are conceived as being responsible for creating products that make the world beautiful and meaningful, also in a functional sense. Such an expressive role also suggests that designers may have a preference for abstraction and for feelings toward products. (Berlyne, 1971). Abstraction combined with affective responses could also lead to the use of specialized (see Woolley, 1992) and comprehensive language when designers perceive products.

Designers may emphasize their role as a *profession*, which might mean that certain ideologies were common to them: altruism and heroism (e.g., striving for harmony in order to make the world meaningful), rationality through internal control (i.e., competition between designers), and autonomy (independence), as well as knowledge through expertise (gained from both education and work practice) and intuition (see Brante, 1988). To conclude, designers' code of product perception could be claimed to be *aesthetic-mythical*. That the code is aesthetic in character can be proved by what has been previously said about designers wanting to make our world more beautiful, more harmonious, and more meaningful. Aesthetics in design is emphasized in their education as well as through a general understanding of design as a form of art.

The reason it is claimed that their perception code is also mythical is that designers, when following some design theory or tradition, may want to express the values, stories, and myths behind that tradition. For instance, the tradition or myth of Finnish design is expressed in products through certain form language (e.g., simplicity and natural material). This could also imply that their way of product perception is based on stressing the association between product attributes and sym-

biolic meanings. Furthermore, they may easily elaborate differences between products rather than only perceiving product by product (elaborated code, to use Durgee's, 1986, term).

In order to reveal the codes of the product perception of *manufacturers*, the researchers turned to literature dealing with entrepreneurship and leadership. It suggests that manufacturers seek their opportunities through production rather than product development and marketing. Production is evaluated by technical and economic criteria: the main objective may be survival, which is attained through productivity, efficiency, and profitability. These kinds of objectives and goals could again suggest that product attributes and consequences are the main abstraction levels on which manufacturers perceive products as the outcome of production. They may have a tendency to perceive products on a limited time horizon (past and present, not future; cf. d'Amboise & Muldowney, 1988) and on the basis of physical quality. They seem to have high regard for personal values of achievement, success, and personal independence. Only one altruistic goal, employee welfare, is appreciated, not social welfare or social values like dignity, influence, and power (see England, 1975; Stratos Group, 1990). These may be the end values; In order to achieve them organizational economic goals may be required to come first.

Manufacturers can be claimed to play an instrumental role in the sense that they are inclined to adapt to the external environment, not necessarily to be in control of it (cf. Berlyne, 1971). Manufacturers may not perceive themselves as constituting a profession, which would join them. They may to a greater extent consider other manufacturers competitors, against whom they must fight to survive. Manufacturing could be defined as a trade where skills<sup>1</sup> and training are respected, and where a common code of product perception could be termed *utilitarian-economic*. Manufacturers may perceive products on the basis of technical attributes and physical quality by which economic goals can be attained. The manufacturers' code may be more restricted than the designers' code, which was claimed to be an elaborated one (see Durgee, 1986). Using with such a restricted code of perception, manufacturers may fit products into economic and organizational contexts rather than assign them to some distant beliefs and values.

For the codes applied by retailers the researchers turned to the literature concerning retailing and channel management. A distinguishing feature of retailers is that they are the closest to consumers. They are able to finally decide what products are to be offered to consumers. Retailers seem to be quite powerful in the diffusion of products and they

<sup>1</sup>Skills, as they relate to manufacturing as a trade and craft, can be generally defined as the competence and experience to handle materials and techniques with expertise. Of course, the types of skills (for instance, technical or manual skills) appreciated vary between industries because the objects produced in different fields of manufacturing require different types of skills (see Becker, 1978).

may have many different ways to operate in the selection of suitable products. Although retailers can be claimed to have the final power over products in the marketing channel, they are at the same time dependent on environmental forces composed of manufacturers, consumers, society, and competitors. The achievement of goals and objectives that retailers impose on their actions and firms are also related to how effectively retailers are able to operate in these contexts. For instance, retailers do not have the power to decide whether consumers buy products or not. According to Ford (1990), factors that remain essential in retailing contexts over at least this decade are retailers' economic role, setting the trade-off between price and service, and the segmentation of consumers. He claims that as retailers have always been close to consumers, they have also preferred a position as consumerists. As consumer allies, they have the power to force manufacturers to offer good quality at a reasonable price. Consequently, such a consumer viewpoint in the product perception of retailers may be displayed. The quotation about the economic role could be interpreted as a *social* variable, because from society's point of view distribution systems must function effectively so as to provide good quality at reasonable prices for consumers (Persson, 1989; see also Ford, 1990).

In order to somehow influence consumers' buying decisions, retailers must define the *segments* they try to reach and the means by which these segments can be reached. Because many consumers may seek product information from only one or two retail stores each retailer should try to reach and cover those consumer segments that rely on him or her. Because, consumers are able to choose from which retailer(s) they will buy, retailers must offer competitive advantage over other retailers. Retailers must either choose to operate in contradiction to the ideal attributes of retail stores (e.g., price and location), or to operate according to such an ideal image but offer some added value to at least some consumer segments (see Davies, 1992; Ford, 1990).

