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The Intersecting Roles of Consumer and Producer: A Critical Perspective on Co-production, Co-creation and Prosumption

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Abstract
The terms 'co-creation', 'co-production', and 'prosumption' refer to situations in which consumers collaborate with companies or with other consumers to produce things of value. These situations sometimes appear to blur the traditional roles of 'producer' and 'consumer'. Building on Marx's distinction between 'use value' and 'exchange value', we argue that, when consumers perform tasks normally handled by the company, this does not necessarily represent a fundamental change in exchange roles or economic organization. We then argue that, when individuals who are traditionally defined as 'consumers' produce exchange value for companies, this does represent a fundamental change.

Thanks to recent advances in information technology, customers today are contributing to organizational processes in ways that would not have been possible 10 years ago. For example, at Threadless.com, customers can not only vote for the clothing designs that they would like to see produced but also submit their own designs for voting (Walker 2007). Similarly, at National Instruments, a company that makes measurement software and sensors, nearly half of the company's research and development activity is done by an on-line community of customers who collaborate to discover how NI's products can solve members' problems (Seybold 2007). Another example is Proctor & Gamble's 'Vocalpoint' program, an on-line community of product enthusiasts who are rewarded with coupons and samples in return for talking about products with their friends. The program has more than 500,000 members and is being used by other companies such as WD40 and the Discovery Channel to promote their products (Neff 2006).

Some have argued that examples like these are symptomatic of a fundamental and dramatic shift that is occurring in relationships between organizations and their customers – a change that calls into question previously clear distinctions between consumers and producers and between customers and employees. For instance, some have suggested that customers who help with product design or assist with product marketing are part of a 'consumer-as-creator revolution' (Nadeau 2006, 105) and represent a 'new paradigm of message creation and delivery' (McConnell and Huba 2006, 42). Others have written that 'the gap between producers and consumers is blurring' (Tapscott and Williams 2006, 125) and that 'in the emerging ... paradigm, a person can seamlessly shift from consumer to contributor and creator' (143). Still others have argued that in today's customer-organization relationships 'power and control are radically decentralized and heterarchical: producers and consumers coalesce' (Pitt et al. 2006, 118). We have also recently seen a resurgence of the word 'prosumer', which was first coined by cultural critic Alvin Toffler in 1980, to emphasize the novelty of asking individuals to simultaneously play the role of consumer and producer (Kotler 1986; Tapscott and Williams 2006).[1]

In this article, we offer a critical analysis of the ways in which the role of the consumer may be changing and therefore also an investigation of this role in the broader capitalist system, a system in which consumers have traditionally served a central function. We argue that although consumers are increasingly performing tasks normally handled by the company, this role redefinition may be, at least in some cases, illusory. We also find that although the employee/customer distinction can be blurred on many dimensions, one dimension on which the distinction remains is between those who create use value and those who create exchange value (Marx 1867 [2001]). Increasingly, individuals who have traditionally been defined as 'consumers' are producing exchange value for companies, and this, we argue, is where the so-called 'prosumer' does indeed represent a fundamental change in economic organization. We then use the distinction between use value and exchange value to further explore the normative and ethical implications of consumer production.

Consumer versus producer

The consumer–producer relationship has traditionally been conceived of as an exchange relationship in which each party trades one kind of value for another (Bagozzi 1975). In this article, we focus on the exchange relationship between an end user (such as a person buying coffee beans for home use) and the organization from which this end user buys a product or service (such as a supermarket or coffee shop). Before an end user buys something, a series of transformations are usually applied to it to make the product or service usable to the end user and to therefore enhance its value. To make a cup of coffee, for example, someone must grow and harvest the coffee beans, roast and grind them, transport and package them, offer them for retail sale, and finally brew the cup of coffee. These are all steps in what Michael Porter (1985) calls the 'value chain', the series of transformations required to make a product for an end user.

