WELCOME TO THE HORIZONTAL REVOLUTION

When people discovered that dropping Mentos candies into a bottle of Diet Coke creates a geyser that shoots 20 feet into the air, more than 800 videos flooded the Internet to document the volcanic possibilities. The firm that manufactures Mentos gleefully welcomed a gusher of free publicity out of the deal. In contrast, Coca-Cola’s attorneys initially tried to shut down the video posts (Vranica and Terhune 2006). These efforts were fruitless. Today a Google search for “Diet Coke and Mentos” yields over 2.8 million hits.

Welcome to the horizontal revolution. Widespread access to personal computers, digital video and audio recorders, webcams, and smartphones enables consumers who live virtually anywhere in the world to create and share content with the rest of us. People post product reviews, meet in virtual worlds, or “check in” on geospatial sites such as Foursquare. Information no longer just flows vertically from big companies or governments down to the people. Today each of us communicates with countless others horizontally as well by a mere click on a keypad.

In what seems a lifetime ago in marketing years, this journal in 1998 featured a special issue on electronic commerce coedited by James Randall and Morgan Miles. Contributors envisioned a future that included the Internet as part of the marketing mix (see McGaughey and Mason 1998). Fast forward to today. That dawning era of Web 1.0 has been supplanted by Web 2.0, where a company’s Web presence is assumed and the electronic conversation is a multilane highway rather than a primitive one-way path. This transformation is, of course, enabled by social media—the means of communication enhanced by the anytime, anywhere benefits of the Web and mobile technologies, built around online communities, and based on interdependent relationships and cooperation (Tuten and Solomon 2013).

Web 2.0 bestows a powerful—and unprecedented—media voice upon consumers. However, the ability to engage in full-on content cocreation with marketers is a mixed blessing for managers. While consumers are more engaged in the messaging process, they also sit squarely in the driver’s seat as they dictate what, when, and how they will interact with marketing organizations (Mangold and Faulds 2009). Research in the early days of Web 2.0 highlighted the challenges marketers faced from uncontrolled corporate communications (Berthon, Pitt, and Campbell 2008; Melewar and Karaosmanoglu 2006); the recent blossoming of social media expands these challenges to a new order of magnitude.

However, there is a paucity of research on how organizations use social media to achieve brand objectives, as the focus of attention has been on end consumers (Michaelidou, Siomagka, and Christodoulides 2011). The main issue for companies is that they are not clear if or how to integrate “new media” with traditional media platforms despite a steady increase in marketing spend on these options. They know social media “works,” but they remain unsure how or when to replace or supplement other forms of communication with these emerging techniques.

MANAGING FOR MEDIA ANARCHY: A CORPORATE MARKETING PERSPECTIVE

Margaret Bruce and Michael R. Solomon

Social media allows users to interact and engage with corporations and brands in ways that would be unthinkable with any other communications platform. In a new environment of “media anarchy,” it is difficult to control corporate identities and brands. Assumptions underlying current approaches to corporate communications, which fail to take account of user-generated content, are severely challenged and require new models. We propose a taxonomy of “digital real estate” that acknowledges an expansion in the media options available to managers. Corporate communications specialists can employ this framework to help them to clarify their position as they confront the reality of media anarchy.

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Many companies, for example, are racing to link their corporate Web sites to Twitter and Facebook to promote brands and create brand communities to foster relationships and trust. Still the interactive effects of these strategies on mass media advertising campaigns remains murky (Kaplan and Haenlein 2010). Questions regarding return on investment of these methods, while tremendously important, are in our opinion eclipsed by a more fundamental issue: How can an organization develop a well-coordinated and deliberate communications strategy when it can no longer control the messages customers get about its products, services, or value proposition?

The dawning of the horizontal revolution means that marketing organizations no longer have the prerogative to manage for coherence. This is the traditional objective of an integrated marketing communications (IMC) strategy, where the goal is to maximize consistency of message content across consumer touch points (Dowling 1986; Schultz, Tannenbaum, and Lauterborn 1993). The reason for this change is simple yet profound: Marketing organizations no longer get to define their identities in the first place. Today it is far more realistic to think about managing for anarchy. By this, we mean that most companies—whether they acknowledge it or not—no longer own their brands or identities. They make them; they distribute them and communicate them, but consumers decide what they mean.¹

In this paper we document the key shifts and concomitant challenges that characterize today’s marketing communications landscape. Then, we propose a “digital real estate” taxonomy to demonstrate differences between traditional and new media that affect the strategic planning process. Finally, we highlight the principles of new media and point to some implications for management in an environment of media anarchy.

