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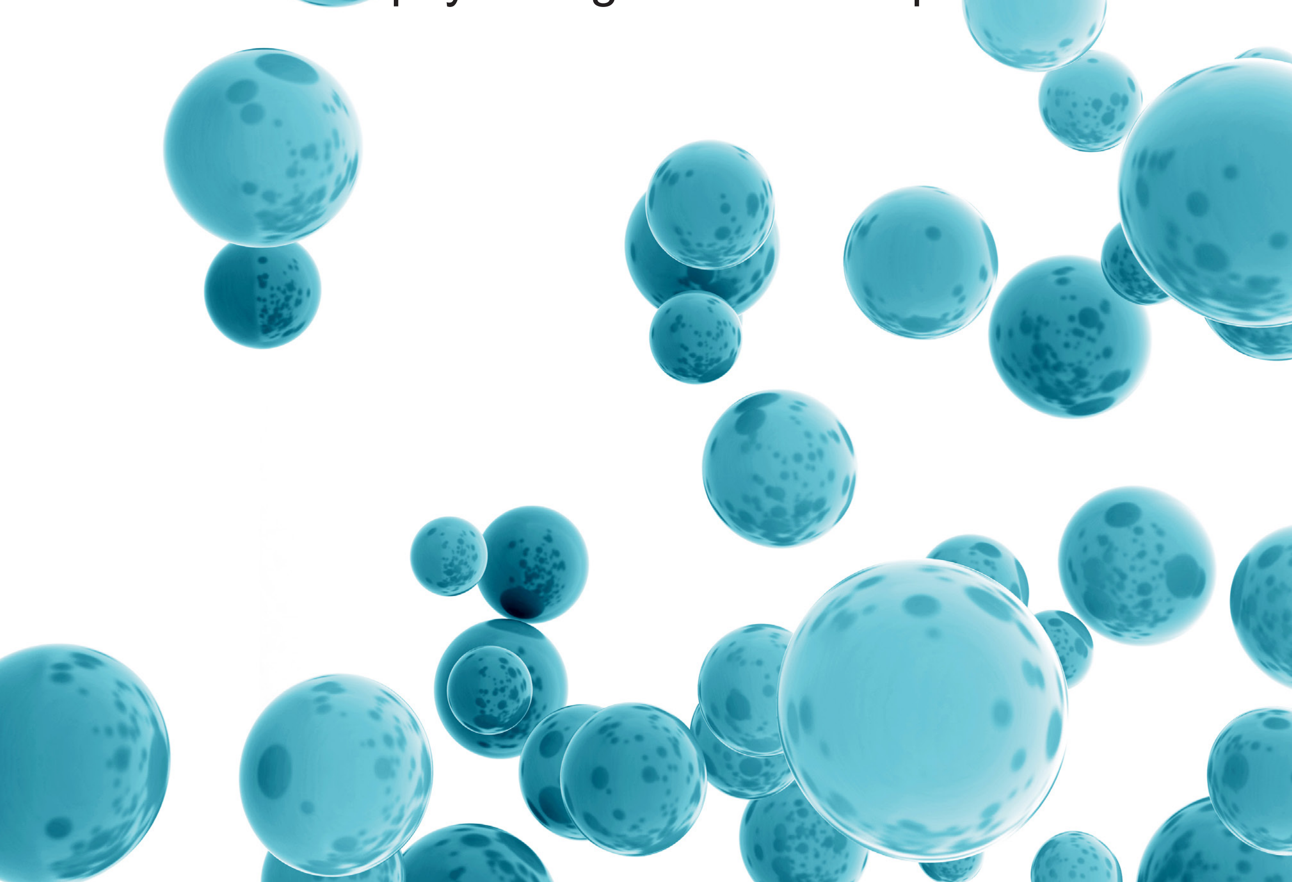
ANTTI TALONEN

Customer Ownership and Mutual Insurance Companies

Refining the role and processes of psychological ownership



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Refining the role and processes of psychological ownership

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ACADEMIC DISSERTATION
To be presented, with the permission of
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ANTTI TALONEN

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In addition to being a scholar, I'm a drummer. Perhaps it is only natural, then, that writing a doctoral dissertation reminds me of creating a music album. Songs with various vibes come together with a unifying music style and a coherent message that touches the listener. Likewise, each of the scientific articles contributing to a doctoral thesis is a piece of art in its own right, and the larger work benefits from these different perspectives: a coherent scientific work with a unifying message is formed. Also, at their best, both capture something that is of value to society at large. The creation and success of an album, however, is never achieved by the band's front man alone. It is dependent on support, contributions, and help from many others. The same is true for a doctoral dissertation.

I want to begin by expressing my deep gratitude to Professor Hannu Saarijärvi, the academic supervisor and custos for my dissertation. His will to challenge the limits of current thinking led me to pursue ideas 'outside the box' and find new ways to approach issues. At the same time, his constructive and positive style has the power to ignite motivation and enthusiasm in the people around him, including me. I have been extremely fortunate to have him as my album's 'producer'. He knew how to get the best out of me.

With my other supervisor, Professor Lasse Koskinen, I have been privileged to benefit from an esteemed expert's many years of experience in the field of insurance. With a background in mathematics and financial supervision, he provided me with a perspective beyond my marketing-theoretical point of view. This greatly expanded my understanding of insurance and the scope of my thinking. His extremely encouraging attitude and way of giving responsibility as a boss has made it a joy to work beside him, and I wish to thank him warmly for that.

I was truly honoured to have internationally distinguished scholars as the pre-examiners to the dissertation, Professor Tommi Laukkanen, with the University of Eastern Finland, and the University of St. Gallen's Professor Peter Maas. Their insightful and constructive comments played an important role in concretising my work and strengthening the quality of the thesis. Special thanks are due Professor Laukkanen, whom I was honoured to have as my opponent.

The one who took me on as a Ph.D. student in insurance science in the first place was Dr Olli-Pekka Ruuskanen. Having had the privilege to work with him for a long time, I can state without reservation that I've always admired his enthusiasm for his work. I am most grateful for how he introduced me to the field of insurance.

Throughout the writing process, I have had the opportunity to interact closely with customer-owned mutuals, co-operatives, and related associations. Such access is important for a scholar who is aiming to truly understand the research phenomenon and context. Great thanks belong to Sami Karhu, the managing director of Coop Center Pellervo, who was always ready to listen to my ideas about mutuals – all the way from their infancy to full maturity. In addition, Sami has also enabled and ensured visibility, media exposure, and coverage for the research when the weight of the message has justified this. I am ever grateful to him for his support. Furthermore, I want to express my gratitude to COOP Center Pellervo's former president Martti Asunta, also former president of the Finnish Co-operative Advisory Board, and to its current president, Petri Pitkänen. As leaders of the Finnish co-operative and mutual movement, Martti and Petri have always shown keen interest in strengthening the dialogue between theory and practice, and they have worked hard to enable this in various forums.

For a Ph.D. student, it is vital to engage with the true champions of one's field of research interest. This provides a significant boost to the learning curve. When I started writing the dissertation, I had the joy of getting to know an internationally esteemed scholar of co-operatives, Professor Iiro Jussila, of Lappeenranta University of Technology. He provided encouragement and vision from beginning to end, also giving me confidence in my ideas when I was in doubt and offering invaluable input to my thinking, with just the right questions and comments. In addition to this valuable interaction, I have had the opportunity to collaborate with distinguished scholars in the preparation of articles forming part of the dissertation. Accordingly, I want to thank Professors Maria Holmlund-Rytkönen and Professor Tore Strandvik, both from the Hanken School of Economics, for leading me into the world of mental models and Dr Pasi Tuominen for showing the way in the field of consumer co-operative research. Moreover, I have gained much from the expertise of our university's customer-value pioneer, Dr Timo Rintamäki, with whom I have had the pleasure of writing articles and carrying out several research projects. Finally, I want to thank Dr Pekka Puustinen for numerous fruitful discussions on customer ownership in the context of insurance. Collaboration and learning alongside these exceptional experts have taught me much.

Throughout my academic career, I have been surrounded by extraordinary colleagues. I want to thank Dr Mika Yrjölä and university teacher Jarna Pasanen for their friendship throughout our doctoral studies. In addition, I am grateful to lecturer Aarno Ahteensivu and Pauliina Havakka for in-depth discussions flavoured with their profound expertise in the field of insurance as well as to professor Pasi-Heikki Rannisto for sharing his insights from the perspective of administrative sciences.

While doing most of the writing, I had the privilege of working at the Faculty of Management's Research and Education Centre Synergos. Being surrounded by 35 experts, in various fields of business, administration, and political research and education, provides an extensive understanding of management. I want to thank every one of my colleagues at Synergos for this outstanding environment; I will always think of you as my 'gang'.

For the final year of the project, I was able to put 100% of my effort into writing the dissertation as dedicated Ph.D. researcher for the Faculty of Management. I feel that this opportunity aided me greatly in completing the dissertation efficiently. For this, I express gratitude to faculty dean Antti Lönnqvist and to Head of Administration Sari Saastamoinen. In addition, I want to thank Minna Hakamaa-Virtanen for keeping all the practical arrangements in line, which has given me the chance to concentrate on the substance of the dissertation.

Furthermore, I want to thank the financial support of the Foundation for Economic Education (Liikesivistysrahasto) and the Finnish Insurance Association (Suomen Vakuutusyhdistys ry), which enabled me to write this dissertation.

Now I come to my family. I have been incredibly lucky to have the sister and parents I do in my life. My sister Sanni, paediatrician-to-be, has always set a real standard with a level of sophistication and education that her brother strives to match. Thanks to you, my sights are not set low – your endeavours have encouraged me greatly to pursue my dreams of a doctoral degree. My parents, Harri and Minna, have given me the most important things parents can give: faith and encouragement. When I was a schoolboy, this involved pushing me, because of low marks. When the study adviser at my school later told me that I would never get into university to study business, my parents told me that I could. As I've grown older, these memories have stood out as the benchmark for what kind of parent I want to be for my children. I want to thank you for being my greatest cheerleaders, with unconditional support throughout my life.

Finally, my fiancée Ninni and our beloved son Kalle, you two are the most important things in my life and a true safe haven. Ninni, you have seen it all. You were there for the whole process, helping to revise both my application to Ph.D. studies and the final dissertation. You accepted taking care of our son when I needed to finish this dissertation. For this, my gratitude is so deep that I cannot describe it in words. You have made it possible for me to write the dissertation and earn my doctorate. In addition to your love and support, it is a joy and blessing to have an academically minded partner with whom to philosophise and discuss science and the world. In this you are my best interlocutor and opponent.

Our son was born in the final year of writing up. It was you, Kalle, who gave a totally new side to my life and provided motivation, encouragement, and strength to complete the dissertation. I dedicate this dissertation to the two of you.

At my office, 16 September 2018

Antti Talonen

ABSTRACT

Customer-owned mutuals represent a significant part of global insurance markets. By serving approximately 988 million people, mutuals generated over 1200 billion US dollars in premiums in 2015 and accounted for a 27% global market share. The prominence of mutuals has increased since the latest global financial crisis, with their market share rising by 20% while general growth of insurance premiums globally has been only 8%. Furthermore, three of the five biggest co-operative companies in the world are mutuals. Yet research on mutuals and understanding of customer ownership in an insurance context have remained meagre. While some scholars have posited that merging of the customer and owner role should influence consumer behaviour, how consumers actually perceive ownership has remained unclear.

Research on co-operatives in general suggests that one way to increase understanding of customer-owners' behaviour is to look at their perceived sense of ownership of the company. Psychological ownership, a mental state of feeling something to be one's own, can be regarded as mediating between legal ownership and individual-level behaviour. While some promising conceptualisation exist, the role of psychological ownership in customer-owned companies has remained relatively unclear, especially with regard to its relationship with the purpose of a customer-owned company. Particularly in the context of mutual insurance companies, little attention has been given to this.

Accordingly, a dissertation project was carried out, producing four scholarly articles and a framing work as output, with the aim of refining the picture of the role and processes of psychological ownership in the context of customer ownership and mutual insurance companies. Here, 'role' refers to the positioning of psychological ownership in respect of the purpose of a mutual insurance company and 'processes of psychological ownership' encompasses the development of a sense of ownership in the mind of a customer-owner as well as the mutual's capabilities of facilitating its emergence. Refining our conceptions of

the processes, via this dissertation, should create greater understanding among scholars and practitioners as to how these processes get actualised in practice.

Thereby, the dissertation makes three complementary contributions. Firstly, fine-tuning the literature's descriptions of psychological ownership as a special link between customer-owners and their co-operative or as one aspect of co-operation, the project considered the role of psychological ownership in a consumer co-operative context and for mutual insurance companies as a fundamental consequence of value-creation processes. Being a result of those processes, psychological ownership becomes integrated with the fundamental, strategic-level purpose of the company form – maximising customer value.

Secondly, earlier research on mutual insurance companies echoes a presumption among scholars that ownership by the customers influences their behaviour as consumers automatically. By refining the understanding of the processes of psychological ownership in the chosen context, the dissertation project has revealed that customer-owners may face challenges to developing a sense of ownership of the company. In addition, that executives' mental models of customer ownership differ indicates that the processes of a mutual company may not automatically get operationalised in such a way that they harness the potential to facilitate emergence of psychological ownership. Hence, it is posited that psychological ownership should be considered a mediating concept between legal ownership and consumer behaviour in the context of mutual insurance companies.

Thirdly, a mutual's concrete abilities to facilitate psychological ownership manifest themselves in the operations of the company. It became clear that deep understanding of a given mutual's potential to facilitate processes of psychological ownership necessitates analysis of that company's operations and building of a comprehensive picture of the company accordingly; the dissertation suggests a new level of analysis – company level – for comparability and analysis related to the operations of a mutual insurance company.

By elaborating on the role and processes of psychological ownership, the dissertation project enhances understanding of the implications of the joined roles of customer and owner. Together, the three complementary contributions point to various managerial implications and avenues for future research, which are discussed at the end of the piece.

KEYWORDS: Psychological ownership, mutual insurance, customer ownership

TIIVISTELMÄ

Keskinäiset yhtiöt ovat vakuutusalan merkittäviä toimijoita, joiden yhteenlaskettu vakuutusmaksutulo on noin 1200 miljardia Yhdysvaltain dollaria. Nämä asiakkaidensa omistamat vakuutusyhtiöt ovat kasvaneet viimeisen kymmenen vuoden aikana alan markkinoita nopeammin ja niiden markkinaosuus maailmanlaajuisesti on noin 27 prosenttia. Tästä huolimatta keskinäisyyden ja asiakasomisteisuuden vakuutusalan tieteellinen tutkimus on niukkaa. Kysymys siitä, miten kuluttajat käytännössä kokevat omistajuuden, on vakuutusalan tutkimuksessa jäänyt vähäiselle huomiolle.

Aikaisemman kuluttajaosuuskuntatutkimuksen mukaan ymmärrystä asiakasomistajien käyttäytymisestä on mahdollista lisätä tarkastelemalla heidän yhtiötä kohtaan kokemaansa omistajuuden tunnetta (psykologinen omistajuus). Aiemmasta käsitteellisestä tutkimuksesta huolimatta psykologisen omistajuuden rooli suhteessa asiakasomisteisen yhtiön toiminnan tarkoitukseen on pysynyt jossain määrin epäselvänä. Aihepiiriä on käsitelty rajallisesti keskinäisten vakuutusyhtiöiden kontekstissa.

Tämän väitöskirjan yhteenveto-osuuden ja sitä tukevien neljän itsenäisen artikkelin tarkoituksena on lisätä (refine) ymmärrystä psykologisen omistajuuden roolista ja prosesseista asiakasomisteisuuden ja keskinäisen vakuutustoiminnan kontekstissa. Roolilla tarkoitetaan psykologisen omistajuuden asemointia suhteessa keskinäisen yhtiön toiminnan tarkoitukseen. Prosessit viittaavat psykologisen omistajuuden tunteen kehitysmekanismeihin yksilön mielessä sekä asiakasomisteisen yhtiön kyvykkyyksiin fasilitoida omistajuuden tunteen kehittymistä.

Väitöskirjan tuloksena on kolme toisiaan täydentävää kontribuutiota. Ensiksi, psykologisen omistajuuden rooli määrittyy asiakasomisteisen yhtiön asiakasarvon luonnin prosessien seurauksena. Täten psykologinen omistajuus integroituu asiakasomisteisen yhtiön toiminnan tarkoituksen kanssa. Toiseksi, asiakasomistajien kokema omistajuuden tunne ei välttämättä kehity. Keskinäisen yhtiön toiminta ja prosessit on voitu operationalisoida siten, että ne eivät käytännössä fasilitoi asiakasomistajien omistajuuden tunteen kehittymistä. Kolmanneksi, väitöskirja ehdottaa uuden analyysi-tason (yhtiö-taso) mukaan ottamista, jossa keskitytään tarkastelemaan keskinäisen yhtiön toiminnan eri osa-alueita ja niiden kyvykkyyksiä fasilitoida omistajuuden tunteen kehittymistä.

AVAINSANAT: Psykologinen omistajuus, keskinäisyys, keskinäinen vakuutustoiminta, asiakasomisteisuus

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2: Talonen, A., Jussila, I., Saarijärvi, H., and Rintamäki, T. 2016. Consumer cooperatives: Uncovering the value potential of customer ownership. AMS Review.

3: Talonen, A., Jussila, I., Tuominen, P., and Koskinen, L. (under review). Failing to develop a sense of ownership: A study from the consumer co-operative context.

4: Talonen, A., Holmlund-Rytkönen, M., and Strandvik, T. 2018. Mental models of customer ownership: A case study in the pension insurance sector. Journal of Co-operative Organization and Management.

1 INTRODUCTION

Individuals, communities, and organisations face numerous risks that can threaten the continuity of their day-to-day activities. Risk is often described as the possibility of an unwanted event that causes damage and loss (Rejda and McNamara, 2014). Vaughan and Vaughan (2014) define risk as a circumstance wherein the end result of an event may differ from the desired or expected result. Rejda and McNamara expand on the definitional space by stating that there are three dimensions on which risks can be categorised. Accordingly, there are speculative and pure, subjective and objective, and divergent and non-divergent risks.

One way to manage risks is to insure oneself. For a risk to be insurable against, it must fulfil certain criteria. Firstly, the risk's probability needs to be calculated and evaluated, such that insurance premiums can be determined (Borch, 1990; Zweifel and Eisen, 2012). Accordingly, insurability demands that the risk be rather static. Calculating the probabilities of risk is addressed by a well-established branch of research – risk theory – and its actuarial applications (e.g., Beard, Pentikäinen, and Pesonen, 1969; Daykin, Pentikäinen, and Pesonen, 1994). A second fundamental of insurance is to ensure that individuals and communities can survive economically if an unwanted event occurs. That is, insurable risks are not speculative ones that include the possibility of the relevant event being a beneficial one (Rejda and McNamara, 2014).

Insurance can be illustrated by description of a core focus on reducing individual-level risk by distributing the risk across many (e.g., Smith, 1776/2015, p. 752). As Louhivuori (1937, p. 36) puts it, 'economically destructive (individual-level) consequences can be mitigated by utilising insurance. Those who are threatened by the same risk come together to bear the consequences of the specific risk together' (author's translation). Hence, insurance can be seen as a 'mutuality-based system that individuals use to mitigate their economic dependence on random events' (ibid.).

Definitions of insurance vary with the perspective taken – for example, legal or philosophical. In the legal realm, the definitions often emphasise the practical arrangements involved in insurance and the nature of the insurance contract between the insurer and the insured (e.g., Rantala and Pentikäinen, 2009). Offering a justified criticism, Louhivuori (1937) remarks that a downside of the popular legal perspective is that insurance thereby must be defined differently in each country and legal system (cf. Takafuls in Muslim countries; see Hussain and Pasha, 2011). Thus, Louhivuori (ibid., p. 48) defines insurance in terms of the philosophical ideas behind it:

> Insurance can be defined as compensating for an accident that threatens an individual's interest and is random in its timing and consequences. The compensation is implemented in such a way that, in sufficient numbers, individuals threatened by the risk carry money together.

In this connection, it is important to recognise also that other ways to deal with uncertainty and risk exist. Among these are derivatives utilised for hedging by financial institutions (e.g., Smith and Stulz, 1985; Hull, 2012) and simple diversification of a company's portfolio and operations (e.g., Hull, 2012). While these various mechanisms of risk management are worthy of mention, they do not fall within the scope of the research reported upon here, so their in-depth review is best left to works separate from this dissertation.

As an industry, insurance represents one of the biggest economic fields in the world. It covers a market worth over 4,700 billion dollars a year as measured by insurance premiums (see Plunkettresearch.com). In addition, numerous business and personal decisions (such as whether to take out a mortgage) could not be readily made without insurance providing security in case something goes wrong. Accordingly, it has been argued that insurance is a crucial tool if we are to generate economic growth (e.g., Arena, 2008). Therefore, it is clear that income from premiums and other insurance-company-related financial figures represent only a small fraction of the insurance industry's significance for modern societies.

Insurance has been traditionally categorised into private and social insurance. Social insurance can be defined as 'actions taken by a public authority to insure against effects of social risks such as old age, disability, unemployment, and death' (Rantala and Pentikäinen, 2009, p. 71). The role of private insurance, on the other hand, is to complement social insurance or provide protection from risks that are not covered by the public sector (ibid.). Whether certain types of insurance are best provided by private organisations or instead by public actors has been a matter of much debate in recent decades. Often, as societies develop further, the public sector starts to take a bigger role in arranging social insurance of various sorts (e.g., Harris, 2012; Beito, 2000). This dissertation is focused on private insurance, so the role of public organisations is not considered here.

Private insurance is dominated primarily by two distinct company forms, customer-owned mutual insurance companies and investor-owned stock companies. In line with their ownership base, mutuals' mission is directed toward maximising benefits for the customer, while investor-owned companies are guided by the goal of generating profit for the investor-owners (Cabrales, Calvó-Armengol, and Jackson, 2003; Borgen, 2004). Mutuals represent a significant part of global insurance markets. With a global market share of 27%, they served approximately 988 million people and generated premiums of 1,200 billion dollars in 2015 (ICMIF, 2016). The years since the latest global financial crisis have seen mutuals gain in prominence, increasing their market share by 20% while the value of global insurance premiums has grown by only 8% in that time. Furthermore, three of the five biggest co-operative companies in the world are mutuals (ICA, 2017).

Despite a strong presence of both organisation forms, mutuals and customer ownership in an insurance context have been relatively under-explored, with understanding remaining patchy. Writings on mutuals state that their marriage of the roles of customer and owner should have an influence on consumer behaviour. This has been illustrated, for instance, in terms of adverse selection (e.g., Smith & Stutzer, 1990) and moral hazard (e.g., Nekby, 2004). However, scholars have presumed that ownership affects consumer behaviour automatically. The way consumers actually perceive ownership and its benefits has remained unclear.

Research on co-operatives in general has posited that one way to increase understanding of customer-owners' behaviour is to look at their perceived sense of ownership of the company (Jussila and Tuominen, 2010). Psychological ownership, a mental state of feeling something to be one's own, can be regarded as a mediator between legal ownership and individual-level behaviour (e.g., Pierce, Rubenfeld, and Morgan, 1991). Tuominen, Jussila, and Saksa (2006); Jussila, Tuominen, and Saksa (2008); and Jussila, Saksa, and Tienari (2007) have recognised psychological ownership and psychological rewards as one aspect of consumer co-operation. Elaborating on the theme, Jussila and Tuominen (2010) conceptualise and illustrate specific ways in which consumer co-operatives possess potential to engender a sense of ownership. Research has pointed to co-operatives' potential to facilitate the emergence of psychological ownership, but it has not gone beyond promising conceptualisations. Mystery continues to surround the role of psychological ownership in customer-owned companies, particularly with regard to how customer-owners' psychological ownership is situated in relation to the purpose of a customer-owned company. Furthermore, the literature has not considered these ideas in the context of mutuals. This dissertation constitutes an attempt to address these gaps in knowledge.

1.1 Mutual insurance companies as a research context

In ages past, receiving help from those close to one was often the only way to arrange protection from risks. As societies developed, family ties began to loosen and other ways to organise protection were needed in addition. Consequently, mechanisms for mutual help began to arise among individuals with a specific professions or living in the same area (e.g., Beito, 2000; Guinnane, Jopp, and Streb, 2012; Pearson and Yoneyama, 2015; Rantala and Pentikäinen, 2009; van Leeuwen, 2016).

Some of the earliest evidence of institutionalised joint responsibility can be found in Icelandic legislation from the year 1118 (Henttinen, 2005). Everyone in the community had a responsibility to participate in helping those who experienced a destructive fire. Continuing the development of organising mutual help, private mutual insurance companies were already institutionalised as a distinct form of legal entity by the 19th century (e.g., Hansmann, 1996). From these beginnings in serving specific niche groups, mutuals have grown into entities with a member-owner pool open to a wider audience, and companies of this type now provide all kinds of insurance products (e.g., Patel, 2012).

A widely accepted comprehensive definition of mutual insurance companies has not yet been provided. Existing definitions are rather fragmentary and seem to apply a consciously chosen perspective that suits only the scope of the article at hand. Consequently, each tends to put emphasis on one specific dimension of mutual insurance: a mutual may be viewed as a company owned by policyholders (e.g., Cummins, Weiss, and Zi, 1999; Adams et al., 2011), a company wherein policyholders are residual claimants (e.g., Lamm-Tennant and Starks, 1993; Smith and Stutzer, 1995), a company in which policyholders are decision-makers and residual claimants (e.g., Mason, 1967), a 'participating contract' (e.g., Nekby, 2004), a reciprocal risk-sharing vehicle (e.g., Aase, 2007), a not-for-profit organisation (e.g., Breer and Novikov, 2015), a company with a mission of looking after policyholders' interests (e.g., Cabrales et al., 2003), or a company wherein ownership goes hand in hand with policies (e.g., Viswanathan and Cummins, 2003).

This dissertation examines the phenomenon of psychological ownership in the context of customer ownership and mutual insurance companies. For understanding mutual insurance companies in terms of psychological ownership, it is vital to take into account at least three perspectives. Firstly, the company is owned by its customers. It provides a vehicle through which consumers can organise various aspects of their day-to-day life. This is illustrated by Byrne, Heinonen, and Jussila (2015), who define a consumer co-operative as customer-owners' tool to safeguard their interests in the market themselves. Secondly, the processes by which a mutual operates should be derived from the purpose of a customer-owned company. As Cabrales et al. (2003) state, 'mutuals are […] owned by their customers and **structured** for their benefit' (emphasis mine). Thirdly, because mutuals operate in the field of insurance, we need to focus on the perspective of risk. Accordingly, a mutual can be described as a reciprocal risk-sharing vehicle (e.g., Aase, 2007). To synthesise these three perspectives on mutuals – as customer-owners' tool, structuring of operations to maximise benefits for customer-owners as consumers, and activities in the field of insurance – I define a mutual insurance company for purposes of this dissertation as follows:

> A mutual insurance company is customer-owners' reciprocal risk-sharing vehicle structured for their benefit as consumers.

A mutual insurance company is one form of member-owned co-operative (cf. Kalmi, 2007). While analysis and research related to co-operatives and mutual insurance companies have been conducted at various levels (as shown in Figure 1) and all of these contribute to our understanding of customer-owned insurance companies, the depth of analysis varies and several key questions remain.

As Figure 1 indicates, scholars have generated a large body of research by focusing on the features common to various co-operatives (i.e., on at company form level). Some have focused on the co-operative as a distinct institutional company form (democratically owned and controlled by the member-owners), while others emphasise co-operative values (e.g., self-help or equality) as forming the basis for a co-operative's identity (e.g., Somerville, 2007). As co-operatives are owned by member-owner groups that have common interests in the markets, the purpose of co-operatives in general is often understood as being to counteract market failures (e.g., Nilsson, 2001; van Oorschot et al., 2013). From an economic standpoint, the focus has been on co-operatives as a form wherein profit belongs to the member-owners and a mechanism for distributing it among them (e.g., Mills, 2001). Offering a good example of considering the co-operative movement at large, Greve and Rao (2012) noted that communities that had established mutuals were more likely to establish other co-operatives later on. With a narrower focus of attention, some research concentrates specifically on consumer co-operatives, but this still does not draw a clear distinction at category level, among co-operative banks, retailer co-operatives, and mutual insurance companies. The focus is instead on topics such as strategy and the mission of consumer co-operatives (e.g., Jussila et al., 2008).

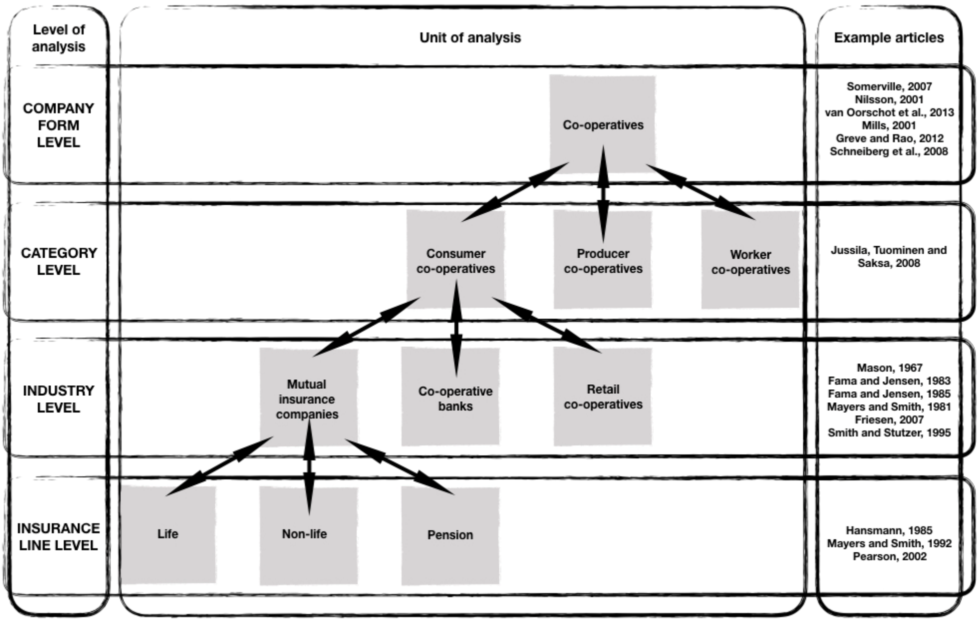

Figure 1. Existing levels and units of analysis.

When one considers the perspective aligned more with the insurance industry, research has given mutual insurance companies specific focus. These industry-level articles examine such research topics as distribution of mutuals' assets (Mason, 1967), agency theory (e.g., Fama and Jensen, 1983; 1985; Mayers and Smith, 1981), and asymmetry of information (e.g., Friesen, 2007; Smith and Stutzer, 1995). Finally, several pieces have been written at the level of lines of insurance. In their approach to mutuals, the distinctive characteristics of particular lines of insurance are taken into account or the analysis concentrates on data on certain insurance lines. The studies address such matters as determinants of life and non-life mutuals' formation (Hansmann, 1985; 1996), executive compensation in the life-insurance industry (Mayers and Smith, 1992), and the history of fire-insurance mutuals (Pearson, 2002).

Finally, it is important to recognise that analysis on every level can be conducted from any of several perspectives, including those of member-owners (e.g., Byrne and McCarthy, 2014), companies and their management (e.g., Jussila et al., 2008), and co-operatives in relation to wider society (e.g., Schneiberg, King, and Smith, 2008; Greve and Rao, 2012).

1.2 An introduction to psychological ownership as a research phenomenon

Psychological ownership refers to a mental state of ownership in which one feels that a certain object is his or hers (e.g., Pierce, Kostova, and Dirks, 2001). This mental state develops if the individual is able to control the target, form intimate knowledge of it, and/or invest personal resources in it (Pierce, Kostova, and Dirks, 2003). This state can come about even in the absence of actual legal ownership (e.g., Pierce and Jussila, 2011). Individuals' tendency to consider objects their own – ownership as a psychological phenomenon – has long generated interest among scholars in numerous scientific domains and in various contexts. Associated topics encompass the meaning of possessions for elderly people (Cram and Paton, 1993), employee-ownership programmes (e.g., Pierce et al., 1991), childhood development (e.g., Kline and France, 1899; Isaacs, 1933), and even philosophy of being (e.g., Sartre, 1943/1969). Eventually, a mental state of ownership came to be conceptualised in the form of 'psychological ownership' (Pierce et al., 1991).

Recently, the phenomenon of psychological ownership has attracted attention in the domain of marketing. Special interest has been shown in new digital business models that allow an active role for consumers (for various 'routes' to psychological ownership). For example, crowdsourcing-based empowerment strategies (Fuchs, Prandelli, and Schreier, 2010; Hair et al., 2016) and 'self-design' in technology appropriation (Kirk, Swain, and Gaskin, 2015) have been recognised as facilitating the emergence of a sense of ownership. Furthermore, psychological ownership has been utilised as a lens for understanding social media (Karahanna, Xu, and Zhang, 2015; Zhao, Chen, and Wang, 2016), collaborative virtual worlds and knowledge-sharing (Lee and Chen, 2011; Lee and Suh, 2015; Kim et al., 2016), and consumption of services such as music streaming (Sinclair and Tinson, 2017). Furthermore, it has been reckoned that even consumers' prior mental processing of an object (imagery) (Kamleitner and Feuchtl, 2015), mere touching of the product (Peck and Shu, 2009) even via touchscreens (Brasel and Gips, 2014), or advertising (Garretson Folse, Guidry Moulard, and Raggio, 2012) can foster psychological ownership.

These ideas have been taken further by Lessard-Bonaventure and Chebat (2015), whose research indicates that emergence of psychological ownership via touching of a product can increase willingness to pay for a warranty. In fact, Shu and Peck (2011); Brasel and Gips (2014); and Wang, Ong, and Tan (2015) have found that evaluation bias of the objects a customer owns (cf. the endowment effect, as discussed by Kahneman, Knetsch, and Thaler, 1991) can be explained by psychological ownership.

In more traditional business settings, consumers' psychological ownership has been examined in the context of the restaurant industry (Asatryan and Oh, 2008), in the case of domestic vs. foreign products (Gineikienė, Schlegelmilch, and Auruškevičienė, 2017), and with regard to attitudes to smoking (Hassan and Shiu, 2015). Moving towards considering the link between sense of ownership and identity, Hillenbrand and Money (2015) devised a framework for how psychological ownership manifests itself at various layers of the self. Finally, Jussila et al. (2015) and Hulland, Thompson, and Smith (2015) have identified and elaborated upon the research potential and possible interfaces with the phenomenon in the domain of marketing, and Kirk (2017) has encouraged scholars to look at the role of psychological ownership when examining territoriality as a psychological space.

