

**Constructing the Confident Consumer
-on the redistribution of calculative agencies-**

BACKGROUND

A common way of depicting a market is as ‘a system of societywide coordination of human activities not by central command but by mutual interactions in the form of transactions’ (Lindblom 2001, p 4). These transactions can furthermore be depicted according to the emphases placed on various aspects thereof. In the spirit of Weber we could ask whether habit, interests or emotions constitute the primary propellant of such human action. And we could scrutinize whether also others are, or mere own utility is, taken into account when transactions are deliberated (confer Swedberg 1998). Considering purposefulness in any sense relevant it follows that means and ends, and their causal associations, are somewhat pondered upon before pure action follows suit. This process of deliberation can be depicted as calculative agencies at work also eventually involving non-humans (Callon 1998a). The pattern by which such agencies are distributed among actors bestows a temporary organization to a market process. If now such a market process, much according to the Austrian school of economics (confer Kirzner 1973), is characterized by the prevalence of uncertainty, recurrent attempts to shoulder this uncertainty aside through relationships with others is what instills the very capability to calculate into the aforementioned calculative agencies. This follows from actors ‘containing their worlds’ by their mere existence as open ‘actor-worlds’ (Callon 1998a). This containment is momentary and resembles the referred Weberian ‘taking into account’ of some entities and not of others and constitutes the establishment of a temporary porous border, a frame conducive for subsequent conduct.

This framing, the internalization of some occurrences and relationships for a decision to unfold and the externalization of some others, is a precondition for calculative agencies to prevail and in consequence, via their distribution, for a market to be considered in any sense organized (Callon 1998a). And void of organization a market cannot really be said to be (confer Weber 1968 (1922), Alderson 1957). No wonder then that market-led societies take pains in safeguarding the prevalence of market organization by looking after the distribution of calculative agencies, something most notably found in antitrust legislation.

More striking is perhaps the fact that such legislative endeavor, at times and most notably in the case of Sweden to be scrutinized here, is not yet fully reflected in consumer policies adopted. While these policy efforts aim at implanting self-reliant confidence in consumers vis-à-vis suppliers, it is viable to posit that this traditionally occurs only at the expense of more reliance upon the benevolent state that by means of how the ombudsman institution and similar sets out to stand by consumers in their potential hassle with suppliers. This pertains not only to pure safety issues but consumers are allegedly also protected from inferior business behavior. That is to say, while consumer autonomy in relation to suppliers may increase, this is offset by loss of autonomy in relation to state-led protective measures. And the level of autonomy impacts market organization.

With the coming into being of a revised Swedish antitrust legislation a few years ago this consumer policy inclination is bound to change given the close manner in which competition and consumer policies supposedly act in concert to promote the market system. This is most notably observed by the Secretary of Consumer Affairs, Ann-Christin Nykvist, who launches a 'new action program for consumer policy' in October 2003 by stating that '[c]onsumer policy is the forgotten aspect of welfare politics' (Nykvist 2003). Following other statements made by her in her former role as a director-general for the Swedish Competition Authority this seems to mean that consumers are not only to be beneficiaries of, but also agents behind, the market process (a position very much at odds it seems with traditional Swedish consumer policy). This recent policy initiative then aims at reorganizing markets by redistributing calculative agencies in favor of consumers themselves whose calculative power is bound to increase vis-à-vis both suppliers *and* the benevolent Swedish state.

The paper here underway revolves around this recent policy initiative of creating thus 'confident consumers' in a way previously unheard of. It scrutinizes how the constituents of the initiative act as a kind of framing agency a) by highlighting the pursuit of self-reliant choice as the sine qua non of the consumer type aimed at and b) by classifying consumers as either active or passive in light of choices undertaken or not. This scrutiny is made by looking into a few official statements made and by telling about a report on the electricity market. The resulting ideal- and real- consumer types turn out not to be very coherent, something attributed to the passive mode of information receipt when suppliers appear as calculating devices. We conclude by discussing how consumer autonomy emerges as a promising concept when overall market consequences are reached out for in terms of calculative agency distribution.

POLICIES OF CHOICE

Decision-making autonomy is key [for market transactions, as participants] are free to make decisions – to buy, to sell, to exert effort, to invest – that reflect their own preferences. Their choices are not completely free though: they are constrained by the extent of their resources and by the rules of the marketplace.¹

Two institutions deemed necessary for the organization (functioning that is) of the market process are competition and consumer policies as seen in law and authorities established in order to enforce such legislation. The traditional link between these two is that the case for competition is justified by resorting to the welfare implications hereof for the sovereign consumer as seen in a wider array of offers to select from at a lower price. Competition hence benefits consumers by enabling some buyer behavior reflecting preferences that render manifest the opportunity of freedom (confer Scherer and Ross 1990).

Swedish competition law by tradition adheres to a soft framework - the abuse principle according to which competitive misbehavior can only be dealt with in retrospect by rather toothless authorities. Competition is not really a major issue in society for a long time, at least not in comparison to the emphasis placed thereupon in other Western societies. More or less the opposite holds for consumer policy, the far-reaching implications of which since long place Sweden in a category of its own much different from, let us say, the United States. This Swedish policy tradition is characterized by quite a paternalistic stance towards the consumer who is protected by society, not only from dangerous products or outright unlawful business behavior, but also from commercially inferior business decisions. This is discerned in legislation but mostly in the alignment of the activity pattern of the National Board for Consumer Policies, for instance the institution of consumer counseling (a kind of local ombudsman at the consumers' disposal).

