

08-017

**Digital Interactivity:
Unanticipated
Consequences for
Markets, Marketing,
and Consumers**

**John A. Deighton
Leora Kornfeld**

Copyright © 2007 by John A. Deighton and Leora Kornfeld

Working papers are in draft form. This working paper is distributed for purposes of comment and discussion only. It may not be reproduced without permission of the copyright holder. Copies of working papers are available from the author.

**Digital Interactivity: Unanticipated Consequences for Markets,
Marketing, and Consumers**

John Deighton

Harold M. Brierley Professor of Business Administration, Harvard Business School,

Boston MA 02163

Leora Kornfeld

Research Director, Mobile MUSE Consortium, Vancouver, Canada

September 26, 2007

Abstract

The digital interactive transformation in marketing is not unfolding, as many thought it would, on the model of direct marketing. That model anticipated that digital media using rich profiling data would intrude marketing messaging more deeply and more precisely into consumer lives than broadcast media had been able to do. But the technology that threatened intrusion is delivering seclusion. The transformation is unfolding on a model of consumer collaboration, in which consumers use digital media that lie beyond the control of marketers to communicate among one another, responding to marketing's intrusions by disseminating counterargument, information sharing, rebuttal, parody, reproach and, though more rarely, fandom. Globally the media of collaboration range from consumer review sites like Epinions and Trip Advisor, to collaborative networking sites like Bebo, Facebook, Orkut and Meetup, to trading sites like Craigslist and EBay, and user-generated content sites like YouTube, Cyworld, and blogs. This paper reviews five emerging paradigms governing marketing in the environment of these new media. It concludes that while meaning-making remains the central purpose of marketing communication, the shift from broadcasting to interaction within digital communities is moving the locus of control over meanings from marketer to consumer and rewarding more participatory, more sincere, and less directive marketing styles.

The decision to relaunch the Journal of Direct Marketing as the Journal of Interactive Marketing ten years ago was a response to a sense, not misplaced, that the Internet was going to disrupt the settled practices of marketing. If marketing's tools were changing, surely the marketing profession would change, and the topics that marketing scholars studied would follow in the wake of the new tools. What exactly were these tools and to what destination would they lead marketing? The prediction of the editors was that in essence they were tools for interaction between marketer and consumer, and therefore the tools could be imagined as very powerful, very inexpensive, and very responsive direct marketing tools. Direct marketing had allowed the marketer to act on the individual customer. Response vehicles like the telephone and the reply-paid postcard had allowed the consumer to reply. Interactive tools would turn this slow, clumsy and artless action-reaction sequence into many cycles of deft action and reaction. Direct marketing, so the founding editors conjectured, would become as fluid and as personal as conversation.

This article is not about how these early conjectures were right, although they were right to some degree. It is about how they were wrong. The really surprising and interesting events of the last decade from the perspective of marketing practice and theory have not had to do with better interaction between the marketer and the consumer. They have had to do with digitally enhanced communication among consumers, and between people and the world's information, and marketing has struggled to find a place on these new communication pathways.

The failure to anticipate the consequences of new non-marketing communication paths for marketing was, in hindsight, understandable. Marketing management tends to frame its view of the future from within a paradigm of control, asking not just about new opportunity but more urgently how can this new development hurt the old? So the burning question for a good deal of practice and consequently for academic research was what about disintermediation? Where would the center of marketing power reside after the Internet blossomed? Would the status quo survive, with power continuing to sit with the producer as owner of brands, or did the Internet portend revolution, with devolution of power to the channel, commoditization and diminution of the authority of brands? ‘Who owns the customer, brand or channel?’ was one way that the question was often posed. Few envisaged that the answer might be that the customer would own the customer and the Internet would give power to the people. An earlier technology revolution had given us marketer-to-consumer tools like radio, television and database-driven direct marketing. The Internet gave us peer-to-peer tools like Napster, eBay, Myspace, Youtube, Facebook, Craigslist and blogs, and information search tools like Google and Wikipedia. Mobile platforms gave us ubiquitous connectivity, text messaging, geo-spatial navigation self-guided tourism, and the ability to tag and annotate physical spaces with digital information. In sum, new traffic lanes had been built, not for the convenience of marketers but for consumers. They were not built with commerce in mind, although commerce has soon begun to investigate how to use them.