The retailers' code of product perception could be interpreted as *so-ciocommercial*. The commercial aspect includes responding to consumer demand and determining the exchange value of products, which can simply be understood as price. However, price must be defined in terms of what commercial value a product has "in relation to other products of the system of commodities" (Nöth, 1988, p. 179) and in relation to the prices of *competitive* retailers. The retailers' code is social in the sense that, as consumerists, retailers may emphasize good *price-quality relationship* to offer added value to consumers. On the other hand, the social aspect denotes that retailers, because they are closest to consumers, most probably have the widest understanding of the contexts and situations in which products are used (Kaiser, Schutz, Chandler, & Lieder, 1986). This may also help retailers to *segment consumers* and choose different selling strategies for different segments. In addition, retailers



may categorize products with different consumer segments used as criteria.

The key issues of competition, price-quality relationship, and consumer segmentation in the retailers' code can be claimed to be important to both the retailers of various product types and the retailers of services. For instance, Levitt (1980) argues that *all kinds of products and services* consist of tangible and intangible attributes. The intangible attributes can be used in the differentiation of products and services from competitors as well as in getting and satisfying customers. Furthermore, Davies (1992) suggests that products can be differentiated by using product attributes that are not essential for every shopper. According to him, these product attributes "inherently segment the customer base and can often explain the differentiation between competing retailers" (p. 30).

The codes of product perception in different roles are summarized in Figure 2. Although Figure 2 suggests that dissimilar meanings at separate abstraction levels are emphasized in different roles, this does not mean that shared meanings among the roles are excluded. The codes are dissimilar because within single roles such meanings may be more emphasized, but there are also possibilities of understanding products to have other meanings that can be common among the roles.

Figure 2 is organized according to three abstraction levels of product

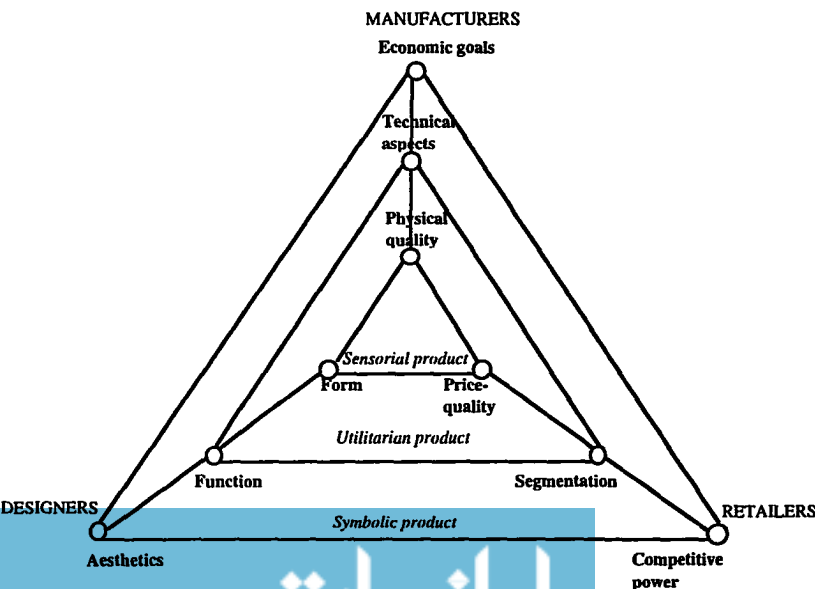


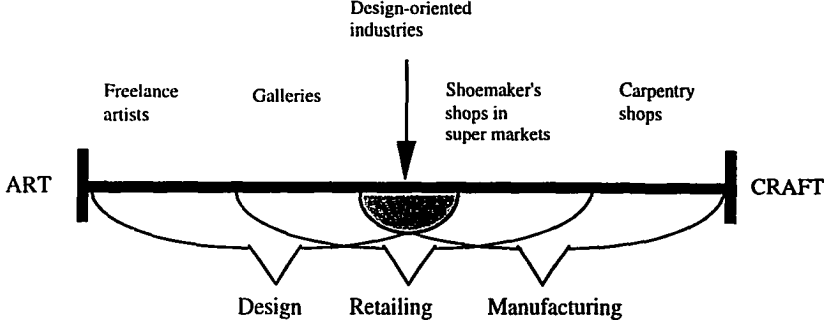
Figure 2 The codes of product perception

knowledge (cf. Rajaniemi & Laaksonen, 1989). The inner triangle represents the lowest abstraction level of product meanings. It consists of concrete and abstract product attributes emphasized in different roles. These attributes are seen to construct the sensorial product. The middle triangle consists of consequences associated with the adoption of the product, and the consequences together form the utilitarian product. The outermost triangle is composed of values emphasized in different roles. These subjective values held by the representatives of different roles constitute the basis for the symbolic evaluation of product. The levels of product knowledge are formed with the assumption of a means–end relationship between the levels. This means that attributes are assumed to be means of achieving consequences that in turn are means to attaining important values (Gutman, 1982). A means–end chain reaching from attributes to values can be seen to formulate the basic orientation or code applied in product evaluation.