**CAN WE MANAGE FOR ANARCHY?**

Coca-Cola’s unsuccessful attempts to stifle unauthorized depictions of its Diet Coke brand in hundreds of consumer-generated videos illustrate the dilemma brand marketers face as they confront the horizontal revolution. The media landscape is shifting beneath us, and many organizations are in denial. Others scramble to confront the movement from a “one-to-many” model to one that embraces the “many-to-many” paradigm that social media enables (Shapiro 2011; Solomon, Marshall, and Stuart 2012).

Even those organizations that do recognize this shift do not yet have in place a well-articulated policy to deal with media anarchy. Like Mentos and Coca-Cola, they react ad hoc when the meanings consumers create and disseminate to thousands of others with the click of a mouse do not align with what they think their brand is about. While the prospect of fully managing anarchy is about as futile as herding cats, companies do need to be aware of the negative consequences of user-generated content. At the least they need to be especially vigilant about monitoring unregulated communications channels and where possible reinforce the brand’s ethical and social contributions to counter damaging claims.²

How do companies leverage new media platforms to communicate what they are and what they stand for—without getting burned in the process? The explosion of user-generated content on new media highways—Facebook, YouTube, Tumblr, wikis, and perhaps a new platform like a mobile app with Twitter and Facebook almost instantly relay the incident to millions of people globally. And once the meme is embedded in social media channels, it is nigh on impossible to withdraw.

The constant drumbeat of change is a mixed blessing for traditional marketers that have enough trouble managing their messages when they control the communications channels. Crisis situations such as the BP oil spill, product tampering, and recalls are difficult enough to manage via traditional media. With social media in the communications mix, the bar is raised exponentially as sites such as Twitter and Facebook almost instantly relay the incident to millions of people globally. And once the meme is embedded in social media channels, it is nigh on impossible to withdraw.
In a 2008 California Management Review article, Berthon, Pitt, and Campbell documented the ubiquity of user-generated content at that time. They described a new media world where amateurs post videos on YouTube or blog about what brands mean to them. They also raised a host of issues about the challenges that user-generated content may present to organizations.

As the Berthon, Pitt, and Campbell (2008) article illustrated, the horizontal revolution is indeed a mixed blessing for identity managers. One of the most exciting developments in the marketing world is the evolution of how consumers interact with marketers. Day after day we witness everyday people actually generating value instead of just buying it—consumers now play the role of advertising directors, retailers, and new-product-development consultants. They create their own ads for products and post them by the billions (literally) on YouTube. They buy and sell merchandise ranging from Beatles memorabilia to washing machines on eBay. They share ideas for new styles with fashion designers and customize their own unique versions of products on Web sites. Thousands proudly announce the latest apparel they have bought in “haul videos”—a subgenre of consumer-generated content that provides 15 minutes of fame to young people who “show and tell” all the great finds they scored on a recent shopping trip.

On the positive side, the information-rich and interactive qualities of social media affect key relational values of trust, satisfaction, and commitment (Bauer, Grether, and Leach 2002), which foster brand loyalty and communities. Such social media networks offer economic value for companies (Stephen and Tombia 2010) and generate word of mouth much more than do traditional channels (Trusov, Bucklin, and Pauwels 2009). Social media enables direct unmediated associations (Pitt et al. 2006), and this can support brands (Mangold and Faulds 2009). Companies can collect information and feedback from consumers who post on these channels to strengthen relationships (Enders et al. 2008).

On the downside, when such a radical shift occurs, this injects uncertainties into the system. As the masses gain control of an organization’s messages and user-generated content becomes part of the mainstream, customers may not spread the messages the firm wants stakeholders to receive (Hennig-Thurau et al. 2010), and these alternative narratives can diffuse rapidly (Muniz and Schau 2007). The stakes compound when people masquerade as company insiders to disseminate negative opinions. “Cybersquatting” (or “brand-jacking”) is increasingly common; this occurs when a biased party poses as an objective outsider to post unauthorized comments on the organization’s official Web site (McEleny 2009). ExxonMobil, for example, had to address this situation when an interloper who posed as an employee posted negative views of the company on Twitter.

Since Berthon, Pitt, and Campbell’s article in 2008, user-generated content is still with us—but in the space of a few short years the phenomenon has dramatically proliferated. Consumers increasingly define the narrative; they create their own original content, or parody what the organization intends to say about itself. The night before Chevron launched a new ad campaign in fall 2010 to tout its support for renewable energy and small businesses, spoof ads popped up online that shared the same typeface and layout. In these versions, pictures of laughing people (presumably overwhelmed by the oil giant’s benevolence) were replaced with harsh images of workers and children standing in polluted water or posing in front of a rusting oil barrel with messages such as “Oil companies should clean up their messes” (Mufson 2010). As Chevron learned, it is no longer enough to manage for coherence. It is the brand’s fans or foes who are in the driver’s seat.