Yet commerce has had to enter these traffic lanes with caution. The marketer in peer-to-peer environments is an interloper, more talked-about than talking. At best its role is to

provoke conversations among consumers, and at worst it becomes the enemy, attacked with invective or parody. Today, as marketing strategy grapples with the question of how to work with social media, old paradigms die hard. Marketing may be less a matter of domination and control, and more a matter of fitting in.

This article first reviews briefly the early conjectures. Then it identifies five discrete roles for interactive technology in contemporary life, and five ways that firms interpose themselves into these lives in response. It discusses the media markets that form as each of these paradigms develops. In the concluding section of the paper it offers a theory in the form of an integrated account of the generative forces driving these five marketing paradigms.

The Early Conjectures

Ten years ago digital interactivity was maturing but interactive marketing was in its infancy. National digital information exchanges had been in place since the 1970s, the Arpanet protocols had been used since 1983, the Web protocols since 1989, and ordinary individuals had been surfing since the introduction of Mosaic in 1993. And yet interactive marketing was not yet a factor in the marketing practices of firms. In 1997 less than \$200 million was spent on advertising on the internet.

The conjecture that led to renaming this journal was that the future of marketing would evolve from the principles of direct marketing. The first editorial asserted, “The logic of

direct marketing has become – for industries from airlines to financial services to computer manufacturers - the logic of all marketing” (Deighton and Glazer 1997.) It went on to argue that “the explosion of digital technologies onto the commercial landscape in the past decade brings nothing fundamentally new to direct marketers; rather it fuels the shift from ‘crude’ broadcast marketing to interactive marketing. . . . When the marketer talks in digits to the consumer and the consumer responds digitally, the cost of direct marketing falls precipitously and its efficacy rises correspondingly – and in this way the sovereignty of direct marketing principles in marketing is more generally assured.”

The argument was not new with the founding of the journal. Blattberg and Deighton (1991) defined interactivity as the facility for individuals and organizations to communicate directly with one another without regard to distance or time. Deighton (1996) argued for three features of interactive communication, “the ability to address an individual and the ability to gather and remember the response of that individual” leading to “the ability to address the individual once more in a way that takes into account his or her unique response.” Interactive marketing research has flourished, and many of the topics that scholars studied were indeed on the path that led on from foundations in direct marketing, among them lifetime customer value, customer relationship management, and loyalty programs.

But this article claims that, for all that, direct marketing practice has been a poor parent for the academic discipline of interactive marketing. It taught us that computational

power belongs to the marketer, in the form of the database, the computer-driven publisher and the auto-dialer. But it neglected to notice that the digitally enabled landline phone, the cellphone, and the networked personal computer would give people countervailing computational power. They would give people the ability to run their social lives with the same technologies that direct marketers had used to disrupt their social lives. A technology as simple as Caller ID could become a barrier to unwanted calls. The implications of the Internet as a locus of person-to-person community, sometimes called Web 2.0, were vastly more serious.

We did not foresee that, as the interpenetration of the computational world and the social world accelerated, people would be running their private and social lives with vastly more information processing power than had ever been conceived in the standard direct marketing paradigm. The direct marketer's conception of the consumer, naked and exposed to intrusion by phone, mail and spam, and helpless against database surveillance, will be precisely the wrong conception to use in designing interactive marketing strategies in the future. Personal computing gives people the strength to defend. A new philosophy of marketing will be needed as the digital interactive era matures, one that owes little to the old.

Digital Interactive Marketing: Five Paradigms

The five emerging marketing paradigms are distinct from those that have traditionally interested marketers, the broadcast paradigm and the direct paradigm. They are

responses to the diminution of marketing’s power relative to the consumer in the new media environment. These paradigms acknowledge that people use media in ways that are more purposeful and more assertive than the ways that they used mass media and that allowed them to be so easily stereotyped as couch potato advertising audiences and interrupted-at-dinner telemarketing audiences. Words like ‘viewer’ and ‘listener,’ and others bequeathed to us by the era of centrally-managed media, are limiting. Indeed the word ‘consumer’ is of limited value in understanding the new context. The marketer needs to be alert to many roles that are played by the person who lives on the buying side of the buyer-seller dyad, because as marketing becomes more ubiquitous it encounters this person in roles that have nothing to do with consuming or being part of an audience or a market target. Therefore in what follows we shall use the word ‘person’ when we do not intend to limit the roles envisaged for the person who later becomes the buyer, and when we use a specific role descriptor like ‘consumer’ we mean that specific role.