It was suggested that the designers' code of product perception is based on the form of product that contributes to the functional consequences associated with the product. These two, *form* and *function*, together determine the *aesthetic value* of the product. This code was termed as aesthetic–mythical. The manufacturers' code was labeled as utilitarian–economic. They are assumed to emphasize the *physical quality* of the product, which brings *technical challenges* for production. Resolving these technical challenges helps to achieve the *economic goals* set for the firm. Retailers' code was interpreted as a socio–commercial one. Retailers are assumed to focus on *price–quality relationship* when evaluating the product. This is in order to be able to satisfy the demands of selected *consumer segments* and so to develop *competitive power* in the markets.

## EMPIRICAL ANALYSIS

As the focus of the empirical analysis the researchers wanted to have an industry where abundant communication between the members in the marketing channel is necessary. Design-oriented industries especially fit this description. Design orientation may be suggested to be based on an industry's capability to combine art and craftsmanship. On the one hand, an important criterion of products is beauty and artistic character, while on the other hand products are evaluated through their usefulness and through technical skills needed in production. Art and craft can be claimed to represent the opposite ends on a continuum, where craft emphasizes the usefulness of products and art stresses the uniqueness of products (see Becker, 1978). The continuum from art to craft can also be claimed to describe differences between businesses. In some business, art may define the type of products, while in another one craft is the determining factor (see Figure 3).



**Figure 3** The continuum from art to craft

The art–craft continuum is illustrated through different businesses in Figure 3. Design-oriented industries are businesses where both art and craft are emphasized. Operating in design-oriented industries demands tight cooperation and communication among manufacturers, retailers, and designers. Examples of industries that are strongly based on design orientation are businesses producing durable consumer goods, such as the clothing and furniture industries. The researchers finally decided to focus on furniture industry in Finland.

Because firms in the furniture industry can also vary according to their emphasis on either art or craft, the interviewees were selected so that they would represent an “average” sample (i.e., would be in the middle of the art–craft continuum). This selection was made by the help of judges having long experience in the Finnish furniture industry. By doing this, the researchers were able to study the internal homogeneity and comparability of the roles.

The subjects of the study were designers, manufacturers, and retailers representing the Finnish furniture industry. Altogether 16 interviewees were selected; 6 were designers, 5 were manufacturers and 5 were retailers. The number of respondents is limited because of the exploratory nature of this study, but it is compensated for the in-depth nature of the investigation, which produced quite an extensive amount of research material. There were six designers because the last interview was used to check the amount of novel information that additional interviews could offer to us.

In order to generate the product meanings of the respondents, the researchers chose nine products from the product group of bookshelves to be evaluated.<sup>2</sup> In general, furniture may be easily categorized and classified. Furniture also very probably possesses deeper connotations and symbolism (see Csikszentmihalyi & Rochberg-Halton, 1981).

<sup>2</sup>Products were also chosen according to the criterion of sales volume: One third of the products had good sales records, one third had medium, and one third had poor sales figures.

Bookshelves were selected because they can be visually evaluated (i.e., using photographs), and this again alleviates the task of data gathering.

When choosing the method to be used in the investigation of product meanings in different roles, it was the theory of cognitive structures that proved to be useful as a starting point. There are several procedures that could be used to map product knowledge. Methods like paper-and-pencil tasks and free-response techniques are attempts to measure product knowledge directly, whereas methods such as usage experience and self-perception try to capture characteristics of individuals thought to be related to product knowledge (Kanwar, Grund, & Olson, 1990). The researchers found it more appropriate to choose a direct method, because when using an indirect method there may be a danger that results represent individuals' "self-confidence rather than their knowledge in a domain" (Kanwar et al., 1990, p. 603). This would of course be dangerous in terms of validity.

Theoretically, product meanings were organized into abstraction levels according to the means-end theory. The researchers are interested in looking into different abstraction levels of knowledge structure through single nodes (or meanings) within them as well as through linkages between nodes. In this way, the focus is on both the structure and content of the knowledge structure. These can be revealed with the help of a laddering technique (Laaksonen, 1994), which has its theoretical roots in the means-end theory (for a detailed discussion of the method, see Reynolds & Gutman, 1988).