Most articles in the field of marketing have focused on the context of regular customership, while much less research has been conducted on situations that feature formal ownership arrangements in addition. In efforts to shed light on this part of the picture, a few scholars have noted that psychological ownership should be treated as an important construct in strivings to understand consumer co-operatives and their relationship with their customer-owners. For instance, Tuominen and colleagues (2006) and Jussila et al. (2007) have recognised psychological ownership as one aspect of consumer co-operation, and Jussila and Tuominen (2010) have taken the step of conceptualising and illustrating specific ways in which consumer co-operatives display potential to engender a sense of ownership.

The conclusion that it is important to study psychological ownership in the case of customer ownership is supported by results of Pierce et al. (1991), who found that, contrary to predictions, employees' legal ownership stake in their company did not influence their behaviour automatically. If an individual did not consider him- or herself an owner of the company, legal ownership rights had a neutral effect. The authors suggested, accordingly, that legal ownership rights and sense of ownership are separate, though possibly related, constructs. This is why one can conclude that psychological ownership is indeed the 'mediating condition between the legal ownership rights and individual-level effects' (Pierce and Jussila, 2011, p. xi). This leaves the question of whether legal ownership rights are operationalised in a manner whereby they facilitate the individual's 'journey' (along so-called routes to psychological ownership) towards the emergence of a sense of ownership.

In summary, the phenomenon of psychological ownership has been recognised and studied in numerous contexts. It can develop without the presence of legal ownership, and, correspondingly, for legal ownership to influence an individual's behaviour, it needs to be coupled with a mental state of ownership. By focusing on a context wherein the customers are owners of the company also, this dissertation creates greater understanding of psychological ownership as the above-mentioned mediating phenomenon.

1.3 The purpose and scientific positioning of the dissertation

The purpose behind the dissertation is to refine the role and processes of psychological ownership in the context of customer ownership and mutual insurance companies. Again, 'role' refers to the positioning of psychological ownership with regard to the purpose of a mutual insurance company. In refining understanding of processes of psychological ownership, the work is centred on the development of a sense of ownership in a customer-owner's mind and on mutual's capabilities to facilitate its emergence. The objective is greater understanding of how these processes manifest themselves in real-world activities.

To address the aim for the dissertation, the four articles analyse mutuals from several perspectives and approach them from multiple levels of analysis (see Figure 2). In addition, all four articles have their own distinctive research questions. The systematic literature review in Article 1 concentrates on what has been written about mutuals. It takes an industry-level approach. Article 2, on the value-creation potential of customer ownership, approaches mutuals by looking at consumer co-operatives' value-creation processes at category level. The third article, which explores challenges that customer-owners face on the routes to psychological ownership, can be positioned at industry level. Utilising data from a retail co-operative, the study reported upon reveals implications that one would expect to be relevant to some extent for mutual insurance companies too. That the implications extend across industry boundaries can be considered especially important in light of today's growing crossover between industries and the increasing presence of extra-industry competition. Finally, Article 4, on mental models of customer ownership, delves into insurance line level by utilising data from a mutual pension-insurance company.

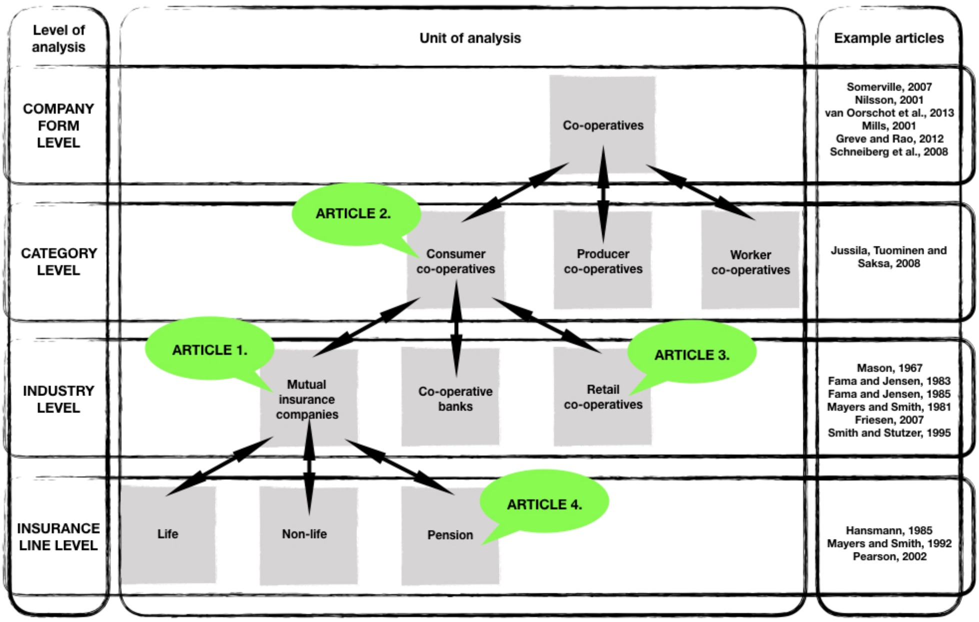

Figure 2. The positioning of the articles.

This dissertation is situated within insurance science, at the core of which are insurance and risk management. Research in this discipline can be classified by field or combination of fields, with the main fields being pension systems and social insurance, decision-making in conditions of uncertainty and risk, methods and organisation of risk management, the insurance business and economics, actuarial mathematics and techniques, and insurance and risk regulation (cf. *Journal of Risk and Insurance*; 'Insurance: Mathematics and Economics'). In this taxonomy, the dissertation is positioned at the interface between the insurance business and organisation of risk management (through examination of the organisation form in which the insurance is arranged).

Insurance science is a field that utilises many perspectives and tools of various scientific disciplines for understanding insurance and risk management. In consequence, because the dissertation is devoted to examining customer–company relations, it can be positioned at the intersection of the insurance / financial services and marketing disciplines (cf. Maas and Graf, 2008; Laukkanen, 2007). Furthermore, since the phenomenon considered in this context for explaining the relationship between the company and its customers is psychological ownership, it is vital to recognise that the idea of ownership as a psychological state has its roots in the discipline of psychology (e.g., Kline and France, 1899) and has grown from there into applications in the domain of marketing (e.g., Asatryan and Oh, 2008). Finally, as my research examines a context wherein the customers are also owners of the company, it has some overlaps with the range of topics familiar from the discipline of management.

1.4 An outline of the research

The four complementary articles characterised above are utilised for analysing the role and processes of psychological ownership (PO) in the context of customer ownership and mutual insurance companies. Even though not all of these articles focus exclusively on the phenomenon of psychological ownership, each provides a point of departure that serves as an important building block for understanding the construction and nature of psychological ownership in a customer-owned company. Article 1 (the systematic literature review) creates a backbone for the rest of the dissertation, by presenting what is well established with regard to mutual insurance companies and how we understand mutual insurance. Then, Article 2 provides a conceptual framework for integrating ownership processes (and the role of customer-owner) into the value-creation processes. Finally, the contribution of articles 3 and 4 is to increase understanding of the processes of a customer-owned company in practice from two distinct perspectives: those of executives and customer-owners. Together, the four articles aid in refining understanding and actualisation of the role and processes of psychological ownership in the context of customer ownership and mutual insurance companies. The article-specific research questions are listed in Table 1.

ARTICLE TITLE	PURPOSE / RESEARCH QUESTION
1. Systematic literature review of research on mutual insurance companies	To 'explore and analyze existing research on mutual insurance in a systematic manner'
2. Consumer cooperatives: Uncovering the value potential of customer ownership	To uncover the value potential of customer ownership
3. Failing to develop a sense of ownership: A study from the consumer co-operative context	To 'explore and identify challenges that customer-owners face' in 'generating a sense of ownership' toward their co-operative
4. Mental models of customer ownership in the executive board: A case study in the pension insurance sector	To explore 'the mental models of customer ownership held by executive board members'

Table 1. Article-specific research questions

The conceptual framework of the research is presented in Figure 3. As conceptualised in prior literature, customer-owned companies have unique capabilities for facilitating the emergence of psychological ownership among customer-owners by allowing them to control the co-operative, form intimate knowledge of it, and invest personal resources in it (Jussila and Tuominen, 2010). This, in turn, can be regarded as a pivotal factor in consumer behaviour. As will be discussed in depth in Chapter 5, emergence of psychological ownership should be understood as an integral consequence of mutuals' value-creation processes. This conceptual contribution of the dissertation, related to elaborating on the role of psychological ownership, is based on the work done for Article 2, providing a framework in which ownership processes (and the active role of customer-owners) can be employed as tools for creating customer value – the ultimate mission of a customer-owned company.

In addition to elaboration on the role of psychological ownership, the dissertation offers two perspectives for refining understanding and implementation of the processes of psychological ownership in practice. Firstly, Article 3 examines the challenges to customer-owners travelling down the paths to psychological ownership. Secondly, Article 4 identifies distinct mental models of customer ownership held by executive-board-level managers. This gives some indication of why implementations of customer ownership may differ in form and the weight accorded to the company form in relation to facilitating psychological ownership among customer-owners.

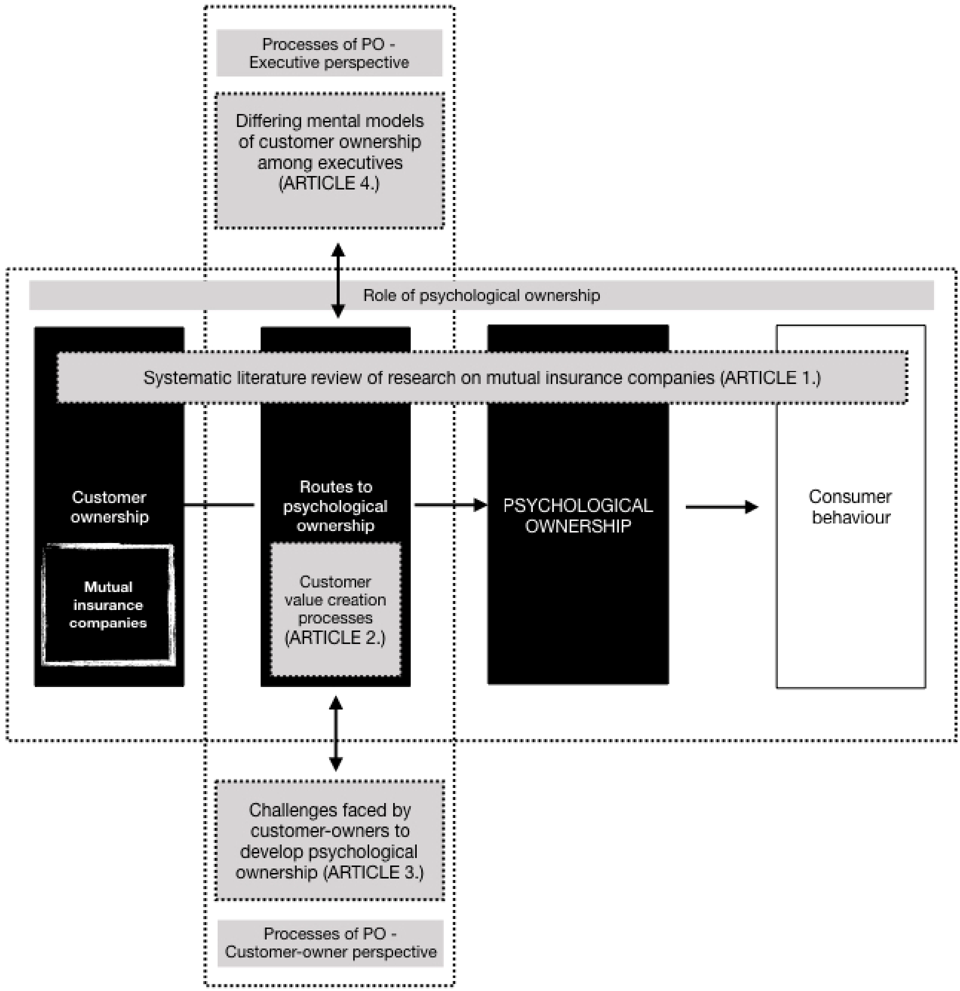

Figure 3. The dissertation's conceptual framework and the constituent articles.

This dissertation has six chapters. This one has presented the background by introducing the research phenomenon and context, along with the purpose and structure of the study, so that we can move on by reviewing and elaborating on psychological ownership in depth as the research phenomenon. Chapter 3 describes the research process, and Chapter 4 sums up the contribution of each article. The synthesis in Chapter 5 provides thorough discussion of the contribution of this dissertation, and the final chapter offers concluding thoughts.

1.5 Key concepts

It is important that all key concepts applied in the dissertation and their hierarchical relationships be clearly and rigorously defined (see Figure 4). Firstly, the research phenomenon of **psychological ownership** can be defined as a mental state in which individuals feel as though the target object is theirs (Pierce et al., 2001). It can be described also as a sense of ownership. To flesh out the conceptualisation of the research phenomenon, the dissertation refers to theory of psychological ownership. Psychological ownership emerges via processes wherein an individual interacts with a potential target object of ownership feelings; see Pierce and colleagues (ibid.), among others. From the perspective of the individual perceiver, the sense of ownership develops through controlling the target, gaining intimate knowledge of it, and/or investing one's resources in it. These three **routes to psychological ownership** can be defined as individual-level psychological mechanisms that lead to the emergence of psychological ownership in the mind of the perceiver (ibid.). Likewise, to become a target of a sense of ownership, the object needs to allow the individual to control it, generate that intimate knowledge, and/or invest personal resources in it; **target attributes** indicate what kinds of objects can facilitate travelling the routes to psychological ownership and thereby become sensed as owned.

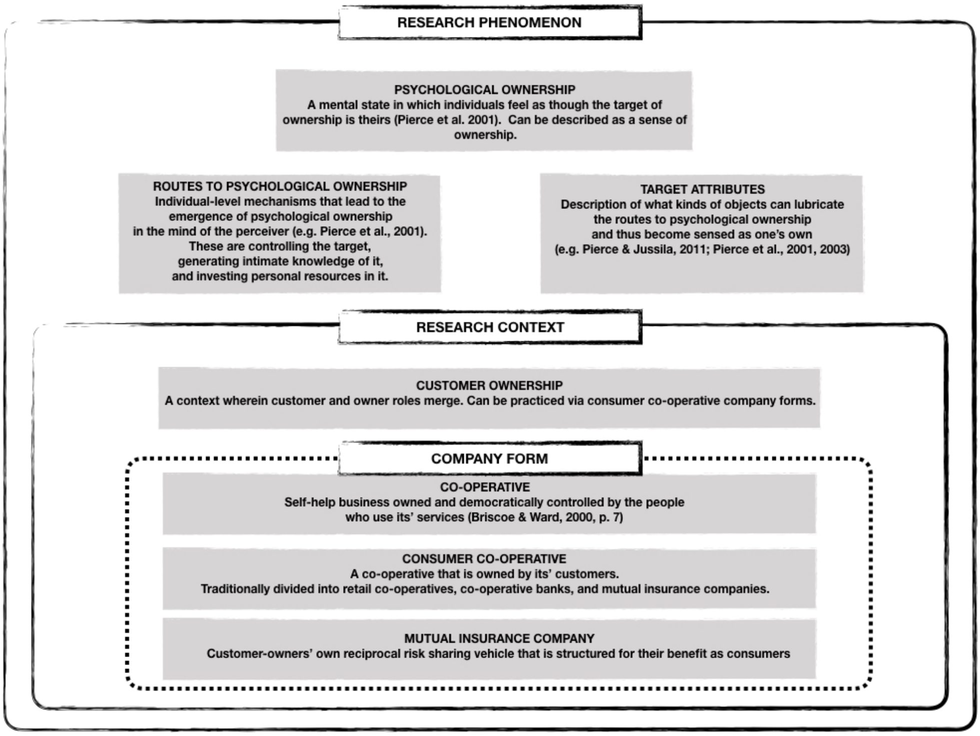

Figure 4. Key concepts and their hierarchies.

The dissertation examines the phenomenon of psychological ownership in the context of **customer ownership**. On an abstract level, that context can be defined as one in which the roles of customer and owner merge. Furthermore, it can be practised via various forms of consumer co-operative, where a **co-operative** is a user-owned company form with the purpose of acting in favour of and to benefit its user-owners. This idea is illustrated by Briscoe and Ward (2000, p. 7), who state that a co-operative is a 'self-help business owned and democratically controlled by the people who use its services'. Hence, the purpose of a co-operative company can be defined as to 'serve the community in which it trades' (Davis and Burt, 2007, p. 159). Users (and co-operative companies) have traditionally been categorised by type and role into producers (producer co-operatives), employees (worker co-operatives), and customers (consumer co-operatives). **Consumer co-operatives**, characterised as co-operatives owned by their customers, include retail co-operatives, co-operative banks, and mutual insurance companies. At the final level, a **mutual insurance company** is defined, as above, to be customer-owners' reciprocal risk-sharing vehicle structured for their benefit as consumers (see Section 1.1 for analysis of this definition).

2 PSYCHOLOGICAL OWNERSHIP

Because the phenomenon of psychological ownership refers to feeling that the target object is one's own, it manifests a psychological bond or link between the person and the target object. This special link can be defined in terms of both possessive feelings toward that object and attachment of the object and its meanings to one's identity as an individual. Reviewing these two dimensions of the PO construct, Jussila et al. (2015, p. 123) asked whether the possessive feelings and sense that the possession is part of the self are basically 'two sides of the same coin'. Isaacs (1933) and James (1890), in turn, have suggested that one's possessions eventually become part of one's identity (self), with Litwinski (1942, p. 30) noting that 'to possess means the power of becoming tied to an object'. Furthermore, use of the expression 'my' as found so often in description of ownership feelings or relationships (pointed out by authors such as Snare, 1972) includes the ideas of myself (me) and possessiveness toward something (genitive form). Accordingly, Furby (1991) used the word 'mine' to operationalise the construct of ownership.

The relationship between possessions and sense of self-identity (association) has been recognised in streams of consumer marketing research beyond psychological ownership studies (e.g., Belk, 1988; 2013; Nesselroade, Beggan, and Allison, 1999). For instance, researchers of customer value often state that consumers can perceive value on a symbolic dimension where consuming has a role in developing one's identity (e.g., Rintamäki, Kuusela, and Mitronen 2007). Nonetheless, these streams of research do not address the role of possessive feelings, which is an integral part of the psychological ownership construct.

It is recognised that psychological ownership is by nature a cognitive as well as an affective state. As Pierce and Jussila (2011, p. 16) describe it, people are 'aware through intellectual perception that they feel and believe that the target of possession is theirs'. Furthermore, several scholars emphasise that a sense of ownership generates pleasure in its own right (e.g., Nuttin, 1987; Beggan, 1992; Furby, 1978). The affective state can be concretised in negative emotions too, when one's possessions (whether physical or ideas) are stolen (Pierce and Jussila, 2011).

As a mental state, psychological ownership is a subjective experience perceived by individuals. This is one reason for considering it a construct quite different from legal ownership (Pierce et al., 1991). Again, psychological ownership develops when one is able to control the target, form intimate knowledge of it, and/or invest personal resources in it (e.g., Pierce and Jussila, 2011; Jussila et al., 2015; Jussila and Tuominen, 2010), while legal ownership rights may or may not be tied to processes that facilitate emergence of a sense of ownership. There are various situations of 'legally owned objects where the owner never seems to take possession of' the objects (Baxter, Aurisicchio, and Childs, 2015, p. 141). This is why psychological ownership can be considered the 'mediating condition between the legal ownership rights and individual-level effects' (Pierce and Jussila, 2011, p. xi).

It is important to stress at the same time that a sense of ownership may arise with regard to objects that are not legally owned by the individual. The object might be an organisation or a workplace task (e.g., ibid.; Jussila and Tuominen, 2010), a song or nursery rhyme (Isaacs, 1933), a product even before purchase (e.g., Fuchs et al., 2010), or family and personal values (e.g., Csikszentmihalyi and Rochberg-Halton, 1981). This prompts us to consider whether and how a given object (legally owned or not) can provide possibilities for the individual to start travelling down the routes to psychological ownership.

Though the phenomenon is a subjective experience in the mind of the perceiver, scholars have found that the need to manifest psychological ownership is present in everybody. As will be discussed in more detail in Section 2.2, psychological ownership does satisfy certain basic human needs. However, socialisation processes can lead to differences among cultures or age groups (e.g., Rochberg-Halton, 1980) in what people find important with regard to possessing and what kinds of meanings they attach to particular sorts of objects.

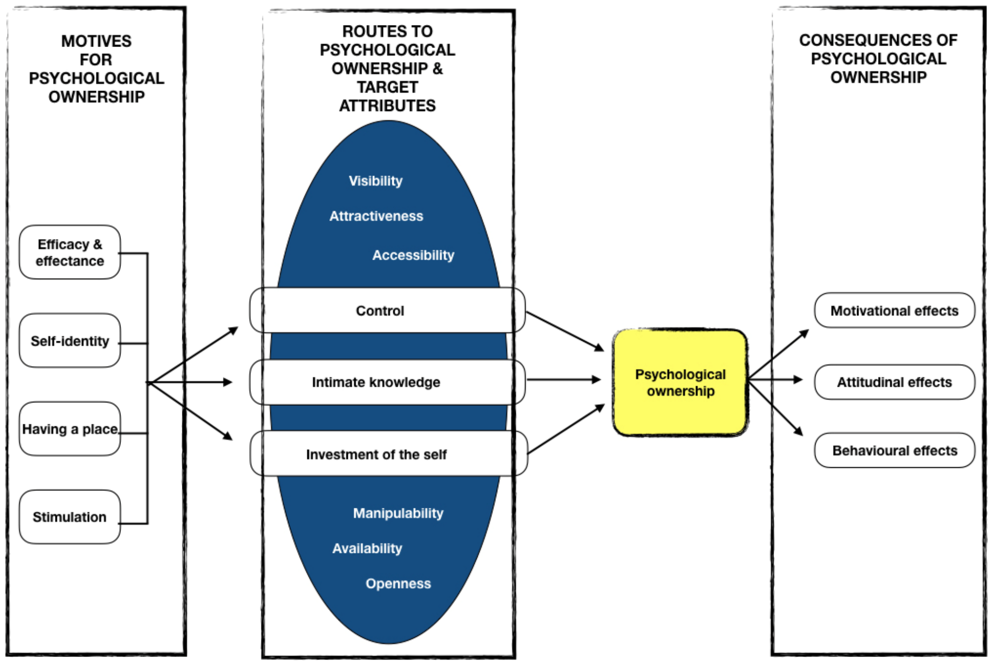

Figure 5. Theory of psychological ownership (adapted from Jussila et al., 2015).

This dissertation proceeds from the premise that ownership processes in a customer-owned company have potential to facilitate the emergence of psychological ownership. The legal ownership brings with it or can be operationalised in terms of (e.g., Pierce et al., 1991) processes that facilitate the emergence of psychological ownership among customer-owners.

To elaborate on the overall conceptualisation of the phenomenon examined in the dissertation, this chapter presents and reviews theory of psychological ownership. Now that I have revisited the definition of the concept in slightly greater depth, it is possible to turn to motives and consequences before considering the routes to psychological ownership and target attributes. These topics and their relationships are illustrated in Figure 5. The insights presented here in relation to the concept build the theoretical backbone that is the 'spine' tying the dissertation's four articles together and through which we arrive at their joint contribution as articulated in Chapter 5.

2.1 Motives and consequences

There are three distinct schools of thought when it comes to understanding individuals' desire to sense something as theirs. The first holds that individuals have an innate need to possess. A tendency to collect and possess objects has been observed in many cultures; this seems to support the conclusion that a sense of ownership is intuitive and inherent (e.g., McDougal, 1908/1923). Accordingly, Pierce et al. (2001) have characterised the need to experience a sense of ownership as 'innately human'. On the contrary, a second group of scholars believe that the need to possess, or 'ownership instinct', involves instead socially constructed behaviour (e.g., Rudmin, 1991) that individuals learn from early in life (e.g., Seligman, 1975; Dawkins et al., 2017). Finally, there is a school of thought that takes the middle ground by recognising the role of innate needs that develop via social interaction (e.g., Dittmar, 1992). For instance, Litwinski (1942) states that, while acts of possession can be regarded as expressing an innate need, their magnitude and direction are influenced by the social environment.

Whatever their conclusions as to the origins of possessive feelings, scholars have identified four distinct individual-level motives to answer the question of why an individual wants to experience a sense of ownership. These are a need for efficacy and effectance, a sense of self-identity, having a place, and stimulation (e.g., Jussila et al., 2015; Pierce and Jussila, 2011).

Effectance refers to individuals' desire to feel competent (e.g., White, 1959), with a sense of competence often being achieved through gaining control. An individual's possessions can act as objects of control and thereby represent a target that can respond to the need to feel competent (e.g., Pierce et al., 2003). Likewise, consumers have potential to satisfy this need by taking control of products and services (Jussila et al., 2015). This can be illustrated in terms of empowerment strategies, such as designing T-shirts (Fuchs et al., 2010; Hair et al., 2016), creating social-media content (e.g., Karahanna et al., 2015), and carrying out usability-oriented design in virtual communities (Lee and Chen, 2011). Accordingly, objects that are sensed as one's own can satisfy the need for efficiency and effectance.

Experiencing an object as part of the self, or an extension to the self, is at the core of the definition of psychological ownership. Possessions are imbued with meanings and 'socially shared symbols' that can serve as mediators of one's identity (Dittmar, 1992; Jussila et al., 2015, p. 123). Hence, the need to build identity can be met via association with various objects and meanings attached to them. This aids in defining and learning one's identity (e.g., Dittmar, 1992), articulating it to others (e.g., Jones and Pittman, 1982), and maintaining it (e.g., Pierce et al., 2001). Furthermore, Hillenbrand and Money (2015) have identified psychological ownership as having a role in manifesting four layers of the self: core self (being who I really am), learned self (playing the roles that are the real me), lived self (living as the real me), and perceived self (being seen by others for who I really am).

As for the third need, individuals want to have a place (Weil, 1952). This is traditionally described as a territorial need or a need to possess a space (e.g., Ardrey, 1966; Porteous, 1976). It has been illustrated as a home providing security for the individual (Porteous, 1976). Home or place can take many forms, in contexts such as work (Pierce and Jussila, 2011) or social media (a 'profile' or blog) and virtual spaces (Karahanna et al., 2015). Individuals utilise spaces and places to organise day-to-day life around them, and these places can become sensed as one's own when one has invested personal resources in developing them, gone through emotional experiences with them, or become more familiar with them (cf. Goel et al., 2001; Porteous, 1976). Consequently, objects that one feels to be one's own can satisfy the need to have a place.

The idea behind the fourth motive, stimulation, suggests that people have a need for activation (Scott, 1966; Gardner, 1990). Possessions can act as stimulators, getting individuals to pay attention to them (Duncan, 1981; Porteous, 1976). The resulting close interaction, in turn, leads to sensing the object to be one's own. Hence, an object satisfying the need for stimulation is often a fundamental condition for the emergence of psychological ownership. Individuals are motivated to seek objects that fulfil their need for arousal, so this may create a threshold for an object getting noticed by the individual (e.g., Pierce and Jussila, 2011). Furthermore, possessions can, correspondingly, lose some of their attractiveness in the eyes of the individual, and abandoning the possession may result (ibid.). Sustained meeting of the need for stimulation over time is not automatic.

These four motives together describe why a mental state of ownership emerges. According to Pierce and Jussila (ibid., p. 48), motives 'become activated' when one interacts with an object that enables him or her to travel down the routes to psychological ownership. It is noteworthy that different motives can be aroused at different times and in different situations, and a sense of ownership sometimes can emerge even if only one of the motives is activated (ibid.). Consequently, motives are best viewed as reasons – not causes – for the emergence of psychological ownership.

Psychological ownership has many consequences (Vandewalle, Van Dyne, and Kostova, 1995; Mayhew et al., 2007), and scholars looking at these have identified four categories of individual-level effects: motivational, attitudinal, behavioural, and functional (e.g., Pierce and Jussila, 2011; Jussila et al., 2015). Articulating the influence on an individual's (e.g., a consumer's) behaviour, this model helps us approach why psychological ownership matters and why it is important to understand the nature of said construct. It is noteworthy that these effects are interrelated and show some overlap with each other – for instance, with positive attitudinal or motivational effects influencing the behavioural outcomes. Nonetheless, looking at each of the classes of effects in its turn provides a fuller picture of the consequences that together constitute the landscape.

Firstly, motivational effects are connected with an object's ability to satisfy the needs that are the reasons for which psychological ownership emerges. If satisfied, the individual is willing to continue interacting with the object (Pierce and Jussila, 2011). Furthermore, it has been suggested that psychological ownership leads the individual to behave in a manner that encourages, advances, and protects the targeted ownership. By doing this, the individual can maintain and reinforce the object's ability to represent his or her self-identity and its function of doing so (ibid.; Jussila et al., 2015).

Research has shown that people give more favourable evaluations and express more positive attitudes (attitudinal effects) with regard to objects they own as compared to ones they do not (e.g., Heider, 1958; Nuttin, 1987). This tendency has been described by scholars as the mere ownership effect (e.g., Beggan, 1992; Nesselroade et al., 1999) or the endowment effect (Kahneman et al., 1991), though we must remember that legal ownership *per se* may not automatically influence an individual's behaviour if the ownership is not operationalised such that it facilitates the emergence of psychological ownership, as in the case of an employee's legal stake in the company (Pierce et al., 1991). In fact, it has been suggested that psychological ownership can explain the endowment-effect findings (Shu and Peck, 2011): if psychological ownership has emerged, a person feels more satisfied with his or her job (e.g., Pierce and Jussila, 2011) and presents a more positive assessment of the job (Weiss and Cropanzano, 1996). It is important to understand that an object being perceived as 'mine' includes the object being 'attached' to, or made part of, the extended self (e.g., Belk, 1988): the individual gives a more favourable evaluation not only of something that is his or hers but also of something that is **part** of him or her (Jussila et al., 2015). This effect of evaluating products and services in conditions of psychological ownership has been indicated in the domain of marketing as well, by Fuchs et al. (2010) and Peck and Shu (2009).

With the third category of effect, the focus is on the ways in which psychological ownership is manifested in an individual's behaviour. In the context of employee behaviour, Pierce and Jussila (2011) subdivide behavioural effects into job performance, behaviour showing civic responsibility, counterproductive behaviour, escalation of commitment, territorial behaviour, turnover-related behaviour, pro-target behaviour, and knowledge-sharing.

Also among the possible effects of psychological ownership are certain 'personal functional maladies' (ibid., p. 115). Firstly, destruction or loss of an object that is felt to be one's own may lead to diminishing of self-identity (cf. James, 1890). This is due to utilisation of possessions in building of self-identity. Secondly, since a sense of responsibility for an object may create stress and a burden (Pierce and Jussila, 2011), stress may be experienced when possessions are under threat (e.g., Altman, 1975).

To sum up the consequences of psychological ownership, we can state that this specific mental state does have an influence on individuals' behaviour. This insight can be applied in the marketing domain in relation to products or services but also in the case of company ownership, in consumer co-operative context. Again, in circumstances wherein legal ownership is present, psychological ownership acts as the mental state mediating between legal ownership and individual-level behaviour.

2.2 Processes of psychological ownership

Psychological ownership in the mind of a perceiver evolves over time (e.g., Jussila et al., 2015). Hence, it is processual in nature. The process starts when an individual begins interacting with a target that has potential to facilitate emergence of psychological ownership. Therefore, development of psychological ownership is characterised by interaction between the target object and the individual perceiver. To understand this interaction and relationship, it is important to consider the routes taken by the perceiver but also the nature of the target, where 'routes' refers to how psychological ownership develops in the mind of the perceiver via paths to psychological ownership. The target's attributes, on the other hand, point to the possibilities for the object to facilitate the individual's journey down those paths.

2.2.1 Routes

Many decades ago, Sartre (1943/1969) noted that individuals sense an object to be part of themselves via controlling the object, getting to know it intimately, and putting effort into creating it. These three processes are instrumental to bringing an object or target 'outside of the self […] into the self-region[,] resulting in the individual becoming tied to that object and the emergence of […] feelings of ownership' (Pierce and Jussila, 2011, p. 76).

Control

The right to control an object has traditionally been the main representation of ownership. According to Rudmin and Berry (1987), it is specifically the ability to control and the right to use an object that define ownership. Without this, it is unlikely that feelings of possession are going to arise (e.g., Furby, 1978; Prelinger, 1959). Some scholars have emphasised the role of use in particular (Ellwood, 1927); however, as Furby (1978) notes, the right to use an object is, in fact, a representation of control. Furthermore, Furby states that the level of control is a causal factor in the level of perception of the object to be part of the self (see also Dixon and Street, 1957; Prelinger, 1959). Accordingly, control of an object contributes on both sides of the definition of psychological ownership – to feelings of possessiveness and self-identity.

In the domain of marketing, Fuchs et al. (2010) have argued that consumers' control over product design generates psychological ownership. By using music streaming platforms, consumers have gained a power of greater control over their music consumption (Sinclair and Tinson, 2017). Jussila et al. (2015, p. 125) state that 'by giving [the] customer a voice and actually following that voice in their operations, firms can promote customers' psychological ownership in their customized products'. Furthermore, Baxter and colleagues (2015) identified five ways to practise control over products. These are physical manipulation, arranging the object's settings, using the product when desired, using it as much as desired, and transforming the object.

In the context of consumer co-operatives, customers have obvious ability to control the company, in that they own it. However, customer-owners differ in their will to exercise the right of control – some may settle for acting only as customer, not as owner (Jussila and Tuominen, 2010). Furthermore, in bigger co-operatives, the right of control is delegated to elected representatives of the customer-owners who together form the governing bodies of the company (Giroux, 1992). Thus, not all have the same possibilities for control. Finally, as the right to use an object can be regarded as control (Furby, 1978), customer-owners' ability to influence the co-operative via consumption behaviour is another important element of controlling the co-operative (e.g., Tuominen, Jussila, and Kojonen, 2009). For example, the volume of one's purchases (contribution to the co-operation) determines the amount of economic benefit and, in at least that sense, value. Through this too, the customer-owner is partly in control of the outcome.