With the coming into being of a revised Swedish antitrust legislation some ten years ago the rhetoric surrounding competition policy's stance to consumers begins to change. Even though customers in general are hardly alluded to more than in passing as beneficiaries of competition in the formal documents (confer Liljenberg 2001 for a review), an informed and self-reliant freely choosing consumer starts to emerge. This reflects the spirit of the new Competition Act (SFS 1993:20) that constitutes a radical break with the past as seen also in

¹McMillan 2002, pp 5-6

the creation of a new supervisory state authority. By drawing on the legal principle of prohibition it embodies an enforcing, proactive, and aggressive stance to competition, since long the loadstar both for US- and EU-legislation in the area. This mirrors a repositioning of the dominating political party at the time in favor both of competition itself and of the European Union. The corresponding consumer policy realignment hosts two areas of concern.

There is firstly the issue of how competition and consumer policies generally should relate to each other in terms of formal legislation et ceteras (confer Cseres 2004 for a discussion about the case of Hungary). The former pertains to market structure and what is offered by suppliers whereas the latter highlights how consumer expectations and transaction outcome eventually match (Hadfield et al 1998). Supply market opportunities are hence safeguarded by competition policy whereas consumer policy relates how such opportunities are in fact utilized.²

There is secondly the case concerning us here, the inclination of consumer policy as such. The New Zealand Ministry of Consumer Affairs (2003) identifies five main foci here.

- *Laissez-faire concerns* emphasize the intrinsic value, *always*, of freedom of contract thus not leaving very much of scope for policy measures.
- *Efficiency concerns* relate how consumer preferences, reflected in payment readiness, are best met assuming that customers alone are best equipped themselves to figure this out, maybe with some assistance to overcome information retrieval challenges.
- *Information concerns* home in on the quality of information available to a consumer and the costs she has to sustain in order to minimize the gap between what is expected from a goods and what in fact is had.
- *Distributive concerns*, eventually in the guise of paternalism, favors state intervention that could police a consumer choice reflecting preferences that ‘objectively’ are not ideal for the individual’s own interest (had she only understood this...).

Out of these foci, information concerns are most tied to the current development of economies and economic theory. The major policy implication is that informational imbalances between

²There might however, as information concerns are highlighted, prevail some obvious tensions at hand between the two policies. ‘From a competition policy perspective, markets with low barriers to entry, low sunk costs, many rivals, and rapid rates of entry and exit will tend to conform with the textbook model of a fully competitive market. Yet from a consumer protection perspective, such markets (eg used cars, home renovations) may present some of the most severe information problems that consumers confront’ (Hadfield et al 1998, p 153).

consumers and suppliers should be dispensed with but that the cost for doing so must be taken into account (Hadfield et al 1998, pp 137, 145). There is hence a trade-off at hand between minimizing information costs and maximizing consumer opportunities. Measures whereby supply market opportunity utilization is retained and the costs associated herewith contained are thus deemed preferable.

From the point of view of consumer transactions, this development in economic analysis prompts close attention to the determinants of the range of choices available to consumers. ... Protective measures that are as costly as the self-protective measure of gathering more information do not go to the heart of the problem; nor do regulatory techniques in which the cost of the regulation ... exceeds the cost of becoming informed and thus, by hypothesis, the value to the consumer of a more informed choice.... [B]y attending to the information basis of consumer problems and the information costs and impacts of varying approaches to addressing these problems, consumer protection policy can best respond to the demands of a world of increasingly diverse consumer choice and increasingly complex market structures.

As seen, an informed choice seems to be the loadstar here. That is to say, consumers had better choose as much as possible by drawing on reliable information. Choice itself emerges as very desirable despite its seemingly inherent complexity.

This policy inclination is much reflected also in the Swedish discourse underway. The recent 2003 Swedish initiative aimed at revising consumer policy related above is preceded by some particular rhetoric. A few illustrating samples hereof are reproduced below. Apart from a government bill and competition authority statements, a comment issued by the European Commission is provided in order to lay bare this very connection.

*The opinion of the government is that there is reason to focus the consumer perspective in competition policy more than what has been the case until now. ... **The government aims at obstructing monopolies that restrain the opportunity of households to choose supplier or technology. ... Increased consumer power by means of strengthened competition and enhanced information to consumers increase pressure on the companies. ... A working economy presupposes strong and informed consumers that by means of conscious and rational choices of products and purchase locations use their opportunities to impact production.** The goals of consumer policy are, among other things, that consumers shall occupy a strong position on the market and that households shall have good opportunities to make use of their (economic) resources in an efficient manner. ... **Freedom of choice gives rise to increased consumer benefits. When consumers demand good service, high quality and environmental adaptations, good accessibility or more alternatives to choose from, these are also product characteristics that are propelled by a kind of competition where power resides with the consumer. It is important that consumers are given real chances to make such choices. Marketing must therefore be accurate and informative. ... For the market system to work out it is necessary that consumers have an opportunity of choosing between different producers and products.***

[Swedish government bill *Proposition 1999/2000:140, Konkurrenspolitik för förnyelse och mångfald* ('A competition policy for renewal and diversity'), pp 1, 25, 25-26, 35, 37-38, 47, author's translation, added boldface]

There is now a collaboration project underway between the Competition and Consumer authorities that focuses the rendering conscious of consumers that they have got a choice, that they are given the opportunities to choose, and that they shall want to choose among products and services offered on the market.

[Swedish Competition Authority Director General Nykvist 2000, p 3, author's translation]

Strong consumers benefit competition. ... There is a close connection between the interest of consumers and the importance of efficient competition.