Interviewing by laddering technique begins by building basic distinctions. These were made according to a free sorting procedure. Photographs of nine bookshelves were given to the respondents. They could put these shelves into as many groups as they wanted so that in each group there were similar shelves that differed from other shelves in other groups. After this, the respondents were asked to name the product attribute(s) that they had used in making the distinction. These attributes were used as an input data to a series of why questions. Interviewing proceeded through asking each respondent "why is that important to you" on each evoked concept, forcing this person to climb the ladders of the mind. The aim was to get the richest possible description of the content and structure of the individual's product knowledge structure.

## RESEARCH RESULTS

Altogether 2,409 single meanings were elicited from the interviewees. The average numbers of meanings within the three groups were man-

manufacturers, 114.8 meanings; retailers, 155.6 meanings; and designers, 176.2 meanings on average. This means that designers had the richest variety of knowledge structures, and that manufacturers as a group identified the lowest number of meanings. Retailers appear to represent a medium number of product meanings.

The elicited meanings were coded into meaning classes that would reflect everything the interviewees mentioned. First, meanings were classified as either attributes, consequences, or values. Further, attributes were divided into concrete and abstract ones, and consequences into functional and psychosocial ones. Meanings at value level were not categorized as either instrumental or terminal values, but they were taken as representing values in general. This was also because values appearing in this kind of context are not only personal values related to life, but also values that describe the goals of, for instance, organizations. Such domain-specific values (cf. Vinson, Scott, & Lamont, 1977) may better describe how someone perceives how she or he should act as a designer, manufacturer, or retailer.

Single meanings were coded in broader meaning classes in so the researchers could produce an overall, aggregate picture of product perception (see Reynolds & Gutman, 1988). Aggregate structures may better reveal what product meanings and connections between them are important among a group of people. In this study, the aggregate structures of designers, manufacturers, and retailers were produced. The same coding system was used to produce each of the aggregate structures to make a comparative analysis between the roles possible.

The hierarchical value maps (HVMs) as aggregate structures were constructed according to the procedure that Reynolds and Gutman (1988) describe in detail. First, each individual's ladders (i.e., every chain of related meanings within the individual knowledge structure, where each meaning is coded) were analyzed by counting the connections between single meanings. Second, both direct and indirect relations were summarized in an implication matrix, which showed the number of relations between one meaning and another at a time. The implication matrix was used to construct a hierarchical value map of each of the three roles where commonly mentioned meanings and relations between them were presented. A cutoff level of two was applied when constructing the maps. When at least two individuals in the same role identified the same linkage between two meanings, this linkage was taken into the aggregate map. In Figures 4–6 the aggregate maps of manufacturers, retailers and designers, respectively, are described. Mostly direct relations between meanings were taken used in the maps. However, some indirect relations were also used (i.e., between two meanings there may be one or more other meanings), these are denoted by dashed lines.

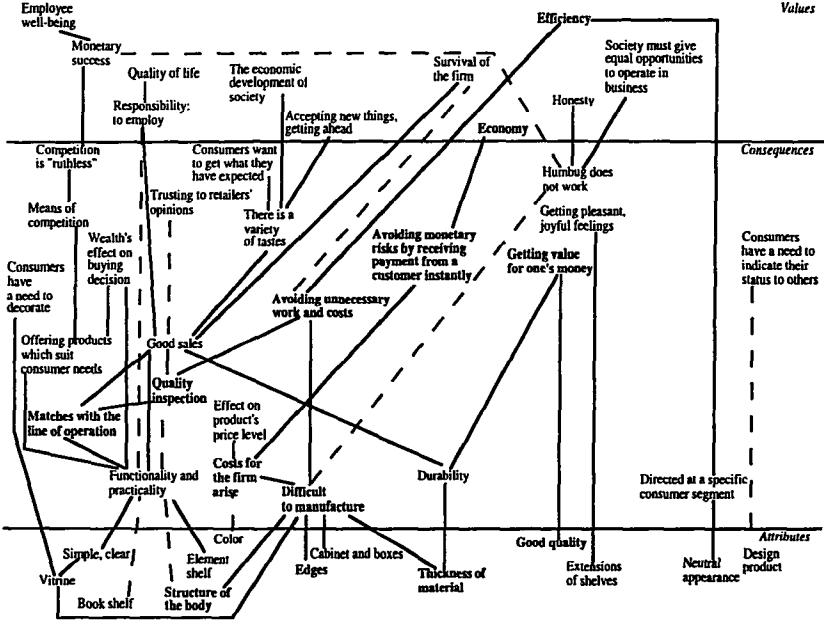


Figure 4 Manufacturers' aggregate structure

## Manufacturers' Meaning Structure

Manufacturers' product knowledge at the aggregate level consists of 13 attributes, 23 consequences, and 11 values (see Figure 4). Manufacturers seemed to connect product attributes to a technical aspect designated "difficult to manufacture." *Quality* as an attribute seems to be perceived as value for money. *Functionality* and *practicality* appear to be quite centrally situated: this meaning leads directly to two consequences and indirectly to one consequence. Perhaps the most central consequence is the one named *good sales*, which is connected directly to values of "responsibility: to employ" and "survival of the firm." In addition, it is indirectly connected with a psychosocial consequence labeled "trusting to retailers' opinions"<sup>3</sup> and with values concerning *innovation* and *society's economic development*. An emphasis on *monetary results* and *avoidance of monetary risks* emerges as a general feature of consequences.