By conventional practice, the organization (or set of organizations) that grows, harvests, roasts, and sometimes grinds the beans is labeled the 'producer', whereas the person who brews the coffee in order to drink it is labeled the 'consumer'. But importantly, both producer and consumer work to create the value in the cup of coffee. The creation of value does not necessarily distinguish these two roles. As Marx (1867 [2001]) argued, what does differentiate the two roles is whether the value-creation activity produces 'exchange value' or 'use value'. As we will argue, understanding the distinction between these two types of value helps to shed light on the potential impact of prosumtion, co-creation, co-production, and related activities. We will first briefly present Marx's distinction between use and exchange value in order to better understand how it can help us draw the boundaries between producers and consumers.

The 'exchange value' of an object is its relative worth 'when placed in a value or exchange relation with another commodity of a different kind' (Marx 1867 [2001], 88). For example, the exchange value of a gallon of whole milk might be equivalent to that of 2 lbs. of chicken. Exchange value is a theoretical abstraction because it represents a commodity's relationship with all other commodities available in the marketplace. However, its closest approximation is the 'socially recognized universal equivalent' of money (Marx 1867 [2001], 153). That is, milk and chicken have the same exchange value if they are successfully sold for the same amount of money.

Products have value, however, beyond what they can fetch on the market. They also have an intrinsic utility to whoever owns or purchases them, which Marx refers to as use value. Use value exists for a person to the extent that a product 'directly satisfies his [or her] wants' (Marx 1867 [2001], 61). Whereas exchange value is realized only at the point of sale, use value 'becomes a reality only by use or consumption' (Marx 1867 [2001], 55). Conceptually, an object's exchange value is independent of its use value. For instance, something that is useful to its owner may be useless to anyone else, resulting in a high use value but an exchange value of zero. Alternatively, something that is purchased for a high price in the marketplace may have little use value to the person who sold it. It is this independence of use value and exchange value that opens the door to the possibility of a marketplace. To adapt an illustration from Marx, a person with a warehouse full of wine has more alcoholic use value than he needs, while a person with a silo full of corn has more starchy use value than she needs. Fortunately for both producers, their respective stockpiles have use value to others – particularly those who are less well endowed with alcohol or corn. Thus, the winemaker happily sells some bottles in the marketplace so that he may buy corn, and the farmer willingly divests herself of some corn, so that she may buy wine. In so doing, 'both part with goods that, as use values, are of no service to them, and receive others that they can make use of' (Marx 1867 [2001], 227). In sum, exchange occurs because 'the use value of a commodity is more serviceable to the buyer than to the seller' and because 'its money-form is more serviceable to the seller' (Marx 1867 [2001], 231).

We have introduced this distinction between exchange value and use value because it underlies the traditional definition of producer and consumer. The Oxford English Dictionary (2001) defines these two roles as follows:

> **Producer**: A person, company, or country that makes, grows, or supplies goods or commodities for sale. Opposed to *consumer*.
> **Consumer**: One who uses up an article produced, thereby exhausting its exchangeable value. Opposed to *producer*.

Thus, producers and consumers are explicitly conceptualized as having a symbiotic but contrary relationship. Using Marx's terms, producers create things expressly for their exchange value and consumers focus on the use value of what they buy. This distinction between the two roles is not intended to suggest that a person is either a producer or consumer, but never both. As the winemaker and farmer illustration shows, a person can switch back and forth between the role of producer and consumer and between seller and buyer. In Marx's (1867 [2001], 160) words, the 'characters of seller and buyer are ... not permanent, but attach themselves in turns to the various persons engaged in the circulation of commodities.' However, the fact that people can play both roles, even in quick succession, does not undermine the fundamental difference between the two roles. The transformation of a commodity into money (the act of production and selling) and the transformation of money into a commodity (the act of purchase and consumption) are 'two opposite and complementary movements' (Marx 1867 [2001], 160).