Intimate knowledge

According to the literature, association with an object is often used as justification for ownership (Beggan and Brown, 1994). The association between an individual and an object can even act as the defining factor for ownership in circumstances wherein legal ownership is not present or has not been developed (e.g., Fasig, 2000). Psychological ownership emerges only if one can associate him- or herself with the object, for which the individual needs to learn and have deep understanding and knowledge of the object's meanings. By understanding and getting familiar with these meanings, one can utilise the object as an extension of self-identity (e.g., Beaglehole, 1932; Dittmar, 1992; Csikszentmihalyi and Rochberg-Halton, 1981). As Pierce et al. (2001, pp. 301–302) put it, '[t]he more information […] about an object, the deeper the relationship between self and the object and […] the stronger the feeling of ownership toward it'. According to Baxter et al. (2015), one can generate intimate knowledge through ageing with the object, through the object being part of another object that manifests meanings (e.g., an inherited object), by obtaining exclusive information via rare or specific experiences with the object, by defining the object via its purpose of use (e.g., shoes as enablers of running experiences), by eliminating distractions (e.g., headphones enabling quiet and deeper interaction with one's mobile phone on a train), and through close proximity.

In the case of co-operatives, customer-owners have an opportunity to generate intimate knowledge of their co-operative as users and owners of the company

(Jussila and Tuominen, 2010). In addition to using the services, customer-owners develop a deep understanding of the company by gaining information that enables collective decision-making and control of the co-operative (e.g., Giroux, 1992). Controlling and investing one's resources in the target can be seen as fostering generation of intimate knowledge. In such ways, the various routes to psychological ownership are often interrelated.

Investment of the self

An individual associates objects with the self by 'creating or altering' them (Belk, 1988, p. 144). This idea has its roots in Locke's (1690) logic of private property wherein we own what we produce since we own labour (our selves). Investment of the self can come in many forms, though. Csikszentmihalyi and Rochberg-Halton (1981) explain how investment of personal resources such as effort, time, and attention leads to association with an object. According to Baxter et al. (2015), investments of the self can be manifested by bringing the object into existence, servicing and repairing it, collecting valuables within it (e.g., amassing photos and contact information on a mobile phone), signalling information about one's identity, and affording recall of preferred experiences (e.g., moving information from an old phone to a new one).

Giving more power to customers and encouraging them to invest their personal resources in processes that are traditionally conducted company-internally have gained currency through new business models. Consumers of music streaming devote large amounts of effort, time, and energy to customising playlists, and this has a clear role in generating psychological ownership of the platform (Sinclair and Tinson, 2017). Similarly, in the case of outsourcing of T-shirt design to consumers described by Fuchs et al. (2010), psychological ownership of the resulting products developed among customers, leading to higher demand. General discussion of empowerment too has acknowledged the psychological consequences of the individual's influence. For example, if an individual can be part of a decision-making process and thereby feels that he or she was able to influence the decision, that individual senses the decision as his or her own (e.g., Agarwal and Ramaswami, 1993). Furthermore, a person who considers him- or herself to have made or accepted a decision is likely to take responsibility for that decision and defend it. This is a manifestation of the consequences of psychological ownership.

Even slight interaction or only minor investment of personal energy in the target may lead to psychological ownership. Isaacs (1933) noticed small children taking ownership of songs that were sung by them and being displeased when someone else later started singing them., and an idea one has created will automatically be felt to be the originator's own (ibid.). Scholars closer to the marketing domain have recognised that, as noted above, even merely touching a product can generate psychological ownership of that object (Peck and Shu, 2009), and this can happen even via digital touchscreens (Brasel and Gips, 2014), increasing the customer's willingness to purchase a warranty (Lessard-Bonaventure and Chebat, 2015).

This ties in with the context of co-operatives in that acting as an owner of the company provides customer-owners with numerous possibilities for investing their personal resources. For example, administrative posts enable participation in defining and shaping the strategy of the company such that it includes aspects that are important to the customer-owners. Furthermore, it has been suggested that ownership of the company increases member-owners' willingness to invest their personal resources, in forms such as sharing of information, in the co-operative (e.g., Cook, 1994). The capacity of the ownership role to create possibilities for investing personal resource is a key element for this dissertation.

2.2.2 Target attributes

Individuals can develop a sense of ownership of many sorts of objects, which may be legally owned (as in the case of a company) or not (as with songs), material items (such as a house) or objects of an immaterial nature (for example, ideas) (e.g., Pierce et al., 2001; 2003). To become psychologically owned, the object needs to have capabilities to facilitate the individual's 'journey' to a sense of ownership via control, generation of intimate knowledge, and/or investment of personal resources. In other words, the target object needs to have attributes that make the routes to psychological ownership 'come alive'. Among those facilitating attributes are visibility, attractiveness, accessibility, manipulability, openness, and availability. Via these, the target becomes a 'candidate for the attachment of ownership feelings' (Pierce and Jussila, 2011, p. 68).

Attractiveness and visibility of the object is the first element facilitating psychological ownership. If the object is not visible and attractive, it is challenging to capture attention or provide stimulation for the perceiver. When this hurdle exists, the individual may not even set foot on the routes to psychological ownership. It is worth noting that attractiveness is related to the target's socially shared symbols and meanings. Only by redeeming this value is the target able to actualise its potential to act as a fountain of self-identity. An object that is attractive needs to be accessible also. If this condition is not met, the individual is unable to travel the routes. Openness and availability, in turn, render it possible for an individual to 'inhabit the target' and understand the meaning of it (Jussila et al., 2015). If the object is not open, it becomes challenging for the individual to form intimate knowledge of it and draw it into the self-region (Pierce and Jussila, 2011).

To afford individuals' control and their investment of personal resources in the target, the object needs to be manipulable. This notion has been gaining more and more attention in modern business models, in relation to such foci as emphasising empowerment strategies (e.g., Fuchs et al., 2010; Hair et al., 2016) or building on user-generated content in social-media channels (e.g., Kim et al., 2016). From the perspective of this dissertation, target attributes are of great importance on account of their relationship to the ownership processes that a customer-owner can engage with by being an owner of the company. The legal ownership of the company can be operationalised such that it facilitates the emergence of psychological ownership.

3 THE RESEARCH PROCESS

The purpose of this dissertation is aligned with justification in addition to discovery (e.g., Schickore and Steinle, 2006). While discovery involves developing new ideas or synthesising existing concepts, justification goes further, with aims of 'establishing the plausibility and acceptability of these ideas' (Yadav, 2010, p. 2; Hunt, 1991). Accordingly, a theory-development strategy as applied here can be characterised as both 'theory assessment and enhancement' (justification) and 'initiating theory development' (discovery) (Yadav, 2010, p. 4).

In further narrowing of the scope, assessing and enhancing theory can be approached from any of three perspectives: 'reviewing and critiquing a focal theory', 'developing theoretical enhancements to address mixed/ambiguous evidence', and 'identifying and addressing gaps in extant conceptualizations' (ibid.). This dissertation's focus with regard to the role and processes of psychological ownership in the relevant context can be classified under the last of these, identifying and addressing gaps. Firstly, while integrating psychological ownership with customer value-creation processes may at first appear to entail synthesis of existing concepts, it is rather more a matter of positioning with regard to how the purpose of psychological ownership should be viewed. The potential to facilitate emergence of a sense of ownership among customer-owners stems from the specific nature of value-creation processes in the chosen context. Secondly, the construct of psychological ownership can be fruitfully utilised for understanding why ownership of the company may or may not influence consumer behaviour. Moving towards a new level of analysis – the operations of a mutual company – shifts the attention to discovering new ideas. This level of analysis is proposed for shedding light on customer ownership and affording implementation of it that is adequate for facilitating psychological ownership in day-to-day operations.

3.1 Research philosophy

Scientific research rests on philosophical foundations that determine the quality of the science and its relationship with truth. The concept of paradigms is relevant in this connection, referring to a scientific worldview that expresses particular assumptions as to ontology (the nature of reality) and epistemology (what can be known) that guide the methodological decisions to come (Kuhn, 1962; Arndt, 1985). Paradigms can be considered on a continuum that describes how reality is seen (ontology) and how to capture knowledge of that reality (epistemology) (e.g., Järvensivu and Törnroos, 2010; Lincoln and Guba, 2000; Easton, 2002). At one end of the continuum lies naïve realism, which ontologically stresses the existence of a true and objective reality – universal truths. Here, reality is seen as independent from the perceiver. From this follows an epistemological assumption that it is possible to generate pure knowledge of reality via empirical observations. At the other extreme is naïve relativism, wherein the ontological view is that numerous views of reality, all equally valid, exist; the stance is that reality can be regarded as subjective. Epistemologically, the question here is of understanding socially constructed realities that differ in form with the subject. Accordingly, naïve relativism stresses the role of the perceiver in construing specific meanings for the reality.

In the middle along the continuum lie critical realism and moderate constructionism. In these two views, a certain degree of objectiveness does (in critical realism) or may (in moderate constructionism) exist, though reality still can take various forms, depending on contexts. Accordingly, these 'local truths' should be scrutinised in a critical manner. What differentiates these two 'middle' paradigms from each other is that moderate constructionism emphasises the existence of multiple perspectives while critical realists aim to undertake problem-solving by moving closer to a universal truth (e.g., Järvensivu and Törnroos, 2010).

The three schools of thought on the main phenomenon examined in this dissertation are pertinent at this juncture. A recap of these views on psychological ownership, as discussed in detail in Section 2.1, is in order here. In one view, the individual's need to perceive psychological ownership is entirely biologically defined, another is that it is socially constructed via social practices, and the third admits both by accepting its biological roots while recognising the effects of the context and environment. According to the third school of thought, social environment (culture etc.) can determine the strength and direction of the development of psychological ownership (cf. Litwinski, 1942). This socio-biological view echoes the ontology of critical realism and represents the perspective applied in the dissertation.

While this dissertation acknowledges that psychological ownership's strength and direction can differ in line with context, the phenomenon does have a somewhat objective existence in the context of customer ownership and mutual insurance, which allows it to be modelled, conceptualised, and measured in such a way that generalisable implications for the chosen context can be revealed. Accordingly, there are patterns that can be identified as describing and predicting the behaviour of customer-owners and the consequences of implementing customer ownership. Applying a critical realist paradigm allows examining the phenomenon of psychological ownership in relation to customer ownership and the insurance industry, both of which possess contextual characteristics, while still stressing the theory or concept's ability to describe and predict reality.

3.2 Research methodology and methods

With a critical realist approach, it is natural to apply abductive research. This allows a researcher to consider the theory critically in relation to the contextual variations. Accordingly, the analysis phase is characterised by analytical interplay and iterations of reflection between theory and data (e.g., Dubois and Gadde, 2002). An abductive approach is distinctive of critical realism as compared to naïve realism and total relativism. When reality is seen as objective and independent of the perceiver, the research is usually focused on development of a theory and its systematic deductive testing. In contrast, viewing reality as socially constructed often entails an inductive data-driven approach in which all viewpoints are considered equally valid (e.g., Järvensivu and Törnroos, 2010).

ARTICLE TITLE	TYPE OF THE ARTICLE & DATA GENERATION	RESEARCH APPROACH / ANALYSIS
I. Systematic literature review of research on mutual insurance	**SYSTEMATIC LITERATURE REVIEW**: Search and identification of 67 appropriate articles via electronic databases	Categorisation and classification of the themes and approaches of the articles, and definitions of mutual insurance companies, with critical analysis
II. Consumer cooperatives: Uncovering the value potential of customer ownership	**CONCEPTUAL ARTICLE**: Identification of existing literature on customer value and consumer co-operatives	Conceptual analysis through integration of concepts of customer value and customer ownership
III. Failing to develop a sense of ownership: A case study from the consumer co-operative context	**EMPIRICAL ARTICLE**: A case study of a retail co-operative in Finland, with 63 interviews of customer-owners who did not feel psychological ownership of their co-operative (100 interviews in total, incl. of people who did feel psychological ownership)	An abductive approach, categorisation and classification of data via reflection in light of it with existing theorisation on psychological ownership, and research into consumer co-operatives
IV. Mental models of customer ownership: A case study in the pension insurance sector	**EMPIRICAL ARTICLE**: Case study of a Finnish mutual pension-insurance company, with nine interviews of executive-board-level managers	An abductive approach, with categorisation and classification of data via reflection in light of existing research on mutuals and customer ownership and on mental models in general

Table 2. Summary of the methods

In keeping with critical realism, both empirical articles that are components of this dissertation manifest an abductive research approach (see Table 2). For Article 3, the researchers utilised 63 qualitatively oriented interviews of customer-owners of a Finnish retail co-operative, and the analysis phase was driven by the above-mentioned interplay and reflection with regard to the data and existing research on customer ownership and on psychological ownership. Categorising and classifying the data, the article presents a framework for understanding the challenges to customer-owners controlling the co-operative, generating intimate knowledge of it, and investing personal resource in it. The second empirical article (Article 4) is based on work with qualitative data from nine interviews of executive-board-level managers at a Finnish pension-insurance company (see Table 2). The abductive approach allowed iteration, with interplay between the data and prior research on customer ownership and mental models in general, including reflection on the data in relation to the theory in each iteration. The analysis produced awareness of four distinct mental models of customer ownership held by managers.

Choosing qualitative analysis methods for both articles (3 and 4) was justified since the aim was explorative and there was no existing framework to test. As Bryman (1984, p. 78) explain, a 'qualitative method […] emphasizes discovering novel or unanticipated findings'. Accordingly, both articles were designed for qualitatively identifying particular dimensions of the phenomenon, not for quantifying them. Given the purposes of the research, qualitative methodology was considered appropriate.

In addition to empirical studies, the work included conducting a systematic literature review (presented in Article 1), in which the 67 articles identified were scrutinised by categorisation and classification and subjected to critical review. That analysis provided means to 'identify gaps that still needs [*sic*] to be known and researched' (Jesson and Lacey, 2006). In addition, for Article 2, authors utilised existing research on customer value and customer ownership to develop an integrative perspective on ownership processes in relation to customer-value creation.

3.3 Summary of the research strategy

The research strategies for the papers, stemming from the paradigm and informing the choice of research methods, are summarised in Table 3. In representing the paradigm of critical realism, the dissertation ontologically and epistemologically follows the socio-biological school of thought on psychological ownership. With this dissertation, I recognise its biological roots but accept that the phenomenon's direction and strength can differ with the context.

ELEMENT OF THE RESEARCH STRATEGY	APPROACH APPLIED	JUSTIFICATION FOR THE CHOICE
Ontology and epistemology	Critical realism	A socio-biological view in which psychological ownership has biological roots but strength and direction that can differ with the context.
Research approach	An abductive approach	An abductive approach that allows iterative interplay between existing theory and the data. This provides tools for understanding the phenomenon and its context-specific variations and characteristics.
Methodology	Case research for empirical articles	A case study, providing a methodological tool to increase understanding and develop a framework for the phenomenon in the chosen context. The approach was utilised to develop tentative frameworks for understanding customer-owners' challenges with regard to developing psychological ownership of the company and also for managers' distinctive mental models of customer ownership.
Methods	Semi-structured interviews for empirical articles	Semi-structured interviews, to allow researchers to lead the interview process in relation to the themes chosen yet let interviewees talk freely about the subject. This made it possible, in turn, to gather data for discovering new aspects of the phenomenon: challenges faced by the customer-owners and the mental models of managers were identified from the data but were construed by reflection on them in relation to existing theories.

Table 3. Summary of the research strategy

Abduction is a research approach that allows studying the phenomenon in a way that takes into account its contextual characteristics. This was achieved via iterative interplay with the empirical data and existing theories. As a methodological tool for data generation, the empirical studies utilised case-based research, which directed our attention to discovering new aspects and contextual variations of the research phenomenon. Case-study research and the abductive approach as applied in this work were supported by semi-structured interviews, a tool that allows the researcher to direct the conversation within the space of the chosen themes without preventing the interviewees from speaking freely about the subject. Through these well-grounded choices, it was possible to discover new facets of the phenomenon and context-based variations of it.

4 THE ARTICLES

The four articles around which this dissertation is built form a comprehensive unit that contributes to reaching the objective for the research – to refine our sense of the role and processes of psychological ownership. This chapter describes and summarises the respective contribution of each article in relation to that overall objective.

4.1 The systematic literature review on research on mutual insurance companies

The systematic literature review was conducted for purposes of forming a comprehensive and multidisciplinary picture of what is known about mutual insurance companies. This was achieved by categorising existing articles by year of publication, journal, line of insurance considered, and article type; identifying themes and approaches that capture the nature and content of the research; and analysing how mutual insurance has been defined.

Presenting a systematic literature review, Article 1 represented a systematic approach to identifying 67 articles in total. Analysis revealed a trend of growth in research on the relevant topics between 1951 and 2015. Furthermore, the articles identified were published in 37 distinct journals, with one journal printing 21 of them. Some articles approached mutuals on a general level, while others concentrated on specific lines of insurance. Content analysis of the articles revealed three distinct themes (operations and performance, the history and formation of mutuals, and conversion to another company form) and seven perspectives (agency theory, asymmetry of information, financial figures, mutuals and society, actuarial studies, management practices and organisational culture, and jurisdictions). Finally, definition analysis identified eight general ways of defining mutual insurance, which displayed great variety.

The literature review included a critical evaluation of the existing research and provided suggestions for future research: Firstly, scholars could benefit from examining specific insurance lines in more depth. Secondly, as many of the articles utilised financial figures as data, they proved unable to disentangle the phenomena from the reasons and antecedents behind them. Thirdly, existing definitions of mutual insurance were shown to be fragmented and to fall short of covering the various dimensions of customer ownership in a mutual context. Therefore, it was concluded that research on mutuals could benefit from analytically focused development of the definition

From the perspective of this dissertation, the literature review makes two important contributions. Firstly, it serves as the backbone for the dissertation: research motivated by a desire to uncover new knowledge of mutual insurance companies must be rooted in solid understanding of the earlier discussion that is analytically oriented and comprehensive. Secondly, the systematic literature review identifies a clear scientific gap that the dissertation is positioned to fill. While some scholars have posited that merging of the customer and owner roles should influence consumer behaviour, how consumers actually perceive ownership and how that perception develops have remained unclear. This is where the phenomenon of psychological ownership and the dissertation project enter the picture.

4.2 Uncovering the value potential of customer ownership

The purpose of the second article was to uncover the value potential of customer ownership. This was achieved by examining what it means in terms of customer value that the customer is also an owner of the company. The context of the study reported upon in the article was consumer co-operatives.

The main theoretical underpinning of the article was work on customer value, more specifically its dimensions and the processes of its creation. Customer value served as an important lens since the purpose of a customer-owned co-operative is to maximise the benefits and value perceived by customer-owners as consumers, not as investors (cf. Borgen, 2004). To tap in to the context of consumer co-operatives, the authors utilised existing research on customer-owners' means of exerting influence (e.g., Tuominen et al., 2009), which can be defined as empowering and as of a co-creative nature (cf. Fuchs et al., 2010).

In keeping with its purpose as a conceptual study, the article outlined a framework for understanding and construing the mechanisms of customer value's creation in a consumer co-operative context. This framework contributed to the literature by offering an integrative view of the role of ownership (influence mechanisms) in value-creation processes. The ownership role was shown to provide customer-owners with unique mechanisms to influence perceptions of value. Consequently, customer-owners have a pivotal role in value-creation processes.

The article contributes to the dissertation project by giving an overview of the processes with potential to facilitate the emergence of psychological ownership. While psychological ownership is not addressed comprehensively in the article, it still provides important background knowledge. Through these underpinnings, it offers illustrations of co-creative and empowering means by which customer-owners can influence the company from the standpoint of value creation. In the context of the dissertation, these means are considered in light of a customer-owner's opportunities to control the company, generate intimate knowledge of it, and invest his or her personal resource in it.

4.3 The study on failing to develop a sense of ownership

Article 3 explores and identifies obstacles to generation of a sense of ownership of a co-operative among its customer-owners. The theoretical backbone of the article was formed by work on the 'routes' to psychological ownership, according to which psychological ownership may emerge when one controls the co-operative, has formed intimate knowledge of it, and/or has invested personal resources in it (e.g., Jussila and Tuominen, 2010). If these mechanisms are not facilitated, emergence of psychological ownership becomes challenging. Consequently, for profound understanding of the emergence of psychological ownership and a customer-owned company's potential to facilitate it, there is a need to understand circumstances wherein it does **not** develop.

The study used a dataset from 100 semi-structural/thematic interviews of customer-owners of a local Finnish co-operative. All told, 63 interviews were chosen for analysis: those of respondents reporting no sense of ownership of the case co-operative. Hindrances to the emergence of psychological ownership were found in all three categories mentioned above as routes to psychological ownership. Control of the co-operative faced challenges due to lack of a sense of control via indirect use of one's voice and channels for direct use of it. Generation of intimate knowledge was frustrated by lack of (relevant) information, of knowledge of the ways of exerting influence, of knowledge of the principles for co-operation, and of full identification with the co-operative. Finally, a dearth of possibilities for investing oneself became clear, with the co-operative seeming to lose out in the competition for people's time. Also, investment of the self actually led to negative emotions.

The findings presented in the article indicate that many customer-owners do not feel a sense of ownership with regard to the co-operative in practice. They face several challenges that prevent them from starting to travel each of the three paths to psychological ownership. The article offers scholars a tentative framework for understanding the obstacles to a sense of ownership emerging in the context of a customer-owned company. Furthermore, it gives managers of co-operatives a tool for reflecting on their organisation's operations in relation to facilitating the emergence of psychological ownership among the customer-owners.

The article's role in the dissertation is to show that developing a sense of ownership of a consumer co-operative is by no means automatic for customer-owners. Therefore, if one is to understand the influence of ownership on consumer behaviour, the focus should be on customer-owners' perception of ownership.

4.4 Board members' mental models of customer ownership: The case study in the pension-insurance sector

The fourth article explores and identifies distinct mental models of customer ownership among executive-board-level managers. The way managers understand and construe customer ownership has a great influence on how they implement it in practice (cf. Jaworski, 2011). Consequently, examining mental models increases our understanding of why mutuals and other co-operatives may vary in how they act in the markets.

In this connection, a mental model can be defined as a cognitive framework that an individual uses to construe and understand the world (e.g., Gentner and Stevens, 1983; Goffman, 1974; Senge, 1990). It is a belief structure that determines how one approaches issues (cf. Mohammed, Klimoski, and Rentsch, 2000). Also worth noting is that mental models are not static; they change over time in the pressure of external social inputs (Ringberg and Reihlen, 2008).

Using semi-structured/thematic interviews with, in all, nine executive-board-level managers of a Finnish mutual pension-insurance company, the study identified four distinct mental models of customer ownership, which can be distinguished along two dimensions. These are the role of the customer-owner (active vs. passive) and managerial scope (strategic vs. operative). The matrix formed with these dimensions illustrates how customer ownership can have a limited, applied, strategic, or extensive function in the minds of managers. In the case of a limited function, customer ownership is seen as merely a one-way tool for building image. The conceptualisation of an applied function builds on an active role of customer-owners wherein customer ownership is seen as a story to engage and empower customers. Those who see there as being a strategic function view customer ownership as a mechanism to maximise customer value, while the idea of an extensive function involves serving as a mechanism for customer-owners actively looking after their interests in the markets.

The findings from the study give scholars and managers alike a well-grounded framework that addresses the differing mental models of managers with regard to customer ownership. Furthermore, the work increases understanding of why managers may vary from one to the next in decisions related to the implementation of customer ownership. Finally, the article offers managers a tool for evaluating their views on customer ownership and ascertaining which approach they are taking.

The final article gives the dissertation a coherent framework illustrating how mutuals may have implemented customer ownership in their processes. Furthermore, it informs the reflection on various implementation options in terms of facilitating psychological ownership among customer-owners. In other words, the article provides tools for considering why some mutuals may be better and some worse at facilitating customer-owner's journey via the routes to psychological ownership.

4.5 The author's contribution to the articles

Three of the four articles had more than one scholar behind them, so it is important to identify this author's role in respect of each of them clearly (see Table 4). Firstly, this author was the corresponding author for all of the articles. Article 1 was a single-author piece. For Article 2, this author had specific responsibility for writing the sections on consumer co-operatives as a context of customer ownership, empowerment as a perspective for theoretical consideration of customer ownership, market control and voice-dependent mechanisms as vehicles for customer ownership, creation of customer value in co-operatives, implications of the proposed framework, and conclusions from the study.

ARTICLE TITLE	THIS AUTHOR'S ROLE
1. Systematic literature review on research on mutual insurance companies	Performing all of the work, as sole author.
2. Consumer cooperatives: Uncovering the value potential of customer ownership	A major role in writing many of the sections and articulating the contribution of the article.
3. Failing to develop a sense of ownership: A study from the consumer co-operative context	A major role in analysing the data, developing the resulting framework, and writing 'Findings and discussion' and 'Introduction'. No role in collecting the data.
4. Mental models of customer ownership: A case study in the pension insurance sector	A role in every phase of the process. Major responsibility in analysing the data, developing the resulting framework, and reflecting on the data in relation to literature on co-operatives. A major role in collecting the data by conducting interviews.

Table 4. A summary of this author's contribution to each article

For Article 3, I did not take part in collecting the data but did, as corresponding author, have a major role in analysing the data, developing the resulting framework, and writing the discussion material and the paper's introductory sections. In the case of Article 4, I participated in every phase of the process, including planning of the interviews and collection of the data. In addition, I had a major role in analysis of the data, development of the framework arising from said data, and reflection on the data in light of prior literature on co-operatives.

5 DISCUSSION

Together, the four articles and the framing portion of the dissertation fulfil the purpose – to inform refining the role and processes of psychological ownership in the context of customer ownership and mutual insurance companies – for the study well. This chapter discusses their overall contribution in relation to three interwoven themes. Firstly, the role of psychological ownership is considered in some depth in the context of customer ownership. Continuing the discussion, Section 5.2 hones understanding of mutuals' processes of psychological ownership, presenting practical considerations. Through Section 5.3, the discussion is rounded out with introduction to the project's extension of the level of analysis of mutuals.

5.1 Refining the role of psychological ownership

Earlier work has shed some light on consumer co-operatives' potential to facilitate the emergence of psychological ownership; however, the literature does not offer a clear understanding of its role in consumer co-operatives. Specifically, what is the relationship of customer-owners' perceived sense of ownership with the purpose of a customer-owned company?

A mutual is owned by its customers, and the purpose of the company is to maximise value for the owners as consumers (e.g., Cabrales et al., 2003; Borgen, 2004) – to generate customer value that extends beyond economic value. In competitive markets, the question is whether a customer-owned company can facilitate customer value's creation better than other company forms can. Customer ownership differs from typical customer relationships in that customers are also the owners of the company. Hence, the ownership role should make a difference. By contributing to the value for customers as perceived by customer-owners, ownership processes should be expected to influence consumer behaviour. Accordingly, in-depth understanding of the role of ownership and related processes can be achieved by considering them in terms of their potential as a tool to create customer value.

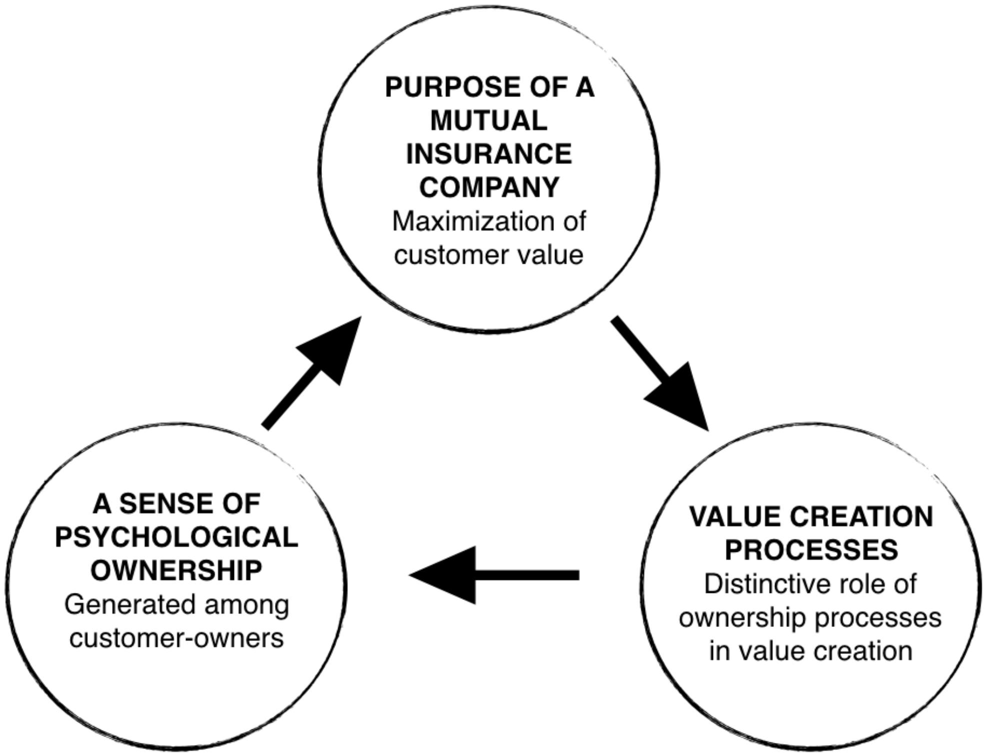

Figure 6. Integrating psychological ownership into the purpose of a mutual company.

Article 2 builds on prior literature on consumer co-operatives to conceptually develop a framework that considers ownership and customer-value creation processes together. The resulting synthesis focuses on a customer-owner's actions and active role via market control as well as voice-dependent mechanisms that provide empowering means to create value. Moreover, these two mechanisms make it possible for customer-owners not only to perceive customer value as they consume the current offering but to envision the co-operative and develop it in the desired direction.

In co-operative context, an active role of the customer-owner can be reflected on all three dimensions portrayed as routes to psychological ownership – control, intimate knowledge, and investment of the self (see Table 5). Firstly, the role of an owner as an envisioner and developer of the mutual provides tools to achieve a sense of controllability (cf. control over the target). For instance, if customer-owners are not satisfied with the insurance premium level, they can start using their voice indirectly or directly via administrative posts to direct the managers' focus toward making the company more efficient or adjusting the patronage refund policies.

Secondly, active interaction with the company makes it possible to generate intimate knowledge of the mutual (cf. intimate knowledge of the target). Via their voice, customer-owners can participate in defining the strategy and actions of the mutual in such a way that the company they own takes an active role in, for instance, developing and supporting the vitality and success of their community at large. This, in turn, increases understanding of the local nature and community focus of the company. The better a customer-owner understands the mutual's close connection and dependency relations with his or her life and community, the greater the potential to perceive the mutual as part of the self and as his or her own (cf. Pierce et al., 2001; 2003).

Thirdly, in acting as envisioner and developer of the mutual, a customer-owner invests energy, time, and intellectual resources and 'does his or her share' for the company (cf. Giroux, 1992). Furthermore, by using the services of the mutual, the customer-owner expresses potential to invest his or her self in activities that speak to his or her self-identity or that aid in building it (cf. Baxter et al., 2015). These symbols may include ideas such as local focus, co-operative principles and values, and commonality with peers (see Article 2).

ROUTE TO PSYCHOLOGICAL OWNERSHIP	**NATURE OF THE VALUE-CREATION PROCESS IN TERMS OF PSYCHOLOGICAL OWNERSHIP**	**ILLUSTRATIONS OF THE VALUE-CREATION PROCESSES (see Article 2)**
Control	Allows customer-owners to control their co-operative so as to envision the future direction of the company	Participatory strategic decision-making related to pricing policy, accumulation of capital, and distribution of the surplus Participatory strategic decision-making related to local practices and ways of responding to special communal needs
Intimate knowledge	Enhances customer-owners' intimate knowledge of the characteristics of the	Organisation of and participation in education and training within the co-operative

	company and its offering	Participatory strategic decision-making related to local practices and ways of responding to special communal needs
Investment of the self	Enables customer-owners to invest their personal resources in the company, where customer-owners' active role determines the perception of value related to the current offering	Behaviours aimed at maximising economic benefits – e.g., larger buying volumes in retail and prevention of accidents in insurance (cf. moral hazard) Sharing of consumption-related data and personal data so that the co-operative can develop better services Incentive to maintain and act in accordance with the collective-level motivators as shared goals and values when one is interacting with the co-operative

Table 5. A summary of the routes to psychological ownership via value-creation processes

The discussion above indicates that value-creation processes can be operationalised in a manner such that they facilitate customer-owners' 'journey' on the routes to psychological ownership. This forms a close connection between psychological ownership and the company's purpose as a mutual (or customer-owned) company – to maximise customer value. Consequently, in addition to considering psychological ownership as a special link between customer-owners and their co-operative (e.g., Jussila and Tuominen) or as one aspect of co-operation (e.g., Jussila et al., 2007; Tuominen et al., 2006; cf. Pierce and Rodgers, 2004; Pierce et al., 1991; Vandewalle et al., 2005), the work for this dissertation lets us go further: The role of psychological ownership in a consumer co-operative context can be identified as an integral consequence of value-creation processes (see Figure 6). Furthermore, being a consequence of those processes, psychological ownership becomes tied to this company form's fundamental, strategic-level purpose, maximising customer value.

5.2 Refining the processes of psychological ownership

Earlier research on mutual insurance companies has predicted that being an owner of a mutual affects consumer behaviour. This has been illustrated in at least two ways. Firstly, it is stressed that mutuals should have a built-in feature of avoiding problems of adverse selection (e.g., Smith and Stutzer, 1990). Since the customer-owners are the chief risk-bearers of the mutual company, mutuals should tend to attract low-risk consumers. In contrast, high-risk consumers are predicted to purchase from investor-owned insurers since doing so allows transfer of the risk to the investor-owners. Secondly, as customer-owners share the risk related to the mutual's success, they should have an incentive and hence tendency to avoid behaviour that leads to claims. In other words, customer ownership acts as a tool to decrease the level of moral hazard (e.g., Smith and Stutzer, 1995; Nekby, 2004). *Vice versa*, customers of a proprietary company do not have that incentive; after all, they know that the risk is borne by the investors in the company.

Much of the literature manifests a presumption that consumers of insurance possess accurate information related to the specific features of individual insurance companies. More specifically, consumers are presumed to understand precisely what it means to be an owner of an insurance company. In these conditions, it may be more readily assumed that ownership automatically influences consumer behaviour. At the same time, it has remained unclear what the underlying psychological condition is that links legal ownership with consumer behaviour (cf. Shu and Peck, 2009) in the context of mutuals. However, there is research in other domains that points to the answer: it is the mental state of ownership that acts as the connection between legal ownership and individual-level behaviour (cf. Pierce et al., 1991; Pierce and Jussila, 2011). This state hinges on the mutual's ability to operationalise processes in such a way that they facilitate customer-owners' journey along the routes to psychological ownership.

With the previous section having presented the groundwork and the arguments that psychological ownership exists as a fundamental consequence of value-creation processes at a conceptual level, we can turn our attention to the empirical evidence of its absence in certain situations.