In summary the roles we shall discuss are as follows.

Label	How people use interactive technologies	How firms interpose themselves to pursue marketing goals	Resulting digital media market
Thought tracing	People search the Web for information and entertainment	Firms infer states of mind from the content of search and serve relevant advertising.	A market in search terms develops

Ubiquitous connectivity	People integrate always-on computing into everyday life	Firms exploit information on proximity and pertinence to intrude	A market in access and identity develops
Property exchanges	People participate in anonymous exchanges of goods and services	Firms compete with these exchanges, rather than participating with them	A market in service and reputation and reliability develops.
Social exchanges	People build identities within virtual communities	Firms sponsor or co-opt communities	A market in community develops, competing on functionality and status
Cultural exchanges	People observe and participate in cultural production and exchange	Firms offer cultural products or sponsor their production	Firms compete in buzz markets

1. Thought Tracing

The interaction that matters in the marketing model pioneered by Google is between the person in search of information or entertainment on one hand and a vast body of right and wrong answers, or apt and unlikely diversions, on the other. When search leaves a trail, it is as if curiosity itself is revealed. The search engine knows what is on the person's mind.

Sometimes the person who searches has consumption on their mind. Some research suggests that 40% of web searches have a commercial motive and 70% of all Internet transactions originate with a web search (Bartley and Weinstein 2003.) If so, the

opportunity to assist the search is the point at which consumer-to-data interaction becomes consumer-and-marketer interaction.

The commercial success of Google has demonstrated how useful it is to be able to perform surveillance on the paths people follow when they are searching for answers on Websites. Its AdSense product has provided a source of revenue for all kinds of special-purpose searcher lures. For travelers there is Tripadvisor, for cosmetics users Makeup Alley, for those choosing among consumer products ranging from juicers to digital cameras there is ePinions and for romance there are such sites as match.com, Lavalife, eHarmony and Plenty of Fish. It has enabled all-but-free matching of buyers and sellers on Craigslist.

It is likely that domains beside websites will start to become searchable. Dourish (2001) anticipates a future of “context-aware” computing in which computation and interaction are distributed through the environment and not concentrated on the desktop. In this view the physical environment of a person is augmented with computation that can respond to needs and activities. Already museums and galleries are becoming searchable. Tourist sites, which are in a sense museums without walls, are becoming searchable. Several American cities including New York, Boston, Chicago and San Francisco, offer self-paced walking tours on cell phones in which landmarks can be “clicked on” if the tourist wants information. To some degree well-trafficked parts of large cities are becoming searchable by tourists, and the curiosities of tourists are, if not today then soon, becoming observable.

Thus what we reveal today about ourselves and what is on our minds as we search for answers generally may very soon be (and already is in the case of museums and tourist sites) available to marketers in exactly the sense that it is available to marketers through Google, as a clue to our thoughts, goals and feelings.

2. Ubiquitous Connectivity

The model just described, in which the cellphone performs as life's remote control device to permit interaction between portable or even wearable computing power on one hand and databases embedded in the environment on the other hand, is just one manifestation of a more pervasive change in the marketplace, mobile marketing enabled by ubiquitous connectivity. In this paradigm people are potentially audiences for persuasive communication not just when they are searching. Ubiquitous computing makes them always on.

Adoption of always-on computing technologies is likely to be rapid as prices fall. Pagani (2004) found for example that perceived usefulness, ease of use, price, and speed of use are the most important determinants of adoption of multimedia mobile services based on the 3G mobile phone platform. But there are countervailing forces. Barwise and Strong (2002) argue plausibly that without a system to obtain permission from users of these mobile devices, multimedia mobile services will not realize their potential. Certainly the pervasive failure to commercialize technologies to enable proximity marketing suggests

that the fact that every waking moment can in principle become a point of marketing influence does not mean that it will.

The argument, very simply, is that when a person is ubiquitously connected to the Internet, the person is by default always in the market, always available to be communicated with, and always an audience. In reaction, people look for ways to escape the default state of perpetual vulnerability to intrusion, and technologies emerge to do the job. One such technology is known as attention banking. The general idea is that a software agent can sit between the individual and the siren calls of marketers, rationing which appeals come to the individual's attention (Farber 2005).