FOUNDATIONS OF MEDIA ANARCHY

Two fundamental shifts in the marketing landscape contribute to this new reality of crowd-sourced corporate identity. Marketers need to understand both to be able to manage in an era of media anarchy.

Shift 1: Consumers Proactively Define Brand Meaning: Service-Dominant Logic Goes Rogue

Even after decades of brand equity research, most measurement schemes capture only a small set of fairly objective brand characteristics (such as favorability, top-of-mind salience, and uniqueness) to describe the market value of a brand. These qualities are important, but they fall a bit short when they try to explain why an Apple devotee will camp out in front of a store for days to await the release of a new iPhone model, or why thousands of people have their favorite brand logos burned into their skin as permanent tattoos.

Research in the alternate branding paradigm suggests that a brand obtains marketplace significance through venues beyond the ownership of isolated and unique category associations (Allen, Fournier, and Miller 2007; Fournier, Solomon, and Englis 2009). A brand can align with cultural tensions and against prevailing ideologies (Holt 2005). It can embed itself in the fabric of popular culture and hitch itself to evocative celebrities (McCracken 1989). It
can become entrenched in household habits and rituals (Chang Coupland 2005). Most important, a brand acknowledges the fundamental process of cocreation that characterizes many brands today (Payne, Storbacka, and Frow 2008; Prahalad and Ramaswamy 2004; Vargo, Maglio, and Akaka 2008) and recognizes the ties that exist between people or organizations that create social networks (Wasserman and Faust 1994).

The alternate branding theoretical perspective is highly consistent with the growing body of work on the service-dominant (S-D) logic of marketing (Payne, Storbacka, and Frow 2008; Vargo and Lusch 2004). S-D logic regards the customer as a coproducer of a service and marketing as a process of interaction with customers. Vargo and Lusch (2004) pointed out that a firm only makes a value proposition: It is up to the customer to determine the ultimate value of the offering on the basis of what they term “value in use.” S-D logic transfers the onus of production from the firm to an implicit partnership with the customer.

We propose that this collaborative S-D logic also applies in important new ways to media content. A prime example is the spate of television commercials that “real” consumers create for major advertisers such as Doritos. The ad it ran during the 2012 Super Bowl as an installment in its ongoing Crash the Super Bowl contest marked the third Super Bowl where a consumer-generated ad took the top spot in USA Today’s Ad Meter. The spot’s creator spent the grand sum of $20 to make it—that budget went to buy treats for his dog that starred in the commercial (Sebastian 2012). Numerous marketers such as Kraft Foods base ad content on consumers’ social media posts (Brady 2011). Or, as the Gap painfully discovered, customers who object to new ads or logos can create enough of a ruckus to force a company to quickly retract them (Bansal 2010).

One point of departure is our contention that new media platforms empower what we might think of as “rogue S-D logic.” By this we mean that consumers do not merely accept or reject a firm’s value proposition as Vargo and Lusch (2004) proposed. Instead, they create “value in use” independently of the focal organization—and, in fact, this value may be quite contrary to the organization’s objectives or desired image. In an era of media anarchy, we may be witnessing “the dark side” of services marketing theory.

A smattering of academic theorists acknowledges the centrality of the cocreation paradigm that highlights the importance of cultural arbiters in the process of brand meaning making. These include members of brand communities and subcultures, lifestyle and interest groups, media pundits, journalists, social critics, Hollywood producers, and more, who craft, clarify, and sort meanings for the brand, sometimes swamping marketer-controlled messages (Fournier 1998; Holt 2002; Kozinets 2001; Muniz and O’Guinn 2001; Muniz and Schau 2005; Solomon 1989, 2003). Holt (2004) offered perhaps the most comprehensive cultural account for the ascendancy of strong iconic brands such as Volkswagen and Nike. He described a strong brand as a story that circulates in culture, a narrative that somehow satisfies the deep-seated cultural zeitgeist of the moment.

Cocreation serves as the meta-process whereby meanings obtain relevance and significance as they resonate with the identity requirements of individuals’ constructed lives (Deighton and Kornfeld 2011). Put differently, strong brands “matter” to their users and the worlds in which they reside; they provide meanings that people need to make sense of their lives. Thus, consumers commonly create complex brand stories that reinforce the strength of cognitive links to the product (Escalas and Bettman 2000; Fournier 1998; Ritson 2003).