Consumer = producer

Not everyone has accepted the above approach to defining the roles of economic actors. Philosophical questions about the distinction between production and consumption have been asked since as far back as the 18th century (Ramirez 1999), but they gained particular currency with the advent of postmodernism in the latter quarter of the 20th century. Post-modern writers have called the distinction between production and consumption an 'artificial disjunction' (Baudrillard et al. 1976, 112) or a 'superficial' distinction (Firat and Venkatesh 1993, 236) that is fraught with 'contradictions' (Firat and Venkatesh 1995, 242). These critics further argue that the distinction between use value and exchange value is itself a product of modernity, the result of abstracting real things into signs by way of commodifying them in the market. By 'troubling the clear-cut separation between production and consumption', post-modern thought seeks to 'destabilize the division in modern economics between separate spheres of consumption and production' (Pietrykowski 2007, 262). A common post-modern critique of the production/consumption dichotomy points to the fact that consumers use whatever they purchase to construct their identities (Baudrillard et al. 1976). This identity creation, they argue, is thus a productive process that creates value rather than destroying it. In Curtain and Gaither's (2005, 101) words, consumption is 'a form of production' because it is 'an inherently transforming process'. Consumption is 'a productive process' (Firat et al. 1996, 52) because the 'consumer's identity and self are produced and reproduced' via consumption, and therefore 'production continues during the moments of consumption' (Firat and Venkatesh 1993, 235–236). In sum, especially in an economy that values symbolic products like brands and fashion, so-called consumers are just as productive as the so-called producers from whom they buy products and services.

A similar attack on the distinction between production and consumption has been launched more recently by several business school academics (Prahalad and Ramaswamy 2000; Ramirez 1999; Vargo and Lusch 2004). Although these scholars tend to emphasize the practical demands of product use over the process of identity production, they build on a similar insight to that of the postmodernists. In advocating what they call a 'service-dominant logic' of economic exchange, Vargo and Lusch (2004) conceptualize goods as services in a slightly different form; consumers purchase goods because these objects provide a needed service. For example, they buy light bulbs because they need the service of illumination. However,

> for these services to be delivered, the consumer still must learn to use, maintain, repair, and adapt the appliance to his or her unique needs, usage situation, and behaviors. ... In using a product, the customer is continuing the marketing, consumption, and value-creation and delivery process. (2004, 11)

Vargo and Lusch (2004) therefore argue that businesses must shift to a 'continuous-process perspective' where 'separation of production and consumption is not a normative goal'. From this perspective, consumers are 'co-creators' of value: After making a purchase, they must still undertake a series of activities before the market offering can provide its intended value. A cleaning product must be sprayed on and wiped off, a bag of groceries must be assembled into dinner recipes, an automobile must be driven, and a cell phone must be charged, personalized, and answered when it rings. It can therefore seem arbitrary to, on one hand, refer to a picture frame maker as a 'producer' because she screws together the joints that make up the frame and then, on the other hand, to refer to the picture-frame buyer as a 'consumer' despite the fact that he screws the frame into the wall.

This nomenclature seems all the more arbitrary when considering examples like those mentioned in our introductory paragraph, situations in which consumers are handling activities traditionally overseen by company employees, such as product design and promotion. In these contexts, product users do not just add value at the end of the process; they are 'an operant resource' for the firm, 'a collaborative partner who *co-creates value with* the firm' (Lusch et al. 2007, 6). In Ramirez's (1999, 51) words, 'customers create value; or more exactly, co-create and even co-invent it.' This kind of activity is not merely 'co-creation' but 'co-production,' which is 'engaging customers as active participants in the organization's work' (Auh et al. 2007). Thus, it is argued that, almost by definition, the more companies encourage product users to participate in the process of co-production, the less we will be able to distinguish between consumer and producer.

Although we agree that the practice of engaging consumers in the production process can make it seem as if the boundary between producer and consumer is particularly porous, we believe that these practices do not have important theoretical implications until and unless consumers are asked to assist companies in creating exchange value. Before making this point in more detail, we review the work of a different set of authors who have questioned the production/consumption dichotomy.

Customer = employee

The distinction between production and consumption has been questioned from yet another perspective, this one centering on what it means to be an organizational member. In a recent article, Cardador and Pratt (2006) point out that some seemingly commonsense distinctions between employees and customers are undermined by the existence of exceptions. For example, although the stereotypical employee spends considerable time on site at the organization and the stereotypical customer does not, some employees work from home, undermining the generalization. Particularly in light of the fact that technology is changing not only how customers interact with companies but also how employees interact with organizations, Cardador and Pratt (2006) argue that the social roles of 'employee' and 'customer' are losing their utility. Adapting Pfeffer and Baron's (1988) framework for understanding relationships between organizations and employees, they propose that relationships between organizations and any constituents (not just employees) can be usefully understood based on three 'affiliation dimensions': (i) whether the constituent tends to be proximal (or distal) to the organization; (ii) whether the constituent earns financial rewards from the organization; and (iii) whether the time the constituent spends in relation to the organization tends to be relatively continuous or episodic.