The component article on failure to develop a sense of ownership (Article 3) illustrates well that customer-owners may not always develop psychological ownership of their co-operative. Furthermore, the article identifies nine distinct challenges that act as roadblocks to customer-owners travelling the paths to psychological ownership. These point to ways in which co-operatives may fail to operationalise their processes in a way that supports harnessing their full potential to facilitate the emergence of psychological ownership among customer-owners.

Concentrating on managers' mental models of customer ownership, Article 4 provides further insight into why the ownership processes of a particular mutual may have been operationalised as they are. How managers construe and understand reality influences their decision-making, which ideas are central for them, and the way in which those ideas are implemented in practice (e.g., Jaworski, 2011). The article demonstrates from this angle how, and to some extent why, the processes of a customer-owned company may not automatically get operationalised or implemented such that they harness the company's potential to facilitate emergence of psychological ownership.

The differences in mental models of customer ownership can be evaluated in terms of mutuals' capabilities to facilitate that emergence. When customer-owners' role is viewed as a passive one, the processes of the mutual that result are unlikely to leave space for customer-owner participation, as the conceptual framework put forth in Article 4 indicates. In these circumstances, customer-owners are not able to steer the mutual via administrative posts, influence the development of the mutual via direct channels of using their voice, or utilise the mutual as a vehicle that facilitates learning processes. Lack of manipulability prevents customer-owners from controlling the target or investing personal resources in it and, consequently, from travelling toward psychological ownership. Furthermore, if the managerial scope is taken to be operative, the mutual's purpose is understood in the same way as the purpose of investor-owned companies. With customer ownership implemented accordingly, customer-owners may be unable to form intimate knowledge of the benefits of ownership and an understanding that the mutual is theirs. With a more strategic scope, managers understand the strategic mission of the mutual as being to maximise customer-owner value. If implementation is handled accordingly, this can increase the likelihood of the mutual communicating well and the customer-owners gaining information related to the company form and its benefits.

A more nuanced understanding of the processes of psychological ownership in practice yields important insights. A sense of ownership does not automatically emerge among customers when legal ownership is present. Customer-owners face various challenges to travelling the routes to psychological ownership. In concrete terms, ownership processes may not be operationalised in such a way that they facilitate the emergence of psychological ownership by enabling control, generation of intimate knowledge, and investment of personal resources. As ownership does not automatically spring forth in a customer-owner's mind, customer ownership does not necessarily affect consumer behaviour in the context of mutuals as some have predicted.

5.3 Moving toward a new level of analysis

Although legal ownership *per se* does not guarantee a sense of ownership, it can be operationalised and organised so as to allow the individual to control the co-operative, form intimate knowledge of it, and/or invest in it personally. As noted above, these processes have the effect of bringing an object or target 'lying outside of the self […] into the self-region[,] resulting in the individual becoming tied to that object and […] emergence of the sense of ownership' (Pierce and Jussila, 2011, p. 76). A company's ability to generate psychological ownership among its customer-owners is dependent on the target attributes, which can facilitate moving along the routes to that mental state (e.g., Jussila and Tuominen, 2010). Yet it seems that analysis at the levels examined in prior work (see Table 6) may fall short of constructing an analytical picture of specific capabilities with regard to a company's various operations.

Research concentrating on the level of company form (see Table 6) provides tools for considering co-operative companies as a class in relation to society and relative to other company forms in general. However, understanding of the special characteristics and boundary conditions of the form in particular contexts remains rather vague. With regard to customer ownership, it is vital to apply a deeper gaze for examining consumer co-operatives in depth. The body of research on consumer co-operatives (at category level) has developed a general framework that suffices for increasing understanding of 'what customer ownership is all about', but it still does not fully take into analytical account contextual variations that stem from industry-specific characteristics. Therefore, it is important to gain clarity on the differences between individual consumer co-operatives and on the unique characteristics that a given co-operative may possess. These are generally conceived of in terms only of general categories: mutual insurance companies, co-operative banks, and retail co-operatives.

As for insurance-industry-level analysis, earlier studies provide a good starting point for discussion of the nature of mutual insurance companies and what customer ownership means in the context of insurance. However, as we move closer, again many context-specific features are unexamined (here, characteristics of particular insurance lines etc.). Finally, on the insurance line level, prior literature presents numerous context-specific boundaries and characteristics that describe life, non-life, and pension insurance. Yet this level of analysis still does not ‘drill down’ enough if our aim is to build a suitable understanding for analysis of the operations within a mutual company. In the end, target attributes that facilitate psychological ownership manifest themselves in the operations of a specific company.

LEVEL OF ANALYSIS	UNIT OF ANALYSIS	FOCUS OF ANALYSIS	CHALLENGE
Company form	Co-operatives	Focus on characteristics that are common to all co-operative companies and to the movement in general	Understanding of the special characteristics, boundary conditions, and utilisation potential of the form in various contexts remains vague
Category	Consumer co-operatives	Focus on characteristics that are common to customer-owned co-operatives in general	There is no clarity on implications that arise from the differences between consumer co-operatives and the unique characteristics of particular ones
Industry	Mutual insurance companies	Focus on characteristics that are shared by customer-owned mutual insurance companies in general	Features that are distinctive to particular insurance lines are left untouched
Insurance line	Life/non-life/ pension	Focus on characteristics that are common to mutuals representing the same insurance line, with recognition of the distinctive features of specific insurance lines	The knowledge is not deep enough when one is aiming to build analysis-grounded understanding of specific operations within a mutual company

Table 6. Unit, focus, and challenges of existing analysis levels

This is not to say that prior literature has not addressed or even touched on operations at the level of the mutual or customer-owners’ role in them. For instance, there are articles that examine customer-owners’ activeness in monitoring the operative management of a mutual insurance company (e.g., Biener and Eling, 2012; Laux and Muermann, 2010). Looking at consumer co-operatives in general, Tuominen et al. (2009) have considered mechanisms of customer-owner influence on a co-operative. However, the existing literature is lacking in analysis-based insight and comparable data related to whether variation exists within a company's operations in terms of facilitating the emergence of psychological ownership.

Article 4 presents mental models of executive-board-level managers. Since managers' mental models have a huge influence on the decisions made and, thereby, on the implementation of customer ownership (see Jaworski, 2011), the article presents an indication that customer ownership may differ substantially in form and weight on the basis of such factors as the manager's area of responsibility. For instance, customer-owners may not have an active role in developing and envisioning the day-to-day investment operations of their mutual even though they might play a key role in defining strategy guidelines such as investment ethics. In another context, customer-owners may be an integral part of the processes of developing insurance-related services (e.g., enhancing well-being at work, assisting with safer driving behaviour, and helping with healthy living). This variety points to a need to consider the possibility of customer ownership being implemented differently between one part of a company and another. Such variations may occur between units such as departments – for example, sales and marketing, insurance-related services, underwriting, claims, investments, and legal operations (e.g., Bates and Adkins, 2007).

Studying psychological ownership in depth entails paying heed to the importance of analysis at company level (see Figure 7). The potential to facilitate a sense of ownership is partly dependent on the nature of specific operations within the company. Processes that facilitate possibilities for control, increasing of intimate knowledge, or investment possibilities with regard to personal resources can present themselves differently and to different extents in different parts of a mutual. For deep understanding of a given mutual's potential to facilitate these processes, it is important to analyse the individual operations and the variations among them, building a comprehensive picture of the mutual accordingly.

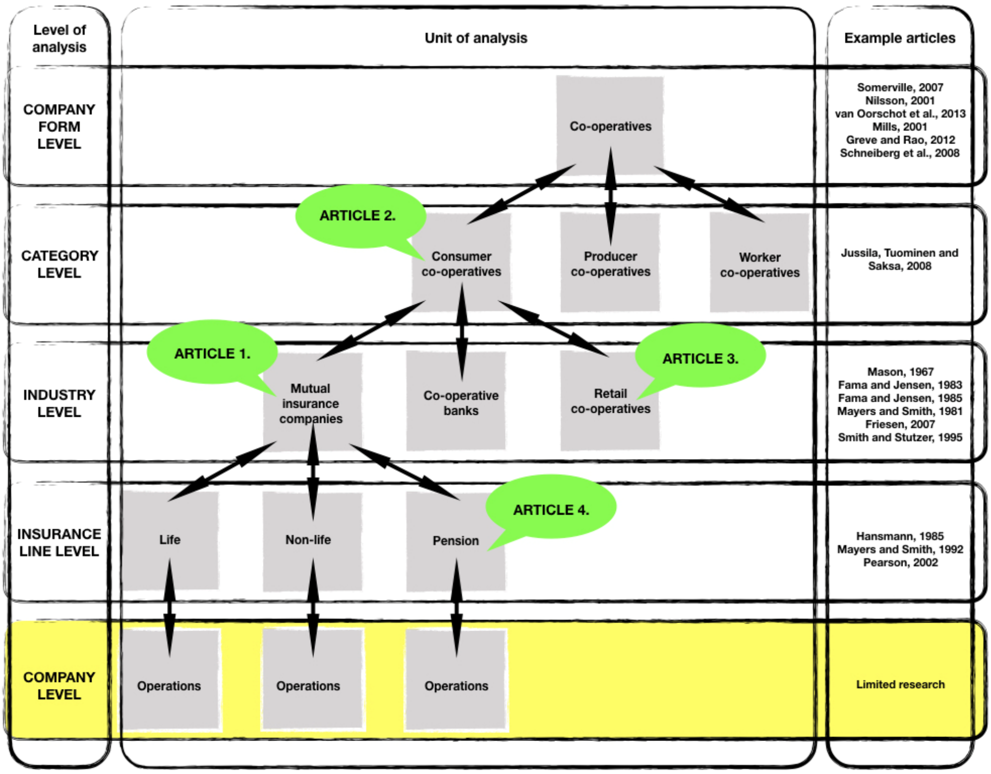

Figure 7. An illustration of the new level and unit of analysis.

In conclusion, comprehensive understanding of customer ownership demands detailed analysis at several levels. In addition, it is important that these perspectives inform each other. One is unable to draw valid conclusions about customer ownership with regard to specific company operations if lacking understanding of the fundamental principles of mutual insurance companies, the special characteristics of particular lines of insurance, or the purpose and values of the co-operative movement at large. At the same time, our understanding of co-operative companies remains rather vague and 'thin' if it stops there. It is important to move toward examining the operations of individual co-operative companies, mutuals among them, in detail, fleshing out the picture with consideration of a key level that is generally overlooked.

6 CONCLUSIONS

The contribution of a piece of scientific research can be categorised as a conceptual/theoretical, contextual, and/or methodological one (Ladik and Stewart, 2008; Brinberg and McGrath, 1985). A conceptual contribution provides a new explanations for a phenomenon, while a contextual one extends the examination of the phenomenon into different areas and a methodological contribution offers an entirely new way to approach the research phenomenon.

The contributions of this dissertation can be described as falling into all three of these categories. Firstly, refining understanding of the role of psychological ownership by conceptualising it as an integral consequence of the value-creation processes of a mutual company involves by nature a conceptual recognition. Moreover, the conceptual goal with this contribution was a relational one that refers to developing a new way to view things by integrating established concepts (MacInnis, 2011): psychological ownership and creation of customer value in the chosen context. By taking research on customer-owned co-operatives, including mutuals, further, my work hones the perspective on how psychological ownership should be positioned in relation to the purpose of the company form. Accordingly, this contribution has a robust contextual nature also, since the notion is connected with customer-owned companies.

Secondly, elaborating on the processes of psychological ownership and supporting the view of it as a mediator between ownership and consumer behaviour is fundamentally a contextual contribution. Even though this link has been acknowledged in other contexts in prior literature on psychological ownership, it had not been addressed in research into mutuals. The goal behind this contribution can be defined as envisioning by identifying a missing construct (ibid.): It is important to understand that ownership *per se* does not automatically affect consumer behaviour: more is needed if a sense of ownership is to emerge. Furthermore, it is the processes of ownership aimed at customer-value creation that have potential to facilitate the emergence of the sense of ownership if implemented properly.

Finally, by suggesting a new level of analysis, for better understanding of mutuals' abilities to facilitate psychological ownership, the dissertation makes a methodological contribution. With the identification of a new level of analysis (or perspective) for research into mutuals and other co-operatives, the general conceptual goal can be described as envisioning and identifying, as discussed by MacInnis (ibid.).

Another way to look at contributions is to consider them on a continuum that extends from identical replication to developing a new theory (Ladik and Stewart, 2008, p. 163). The former involves testing existing ideas and their solidity. Developing new theory, on the other hand, can be defined as a major contribution wherein something significantly new is found that is not limited to simply making a context-related contribution. On this continuum, the refinement related to the role and processes of psychological ownership can be defined as extending existing theories and concepts. It extends the discussion by integrating the sense of ownership with the purpose of a customer-owned company. This positions psychological ownership at the heart of customer ownership. Refining understanding and practice with regard to the processes of psychological ownership, in turn, expands the application of considering ownership through the lens of psychological ownership into the context of mutual insurance companies.

6.1 Managerial implications

This work on the role and processes of psychological ownership in the context of customer ownership and mutual insurance companies provides a tool with which mutuals' managers can concretise customer ownership in practice. Therefore, it has various implications that are important for managerial application. Firstly, the role of psychological ownership can be seen as lying at the heart of a customer-owned company. Conceptually, this is a natural consequence of customer-value creation processes. Since maximising customer value can be viewed as the fundamental purpose of a mutual company, the phenomenon of psychological ownership should gain prominence. It should form the foundation for executive strategic decision-making and discussion.

Secondly, customers' ownership of the company can confer competitive advantage only if it influences consumer behaviour, and if ownership does not manifest itself at the psychological level, it most likely has a neutral effect. The dissertation shows well that a sense of ownership among customer-owners does not develop automatically. Its emergence needs to be facilitated by the mutual. Hence, the mutual needs to organise its operations and implement customer ownership in such a way that customer-owners are readily able to exercise control over it, engage in processes of generating intimate knowledge of it, and/or invest their own resources in it. Derived from the purpose of the company form, the core element is to develop and facilitate value-creation processes in a manner whereby they have potential to guide one along the 'routes' to psychological ownership. Hence, the focus of management in a mutual should move beyond managing the company's internal operations, to managing the customer-owner community and their participation in value-creation processes.

In addition, to implement customer ownership in practice, it is vital to understand what it means from a strategic standpoint but also how it is best implemented in a company's real-world operations. As the dissertation indicates, it may not suffice to implement customer ownership in the same way in all operations. For example, an active role for customer-owners might be represented and manifested differently between, for instance, an investment-focused and a marketing operation. Accordingly, it might prove beneficial to consider sub-strategies that take special characteristics of different operations into account.

Fourthly, if operations are to be managed efficiently, they must be measurable. Potential measures can entail considering the operations directly or evaluating their effect on customer-owners. In looking at the operations, attention should be directed to their ability to facilitate psychological ownership. For example, are they manipulable enough that customer-owners can exert control and see the results of investing their personal resources? Are the operations visible, attractive, and accessible enough that the customer-owner can be part of them, understand their meaning, and develop intimate knowledge of them? The customer-owner rather than management view can be approached through attention to motivational, attitudinal, and behavioural consequences of psychological ownership. These individual-level effects describe how a sense of ownership of a mutual company manifests itself in consumer behaviour.

6.2 Limitations of the research

Every piece of research has its limitations, and for a scholar it is of utmost importance to recognise those constraints. In the context of this dissertation, the breadth of the phenomenon of psychological ownership and the variety of perspectives for analysing customer ownership and mutual insurance companies do impose several limitations. Firstly, the dissertation has focused specifically on the role and processes of psychological ownership. In doing so, it has employed a presumption, based on prior research, that the emergence of psychological ownership has individual-level consequences and influence on consumer behaviour. Various consequences of psychological ownership in the context of the mutual company form still need to be addressed in depth and systematically.

Secondly, while acknowledging the issue, I have not addressed how customer-owners differ from each other in terms of developing psychological ownership of their mutual. Some customer-owners clearly may be more active than others, which increases their likelihood of travelling, as it were, toward sensing the mutual to be theirs. This too needs to be considered in future research.

Thirdly, the article on uncovering the value potential of customer ownership (Article 2) was written at the category level, focusing on consumer co-operatives as a whole. Though a tentative framework was developed for analysing mutual insurance companies, it is important to recognise that without further deepening of the analysis and future work at levels of finer granularity, certain nuances and contextual variation related to mutuals may be left untouched.

Finally, the study identifying challenges to customer-owners' development of a sense of ownership of the co-operative (reported on in Article 3) was conducted in the context of a retail co-operative. Therefore, one must be cautious when generalising the results to mutuals. That said, consumer co-operatives exhibit fundamental similarities with each other and operate from the same starting points, so the framework can be regarded as transferable to the context of mutuals to some degree. This conclusion is supported by the fact that retail co-operatives and mutuals are similar in their governance logics. For example, the administration of both is handled by customer-owners and their representatives. In addition, often these companies operate within a certain geographical area, the 'catchment area' for the customer-owners. Thus, these companies are situated in a relationship of interdependency with the overall success of their region and the customer-owner community. Furthermore, customer-owners' interaction with a retail co-operative is often more intense than that with a mutual company. Services of a retail co-operative are often used on a day-to-day basis, which provides numerous possibilities and vast potential to develop a sense of ownership in the company. This leads me to believe that when development of a sense of ownership in a retail co-operative is not a foregone conclusion, this can hardly be the case in the context of a corresponding mutual. If anything, the challenges facing a mutual can be even greater. The utilisation of the article for purposes of the dissertation remained sensible, taking this into consideration.

6.3 Future research

Insurance consumers' perceptions of an insurance company and its products or services is an important fundament for predicting and modelling consumer behaviour in economic theories. It has been hypothesised that company-form effects exist with regard to adverse selection and moral hazard. Taking this idea further, I suggest that research streams in these fields should take into account in addition that legal ownership does not on its own influence consumer behaviour. With this awareness, we can find in psychological ownership a fresh avenue for research predicting the circumstances wherein the mutual company form does have an influence. Furthermore, beyond insurance-specific behaviours, scientific discussion could benefit from identifying consumer-behaviour-related concepts in diverse mutual contexts. Therefore, examining consequences of psychological ownership in terms of motivational, attitudinal, and behavioural effects among customer-owners offers great potential for future research on mutuals. Since applications of the phenomenon of psychological ownership in co-operative research are still in their infancy, the implications for future research noted here apply in relation to other co-operatives as well.

The findings suggest that scholars ought to deepen their analysis and research at company level. Accordingly, the unit of analysis should be narrowed to company operations. Since, as my work indicates, the role and weight given to customer ownership may differ among operations, future research should delve into this issue. Examining how mental models of customer ownership differ from one aspect of operations to the next and what the reasons for and determinants of these variations are may provide a solid way forward. Considering how customer ownership is implemented in specific operations could serve as a good starting point for this stream of research. In such work, it would be especially important to remember to consider the implications of implementing customer ownership in terms of development of psychological ownership. This should be explored from both the customer-owner and the managerial perspective. Work on the former should take into account, for example, the possibilities for control, intimate knowledge, and/or investment of personal resources in various types of operations. Work from a managerial angle, in contrast, should focus on how operations are organised. Several vital questions can be posed here. What constitutes an adequate way to implement customer ownership in real-world operations in terms of facilitating the development of psychological owners, how should these operations be managed, and specifically how should their success be measured such that they are manageable?

My work has focused on the phase wherein the consumer is already a customer-owner of the mutual. Further research should aim at understanding the antecedents to becoming a customer-owner too from the perspective of psychological ownership. In this case, psychological ownership is a consequence of the choice to become a customer-owner rather than of maintaining the relationship. One possible way forward in this domain is pointed by Kamleitner and Feuchtl (2015), who study the link between imagery and psychological ownership.

In addition to researching individual-level psychological ownership, scholars are encouraged to consider the role of the collective level – moving from perceiving something as 'mine' to perceiving the object as 'ours' (e.g., Pierce and Jussila, 2011). This represents an intriguing avenue for at least three reasons. Mutual insurance is, in principle, a phenomenon that involves consumers uniting, coming together to provide security for each other. At issue is whether this principle is visible and whether it leads to a communal experience. Secondly, mutual insurance companies often operate in a geographically restricted area that may foster psychological unity among customer-owners. Third, it would be beneficial and interesting to identify potential interfaces additional to geography that act as common denominators in or antecedents to communal experience and lead to customer-owners sensing the mutual as something that is 'ours'.

Finally, by presenting explorative empirical studies that applied qualitative analysis methods, articles 3 and 4 provide new input to scientific discussion. Future research could benefit from proceeding from that work to develop and validate a measurement instrument. A solid quantitative approach could serve as the natural next step in theory development related to mental models of customer ownership and psychological ownership in the context of mutuals.

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Systematic literature review of research on mutual insurance companies

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A B S T R A C T

Customer-owned insurance companies (mutuals) are prominent actors in the insurance industry and have significantly increased in market share in the relatively recent past. However, the discussion related to mutuals lacks a systematic and multidisciplinary literature review providing a comprehensive overview of current scientific knowledge. The purpose for the paper is threefold. It categorises the existing research by year of publication, scientific journal, type of article, and type of insurance considered. Secondly, it identifies approaches and themes that capture the nature and content of the research on mutual insurance companies. Finally, it analyses how the literature has defined mutual insurance. In the process, the work critically evaluates the current status of the research on mutuals and sets out the implications for future research and work by practitioners.

1. Introduction

The global insurance industry is characterised by dominance by two organisation forms, which are quite different: mutuals and stock firms (MacMinn & Ren, 2011). The two forms have coexisted in insurance markets for over a century (e.g., Erhemjamts & Leverty, 2010). In fact, the first mutual insurance company can be traced all the way back to the late 17th century (University of Wisconsin Center for Cooperatives, 2015). Waves of mutualisation and demutualisation since then show that the two company forms have waxed and waned in their dominance of mainstream thinking and discussion. The current situation is influenced by the fact that customer-owned insurance companies have significantly increased their market share in the years since the global economic turmoil that began in 2008 (ICMIF, 2014). In 2013, mutuals held a 27.3% share of the global insurance market, equating to a premium income of USD 1.26 trillion. In addition, mutuals held USD 7.8 trillion in assets and had 915 million policyholders (ICMIF, 2014). Furthermore, three of the four largest co-operative organisations in the world are insurance companies (ICA, 2015a).

While mutuals hold a strong position in the market, they and the implications of the organisational form have attracted limited interest among academics (e.g., O'sullivan, 1998). Three previously conducted literature reviews offer some insight into what has been studied and how scholars have organised the existing knowledge related to mutual insurance companies. MacMinn and Ren (2011) compared the mutual and stock-based organisation forms by reviewing the theoretical and empirical literature from three perspectives: Why do the mutual and stock organisational forms coexist? Which form is more efficient? Why does one form convert to the other? (p. 102). Accordingly, their article focuses on agency problems, efficiency, and causes of conversion. Similar themes are brought up by O'sullivan (1998), who adopted a corporate governance perspective when reviewing previous literature on the coexistence of mutuals and proprietary companies. The article concentrates on three themes: policyholder–shareholder conflict, owner–manager conflict, and mutualisation and demutualisation. Finally, Chaddad and Cook (2004) focused on demutualisation from a US perspective in their review of literature on the economics of conversions.

While the importance and contribution of the previous literature reviews are undeniable, they have focused on certain limited areas of research. Moreover, they lack a systematic way of identifying articles for inclusion. Therefore, current discussion is lacking a comprehensive, systematic, and multidisciplinary approach encapsulating what is known about mutual insurance companies. In addition, a need for systematic literature reviews in various co-operative contexts has been emphasised, by Jussila (2013). Consequently, it is clear that there exists a clear scientific gap of great importance.

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Hence, the purpose for this paper is to explore and analyse existing research on mutual insurance in a systematic manner. This is achieved by categorising the existing articles, identifying relevant approaches and themes that capture the nature and content of the research, and analysing how mutual insurance has been defined in earlier articles. The method chosen is a systematic literature review, with the intention being to provide a comprehensive view of what has been studied. Indeed, the present review is, to the best of the author's knowledge, the first attempt to identify and organise research related to mutuals in a systematic and comprehensive way. In this capacity, it sheds light on the current status of research into mutuals and lays outs some implications for future research and for practitioners.

Section 2 describes the data-search methods and the process employed for analysis of the articles. Then, the third section presents a review of the results, which Section 4 then discusses. The final section presents the conclusions from the research and outlines both its limitations and the associated avenues for future research and managerial implications.

2. Methodology

The research was conducted in the form of a systematic literature review, or SLR. This type of review, used to identify and collate existing research, has been employed traditionally in the medical and policy sectors, areas in which academics have sought to increase literature reviews' quality by eliminating the bias associated with the selection of articles and to provide the best possible evidence in support of clinical and policy decisions (Cook, Mulrow, & Haynes, 1997; Parris & Peachey, 2013; Tranfield, Denyer, & Smart, 2003). The word 'systematic' here refers to the strictly specified manner of conducting and documenting the review process. Weed (2005) distinguishes an SLR from traditional reviews in terms of the former being objective, replicable, systematic, and comprehensive. According to Tranfield et al. (2003), an SLR has three distinct stages: planning the review, conducting the review, and reporting and disseminating the findings of the review. This article echoes that three-stage process.

2.1. Literature search and analysis

Mutuals differ from other company forms in terms of ownership. In other words, the members of the mutuals have a dual role as both customers and owners of the company. Customers of the mutuals provide capital, own the residual value of the firm, and bear the risk (MacMinn & Ren, 2011; p. 101). In the insurance sector, there are also a few alternative organisational legal forms that are quite similar to the mutual form. These include organisations such as fraternal societies, mutual-benefit societies, and reciprocals (e.g., O'sullivan, 1998). The complex array of legal forms necessitated that planning of the research process start with an interview with an insurance-industry expert who could explain the various forms and their characteristics. In line with the input from the industry expert, the above-mentioned mutual-like organisations were excluded from the scope of study on the grounds that they possess certain characteristics that distinguish them from purely customer-owned mutuals. In addition, mutual-like health-insurance schemes in developing countries tend to have more complex structures, wherein, for instance, aid organisations might have a financier's role. Therefore, considering these organisations was deemed inconsistent with the goal of examining purely policyholder-owned insurance companies. Finally, mutual alike insurance companies as Takafuls in Arabian countries and Keiretsus in Japan were excluded due to their distinguishing and differing characteristics. Exclusion of articles focusing on aforementioned forms of insurance minimized the bias of the results stemming from existing research.

The article search and identification involved four phases (Fig. 1). In the first, articles were identified by means of the electronic databases of the ACM Digital Library, EBSCO Academic Search Premier, Ingenta Connect, JSTOR, SagePub, ScienceDirect, the Taylor & Francis Online Journal Library, and the Wiley Online Library. After the searches of these official databases, an additional systematic search using Google Scholar was conducted, to ensure the review's maximal feasible coverage. For guaranteeing the scientific validity of the articles reviewed, the search was limited to peer-reviewed articles written in English. Moreover, only full-text articles were included. The search was conducted with the keywords 'mutual AND insurance', 'mutual', 'cooperative AND insurance', and 'co-operative AND insurance'. To identify the most relevant studies, the author limited the keyword search to the article title; article keywords; and the abstract. Next; the articles identified were categorised by the databases they appeared in; before the sample was reviewed to identify and eliminate duplication arising from references found in multiple databases. The initial search generated 98 potentially appropriate articles.

In the second phase, 44 articles were excluded since they did not match the scope defined for the study (for example, papers on mutual-like organisations were filtered out). Owing to the peer-review criterion, reports and working papers were among the works excluded. Furthermore, articles focusing on court cases in the US were excluded, even if one of the parties was a mutual insurance company. This decision reflected the fact that such articles would not contribute knowledge about the mutual company form. In addition, articles pertaining to thrift institutions were excluded even if they used the term 'mutual'. This was due to the fact that these articles focused on banking sector. The exclusion phase narrowed the corpus to 54 appropriate articles.

Thirdly, to ensure maximal coverage of the articles examined, a manual complementary search was conducted that involved reading through the reference lists of all 54 appropriate articles in the initial set. This led to identification of 20 new potentially relevant articles. After this, seven articles were excluded from the additional search because they did not match the scope of the study. Accordingly, the manual complementary search identified 13 further appropriate articles. In total, the full search process identified 67 appropriate articles. After identification, all articles were printed out and collated to facilitate subsequent analysis.

The articles were analysed in two stages. Firstly, they were grouped into four distinct sets of categorises on the basis of their year of publication, the scientific journal (by name), type of article (theoretical/conceptual/empirical), and insurance type considered (life, non-life, P&L, health, pension scheme, etc.). Secondly, they were examined for identification of relevant approaches and themes that captured their nature and content. The work to identify these approaches and themes began with reading through all the articles. The reading was supported by formulation of a mind map of the characteristics of the articles. This process generated various categories and subcategories. Combining and classifying those categories produced all together seven approaches and three themes. The chief criterion for forming and naming a theme was that it captured the essence of a certain group of articles – pieces that examined the same phenomena (e.g., demutualisation or mutualisation) or had other similarities (e.g., performance of mutuals). In addition, it was taken into consideration that the articles differed in their approaches to the themes, primarily with respect to the theory applied (e.g., agency theory) or scientific field (e.g., jurisdiction).

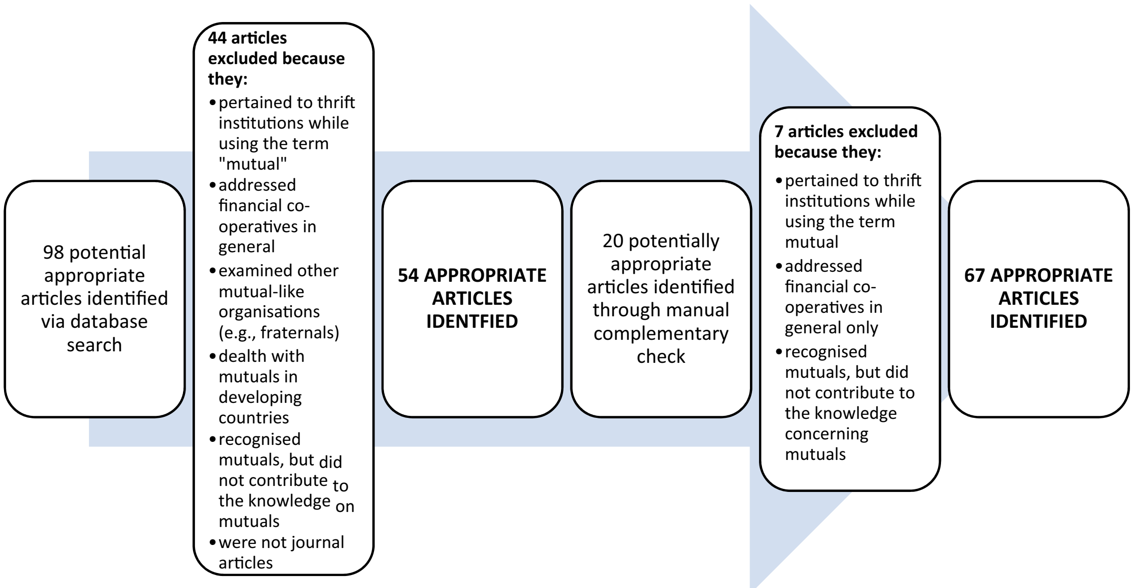

Fig. 1. Systematic literature search-process to identify appropriate articles.

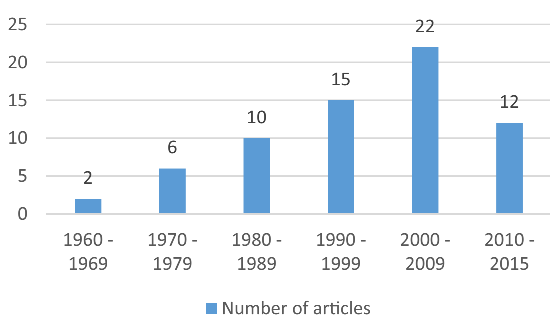

Fig. 2. Volume of the research on mutual insurance.

3. Results

This section of the paper presents and characterises the results of the literature review. A general overview of the relevant works by publication year and journal is followed by a review of the article types and the types of insurance covered, the approaches and themes identified, and the definitions of mutual insurance found in the various articles.

3.1. Where and when the articles were published

At the outset, no date range was set for the literature search, because the purpose for the review was identification of all published articles related to customer-owned insurance companies. In total, 67 such articles were identified, the earliest being published in 1961 and the latest in 2015 (See Appendix A). As Fig. 2 indicates, there has been a clear increase in research related to mutuals, and the trend does not seem to be abating. Furthermore, it is important to note that the number of articles published in 2010–2015 alone has almost reached the figure for 1990–1999. Approximately 51% of the mutual-related articles found were published in the last 15 years. The continued growth of research notwithstanding, the growth rate has been decreasing, however, with a growth rate of only 47% seen between 1999 and 2009, as compared to 200% between 1969 and 1979.

The articles seemed to be distributed broadly, across diverse scientific journals (see Table 1). In all, 37 journals published articles related to mutuals, with 32 of these having published only one such article. The journals dealt with various scientific fields, among them insurance, management, law, economics, accounting, sociology, finance, geography, mathematics, and political economy. Though the journals covered a broad range of topics, *The Journal of Risk and Insurance* showed a high concentration of articles, publishing 21 studies within the period reviewed, which accounted for 31% of the articles reviewed. *The Journal of Business* showed the second highest concentration. It published six relevant articles, a figure nearly matched by *Business History*, with four. Interestingly *The Journal of Risk and Insurance* was the only insurance specialist journal to publish more than one relevant article.

3.2. Insurance and article types

The articles analysed in this review deal with several types of insurance. These types can be divided roughly into four separate categories. Articles in the first category (insurance in general) address insurance companies and mutuals in general terms and hence do not recognise the differences between various insurance types. The second category consists of articles on life or health insurance or both. The group of non-life articles includes works positioned as focusing on Property & Liability, Property & Casualty, non-life, fire, fire and casualty, Protection & Indemnity, liability, medical malpractice, catastrophe, or environmental-risk insurance. Works in the fourth category concentrate on all life, health, and Property & Liability insurance but recognise the differences among the three.

The results show that life and health was similar to the non-life sectors in the level of scholarly interest attracted (see Fig. 3). Moreover, both categories are dominated by empirical research, with relatively few sector-specific theoretical/conceptual articles. In contrast, the set of general studies features a greater proportion of theoretical/conceptual articles. The category addressing more than one sector comprises only three articles. Hence, research seems to lack studies that examine the influence of sector-specific characteristics and compares sectors with each other. It is important to note that the life and health category includes two commentary articles; these were categorised neither as theoretical/conceptual nor as empirical in nature.