The raw material for these stories often emanates from events in mass culture that are well beyond the brand’s control. Harley-Davidson, for example, benefited tremendously from the famed riots in Hollister, California, in 1957, which were later codified in Marlon Brando’s rebel role in The Wild Ones. Since culturally generated meanings are innately more authentic and powerful, cultural meaning-making activity adds strength and stature to a brand (Holt 2004). In the ultimate testament to this dynamic, cocreated brand meanings fold back into the culture and themselves become part of the social discourse, thus contributing to cultural evolution over time. Budweiser’s “Wassup?” phrase is one well-known example of this phenomenon (Wasserman 2006).

Shift 2: Microsegmentation: The Fragmentation of Popular Culture

Conventional approaches to market segmentation originated with corporate pioneers (most notably General Motors) that recognized the value of developing separate business units to cater to the needs of relatively large, homogeneous targets. Today that approach is more problematic. Contemporary culture splinters into a constantly evolving myriad of microcultures, where consumers find common ground in finely defined lifestyle or aesthetic preferences.

We see this market fragmentation at the newsstand, where highly specialized magazines replace broad-based periodicals: for example, WWF (World Wrestling Federa-
tion) magazine gained 913,000 readers and 4 Wheel & Off-Road added 749,000. During the same time period Reader's Digest shed more than 3 million subscribers, while People dropped more than 2 million (Solomon 2013). Obviously, the proliferation of online platforms that enable and thrive on these shared commonalities contributes significantly to the fragmentation of consumer alliances—and the loyalty to these groups that constant digital contact facilitates (Humphreys and Kozinets 2009; McAlexander, Kim, and Roberts 2003).

These groups form tightly knit communities (even though they may be based exclusively online and the members will never physically meet). Fan clubs typically coalesce around an activity (e.g., “Tuners” in Los Angeles who are Latino or Asian car hobbyists), a media event (e.g., the television show Lost), or a cult brand (e.g., the now-defunct Apple Newton). As avid fans, they do not just wait passively for the next official press release or product launch; they stalk the creators, second-guess them on public forums, or even create their own versions. For example, numerous alternative movie versions of Star Trek as envisioned by the show’s fans either exist or are in production (Jenkins 2006; Muniz and Schau 2005). Members of a fandom are “the holy grail” to a company that searches for the highly (perhaps even obsessively) involved consumer. However, they also are the least likely to accept a company’s messages at face value.

Increasing market fragmentation, accompanied by other macro factors, such as the rise of a cross-country “mass class” and the emergence of a global material culture, make the use of traditional segmentation measures more problematic (Solomon 2013). As consumers increasingly allocate more of their waking hours to online activities (the average teenager spends well in excess of eight hours per day in front of a screen), their decisions about how to spend discretionary income are more influenced by the rapid-fire flow of digital fashion and Internet memes.

This makes it desirable to track the social footprint of consumers, that is, the trail they leave when they occupy digital spaces, including Web sites, blogs, social networking platforms such as Facebook, and virtual worlds such as IMVU. To the extent that these links pop up in a significant number of footprints, this provides a valuable source of insight about how consumers see the organization and how it links to microcultures. And as an added bonus, these analyses may unearth candidates for strategic alliances in unrelated verticals. For example, an apparel manufacturer that consistently gets included with a shoe brand in fashion “sets” on Polyvore (a social networking site with thousands of consumer-generated fashion catalogs) may discover a cross-promotional partner and tap into new synergies.

**A TAXONOMY OF DIGITAL REAL ESTATE**

Many identity managers yearn to ride the social media wave, but they may well encounter turbulence they did not anticipate. There is a fundamental trade-off at play here: On the upside, it is possible to reach many more people with a message that is inherently more credible because (ostensibly at least) it comes from trusted peers rather than self-interested companies. The allure of social media is obvious; very simply, it has become the way consumers learn about brands and organizations. One recent analysis tells the story quite succinctly: It reported that in a 12-month period ending in September 2009 U.S. consumers generated 500 billion online impressions regarding products and services (Bernoff 2010).

However, the organization that empowers masses of people to spread a message also relinquishes control over the content of that message. The mushrooming open source business model illustrates the sea change in this domain. This paradigm is rooted in the software industry where the Linux operating system grows by leaps and bounds—even IBM uses it now. Unlike the closely guarded code that companies such as Microsoft traditionally use, open source developers post their programs on a public site where a community of volunteers is free to tinker with them, develop other applications using the code, then give their changes away for free (Espiner 2009).

The ongoing epic battle between Apple, known for its iron-fisted control over its products, and Google, champion of the open source movement, for control of the smartphone market exemplifies the conflict between high-control and low-control business paradigms. The nonlinear diffusion of messages on social media platforms means that a meme (i.e., an idea that takes on a life of its own in a culture, such as Donald Trump’s “you’re fired” or the thousands of obnoxious LOL [laugh out loud] cat photos that bombard us online) reaches an inflection point where the subject of the message can no longer control it. Perhaps in the future historians will refer to this as “the WikiLeaks phenomenon.”