In all, the supposed code of product perception labeled utilitarian-

<sup>3</sup>It could be suggested that the indirect, somewhat obscure association between "good sales" and "trusting to retailers' opinions" stems from interaction between manufacturer and retailer. The more products are sold, the more manufacturers and retailers engage in their relationship and the more the manufacturer is ready to trust the retailer's opinions.



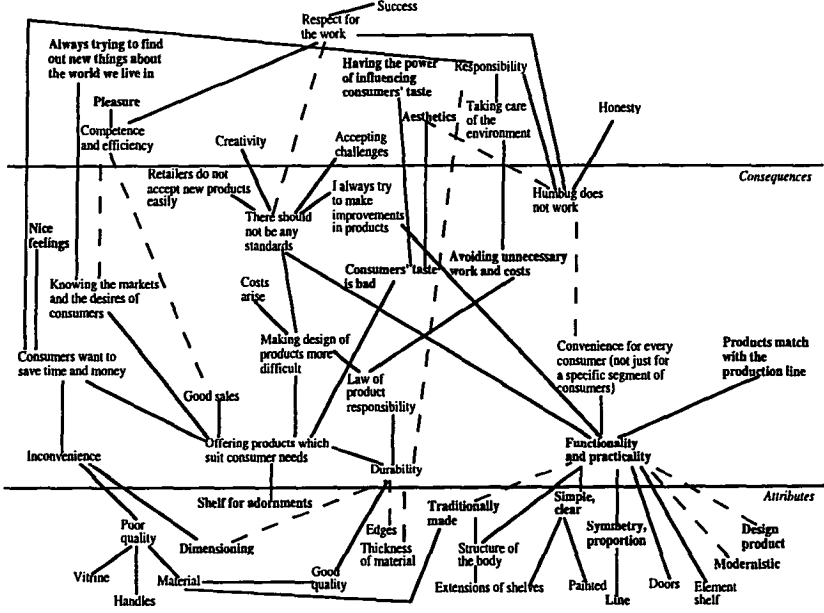


Figure 6 Designers' aggregate structure

many meanings related to practical attributes. Also, retailers seem to evaluate products as a part of an assortment, which for instance *different* as an attribute may confirm. Segmentation thinking comes to the fore as well; for instance, at the attribute level "shelf for young people" is related to a consequence named "wealth's effect on buying decision." This could mean that retailers may try to classify customers according to their ability to pay in cash. This is in order to avoid *monetary risks*. The relationship between price and quality is explained as a factor influencing functionality and practicality. It is also understood as getting value for money, which indicates a similar opinion to that of manufacturers. "Delivery by pieces" is explained through connection to durability, which seems to be at least as essential a consequence as functionality and practicality. *Durability* is associated with *store image* and *customer satisfaction*, which are both related to the value named "continuity of trade." In addition, there is a consequence named "makes my job easier." At the consequence level, a similar kind of economic thinking appears as in the aggregate structure of manufacturers: there is a desire to avoid monetary risks, while a product's price level is associated with good sales figures.

Economic thinking is also expressed at the value level: *economy* and *monetary success* refer to this aspect. However, there are values named *competition ability* and *continuity of the trade*, which may more specif-



ically describe the essentials of the retailers' role. The continuity of trade does not simply mean survival, but being in business on a permanent basis (i.e., *commitment*). It is also worth nothing that pleasure seems to be missing. For example, retailers, while valuing the easiness of work, appear to perceive work as more or less troublesome. In all, this gives support to the suggested code of retailers that was labeled as sociocommercial (supportive meanings are set in boldface in Figure 5).

## Designers' Meaning Structure

The hierarchical value map of designers is shown in Figure 6. Their aggregate map is composed of 20 attributes, 19 consequences, and 12 values. It can be suggested that designers emphasize product attributes that are essential elements in the concrete design process (e.g., dimensioning, symmetry, and the traditional or modernistic fashion of design). *Quality* is enlarged to concern also "poor quality" (cf. good quality of manufacturers and retailers). An attribute named "shelf for adornments" is related to consumer needs, but also to the tastes of consumers. In this way the above-mentioned attribute gets a negative charge: "consumers' taste is bad."