[Konkurrensverket (Swedish Competition Authority) 2000]

Whether they be consumers, savers, users of public services, employees or taxpayers, the Union's citizens enjoy the fruits of the competition policy in the various aspects of their everyday life. ... However, the Commission's competition policy is not limited to protecting consumers from the dangers that face them. It also seeks to preserve and stimulate their ability to operate on the market in such a way as to contribute to the competitive process. Ensuring that consumers are able to make choices which affect the conduct of firms is also a means of guaranteeing that markets function on a competitive basis. ... In conclusion, the Commission and its departments responsible for competition encourage the active participation of consumers and their organizations. Given their knowledge of the day-to-day functioning of markets, in particular those in mass-market consumer goods, consumer organizations are able to provide the Commission with information of interest to the Community by raising complaints or through informal contact.

[European Commissioner Mario Monti 2000, pp 4, 5, 6]

The consumer thus appearing in this rhetoric of competition policy is not recognized in the traditional Swedish paternalistic consumer policy in place to protect from commercially inferior buying behavior. As seen it takes several years, and not until rather recently, before the need for a revised alignment of consumer affairs is explicitly recognized by Swedish policy makers.

IDEAL-TYPE FRAMING

Now establishing that an informed and cost-conscious consumer choice constitutes a focus for the realignment of Swedish policy in accordance with antitrust legislation, which consumer is aimed at by the above quotes? Such a visionary account may seem trivial but nevertheless serves a crucial purpose in mobilizing practicing policies. A policy initiative that sets out to reorganize markets by redistributing calculative agencies therein seems in need of an informed consumer who wisely chooses among various supply market alternatives. But who is she when scrutinized somewhat more in detail?

This visionary consumer can be seen as an ideal-type. Weber (1949 (1904), p 90, 1968 (1922), p 21) asserts that an ideal-type is neither a hypothesis or a piece of reality, nor is it some kind of average reality. It is something that merely accentuates some related concrete and significant elements of reality, thereby assisting in constructing a hypothesis or making a description. It is a mental construct and '[t]he more sharply and precisely the ideal-type has

been constructed, thus the more abstract and unrealistic in this sense it is, the better it is able to perform its functions in formulating terminology, classifications, and hypotheses'. The argument is elaborated upon by Friedman (1953, p 36).

The ideal-types are not intended to be descriptive; they are designed to isolate the features that are crucial for a particular problem.

That is to say, an ideal-type appearing as a policy construct is normative in character. A complementary and more exhaustive way of discerning this visionary consumer is to reach out for her imagined market agency. Policy makers then indulge in a process of 'deputy' framing by means of which prescriptive boundaries are drawn around a representative consumer situation that serves to render calculation agency on the part of consumers not only possible but also powerful in relation to other agencies. This mirrors the desired calculative agency redistribution. The normative implications of consumers internalizing some events/relationships and excluding some others hence means a distribution of calculative agency thus strived at by society at large. To take more potential suppliers into account instead of less is one such intuitive implication that supports the distribution of calculative agencies aimed at, something anchored in the fundamental discourse on market framing as proposed by Callon below (1998a, b pp 24, 250) (confer the partial resemblance with how the government in Proposition 1999/2000: 140 foresees consumer policy in the quote above!).

The framing becomes more refined, richer, delving into the complexity of relationships, and in so doing it authorizes decisions which are more and more calculated or (to use the commonly-accepted word) more and more rational. ... To negotiate a contract or perform a commercial transaction effectively presupposes a framing of the action without which it would be impossible to reach an agreement, in the same way that in order to play a game of chess, two players must agree to submit to the rules and sit down at a chessboard which physically circumscribes the world within which the action will take place.

The challenge for policy makers is to create the features of a market actor with traits that harmonize with the spirit pursued by competition policy, what hereby is labeled the confident, in essence meaning the calculating, consumer. The isolation of features with particular relevance for the problem of constructing the confident consumer, the deputy framing, can be reached out for with reference to a conventional modeling of consumer buying behavior (Kotler et al 2001, p 215). Such a model, designed as a normative tool for marketers in search of the essentials of consumer conduct, displays the following steps.

1. need recognition
 2. information search
 3. evaluation of alternatives
 4. purchase decision
 5. postpurchase behavior
- } STAGE OF CHOICE

This theoretical case for the confident consumer (thus most ‘performing’ in character) rests upon the notion of instrumental (as opposed to expressive) rationality (confer Hargreaves Heap et al 1992). The view presupposes given ends, something taken issue with by alternative schools that relate purposefulness where also ends are subject to deliberation (confer Mises 1963 (1949)). To be rational in this conventional sense means to ponder upon means to satisfy given preferences-ends that motivate the individual. Among themselves these preferences are consistent and exhaustive thus encompassing any action pattern. They are furthermore assumed to be known, stable and transitive. The ends thus reflecting preferences are found in step 1 of the model whereas information is gathered and alternatives are generated in step 2 followed by evaluation and decision as choice in steps 3 and 4.

In terms of this model we can, from the quotes of the preceding section, envisage the confident consumer as follows, something thus reflecting the deputy framing undertaken by policy-makers.

She moves through *step 1 recognizing her need* and ...

- ... knows that she has got the opportunity to make a choice.
- ... is able to make a choice.
- ... wants to make a choice.

She continues into *step 2 and searches for information...*

- ... realizing that her power of choice resides in being informed and thereby making conscious and rational choices subject to accurate and informative market communication.
- ... and she disposes herself of a unique knowledge of daily market realities.
- ... but the information she could access is not for free and self-evident; it is costly and ambiguous.