Table 1
Journals and the number of articles published.

Name of the journal	Number of articles published	Name of the journal	Number of articles published
The Journal of Risk and Insurance	21	Journal of Banking & Finance	1
The Journal of Business	6	Management Science	1
Business History	4	The Journal of Insurance	1
International Review of Law and Economics	2	Applied Economics Letters	1
European Journal of Operational Research	2	The Service Industries Journal	1
The University of Chicago Law Review	1	ASTIN Bulletin	1
Cleveland State Law Review	1	Scandinavian Actuarial Journal	1
Journal of Accounting, Auditing & Finance	1	Insurance: Mathematics and Economics	1
Risk Management and Insurance Review	1	Journal of Law and Economics	1
Journal of Money, Credit and Banking	1	Journal of Financial Economics	1
Journal of Insurance Issues	1	Journal of Business Financing & Accounting	1
Financial Management	1	Journal of Financial Intermediation	1
New York University Law Review	1	Journal of Political Economy	1
Journal of Law, Economics, & Organization	1	Stanford Law Review	1
American Sociological Review	1	Economica	1
Annals of Public and Cooperative Economics	1	Automation and Remote Control	1
The Review of Financial Studies	1	Seattle University Law Review	1
American Journal of Sociology	1	Economic Geography	1
Progress in Human Geography	1		

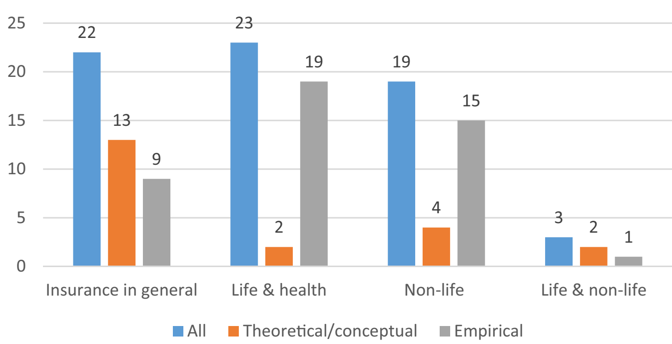

Fig. 3. Insurance and article types.

3.3. The content and nature of the articles

Previous research on mutual insurance companies encompasses diverse approaches and themes. As is noted above, seven approaches were identified during the literature search and analysis. These were agency theory, asymmetric information, financial figures, mutuals and society, actuarial studies, managerial decision-making and organisational culture, and jurisdiction. In addition, as Table 2 summarises, these approaches can be grouped under three distinct themes: 'operations and performance', 'the history and formation of mutuals', and 'company form conversion'. 'The first of these includes studies that concentrate on how mutuals operate and perform and on why multiple company forms co-exist (in other words, they ask "do different forms perform better in different situations?"). The second theme involves a focus on understanding mutuality via historical perspective and data. Finally, articles under 'company form conversion' devote specific attention to mutualisation/demutualisation. We next look at each main approach in earlier literature.

3.3.1. Agency theory

Company forms differ from each other in how the owner, manager, and customer functions are arranged. In a stock company, ownership and customership are separated. According to agency theory, this creates an incentive-based conflict between owners and customers that is costly to control. This conflict can be eliminated by merging of the roles mentioned via forming of a policyholder-owned mutual organisation. However, mutual organisations face other incentive conflict, between policyholder-owners and managers of the company. This is because policyholder-owners have fewer possibilities to control management than owners in a stock company do.

Agency theory has produced various hypotheses aimed at predicting the behaviour of various company forms in the insurance industry. These are the managerial discretion hypothesis, maturity hypothesis, and expense preference hypothesis. In addition, few studies have considered policyholder-owners' opportunities to control management and examined their implications for mutuals' investment portfolio and assets.

3.3.1.1. The managerial discretion hypothesis. The managerial discretion hypothesis predicts that, while it is harder for policyholder-owners to control management, a mutual's managers can be expected to have greater opportunities to behave to the detriment of policyholder-owners' interests by using their discretion in risk selection and pricing (e.g., Cummins, Weiss, & Zi, 1999). The matter of managerial discretion was first addressed by Mayers and Smith (1981), who theorised that one would expect mutual insurance companies to show more dominance in lines of insurance wherein managers apply discretion less, mutuals' operations to be more focused on certain lines of insurance, and managerial compensation to be lower (pp. 427–428).

Empirical work by Mayers and Smith (1988) indicates that mutuals and stock companies do operate in different lines of business, in line with their predicted relative advantage in each. In further support for the hypothesis, mutuals were concentrated more in certain geographical areas. However, the authors did not find support for the hypothesis in terms of concentration in given lines of business (mutuals should show more concentration). According to Lamm-Tennant and Starks (1993), stock companies take greater risks when one considers the loss ratio variance and underwrite more business in lines with the greatest total risk. Moreover, stock companies perform underwriting in more lines of business and show more concentration in those geographical areas with the greatest risk. Similar results indicating that mutuals are less risky than stock companies have been reported by Laux and Muermann (2010) and were linked to demutualised companies by Erhemjamts and Phillips (2012), though Pottier and Sommer (1997), in contrast, found no differences related to geographical or line-of-business concentration.

The cross-frontier analysis of Cummins et al. (1999) provides evidence for a comparative advantage of mutuals in lines of business that do not require as much managerial discretion. In another

Table 2
Summary of the themes, approaches and articles.

Approach		Theme: Operations and performance (50)	Theme: History and formation of mutuals (11)	Theme: Company form conversion (18)
Agency theory (29)	Managerial discretion hypothesis (15)	Adams and Hardwick (2003), Biener and Eling (2012), Cummins and Zi (2004), Cummins et al. (1999), Diacon and O'Sullivan (1995), He and Sommer (2011), Jaffee and Russell (1997), Lamm-Tennant and Starks (1993), Laux and Muermann (2010), Mayers and Smith (1981), Mayers and Smith (1988), Mayers and Smith (1992), Pottier and Sommer (1997)	Pearson (2002)	Erhemjamts and Phillips (2012)
	Maturity hypothesis (3)	Cummins et al. (1999), Hansmann (1985)		Erhemjamts and Leverty (2010)
	Expense preference hypothesis (8)	Biener and Eling (2012), Cummins and Zi (2004), Cummins et al. (1999), Mayers et al. (1997)	O'Brien and Fenn (2012), Pearson (2002)	Carson et al. (1998), McNamara and Rhee (1992)
	Residual claims and assets (3)	Fama and Jensen (1983), Fama and Jensen (1985), Pottier (2007)		
Asymmetric information (12)		Breer and Novikov (2015), Cabrales et al. (2003), Friesen (2007), Hansmann (1985), Ligon and Thistle (2005), Ligon and Thistle (2008), Smith and Stutzer (1990)	Adams et al. (2011); Johnstad (2000); Nekby (2004); Pearson (2002); Smith and Stutzer (1995)	
Financial figures (20)		Aase (2007), Armitage and Kirk (1994), Braun et al. (2015), Johnson et al. (1981), Klumpes (2002), Neumann (1973), Shiu (2006), Spiller (1972), Spiller (1973), Winklevoss and Zelten (1973)		Carson et al. (1998), Erhemjamts and Leverty (2010), Erhemjamts and Phillips (2012), Jeng et al. (2007), Lai, McNamara, & Yu (2008), Laux and Muermann (2010), McNamara and Rhee (1992), Viswanathan (2006), Viswanathan and Cummins (2003), Wang and Ligon (2009)
Mutuals and society (4)		Bennett (1999)	Greve and Rao (2012), Schneiberg (2011), Schneiberg et al. (2008)	
Actuarial studies (4)		Tapiero (1982), Tapiero and Jacque (1987), Tapiero et al. (1986), Yan et al. (2008)		
Managerial practices and organisational culture (5)		Greene and Johnson (1980), Lay (1961)		Butler et al. (2000), Fitzgerald (1973), Keneley (2012)
Jurisdiction (5)		Allegaert (1996), Anderson (1973), Bennett (2000), Mason (1967)		Racz (1998)

cross-frontier analysis, Cummins and Zi (2004) studied Spain's insurance industry and found strong support for the managerial discretion hypothesis. However, the largest mutual companies still did not show dominance over the stock companies as the hypothesis would indicate. Biener and Eling (2012) were the first to conduct a cross-frontier analysis with a large body of multi-country data, including insurance companies from 21 countries. Their analysis provides evidence that is rather mixed: when all countries are considered together, the results support the managerial discretion hypothesis; however, in analysis of individual markets, the hypothesis is supported only for European life insurance and North American non-life insurance.

Adams and Hardwick (2003) approached managerial discretion by hypothesising that, on account of internal mechanisms such as prescribed solvency margins to control the owner–manager conflict, mutuals should report lower levels of distributable surplus. This is due to mutuals' need to use their surplus to increase reserves, while stock companies are under pressure to show their dividend-distribution capabilities. However, with a dataset from UK life-insurance companies for 1991–1999, the authors did not find evidence of this difference in behaviour between company forms.

As the hypothesis predicts, Mayers and Smith (1992) found that executive compensation is higher in stock firms than mutuals and in subsidiaries of the former than those of the latter. Furthermore, compensation in mutuals was found to be less responsive to firm performance, where performance was measured in terms of net premiums written, income before taxes, dividends to policyholders, and total revenue. Supporting this finding, the results of He and Sommer (2011) indicate that CEO turnover is less responsive to firm performance in mutuals than in stock companies. In work related to this, Diacon and O'sullivan (1995) studied governance instruments and discovered that mutuals are more likely to have a remuneration committee. Finally, examining the history of mutuals, Pearson (2002) studied mutual fire-insurance companies in a 18th century context and found no support for the level of managerial discretion as a determinant of mutual-formation.

While mutuals are predicted to have higher costs for controlling management, this may actually be an advantage in insuring against catastrophic risks. Jaffee and Russell (1997) theorise that, though catastrophic insurance requires the company to maintain high levels of assets (that is, gather a surplus), mutuals could have a comparative advantage since there is not so high a risk of a company takeover. However, as they note, in the event of an extraordinary surplus, assets regulators and consumer activists may start to demand lower insurance rates. This in turn, could decrease mutuals' possibilities for offering catastrophic insurance.

3.3.1.2. The maturity hypothesis. The maturity hypothesis predicts that mutual companies should dominate long-tail insurance operations (such as life insurance) since the longer the time horizon, the more opportunities owners have to exploit policyholders in stock companies (e.g., Cummins et al., 1999). As Hansmann (1985) concludes, this has been the main reason for the formation of mutual life insurers. The cross-frontier analysis by Cummins et al. (1999) provides evidence for a comparative advantage of mutuals in long-tail lines of personal insurance. In contrast, the results of Erhemjamts and Leverty (2010) indicate that stock companies are more efficient in producing life insurance.

3.3.1.3. The expense preference hypothesis. The expense preference hypothesis predicts that, because of weaker control mechanisms, mutuals' managers may behave opportunistically, generating more costs (e.g., Cummins et al., 1999). These might come in the form of higher salaries or other perquisites that lead to decreased cost-efficiency. Findings from the cross-frontier analysis by Cummins et al. (1999) seem to indicate an advantage of stock insurance companies in line with the hypothesis, yet Cummins and Zi (2004) did not find support for this hypothesis in their study of the Spanish insurance industry, except with regard to the largest mutual companies. Similar ideas were put forward by Biener and Eling (2012), whose results do not support this hypothesis. They concluded that mutuals are not less cost-efficient. Furthermore, McNamara and Rhee's analysis of demutualisation shows that expense levels did not fall after demutualisation. Echoing this finding, Carson, Forster, and McNamara (1998) found that greater expenses were not correlated with the decision to demutualise.

The hypothesis has been considered also through the lens of mutuals' history. O'Brien and Fenn (2012) studied mutual life insurers in pre-1900 Britain with respect to policyholder-owners' opportunities to control management. According to their results, policyholder-owners measured the performance of their company by distributed bonuses. In addition, there was a potential for owner action against managers in cases of under-performance. In fact, the article argue that policyholder-owners indeed could influence management aince mutuals' cost levels were lower than proprietary firms'. Similar ideas have been put forward by Pearson (2002), who studied mutual fire-insurance societies in 18th-century London. He determined that certain mutuals actually had lower cost levels than their proprietary counterparts.

Since there is no possibility of a 'takeover' in mutuals as a mechanism of control of management, it has been suggested that mutuals should have more outside directors on their boards: external directors' decisions should be unbiased an in line with policyholder-owners' interests, rendering these directors a substitute mechanism to control owner–manager conflict. Mayers, Shivdasani, and Smith (1997) studied board compositions in various insurance companies and found that 1) mutuals have a higher proportion of external directors; 2) company form conversion influences the board's composition; 3) mutuals' bylaws require participation of directors from outside more often than stock firms' do; and 4) the more outside directors mutuals have, the less money they direct to wages, salaries, and rent.

3.3.1.4. Residual claims and assets. There is a stream of agency theory that considers the redeemability of mutuals' residual claims. Fama and Jensen (1983) considered redeemable residual claims as a mechanism for controlling agency problems. As dissatisfied customer-owners in financial mutuals are able to redeem residual claims on demand, a 'takeover' tool of sorts reduces the amount of assets managed by the executives. The authors point out that redeemable residual claims are an efficient tool only when the costs of 'expanding and contracting assets and obtaining accurate indices of asset values' are lower (p. 347). This is further emphasised in an argument (Fama & Jensen, 1985) that a readily determined value of assets is the pivotal issue behind mutuals' investment decisions. On the other hand, Pottier (2007) hypothesises that mutuals' risk-shifting potential (e.g., via credit-quality evaluation and borrowing terms' re-negotiation) confers an advantage in private-debt investments.

3.3.2. Asymmetry of information

Since policyholders are the owners of a mutual insurance company, it is they who bear the risk. As less risk-averse consumers are more willing to shift the risk to stockholders, mutuals should have a built-in feature to control adverse selection, according to Smith and Stutzer (1990). The issue is, in other words, that the consumers signal their lower riskiness by showing willingness to bear risk. In the above-mentioned study, the authors found preliminary empirical support for this hypothesis. Furthermore, Ligon and Thistle (2005) addressed mutuals' advantage in conditions of adverse selection by considering the situation wherein multiple insurance-company forms can coexist in the same lines of business. Their model proposes that, as policyholder-owners bear the risk, risk-averse consumers do better by joining a mutual rather than purchasing from a stock company. Finally, Cabrales, Calvó-Armengol, and Jackson (2003) considered the property-value reporting system used in Andorran mutual fire-insurance mechanisms, called La Crema. According to them, the unique feature that allows people to subjectively report their property value should lead to nearly truthful reporting that is Pareto efficient when the society is large enough. A somewhat related suggestion has been made that mutual property and liability insurers' advantage stems from ability to provide competitive pricing for certain homogenous groups. This advantage is due to stock insurers' inability to treat a large portfolio of customers in a way that takes the distinguishing characteristics of each niche group into account (Hansmann, 1985).

Pearson (2002) studied pre-1900 mutual fire-insurance companies and suggested that it is the uncertainty of the insurance markets and adverse-selection problems in particular – rather than agency problems – that explain the early success of mutuals. Similar ideas have been put forth by Johnstad (2000), who argues that the formation of mutually owned maritime-insurance clubs in the early 19th century was due to the unpredictable average losses and varying degree of risk related to potential insureds. Moreover, Adams, Andersson, Jia, and Lindmark (2011) studied the claims control of Swedish fire-insurance companies from 1889 until 1939. From their findings, they argue that mutuals' possibility of reducing asymmetry of information was due to their special knowledge of the local environment and focus on niche markets.

In addition to adverse selection, policyholder-owners' risk-bearing should be expected to influence their behaviour after the policies have been issued. Accordingly, Smith and Stutzer (1995) have posited that mutuals have greater opportunities to control moral-hazard problems. Furthermore, they found evidence supporting this hypothesis by investigating policyholder dividends of insurance companies in 1953–1982. In addition, Nekby (2004) studied historical data for Swedish health-insurance societies from 1902 to 1910. According to her results, mutuals are able to offer better insurance terms and fees on account of their ‘more careful screening and selection of members, and built-in controls (participating contract) for moral hazard’ (p. 130).

Furthermore, Ligon and Thistle (2008) considered the influence of background risk in competitive insurance markets that are characterised by moral hazard. They argue that those competitive insurance markets should be dominated by stock companies. Moreover, Friesen (2007) examined why stock companies do not usually offer participating policies, in a parallel to the participating contracts that are a built-in feature of mutuals. According to his analysis, fully participating policies are not profitable for stock companies, for reasons of downside risk and low potential profits. On the other hand, when non-participating policies yield a fair return for stockholders, they may become unattractive to customers. Moreover, while it would be beneficial for stock companies to offer partially participating policies, the benefits are lower than regulatory and profitability-related constraints.

Finally, Breer and Novikov (2015) have utilised game-theoretic models for purposes of predicting consumers’ willingness to participate in a mutual insurance fund. According to their article, participation is dependent on the player’s degree of aversion to risk.

3.3.3. Financial figures

Some research into mutual insurance companies has compared them with other organisation forms purely in terms of financial figures. One of the first researchers exploring mutuality, Spiller (1972) studied the performance of stock insurance and mutual insurance companies in the New York area in the years 1952–1966. He concluded that stock companies outperform mutuals when measured by the increase in assets and net premiums. In addition, Spiller’s study and conclusions were commented upon by Neumann (1973) and Spiller himself (1973). In contrasting work, Armitage and Kirk (1994) studied UK life-insurance companies and found that mutuals outperformed stock companies for all of the measured variables, showing higher average pay-outs for policyholders, lower cost ratios, and higher growth rates.

Considering surplus, Winklevoss and Zelten (1973) studied New York’s five biggest mutual life insurers over 1926–1969. They concluded that the surplus of all five mutuals covered the need for their insurance funds. This finding is consistent with the results of Shiu (2006), who studied the liquidity levels of insurance companies in the UK. Including ownership form as one variable enabled him to determine that mutuals tend to retain more liquid assets than stock companies do. Furthermore, he concluded that this may stem from mutuals’ greater possibilities to address agency problems or their tendency to be less diversified and hence require more liquid assets.

Viswanathan and Cummins (2003) considered the reasons for which mutuals demutualise, by studying the financial figures of demutualised insurance companies manifesting conversion between 1988 and 1999. According to their results, demutualising companies had lower surplus-to-assets ratios before the conversion than after. This supports the notion that access to capital is a pivotal reason for demutualising. Similar results have been reported by Erhemjamts and Phillips (2012). However, Laux and Muermann (2010) argue that mutuals have greater possibilities for raising capital during financial crises. This is due to the way of gaining capital: via insurance premiums. In findings counter to the access-to-capital argument, Carson et al. (1998) reported that, in fact, demutualising companies had higher surplus-to-assets ratios. Furthermore, they argued, higher surplus-to-assets ratios may give demutualising companies an opportunity to expropriate wealth from policyholder-owners. However, a study of 33 US life insurers by McNamara and Rhee (1992) did not find that such expropriation of wealth occurred – the lapse rates, premium income, and expense levels did not change significantly after conversion.

If the greatest motivator for demutualisation is access to capital, demutualising insurers should maximise the price of their initial public offering (IPO). Viswanathan (2006) studied insurance companies’ initial public offerings and found demutualising companies’ to have higher first-day returns than other insurers’. Via this kind of underpricing, wealth is transferred to outside investors, who receive underpriced stocks during the conversion. Similar results related to mutuals’ underpricing have been reported by Wang and Ligon (2009), according to whom a more likely motivator for demutualisation is efficiency aims. Similar results were presented by Erhemjamts and Leverty (2010), whose findings suggest that operational efficiency, access to capital, and tax savings were the main reasons for demutualising in her material. With contrasting findings, Jeng, Lai, and McNamara (2007) studied efficiency of insurance companies before and after demutualisation in the ’80s and ’90s, finding that the company’s efficiency does not improve after demutualisation. Furthermore, Erhemjamts and Phillips (2012) have presented evidence indicating that tax incentives are a motivator only for partial mutualisation (i.e., for a mutual holding company).

On the other hand, in their study of premiums and pricing policies in 99 stock and 14 mutual motor-liability insurance companies in Germany, Braun, Schmeiser, and Rymaszewski (2015) did not find support for the normative theory they had developed: they found that stock companies tend to overprice their policies in comparison to mutuals. Furthermore, Klumpes (2002) studied the financial reporting behaviour of 76 proprietary and mutual insurance companies in Australia and the UK. According to their results, there is no significant correlation between mutuals’ willingness to report the present value of actuarially calculated earnings (PVAE) and future profit expectations.

Finally, Johnson, Flanigan, and Weisbart (1981) studied whether company form influences the return to scale in the fields of property and liability insurance. They found no significant difference. In addition, Aase (2007) considered mutuals’ opportunities to obtain equilibrium via economies of scale.

3.3.4. Mutuals and society

Exploring an interesting avenue of study, one stream of research has considered the relationship between mutual insurance and society. Greve and Rao (2012) emphasised the influence of environment in the formation of organisations. In their study of Norwegian mutual fire-insurance companies in the 19th and 20th centuries, co-operatives were more likely to be found in areas and communities that had prior experience of mutual insurance companies. Accordingly, the authors concluded that these communities developed an institutional legacy that further directed the development of organisations in these specific environments. In related work, Schneiberg, King, and Smith (2008) studied the interaction between economic organisations and social movements in the late 19th and early 20th century. They highlighted the influence of the anti-corporate ‘Granger movement’ on co-operatives and mutual companies.

Similar ideas has been posited by Schneiberg (2011), who considered existing strategies to regulate and reform corporate capitalism – namely, expanding competition-related policies and emphasising other countervailing powers such as unions, NGOs, or corporate governance reforms. A third strategy he suggests is to place emphasis on organisational diversity and co-operatives, including mutual insurance companies. Having reviewed historical reasons for co-operatives to form, he argues that they could be used to ‘discipline firms, create and upgrade markets, foster competition, and otherwise solve vexing problems’ (p. 1410). Finally, Bennett (1999) theorises that the mutual form (and thereby mutual responsibility) could be used for governing environmental risks (e.g., pollution by companies). As customers become owners of the insurance company, they should have a clear incentive to act in such a way that minimizes claims.

3.3.5. Actuarial studies

Four articles show actuarial approaches to mutual insurance. Tapiero (1982) considers the jump stochastic claims process in mutual insurance firms. In another piece, Tapiero, Kahane, and Jacque (1986) investigate default risk – the probability of ruin and perceived probability of ruin in mutual insurance, along with actuarially fair premiums. These themes were explored further by Tapiero and Jacque (1987) in terms of expected cost of ruin and more recently by Yan, Liu, and Li (2008).

3.3.6. Managerial practices and organisational culture

In all, four articles express an interest in ideas behind managerial decision-making in mutuals and how managers see mutuality. Greene and Johnson (1980) conducted a survey of mutual insurance companies and found that the main disadvantages of mutuality in the managers' view were related to ease of operations, management control, and diversification possibilities.

Butler, Cui, and Whitman (2000) surveyed managers of mutual insurance companies in order to explore reasons for changes in company form. According to their results, the main reasons to demutualise include desire for access to capital, greater organisational flexibility, and higher management pay. Furthermore, according to the survey conducted by Fitzgerald (1973) of managers of demutualised insurance companies, one could list the reasons to convert as 'to grow stronger and more competitive, to sell out and to achieve special purposes as an ability to take advantage of merger and acquisition opportunities' (p. 583). In the third study, Keneley (2012) examined the influence of change in organisational culture on the demutualisation decision. According to the article, the case company's expansion from insurance provider into financial services company changed the organisational culture in a way that created internal pressure to demutualise. Finally, Lay (1961) studied managerial practices related to common-stock investments in 257 mutual fire- and casualty-insurance companies in the US. Since the paper focuses on describing the managerial practices in general, it does not consider the distinguishing characteristics of mutuals.

3.3.7. Jurisdiction

Mutuals' distinctive ownership structure has inspired consideration of the policyholders' rights as well. Anderson (1973) considers policyholder-owners' opportunities to control their company, while Allegaert (1996) looks at situations of derivative actions. In addition, Mason (1967) has studied the distribution of a mutual's assets in the event of dissolution. As policyholder-owners come and go over the lifetime of a mutual, perspectives on distribution of assets in light of this fact differ. Mason concluded that former policyholder-owners too should be entitled to a share of the remaining assets.

Racz (1998), examining policyholder rights during partial demutualisation, suggests that there are some major challenges related to partial demutualisation. These include 1) conversion and selling stocks without compensating policyholders; 2) enriching mutual executives without subjecting them to the threat and discipline of market forces; 3) creating inherent conflict of interest between policyholders and stockholders; and 4) giving managers, who own stocks, an obvious interest in favouring stockholders. Accordingly, Racz concludes that it would be more rational to encourage full rather than partial demutualisation.

Finally, Bennett (2000) takes a more societal standpoint, arguing that the European Commission's competition policies act against the idea of self-regulation. Accordingly, while mutually owned P&I clubs emphasise fair allocation of the costs such that they cannot compete by offering the lowest premiums, the European Commission finds this to go against EU competition law.

3.4. Definitions of mutual insurance

All told, 29 articles included a clear definition of mutual insurance companies. Analysis of these definitions produced eight categories, presented in Table 3. The definitions in the first category are the simplest. They describe mutuals merely as companies that are owned by policyholders. Accordingly, they do not consider the implications of merging ownership and customership. The second and third category develop the idea further by defining policyholders as decision-makers and/or residual claim holders in the company. Definitions in the fourth category imply that, while policyholders own the residual claims in the company, the insurance contracts are participative in nature. Taking a slightly different view, the next category defines mutuals as a reciprocal tool for policyholders to share risk. In the sixth category, mutuals are distinguished from investor-owned companies by their not-for-profit nature. Definitions in the next category widen the perspective by considering mutuals' mission as to focus on producing benefits for the policyholders. Finally, eighth-category definitions emphasise the link between an insurance policy and ownership (rights).

4. Discussion

The core of the systematic literature review was to categorise the existing articles, identify relevant approaches and themes that capture the nature and content of research surrounding mutual insurance companies, and analyse how mutual insurance has been defined. The review illustrates how academic discussion has dealt with mutual insurance companies and also how the volume of research in this area has increased recently.

4.1. The importance of the type of insurance

While most of the theoretical/conceptual papers addressed mutuals and the insurance industry in general, empirical papers were more likely to concentrate on certain types of insurance, such as life or non-life. Furthermore, the results indicate that current discussion lacks comparative research focused on distinguishing characteristics across diverse insurance types. This is because insurance companies of different types differ in their nature (e.g., Hansmann, 1985). For instance, in mutual pension companies there is a need to distinguish between the roles of policyholders and those insured because they may be different people/actors. In addition, in mutuals (in contrast to other consumer co-operatives) it is common for the number of votes at the annual general meeting allocated to a member to be determined by the number of insurance policies purchased. This may have implications, for instance, for the implementation of co-operative values and principles such as 'one member, one vote' (ICA, 2015b). This is especially true in the context of mutuals that serve both businesses and consumers. Therefore, comparison among mutual companies should prove illuminating. For thus focusing solely on the co-operative context, it is particularly important that there be special scientific journals devoted to examining co-operatives and their characteristics.

4.2. The importance of work in multiple scientific fields

The review identified 67 articles published between 1961 and 2015. Examining the publication volume by year revealed a clear growth trend in the research on mutuals, especially over the last 15 years. However, existing research is fragmented, as is illustrated by the fact that the articles reviewed were published in 37 individual

Table 3
Definitions of mutual insurance.

Category of the definition	Example definition	Articles (29 in all)
The mutual as a company that is owned by the policyholders	'[M]utual insurers [. . .] are owned by policyholders' (Cummins et al., 1999)	Adams et al. (2011), Adams and Hardwick (2003), Anderson (1973), Armitage and Kirk (1994), Biener and Eling (2012), Cummins and Zi (2004), Cummins et al. (1999), Erhemjamts and Leverty (2010), Greene and Johnson (1980), Johnstad (2000), Mayers and Smith (1988), McNamara and Rhee (1992)
The mutual as a company wherein the policyholders are residual claimants	'A mutual organisation is one in which the customers are also the owners (residual claim holders)' (Lamm-Tennant & Starks, 1993)	Erhemjamts and Phillips (2012), Lamm-Tennant and Starks (1993), Smith and Stutzer (1995)
The mutual as a company wherein the policyholders are decision-makers and residual claimants	'An insurance company is a mutual when [. . .] policyholders have voice in its meetings and share in its profits' (Mason, 1967)	Mason (1967)
The mutual as a participating contract	'A prominent example is a mutual insurer where policyholders are also the owners [. . .]. In this case, policyholders have participating contracts as all participate in the insurer's surplus.' (Laux & Muermann, 2009)	Laux and Muermann (2009), Nekby (2004)
The mutual as a reciprocal risk-sharing vehicle	'[M]embers of the group could set up a mutual insurance scheme of their own. All that is needed is really an informal agreement on how losses caused by specific random events and hitting some member shall be shared by all.' (Aase, 2007)	Aase (2007), Tapiero (1982), Tapiero and Jacque (1987), Tapiero et al. (1986), Yan et al. (2008)
The mutual as a not-for-profit organisation	A '[m]utual insurance fund is noncommercial, i.e., has nonprofit orientation.' (Breer and Novikov, 2015)	Breer and Novikov (2015)
The mutual's mission as being to look after the policyholders' interests	'Mutuals are generally corporations owned by their policyholders and are structured for their benefit.' (Cabrales et al., 2003)	Allegaert (1996), Cabrales et al. (2003), Schneiberg (2011), Schneiberg et al. (2008)
Owner rights going hand in hand with insurance policies	'A mutual insurer is collectively owned by its policyholders; these rights are accorded upon policy purchase and end with its termination.' (Viswanathan and Cummins, 2003	Viswanathan and Cummins (2003)

journals, 32 of which published only one article on this topic. Furthermore, while 22 of the articles were in the insurance-specific *The Journal of Risk and Insurance,* other journals represented diverse scientific fields. This indicates that research on mutuals is of interest to a wide audience. The review shows at the same time that many of the articles examined and compared between various organisational forms. Therefore, the recognition of different company forms and their various characteristics may be a valid way to integrate the research on mutuals into the broader discussion in various scientific fields. In addition, examining the implications of company form from several perspectives in the various scientific fields should render it possible to truly understand mutuals.

4.3. Reflection on the content and knowledge gaps

Previous research has contributed considerably to the understanding of mutual insurance companies. Analysis of the existing research formed three different themes. Articles under the first theme were interested in the performance and operations of mutual companies. Under the second theme, focus moved towards historical perspective while third theme included studies that investigated conversions of company forms. Furthermore, research has approached the mentioned themes from different angles. These were agency theory, asymmetric information, financial figures, mutual and society, actuarial studies, managerial practices and organisational culture, and jurisdiction. That said, studies have tended to concentrate more on the fields of economics, accounting, and law. The absence of multiple scientific perspectives and multidisciplinary research has created hindrances to a comprehensive understanding of mutual insurance.

Research related to agency theory's predictions shows rather mixed empirical results, and many of the studies do not support the predictions. This may be partly due to the methods – how these predictions have been tested. While the articles focus on studying existing financial figures in order to test the various hypotheses (particularly the expense preference hypothesis), they seldom recognise the differing motives, factors, and strategies behind the financial figures. For instance, mutuals and other co-operatives may stress value-creating services that generate more costs, such as physical offices near the customer-owners (see the discussion of localness – e.g., Tuominen, Jussila, & Saksa, 2006). On the other hand, existing research has not paid attention to the possible differences in pricing policies and strategies between organisational forms. Since one of the missions of mutual companies should be to offer lower premiums and the surplus (profit) belongs to the policyholder-owners and has a specific role (cf. Tuominen, Tuominen, Tuominen, & Jussila, 2013), simple comparative analysis of mutuals and stock companies in cost-efficiency terms becomes challenging.

Similar challenges can be encountered in moving from testing agency-theoretical hypotheses towards investigating financial figures in general. However, Armitage and Kirk (1994) come rather close to recognizing the unique characteristics of mutuals when comparing company forms. They state: '(1) performance of mutuals should not in principle be judged by their return on capital, (2) it is not obvious that growth is in existing members' interests, and (3) mutual "culture" in the company [. . .] leads to better investment performance, actuarial performance and general strategy' (p. 245–246). Notwithstanding the insightfulness of these remarks, they focus more on the economic dimension of the value created for the policyholder-owners. When moving on to consider various dimensions of value in consumer co-operative research, we can recognise that customer ownership may create emotional feelings and symbolic meanings that are important factors when consumers choose a customer-owned company (cf. Mazzarol et al., 2012; Suter & Gmür, 2013). Consequently, the issues left unaddressed in research on mutual insurance are what the customer-owners value, how customer ownership facilitates customer value, and the full implications and possibilities of the dual role: being simultaneously customer and owner (cf., Tuominen, Jussila, & Kojonen, 2009). How do these actors' own actions as consumers/policyholders influence the benefits and value they perceive? Furthermore, customer-value-related discussion could benefit from additional perspectives, including examination of psychological ownership (Jussila & Tuominen, 2010), the role of co-operative values and principles (e.g., Oczkowski, Krivokapic-Skoko, & Plummer, 2013; Novkovic, 2008), corporate social responsibility (e.g., Jussila, Kotonen, & Tuominen., 2007; Roessl, 2010) and shared value (e.g., Porter & Kramer, 2011), and implications of changing consumer and societal patterns (e.g., Gouveia, 2013). For instance, peer-to-peer insurance platforms can impose significant pressure on traditional risk-sharing patterns in global insurance markets (e.g. Swiss Re, 2016). All in all, research on mutual insurance could benefit from considering customer(policyholder)-ownership more broadly along with its implications for the performance of mutuals.

In addition to the differences between organisational forms, significant differences may exist between mutual companies. Some may build on the unique characteristics of co-operatives while others are led more as stock companies are (e.g., Hansmann, 1985, p. 151). Organisational culture may even influence mutuals' willingness to demutualise the company, as Keneley (2012) has stated. Even when there is no likelihood of conversion, organisational culture may affect the differences we find when comparing between organisational forms, on account of the resulting variations in the data related to mutuals. Interestingly, organisational culture in mutuals is a significantly underexplored area. One way forward would be to study managers of mutual companies. Particular attention should be paid to the ideas and mental models related to customer ownership. In the end, managers have a clear role and direct impact on the choices that the company makes and on its strategic direction (e.g., Saarijärvi, Kuusela, Neilimo, & Närvänen, 2014; Strandvik, Holmlund, & Grönroos, 2014). Moreover, what is the role of policyholder-owners, and do they participate in developing the company? Existing research assumes a rather traditional role for the managers of a mutual company as the ones who determine the company's direction while, in line with agency theory, policyholder-owners are left to monitor the direction, making sure it is not detrimental to their interests. Deeper consideration of these issues could help researchers to construct a more comprehensive picture of the thinking and strategies behind the operations and financial figures. Moreover, it could aid in understanding differences between mutual companies.

