

The Process of Generating Rhetoric Calling for Participation in Delayed Benefit Services: A Case Study of the Start-Up Phase of an Electronic Community Currency in Japan

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ABSTRACT

The aim of this paper is to identify how rhetoric is generated to induce participants' motivation in using an electronic community currency for the purpose of gifting which is perceived as a type of Delayed Benefit Services (DBSs). DBSs is a service where there is a time gap between the point at which the delivery process starts and the point at which the customer can perceive the benefit. DBSs consist of three factors depending on the characteristics of the benefits perceived by the customer. These are Functional Benefit, Emotional Benefit and Perspective Benefit. In the case study of electronic community currency, the Functional Benefit was the creation of a sustainable local economic community through giving. However, this benefit is achieved through collective activity and is difficult to perceive individually. The currency manager therefore reconstructed the rhetoric of Functional Benefit into something that could be perceived personally. It was also found that Emotional Benefit and Perspective Benefit were perceived among member shops, even if the Functional Benefit was not fully perceived.

Keywords: Delayed benefit services, Community currency, Rhetoric, Service design

INTRODUCTION

The aim of this paper is to identify how rhetoric is generated to create participants' motivations for using the electronic community currency for the purpose of gifting, which is perceived as a type of Delayed Benefit Services.

Services are characterized by the simultaneous occurrence of delivery and consumption. Customers enjoy the benefits at the same time as they consume the services (Fisk et al. 2004). However, not all service consumption necessarily allows customers to enjoy its benefits at the same time. A time gap may occur between the point at which the service delivery process starts and the point at which the customer can enjoy the benefits. Such services are named Delayed Benefit Services (Morito and Fujimura, 2016). Typical examples of DBSs are health and education services. The benefits of these services are

brought about by the changes in the customer's own body, their capabilities or by knowledge accumulation. Hence, it causes benefit delay or time-lag.

DBSs comprise of three factors based on the characteristics of benefit enjoyed by customers (Morito and Fujimura, 2016). These are Functional Benefit, Emotional Benefit and Perspective Benefit. Functional Benefit is the benefit of solving the problem that motivated the customer to consume the service. In medical services, these are restoration of health from illnesses, reduction of pain and improvement of symptoms. Emotional Benefit is the improvement of mental health and emotions through the consumption of a service. In medical services, it is the elimination or reduction of anxiety about illnesses and converting negative emotions into a positive one. Perspective Benefit is a benefit that positively transforms the values and attitudes of the customer. In medical services, some patients are critically ill or injured where it is difficult to recover to their previous state of health. In such cases, it is necessary to reassess reality and reconstruct values about their body, health and life.

In regards to services, the most important aspect is Functional Benefit. However, in DBSs, it takes time for customers to perceive the Functional Benefit. For this reason, the role of Emotional Benefit and Perspective Benefit are important to encourage customers to participate in services as Emotional Benefit and Perspective Benefit can be enjoyed relatively early in the service delivery process. In medical services, Perspective Benefit, Emotional Benefit and Functional Benefit are perceived in that order, according to Morito and Fujimura (2016).

This study examines ALPSCITY Pay, an electronic community currency introduced in the Matsumoto area of Japan, as a type of DBSs. ALPSCITY Pay aims to create sustainable local economic communities based on giving. The currency incorporates a feature called 'gift', which can be paid on top of the payment. To facilitate gifting, the currency expires in three months after charging. There are no immediate economic benefits for users, such as discounts or points awarded. Therefore, it is expected to take time for users to perceive the benefits of a sustainable local economic community, as this can only be achieved if the number of member shops and users increase and the volume of currency in circulation accumulates. Hence, ALPSCITY Pay can also be considered as a type of DBSs.

On the other hand, this electronic community currency differs from medical and educational services in one respect, the benefits of creating a sustainable local economic community are achieved through the collective workings of the community, not solely by the actions of individual users. The Functional Benefits for patients in medical services is the restoration of physical function. The Functional Benefits for students in education services are the acquisition of qualifications or improved problem-solving skills. These Functional Benefits can be perceived individually by patients and students, even though it takes time from the point of service delivery to the point of receiving benefits. In contrast, Functional Benefit of ALPSCITY Pay can only be achieved through collective action. This makes it difficult for users and member shops to clearly see the benefits of creating sustainable local economic communities. It is therefore difficult for users and member shops to find incentives to participate in the service. This means that a key challenge for the ALPSCITY Pay manager is how to induce motivation in users and member

shops to participate in the service. The Manager needs to be more explicit about Functional Benefit for individual users and also need to pay attention to Perspective Benefit and Emotional Benefit.