She approaches *the decisive choosing stage of steps 3-4...*

- ... but she is in need of strong protection as regards information search to be able to exert well-pondered choices.
- ... and the presence of alternatives is not her primary concern, but only to choose from among these alternatives.

She ends up in *step 5 of postpurchase behavior*, the consequences of her conduct as...

- ... her opportunity of choice creates competition between technologies and suppliers.
- ... she in retrospect realizes the benefits as discerned in lower prices, a wider range of offers to react upon, high quality, environmental adaptations and ultimately more choice subsequently to be undertaken.

These traits of deputy framing by no means constitute a full-fledged construction of the confident consumer but, following Weber and the quotes provided, isolates some elements that policy-makers seem to render crucial for the redistribution of calculative agency in concert with antitrust law.

REAL-TYPE FRAMING

What now if this ideal-type, subject to policy-makers deputy framing, are put to contrast a particular consumer interpreted and commented upon by some other policy-makers in retrospect? As the rhetoric alluded to come forward in a discourse on competition policy it is illustrative to look at consumers in a market that by all means appear as 'hot' in this regard. Following this vocabulary proposed by Callon (1998b) means to move in a context characterized by controversies and complex framing subject to so-called overflowing in essence implying the recurrent appearances of externalities. The measuring of the causal relation between action and its consequence is, to say the least, controversial in the recently deregulated Swedish electricity market. This hot context is a former state monopoly being deregulated in two steps, in 1996 and 1999. Consumers can ever since choose their distributor of electricity though still being tied to a local network (owner/)provider. This deregulation receives lots of media attention and it has in some instances come to embody the market impact of how 'free' consumer choice works/does not work out. The overall controversy revolves around how come prices have increased a lot lately despite the legitimacy of deregulation being price containment (confer Konkurrensverket 2004).

In late 2002 the National Board for Consumer Policies launches the report *Recently deregulated markets and their consumer impact: The electricity market* (Konsumentverket 2002). The report can be interpreted by means of step 2 on information search and the decisive choosing stage of phases 3-4 of the above model here framing the confident consumer.

As regards information some 90% of consumers surveyed know that there is in fact a choice that can be undertaken among distributors of electricity (there is no longer a state sole-supplier monopoly that is), knowledge that they mostly have received in a passive manner. This is however not to say that consumers know enough to undertake a change of suppliers. Those who choose *which here means to change suppliers or to renegotiate delivery contracts* mostly receive information from a supplier. This means that distributors impact who changes suppliers/renegotiates contracts and what kind of information that is had and also that some non-provided information necessarily is missed out on. Inert consumers remain inert since suppliers do not turn to them, perceiving them as of less interest, the reason being that they buy smaller volumes. Areas that are difficult for consumers to understand are agreement conditions in general, prices and invoices. This holds in separate but is all the more so when comparisons are to be undertaken among potential sources of supply. Consumers cannot distinguish between different pricing agreements. As a case in point consider how inert and thus loyal customers pay a particular high 'running' price. Inertia is punished!

Less than 50% of scrutinized consumers do in fact undertake a choice as defined above. Out of them half changed suppliers and half renegotiated their contracts. Those who do not change do not see any reason to do so as they are satisfied. Among the changers/renegotiators it is obvious that those with high consumption are more salient than others, but 1/3 of those who stand to benefit the most due to high consumption are not found in this group of choosers. Changers/renegotiators also tend to have higher income and more access to the internet. The majority changes suppliers/contracts only once and most is gained the first time when a running price is left behind in favor of a long-term price. Those who do change spend on average some three hours on gathering information and then they change. Some spend 20-30 hours, some just a few minutes. Half of those who know that you could change feel it is difficult to compare suppliers. For one thing, prices are not quoted in a standardized way. So it seems as if lots of resources have to be spent, something reflecting that information is not that easy accessible despite some (ie web-based) assistance provided by authorities.

The fact that so few consumers have used the opportunity to impact their electricity costs must be seen as a failure for the reform. ... To be able to benefit from a reregulated electricity market and thus to make active choices it is necessary to possess knowledge about how the electricity market works, about possible choices and about how to undertake a change of suppliers (Konsumentverket 2002, pp 15, 14).

In terms of calculative agencies the authority classifies consumers in two broad overarching categories, the active and the passive, each of whom could express a low or high demand. Those who mostly stand to benefit from being active are obviously the latter category. To be active means to undertake a choice in the two areas of supplier and contract. A passive consumer does not choose and stays on with the same supplier according to a contract that implies a running price that is changed according to movements on the Nordic exchange for electricity. An active consumer chooses and either renegotiates the contract with the incumbent supplier or changes suppliers. The report attributes information (about alternative suppliers and alternative contracts) and resource scarcity and minor improvement potential respectively, as the main reason making a consumer active or passive. As seen these policy makers identify a substantial gap between the ideal- and the real-type consumer, a non-coherence of framing agencies that is labeled reform failure.