The stereotypic relationship between an employee and an organization tends to be more proximal (the employee works at a building where the organization is located), more financially rewarding (the employee earns a paycheck from the organization), and more continuous (the employee spends eight or more hours a day at the organization). In contrast, the stereotypic relationship between a customer and an organization tends to be more distal (customers may never visit the location where a product was developed or manufactured), less financially rewarding (customers usually pay organizations, not the other way around), and more episodic (when customers contact organizations, it is usually for short time periods – for example for product support or information). However, the stereotype does not always hold true, and the exceptions are sufficiently common to raise questions about the utility of the stereotypes.

For example, on the dimension of proximity, clients at managed-care facilities and patients at hospitals often spend more time on-location at the organization than do employees. Conversely, police patrol officers and home repair professionals (such as plumbers and electricians) often spend little or no time on-location at the organization. On the dimension of financial rewards, many organizations pay their best customers with monetary rewards and/or rewards that have significant monetary value. High-stakes casino gamblers, for example, get 'comped' special rooms and drinks, whereas casino employees rarely, if ever, enjoy these rewards. Conversely, many organizations benefit from a volunteer force that is unpaid. These include political campaigns, hospitals, public media, and charity organizations. Lastly, on the dimension of time spent at the organization, many customers spend long periods of time on-location at a particular provider – not just the healthcare examples mentioned above, but also college students and 'extended stay' hotel customers whose contract work requires them to stay at a hotel for months at a time. In contrast, some traveling salespeople spend more time on the road than at company headquarters, and so-called 'white-collar nomads' (Morrison 2007) are able to fulfill their travel dreams while still working (via the Internet) with their employers.

As Cardador and Pratt (2006) emphasize, the analysis of organizational membership along these three dimensions is useful because it focuses on how affiliated an individual feels with an organization, rather than relying on potentially outdated social roles. The more an individual's relationship with an organization is proximal, continuous, and rewarding, the more the person will feel affiliated with (or identified with) the organization. As a consequence, some individuals may feel very low identification with an organization, despite holding a job there, whereas others, who may merely buy products from a company, may nonetheless feel a very high identification with the company. Particularly, when considered in light of the co-producing customer, Cardador and Pratt's (2006) solution seems to provide useful footing for navigating across the shifting sands of what it means to be a producer–employee versus a consumer–customer.

Production for use vs. production for exchange

In the two previous sections, we have described two perspectives on the roles of production and consumption that create useful questions and prompt interesting conversations about the value of distinguishing between the two roles. In this section, we argue that although the activities of consumption and production have some similar properties and while the roles of customer and employee can have overlapping functions, some important distinctions remain.

Production for use

Before the use value of a product can be enjoyed, work is almost always required. This important revelation was at least partly what inspired the production/consumption critiques described above. As those critiques remind us, computers are not simply bought and left in their boxes. After purchase, consumers must set up the separate components, connect the computer to the Internet, and load and personalize the software. Consumers work when they cook meals at home, change their own automobile oil, and wash their clothing. As we pointed out earlier, these activities (as well as the activities of a company) are steps in the 'value chain', which together create value for an end user. Some steps in the chain are considered to be the habitual domain of conventional producers, whereas other steps become the habitual domain of conventional consumers. Yet, in our view, what is important about these steps is not who performs them, or whether the step is part of a conventional role, but whether the step creates primarily use value or primarily exchange value. Furthermore, we argue that when consumers take over steps that create use value (e.g., when they dispense their own soft drink at a fast-food restaurant), their fundamental role in the economic system does not change. It is only when consumers take over steps that create exchange value that questions about the consumption/production dichotomy become particularly important. This, as we will discuss, is where the role of the capitalist as an organizer of value creation comes into play. In these situations, the consumer creates value (through design, knowledge production, or customer feedback) that is co-opted by the company and resold for surplus value.