This study identifies how the manager of ALPSCITY Pay explained the benefits of the service during the start-up phase and how it worked to trigger motivation of users and member shops to participate in the service. We focused on rhetoric with respect to benefits. Rhetoric is used when the situations surrounding an organization is uncertain (Cheney et al. 2004). The public messages and discourses used in such rhetoric are considered in terms of how interactions are formed. This case study is also in a situation of uncertainty as to whether it will be able to attract users and member shops, as it is a type of DBSs.

This case study reveals the process by which ALPSCITY Pay manager reframed the rhetoric of Functional Benefit from a rhetoric of collectively perceived benefits to a rhetoric of benefits that can be perceived by individuals. It also reveals that during the start-up phase of the service, even if member shops did not fully understand the rhetoric on Functional Benefit, their understanding of the rhetoric on Perspective Benefit and Emotional Benefit shaped their motivation to participate in the service.

METHOD

The research methodology used ALPSCITY Pay manager's collection and analysis of public messages and interviews. We collected and analyzed books, thesis papers, written by the manager, and articles submitted to newspapers and magazines, contents posted on websites and email newsletters, and statements made at online events (including archived videos) and lectures to examine manager's rhetoric on benefits. Interviews by managers with newspapers, magazines and web media were also referenced.

Interviews were conducted with the manager and member shops as needed. One of the authors interviewed the manager on average once or twice a month between January 2021 and December 2022. The interviews with member shops were conducted in twelve shops that had joined ALPSCITY Pay within approximately one year of its launch, excluding shops managed by the manager himself and organizations running limited-time events. The business categories of the member shops and the dates of the interviews are shown in Table 1. Note that the manager of No. 7. co-working spaces and No. 8 outdoor schools are the same.

Table 1. Business type of member shops (dates of interview) source: author.

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| 1. | Restaurant A (March 4th and September 9th 2021) |
| 2. | Restaurant B (March 4th and November 12th 2021) |
| 3. | Restaurant C (March 5th and October 13th 2021) |
| 4. | Liquor and restaurant D (March 5th 2021, September 2nd 2021) |
| 5. | Forestry (March 21st, May 11th, June 6th 2021, January 9th 2022) |
| 6. | Guesthouse (May 11th 2021) |
| 7. | Coworking space (September 6th 2021) |
| 8. | Outdoor school (September 6th 2021) |
| 9. | Clinic for acupuncture and moxibustion (September 6th 2021) |
| 10. | Restaurant E (October 13th 2021) |
| 11. | Beauty parlor (November 12th 2021) |
| 12. | Clothing and general store (November 22nd 2021) |
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THE ALPSCITY PAY: AN ELECTRONIC COMMUNITY CURRENCY

The ‘ALPSCITY Pay’ in this case study is an electronic community currency that is settled using a smartphone application and QR codes. It is equipped with a gifting function named ‘Gift’. It is a feature that allows for an additional payment to be made at the time of payment.

The currency expires only three months after the charge. The aim is to encourage people to circulate the money within the community instead of storing it away. The expired currency is partly returned to the user and partly used to support the local community. On the other hand, there are no immediate economic incentives that users can enjoy, such as discounts or points awarded.

ALPSCITY Pay uses an electronic currency platform named ‘eumo’ provided by the non-profit corporation ‘eumo’. There are no initial fees for member shops or for using the payment system. There is a 5.5% fee, including tax, when member shops redeem the money.

The unit of currency is the ALP, with one Japanese yen converted to one ALP. Currency operations began in December 2020 and as of 16 January 2023, the currency settlement volume to date is 1,644,139 ALP. In terms of Japanese yen, this is approximately 1,640,000 Japanese yen (USD 12,844). In addition, the number of member shops is 24 and their business categories are: restaurants, liquor and restaurant, guesthouses, events, educational services, beauty parlor, co-working spaces, forestry, clothing and general store, online coffee shop, public bath and clinic for acupuncture and moxibustion.