Thus in the same way that advances in offensive military hardware inspire neutralizing advances in defensive hardware, so the plight of the ubiquitously connected individual inspires the invention of ways to selectively disconnect from the marketplace, and in so doing places in the hands of individuals the power to put a price on their attention. A market in access emerges.

3. Property Exchanges

The two paradigms just described change the rules of marketing but do not entirely destroy the family resemblance. In both those cases there remains the essential relation of predator to prey. The marketer wants something to happen, and the consumer is at

least unawares, commonly evasive, and at most outright hostile to what the marketer wants them to do.

In the next three paradigms, if the marketer wants to thrive it has to be by becoming an ally, someone who is welcomed into social or cultural life and is, perhaps, even sought out as someone with cultural capital. All three are paradigms built on peer-to-peer interactivity motivated by the desire to exchange, to share information, or express one's self and in the process acquire standing in the online community's reputation rank.

The property exchange in ideal form is represented by the phenomenon of Napster and the concept of file sharing. In this pure form the exchange is anonymous – what's mine is yours and yours is mine in a utopian community without private property or status games, and in that pure form it collided quickly with rights holders in the wider world. Its more survivable forms emphasize private property exchanged in markets or cultural capital built in communities, as anonymity gives way to varying degrees of reputation and identity, and free exchange gives way to priced exchange. At the market end of the spectrum there is eBay, and at the communal end are Flickr and Youtube.

Definitionally, however, this category is distinguishable from the two that follow because it is driven by a distribution motive, the need of ordinary people to have access to the same distribution power once the exclusive preserve of firms. Interactive technologies allow people to share or exchange. Marketing understands distribution and the value of controlling channel proliferation, and initially it looks askance at public exchanges like

eBay because it does not welcome distribution of second hand goods, seeing resale as competitive with the first sale. It overlooks public exchanges like Flickr because they do not seem to distribute anything of marketable value. Over time, however, it learns to work with peer-to-peer public exchange. Firms like Dell use eBay as a direct-to-consumer channel, and music publishers license colleges to distribute their products under all-you-can-eat pricing.

4. Social Exchange

A decade ago surely the least anticipated commercial consequence of digital interactivity was the digital virtual community, distinguished from the property exchange by the fact that participation is driven by broader social exchange motives. Korea's Cyworld is, arguably, the most compelling example, showing how pervasive the phenomenon can become when computing costs are low and broadband connectivity is almost universal. Forty percent of all Koreans maintain a Cyworld presence, and 90% of Koreans in their 20s, generating \$100 million in revenues each year (Wikipedia 2007). Cyworld has become an infrastructure for the enactment of elements of Korean social life, and arguably could become as transformative as the telephone and the automobile were in their times. Whether or not digitally enabled social exchanges will change society and therefore markets as much as the automobile did, they certainly enable new patterns of interaction in which interest groups can form without geographic limit.

Myspace was illustrative of this concept in the United States in the early part of this decade, and was overtaken (as measured by total monthly traffic) by Facebook based on functional superiority. A person's Facebook site presents a face to the world, including information about whereabouts and action and a "wall" on which friends can post short, often time-sensitive notes, allows people to exchange gifts, provides a marketplace, and allows posting of photographs and video clips. The chief executive of Facebook, Mark Zuckerberg, described the site as offering a new medium for contextually relevant advertising, "Advertising works most effectively when it's in line with what people are already trying to do. And people are trying to communicate in a certain way on Facebook — they share information with their friends, they learn about what their friends are doing."

We can distinguish between three kinds of interaction in social exchange of relevance to marketing – communal, instrumental and voyeuristic. (In digital communities even voyeurism is interactive because presence can be detected digitally.) Nielsen (2006) suggests that 1% of web interactivity is truly communal, 9% is instrumental (using a community for some temporary advantage) and 90% is watching others being communal. Muniz and O'Guinn (2001) remind us of three community commonalities –consciousness of kind, shared rituals and tradition, and a felt sense of duty or obligation to the community as a whole. Very few people belong to online social exchanges in this sense.

More prevalent is the instrumental social group (Bagozzi and Dholakia 2002). Groups form around software, technology platforms, and products such as automobiles and

gadgets to share tips and help novices. Some are sponsored by manufacturers and some aggressively preserve autonomy from manufacturers, but all are environments in which the work of marketing can be advanced.

