

Identification of Benefits and Risks for Enterprises Arising from Consumer Engagement: A Preliminary Discussion

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Abstract: The concept of collaboration between consumers and businesses is the main premise of the study. It is crucial in generating knowledge relevant for both business and consumers. This collaboration, characterized by continuous change, is based on the utilization of new technologies, devoid of formal contractual limitations, and stems from the active involvement of consumers in business activities oriented towards knowledge and consumer ideas. Although this collaboration brings numerous benefits, it also entails risks for businesses. Utilizing the results of previous research, this study employs a systematic literature review to identify the benefits and risks arising from consumer involvement in business activities. The study results are presented as variables and divided into four categories of benefits: product-related, reputational, economic and social, and informational and technological. Additionally, risks have been identified. These variables will be used in further research among businesses, providing valuable insights for companies seeking to effectively leverage consumer knowledge while simultaneously mitigating associated risks.

Keywords: Consumer Engagement, Enterprise Collaboration, Benefits, Risks, Knowledge Creation, Research-in Progress.

1. Introduction and the Research Gap

The primary focus of this ongoing research is the concept of collaboration between consumers and enterprises. This collaboration is fundamental for knowledge creation within enterprises, providing knowledge that is useful for business purposes as well as for consumers. It is characterized by continual variability and dynamism, built upon the utilization of specific knowledge sources and new technologies. This collaboration takes on an informal nature, meaning it is not regulated by any contracts or documents. It often stems from consumers' willingness to engage in knowledge sharing and their interest in utilizing new technologies in this regard.

The results of previous research on consumers and enterprises demonstrated that enterprises recognize the need to involve consumers in their operations (Eisenhardt, 2021; Eisenhardt, 2020; Mullins et al., 2020; Ziemba et al., 2022). However, consumer engagement alone may prove insufficient to effectively support business operations and acquire valuable knowledge. Therefore, it becomes imperative to discern the benefits associated with consumer engagement to develop a research tool for conducting studies within enterprises. However, enterprises also experience certain threats mainly due to the freedom with which consumers can share knowledge and experiences related to a given enterprise and its products or services.

Literature research indicates that researchers mainly focus on the perspectives and experiences of consumers (Eisenhardt et al., 2018; Hernández-Serrano et al., 2017; Potra et al., 2018; Rayna, Striukova, 2016; Wolny, 2019). As a result, there is a significant number of studies focusing on consumers, especially regarding their activities and the benefits they gain from accessing and sharing knowledge (Eisenhardt, 2020). However, it has been noted that there is a lack of scientific studies analyzing this issue from the perspective of enterprises, and to the best of our knowledge, there is no published preliminary discussion or systematic review of such research. This constitutes a research gap, particularly concerning the benefits that enterprises derive from consumer engagement and the associated risks.

To address this identified gap, the study seeks to answer the following research questions:

RQ1: What benefits do enterprises derive from consumer engagement?

RQ2: What risks are associated with consumer engagement for enterprises?

As researchers suggest, literature reviews are crucial for advancing research in a given field because they enable researchers to focus on areas that warrant further investigation and can prevent inadvertent duplication of certain ideas (Rowe, 2014; Roztocki, Strzelczyk, and Weistroffer, 2023). Therefore, this study primarily focuses on conceptualizing the benefits and risks arising from consumer engagement and translating them into variables that can be utilized in the research process. The goal is to develop a framework of the benefits and risks associated with consumer engagement and, consequently, offer valuable insights for enterprises seeking to effectively leverage consumer knowledge while mitigating associated risks.

2. Research Methodology

The study aimed to operationalize the benefits and risks arising from consumer engagement. To achieve this, a systematic literature review (SLR) was conducted. As emphasized by researchers, such a review must include explicit criteria for the inclusion and exclusion of studies, explicit strategies for searching research reports, systematic coding and analysis of the quality of included studies, and should provide a synthesis of quantitative and/or qualitative research findings (Orłowska, Mazur, Łaguna, 2017). Following Krywalski-Santiago (2023), a multi-stage process was employed to review the existing literature, including searching databases and identifying the most active contributors (publishers and authors) using the Web of Science (WoS); the PRISMA-S checklist was applied to ensure the rigor of the systematic literature review; finally, this study proposes a comprehensive framework of benefits and risks for enterprises.

The WoS database was utilized. Searches were conducted using the phrase: *“benefits AND ((consumers OR prosumers) AND (involvement OR engagement OR participation))”*. As a result, a search on Web of Science (WoS) yielded 624 publications (for the years 2015-2022) within the categories of Business, Management, and Computer Science Information Systems. Focusing on scholarly works for the purposes of this study, the search primarily targeted journal articles, books, book chapters, and conference proceedings, among which journal articles comprised 90% of the analyzed sample. Professional reports, datasets, and dissertations were excluded.