The manager of ALPSCITY Pay is a university professor living in Matsumoto, whose research area is social transformation from an energy and technology perspective. Matsumoto is a regional city surrounded by nature, including the mountains of the Japanese Alps, where the service, industrial and agricultural sectors coexist on a certain scale. The population is approximately 236,000 and is continuing to decline, making it a challenge to stop the population decline¹.

RESULT

How did the manager describe the benefits of ALPSCITY Pay during its start-up phase? According to the website published on November 17th 2020, ALPSCITY Pay is described as 1) money that goes around and enriches the ‘community’, 2) money that can be gifted, 3) money that creates connections and 4) money that cannot be continuously saved. The website also states that “in order to maintain a ‘close and sustainable local economy’, it is important to create a ‘circulation of money’ in the community by spending it in moderation rather than accumulating it excessively”, that “it can be used at shops and services in the Shinshu-Matsumoto area that are loved and sympathised with by local people”, and “Why not pay a gift as a tip, along with a message of gratitude for all the support you have received?”

¹Matsumoto City Website Matsumoto city population as of January 1, 2023 https://www-city-matsumoto-nagano-jp.translate.google.com/soshiki/5/99255.html?_x_tr_sl=ja&_x_tr_tl=en&_x_tr_hl=ja&_x_tr_pto=wapp

At an online event on January 21st 2021 and at information sessions held on February 3rd and 7th 2021, the manager used slides to explain the benefits of ALPSCITY Pay. The slides described ALPSCITY Pay as a currency that puts money into local businesses and creates a sustainable local economy by implementing the function of giving. These rhetoric explain that the Functional Benefit of ALPSCITY Pay is to create sustainable local economic communities by facilitating giving.

The manager has explained the background and issues behind the introduction of ALPSCITY Pay manager in online events, speeches and articles submitted to newspapers. In a speech on July 10th 2021, the manager argues that energy supply constraints will make economic growth unlikely in the near future. He therefore speculates that small and medium-sized regional cities surrounded by nature will be more sustainable than energy-intensive metropolises in the future. However, he argues that for cities to become sustainable, they will need to use technology to link cities with nature and circulate resources within the community. The manager explains that a challenge to achieve this is ALPSCITY Pay, an electronic community currency with built-in giving. He also states that Matsumoto is the perfect field for this social practice and has the potential to become a cutting-edge city in the future.

This rhetoric emphasizes a shift in values whereby small and medium-sized cities with natural resources, such as Matsumoto, will be the most advanced cities in the future, rather than large cities with a high concentration of population. This is also a rhetoric that reduces the concerns of Matsumoto, a city facing the problem of population decline, and creates a sense of hope for its future. In other words, these rhetoric show Perspective Benefit and Emotional Benefit of ALPSCITY Pay.

According to interviews with member shops who joined the start-up phase of ALPSCITY Pay, the rhetoric of functional benefits was not well understood as a motivation for joining ALPSCITY Pay. At the time of the interview, the member shops that had become members but had never used the currency as ALPSCITY Pay users were (12) Clothing and general store, (7) (8) Coworking space and Outdoor school, (6) Guesthouse, (11) Beauty parlor and (9) Clinic for acupuncture and moxibustion. The reason was that it was unlikely that citizens would use ALPSCITY Pay without a personal financial incentive. The fact that the rhetoric of Functional Benefit of ALPSCITY Pay was not fully understood was reflected in the volume of currency in circulation. As of November 23rd 2021, almost one year after its operational launch, ALPSCITY Pay's currency circulation was approximately 690,000 ALP (= approximately USD 5,390), which was below the manager's expectations.

On the other hand, no member shops denied ALPSCITY Pay's rhetoric of Perspective Benefit and Emotional Benefit. The rhetoric formed the motivation for member shops to participate in ALPSCITY Pay. An owner of a member shop who had never used ALPSCITY Pay as a user also spoke of empathy with Perspective Benefit and Emotional Benefit (November 22nd 2021).

'I am convinced that Matsumoto is getting better and better. Many people are working to expand the possibilities. I am simply interested in what kind

of city it will become when the people living here start using a currency that can only be used here, and I will get involved and move forward.”