Most commonly, the form of digital interactivity of most interest as a marketing medium is word-of-mouth communication. Brown, Broderick and Lee (2007) observe that “word of mouth is a major part of online consumer interactions within the environment of online communities,” and go on to argue that our understanding of person-to-person communication may not describe well its role in evaluation and purchase of products online. “Individuals behave as if Web sites themselves are primary ‘actors’ in online social networks and that online communities can act as a social proxy for individual identification.”

Digitally enabled social exchange is likely to spread beyond the desk as connectivity becomes ubiquitous. Museums and galleries and other cultural spaces are test beds for technologically enabled interactivity. They are social spaces created by intricate ecologies of experiences, artifacts, and past and present voices. Increasingly mobile devices utilize ambient and tactile display, as well as location and communication systems to foster both purposeful and playful interaction. (e.g. Petrelli et al 2001, Aoki et al 2002). Perhaps because nothing is for sale, social patterns are more salient than in markets. The impulse to use technology to forge community is seen in the work of Vom Lehn (2005) on interactivity as it is observed among users of museum technologies; he observes that the main interaction often happens not between visitor and machine but

between visitor and visitor, or visitor and staff member, as a result of either wanting to share what they found on the screen, asking a friend to help them with the task, or requiring assistance from a museum staff member.

5. Cultural Exchanges

Digital interactivity creates new opportunities for the marketer to contribute to culture. It would of course be quite wrong to say that that marketing gave nothing to popular culture before the Internet. But in an earlier era, the influence of advertising was often incidental to a more urgent persuasive purpose. Water cooler conversation might be given a little edge by the weekend's Superbowl ads, and "Where's the beef?" could migrate from fast food advertising to electioneering rhetoric and back. Ideas flow faster on networked channels, when the water cooler is replaced by email chatter, blog gatherings and Myspace outposts.

In this paradigm marketing is a cultural producer. Just as an author puts into circulation words that do not become ideas except in the minds and hands of readers who make them over for individual or social purposes, so marketing in this paradigm aspires to be an author in the culture of its customers. For marketing to play this role it needs to be welcomed, not resisted.

An early instance of a marketer who assumed that people could be relied on to embrace, not fight, brand-building communications if its content was engaging was Jim McDowell,

who led BMW's initiative to hire major Hollywood directors and actors to create short films (Moon 2002). The films did not run on television or in theaters, but were downloaded from the Internet. In the summer of 2001 about nine million downloads were recorded with an unduplicated audience of two million. Traffic to the website was driven by media advertising of \$14 million and production of the films was estimate to cost \$15 million.

Buzz marketing is an umbrella term for the mobilized power of the culture to pass on a marketer's message, an easy task in today's templated and networked environment in which rich media applications can be passed from person to person with extreme ease. In this model individuals don't feel as if they are receiving advertising messages. Rather the impression is one of a friend passing on a feature or sequence that is novel, entertaining, and very much of the moment.

Consider for example Office Max's "Elf Yourself" campaign in the Christmas 2006 season and the Summer 2007 launch of the new season of the A&E network program. Criss Angel: Mindfreak. In the first case people were invited to embed a personalized audio message and a digital image of their face into an animation of a dancing elf in Christmas green and red outfit. During the campaign's five week run, 26 million visitors were registered, peaking at 200 hits per second. Coverage followed on CNN, VH1, USA Today, and Entertainment Weekly. OfficeMax responded tongue-in-cheek to the attention in a full page ad in the Wall Street Journal on the first workday after the holiday season. "OfficeMax would like to publicly apologize for the recent drop in global

productivity”, began the advertisement, and went on to encourage workers to return to their pre Elf Yourself level of productivity, and to visit OfficeMax should they require calendars or shredders to help them get organized.

Building on the Elf Yourself technology and bending delight into trickery, the A&E cable television network launched a campaign at freakyourmind.com in the Summer of 2007 to promote the season premiere of the “Criss Angel: Mindfreak”. In contrast to playfulness of the Elf Yourself campaign, freakyourmind.com recipients were tricked into believing that their mind was being read, live on the website. The secret was that personal information about the recipient had been entered by the sender. Software used the personal information to dynamically generate unique videos from a database of video elements, creating the illusion of mind reading. Interoperability between the website and an automated telephone system caused the recipient’s phone to ring after the mind reading episode on the website with a message from Criss Angel reminding people to watch the season premiere of his TV show. According to statistics cited in Adweek, close to 50,000 videos were dynamically generated each day of the campaign, and viewership for the season premiere increased by 18%.