When we combine the two emerging dimensions of open source access and microsegmentation, we can plot traditional and emerging media platforms into four quadrants of “digital real estate.” In this scheme the regions we label “Gated Communities” and “Housing Developments” veer toward the attributes of traditional media, where the
corporation provides the information and consumers passively process it. In contrast, “Artists’ Colonies” and “College Dorms” embrace user interactivity and user-generated content, so that consumers engage with the media in a proactive manner to add to content and change the meaning and nature of the content—a core attribute of social media.

As we move beyond the initial “wow factor” of social media and start to realize the nuances that exist among different platforms, marketers need to engage in a more finely tuned audit of what they need to accomplish and what different platforms offer in service of these objectives. We advocate the use of a simple taxonomy like the one we propose here as a starting point to position the organization in the “metaverse” of media platforms. More important, learn from others in your digital neighborhood. Go beyond your immediate product form competitors; locate your organization in the digital real estate taxonomy. Closely examine the strategies of others who share your location. Identify other possible locations in the taxonomy to reposition your organization in a digital world, much as you would use a perceptual map to reposition a brand.

This taxonomy employs a value-based approach to distinguish among segments and could help to build stronger penetration and brand awareness than is currently the case (Michaelidou, Siomagka, and Christodoulides 2011). Figure 1 illustrates this taxonomy. We provide a thumbnail sketch of each quadrant here:

- **Gated Community**: A highly specialized platform where the sponsor tightly controls the content. At Sermo (www.sermo.com), registered physicians (only) can comment on medical issues and/or offer diagnoses for symptoms others describe. In this quadrant, the brand owner controls the forum for discussion and the nature of the interaction. It is not an open forum, but a closed and selective community where the interaction is managed and transpires among specialist members of a relatively small community. Strong ties and loyalty are evident and experts can endorse an offering or activity. A professional body where knowledge is shared is an example; work-based learning that occurs on an intranet is another.

- **Artists’ Colony**: A highly specialized platform where users’ preferences largely determine the content. At skinnyCorp (www.threadless.com), visitors peruse T-shirt designs that artists submit. They vote on their favorites and the company manufactures and sells the chosen designs; winning designers receive cash and notoriety. This is a value-driven community where co-creation to produce a premium offering can occur. Display of specialized knowledge such as being a wine connoisseur, or finding a rare collectors’ item, or sourcing a privileged and customized travel experience are examples. Platforms in this quadrant can harness “the power of crowds” to develop and fund new products and philanthropies; Kickstarter’s (www.kickstarter.com) success as a site that matches capital with artistic and creative endeavors is a recent illustration.

- **Housing Development**: A mass-market platform where the sponsor tightly controls the content. On network television channels, the goal is to maximize viewer volume while remaining vigilant about matching programming to the homogenized tastes of the modal viewer. This quadrant relies on mainstream channels that do not offer specialized or customized messages. However, these media can create general access to information or leisure activities and drive awareness of mass-market products, such as celebrity gossip sheets or lifestyle magazines.

- **College Dorm**: A mass-market platform where users’ preferences largely determine the content. Auction sites such as eBay match buyers with sellers with relatively little policing of items being auctioned. Interaction is with other users in the community and the ties within the network are loose. Active and passive lurkers exist and communication around a topical theme may be intense, and then subside, only to be resumed around another theme.

### Facebook Is Not a Digital Media Strategy

In the “Wild West” days of Web 2.0 we now inhabit, it is tempting for managers to assume that they can expand their digital real estate simply by creating a Facebook page (or maybe even venture so far as a Twitter account). In reality, social media offers many more options depending on an organization’s culture and the nature of its target audience. We believe the simple “digital real estate” taxonomy is a helpful way for companies to assess where they are and where they wish to be positioned within the new media landscape. This strategic positioning tool enables companies to decide the image they have, the message they wish to convey, and how they can engage best with social media. It moves beyond the typical entry point of Facebook to embrace the many options available in the burgeoning domain of social media. It allows an organization to benchmark these efforts to the correct set of media applications and to learn valuable lessons from other initiatives that inhabit the same quadrant.

Our view of digital real estate can help managers to identify media platforms that share some of the characteristics of those they currently employ so they can diversify. It enables them to be more aware of the distinct nature of different forms of consumer interaction to enhance consumer value, differentiate their own position, and clarify their purpose before they craft a specific media mix. In
addition, it encourages them to consider newer options that might deliver on the same communications objective with lower cost or higher reach. For example, a Facebook presence might be supplemented by a virtual world such as IMVU, where users can go beyond the relatively simplistic postings Facebook allows and toward a more immersive environment that ramps up customer engagement to an even great level (Wood and Solomon 2011).