Finally, the above-mentioned issues are important for both positive and normative research (e.g., Hunt, 1976). When we conduct positive research, we should be able to understand or at least aim to control for the differences in strategies and ideas behind the companies' numbers. To begin carrying out normative research on mutuals (no such work exists yet), we should strive for a clear understanding of the unique actual and ideal characteristics, principles, and values of co-operatives and consider how they might manifest themselves in an insurance context. This is where a commonly agreed definition of mutual insurance enters the picture. I turn my attention to this next.

4.4. The importance of defining mutual insurance

Of the full set of articles, only 29 include a clear definition of mutual insurance companies. Furthermore, many of these (12 articles) state just that a mutual is a company owned by its policyholders. While a simple definition of this sort offers a basis for understanding who the owners of the company are, it tends to prompt more questions than it answers. For example, what are the definitive implications of customer ownership for the policyholders and operations of the mutual?

Other articles expand somewhat on the definition when compared to these. Some recognise the owner rights while others emphasise the link between insurance policies and owner rights. Two categories of article take an interesting perspective by concentrating on mutuals' mission – looking after policyholders' interests and not seeking a profit. However, there seem to be aspects of the co-operation that are left unaddressed. For instance, when ownership and customership merge, how does policyholders' role change and what are the implications for the definitive nature of mutual insurance? In the existing definitions, policyholder-owners' role as owners is seen in the same manner as the role of owners in stock companies. More consideration could be given to the idea of the policyholder's owner interest as a user of insurance services (cf. Borgen, 2004). In addition, if the mutual's mission is to pursue policyholder-owners' interests, what is the policyholder-owner's role in creating that value? Furthermore, do co-operative principles have definitive implications (cf. Novkovic, 2008)? Overall, it seems that definitions of mutuals are, on one hand, fragmented and focused on different perspectives while, on the other hand, still not capturing every potential aspect of mutual insurance.

Finally, in attempts to understand a specific context (here, mutual insurance) and phenomenon (in our case, customer ownership), it is vital to aim for a common understanding of what mutual insurance should, by definition, mean. If we do not agree with the basic assumptions (to serve as a valid foundation for performance metrics for mutual insurance companies), it becomes rather complicated to build new multidisciplinary research or conduct studies comparing between mutuals and other company forms. Hence, there seems to be a clear need for an expanded definition of mutual insurance that could capture the fundamental assumptions and principles of co-operatives in an insurance context.

5. Conclusions

The study was successful in categorising existing articles and identifying relevant approaches and themes that capture the nature and content of the research done thus far on mutual insurance companies. The review identified seven distinct approaches and three themes. In addition, it analysed how existing articles have defined mutual insurance. While this review has some limitations, the results should be of interest and value to both academics and practitioners.

5.1. Future research

This review has illuminated important avenues for future research. Firstly, it would be beneficial to know more about the effects for the various types of insurance, and future articles should avoid making generalisations without recognizing the differences between insurance types. Secondly, while the literature has concentrated mostly on the fields of economics, accounting, and law, future work could be directed to identifying the fundamental assumptions, strategies, and missions behind the financial figures and to coming to a more in-depth understanding of these. One way forward may be to increase research on the implications of policyholder ownership for what should be the end goal of a customer-owned company: customer value. This could further enhance understanding of mutuals' distinctive value-creating mechanisms and characteristics. Furthermore, it would be beneficial to increase understanding of the ideas and mental models of managers of mutual companies. This has direct influence on the strategies that each company applies and how that mutual's financial figures should be understood. Thirdly, existing definitions of mutual insurance tend to be fragmented and often fall short of describing the implications of merging customership and ownership. In light of this shortcoming, future research could put special emphasis on disentangling the various aspects of mutual insurance. Doing so could help researchers expand and contribute to the multidisciplinary debate on mutuality.

Finally, recent developments in the global insurance industry have witnessed an increased interest in digital peer-to-peer insurance platforms. These new business models that are based more and more on co-operation among consumers could benefit significantly from theoretical and practical debate related to customer ownership and the mutual insurance company form.

5.2. Managerial and policy implications

As this review shows, existing research manifests many fundamental assumptions related to the nature of mutuals. Much is taken for granted. Mutuals' managers can benefit from this review by taking its conclusions (primarily the suggestion to focus on understanding the deeper reasons for the financial figures) as a starting point for reflecting on why the performance of mutuals may differ from that of stock companies and how it should be different. Furthermore, are the performance measures employed in line with the ideas and mission of mutuality and policyholders' interests? The answers could have significant implications for the mindset of a mutual company's operation and management personnel. In addition, public debate could benefit from paying greater attention to the differing strategies and missions behind financial figures instead of comparing financial figures alone. This could provide a more nuanced and real understanding of policyholder-owned companies for wider audiences and the public at large.

5.3. Limitations of the study

There are some limitations to be taken into account in contemplation of the results of the study. Firstly, although relevant publications were identified in a systematic manner, it is, of course, possible that some were not indexed in the databases accessed. One contributing factor is that identification of articles was restricted to the journals that were accessible from the author's university. However, the databases used and the journals subsequently checked form a nearly comprehensive picture of the state of research on mutuals to the best of the author's knowledge.

Secondly, many of the articles included in the review were rather holistic or broad in their perspective. Consequently, there was some overlap between the approaches identified, and some of the articles were categorised as taking more than one approach. Furthermore, the themes and approach categories were developed by the author, and it is possible that other categorisation options exist. However, the choice of multidisciplinary data should have ensured that the themes and approaches identified capture the essence of the articles selected.

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Appendix A. List of the articles identified.

LIST OF THE ARTICLES (type of the article, type of insurance)
Lay (1961) (empirical, fire and casualty insurance)
Mason (1967) (theoretical/conceptual, all insurance)
Spiller (1972) (empirical, life insurance)
Anderson (1973) (conceptual, life insurance)
Neumann (1973) (comment on Spiller's '72 article, life insurance)
Fitzgerald (1973) (empirical, P&L insurance)
Spiller (1973) (author's reply, life insurance)
Winklevoss and Zelten (1973) (empirical, life insurance)
Greene and Johnson (1980) (empirical, life insurance)
Fama and Jensen (1983) (theoretical/conceptual, all insurance)
Johnson et al. (1981) (empirical, P&L insurance)
Mayers and Smith (1981) (theoretical/conceptual, all insurance)
Tapiero (1982) (theoretical/conceptual, all insurance)
Fama and Jensen (1985) (theoretical/conceptual, all insurance)
Hansmann (1985) (theoretical/conceptual, life and P&L insurance)
Tapiero et al. (1986) (theoretical/conceptual, all insurance)
Tapiero and Jacque (1987) (theoretical/conceptual, all insurance)
Mayers and Smith (1988) (empirical, P&C insurance)
Smith and Stutzer (1990) (empirical, medical malpractice insurance)
Mayers and Smith (1992) (empirical, life insurance)
McNamara and Rhee (1992) (empirical, life insurance)
Lamm-Tennant and Starks (1993) (empirical, P&L insurance)
Armitage and Kirk (1994) (empirical, life insurance)
Diacon and O'sullivan (1995) (empirical, all insurance)
Smith and Stutzer (1995) (theoretical/conceptual, all insurance)
Allegaert (1996) (empirical, all insurance)
Jaffee and Russell (1997) (theoretical/conceptual, catastrophe insurance)
Mayers et al. (1997) (empirical, life/health insurance)
Pottier and Sommer (1997) (empirical, life/health insurance)
Carson et al. (1998) (empirical, life insurance)
Racz (1998) (theoretical/conceptual, life insurance)
Bennett (1999) (theoretical/conceptual, environmental risks)
Cummins et al. (1999) (empirical, P&L insurance)
Bennett (2000) (empirical, P&I clubs)
Butler et al. (2000) (empirical, all insurance)
Klumpes (2002) (empirical, life insurance)
Pearson (2002) (empirical, fire insurance)
Adams and Hardwick (2003) (empirical, life insurance)
Cabrales et al. (2003) (empirical, fire insurance)
Viswanathan and Cummins (2003) (empirical, life/health and P&L insurance)
Cummins and Zi (2004) (empirical, all insurance)
Nekby (2004) (empirical, health insurance)
Ligon and Thistle (2005) (empirical, P&L insurance)
Shiu (2006) (empirical, life insurance)
Viswanathan (2006) (empirical, all insurance)
Aase (2007) (theoretical/conceptual, P&I clubs)
Friesen (2007) (theoretical/conceptual, all insurance)
Jeng et al. (2007) (empirical, life insurance)
Pottier (2007) (empirical, life insurance)
Lai et al. (2008) (empirical, life and P&L insurance)
Ligon and Thistle (2008) (theoretical/conceptual, all insurance)
Schneiberg et al. (2008) (empirical, all insurance)
Yan et al. (2008) (theoretical/conceptual, all insurance)
Wang and Ligon (2009) (empirical, all insurance)
Erhemjamts and Leverty (2010) (empirical, life insurance)
Laux and Muermann (2010) (theoretical/conceptual, all insurance)
Adams et al. (2011) (empirical, fire insurance)
He and Sommer (2011) (empirical, P&L insurance)
Biener and Eling (2012) (empirical, all insurance)
Erhemjamts and Phillips (2012) (empirical, life insurance)
Keneley (2012) (empirical, life insurance)
Greve and Rao (2012) (empirical, fire insurance)
Braun et al. (2015) (empirical, liability insurance)
Breer and Novikov (2015) (theoretical/conceptual, all insurance)

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Consumer Cooperatives: Uncovering the Value Potential of Customer Ownership[1]

ABSTRACT

The consumer cooperative enterprise is becoming an increasingly noteworthy company form. Various forms of sharing economy and recent initiatives in collaborative consumption further amplify the relevance of a company form wherein the members have a dual role, acting both as owners and as customers. Today, cooperatives that are based on customer ownership can be found in banking, insurance, and retailing, where they account for about a trillion US dollars in annual revenue. Notwithstanding the relevance of cooperatives and their unique characteristics, which are partly contradictory within the framework of investor-owned firms, this company form and customer ownership itself have remained under-explored in consumer marketing research. Customer ownership may hold major implications for how customers ultimately perceive value, which, in turn, influences the very foundations for companies' competitiveness: customer satisfaction, repurchase intention, and recommendation. Consequently, the purpose of this conceptual study is to uncover the value potential of customer ownership. As a result, a conceptual framework that addresses the value potential of customer ownership is proposed. In addition, the work identifies what kind of value customers can perceive through customer ownership and how that value can be defined and created in consumer cooperatives. The paper concludes with a discussion of both theoretical and managerial implications emerging from the value potential of customer ownership.

Introduction

The consumer cooperative is becoming an increasingly noteworthy form of organization and coordination of activities in many industries. While cooperatives are not new *per se*, they have started to enjoy popularity in the past few decades. Several forms of consumer cooperative exist – for example, in banking (credit unions), the insurance industry (mutuals), and retail business – and together they generate around a trillion US dollars of revenue per year (International Co-operative Alliance 2011). Consumer cooperatives challenge the traditional investor-owned organizational structure: they are enterprises that are owned by consumers, managed democratically, and aimed at addressing the members' needs and aspirations (EuroCoop, p. 4); accordingly, they are based on customer ownership. Hence, the customer not only occupies the role of the consumer but also, through ownership, influences the way the firm is managed. In fact, consumer cooperatives can be regarded as a tool for the customer-owners themselves (Byrne, Heinonen, & Jussila 2015), through which they can facilitate their own value creation. This may have major implications for how customers eventually perceive the firm's products and services, along with, in the end, the value emerging from the usage of those products and services. Earlier studies on cooperatives (e.g., Suter & Gmür 2014; Mazzarol, Soutar, & Limnios 2012) recognized that a cooperative's mission is to promote customer-owners' interests, but they have not addressed the implications of customer ownership in depth. Moreover, while studies of consumer cooperatives have been confined largely to the fields of economics, law, and management, increasing interest and potential can be seen at the intersection of marketing and cooperatives. Most importantly, prior studies have not explored how customer ownership can ultimately affect perceptions of value, even though perceived value forms the fundamental source of competitive advantage (Gale 1994; Woodruff 1997; Day & Moorman 2010) and is theoretically linked with key marketing indicators such as customer satisfaction, word of mouth, and repurchase intentions (Leroi-Werelds, Streukens, Brady, & Swinnen 2014).

Customer value has attracted a vast amount of scholarly attention in the marketing discipline in recent decades, with the aim of uncovering the drivers of consumer behavior (Sheth, Newman, & Gross 1991; Babin, Darden, & Griffin 1994; Smith & Colgate 2007). For research firmly rooted in cross-disciplinary approaches applying economics, psychology, sociology, anthropology, and philosophy, customer value can serve as a lens for customer insight that is relevant also from the managerial perspective: customer value is a key driver of consumer behavior and, therefore, a critical prerequisite to firms' success. However, to our knowledge, the mainstream understanding represented by the literature on customer value does not fully consider the implications of combining customer and owner roles, nor has it been applied to address the value potential of customer ownership. Moreover, on account of the combination of contemporary forms of collaborative consumption, sharing economy, and empowered consumers, coupled with recent discussion surrounding value co-creation (e.g., Vargo & Lusch 2004; 2008; Grönroos 2008; 2011; Saarijärvi, Kannan, & Kuusela 2013) and shared value (Porter & Kramer 2011), the traditional boundaries between customers and firms are becoming fuzzier. This shift in theory and practice is drawing attention to alternative ways of organizing firms' fundamental activities. One of these is the handling of the ownership itself.

Consequently, the purpose of this conceptual paper is to uncover the value potential of customer ownership. We will lay the groundwork by building a conceptual framework for customer ownership through discussion of the role of cooperatives, the concept of empowerment, and the mechanisms through which customer-owners can influence cooperatives. After this, the literature on customer value is synthesized and examined, for exploring the value potential of customer ownership. Then, we explore and discuss how value perceived by customer-owners can be defined and created. The article concludes with discussion of both theoretical and managerial implications of the value potential within customer ownership.

A conceptual framework for customer ownership

Understanding of the value potential of customer ownership can be achieved through consideration of four complementary perspectives. For this purpose, we discuss prior research on consumer cooperatives as a context for customer ownership. Secondly, the role of empowerment as a key theoretical perspective for understanding the value potential of customer ownership is explored. Thirdly, we present and discuss the means, namely market control and voice-dependent mechanisms, through which customer-owners can influence a cooperative and, thereby, perhaps facilitate their own value creation, which represents the fourth perspective (customer value) of the conceptual framework. Together, these perspectives provide the conceptual means for exploring the value potential of customer ownership (see Figure 1).

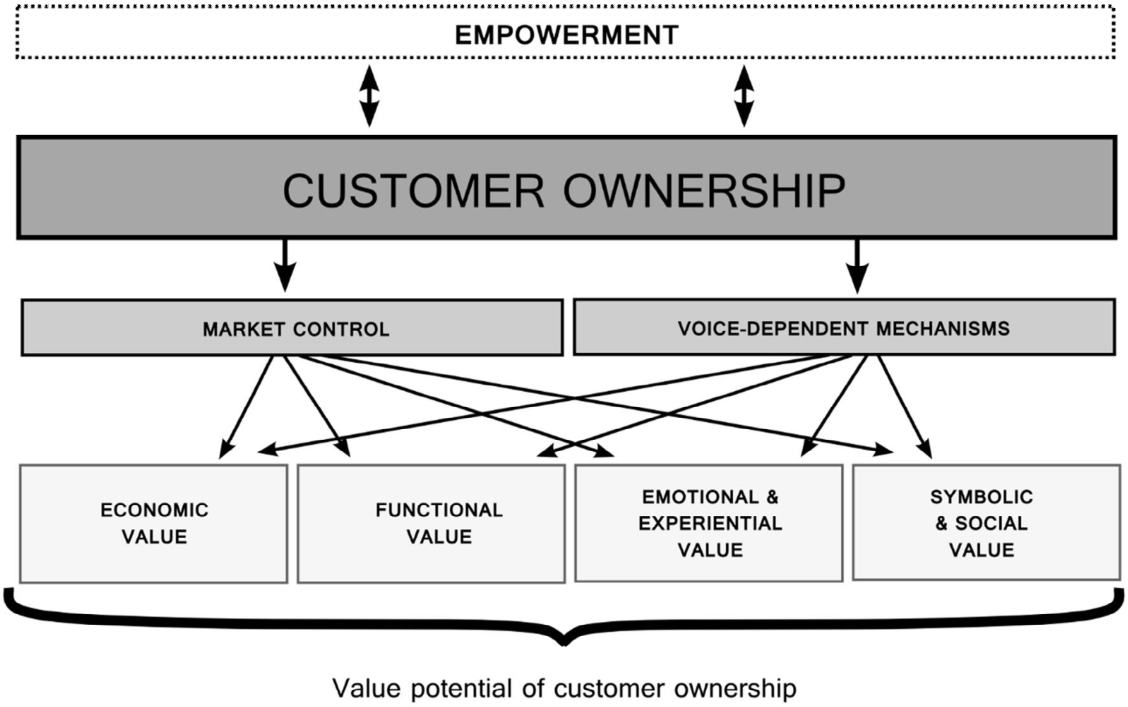

Figure 1: A conceptual framework for uncovering the value potential of customer ownership

Consumer cooperatives as context for customer ownership

A consumer cooperative is a company that is owned by its customers. What differentiates cooperatives from investor-owned firms (IOFs) is the customer's role: customers become owners in order to receive benefits from consumption of the cooperative's products and services rather than to gain economic return on the money invested (i.e., their capital) as is the owners' interest in the IOF (Borgen 2004).

Consequently, the organization design constitutes a fundamental distinction between the cooperative's purpose and that of IOFs. By Byrne et al.'s (2015, p. 343) definition of a cooperative, it is the members' "mechanism for protecting their interests and meeting their needs in the market." In other words, a consumer cooperative is a tool for customer-owners' use to achieve desired outcomes, such as suitable products that meet their needs. Given the unique characteristics of cooperatives, the strategic emphases they apply often differ from IOFs'. In fact, some authors have noted that cooperatives have been found to change the *status quo* in the markets and even correct market failures, such as monopolistic markets (van Oorschot, de Hoog, van der Steen, & van Twist 2013). Accordingly, consumer cooperatives' primary purpose is to maximize customer value for the customer-owner. Therefore, the value of a consumer cooperative is best measured not as the amount of dividends or in terms of increased value of the shares but in relation to customer-owners' satisfaction with the service provided by the cooperative (e.g., Peterson & Anderson 1996; Jussila, Tuominen, & Saksa 2008).

Previous research on consumer cooperatives has addressed the dual role of customer-owners and its implications from various perspectives. For example, scholars have highlighted the issue that many cooperatives actually struggle to maintain the commitment of their customer-owners (Fulton & Adamowicz 1993; Simmons & Birchall 2004a). In their quest for increased commitment, cooperatives should strive to motivate the customer-owners to participate in the governance of the cooperative, by, for example, emphasizing a collective-level sense of community, shared goals, and values (Simmons & Birchall 2004b). In fact, recent interest in international principles and values of cooperatives (see http://ica.coop/) have been addressed, for example, in terms of economic, managerial, and social functions (Novkovic 2008) and for purposes of conceptualizing cooperative identity (see Somerville 2007). That identity also has been viewed as the basis of social capital (Tuominen, Tuominen, Tuominen, & Jussila 2013). Fulton (1999) stresses that, in general, cooperatives' competitive advantage, especially in relation to IOFs, may lie in their ability to develop deeper relationships with customers in terms of member commitment. Furthermore, building on the theory of psychological ownership (e.g., Jussila & Tuominen 2010; Jussila, Tarkiainen, Sarstedt, & Hair 2015), researchers have posited that cooperatives potentially represent superior opportunities for supporting members' sense of ownership of the business entity. Moreover, agency theory and transaction costs have constituted an extensive research topic that has attracted scholarly interest in the context of consumer cooperatives. While consumer cooperatives remove the sort of conflict seen between IOFs' and customers' divergent interests, there remain agency costs that stem from the interaction among customer-owners themselves and between customer-owners and managers of the cooperative (e.g., Fama & Jensen 1983; Pottier & Sommer 1997; Syrjä, Sjögren, & Tuominen 2012; Hansmann 1999; Neto, Barroso, & Rezende 2012). In addition, there has been interest in failure or demutualization of consumer cooperatives (e.g., Chaddad & Cook 2004) and the broader role of these entities in society (e.g., Schneiberg 2011; Schneiberg, King, & Smith 2008; Johnstad 2000).

Empowerment as a theoretical perspective for customer ownership

The discussion surrounding empowerment provides an important theoretical perspective for uncovering the value potential of customer ownership. Empowerment has received increasing attention in diverse domains, marketing among them. In general, empowerment refers to various mechanisms or strategies that a firm uses to give customers a "sense of control over its product selection process, allowing them to collectively select the final products the company will later sell to the broader market" (Fuchs, Prandelli, & Schreier 2010, p. 66). According to Prentice, Han, and Li. (2016), customers perceive empowerment in the presence of more product options (greater service choice), a channel for sharing the consumption experience (information attainment), and a possibility of influencing the delivery channel (impact).

While clearly relevant, recent conceptualizations of empowerment have been criticized for their narrow and limited focus on the consumer’s opportunity to choose among products, delivery channels, or price levels (e.g., Shankar, Cherrier, & Canniford 2006; McShane & Sabadoz 2015). In the end, consumers’ options for choosing and participating are determined by corporations. According to McShane and Sabadoz (2015), this stems partly from the institutionalized definitions distinctive of corporations as profit-seeking and profit-maximizing entities and individuals as consumers attempting to maximize utility for themselves. The difference, in turn, maintains a conflict of interest between these two parties. Scholars have called for an extended and redefined role for the consumer as an individual whose basic function is to act as a citizen, not solely as a consumer (ibid.). This creates a push for re-conceptualizing empowerment in a way that involves individuals, or citizens, gaining an authentic opportunity to steer society and markets without restrictions, bringing together the interests of corporations and consumers. Thus, pressure is exerted to extend contemporary conceptualizations of empowerment. In that respect, McShane and Sabadoz (ibid., p. 548) define consumer empowerment as “a state of being whereby consumers are free to enact and even privilege citizenship roles in the market place in such a way that they are cognitively able to pursue both economic/rational interests as well as broader human interests in terms of their consumer citizenship.” This re-conceptualization highlights the importance of identifying new ways to combine consumer and citizenship roles (ibid.) and thereby goes beyond existing conceptualizations, which tend to approach empowerment as relational (designed empowerment processes), as psychological (creation of a perceived sense of empowerment) (e.g., van Raaij & Pruyn 1998; Wright, Newman, & Dennis 2006; Prentice et al. 2016), or as “broader freedom of choice and expanded information capabilities” (Broniarczyk & Griffin 2014, p. 3). Consequently, on account of the merged roles of customer and owner, customer ownership in general and consumer cooperatives in particular could have leverage potential to carry the discussion surrounding empowerment to a new level.

Market control and voice-dependent mechanisms as vehicles for customer ownership

Customer-owners of consumer cooperatives have opportunities to influence the company through their buying behavior (the “market control” mechanism) and by exercising their owner’s rights in decision-making and giving direct feedback (“voice-dependent” mechanisms) (Tuominen, Jussila, & Kojonen 2009). Market control refers traditionally to the possibility of switching service provider (Hirschman 1970): dissatisfied customers can always turn to another company. However, market control can act in the opposite direction as well (see Tuominen et al. 2009). Customer-owners may want to continue purchasing from the co-operative and be willing to participate in improving the company’s operations and processes via their consumption behavior. For instance, the more products customer-owners purchase, the more efficient the cooperative can become. In addition, it has been noted that when dissatisfied with the offering of the cooperative, a committed customer-owner will most likely not change service provider but turn to his or her voice as a channel of influence (e.g., Vierheller 1994; Cook 1994). Voice-dependent mechanisms constitute a means by which members can influence the company without switching service provider (Hirschman 1970). These can be divided into direct and indirect means of influence.

Hirschman (ibid.) defines direct influence in this context as a customer's immediate feedback to management and other personnel. Digitalization and online platforms have created new means of direct influence. Overall, customer-owners should have greater incentive for direct influence and feedback since they are motivated to steer the cooperative in a direction that satisfies their needs (e.g., Cook 1994; Tuominen et al. 2009).

Indirect influence, on the other hand, involves the customer-owner's ability to participate or get elected to administrative bodies of the cooperative. In some smaller cooperatives, all of the members participate via general meetings (e.g., Chaves, Soler, & Sajardo 2008), but in larger ones, it is rational to implement member democracy via representative bodies (Jensen & Meckling 1976). In addition, cooperatives may have supervisory and administrative boards (Hansmann 1996). Participating in the administrative bodies gives customer-owners an opportunity to take part in determining the strategy and direction of the cooperative and in monitoring the managers as owners do in any other company. Other company forms do not provide this opportunity (for customers at least).

These categories can be summarized as intrinsic to the dual role of customer and owner in relation to cooperatives: the idea of market control characterizes the role of customer of the cooperative, whereas the role of owner is expressed in voice-dependent mechanisms. Clearly, these means give consumer cooperatives unique capabilities for both practicing empowerment and creating value that emerges inherently from the company form. Therefore, these mechanisms offer potential for differentiation from IOFs.

As Figure 1 illustrates, we can conclude from this that market control and voice-dependent mechanisms in consumer cooperatives may have significant implications for the creation and perception of value. Next, these implications are discussed in more detail.

Exploring the value of customer ownership

The concept of customer value has been refined by scholars and practitioners for the last 30 years, but researchers' well-presented attention to theoretical and conceptual development notwithstanding (Gallarza, Gil-Saura, & Holbrook 2011), there is little evidence of consensus. The discussion and debate have suffered from conceptual obstacles, methodology problems, and shortcomings related to the measurement options (ibid.), all of which have impeded use of the concept, by scholars and practitioners alike, and led to conceptual imprecision (see Saarijärvi et al. 2013). However, the existing literature nonetheless provides a strong basis for understanding potential drivers of consumer behavior that can be examined in efforts to reveal the value potential of customer ownership.

This is achieved by understanding how the value of customer ownership is defined and created. Defining customer value refers to understanding the potential value dimensions in the cooperatives context. Creating customer value is represented by the mechanisms available for customer owners of cooperatives, which render this value potential along the relevant dimensions. Earlier literature on consumer cooperatives are summarized in Table 2. It describes the definition (column 3) and creation (column 4) of customer value in different value dimensions. Furthermore, Table 3 amplifies how different influence mechanisms are applied in different value dimensions.

Defining customer value

Existing literature features extensive discussion of the structure, nature, and dimensions of customer value; for a review, see, for example, the work of Holbrook (1999), Khalifa (2004), and Woodall (2003). In general, value can be approached through the classification synthesized by Khalifa (2004), which offers three broad categories of value. Firstly, value-components models emphasize product/service attributes while paying relatively little attention to the outcomes – the relevant benefits etc. Secondly, cost/benefit-ratio models focus on addressing customer value as a result of customer-perceived sacrifices (e.g., time, effort, and stress) and benefits (e.g., convenience, affordable prices, and experiential elements). Thirdly, means–end models envisage customer value in terms of the customer acquiring and using a firm's offerings to accomplish favorable and predefined ends (ibid.; see also Zeithaml 1988; Woodruff 1997; Huber, Hermann, & Morgan 2001). These categorizations are not mutually exclusive or contradictory; they offer complementary approaches to the concept of customer value.

A widely acknowledged definition tackling the conceptual nature of value was introduced by Holbrook (1999): value is interactive, relativistic, experiential, and preferential. Echoing this, Lusch and Vargo (2011, p. 1304) state that the phenomenological nature of customer value points to value as being "idiosyncratic, experiential, contextual and meaning laden." Furthermore, Vargo and Lusch (2008, p. 7) emphasize the subjective nature of customer value: it is "determined by the beneficiary." Accordingly, customer value is often approached through its utilitarian and hedonic dimensions. From the utilitarian perspective, customers are rational problem-solvers and consumption is regarded as a way to reach customers' predefined ends, with the emphasis being on instrumental and task-related characteristics (Babin et al. 1994; Holbrook 1999). The hedonic approach, on the other hand, directs all attention to the act of consumption itself: consumption is an end in its own right. It captures the worth of consumption activities such as shopping as an emotional and entertainment activity and is non-instrumental, experiential, and affective (Babin et al. 1994; Holbrook 1999).

For balance, customer value can be regarded as a multidimensional construct (Sánchez-Fernández & Iniesta-Bonillo 2007) on a continuum between utilitarian and hedonic dimensions (see Table 1). On the utilitarian end of the continuum, the notion of price-based customer value, both objective and subjective, was developed in economics and represents one of the most widely used definitions (Smith & Nagle 2005; Gale 1994). For instance, Zeithaml (1988) recognizes simply low price and the ratio between quality and price as a source of value for some customers. In addition to low price, the term "economic value" has been used to capture the multitude of ways one can help customers save on monetary costs at the point of purchase or over the lifetime of the products used (Anderson, Narus, & Van Rossum 2007; Rintamäki, Kuusela, & Mitronen 2007). Hence, economic value is, in essence, about decreasing customers' monetary sacrifice. From a company's point of view, facilitation of economic value may include increasing purchasing volume, developing efficiency, and applying information technology (Tong & Tong 2006; Rintamäki et al. 2007).

Table 1: A synthesis of customer value

Perspective on consumption	Dimension of customer value	Characteristics	Implications for companies
Utilitarian aspects of consumption	Economic value dimension	Monetary savings, value for money, and finding the lowest price or the best tradeoff between price and quality	Minimizing consumers' monetary sacrifices and offering low prices or a good balance between monetary sacrifices and benefits
	Functional value dimension	Quality, convenience, quality/performance; and finding the right offering at the right time and in the right place	Emphasizing support for customers' processes, an increase in convenience for customers, and provision of solutions that entails minimal time and effort from consumers

Hedonic aspects of consumption	Emotional and experiential value dimension	Exploration, entertainment, aesthetics, playfulness, escapism and enjoyment, pleasure, and the emotional experience of the consumption process itself	Arousing affective states and feelings in consumers, with the consumption experience as an end in itself, where the focus is on experiential elements and building a unique customer experience
	Symbolic and social value dimension	Status and self-esteem, social value, and self-expression through consumption of offerings associated with favorable meanings	Building positive meanings for consumers, with focus on consumers' self-expression and attaching favorable meanings to consumers' consumption

Replacing price with other inputs, such as time or physical or cognitive effort, leads to definitions of customer value that have been given the label "functional" (Sheth et al. 1991; Rintamäki et al. 2007), "efficiency" (Holbrook 1999), "convenience" (Seiders, Berry, & Gresham 2000) and "performance" (Diep & Sweeney 2008). In all these definitions, the goal is to provide smooth and hassle-free service or user experience. As Babin et al. (1994) emphasize, minimizing utilitarian sacrifices is essential to task-related consumption. According to Smith and Colgate (2007), sacrifice value involves monetary and non-monetary costs and risks that may be related to purchasing, ownership, and use of products.

As we move towards the hedonic end of the customer value continuum, numerous definitions take emotion and/or experience as a starting point. Here, emotional value (e.g., Sheth et al. 1991; Sweeney & Soutar 2001; Rintamäki et al. 2007) and experiential value (Mathwick, Malhotra & Rigdon 2001; Kim & Lee 2014) have been widely used in the literature. With both concepts, the definitions take positive emotion as a starting point and stress the subjective interpretation of interacting with products and services. For more passive or low-intensity interaction, terms such as "aesthetics"

(Holbrook 1999), “entertainment” (Rintamäki, Kanto, Kuusela, & Spence 2006), and “pleasure” (Jung Choo, Moon, Kim, & Yoon 2012) have been used to describe the resulting customer value, while the value of more active experience has been characterized as lying in play (Holbrook 1999), adventure (Arnold & Reynolds 2003), exploration (Rintamäki et al. 2006), and epistemic elements (Sheth et al. 1991). Importantly, social/relational aspects and pride of ownership too have been identified as sources of experiential value (Smith & Colgate 2007). Hence, emotional value can be understood from one standpoint as a deeper and long-lasting mental state, as in a psychological feeling of ownership (Jussila et al. 2015). All in all, the emotional and experiential sources of value are truly hedonic in the sense Babin et al. (1994) describe, because they are self-purposeful (instead of instrumental) and embedded in the act of consumption.

Adding social meaning to experience means adjusting the definition of customer value. Sheth et al. (1991) discuss social value, which is determined by other factors than the intended function of the product, factors appreciated by the relevant reference groups. In Holbrook’s (1999) terms, status would be about purposeful and active use of products and services to communicate an ideal identity to others, and esteem would be others’ response of appreciation for one’s consumption choices. In addition, the ideas of symbolic (Rintamäki et al. 2007; Jung Choo et al. 2012) and symbolic/expressive value (Smith & Colgate 2007) have been used to emphasize the potency of products, services, and company/brand image to communicate meanings to others, whether these are reflections of the actual or an ideal self.

Taken in combination, the dimensions of value discussed above provide complementary and partly overlapping conceptualizations of the value gained by the customer. This discussion can be taken further via categorization to characterize the differences between individual dimensions of value. In the context of our study, the four resulting dimensions together provide a theoretical basis and solid framework for uncovering the value potential of customer ownership.

Creating customer value in cooperatives

More recently, research attention has shifted from ascertaining the structure, nature, and dimensions of value to understanding how customer value is created. In other words, a shift is evident from approaching customer value as an outcome toward treating it as a process – the process of customer value being actualized as “value-in-use” in customer processes wherein the resources provided by the firm are integrated with others’ resources and skills (Grönroos 2008; Grönroos & Helle 2010). Consequently, customer value is viewed as composed through various processes, resources, and practices that customers employ to manage their activities (Payne, Storbacka, & Frow 2008). Accordingly, Vargo and Lusch (2015) conclude that value creation should not be viewed as restricted to taking place through the activities of a single actor and ought to be seen instead as carried out among a whole host of actors: value “is created through the integration of resources, provided by many sources, including a full range of market-facing, private and public actors” (p. 5). Recently, various perspectives, such as service-dominant logic, service logic, customer-dominant logic, service science, many-to-many marketing, and the viable system approach, have brought the question of how customers create value in their everyday activities to widespread debate (see Vargo & Lusch 2004; 2008; Grönroos 2008; Grönroos & Ravald 2011; Maglio & Spohrer 2008; Spohrer, Anderson, Pass, & Ager 2008; Heinonen, Strandvik, & Voima 2013; Heinonen, Strandvik, Mickelsson, Edvardsson, Dunström, & Andersson 2010; Gummesson 2007; 2008; Barile & Polese 2010; Badinelli, Barile, Ng, Polese, Saviano, & Di Nauta 2012).