Almost the same basic consequences appear in the aggregate structure of designers as in the HVMs of manufacturers and retailers: *durability* as well as *functionality* and *practicality* seem to connect these three groups of people. "Offering products which suit consumer needs" appears to be a consequence that designers connect to their own personal aim to know and understand markets. At the value level this aspect of *personal growth* is described as "always trying to find out new things about the world we live in." Retailers and manufacturers seem to associate the same consequence with economic and efficiency criteria. At the consequence level, there seem to be on the one hand *responsibility* (i.e., how to make products according to consumer needs), and on the other hand personally *challenging factors* (i.e., "there should not be any standards"). In addition, designers, while taking poor quality into account, also think of the negative counterpart of functionality ("inconvenience"). They also seem to express *negative views about other people* (i.e., retailers and consumers). This could be interpreted as expressing designers' aim at having a pedagogic role in terms of aesthetics and the power of expertise (see Hirschman & Wallendorf, 1982).

Responsibility and personally satisfying issues also become apparent at the value level: just like manufacturers, designers also want to avoid "unnecessary work and costs." Designers, however, see it as an issue of responsibility: "taking care of the environment," whereas the same consequence leads manufacturers to think about survival of the firm and efficiency. Responsibility has in this way a more global and collective meaning for designers. More individualistic values, like *creativity* and *accepting challenges*, stem from the consequence describing the diffi-

*culty of design*. Other values like *pleasure*, *influencing consumers' taste*, and *aesthetics* stem from *competence* and from the negative view concerning consumers' tastes. Designers seem to feel that *efficiency* is not an end in itself, but a means to *pleasure* and *ambition*. Their idea of work could be claimed to be highly positive in the sense that they emphasize the aspects of creativity, challenge, and overall *respect for the work*. Even heroism in the sense of *preserving the environment* can be understood as strengthening the idea of design as a profession. Also, intuition as an essential part of the design profession is expressed when designers identify not only rational but also emotional, intuitive meanings. In all, it can be stated that the aggregate analysis of designers' meanings supported the suggested aesthetic-mythical code of product perception. The supportive meanings are set in boldface in Figure 6.

## **Salience and Centrality of Values in Different Roles**

To summarize, manufacturers' basic orientations certainly can be described as economic in character (i.e., chains of meanings end mostly with economic values), arising from concrete, technical product attributes. Retailers as well seemed to emphasize economic values, but they also brought forth meanings that are based on commercial (e.g., the product's price level) and social aspects. Designers' basic orientations led to values that could be described as based on either self-interest or on collective well-being. Aesthetics as well as responsibility could be the most essential values according to the number of linkages to them.

Both the quantity and quality of meanings can be seen to be affected by personal roles. Although similar attributes and consequences were elicited for every role, these were associated with different values. This may lead to situations where representatives of different roles use the same concept but understand it differently. This is because the content of a concept is determined by its linkages to other concepts. This kind of situation may create communication problems.

Because values can be claimed to be the driving forces of perceptual orientations, their relatedness to the roles will be examined more closely. The researchers are interested to know what values are perceived to be salient and central in each role. The *salience of values* in each role was defined by counting the direct linkages from attributes or consequences (i.e., salient values are those that have a powerful influence on product perception). Centrality can be determined by counting the direct linkages from other values. *Centrality of a value* indicates the degree to which it is important within an individual's hierarchy of values. The analysis is based on data obtained from individual (as opposed to aggregate) knowledge structures.

Analysis of values that gain their salience by direct linkages from lower abstraction levels revealed that manufacturers described the value *accepting new things* as the most salient (seven direct linkages in

total). Retailers put saliency on the value *continuity of the trade* (11 direct linkages in total), whereas designers understood *aesthetics* as the most salient value, but they also perceived that *preserving the environment* is important (a total of nine direct linkages). It was also found that only two values were commonly salient in *two* roles. *Economy, thriftiness* seemed to be a salient value of manufacturers (altogether four direct linkages appeared from lower abstraction levels) and retailers (a total of five direct linkages from lower level meanings). Although *aesthetics* became evident only in the designers' aggregate map (because the cutoff level of two was used), it appeared to be salient value to retailers too. Although designers had 11 direct linkages in all, mainly from consequences, retailers had a total of four direct linkages to aesthetics. Aesthetics can be claimed to be much more salient to designers than retailers.

The centrality of values was calculated on the basis of linkages from other values. Values that were central in only a certain role were: *quality of life* and *employee well-being* for manufacturers; *economically safe life, accepting new things, and competition ability* for retailers; and *respect for the work, adaptability, and pleasure* for designers. *Survival of the firm* was the most central value for manufacturers (seven linkages in total), and it also had shared centrality with retailers (three linkages in total). Retailers, however, attached most significance to the value *economically safe life* (altogether seven linkages). Designers accentuated *respect for the work* as a value (total of seven value linkages). Responsibility appeared as commonly central to manufacturers (three value linkages in total) and designers (four direct linkages in total).