The idea that consumption involves work is not new. Marx (1867 [2001], 61) himself recognized that consumers can and do work to create use value. 'Whoever directly satisfies his wants with the produce of his own labor,' he wrote, 'creates, indeed, use value.' But in order to produce exchange value, the economic actor 'must not only produce use values, but use values for others.' When that exchange value is realized, the product becomes a commodity – it is 'transferred to another, whom it will serve as a use value, by means of an exchange.' Picking up on this point, Toffler (1980) suggested that the Western economic system can be usefully divided into two sectors. Sector A (which might be called the 'use value sector') comprises all unpaid work done by people for themselves, their families or their communities, whereas Sector B (the 'exchange value sector') comprises work done to create goods or services for sale or swap through the exchange system. Like many of those who have recently written about co-creation and co-production, Toffler (1980) was inspired by the many ways in which consumers were taking over steps in the value chain, effectively transferring production from Sector B to Sector A. For example, Toffler (1980) noted that, at the time he was writing, consumers can now dial their own long-distance calls instead of asking a telephone operator to do it, administer their own pregnancy tests instead of relying on a doctor and a laboratory, pick out their own rice and cereal at a grocery store instead of depending on a counter clerk to get these products from the back, and pump their own gas instead of expecting a gas station attendant to do it.

Although these changes were undoubtedly innovations nearly 30 years ago, they seem quaint today, in part because they have now become accepted as part of what it means to be a customer at a gas station and a grocery store. We would argue that they readily became incorporated into the role of the customer because – although they certainly made life different (and often easier) for consumers – they did not fundamentally change the role of the consumer in the economic system. So long as an economic actor is creating and enjoying use value, those activities are what we would define as merely consumption, regardless of what steps in the value chain he or she may be taking on. Perhaps another way to understand this point is to recognize that customers are not the only ones who can take on steps in the value chain. Sometimes, companies take on these steps. Instead of asking you to grind coffee at home, companies will be happy to grind it for you. Instead of putting together your computer system, you can hire a service organization that will do it for you. When companies take over steps in the value chain like this, do they fundamentally change the meaning of production and consumption? Do they now become partly involved in the consumption process? Should they be called companasumers?

We would apply the same reasoning to more contemporary examples where consumers are taking on steps in the value chain to enhance the use value of the products they purchase. Today, we may be amazed that customers can design their own shoes or cosmetics using retail-store computers (Berger et al. 2005), build their own motorcycles (Boje 2006), or adapt their digital music players for alternative uses (Tapscott and Williams 2006). No doubt, these are examples of consumers taking responsibility for steps in the value chain in ways that would not have been possible a decade ago. But because these innovations do not fundamentally change the role of the consumer, it seems likely that they too will seem quaint in retrospect.

We recognize that the 'outsourcing' of steps in the value chain to consumers may indirectly affect exchange value. For instance, involving consumers in the value-creation process can increase or decrease a company's cost of production, which may in turn influence the price that the company charges. Furthermore, when customers are asked to do more work as part of the consumption process, the perceived value of what the company is selling may increase or decrease, and this may also affect the price the company charges.

Take for example IKEA, a furniture company that sells primarily unassembled furniture that consumers must put together themselves. By requiring consumers to assemble the products it sells, IKEA lowers its operational costs and passes on some or all of these savings to consumers in the form of lower prices. IKEA offers these lower prices in part because most consumers view assembling furniture as a chore that has little intrinsic reward and no discernible impact on the end product. (Regardless of who assembles the furniture – customer or company – it looks and functions the same.) In this example, IKEA must lower prices as an incentive for securing more customer involvement in the value-creation process.

As another illustration, consider the many companies that allow consumers to influence the design or delivery of a product or service. For example, automobile consumers have long been able to specify what color their car will be, and what accessories it will have. More recently, a number of fashion companies have begun to allow their consumers to influence the design of everything from handbags to jeans. Due to advances in manufacturing technology, some companies achieve this 'mass customization' without affecting unit cost. However, producing products for individual consumers frequently costs more than mass production, in which case companies often must charge more in order to make a profit. And regardless of production costs, many consumers enjoy taking part in the design step of the value chain. This involvement can have intrinsic value, as well as an important impact on the end product. In situations like these, consumers are therefore often willing to pay more for the privilege of becoming more involved in the value chain.