CONSUMERS' CALCULATIVE DEVICES

In passing we have noted that the creation of boundaries around ideal-type agency and that representing a real consumer of electricity can be looked into as a process of framing, something necessary for calculative agencies, organizing the market, to prevail. We have also taken the (maybe) somewhat bold step to label the policy initiative a process of deputy framing as consumers are prescribed how to behave in order to be calculative and thus assisting in making markets work according to an emergent paradigm of competition. When saying that deputy framing occurs we intend the normative discourse by means of which policy makers attempt to influence consumers' calculation to the benefit of society at large. Until now this paper looks into the constituents of the recent consumer policy revision initiative in two major ways. It firstly brings the attention to a few quotes that highlight the notion of consumer choice as the sine qua non of this initiative, something then fit into a model of buyer behavior. It then looks into how such an ideal-type appears in light of a real-typical consumer as coming forward in a report on the electricity market. Herein we learn that a consumer of electricity is someone who could be classified as either active or passive subject to if a choice of supplier or contract form is undertaken or not. The ideal-typical chooser is however not really salient in the Swedish electricity market as less than half of

respondents subscribe to at least some features hereof. To find out more about this gap of non-coherent framing between ideal- and real-type agencies yet another step must be taken probing into calculative consumer agency.

We posit that the main reason for the identified non-coherence is the reactive manner in which consumers receive information about supply market opportunities. This information does not come from just anywhere but is deliberately produced by some suppliers thus targeting some specific (read high-volume) consumers. What suppliers thus engage in, via instances of market communication that position their electricity offer, are efforts to appear as consumers' decisive calculative devices to the benefit of these distributors themselves. That is how framing, as pointed out by Callon (1998a), is not only contained in actors-consumers themselves. Given its utmost complexity, outside devices are necessary for calculation to unfold.

In this section such devices are touched upon, in particular regarding the manner in which they impact the distribution of calculative agency in a market. Given the scope of this paper we limit ourselves to the instance where the supplier emerges as a device for calculation eventually to be undertaken by the consumer. We also notice that the sheer amount of choice at hand, by all means crucial for the revised consumer policy initiative, constitutes a calculative device in and by itself. It seems however dubious whether such a device unequivocally improves calculative consumer ability. More choice in terms of more suppliers to choose from could in fact impede the calculative power of consumers, something that if true would put in some jeopardy the policy initiative thus undertaken.

Callon and Muniesa (2003) take some pains in emphasizing that calculation in a performative sense shall neither be seen as equivalent to the rough orthodox math of economics, nor does it correspond to some nihilist-guesswork at times associated with sociology. They propose a concept of calculation that goes well beyond what is traditionally encountered either in economics or in any discipline that, oftentimes in the guise of contingencies, sets out to provide a feasible alternative thereto. They frame a three-step process of calculation whereby sorting-out of entities is followed by the establishing of a relation among them and the extraction of a result as a ranking from here. The idea of disentangling, grouping together/ relation-establishing and classification of and between entities thus renders manifest a close link between computing on the one hand and judging on the other in relation to the value of

an alternative. This process necessitates calculative devices that perform the operations. If now consumers are turned to it can be argued that suppliers approaching them with information-market communication at hand constitute such calculative devices as they provide various means of references. Calculation as a necessary precursor of market transactions could hence be delineated in a way that nicely fits the bent of this paper about the construction of the confident consumer by choice subject to information access.

The consumer can make choices only if the goods have been endowed with properties which make distinctions enabling her both to identify, to single out the good and to compare it to other goods.³

That is to say, framing is necessary as a good has to be somehow qualified in order to be calculable just like the consumer herself has to be transformed for a transaction to come by. And void of calculability a good is simply not eligible for the consumer's choice. To choose suppliers of electricity a consumer needs devices that assist her framing. Such qualification Callon and Muniesa (2003) equal with the term positioning (that is somewhat close to what we earlier refer as deputy framing on behalf of someone else). This is a key term in the marketer's world and is mostly associated with the creation of an image of the good considered in parallel with competing goods in the consumer's mind, something thus very much akin to what is meant by framing. In the language of Gutman (1982) some subjectively perceived attributes of the good invoke consequences that in their turn give rise to experienced benefits, something meaning the satisfaction of a consumer need. Such qualification-positioning(-deputy framing) comes about via differentiation which means the design of the good and the communication of an image sought for in relation to others. In the language of Callon and Muniesa (2003) a good initially has to be sorted out and it is this process of singularization that Gutman (1982) is after as he associates the 'objective', a supplier's design of attributes, with the 'subjective', a consumer's view of the benefits associated with these perceived attributes. But positioning can only occur in relation to something else, an order hence has to be established among the (thus detached) goods at stake, something marketers at time labels the evoked set. This eventually ends up in a ranking according to some specific consumer's criteria that precedes an act of purchase by means of which a good is attached to the consumer (Callon and Muniesa 2003). Positioning can however only occur after the marketer has divided all potential consumers in segments (according to maybe some demographic characteristics or the benefits they seek) one or a few

³Callon and Muniesa 2003, p 7

of which are then picked out as targets of the positioning thus eventually to occur (confer Best 2000). This means that the qualification of the consumer, in the marketer's mind, always have to precede the manner in which qualification of the good takes place via positioning. A more predominant marketing paradigm, the so-called marketing-mix approach represented by suppliers defining the 'four Ps' (product, price, place, promotion) by 'managing the market', is more inclined towards a process wherein positioning seems to proceed the steps taken to identify the particular consumers of interest (confer Kotler et al 2001).

For this complex concatenation of events to occur it is obvious that information is necessary. The consumer has to be aware of the good in the first place, about its particular attributes in the second, and about how it relates to other goods in terms of decisive good criteria in the third place. The choice subsequently undertaken is only informed to the extent that the consumer has a reasonable evoked set of goods to select from and that there prevails some association between preferences and goods benefits as seen when selection criteria are apparent and comparable in the final ranking process.