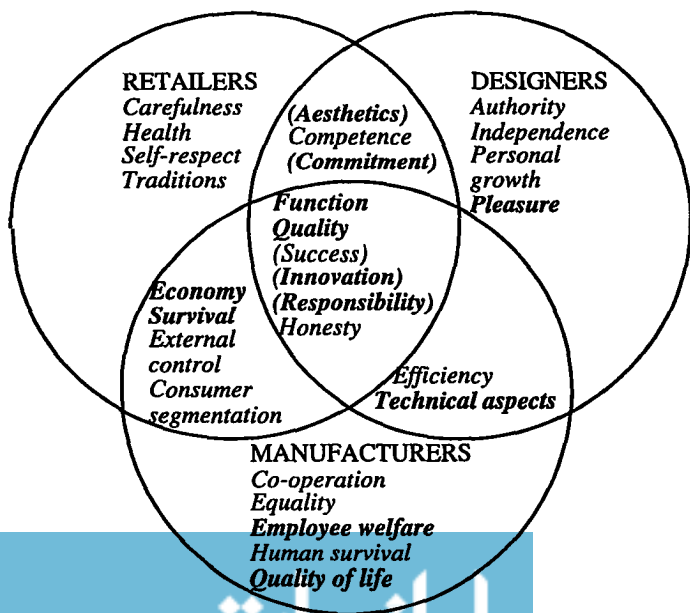
## Overlapping Meaning Areas between the Roles

Empirical data are next used to represent how the meaning structures overlap between the roles in the marketing channel. This can lead to greater understanding of what type of meaning areas the members of the marketing channel are able to communicate in and how the area of shared knowledge could be extended.

The salient and central values discussed above have already been described in the aggregate maps, and so this analysis can be seen to reinforce the results stemming from the aggregate level. It shows that in each role three different values seem to be the most important. Manufacturers may emphasize *survival of the firm, accepting new things, and monetary success*, whereas the most essential values for retailers could be *continuity of the trade* (i.e. commitment to the firm and traditions), *economically safe life*, and *economy*. Designers for their part may put emphasis on *aesthetics, taking care of the environment, and respect for the work*. The analysis of salience provides evidence that there may be only a few commonly salient values, and these are shared by two roles, not by all the three roles. *Economy* is valued by manufac-

turers and retailers, *aesthetics* may be shared by designers and retailers (yet it is more salient for designers), and *efficiency* may be common to manufacturers and designers. However, one may suggest that shared understanding among the three roles could be implied by the meanings of *function*, *quality*, *honesty*, *success*, *innovation*, and *responsibility*. These meanings appear in each of the aggregate maps, although it is highly probable that their salience and centrality vary between the roles.

Figure 7 represents the overlapping meaning areas found in the empirical investigation. Both the aggregate and individual results have been taken into account. This means that there are some highly role-related values that appeared not in the aggregate maps, but in the individual knowledge structures. There are three such values; *health* and *self-respect* for retailers, and *cooperation* for manufacturers. These values were mentioned by more than one respondent in a role. However, because these values were connected with different meanings, they could not appear in the aggregate maps. Notice that meanings in bold are those that were found to be salient ones (i.e., they act as powerful guides in product perception). Meanings in parentheses are meanings whose content varies remarkably between roles. This means that although the term used was the same, the other meanings associated with it differed quite a bit, indicating a different interpretation. Such varying



**Figure 7** The overlapping values among the roles

meanings in the common area are success, innovation, and responsibility (see Figure 7). Success for retailers and manufacturers primarily means monetary success, while for designers it means ambition. Innovation for designers seems to be an individualistic value with connotations of creativity and acceptance of challenges. Manufacturers and retailers seem to perceive innovation as a collective value. Designers may understand responsibility as a global value (for instance, taking care of the environment), whereas retailers and manufacturers perceive themselves as being responsible for the welfare of their employees.

It is highly probable that product meanings depend on a person's role. In the aggregate level analysis it was found that at every abstraction level (that is, attributes, consequences, and values) there appeared both role-related and shared meanings. Altogether, there were 97 different meaning classes in the aggregate maps. Out of these, 15 meaning classes were mentioned only by manufacturers (i.e., 15.5% of all meaning classes), 20 meaning classes were elicited only from retailers (i.e., 20.6%), and 27 meaning classes appeared only in the aggregate map of designers (i.e., 27.8%). The number of shared meanings among the three roles is 13 (i.e., 13.4%). It seems that manufacturers and retailers can cut the pie of experience best, as they had 25 shared meaning classes (i.e., 25.7%). Furthermore, manufacturers and designers shared 20 meaning classes (i.e., 20.6%). Retailers and designers shared 17 meaning classes (i.e., 17.5%), which could mean that their role-related world views are further apart. Perhaps manufacturers, who have the smallest number of role-related meanings and a great number of shared meanings, can be assumed to speak the same language as both retailers and designers. It seems that manufacturers could act as boundary people in the marketing channel, and transmit thoughts, messages, and meanings from and to both designers and retailers.