As the above examples illustrate, changing how consumers are involved in the value chain may influence the costs and prices associated with the product or service. However, these cost and pricing issues are separate from the question of whether the consumer is creating use value or exchange value. If consumers are expending labor for personal benefit – for example, assembling their own desk or designing their own handbag – the results of their labor are not sold for exchange value and are therefore not commoditized. The price that consumers pay for the product may have changed as a result of their adjusted involvement in the value chain, but their fundamental role as consumers has not.

Production for exchange

In this article, we have argued that, although consumption sometimes involves work and although consumers can feel more affiliated with companies than do employees, this does not fundamentally change what it means to be a consumer or producer, a customer or employee. Although previous scholarship about customer/employee affiliation and 'prosumers' expands our understanding of existing social roles and inspires new directions for research on these roles, we believe that not all adjustments in social roles amount to a revolution. To us, the true potential revolution in consumption/production is occurring in those increasingly frequent instances in which consumers are being asked – and often are willingly agreeing – to take over steps in the value chain that create exchange value. That is, they are helping companies to be more successful in the marketplace. This production of exchange value, we argue, is a fundamentally different process than the production of use value.

All three of the companies described in our introduction are examples of cases in which consumers help companies to create exchange value: the t-shirt company we mentioned asks consumers to submit designs for potential sale, the technology company relies on customers to develop new-product ideas, and the detergent marketer depends on consumers to disseminate product information. Other examples include Fluevog shoes, a company that asks customers to submit on-line designs for consideration (Tapscott and Williams 2006), and Virgin Mobile USA, a company that asks a select group of customers for ideas on how to better market the company's products and services (Chesbrough et al. 2006). With these examples in mind, we agree with Thomke and Von Hippel's (2002, 74) observation that 'when companies relinquish a fundamental task – such as designing a new product – to customers, the two parties must redefine their relationship.' However, in terms of economic exchange, this redefinition is relatively pedestrian when consumers merely take on more (or different) steps in the value chain in order to create use value for themselves. The transfer is much more consequential, however, when consumers perform work that creates exchange value for the company because the process of creating value for market exchange is fundamentally different from the process of creating personalized value for consumption.

To understand how and why this redefinition is consequential, one must understand why the creation of use value and the creation of exchange value are so different from one another. First, the two processes differ in orientation: the creation of use value is oriented toward the object, while the creation of exchange value is oriented toward others (Marx 1867 [2001], 121). This difference in focus has the consequence that a different *kind* of product results from each process. On one hand, the aim of creating use value is to enjoy the outcome of the production process (and perhaps also the production process itself). The resulting object is thus oriented toward the needs of a particular user. On the other hand, the aim of creating exchange value is to produce an object that can be sold to others, and the resulting object therefore tends to embody social values and preferences. The exchange process, as Marx observed, is an inherently social process and therefore involves negotiation between social actors or the persuasion of one actor by another (Marx 1867 [2001], 122). Thus, what Marx called the 'sphere of consumption' and the 'sphere of exchange' have different logics. The former focuses merely on pleasing oneself – and thus tends to have an intrinsic orientation – whereas the latter focuses at least initially on pleasing someone else – and thus has more of an extrinsic orientation. Products produced with exchange value in mind are therefore likely to embody existing social realities. As projections of value to others, they merely reproduce social order. The production of use value, on the other hand, tends to be idiosyncratic and aimed at the object-user relationship. There is, in this sense, more critical potential in the creation of use value than there is in the creation of exchange value because the creation of use value is more likely to challenge existing social values by virtue of its idiosyncrasy.

Second, use value and exchange value have different relationships to what Marx calls 'alienation' or 'estrangement'. When consumers produce use value for themselves – by putting together a table, for example – they do this for their own ends, and they receive the total of value from their labor. Consumers remain in contact with the object, and the produced object is in this way inalienable, not separable from the individual or their lived context (Weiner 1992). Marx suggests that this contact creates a different connection between person and object – a suggestion that has been borne out in recent research. Norton and Ariely (2007), for example, have shown that people value the objects they produce more than things others produce, even when the things produced by others are, objectively speaking, higher in exchange value.