Complex, is it not? And that is why the consumer is reliant upon devices that can assist her in this process of calculation as singularization-manipulation-classification. Or what we could alternatively call the pursuit of a reasonably informed choice. Such devices we think of as enabling calculation and they accordingly impact the distribution of calculative agency in a market. If now consumers are considered as potential buyers, suppliers-to-be emerge as calculative devices since they furnish consumers with feasible points of reference (information) that are relevant for transactions-in-the-making.

This is eventually seen in the report on the Swedish electricity market wherein any point of consumer reference seems to originate with suppliers. That is to say, consumers only passively react to information had from electricity distributors. In relation to these devices-suppliers, consumers are hence not very autonomous, something attributed to the amount of (own) planning that informs the final purchase decision about to be taken. In the case of impulse buying (when little planning precedes action) the consumer is akin to 'an appendage of the calculating device created by marketing experts' and hence mostly void of autonomy (Callon and Muniesa 2003). Something similar seemingly prevails in the case of passively receiving information also when impulse buying is not at hand. Planning occurs but is based upon biased information retrieval. That is to say that the devices impact the distribution of

calculating agency in a decisive manner. The obvious goal of the consumer policy initiative commented upon here is to redistribute calculative agency in favor of consumers. In the case of the electricity market it is clear that suppliers take on a major role as calculative devices and thereby they undermine the calculative capability of consumers. If information is had differently the role of electricity distributors as a calculative device could shrink and thereby calculative agency could eventually be somehow redistributed in favor of consumers.

A device that, contrary to common belief and the ideal-typical characteristics of the confident consumer as presented here, impedes calculation, could in fact be the very wideness of choice. Must it necessarily be so that the more choice there is, the better off is the consumer in terms of calculability? We could posit that there is an ongoing struggle at hand between devices with opposing calculability consequences. This is readily seen when looking into how suppliers emerge as devices of calculative agencies that ‘frame this world of possible choices by establishing a boundary between the goods displayed ... and all the others that have been taken off the short list’ (Callon and Muniesa 2003, p 7). Market communication efforts, all of which ultimately intended to bring the consumer closer towards an act of buying, hence serve to ‘isolate’ a particular goods from its alternatives, thus assisting the consumer in the desired direction. But this is constantly offset by other communication concerning other goods with just the same intention. In consequence the more alternatives there are, the more complex becomes the framing process for the consumer who consistently has to fight with more externalities in her decision-making process. This risk of overflowing is something hardly very salient in the policy revision initiative related to in this text. The potential for intermediaries that contain such overflowing is not very much of an issue.

A fairly exhaustive account in this domain is provided by Schwartz (2004, below quotes; pp 43, 21, 25) whose main argument is that more choice can never be an end in itself.

- *The transformation of choice in modern life is that choice in many facets of life has gone from implicit and often psychologically unreal to explicit and psychologically very real. So we now face a demand to make choices that is unparalleled in human history.*
- *[O]ur culture sanctifies freedom of choice so profoundly that the benefits of infinite options seem self-evident.*
- *[A] majority of people want more control over the details of their lives, but a majority of people also want to simplify their lives. ...[:] – the paradox of our times.*

The correlation between choice and calculative ability (or, more correctly: calculative quality) increases only until a certain point, thereafter more choice implies a loss of such ability. And this occurs because there is no way in which a real-world consumer is in the position to reasonably contain externalities, calculative ability suffers as the amount of overflowing seems to implode. In a fairly regulated market reality this overflowing is contained by intermediaries (society bodies) that engage in substantial deputy framing, something in sharp contrast to a laissez-faire mode of organizing market transactions (confer the reasoning of Callon 1998b). A much telling contemporary case here is the newly redesigned Swedish pension system according to which some assets are to be invested by the individual herself by choosing from some 670 alternative funds. The idea is that the huge administrative costs of the system are to be more than offset by gains realized by the actively choosing individual. The problem is however that people tend not to choose (thus being put automatically into a state-run alternative). And by now, less than four years after the system launch, there are ideas as how to reduce the number of funds from 670 to ten, a numerical decrease by some 98.5 % thus explained by the paradox of choice as discussed by Schwartz (2004) (Braconier 2004).

*When people have no choice, life is almost unbearable. As the number of available choices increases ... the autonomy, control, and liberation this variety brings are powerful and positive. But as the number of choices keep growing, negative aspects of having a multitude of options begins to appear. As the number of choices grows further, the negatives escalate until we become overloaded. At this point, choice no longer liberates, but debilitates. It might even be said to tyrannize. [N]ot all choice enhances freedom. In particular, increased choice among goods and services may contribute little or nothing to the kind of freedom that counts. Indeed, it may impair freedom by taking time and energy we'd better off devoting to other matters. ... [W]e do ourselves no favor when we equate liberty too directly with choice, as if we necessarily increase freedom by increasing the number of options available. Instead, I believe that we make the most of our freedoms by learning to make good choices about the things that matter, while at the same time unburdening ourselves from too much concern about things that don't.*⁴

In terms of the consumer conduct model related earlier as representing the buyer behavior of the ideal-typical confident consumer, we can discern the following. As regards step 1, *need recognition*, it is obvious, says Schwartz, that very often we do not know a lot about our goals. What happens is that we rely a lot upon our experience and in particular on how we perceive an event when it ends and/or is at its best/worst. 'So it seems that neither our predictions about how we *will* feel after an experience nor our memories of how we *did* feel during the experience are very accurate reflections of how we actually *do* feel while the experience is occurring. And yet it is memories of the past and expectations for the future that govern our choices' (Schwartz 2004, p 47). The next step, *information search*, has got its