The ALPSCITY Pay manager created a new rhetoric in response to the fact that the rhetoric of Functional Benefit did not receive sufficient support, and restructured the Functional Benefit. This was the rhetoric of ‘designing new local communities’. The meaning of this rhetoric was found through discussions with other community currency managers. Since November 2021, electronic community currencies have appeared in five Japanese regions, utilising the eumo platform, as well as ALPSCITY Pay. Online events were then organized for communities to interact with each other, and discussions were held on the theme of ‘designing new local communities’. In this context, one of the managers stated.

“Electronic community currencies are an initiative where the people who use them design their own community money. Money is not only legal tender. We can choose for ourselves what kind of currency we want to use. But it takes time to get local community members to realise that this is their own issue. But I think it is important to take the time and effort in designing new local communities.”

Through this discussion, the ALPSCITY Pay manager found Functional Benefit in the rhetoric of ‘new local community design’. What this means is that through the use of ALPSCITY Pay and the gift of currency to local shops and business operators, local community members are offered the opportunity to participate in solving community issues.

Triggered by the restructuring of Functional Benefit, the manager re-examined how ALPSCITY Pay could be promoted. They organised events to protect local nature and culture and created opportunities for citizens to give ‘gifts’ with ALPSCITY Pay to local shops and business operators with whom they felt empathy. Through these experiences, local community members are able to engage themselves in solving community issues. This is a functional benefit that ALPSCITY Pay users can perceive as individuals.

DISCUSSION

The rhetoric on the benefits of ALPSCITY Pay is discussed in terms of the three factors of DBSs: Functional Benefit, Emotional Benefit and Perspective Benefit.

The Functional Benefit of ALPSCITY Pay, a benefit that solves the problem which motivated the customer to consume the service, is the creation of a sustainable local economic community through giving. This is a benefit that solves the problem of the declining local economic community due to population decline. However, this functional benefit rhetoric was not fully accepted by member shops. This is because ALPSCITY Pay has no immediate economic incentives for users. Moreover, the benefit of creating a sustainable local economic community is something that can be achieved through the accumulation of collective activity, which is difficult for users to perceive personally. The ALPSCITY Pay manager has therefore created a new rhetoric of Functional Benefit. It is a rhetoric of ‘designing new local communities’. The rhetoric is that users can participate in solving local community problems by

using ALPSCITY Pay and giving to local shops and businesses. The rhetoric of Functional Benefit of ALPSCITY Pay has thus been reframed from one achieved through collective activity to one that users can perceive personally. This suggests that in services such as ALPSCITY Pay, which aim to solve local community problems, it is necessary to continuously question the meaning of functional benefits *per se* before they are perceived.

In addition, during the start-up phase of ALPSCITY Pay, rhetoric on Functional Benefit was not fully accepted among member shops, while rhetoric on Emotional Benefit and Perspective Benefit were accepted. In medical services, the order of perceived benefits is Perspective Benefit, Emotional Benefit and Functional Benefit, in that order. The case study also shows that the rhetoric of Emotional Benefit and Perspective Benefit may be perceived prior to the rhetoric of Functional Benefit.

CONCLUSION

Through viewing the electronic community currency ALPSCITY Pay as a type of Delayed Benefit Services (DBSs), this study reveals the process by which the manager of the currency generates the rhetoric that forms the participants' motivations. In this case study, the ALPSCITY Pay manager restructured the rhetoric of Functional Benefit from a benefit achieved through collective activity to a benefit that can be perceived by individuals. This indicates that in DBSs, service providers may continue to interrogate the rhetoric of Functional Benefit in order to formulate incentives for customer participation. This restructuring of the rhetoric also resulted in a reframing of the way services are delivered.

The case study also revealed that, as with medical services, the rhetoric of Emotional Benefit and Perspective Benefit forms the motivation to participate in the service, even if the rhetoric of Functional Benefit is not fully perceived.

On the other hand, issues remain to be addressed in this paper. It has not investigated whether the rhetoric of restructured Functional Benefit forms a motivation for participation in the service. Nor is there sufficient research into users' motivations for participation. The problematic aspect of the concept of DBSs is how customers participate in the service and whether and how customer satisfaction is formed before the benefits are perceived. Ongoing research is therefore needed.

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