However, when consumers produce something that they themselves do not use but which is then sold for exchange value – a t-shirt design, for example – it becomes something separate from the 'living' labor they put into it. Their labor produces value, but when this value is transferred to an object and then exchanged, it becomes 'value only in its congealed state,' (Marx 1867 [2001], 75). Thus, as compared with an object produced for one's own use value, an object produced for exchange value is, to the laborer, '*something alien* ... a *power independent* of the producer,' (Marx 1867 [2001], 75). The consumer accordingly becomes a producer (or laborer) when the products of his or her labor are sold by the company for surplus value. The process of alienation inherent in the production of exchange value removes meaning from the production process by distancing workers from the ends of the value chain. In the stereotypic example, a factory worker is merely a cog in the machine of value creation and can therefore not give meaning to the overall process. In consumption, we presently find rich practices of meaning creation and dissemination. However, when 'prosumption' becomes the production of exchange value, consumption too can lose its meaningfulness, its connection to practices of meaning making such as identity creation, symbolic manipulation, and social signification. This suggests that the 'reenchantment' of the world through consumption can easily shift into disenchantment when consumers become heavily involved in production (Ritzer 1999). Not only is the increasingly observable rationalization of these consumption spaces a threat to their ability to enchant as Ritzer suggests (1999, 8–9), but, we argue, the consumer production of these spaces may also undermine their enchanting qualities through alienation.

A third and final distinction between use value and exchange value relates to the distribution of value to the relevant parties. By definition, use value is enjoyed by the person who uses the object, and it therefore belongs to that user alone. In contrast, particularly when groups of individuals band together to create exchange value, the allocation of that exchange value to the individual producers becomes an important and difficult issue (e.g., Marx 1867 [2001], 113). Marx is perhaps best known for arguing that the laborer is most deserving of the surplus value that often results from exchange and that the capitalist thrives only through the exploitation of labor. At the time of our writing, the question of how (or if) the exchange value of co-produced or co-created commodities should be distributed to participating consumers has not been sufficiently examined. Currently, in many situations where consumers participate in the exchange value creation process, both producers and consumers seem to be comfortable with the idea that consumers should not be allocated a part of the exchange value. Instead, the value that consumers earn as a result of participating in (for example) the product development process is simply the enjoyment of contributing to the process. As Tapscott and Williams note, 'people get big thrills from hacking a product, making something unique, showing it to their friends, and having other people adopt their ideas,' (2006, 129). And, as several marketing academics (e.g., Holt 1995; Muniz and O'Guinn 2001; Schouten and McAlexander 1995) have argued, consumers who band together around a common consumption interest also enjoy the value that comes from being part of a community.

These observations are undoubtedly accurate in the current market climate. In the case of consumer-generated advertising, for example, customers compete to create the best advertisement, and the reward, rather than being monetary, is the short-term celebrity status gained from having one's commercial used by the company or other users (Muniz and Schau 2007). In cases where consumer information is recorded, at Amazon.com, for example, customers may not be aware that the information they provide through purchase behavior or product ratings has exchange value for the company (Zwick and Dholakia 2004). Lastly, in cases of consumer subcultures such as avant-garde fashion enclaves or punk counter-cultures, consumers may simply do what they do, without regard to the co-optive practices of companies or the legal recourse to claim ownership over their symbolic production (Hebdige 1979). Yet, to note that consumers are sometimes self-motivated to assist companies with the creation of exchange value sidesteps an important point. However, much a laborer may enjoy his or her work, if that work produces exchange value, the laborer is owed a portion of that value. To the extent that the 'prosumer' or 'co-production' revolution is merely a source of free labor for companies, it seems to be an unsustainable revolution at best and exploitation at worst.

Alienation takes yet another turn when one considers the case of a consumer purchasing his or her own labor back from a company. Consider the case of designing technological products for a company. Value is created by consumers in collaboration with a company, and this value is then co-opted and converted into products that have exchange value. These products are finally sold to the consumers who created them, at a profit for the company. We find these cases, where the boundaries of property remain unclear and where the norms and institutions for the distribution of value have yet to be established, to be the most theoretically interesting and the most structurally different from previous forms of political economy.