⁴Schwartz (2004, pp 2, 4)

very own challenges. The better informed we are the better, but information is ambiguous, this meaning that '[w]e are forced to educate ourselves so that the decisions we make will be well informed' (Schwartz 2004, p 24). One type of bias occurs through the way in which information is sorted resulting in that some type of information is given undue weight. For instance, the 'availability heuristic' means that frequency, salience and vividness matter for information recall. 'Anchoring' is seen in the framing effect of high prices whereas prospect theory implies that the downside of potential losses are perceived as worse than the upside of potential benefits (Schwartz 2004, pp 57ff). Imagine the consequences hereof for the Swedish real electricity consumer who depends on information provided by the distributor! Steps 3-4, *alternative evaluation and purchase decision* – the stage of choice, epitomize that more options ('more choice') is not desirable per se (as postulated by the rationality-driven ideal-type of the confidently choosing consumer) because of the efforts required to make a decision and the (opportunity) costs associated with not choosing an alternative. Mistakes are also more likely and the deploring of making them is bigger given the efforts laid down. And to ignore options simply is not done following the convincing power of marketers and the seemingly small effort associated with 'having another look'. Schwartz concludes that all choices shall be consciously chosen to be made which means some constraints are sometimes good. In terms of our vocabulary singularization is hence more challenging the denser is the context of choice in terms of number of alternatives to select as overflowing will then reduce the consumer's ability to calculate.

ON CALCULATION AND MARKET IMPACT

After having brought forward the manner in which an informed choice renders manifest the inclination of the consumer policy revision initiative, as seen in ideal- and real-type framing, this text discusses calculative devices and the reorganization of such agency in the preceding paragraph. Suppliers are here drawn upon as such devices and calculation agency as brought forward by Callon and Muniesa are related some marketing fundamentals. It seems as if the real-type Swedish consumer of electricity services does not display lots of autonomy in light of how information is had about supply market alternatives. Contrary to common belief as salient in the framing of ideal- and real-types commented upon here, we also realize that due to so-called overflowing, and the relative lack of intermediaries in deregulated markets, the very wideness of choice could hamper a consumer's calculation ability. If this is true it means that the consumer policy revision initiative is put in some jeopardy.

Be as it may, this final paragraph discusses the manner in which confident –calculating– consumers are in the position to exert a market impact. This is at the heart of the manner in which the policy revision initiative sets out to redistribute calculative agencies thereby attaining a market reorganization favoring consumers and thereby competition. By market impact we intend the manner in which the organization of markets, mostly in terms of competition, is affected by how consumers calculate. Or do not calculate. The point of entry is here provided by the well-known argument of Weber on market closure and openness respectively. We relate his discourse on appropriation to the idea of how consumer autonomy is subject to calculative ability, something connected to consumer powerfulness in this regard. Thereby it is possible to align the very features of consumer calculation that policy makers aim at, what Callon and Muniesa (2003) label detachment and singularization, with the positioning efforts of suppliers as brought forward by Cochoy (2003) in the guise of la captation. We conclude by arguing that the market impact of calculation will be a function of how markets open and close following consumers’ calculative power in light of suppliers’ captation efforts.

Just like this paper (drawing extensively on Callon 1998a) presupposes calculative agencies for markets to prevail, Weber (1968 (1922), p 635) attributes the same role to competition by alleging that ‘[a] market may be said to exist wherever there is competition even if only unilateral, for opportunities of exchange among a plurality of potential parties’. That is to say, competition and calculative agencies both organize markets. And devoid of organization a market cannot be according to the assumption made here about markets as coordinated interaction. Weber also, something of particular relevance for our argument, equals market freedom to the autonomy enjoyed by actors in relationships. Such freedom is then subject to the degree of relationship openness and closure respectively, something akin to the manner in which framing means to take some, but not all, relationships into account when pondering a decision. An open relationship means that parties thereto consider also other potential sources of a transaction whereas closure implies sticking to what is already had in an inert manner. In a fully closed relationship it is questionable whether calculation takes place at all or, alternatively, that there is complete framing, both instances of which are as unlikely. A completely open, as unlikely, relationship would then entail eternal overflowing since all other alternatives would always be considered. Calculation is hardly in place since no framing occurs. Complete openness or closure hence deorganizes a market.

What by Weber (1968 (1922), pp 43-46, 638)) then is referred to as 'appropriation' is the monopolization of potential exchange opportunities, as not much of calculation (we could posit) unfold. The potential entry of newcomers is foreclosed by incumbents. A market made up of only appropriated (and thus closed) relationships can hardly be thought of as a market since there will be little or no competition prevailing there. Action will not be oriented towards others. It is not social. Appropriation implies (as observed by Swedberg 1998, pp 35, 39) that parties to a closed relationship 'monopolize economic opportunities by excluding others from them'. A consumer who does not calculate and who is weak in calculative power in relation to a supplier hence embodies a distribution of calculative agency that in essence means that not very much market is around as the absence of calculation also means the absence of competition. As seen calculation could also be absent in the case of full overflow. Calculation hence invokes competition to the extent that such calculation resides with the calculative power of the consumer and not merely with the supplier as a calculation device. By far the most convincing case for a calculating consumer thus invoking competition and 'market' is the *Tertius Gaudens* alluded to by Simmel (1950 (1908), p 156)),

On the largest scale, the tertius gaudens is represented by the buying public in an economy with free competition. The fight among the producers for the buyer makes the buyer almost completely independent of the individual supplier.