More generally, this perspective provides some strategic options for corporate identity: Does the organization veer toward being more in control or incline toward an open source perspective? Does it engage a wide audience or specialize in tightly defined segments?

And, most importantly in the world of media anarchy, how does the organization adapt to managing corporate identity when many of these emerging platforms give customers full latitude to define who they are and what they mean? So, to refer back to our opening Mentos/Diet Coke example: Coca-Cola responded as a resident of the Housing Development quadrant (mass market, corporately controlled), while its strange bedfellow Mentos chose to think of itself as living in more of an Artists’ Colony environment (niche market, open source). In other words, the two firms involved in this “shotgun wedding” viewed the same situation entirely differently.

A USER’S GUIDE TO MEDIA ANARCHY

Some distinguishing characteristics of new media are their immediacy, one-to-one and direct nature of contact, and the ease with which they permit thousands or even millions of users to participate in a conversation about a product or service. As a result, a model that allows users to own content vies with broadcast media for promotional resources (Deighton and Kornfield 2011; Mangold and Faulds 2009). In addition, new media offers the capability to measure directly the impact of the message and to alter it even when it is still in the field; unlike traditional communications platforms, a new media campaign is always in “beta.”

From a media anarchy perspective, the emergence of these fluid messaging platforms challenges entrenched managerial philosophies. For example, the pervasive integrated marketing communication (IMC) perspective would likely advocate an embrace of social media within the promotional mix, as this approach advocates a coordinated approach to ensure reach and penetration (Schultz, Tannenbaum, and Lauterborn 1993). The raison d’etre of an IMC strategy is to deliver a consistent message at all consumer touch points with the brand, including television and radio advertising as well as outdoor and even internal...
cues such as employees’ uniforms and company stationery. In short, its focus is to manage for coherence.

The IMC approach evokes a not-too-distant time when brand owners dominated the messaging channels. It assumes that an optimum blending of these channels maximizes reach, that is, the sum is greater than the parts. But, it does not take on board the role of users in generating their own content, publishing their own views of brands, and interacting with each other independently of the brand owners.

Indeed, there is a paucity of conceptualization of the role of users in driving brand meaning in social media and how this then affects traditional media and brand experience and loyalty. Scholars who study corporate reputation traditionally focus on the construct of corporate identity: the distinctive persona of a company, its vision and strategy, culture, ethos, aims, and values (see Balmer 1998, 2001; Balmer and Soenen 1999). Analyses concentrate on the extent to which identity managers pull all these levers in a coordinated way to ensure that corporate identity is in sync with the image stakeholders desire.

For example, Balmer and Greyser’s influential ACID test framework identifies potential friction points between an organization’s communicated identity (“what we say we are”) and its conceived identity (“what we are seen to be”). ACID is an acronym for the four categories of actual identity, communicated identity, ideal identity, and desired identity (Balmer and Greyser 2006; Balmer, Stuart, and Greyser 2009). Balmer and Greyser (2006) note that a significant disconnect between any two of these identities can cause a problem for a company.

We propose that the horizontal revolution poses a new challenge to the ACID test. Today we must add a new dimension to this theoretical framework: collective identity (“who our customers tell us we are”). Collective identity transfers more control to consumers, who today possess the tools and the desire to codesign a brand in tandem with its owners.

MANAGING FOR ANARCHY IN ARTISTS’ COLONIES AND COLLEGE DORMS

A typical public relations campaign requires many hours of advance planning and a well-scripted platform to be sure that all the players stay on message. Mountain Dew’s recent “DEWmocracy 2” project that touched 69 cities in 30 days stands all that on its head. In this crowdsourcing initiative, consumers campaigned for one of three proposed flavors the company would add to its product line. The project team got the ball rolling on social media platforms, but fans determined which cities the tour would visit and the specific activities it would participate in such as skateboarding competitions, art exhibits, and sampling at concerts or sporting events. As a result, the campaign distributed about 60,000 samples of the Dew flavors, it made direct, in-person contact with more than 100,000 consumers, added 800,000 members to Mountain Dew’s Facebook page, and generated more than 1.5 million total impressions in person, online and through social media (Lukovitz 2010).