Creating economic value

Consumer cooperatives are owned by their customers (Jussila, Byrne, & Tuominen 2012), so any surplus (i.e., “profit”) generated by the cooperative belongs to the customers as a democratic community of owners (Tuominen, Tuominen, & Jussila 2013). Unlike in the traditional model of company ownership, the mean by which individuals benefit in cooperative ownership is not dividends but lower prices. Furthermore, this encompasses not just immediate price but potentially also price adjustments after an accounting period. Consequently, members can affect the economic benefit through their own consumption behavior as customers. In other words, if the cooperation is successful, the members may get additional “discounts” in such forms as patronage refunds. In retail, this can encourage high levels of member participation and increasing volumes that foster efficiency, while members of a mutual insurance company might receive a patronage refund if the volume of claims is favorable. The latter approach could encourage policyholder-owners to pay more attention to their safety than they would otherwise. Moreover, this has led researchers to suggest that the mutual form of company could serve as a tool to prevent moral hazard and adverse selection (e.g., Smith & Stutzer 1995; Ligon & Thistle 2005). Given this participative value mechanism, one may assume that cooperatives are able to offer lower prices and better terms of trade overall to their customer-owners than the owners would receive if they chose to be customers of competing IOFs. This idea is supported by the traditional view of cooperation, wherein the surplus from “overpriced” products should be returned to members of the cooperative (Nilsson 2001; Mills 2001). However, cooperatives often balance between investing profits, on one hand, in lowering prices and, on the other, in expanding and securing business opportunities (see Syrjä et al., 2012).

Table 2: Definition and creation of value in consumer cooperatives

Perspective on consumption	Dimension of customer value	Defining value	Creating value
Utilitarian aspect of consumption	Economic value dimension	Low pricing, determined by the cooperative mission to offer products and services at competitive prices Additional monetary rewards based on patronage refunds from the surplus (profit) that belongs to the customer-owners	Participatory strategic decision-making related to pricing policy, accumulation of capital, and distribution of the surplus Behaviors aimed at maximizing economic benefits – e.g., larger buying volumes in retailing and prevention of accidents in insurance (cf. moral hazard)
	Functional value dimension	Enhanced match between distinctive customer needs and service provision (i.e., solutions) due to the strong connection of the cooperative to the local community Increased learning about the subject matter, resulting from the cooperative's mission to educate and train customer-owners More personalized service in those cooperatives where usage data are shared for service development	Participatory strategic decision-making related to local practices and ways of responding to special communal needs Organizing and participating in education and training within the cooperative Sharing consumption-related and personal data in order for the cooperative to develop better services
Hedonic aspects of consumption	Emotional and experiential value dimension	The psychological feeling of ownership forming an emotional tie between the cooperative and the customer-owner Increased trust in the cooperative, stemming from its mission to promote customers' interests A sense of familiarity, home, and security on account of the cooperative's local nature	Development of a psychological feeling of ownership through getting familiar with the cooperative, having a sense of control, and investing one's personal resources in the development of the cooperative Through the idea and purpose of the cooperative, greater engagement of the staff and contribution to a superior service experience, with the voice of customer-owners heard via administrative posts influencing managers' and staff understanding of that idea and purpose Participatory strategic decision-making bringing increased familiarity and understanding of cooperative's local nature
	Symbolic and social value dimension	A sense of belonging to the cooperative and the associated community, and of sharing in the potential success of the cooperative Cooperative's distinguishing principles and values as sources of favorable meanings and social legitimacy in the eyes of customer–owners The customer-owners' convergent interests as sources of favorable meanings related to belonging to a group of peers	Participatory strategic decision-making related to the favored principles, values, and meanings, along with the relevant local interests and impact Incentive to maintain and act in accordance with the collective-level motivators as shared goals and values when one is interacting with the cooperative community

Overall, the literature suggests that there are various possible ways to use the surplus and deliver economic benefits to customer-owners (e.g., offering the lowest prices vs. investing in resilience). Furthermore, these are fruit of strategic decisions and consequently can be influenced by the customer-owners through the use of formal voice mechanisms as an administrative tool (e.g., Chaves et al. 2008; Vierheller 1994).

Table 3: The process of creating value via market control and voice-dependent mechanisms

	CUSTOMER OWNERSHIP	
	MARKET CONTROL *Actions customer-owners can take through their consumption*	VOICE-DEPENDENT MECHANISMS *Direct feedback or indirect influence through administrative structure*
ECONOMIC VALUE	Customer ownership allows customer-owners to steer the cooperative through consumption and behave so as to maximize economic benefits (as with higher buying volumes in retailing and prevention of accidents (cf. moral hazard) in insurance	The cooperative form allows customer-owners to participate in strategic decision-making related to pricing policy, accumulation of capital, and distribution of the surplus/profit
FUNCTIONAL VALUE	Customer ownership increases customer-owners' willingness to share personal and consumption-related data for the purpose of developing better services Organizing and participating in education and training provide customer-owners with a tool that helps them become better consumers of the cooperative's services	Customer-owners' participation in administrative bodies provides an opportunity to steer the cooperative in a manner supporting both local practices and finding of ways to serve special communal needs
EMOTIONAL AND EXPERIENTIAL VALUE	Understanding the implications and role of individual-level participation through consuming increases the psychological sense of ownership Meaningful interaction with staff is created in serving of customer-owners Trading with the cooperative increases familiarity with the local nature of the cooperative and understanding of it	Investing personal resources (such as time and intellectual energy) in the development of the cooperative via administrative posts and direct channels of influence increases the psychological sense of ownership Participation in administrative duties enhances awareness of the characteristics of the cooperative and its impact on the community Exerting an influence on managers' understanding of the purpose and idea via administrative posts enhances the engagement of the staff and personnel Participation in administrative duties allows customer-owners to steer the cooperative in line with local interests
SYMBOLIC AND SOCIAL VALUE	Belonging to the cooperative community and acting in line with and maintaining the democratically defined collective-level motivators as shared goals and values is an important contributing factor in interaction with the cooperative community	Participation in administrative duties allows customer-owners to steer the cooperative in accordance with the favored principles, values, meanings, and impact

Creating functional value

The functional value of consumer cooperatives stems particularly from their locally influenced ways of doing business (Jussila, Saksa, & Tienari 2007; Jussila, Kotonen, & Tuominen 2007; Tuominen, Jussila, & Saksa 2006). A local nature can be seen as a built-in feature because of the ownership structure, wherein customer-owners tend to inhabit an area that provides clear boundaries to the geographic reach of the cooperative also (Tuominen et al. 2006). Consequently, consumer cooperatives find local presence an important element when serving customer-owners, and it is in line with their daily social activities. Examining Irish credit unions, Power and colleagues (Power, O'Connor, McCarthy, & Ward 2014) reported that efficiency in loan-application processes stemming from a local way of organizing business operations created authentic utilitarian value for customers. According to these authors, the independence and localized nature of credit unions facilitate reduced hierarchy, thereby leading to efficient operations. Furthermore, customers in their study valued the fact that the credit unions were able to offer more flexible repayment schedules, without hidden fees or transaction charges. Similar ideas have been put forward by Rosas, Jussila, and Tuominen (2012), who found that "shared leadership" in multiple levels of cooperative banks contributes to solving the members' problems.

Additionally, local cooperatives are needed in some regions to safeguard service provision in the long run. Tuominen, Tuominen, and Jussila (2013) emphasize the important role of a cooperative in non-competitive markets where services are not offered by other market players. It is not sensible for IOFs to serve consumers in a region whose markets are too narrow to generate sufficient profit (Tuominen, Tuominen, Tuominen, & Jussila 2013). As Saarijärvi, Kuusela, Neilimo, and Närvänen (2014) point out, the cooper-ative business model "has been useful for people living in the countryside where services are increasingly limited” (p. 670). Consequently, to safeguard service provision, it is wise for customer-owners to let the cooperative accumulate capital even if doing so runs counter to delivering the lowest possible prices (e.g., Tuominen, Tuominen, & Jussila 2013).

Being local and locally owned can also confer an information advantage and aid in creating services that are meaningful. According to Fulton and Hammond-Ketilson (1992), cooperatives are able to enhance their knowledge of local conditions through the customer-owners, who serve as a resource for making decisions that improve the customer-owners’ welfare. Tuominen et al. (2006) advance similar ideas. Furthermore, the transparency and open, honest, and active conversation in a flatter organization are thought to improve the quality of knowledge and, thereby, lead to better decisions – i.e., decisions better suited to the relevant functions (Rosas et al. 2012). Moreover, since a cooperative is owned by its customers, also the customer data generated should be literally understood as being owned by the customers. This enables new venues for providing additional service to customer-owners; i.e., customer data could be converted into information that is potentially useful to the customers themselves in, for example, the context of retailing (Saarijärvi, Kuusela, Kannan, Kulkarni, & Rintamäki 2016). Toward that end, this type of customer data usage could serve the traditional cooperative principle of sharing information and enlightening the members (e.g., Madane 2006), about, for instance, food healthfulness issues. This idea is referred to in the International Co-operative Alliance’s principles in the following words, “[C]o-operatives provide education and training for their members […] so that they can contribute effectively to the development of their co-operatives” (see http://ica.coop/). Thus the interaction between customer-owners and the cooperative may create knowledge-based functional value such that the member becomes a more skillful service participant and user of the products.

Creating emotional and experiential value

Jussila and Tuominen (2010) emphasize customer-owners' psychological feelings of ownership (e.g., "I feel this cooperative is ours, or a part of it is mine") as a way to increase value among members and create competitive advantage. Saarijärvi et al. (2014) agree, stating that "being a customer-owner inspires a feeling of personal empowerment and influence over the decision making of the company as well as a sense of shared ownership of the co-operative" (p. 672). Accordingly, also the sense of empowerment in its own right generates emotional value for the customer-owner. Furthermore, this may have an effect on customer-owners' willingness to participate. As Cook (1994) notes, commitment increases a member's willingness to use his or her voice instead of exit.

Many companies seek to generate a sense of ownership among their customers, but there is potentially an advantage for those companies that are organized as cooperatively owned by the customers themselves (Jussila et al. 2015). In other words, cooperatives may have certain inherent features that strengthen the emotional bond with customer-owners.

According to Power et al. (2014), the member-based ownership structure and local nature of credit unions create a good service atmosphere. In their research, the idea of providing member-owners with quality service influenced the paid personnel and volunteers, and customers described them as "friendly, approachable and helpful, demonstrating empathy for members and their circumstances" (p. 60). It seems that in this context there is an opportunity for transfer of positive emotions from the service personnel to the members and vice versa. In addition, Power et al. (ibid.) characterized credit unions as providers that offer more personalized service than others and that listen to the customer. Furthermore, credit unions were found to build a positive and engaged "relation-ship experience" with members (p. 60). Members also trusted the credit unions more than the major banks and described the cooperatives as taking care of their finances; credit unions were perceived as taking care of the members during bad times and turmoil.

Furthermore, individuals may feel emotional value when noticing the impact the cooperative has on their local community. In this service context, it is likely that the cooperative provides its customer-owners with a sense of familiarity, home, and security and is, through this, a source of emotional value (Jussila & Tuominen 2010). In addition, participation in the administration and running of the cooperative make customer-owners even more aware of the characteristics of the company and its impact on the community.

Creating symbolic and social value

Having a local nature, or “localism,” can be used to create symbolic value in cooperatives. As a local service provider, a cooperative supports the local economy and community. Hence, through it, customer-owners support their own community’s development and future. One cooperative described by Saarijärvi et al. (2014) promoted and supported region-level youth sports activities and initiatives. In addition to giving such support, cooperatives tend to prefer regional suppliers when making investment decisions and handling procurements (Jussila, Kotonen, & Tuominen 2007). This supports the wider business landscape in the region and potentially other activities of customer-owners.

Also, members can create meanings and perceive value through belonging to a group of peers, or they may perceive symbolic value in being elected to the administration of a cooperative. In the article by Power and colleagues (2014), credit unions are described as a place for normal people, whereas banks are for the wealthy. Furthermore, family values and recommendations have a clear influence on the choice to be a member of a credit union. All in all, it seems that members do not evaluate merely certain “episodes” or technical value; they assess the longitudinal relationship with the credit union, which encompasses “past, present and potential future experiences” (Byrne & McCarthy 2014, p. 581).

Furthermore, cooperatives’ values and principles have been described as able to generate trust and social ties between customer-owners and the cooperative (Spear 2000; Valentinov 2004; Davis & Burt 2007; Fulton & Hammond-Ketilson 1992; Normark 1996; Novkovic 2008; Tuominen, Tuominen, Tuominen, & Jussila 2013). In addition to this, Jussila, Kotonen, and Tuominen (2007) recognize that a cooperative’s presence and interaction with the community may increase the cooperative’s social legitimacy as a market player in the eyes of consumers. In other words, cooperatives are likely to arouse positive rather than negative emotions among consumers.

In an extension from the ideas expressed above, it might be that purchasing goods from or using the services of a cooperative, or being one of the owners, renders it possible for a consumer to make a statement by demonstrating support for the company’s principles and values and, in so doing, strengthens and supports that consumer’s identity (Saarijärvi et al. 2014). As Jussila, Tuominen, and Tuominen (2012, p. 195) put it, “the co-operative is experienced by the member as part of her/his extended self.” On the other hand, while a cooperative is an association of people, the behavior of individual customer-owners influences the identity of the cooperative. As with other dimensions of value, customer-owners can influence the cooperative’s development in keeping with the desired values and meanings by participating in running the company via administrative positions.

Implications of the proposed framework

As is summarized in Table 2, customer ownership has potential to contribute to how customer value is defined and created in various dimensions. As our conceptual framework (in Figure 1) suggests, empowerment is a key concept for understanding the drivers of customer ownership and the features unique to consumer cooperatives – customer-owners can influence the cooperative and its offering through two distinct classes of mechanism: market control and voice-dependent mechanisms. Table 3 presents the ways in which these mechanisms are applied on each of the individual dimensions of value. With this background, we can now discuss two important issues emerging from the above discussion.

Mechanisms and outcomes of customer ownership: Defining and creating value in consumer cooperatives

In the domain of market control (see Figure 2), customer value is defined in terms of the usage of products and services (i.e., the current offering). In this domain, one can compare the value perceived between customers of consumer cooperatives and those of IOFs. However, the value creation process differs between the two: the customer in the former case is also an owner, so the perceived value is influenced by consumption behavior. This pattern encompasses co-creative processes involving additional monetary rewards paid on the basis of the amount of consumption in the retail context or the frequency of accidents in insurance, incentives to share personal data with the cooperative to facilitate development of better services, and an impetus – created by education and training – to become a more efficient consumer. Here, it becomes important to note that these mechanisms go further than initiatives offered by IOFs (such as frequent-buyer programs).

This is due to the fundamental, built-in features rooted in ownership rights and the governance model applied in consumer cooperative. Again, the realization of value is partly dependent on the customer-owner's own consumption behavior.

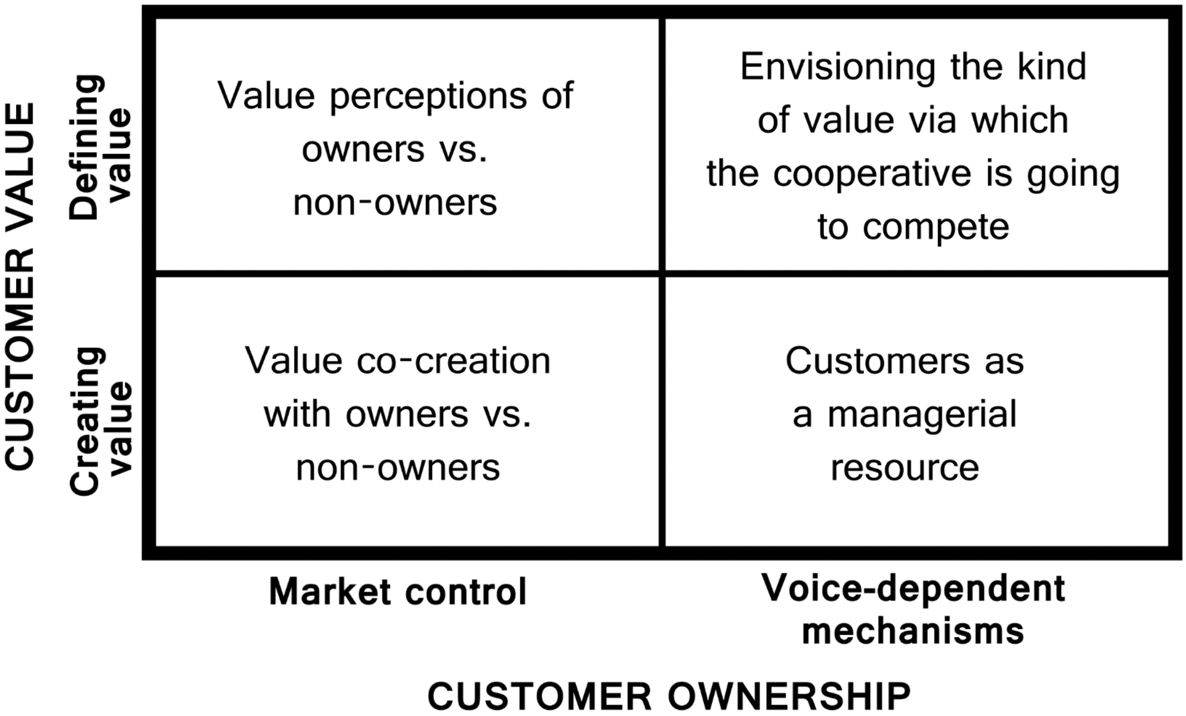

Figure 2: Harnessing the potential of market control and voice-dependent mechanisms for creating and defining value in consumer cooperatives

When one turns to the realm of voice-dependent mechanisms (see Figure 2, above), the definition of customer value is no longer about evaluating the current offering (through market control). It is considered in terms of envisioning future value expected by the customer-owners. Industry norms are not a suitable benchmark for determining customer value in this connection; consideration of the voice dependent-mechanisms should truly reflect the change in customers' value expectations. Originally not only business entities but movements with a cause (Mills 2008; Birchall 1994), consumer cooperatives are about bringing change that enhances the lives of their customer-owners (e.g., van Oorschot et al. 2010). To assess the customer value created on the basis of voice-dependent mechanisms, we have to look at the potential that customers possess as a managerial resource: consumer cooperatives are able to put their customers behind the steering wheel, in figurative terms, via governance practices that IOFs do not possess. These ways of utilizing customers as a managerial resource include both the indirect and direct ways of using one's voice. The latter mechanisms give customer-owners the possibility, for example, of participating in strategic-decision making related to such issues as pricing and surplus-distribution policy or ways to address local service needs. Furthermore, administrative posts can be a viable channel for steering managers' and other personnel's mindset towards understanding the idea and purpose of the cooperative. The other mechanisms entail exercising individual-level opportunities to influence the development of the services. While the nature of direct action may seem obvious, earlier research has not been able to pinpoint how direct ways to use one's voice can facilitate perception of value on its individual dimensions. In general terms, this shortcoming has been pointed to by Tuominen et al. (2009), who have stated that, while there is an extensive body of literature concentrating on indirect ways of using one's voice, more focus should be put on the direct means of influence.

These ways of actualizing customers' potential as a managerial resource might be enhanced as digital developments advance. For example, taking part in joint decision-making may benefit from digital platforms that could further amplify the democratic nature of the cooperative form of organization. Furthermore, channels for individual-level direct influence could be enhanced by offering customer-owners an opportunity to personalize the service experience (as in choosing how and for what purposes their personal data are used; cf. the discussion of data cooperatives at http://thegooddata.org/).

Building a basis for customer ownership: The role of empowerment

Empowerment lies at the heart of customer ownership. Existing literature supports the idea that there is a link between empowerment and demand (Fuchs et al. 2010). When customer-owners are able to influence the future development of the cooperative and are empowered, they experience a psychological sense of ownership and thereby perceive value (Thaler 1980; see also Pierce & Jussila 2011; Karahanna, Xin Xu, & Zhang 2015). Furthermore, customers who experience this feeling of ownership develop a stronger desire for the products and services of the relevant company (Fuchs et al. 2010).

At the same time, greater sense of psychological ownership may influence a member's willingness to increase his or her participation also. Jussila et al. (2015) state that if feeling that personal, human motives behind psychological ownership are satisfied by consuming, the customer will most likely remain a customer of the company in question. That said, as Vierheller (1994) and Cook (1994) note, committed members tend to participate and use their voice instead of switching service provider even when not satisfied with the perceived value. In other words, if market control does not facilitate perception of high value with the current processes, it becomes topical to employ voice-dependent mechanisms to envision and develop or revise the processes.

In general, consumer cooperatives and customer ownership could have major implications with respect to recent discussions in the field marketing too, since the role of the consumer has expanded significantly over the years. Consumers have become engaged more in companies' processes, and the power of consumers in those processes has grown significantly (e.g., Denegri-Kott, Zwick, & Schroeder 2006). This change has led researchers to emphasize the potential of consumers as resources and competencies for companies (Ple, Lecocq, & Angot 2010).

Conclusion

In this paper, we have argued that customer ownership contributes to the definition and creation of customer value through both market control and voice-dependent mechanisms. Even though these mechanisms are a rather traditional way to construe customer-owners' opportunities to influence a cooperative, previous discussion of customer value has not addressed them yet. Accordingly, while Suter and Gmür (2013) consider the importance of examining the member angle (perceived value) and the company perspective (processes) jointly in research into cooperatives, we take this idea further, by identifying mechanisms by which the two may be considered in combination (market control and voice-dependent mechanisms). Furthermore, we synthesize the two in a manner that clarifies the role of customer-owners in facilitating the value creation process, and we stress that cooperatives are a tool by which customer-owners can look after their interests and needs in the market themselves.

As Figure 2 suggests, the two sets of mechanisms differ in their implications for the definition and creation of value. Under market control, value is defined through the usage of the products and services (the current offering). Accordingly, the realization of value is partly dependent on the co-creative processes that are built-in features of the cooperative model. Where voice-dependent mechanisms come into play, the determination of the value moves beyond evaluation of the current offering (by means of market control) in an evolution to envisioning the future value expected by the customer-owners. This envisioning can be realized by customer-owners through use of their voice via administrative posts or directly through individual-level feedback etc.

The elements depicted in Figure 2 can be thought of as interlinked in a self-reinforcing cycle. In the event that customer-owners are dissatisfied with the current perceived value of the offering subject to market control, they have the ability to exercise voice-dependent mechanisms such that the cooperative and its offering may develop in a manner allowing the desired value later to be perceived in conditions of market control. Consequently, by creating and defining value, and via market control and voice-dependent mechanisms, consumer cooperatives hold potential to build a value-creating system that is based directly on the actual needs of the customer-owners; that is able to use them as a managerial resource; and that, accordingly, is agile in its response to changes in the marketplace in general and in the needs of customer-owners in particular. Therefore, cooperatives should have an information advantage with respect to meeting their customer-owners' needs.

Finally, as the role of consumers expands and interest in alternative company forms and business models increases, it becomes justifiable to ask whether the dominant assumptions about the relationship between ownership and consumership (conceived of as separate, independent functions) provide us with adequate understanding of the social realities. In light of the discussion above, we argue that they do not. This is due to the differing owner interests between cooperatives and IOFs: the interest of cooperatives' customer-owners lies in maximizing their benefits and value as consumers of the offering. As our study has shown, the value creation potential of consumer cooperatives is based on the customer-owners' dual role in value creation processes. This role integrates the perspectives of owner and consumer.

Managerial and policy implications

The element that constitutes the difference between a consumer cooperative and an IOF is customer ownership itself. To build on this foundation, the management should put great emphasis on encouraging customer-owners to participate, in several ways. Firstly, it is important to make visible to customer-owners how they influence the benefits accrued and the perceived value through the market control mechanism. Therein lies potential to increase customer-owners' loyalty significantly, through fuller understanding of their actions' importance (cf. routes to psychological ownership e.g. Pierce & Jussila 2011). Secondly, to harness the agility and proactiveness of the cooperative, it is important to evoke customer-owners' will to participate in developing their company through voice-dependent mechanisms. All in all, this is a matter of fundamental strategy and the core of managers' role in the cooperative – is the creation of customer value by the cooperative determined by managers, or does it stem from the community? If it is determined by the managers, the cooperative's focus will be on building rather short-term competitive advantage and the organization will be led in the same way as IOFs. In contrast, when the community constitutes the roots, managers' role shifts more toward building on that community and facilitating its cooperation.

In consumer cooperatives, the owners' interest stems from gaining maximum benefits and value as a customer (e.g., Borgen 2004). This shifts the attention from optimizing return on invested money to optimizing customer value. Accordingly, customer value should be the central issue in the company's operations and strategy and also be the pivotal element in the boardroom. Moreover, the owners' interest in this company form should affect how the performance of the firm and its managers is measured: while the traditional way is to focus on rather short-term financial metrics, consumer cooperatives should focus on measurements that capture the facilitation and creation of customer value.

Although more traditional measures can be part of the picture, they should be planned in a manner that is consistent with the customer-owners' interests. For instance, profit should be seen as a tool for customer-owners' investment or capitalizing the company not as an end in itself but so as to create customer value in the future.

Finally, the aforementioned ideas of change and the self-sustaining cycle have important implications for legislation and politics. Our study indicates that, when led well, cooperatives can act as a true agent for change in the markets by putting pressure on IOFs to ensure that the game remains fair from the perspective of the consumer. Hence, the benefits of cooperatives are not limited to customer-owners but can be extended to consumers and society as a whole. Therefore, there could be great possibilities for cooperatives and consumer communities in various domains, such as services that have usually been handled by public-sector organizations.

Future research

Customer value in the context of cooperatives is certainly an under-explored area. There is clearly room for conceptual studies producing impactful theory. However, the conceptual nature of our study should be taken into account in evaluation of the scope of its results. This work is situated in the realm of discovery rather than of justification and is focused on the conception of new ideas (e.g., new constructs) or, perhaps more accurately, on the creative synthesis of existing ideas (e.g., "new relationships between well-accepted constructs") (Yadav 2010, p. 2; see also Yadav 2014). Empirical studies that concentrate on measuring customer value creation on the various dimensions in the context of consumer cooperatives could validate the findings of our study. This is consistent with the ideas of critical and inductive realism (see, for example, Hunt 1990; 2012). Furthermore, exploring customer value's dimensions in various cooperative contexts, such as banking, insurance, and retailing, would contribute to a more comprehensive understanding of the ways in which customers as members of cooperatives perceive value.

Specifically, more attention should be paid to the various mechanisms of empowerment and influence; for example, research into direct ways to use one's voice could point to an important way forward (cf. data cooperatives). In addition, future research could investigate the implications of psychological ownership on individual dimensions of value in greater detail. In addition, the consumer cooperative is, by its very nature, a company form that challenges the traditional ways in which the performance of managers and firms is measured and further emphasizes the need for new and innovative measures (cf. Bharadwaj 2015). We certainly hope that our work will encourage other scholars and practitioners to join in efforts to uncover the potential and implications of customer value in contexts of customer-owned business operations.

Endnotes

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Mental models of customer ownership in the executive board: A case study in the pension insurance sector

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ABSTRACT

Mutuals can be seen as expressing the utmost in customer orientation, by merging the roles of customer and owner. Nonetheless, the literature indicates that emphasis on these two roles is not evident among mutual companies in practice. Accordingly, there is a gap in knowledge pertaining to how the idea of customer ownership is understood and present in mutuals. To increase understanding of this gap, a study explored the mental models of customer ownership held by executive-board-level managers. This entailed collecting and analysing empirical interview data from executive-board-level managers of a large Finnish mutual pension insurance company. These mental models are distinguished along two dimensions: the role of a customer–owner, which may be passive or active, and managerial scope, which can be operative or strategic. A matrix constructed from these dimensions shows how customer ownership can have a limited, applied, strategic, or extensive function in the mental models of the executives. The findings should aid managers in evaluating their views of customer ownership, thereby facilitating diagnosis of the approach being applied. Furthermore, they may assist legislators, public authorities, and reporters in understanding the nature of a customer-owned insurance company and how the associated ideas may have been implemented in practice.

1. Introduction

Customer-owned mutual insurance companies continue to constitute a substantial proportion of the global insurance industry, generating approximately $1200 billion in annual premium income (ICA, 2016; ICMIF, 2016). The merging of customer and owner roles makes the mutual a suitable tool for customer–owners' arrangement of their reciprocal risk-sharing (e.g., Aase, 2007) and for seeing to their interests in the market (e.g., Cabrales, Calvó-Armengol, & Jackson, 2003). As customers are also the owners of the company, the mutual company form can be seen as, in principle, representing the epitome of customer orientation. This notwithstanding, earlier research indicates that emphasising the dual role of consumers as customers and owners is not always that evident in mutual companies in practice. Some scholars have stated that alienation from mutuals' principles may be an evolutionary process in parallel with growth of a company (e.g., Keneley, 2012). Another factor may lie in the understanding and mental models of successful business, which often remain tied to theories based on stock companies (cf. Kalmi, 2007). With regard to managers in mutual companies, earlier research has shown that attitudes differ as to the advantages and disadvantages of mutuality (e.g., Butler, Cui, & Whitman, 2000; Erhemjamts & Phillips, 2012; Racz, 1998). This is an important notion since managers of a company have a great influence on decisions about how that company is organised and how it performs (cf. Jaworski, 2011).

While prior research gives some indication that mental models associated with customer ownership may vary, the purpose of the study conducted for this paper went further, for examining *how* managers of mutual insurance companies understand and conceive of customer ownership. To this end, our study was aimed at exploring and identifying distinct mental models of customer ownership among executive board -level managers. A case-study approach was used in which insights were derived from empirical data from interviews of executive board members of a large mutual pension insurance company in Finland.

We begin with a review of the concept of mutual insurance and use earlier research to identify gaps between the theoretical and practical worlds. This provides more deeply rooted argumentation behind the starting point for our work. Secondly, we consider our study's perspective, focused on mental models. Then, we present a summary of the methods and research data, which sets the stage for the following section's detailed analysis of the interviews and reflection with the earlier

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research. The paper ends with a conclusion section, which includes musings on implications for future research and management use.

2. Mutual insurance companies in theory and practice

Mutual insurance companies are owned by their customers – either organisations or individuals who buy policies or are policyholders (e.g., Cummins, Weiss, & Zi, 1999). In the case of pensions, insurance cover is usually purchased at company level for all the relevant company's employees. Consequently, decisions on which insurance provider to use are ultimately made by top-level executives of the customer company. This leads to a situation wherein mutual pension insurance companies have several customer–owner groups: insured employees, insured entrepreneurs, and company representatives who buy policies (cf. ilmarinen.fi(a), varma.fi(a)). In contrast to other consumer co-operatives, mutuals lack 'walk-in' customers, since ownership goes hand in hand with holding an insurance policy (e.g., Viswanathan & Cummins, 2003). Hence, understanding of customer ownership may vary between mutuals and different co-operative contexts. This heightens the relevance of the mental model perspective.

As owners, customers are the decision-makers (e.g., Mason, 1967) and residual claimants of the company (e.g., Lamm-Tennant & Starks, 1993). The very nature of the mutual form leads to fundamental differences from IOFs in purpose and operation philosophy. The aim for a mutual should be to maximise and optimise benefits and value for the customer–owners as consumers rather than maximise return (profit) on invested capital (e.g., Borgen, 2004; Cabrales et al., 2003). Hence, the mutual can be regarded as a tool that allows customer–owners to organise their reciprocal risk-sharing (Aase, 2007) and safeguard their interests in the markets (Byrne, Heinonen, & Jussila, 2015). Accordingly, customer–owners should be able to take an active role – in both theory and practice – in envisioning and developing their company's future.

Apart from considering these 'ideal-level' conceptions, recent research on co-operatives has shown growing interest in the relationship between co-operatives' purpose and managerial behaviour. It has been suggested that co-operatives may ultimately fail to express their very nature as democratic member-based organisations (e.g., Bakaikoa, Errasti, & Begiristain, 2004). This is a degeneration thesis characterised by the work of Cornforth, Thomas, Lewis, and Spear (1988), who describe degeneration as occurring thus: when a co-operative reverts to capitalist form, it begins to implement IOF-type objectives and goals such as profit, or the control of the co-operative moves towards a management elite. In these circumstances, as Puusa, Mönkkönen, and Varis (2013) emphasise, the essence of the co-operative may be left behind as the conventional capitalist idea of how businesses and companies should be understood enters ascendancy. Considering mutuals specifically, Keneley (2012) states that an impending decision to demutualise her article's case company became obvious when the organisational culture began to shift away from co-operative ways of arranging the business. This pattern exists within a larger context, though: trends toward demutualisation or mutualisation have varied over history, so we may conclude that attitudes related to the advantages and disadvantages of various company forms have differed with the era (e.g., Butler et al., 2000; Erhemjamts & Phillips, 2012; Racz, 1998). A final factor is mentioned by several authors who suggest that decentralised and non-public ownership renders it challenging for customer–owners to monitor a mutual's managers. This, in turn, leads to opportunistic management actions and inefficiency (e.g., Biener & Eling, 2012; Mayers & Smith, 1981; Pottier & Sommer, 1997). These authors' models based on agency theory generally suggest that a mutual identity may vanish on account of individual managers' tendency to maximise utility for themselves whenever possible.

3. The perspective of mental models

'Mental model' describes a cognitive framework or mindset by which one construes and makes sense of the world (e.g., Gentner & Stevens, 1983; Goffman, 1974; Senge, 1990). Accordingly, the concept refers to a belief structure that determines how one approaches issues (cf. Mohammed, Klimoski, & Rentsch, 2000). Mental models develop and change over time. For instance, Ringberg and Reihlen (2008) talk about socio-cognitive knowledge transfer wherein individuals' sensemaking is influenced by external social inputs that are filtered through the perceiving mind and existing mental models. In these circumstances, an individual's strong existing mental models can disrupt adaptation of that person's thinking in new situations, when the existing mindset may not be suited to approaching the new (e.g., Barr, Stimpert, & Huff, 1992; Das & Teng, 1999; Day & Nedungadi, 1994; Van Maanen, 1984; Weick, 1979). This is referred to as categorical thinking (e.g., Ringberg & Reihlen, 2008). At the same time, perceptions may change as the outside environment puts pressure on managers to adjust their thinking (Jaworski, 2011). Consequently, when practising reflective thinking (Ringberg & Reihlen, 2008), one improves, expands, or even replaces the existing mental framework and manners of thinking so as to make sense of new situations (e.g., Bodenhausen & Garst, 1998; Wegner & Pennebaker, 1993).