A calculative consumer furthermore displays relative autonomy, something hence conducive for the prevalence of a market. That such decision-making autonomy is endemic to market transactions since long constitutes the *sine qua non* of the market system. 'Controlling their own resources, the participants in a market, in deciding how those resources are to be used, are not obliged to follow others' orders. They are free to make decisions – to buy, to sell, to exert effort, to invest – that reflect their own preferences. ... If people lack autonomy, then their dealings are not, by this definition, market dealings' (McMillan 2002, pp 5-6). The opposite of such autonomy is when calculation unfolds only subject to the supplier as a calculating device, what we learned Callon and Muniesa (2003) label the consumer as a 'calculation device appendage'. This is akin to Weberian appropriation according to which this loss of autonomy means less market. The reason is that less competition prevails among alternatives as fewer commercial sources of supply are considered. In this vein calculation devices-suppliers deprive the consumer of autonomy and hence the market of openness.

The way in which a market organizes hence depends on the distribution of calculative agencies, the way in which they contest each other by having ‘their decisions recognized and accepted’, something subject to ‘the respective qualities of the calculating devices’. Calculative power, conducive for autonomy, is then displayed by the taking ‘into account [of] the greatest number of relations and entities’ (Callon 1998a, p 45). But we could add, with reference to the previous paragraph, that there is marginal limit to the number of entities to draw upon in the sense that power does not equal the number of alternatives beyond a certain point. A powerful calculating consumer is in the position, much like Simmel’s *Tertius Gaudens*, to relate to an array of suppliers in her process of framing whereas someone devoid of such power hardly consider any alternatives which means not to invoke competition in the market.⁵ Or she faces simply too many to consider and eternal overflowing renders calculation impossible. Following Callon and Muniesa (2003) we could envisage *Tertius Gaudens* as a consumer replete with calculative power who disposes of a relatively wide and varied menu of suppliers that display an array of mutual selection criteria that could be drawn upon by means of deliberate and multi-faceted methods. The opposite is a consumer who has got a very short and poor menu, or too wide a menu, that is chosen from in an ad-hoc manner thus exposing herself to hazarding supplier influence. It follows once again that an informed consumer choice does not just happen but necessitates advanced framing and intermediaries that could contain recurrent overflows sometimes originating with the very wideness of choice itself.

As noticed by Callon and Muniesa, an average consumer is rather weak in relation to suppliers’ calculative power, something however counterbalanced by consumers acting in concert, much in the spirit of Nader (1968). But such an asymmetrical power relation, what obviously propels the revised consumer policy initiative commented upon here, does not just happen. Just like calculation means efforts on the part of a consumer to singularize a good after due comparison with other goods, suppliers engage in corresponding activities that set out to shortcut the evoked set of potential sellers to their very own benefit. Such efforts, to detach the consumer from alternative goods, and to attach her to one’s own by entanglement, obviously impact competition much as foreshadowed by Weber. They are scrutinized by Cochoy (2003) as *la captation*, something going deeper than mere positioning - an exercise

⁵With a corollary to social exchange theory we could posit that a powerful consumer in this regard is less dependent on the supplier than vice versa, something attributable to the prevalence of supply alternatives and/or the appreciation with an incumbent supplier (confer Emerson 1962).

that the construction of the confident consumer who pursues informed choices sets out to oppose.

La captation in essence means the ‘attracting, capturing, seducing, selecting, diverting [and] understanding’ of consumers’ interest in a manner that elicits associations that are more advanced than those commonly comes to mind when reflecting upon suppliers’ at times rather primitive ways to lock consumers in. When appropriation abounds there is a lack of openness and la captation cannot be as it entails a most sophisticated emotional consumer control, something possibly safeguarding its longevity also in light of competitor conduct. It is as if la captation entails consumers sticking to the very same supplier despite having a choice to do otherwise. Or, as businesspeople often are known to say despite their business practice pointing in the opposite direction (confer Dean 1954). ‘Absolutely, in our market there is plenty of competition and we really support it by doing all we can to make it flourish’.

The captation strategy is the pivotal point of these two contradictory impulses [of habits and interests]. The capture of clients implies to rely heavily on competition, but also on its suspension; marketing activities demand to let the market open, free, accessible and escapable, but they also require to drive clients and to keep them (Cochoy 2003, p 5).

By means of *dispositifs* (devices) la captation means to impact consumers’ *dispositions* (cognitive patterns) in the desired direction in an intriguing manner that is at the same time stable (consumers are inert) and flexible (but consumers are also variety-seekers). A shocking ad might thus alert the consumer to the supplier and instill a kind of aptitude that goes far beyond the immediate response of instantly acquiring something from that very supplier. *Dispositifs* hence impact consumer choice in a manner that stretches out well beyond the momentary framing at hand as consumers’ disposition towards this very supplier is affected in a manner that is not entirely foreseeable but maybe only recognizable in retrospect. So whereas *dispositifs*, in the language of Gutman (1982) correspond to the attributes designed by suppliers as differentiation, disposition is the associations that consumers make hereof as consequences and benefits (= the level and type of need satisfaction that suppliers’ goods invoke with consumers). In this manner la captation leads much beyond the momentary constellation of mental dispositions that we associate with calculation. Markets are hence performed not only by what happens but what could eventually unfold later. A policy that sets out to counterbalance la captation aims at restoring a consumer’s mind to ‘scratch’ so that the disposition eventually attained is eradicated when subsequent calculation is to be undertaken.

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