In a recent textbook, Tuten and Solomon (2013) articulate the major defining characteristics of social media. We borrow their list here, and draw some implications from it for corporate reputation managers who need to manage for anarchy should they choose to enter the still-evolving domains of Artists’ Colonies or College Dorms:

User-Defined Content

In these open source quadrants, content is categorized via folksonomies rather than taxonomies. This means that social media sites rely on users rather than preestablished systems to sort content. Folksonomies are sets of labels, or tags, individuals choose in a way that makes sense to them rather than using predefined key words. This process results in a tag cloud that enables others to search and retrieve information using tags that make the most sense to them personally. What is important for marketers is that it also provides information about the popularity of the tags people choose.

As Tuten and Solomon (2013) note, for example, Amazon.com organizes its shopping site according to a traditional taxonomy of product categories. These include categories such as (1) books; (2) movies, music, and games; and (3) computer and office products. Within books, one can further browse by genres such as nonfiction, literature and fiction, children’s books, biographies, and more. However, Amazon also empowers its users to organize and classify its offerings using their own tags, or folksonomy. These tags are entirely user generated, so users can search their own tags and the tags of others. The long-awaited best-seller The Girl Who Kicked the Hornet’s Nest, by Stieg Larsson, is categorized by Amazon’s taxonomy as Books: Literature & Fiction: Contemporary. In contrast, users apply tags such as murder trial, Swedish, strong women, mystery, conspiracy, adventure, and can’t wait to read. Visitors to Amazon’s site can use its search engine to find this book using Amazon’s established taxonomy, or if they choose they can simply search “can’t wait to read.”

Implications for anarchy management: The company should monitor “tag clouds” to stay on top of how consumers talk about the brand and the terms they use to classify it.
This will provide important insights about perceived market position and should be an early red flag if the buzz starts to turn negative. More generally, accept that user-generated content is here to stay. Rather than wasting resources to try to contain, curtail, and control this activity, embrace it. The company should engage with users: enlist loyal customers as brand ambassadors; understand the social footprint of users, as this will reveal how consumers’ view its brands and identity; and monitor the terms consumers’ use to categorize its brands and how it is presented. This may open up new market opportunities and enable the company to influence the meaning negotiation process as its consumers debate what the company stands for. Acknowledge that accelerating cultural fragmentation renders many common assumptions about homogeneous “taste cultures” obsolete. Understand how your brand fits or does not fit into evolving microcultures that are largely consumer generated.

Network Effects

Each additional user adds value for all users. Network effects enable organizations to leverage the value of crowdsourcing. Organizations benefit from the collective wisdom of crowds, but the network effect ensures that there is sufficient participation for the crowdsourced solution to be a good one (Surowiecki 2005).

Implication for anarchy management: The company should adopt crowdsourcing solutions and create prediction markets that mimic the structure of traditional stock markets (such as Intrade or the Hollywood Stock Exchange) in order to objectively assess the prospects for new products or messages (see Wolfers and Zitzewitz 2004). For example, Rite-Solutions, a software company that builds advanced command-and-control systems for the U.S. Navy, set up an internal prediction market in which any employee can propose that the company acquire a new technology, enter a new business, or make an efficiency improvement. These proposals become stocks, complete with ticker symbols, discussion lists, and e-mail alerts. Employees buy or sell the stocks, and prices change to reflect the sentiments of the company’s engineers, computer scientists, and project managers—as well as its marketers, accountants, and even the receptionist. Since participants buy and sell anonymously and there are real incentives at stake, the results tend to be more accurate and unclouded by political biases. One “stock” resulted in the development of a new product that now accounts for 30 percent of the company’s sales (Taylor 2006). More generally, the company should carefully consider the pros and cons of an open source model for its business. Management should assess corporate cultures in terms of risk tolerance and openness to NIH (“not invented here”) innovations. Develop a preemptive, consistent corporate policy and strategy to either nurture or plug the “leaks” that will occur.

Scalability

The system can expand capacity as needed without negatively (or at least minimally) affecting the contribution margin of the business. Amazon’s Mechanical Turk (MTurk) is a crowdsourcing Internet marketplace that enables computer programmers (known as “Requesters”) to coordinate the use of human intelligence to perform tasks such as image recognition or specialized language transcription that computers are unable to do.

Implications for anarchy management: The company should outsource creative work and use specialist media companies to get the capacity and capability to leverage social media to its needs. Social media specialists are increasing in number and developing their depth of knowledge as their demand for their know-how expands. These companies know how to reach users, get their attention, and build revenue. Brandmovers, for example, is an Atlanta-based company focusing on promotions and running campaigns that leverage the interactive nature of social media to build on user engagement and to cultivate brand loyalty through quizzes, competitions, and so forth. To stay ahead of the game, invest in capacity to scale corporate activities. Management should constantly refresh how the company is represented to ensure that it connects effectively with consumers.