Studies have concluded that the relevance of individual ideas and concepts is perceived manager-specifically, not at the level of the organisation in general. Since managers' actions and decisions have a direct impact on the performance of the organisation (Jaworski, 2011), it becomes all the more important to examine managers' ways of thinking and mental models as we strive to increase understanding of why companies operate as they do. As Rydén, Ringberg, and Wilke (2015, p.3) recognise, the theory of mental models has been applied in organisation and business studies from many angles, among them management cognition (e.g., Mintzberg, Ahlstrand, & Lampel, 2009), knowledge transfer (e.g., Ringberg & Reihlen, 2008), human–technology interaction (e.g., Gentner & Stevens, 1983), decision-making (e.g., Carley & Palmquist, 1992), and choice of technology (Tripsas & Gavetti, 2000). In addition, increasing interest has been shown in business model development (e.g., Teece, 2010) and in the role of marketing in the decision-making (e.g., Strandvik, Holmlund, & Edvardsson, 2012; Strandvik, Holmlund, & Grönroos, 2014; Tollin, 2008; Tollin & Jones, 2009). For example, customer ownership need not be understood in the same way by everyone or be significant in all decision-making. It can be illuminating to investigate how and in what ways customer ownership, which is a central business principle in co-operative companies, is reflected in people's thinking and actions.

Rydén et al. (2015) explored mental models for business–customer interactions by considering how their informants' underlying perspectives on customers differed. Their specific focus was on how social media can be useful for the company. They found perspectives to be rooted in certain fundamental marketing assumptions, which differ profoundly. At the core of the differences among mental models was seeing the customers as i) a target group for social media and marketing efforts (promote and sell, labelled 'business **to** customers'), ii) a communication audience (listen and learn, or 'business **from** customers'), iii) mutual-benefit partners (connect and collaborate, in 'business **with** customers'), or iv) meaning co-creators (empower and engage, with 'business **for** customers'). These types of mental models with regard to customers could be applied to other settings, such as customer ownership, as well. In a company setting, it is more important to identify what mental models exist and whether and how they diverge than to identify a dominant mental model or reveal how models are shared.

4. Methods and data

The Finnish pension insurance sector provides an interesting context for studying mental models of customer ownership. Finland's employee pension system is organised via private companies. These include mutuals and investor-owned companies both. Companies' core offering consists of rather heavily regulated statutory pension insurance products. Accordingly, the amount of the pension received and the insurance premiums paid are regulated by law (e.g., Tenhunen & Vaittinen, 2016). This has recently prompted companies to shift focus towards more innovative services related to the core offering. It has increased the frequency of interaction with customers for purposes of improving the well-being of the insured and consequently prolonging their active working life (see varma.fi(b), ilmarinen.fi(b), elo.fi, etera.fi, etc.). In parallel with greater desirably of deeper relationships and more frequent interaction with policyholders, attention is shifted also toward the potential for emphasising the dual role of consumers as customers and owners, along with the implications of this. In Finland, mutual pension insurance companies now hold a market share of approximately 96% as measured by annual insurance premiums (see finanssiala.fi). The dominance of the mutual company form indicates great relevance of mental model research. If customer ownership is understood and construed differently in the minds of individuals, implementation of it can vary as well. In short, differences not only between company forms but also between mutuals are important.

The case-study method employed provided a good means for considering in-depth insights as we explored the various mental models used in thoughts about customer-owned mutual companies (cf. Dubois & Gadde, 2002). As we will discuss further on, the analysis of the interview data and development of the matrix framework benefited from the authors' existing knowledge and prior research related to mutuals. Consequently, our approach to the study and analysis can be viewed as abductive (e.g., Dubois & Gadde, 2002; Strandvik et al., 2012). The case company was a large Finland-based mutual pension insurance firm that is over 50 years old. Within reach of its national services are about 900,000 pension policies under its responsibility. The case company produced empirical data from, in all, nine interviews of top-level managers. The set of interviewees represents a wide range of fields of responsibility: managing director; vice-managing director; director of finance, administration, and pension politics; director of customer relations; director of communications and HR; director of legal affairs; director of investments; director of actuarial operations and risk management; and development director. This breadth to the representation of the areas of responsibility provided a comprehensive setting for considering how customer ownership is viewed in the case company. For confidentiality reasons, we keep the interviewees anonymous in our discussion. The focus of this article is on identifying how mental models of customer ownership differ, not the reasons behind these variations. Therefore, we leave analysis by field of responsibility or individual-level characteristics and comparable studies for future research.

Preparation for the data-gathering began before the interviews: we familiarised ourselves with publicly accessible information related to the case company's past and processes via the Internet and with the interviewees' background via public CVs. This provided good grounding in the company's and informants' history and helped us further hone the structure for the interviews. Furthermore, the background information facilitated explanation of the differences in mental models discovered between interviewees and thereby further validated the choice of the case company for our study. Interviews were conducted face-to-face and were approximately 45 min to an hour long. Each interview was held privately, with one interviewee. This provided a safe, open, and warm atmosphere that allowed the interviewee to speak freely. Moreover, a 'thematic', semi-structured approach (e.g., Taylor & Bogdan, 1984) was employed, to leave room for the interviewee to think freely and to maintain an opportunity for the interviewers to present additional questions for clarification if necessary. All of the interviews were recorded and transcribed. This was seen as important for the sake of the rigour of the data analysis and reliability of the study. Analysis of the data began with reading through all of the transcripts, for exploration of what they contain (cf. Carley & Palmquist, 1992; Rydén et al., 2015). This exploratory phase yielded a good overall picture of the managers' ideas and beliefs surrounding customer ownership. The reading continued with categorisation of the responses and extraction of them into separate files accordingly. Categories were identified through iterative reflection on the data and in light of the authors' knowledge of mutuals. Analysis of the data led us to generate a two-dimensional framework. We turn our focus to this next.

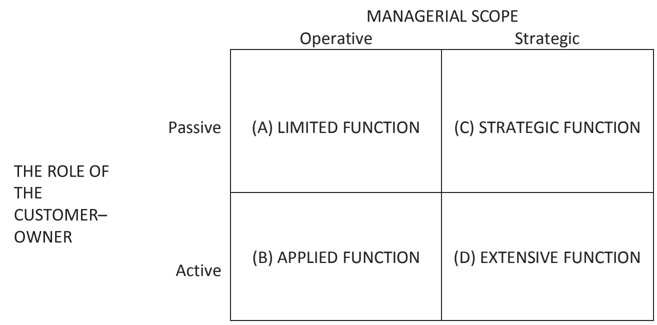

Fig. 1. Mental models of customer ownership.

5. Results and discussion

We begin by presenting the set of two contrasts we identified (see Fig. 1). This formed the foundation for a framework capturing the various ways in which the case company's managers conceived of customer ownership. This framework is output from our analysis of the interview data and hence represents the results of the study, not a preliminary categorisation by the researchers. According to the abductive approach, elaboration on the dimensions and the four cells in the matrix benefited from the authors' existing knowledge of mutuals and other co-operatives.

Analysis of the interviews indicated that each respondent approached customer ownership as either a strategic or an operative issue. Strategic managerial scope was manifested in recognition of the purpose of customer ownership as being to maximise and optimise customer value and benefits. Hence it was viewed as a comprehensive issue at the core of the business model. In the operative stance, the aim for the company is understood in the same way as that of other companies and customer ownership is left to act more as an operative tool (e.g., for marketing communications). The strategic/operative division echoes the work of Strandvik et al. (2014), who state that marketing is seen either as one operative function among others or as a comprehensive element of strategy at the core of the business model (p. 242). The role of the customer–owner represents implementation of the idea of a mutual as customer–owners' tool for looking after their interests and, thereby, the customer–owner's role in value-creating processes. When that role is viewed as passive, customer–owners are seen as merely consuming the services offered by the company, without the possibility of steering the mutual in the desired direction. When the role of the customer–owner is understood instead as active, customer–owners are able to influence the company by envisioning and developing its future direction (cf. Talonen, Jussila, Saarijärvi, & Rintamäki, 2016). Next, we consider each cell in the matrix in turn. Content and definitions of the cells are summarised in Table 1.

5.1. Limited function (operative + passive)

The first cell, representing limited function, refers to a mindset wherein customer ownership is seen as an issue that does not influence the fundamentals of how the organisation is led or the purpose of its operations. Furthermore, in contrast to an applied function (B), neither is customer ownership viewed as a communicative story to empower customers and increase their engagement. Illustrating these ideas, some interviewees emphasised the success of the case company itself rather

Table 1
Summary of the definitions and content of the mental models.

Name of mental model	Description/definition of model	Characterisation, based on key elements from the dataset	Illustrative quotation from the data
LIMITED FUNCTION	Customer ownership seen merely as a one-way tool for building image	A communicative tool used by the mutual to perform marketing communication	'Then, in my opinion, this perspective of customer ownership is very closely related to these brands and mental images and responsibility. Before we came up with this customer–owner, we used to talk about members. We should have stuck with the member because there, if we think about our brand, the most central elements of our brand that we haven't even thought about changing is this kind of style of "from person to person". Which one of these sounds more like "from person to person", a customer–owner or a member?'
		A tool by which the mutual increases its political legitimacy	'So that it plays a role in how, what kind of […]. It brings a certain kind of-. It's a natural structure for this kind of statutory actor. Somehow it's perceived as [such], and that's how it is then.'
APPLIED FUNCTION	Customer ownership seen as a story to engage and empower customers	A communicative tool used by the mutual to engage customers in developing the company in co-operation	'In my opinion, this customer ownership is a story, and if we use it right, we can use that for the benefit of the business […], so at the same time as we are creating benefit for the owner. But what I think is that we need to use that story of customer ownership, to harness our customers to work for the good of our company.'
		A tool by which the mutual can benefit from customers in administrative bodies	'This system is kind of built so that then if one of our members becomes really active as an owner and becomes a part of our management, then that actually means that then they can't actively try to benefit themselves in any way but then they have to start thinking about the good of the pension company.'
STRATEGIC FUNCTION	Customer ownership seen as a mechanism that operates to maximise customer value	A mechanism to maximise the financial value gained by customer–owners via the pricing model	'Of course, we are trying to emphasise [that] with this pricing model. So if we end up with some surplus that can be shared, then we give that back to our customers – so, for example, enabling this kind of small, limited customer repayment that can be paid if the company is solvent enough. And then in practice we make that payment by decreasing the premiums and that's the benefit the members get out of it. So if we were a listed company, then, of course, we'd keep the surplus to ourselves and pay as dividends.'
		A mechanism to maximise financial value for customer–owners via sustainable/profitable growth	'And now, then, we did that on purpose, kind of calculated it quite carefully: […] what is the speed of growth that is also good for our own current customers? In a mutual company, you need to think about it differently […]. That growth has to be profitable for our current customers, so to speak […]. And that's, of course, something where the question is that in a limited company you can think… if the board of the company so decides, you can very well think that now you want to invest and you're ready to give up the current-. The current owners want to have growth and so on. But in a mutual company, however, that is clearer such that, then, from the perspective of the whole customer base, we share the good in the form of these repayments based on our solvency and efficiency.'
		A mechanism to maximise financial value for customer–owners via investment operations	'But then at the end of the '90 s there was a change in legislation […] and it was accepted by the parliament. It decreed that these pension companies were changed from limited companies into mutual companies, and I guess the goal was to secure these funds and, on the other hand, also to prevent [so] that these financial conglomerates could not use these pension funds as a tool in their own battles. Even though they were not able to take money out [of these pension companies], they were nevertheless able to regulate their holdings and then invest in strategic targets. So in a way these funds became tools in these corporate take-overs to some extent.'

(*continued on next page*)

Table 1 (*continued*)

Name of mental model	Description/definition of model	Characterisation, based on key elements from the dataset	Illustrative quotation from the data
EXTENSIVE FUNCTION	Customer ownership seen as a mechanism of customer-owners actively taking care of their interests in the markets	A mechanism by which customer–owners come together to reach important goals	'People don't believe in institutions. People don't want to book their hotel rooms from a chain; […] instead they live in each other's homes when they go abroad. Digitalisation enables all solutions like this. And, actually, if you think about the co-operative system, it started when people didn't want to stay under the thumbs of limited companies but together they wanted to solve it by establishing some co-operative of producers or consumers together.'
		A mechanism by which customer–owners can steer the mutual strategically via administrative bodies	'Of course, in our management we have, of course- since we are a mutual company, then on the managing board and board of directors we have customers, so [that's] how they're then in a way committed to supporting the actions of the company. And then […] supporting in a way the legitimacy of the pension insurance system.'
		A mechanism of customer–owners influencing the company and the offering via direct channels of influence	'The question is that: how could we make that company, that small- let's say, a start-up that is making games – first there are nine people, then 29 – how could we make them feel that this is their own company? It could influence its own company; we don't know how to do that yet, but that's something that I would see in the future. It's related to this digitalisation because we can't interact with them personally. There are, for example, over 60,000 of these entrepreneurs, so we can't interact with them "per-person".'
		Mechanism for two-way interaction and learning processes	'So, on the basis of this, we started thinking that: "wait a minute". That we should build ourselves into a role model. The customers even own us, and we have this connection, so we should be able to provide this added value based on us utilising and thinking about these things and creating experiences out of that. And then we began with a very simple thing […]; we decided that the first step is changing our workspace. We completely gave up individual offices. We've probably been visited by 15–20 of our client companies who are planning a change. We are sparring with them. At the same time, we have received information from their project groups and reached this kind of level of interactivity that goes really well with being owned by our customers.'

than the mutual's role as a mechanism to make customer–owners successful. One interviewee speaking about optimal customer–owners put it thus:

> If [our client companies] succeed, then they'll hire new people and that way our premium income grows. It's so-called organic growth, so we don't have to acquire new customers. Of course, if we have invested in that company, then there is also growth through successful investments if the value of the company grows.

Accordingly, it seems that the idea of customer ownership is merely a tool for marketing communication to build the brand sought for the company. As one interviewee put it:

> Then, in my opinion, this perspective on customer ownership is very closely related to these brands and mental images and responsibility. Before we came up with this customer–owner, we used to talk about members. We should have stuck with 'member' because there, if we think about our brand, the most central element of our brand that we haven't even thought about changing is this kind of style of 'from person to person'. Which one of these sounds more like 'from person to person', a customer–owner or a member?

Moreover, the emphasis on operative marketing communication is underscored by customer ownership not being viewed as a strategic guideline embedded in the organisation's processes. In fact, the opposite is true – it is viewed as an idea and something that should not be everybody's responsibility. Accordingly, customer ownership and the corresponding company form is not viewed as a capability that could generate strategic and superior competitive advantage for the company. It is an independent matter that does not necessarily have a link to the value-creating processes of the company:

> And it's not something that I really have time to focus on. So then who would…? In my opinion, it would be pretty important. I can't say that it's the most essential issue in my area of responsibility, no. We can manage without it.

Finally, interviewees suggested that the mutual company form is a legitimate way to organise compulsory insurance in the form of pension insurance. As one participant stressed, this company form seems to be accorded a certain level of legitimacy:

> So that it plays a role in how, what kind of […]. It brings a certain kind of-. It's a natural structure for this kind of statutory actor. Somehow it's perceived as [such], and that's how it is then.

All in all, it seems that managers may construe customer ownership merely as a tool for building image (see Table 1), one that does not affect the fundamental principle underpinning the organisation of the company. In other words, customer ownership is not embedded in the company's processes, nor is it utilised for engaging and empowering customers in the way that is often found under today's business models (e.g., Denegri-Knott, Zwick, & Schroeder, 2006; Plé, Lecocq, & Angot, 2010). This view of customer ownership is rooted in an established mental model of marketing as transactional, wherein the company exercises only one-way communication with its customers (Rydén et al., 2015). Marketing is understood instrumentally here, as conducted to promote and sell the company's existing offering (ibid.).

5.2. Applied function (operative + active)

The cell in the lower left represents a mental model in which the customer–owners are viewed as more active in developing the company (via administrative bodies or direct channels of influence). However, it appears that the purpose of the company form is not really embedded in the mindset. For instance, in talk about customer–owners who were active in the administrative bodies, success/benefit for the customer–-owner was seen as different from that for the company. They were two separate things. One of the interviewees stated:

> This system is kind of built so that then if one of our members becomes really active as an owner and becomes a part of our management, then that actually means that then they can't actively try to benefit themselves in any way but then they have to start thinking about the good of the pension company.

This stands in contrast to the philosophical idea of a consumer co-operative as customer–owners' tool for looking after their own interests in the markets (Byrne et al., 2015). In other words, the interests – and thereby the success – of the two parties should be merged. However, to stress the idea of customer ownership as a communicative story that helps the mutual succeed by empowering its customers, one interviewee noted:

> In my opinion, this customer ownership is a story, and if we use it right, we can use that for the benefit of the business […], so at the same time as we are creating benefit for the owner. But what I think is that we need to use that story of customer ownership, to harness our customers to work for the good of our company.

In a parallel to the limited view (discussed above, in Subsection 5.1), the applied function of customer ownership seems to echo the recent trends of a closer relationship between a company and its customers – value co-creation (e.g., Saarijärvi, Kannan, & Kuusela, 2013) or empowerment (e.g., Fuchs, Prandelli, & Schreier, 2010). Consequently, managers view customer–owners as resources of the company and may try to utilise the story of customer ownership to engage and empower them with the processes of the company (for instance, in development of the services) (see Table 1). However, when a mutual is taken in this direction, the strategic implications of customer ownership may be neglected as the ownership merely gets utilised as an operative tool. This view stems from a mental model of marketing wherein the company understands the importance of listening to and learning from customers (Rydén et al., 2015). Accordingly, the company becomes successful when it truly understands what the customer wants and needs (e.g., Drucker, 1954).

5.3. *Strategic function (strategic + passive)*

The cell in the upper right represents a view in which the unique purpose of the mutual company form is fully recognised. In other words, the emphasis is on maximising value for the customer rather than profit on the invested capital (cf., Borgen, 2004), and the company is organised so as to create benefit for the policyholders (Allegaert, 1996; Cabrales et al., 2003; Schneiberg, 2011; Schneiberg, King, & Smith, 2008). However, an active role of customer–owners in value-creating processes is not brought forth. These ideas were identified from the interview material at two levels – that of the purpose in general and that of concrete ways to pursue that end. Firstly, as one interviewee noted, it is vital to understand what is meant by the interest of the owners or owner value in various company forms:

> And I do see it comprehensively in the way that it should influence everything. So it should be a starting point for everything we do under this company form. Similarly to if this were a listed company, then the starting point for everything we do should be that in the end we are providing value for our owners with those actions. In a listed company, you need to think about how you are going to serve customers so well that in the end through those satisfied customers when they are increasingly using our services then we are providing added value to our shareholders. So here it's kind of the same thing the other way round. So here we should not do anything that does not provide value for our customer–owners.

With regard to concrete ways to implement actions aimed at the purpose, two issues were brought up. The first is that, because the customers are the owners of the company, the surplus belongs to them (e.g., Tuominen, Tuominen, & Jussila, 2013). In other words, the profit is actualised not as return on investors' capital but as benefit for the customers in reductions in premiums. One interviewee stated:

> Of course, we are trying to emphasise [that] with this pricing model. So if we end up with some surplus that can be shared, then we give that back to our customers – so, for example, enabling this kind of small, limited customer repayment that can be paid if the company is solvent enough. And then in practice we make that payment by decreasing the premiums and that's the benefit the members get out of it. So if we were a listed company, then, of course, we'd keep the surplus to ourselves and pay as dividends.

Furthermore, in the event that the mutual company folds, winding up operations, or that the pension system collapses, it is the customer–owners who own the money of the company, since they are the residual claimants (e.g., Erhemjamts & Phillips, 2012; Lamm-Tennant & Starks, 1993; Smith & Stutzer, 1995):

> The [insured customer–owners] don't have any role in this except that they're the beneficiaries in the end, so if this system would collapse then surely the money that was left would then be paid to these insured members, so no-one else would then get this money. Their money can't be given to anyone else.

Secondly, a few of the interviewees recognised that one concrete way to view maximisation of customer value as the mutual's purpose is to look at the growth rate. In other words, while the mutual's ability to facilitate economic value in terms of premium refunds is partly dependent on the company's degree of solvency, excessively rapid growth renders it challenging to create value for the existing customer–owners. This is due to the pension system, in which new customers do not bring their pension reserves with them when switching from another insurance company. Consequently, increased commitment to pay pensions in the future requires larger financial buffers, which have to be financed to existing customers' detriment. As one of the interviewees put it:

> And now, then, we did that on purpose, kind of calculated it quite carefully: […] what is the speed of growth that is also good for our own current customers? In a mutual company, you need to think about it differently […]. That growth has to be profitable for our current customers, so to speak […]. And that's, of course, something where the question is that in a limited company you can think… if the board of the company so decides, you can very well think that now you want to invest and you're ready to give up the current-. The current owners want to have growth and so on. But in a mutual company, however, that is clearer such that, then, from the perspective of the whole customer base, we share the good in the form of these repayments based on our solvency and efficiency.

It has traditionally been suggested that co-operatives are agents of change in the market. Furthermore, Van Oorschot, de Hoog, van der Steen, and van Twist (2013) concluded that after successfully addressing conditions of market failure, a co-operative no longer has a function or should find another element to change. The views expressed in our study are the opposite or at least supplement this view: mutual insurance companies were seen as having a more persistent role as well in maintaining fair behaviour in the markets. One participant listed appropriate use of the invested wealth among the reasons to mutualise pension insurance companies:

> But then at the end of the '90 s there was a change in legislation […] and it was accepted by the parliament. It decreed that these pension

> companies were changed from limited companies into mutual companies, and I guess the goal was to secure these funds and, on the other hand, also to prevent, [so] that these financial conglomerates could not use these pension funds as a tool in their own battles. Even though they were not able to take money out [of these pension companies], they were nevertheless able to regulate their holdings and then invest in strategic targets. So in a way these funds became tools in these corporate take-overs to some extent.

It seems that many of the interviewees did recognise the unique purpose of a mutual insurance company. In other words, they held that customer ownership should be comprehensively embedded in the processes of the mutual company in such a way that the end goal is to maximise the value for customer–owners (see Table 1). However, it was viewed as being up to the managers to define and create value, while the customer–owners, in contrast, do not have an active a role in envisioning and developing the direction for the company. By understanding the close connection with the customers as owners of the company, this view has its roots in a mental model of marketing that emphasises deep relations with the company and with its customers (Rydén et al., 2015). Hence, it is about more than transactions, extending to a long-standing relationship that creates real value (ibid.).

5.4. Extensive function (strategic + active)

The final cell represents a mental model wherein, as with the third cell, the purpose of the company form is embedded in the strategy. In addition, though, customer ownership is seen as a mechanism whereby customer–owners take an active role in guiding and developing the steering of the organisation. In this conceptualisation, customer–-owners' role is not constrained to perceiving value via the current offering. Rather, it is important for envisioning the future value and guiding the company – their own company – toward it (cf. Talonen et al., 2016). Issues that interviewees cited to illustrate these ideas involved a general view of what customer ownership should be and concrete ways to exercise an influence on the company.

Customer ownership can be seen as a response to certain disrupting factors in the business environment. One interviewee saw the growth in popularity of Internet-based peer-to-peer networks or crowdsourcing-oriented business models as analogous to the history and formation of the first co-operatives. These were self-help initiatives and based on cooperation among many individuals who wanted to change the *status quo* of the markets (cf. Van Oorschot et al., 2013). At the heart of this conception is the very nature of mutuals as a participative mechanism by which consumers see to their own interests (Byrne et al., 2015):

> People don't believe in institutions. People don't want to book their hotel rooms from a chain; […] instead they live in each other's homes when they go abroad. Digitalisation enables all solutions like this. And, actually, if you think about the co-operative system, it started when people didn't want to stay under the thumbs of limited companies but together they wanted to solve it by establishing some co-operative of producers or consumers together.

Another interviewee expressed a sense that there is an increased sense of communality, especially among the youth (cf. Puusa, Hokkila, & Leppänen, 2016; Puusa, Hokkila, & Varis, 2016), that should be captured under the business model in some way. Furthermore, user-owned data co-operatives (e.g., Scholz, 2016) could perhaps provide a solid way to gather such people together via a digital platform to articulate their interests, identify shared ones, and together work on issues they find important:

> But then, in a way, why this idea of co-operatives is now so interesting is that these 'young people' […] have this feeling of community and they're again, in a way, this individual against some larger purpose. So there the pendulum has swung again, so now there's this feeling of a larger responsibility or- whether it's ecological or something else, that's used to create these communities where the goal is to achieve something bigger, a 'bigger than me' kind of things. So this kind of [analogy of a data co-operative] on principle has a chance, so if you get these blanks generated that people become interested in.

As for concrete influence mechanisms rather than ideals, the mutual company form gives customer–owners a mechanism to develop their company at the strategic level via administrative governing bodies (e.g., Tuominen, Jussila, & Kojonen, 2009). As one interviewee put it, customer–owners serve as an important managerial resource in the company by supporting the operations of the mutual and the legitimacy of the pension insurance system.

> Of course, in our management we have, of course- since we are a mutual company, then on the managing board and board of directors we have customers, so [that's] how they're then in a way committed to supporting the actions of the company. And then […] supporting in a way the legitimacy of the pension insurance system.

In discussion of direct ways to influence the company, it was emphasised that customer ownership could hold potential for strongly differentiating the company from others if customer–owners have real opportunities to affect the services and offering. These direct channels of employing one's voice provide an important mechanism to influence the company, since not everyone is able to participate in strategic decision-making via administrative bodies. The latter situation arises from the fact that in a large mutual, governing bodies need to apply a representative-based model to maintain effective decision-making (e.g., Hansmann, 1996; Jensen & Meckling, 1976). At the same time, though, digitalisation seems to present new means for developing direct channels of influence, and this is an important issue that a customer-owned mutual should address (e.g., Talonen et al., 2016). One interviewee expressed this particularly well.

The question is that: how could we make that company, that small-let's say, a start-up that is making games – first there are nine people, then 29 – how could we make them feel that this is their own company? It could influence its own company; we don't know how to do that yet, but that's something that I would see in the future. It's related to this digitalisation because we can't interact with them personally. There are, for example, over 60,000 of these entrepreneurs, so we can't interact with them 'per-person'.

Offering an example of the digital channels, one of the interviewees mentioned opportunities linked to the thinking behind data co-operatives (e.g., Hafen, Kossmann, & Brand, 2014; Scholz, 2016), by which the potential of user–owners can be harnessed for pooling their personal data and allowing everyone an individual-level opportunity to decide how and to what cause the personal data will get used:

> Another thing is, of course, then that with this kind of a mechanism [analogy of a data co-operative], it would be possible to gather what the people are interested in or what they want or what they'd be willing to do. I mean collect thoughts, ideas, that we could then refine, whether it's research or other things like this or services that-what they are interested in.

Finally, interaction in a co-operative context has often been seen as a one-way activity. Either customer–owners develop their co-operative (e.g., Talonen et al., 2016; Tuominen et al., 2009) and act as the fountain of articulation of local needs (e.g., Fulton & Hammond-Ketilson, 1992) or the co-operative educates the customer–owners to be better consumers (e.g., Madane, 2006). Proceeding from our findings, we can extend this view: customer ownership can be viewed as facilitating a two-way process wherein the mutual and its customer–owners educate each other and develop in tandem. As was stated in the interviews, it is possible for the case company and its customer–owner companies to act hand in hand to develop their organisations – for instance, with regard to work areas:

> So, on the basis of this, we started thinking that: 'wait a minute'. That we should build ourselves into a role model. The customers even own us, and we have this connection, so we should be able to provide this added value based on us utilising and thinking about these things and creating experiences out of that. And then we began with a very simple thing; […] we decided that the first step is changing our workspace. We completely gave up individual offices. We've probably been visited by 15–20 of our client companies who are planning a change. We are sparring with them. At the same time, we have received information from their project groups and reached this kind of level of interactivity that goes really well with being owned by our customers.

One can say in summary that customer ownership can be seen as a strategically comprehensive issue that is embedded in the processes of the company. Furthermore, it is the customer–owners who have an active role in steering the mutual in the envisioned direction. In other words, customer ownership can be seen as a mechanism of customer–owners actively looking after their interests in the markets (see Table 1). This view, that emphasises the role of the customer–owner community, is rooted in a distinct mental model of marketing in which companies are understood as part of the larger society and community in creating value and well-being for the communities in which they operate (Rydén et al., 2015).

6. Conclusions

Our research has contributed to scholarship by identifying four distinct mental models of customer ownership. By means of a mental model perspective, it becomes evident that there may be fundamental differences between individual managers in these. While some may view customer ownership very much as the' 'ideal' notion suggests, many, in fact, find it merely to be a tool for one-way marketing communications or useful as a communicative story to afford customer engagement and empowerment. Furthermore, the mental models identified have their roots in characteristic mental models of marketing (Rydén et al., 2015) that tie in the idea of customer ownership with a wider discussion in the field of marketing and management.

Our data indicate that when customer ownership is viewed as an operative issue, merely a tool for marketing communications, managers' mindsets do not facilitate fully recognising the purpose of a mutual company as distinguished from other company forms. It seems that the dominant mental model (in these cases) related to the idea of a successful company echoes that found in an IOF. Accordingly, customer ownership influences managers' thinking only as far as is possible without it coming into contradiction with the lessons learnt about how a successful firm is managed and how its performance should be measured. This effect is amplified when one moves from the 'limited function' model to 'applied function'. In the latter, customer ownership is applied as a communicative story in response to recent trends related to empowerment and customers' expanded role.

Because mental models develop via individuals' upbringing, education, training, and experience (Ringberg & Reihlen, 2008; Rydén et al., 2015), we can identify from earlier literature on mutuals at least two possible reasons for customer ownership being restricted to an operations-level concept. Firstly, economics textbooks emphasise the ideas of IOFs and fail to recognise mutuals and their unique features (cf. Kalmi, 2007). Hence, people learn to conceive of 'business' by defining it from IOFs' perspective. Secondly, each era is characterised by the dominance of certain 'prevailing ideas' of markets and business that influence the thinking expressed by individual organisations and the managers behind them. This has been recognised by several scholars with regard to demutualisation and mutualisation tendencies (Keneley, 2012), the institutional legacy of society (e.g., Greve & Rao, 2012), and interaction between mutuals and social movements (e.g., Schneiberg et al., 2008).

Via a considered understanding of how customer ownership is perceived and understood among managers at the case mutual insurance company, the article offers new insight, shedding light on why mutuals may act differently relative to each other. This is an important perspective to note since earlier academic research on mutuals falls short of understanding the differences and reports on empirical studies cite rather mixed results (Talonen, 2016). For instance, how customer ownership is implemented in the processes of a given mutual may have considerable influence on the expense structure or pricing policies of the company and, thereby, on views of the way efficiency should be understood. Furthermore, our study points to prospects for comparable work examining differences between company forms in an insurance context. If the ways in which mutuals operate differ, this fact must be reckoned with when one is evaluating comparability of data between mutuals and IOFs.

Finally, since our study focused on individual-level mental models, we have left untouched the question of how these models get translated into ideas that are shared across the group and how they get implemented in practice. In other words, if there are manager-to-manager differences in mindset, which mental model is going to evolve into the one that is implemented in practice? Whatever the answer, since the company form in question has a purpose fundamentally different from that of IOFs, customer ownership should, in its own right, create pressure for mutuals' managers to consider its implications comprehensively. In these circumstances, it becomes vital to understand team dynamics and the role of individuals in the creation of shared mental models (e.g., Willems, 2016).

6.1. Future research

All four mental models that were identified may be analogous to those affecting perceptions and actions related to consumer co-operatives operating in other fields of business. This is because the same fundamental elements, such as the purpose of consumer co-operatives, exist irrespective of the sector of activity. However, many differences can be seen nonetheless, so more specific research should be conducted in the banking and retail contexts. Furthermore, there are differences between insurance companies. For instance, private life and non-life companies can compete more freely, while the basic pension insurance product in Finland is highly regulated. At the same time, the nature and features of insurance products vary greatly. Furthermore, the nature of customer–owner groups or segments differs across lines of insurance. For instance, it is typical for pension insurance companies in Finland to have a close relationship with company representatives who make decisions on which insurance provider to use and more distance in their relationships with employee-level insured persons. Hence, it would be interesting to conduct comparable and complementary research that focuses on other insurance lines and takes variety of customer–owner groups into account as well. Moreover, our article indicates that customer ownership can gain different interpretations and weight on the basis of the respondent's area of responsibility. It therefore would be important to increase understanding of the differences between the functions within a mutual company. As insurance markets and systems differ by country, we encourage scholars to add to the knowledge base via additional research in other countries too.

Accumulating knowledge about mental models could afford fruitful examinations into antecedents and consequences, since very limited knowledge exists about these at present. Finding an optimal mental model and revealing elements of such a successful model for thinking may not be realistic, though, since there are so many additional factors in the success of a company. On the other hand, it may be feasible to ascertain, conceptualise, and manage how mental models are linked to behaviour and company operations. In addition, how mental models change over time offers many research possibilities, as does explorations of diversity or lack thereof in team mental models. In today's turbulent times, wherein competitive advantage for many is based on innovative thinking, much more knowledge about mental models is needed.

6.2. Managerial and policy implications

The results of our study provide a useful tool for managers of mutual insurance companies. They offer a lens via which managers can evaluate their relationship with customer ownership, reflecting on their current knowledge and understanding. Through this, the findings can serve as a tool for developing operations so as to actualise more fully the benefits provided by this specific company form. In the realm of policy implications, we uncovered important insights for politics and public debate also. The results should aid legislators, public entities, and the media in understanding the essence of customer-owned insurance companies and how the associated ideas may have been implemented in practice. Drawing attention to the purpose of the company form increases understanding of mutual's capacities as a mechanism to create or facilitate value for customer–owners. Consequently, it would be important to direct efforts toward encouraging these companies to build their operations on the mutual philosophy in a manner that ensures value-creation opportunities at multiple levels in the pension insurance system from the customer–owners' perspective. Accordingly, as our data indicate, the elements that guarantee the best results for the pension insurance system as a whole may not be limited to regulated premiums and profit on investments alone. Mutual pension insurance companies can facilitate value much more broadly.

Conflicts of interest

None.

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