3. The Literature Review Results

Figure 1 illustrates the number of publications in the WoS database for each year. As depicted, the issue of benefits and risks arising from consumer engagement is gaining popularity.

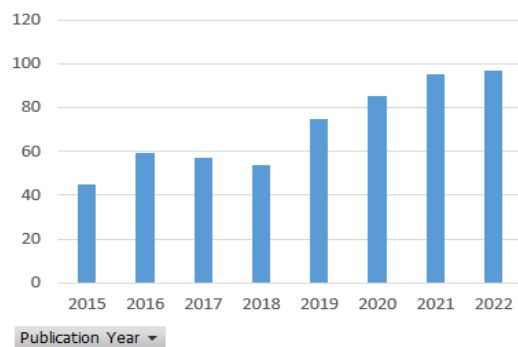


Figure 1: The WoS Database Publications over time

The WoS analysis generates a list of the most active publishers in the search area, with the first 10 presented in Table 1.

Table 1: The most active publishers

Journal title	Number of papers
JOURNAL OF BUSINESS RESEARCH	39
EUROPEAN JOURNAL OF MARKETING	23
JOURNAL OF RETAILING AND CONSUMER SERVICES	19
JOURNAL OF SERVICES MARKETING	17
JOURNAL OF PRODUCT AND BRAND MANAGEMENT	15
PSYCHOLOGY & MARKETING	13
JOURNAL OF CONSUMER BEHAVIOUR	11
INTERNET RESEARCH	10
INTERNATIONAL JOURNAL OF CONTEMPORARY HOSPITALITY MANAGEMENT	10
JOURNAL OF RESEARCH IN INTERACTIVE MARKETING	10

Table 2: Theoretical Framework for Further Research

Benefits and Risks	Category
<ul style="list-style-type: none"> • New ideas for products and services • Product life extension • Co-creation of products and their value • Enhanced level of product and service modernization • Tailoring offerings to customer needs • Customer testing of products and services • Minimizing last-minute product changes 	<i>Product-related</i>
<ul style="list-style-type: none"> • More effective promotional and advertising activities • Better understanding of customer needs • Offering products and services that stand out from the competition • Building lasting relationships with customers • Improving customer retention rates • Loyalty towards the company and brand • Aligning customer interests with company interests • Improving customer service quality • Enhancing the company's image and reputation • Promoting innovative thinking within the company • Involvement of celebrities in promotional campaigns • Predicting trends 	<i>Reputational</i>
<ul style="list-style-type: none"> • Financial benefits, e.g. increased financial profits for the company • Customer willingness to pay a higher price (premium price) • Risk minimization • New product distribution channels • Improving business processes within the company • Acquiring customers as business partners • Actions for sustainable development and corporate social responsibility • Increase in trust in knowledge from customers 	<i>Economic and Social</i>
<ul style="list-style-type: none"> • Increase in the number of recipients • Direct posts and comments from customers • Diversity of information sources • Access to emerging market trends • Developing profiles on social media platforms (fan pages) • Developing company mobile applications • Developing a corporate blog • Continuous improvement in IT • Investing in modern information systems 	<i>Informational and Technological</i>
<ul style="list-style-type: none"> • Excessive customer power • Threats to the security of company data • Too many changes in the company • Too fast pace of changes in the company • The need to share profits with consumers • Limited production flexibility linked to customer expectations • Customer takeover of product control • Customer-driven phenomena that operate independently of company-initiated actions • Excessive reliance on information and knowledge from customers • Excessive expectations towards company employees • Resistance from company employees 	<i>Risks</i>

4. Concluding Remark

Building upon our previous research findings, engaging consumers in various aspects of business operations has been shown to yield numerous advantages for enterprises, albeit accompanied by certain risks. Through an extensive literature review, we were able to identify and categorize the benefits and risks associated with the current research into four distinct categories. In a broader sense, these benefits encompass areas such as product development, marketing, customer relationships, economic gains, and technological advancements. From generating innovative ideas to fostering customer loyalty and streamlining business processes, the potential benefits are considerable. However, it is essential to recognize the accompanying risks, including

challenges related to data security, employee resistance, and the need to maintain a balance of consumer power. Despite these risks, the rewards of consumer engagement outweigh the potential drawbacks. By strategically managing these risks and leveraging the benefits, enterprises can effectively harness the power of consumer knowledge to drive innovation and achieve success in the competitive marketplace.

This paper serves as a preliminary discussion laying the groundwork for further research, which will involve the development of a research tool and conducting studies within enterprises.

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