Reputation Economy

In Web 2.0, users trust other users as a source of knowledge. Most active contributors to social media platforms do not receive a salary—but they do earn psychic income because they garner the respect and recognition of other users. This process creates a reputation economy where the value that people exchange is measured in esteem as well as in dollars, euros, or pounds. One analyst terms this new class of volunteer workers amafessionals (Penn 2009). Amazon’s user reviews, eBay’s reputation rankings, and other collective ratings serve as credibility scores for what we can trust online. Reviewers are powerful brand advocates. Everyone can participate, but everyone is also charged with policing the content. Furthermore, those who participate gain a form of “street cred” as power users; their reputations are at stake so their followers assume that suggestions are not made lightly.
Implications for anarchy management: The company should recruit loyal customers to serve as brand ambassadors. Gillette’s Fusion ProGlide sponsored a contest and enlisted two college students to tour the country to pitch the new razor (aided by a mobile sink) as they tweeted and blogged about their adventures (Silverstein 2010). Liquor conglomerates such as Pernod Ricard hire working bartenders as mixologists who push their brands in bars (Simonson 2010). More generally, management should adopt a corporate marketing approach that takes account of multiple stakeholders. Conduct ongoing identity audits among stakeholder groups. Compare and contrast the results, and integrate these insights into strategic discussions.

CONCLUSIONS: LEARN TO LOVE ANARCHY

Marketing professionals are increasing investment in new media to enhance loyalty and leverage the huge power of brand communities. Gaining differentiation through valued interaction with consumers is a recognized component of a sustainable marketing strategy. Within the conventions of an IMC framework, digital media needs to complement traditional channels, but the differences of approach therein needs to recognized, particularly within the dynamic of media anarchy. The taxonomy depicts the complexity of social media and maps out distinct segments that relate to different marketing objectives and build on both type of lifestyle and usage.

Obviously, much more conceptual and empirical research is needed within the domain of new media to theory build to address gaps in current understanding and to aid practice. The rapid emergence of “College Dorms” and “Artists’ Colonies” also will require significant revisions in academic theory. For example, the two vectors we have articulated—movements toward open source models and accelerated market fragmentation—call into question many of our field’s basic “gospels” in a variety of areas such as the following:

- The extension of S-D logic when consumers no longer merely accept or reject a marketer’s value proposition but rather propose their own version that may or may not align with organizational values.
- The continuum of consumer involvement (and widespread belief in brand parity within a product category) when consumers cocreate what they purchase.
- The logic of traditional market segmentation techniques and demographic/psychographic measures when consumers cocreate from identification with one microculture to another in rapid succession.
- The value of established brands and brand personalities when customers can literally create their own versions of these goods and services.
- The power of source effects in attitude theory as the locus of power shifts from easily identifiable corporate messengers to crowd-sourced communications.
- The coherence of established value chains in distribution theory when customers not only “pull” goods through the channel but also literally design their own customized versions.
- The strategic value of IMC and traditional public relations when organizations relinquish their ability to execute messaging campaigns in a coherent and systematic manner.

The tidal wave of user-generated content that now engulfs the media landscape takes us beyond core dimensions of the ACID test (Balmer and Greyser 2002, 2006). Decisions motivated by the ACID test’s actual identity component of “what we are seen to be” today move into uncharted territory: “We are what our customers tell us we are.” In this new world, corporate identity managers share the driver’s seat with those who used to be passive recipients of their messages. These newly empowered users now advocate for and against brands on a plethora of social media platforms. Messaging professionals need to understand (if not embrace) the new map of digital real estate and the amenities and liabilities that await them in each quadrant.

Learn to love anarchy.

NOTES

1. We use the term anarchy to connote the absence of one or more clearly identifiable leaders in a system, and not (hopefully) a secondary meaning that implies violence and lawlessness. We also distinguish this condition from the more familiar chaos theory, which focuses on closed systems that are highly sensitive to initial slight changes in initial conditions (see Doherty and Delener 2001).

2. This issue parallels the more widely acknowledged problem of consumer piracy. In this case, large numbers of individual access and consume content illegally (see Levin, Dato-on, and Rhee 2004). However, in these instances, they typically do not alter or augment the pirated music, books, or movies other than perhaps to modify the order in which they add individual music tracks to a playlist. Nonetheless, the recording, publishing, and movie industries also continue to grapple with the best policy to deal with pirating. They vacillate between aggressive prosecution and somewhat benign indifference to what seems to be an inevitable sea change in society’s definition of access to intellectual property.

REFERENCES


Michaelidou, Nina, Nikoletta Theofania Siomagka, and George Christodoulides (2011), “Usage, Barriers and Measurement...