Because the findings presented in Figure 7 are based on a small sample size, generalizations cannot be made. Rather, this explorative study may act as a basis for larger empirical studies. However, the results gained from this study point to a potential communication problem between the representatives of different roles. It seems that function, quality, and honesty are the only concepts that people in the three roles in the marketing channel use similarly in their product evaluation. Success, innovation, and responsibility are also concepts that can be elicited from the knowledge structures of manufacturers, retailers, and designers. However, their meanings (i.e., content) vary between the roles.

The elicited meanings were to a remarkable extent related to only one or two roles. These meanings may create substantial communication problems in the marketing channel. Successful communication requires that meanings become shared and common. In order for the marketing channel to function effectively it is necessary that each member not only communicates his or her salient meanings to other members but also is able to adopt and understand the meanings of other mem-

bers. Expanding the area of shared meanings clearly offers a challenge to channel management.

## CONCLUSIONS

A general defect in qualitative research is that the sample size, due to time-consuming data gathering and in-depth analysis of data, often remains quite small. This of course leads to low generalizability of findings. Certainly these empirical results must be cautiously considered, because of the small sample size. It was, however, noticed that the last interview offered only two new meaning classes, which can be understood as implying the closing of the hermeneutic circle. Generalizability of the results remains to be considered through future, larger-scale empirical studies. The empirical in-depth analysis was exploratory in character because previous research concerning role relatedness of product perception is almost nonexistent. However, the quality of the findings, that is, detailed descriptions of product perception in different roles, may offer some essential managerial implications.

Several studies in marketing channel literature have presented the view that marketing channels are based on interdependent relations between channel members (see, e.g., Reve & Stern, 1979). Interdependence is also seen to create a need for collaboration and interaction among marketing channel members to "assure effective channel management" (Ross & Lusch, 1982, p. 237). Collaboration and interaction are often portrayed as means to better performance either in product-development or in postlaunch phases, but how to manage these seems to be a difficult problem (see Kahn, 1996).

Some ideas regarding why collaboration and interaction in marketing channels can or cannot be effectively managed can be offered. First, terms *collaboration* and *interaction* must be defined. Briefly, *interaction* refers to formal and standard communication activities (e.g., phone conversations, routine meetings, and exchange of memorandums) that channel members use in their relationships. Collaboration, unlike interaction, represents a more affective aspect of relationships among marketing channel members: *collaboration* means sharing a common vision and working toward common goals and values. These kinds of activities are difficult to sustain and manage because they exist at such a high abstraction level (Kahn, 1996). In addition, collaboration can be claimed to have a stronger effect on channel performance than interaction (e.g., Kahn, 1996). This is because communication activities can be easily replaced by other activities, but incongruent values cannot be changed to common values because of their quite permanent nature. This is also related to the idea that conflicts in marketing channels can be either dysfunctional or functional depending on the cause of the con-

conflict. Litterer (1966, in Hunt, 1995) has suggested that if goals are incompatible, then conflicts are likely to be dysfunctional; if means to goals are incompatible, then conflicts may be functional, because channel members are likely to search for better means.

One of the findings of this study is that especially functional consequences and values can be shared between at least two roles. This could mean that collaboration is possible among the selected sample of designers, manufacturers, and retailers. On the other hand, attributes and psychosocial consequences seemed to be role-related, idiosyncratic meanings. Perhaps the differences in attributes and psychosocial consequences connote an idea that formal communication among designers, manufacturers, and retailers is not functioning: although these marketing channel members have similar goals, they do not share agree on how to attain them. This of course may cause difficulties in routine communication activities, and may lead to marketing channel members not communicating at all. For channel management this could mean that there may be an urgent need for boundary people. These people can bring channel members together by stressing the existing congruent values and by finding new means to communicate.

It also seems that retailers and manufacturers have many of the same values, and that designers and manufacturers have some common values. However, designers and retailers seem to have quite incompatible values. This can cause great problems in both product-development and postlaunch stages: Designers who are responsible for product development and retailers who are responsible for postlaunch activities may not share common visions of consumer needs. There is clearly a need for managerial guidance to coordinate product development and commercial activities in the Finnish furniture industry. One solution could be building long-term teams consisting of designers, manufacturers, and retailers, where members can get deeper insight into each other's goals and values. Currently the Finnish furniture industry seems to be built by small owner-managed manufacturing and retailing firms using freelance designers, as is usual in small business industries. This study seems to strengthen the idea, which small business organization research has given rise to, that team working and networks could offer new ways to better performance.

To summarize, although knowledge structures built on the basis of meanings are seldom identical between two or more individuals, parts of the structures may match. For example, the importance of shared values has been recognized in organizational and managerial studies (e.g., Brown, 1976). People in organizations, networks, or cooperative channels can be seen to share meanings and collective beliefs to varying degrees. It can be claimed that value differences among the roles cause conflicts more frequently: Members perceive that they are dependent on other members to obtain desired goals and values (Mentzer & Hunt,

1987). Efficient communication requires common orientations (i.e., connections between abstraction levels in knowledge structures) toward similar values to be established.

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