The ethics of these practices also remain an open question. Is consumer input into the production process a net positive; does it reconnect the laborer with the products of his or her labor? Or, is it exploitation twice over, once when the object is produced and twice when it is sold back for a profit? Ultimately, one might appeal to consumer attitudes: consumers seem to love consuming things they make, and companies simply act as a facilitator in the process. On the other hand, one might take the position that consumers aren't aware of the value they themselves generate for companies, revenue that they do not receive. To further this point, some cultural critics might argue that prosumption is a way to make consumers less critical of capitalism, pacifying consumers and gaining their complicity in the capitalist system by allowing them to more fully participate in some of its core economic activities (Horkheimer and Adorno 1944/1997). This critique would argue that the distinction between exchange value and use value is itself a product of modernity and that true consumer emancipation is possible only through the abolishment of this distinction. In this matter, as with many others in the field, the depiction of consumers veers between two extremes; either consumers are passive 'cultural dupes' or active 'heroes of modernity' (Slater 1997, p. 33). The debate in this context does not seem altogether different from the debate about false consciousness of the proletariat, the idea that workers are unaware of their own plight and thus work to reproduce the conditions of their servitude (Lukács 1971; Marx 1867 [2001]). Yet, the debate now has an interesting new context on the other side of the exchange relationship. It is in this empirical context that academic constructions of consumers as dupes or heroes and theories of false consciousness can be tested and perhaps rethought. The debate also suggests that marketers could benefit from a careful consideration of what frames and labels they use when they invite consumers to participate in the value-creation process.

Of course, as previous writers have noted, consumers are sometimes given tangible rewards – including money – for their participation in the creation of exchange value. The consumers who participate in Procter and Gamble's Vocalpoint program, and in Virgin Mobile's promotion program are 'paid' in product vouchers and discounts. Similarly, those who create winning t-shirt designs at Threadless.com get money from the company. However, recalling our earlier point that people can shift back and forth between the role of producer and consumers, we would argue that these instances are not radically new or unique. Whereas some companies may be new to the idea that customers can be a potential source for good employees, direct-selling companies like Amway and Tupperware have been recruiting employees from their pool of consumers for decades. In our view, when consumers are paid for their participation in the exchange value creation process, it makes them no different from temporary employees. Although some may romanticize the idea that these employees were former customers, the process is not structurally different from traditional employment.

Lastly, we note that the theorization of co-production has often conflated two types of co-production – what we will call collective production versus company-consumer production. 'Collective production' describes contexts in which consumers collaborate with other consumers to produce things of value to the consumer community. 'Company–consumer production' refers to contexts in which consumers and companies collaborate to produce things of value. Collective production can and often does take place without company involvement, whereas company–consumer production is a collaboration between an organization and its consumers. Previous research on co-production has either not distinguished between these two practices, or has assumed that both are equally beneficial for the end user. Here again, we would argue that the important distinction relates to whether the collaboration produces use value or exchange value. Although there are exceptions, company–consumer production often takes the form of producing exchange value, whereas collective production often takes the form of producing use value for the group (Muniz and Schau 2005).

In this article, we have outlined some recent observations concerning marketplace contexts in which consumers assist companies in the process of value creation. While recognizing that these practices can create the impression that the distinction between consumer and producer is becoming blurred, we argue that the most important distinction – that between creating use value and exchange value – still offers a useful lens for analyzing these practices and for understanding how and why they work. Based on this distinction, we suggest that when consumers simply take on steps in the value chain to create more (or different) use value, no significant change has necessarily occurred in the role of consumer or producer. However, this shift is potentially more significant when consumers take on steps in the value chain to create exchange value, and this kind of shift poses its own set of issues and challenges. The exclusion of productive consumers from the surplus value that results from their labor, we argue, raises novel normative and ethical issues and merits further investigation into the norms and institutions that govern the distribution of value to productive consumers.

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Notes

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1. In this use of the term, 'prosumer' combines the meanings of 'producer' and 'consumer'. However, others have used the term to combine the meanings of 'professional' and 'consumer'. In this second sense, it has been used to refer to an expert user who demands advanced and/or high-performance features (e.g., from a camera), but who does not use the product mainly for business purposes (Kirsner 2005). It has also been used to refer to an individual who uses a product (e.g., a personal digital assistant) for both business and personal uses (Middleton 2007).

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