These examples were brief episodes, and their relation to brand meaning was tangential at best. In contrast, Unilever’s Dove brand ran a series of Web-integrated communication initiatives over the years from 2002 to the present that fundamentally redefined the brand. In what it described internally as a shift from a functional brand positioning to a brand with a point of view, it confronted the beauty industry with the charge that its

communications had been undermining the self-esteem of its users by setting and propagating unrealistic standards for female beauty, and offered instead what it termed the Campaign for Real Beauty (Deighton 2007). In particular it developed two video products, one featuring pre-teen girls describing their anxieties, and another, captioned 'Evolution' in which a plain woman is transformed by cosmetics and photographic techniques into an icon of stereotypical beauty. These advertisements were widely disseminated on video hosting networks like YouTube, Soapbox, Break.com, Vimeo, Jumpcut, Blip.tv, Metacafe, and Revver, and in addition generated a number of parodies and tributes, both by amateurs and on network programs of Oprah Winfrey, Jay Leno, David Letterman and Conan O'Brien.

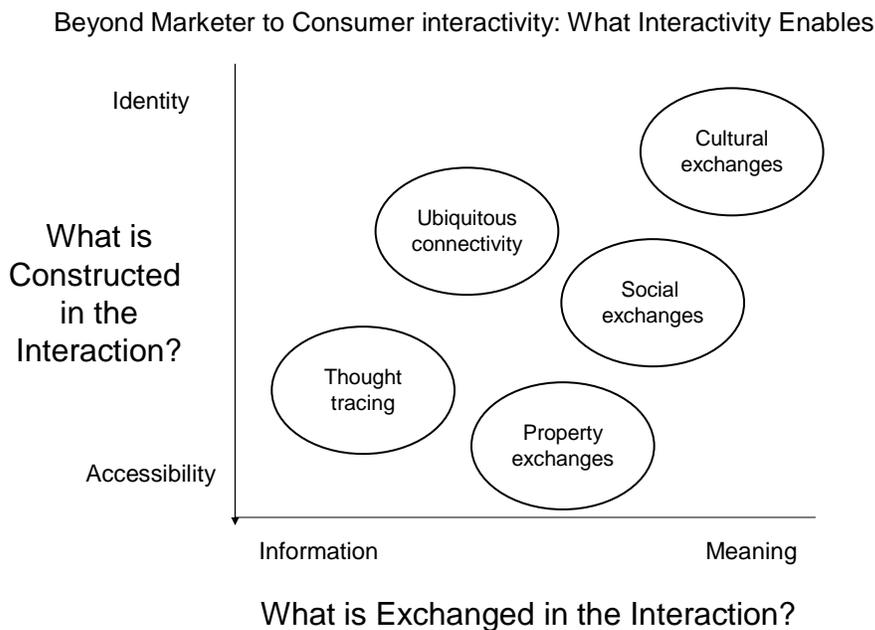
On a much more limited scale in 2007 Unilever's Sunsilk shampoo placed a video on Youtube titled *Bride Has Massive Hair Wig Out*, which showed a bride-to-be reacting in horror to her wedding day hairstyle and hacking at it with scissors as bridesmaids tried to stop her. The video, which appeared to be an amateur production and contained no brand references, soon accumulated three million Youtube visits and replays on talk shows. With its celebrity assured, a Toronto production agency revealed that the episode was staged and termed it a "net seed," intended to highlight the word "wig out" so that it would have resonance when used later in conventional advertising for Sunsilk hair products.

The technology underlying each of these phenomena is merely an enabler of easy interaction with the content and between and among the viewers. If the campaigns are effective (and many appear to be) we conjecture that it is because the interactivity leads

to engagement by the audience in co-production of social meaning, and harnesses the psychological consequences of co-production which, while well-documented in the production of services (Bendapudi and Leone 2003) are less studied in the co-production of meaning.

General Discussion

The paper has argued that developments in interactive technologies in the past decade lead to the conclusion that direct marketing is not the appropriate ur-model for interactive marketing. Five categories of phenomenon have been identified inductively from the landscape of contemporary marketing practice. Is there a general model that integrates these practices? In the figure below we offer two factors that account for the five forms.



The first factor we employ relies on a distinction between information and meaning proposed by Wolfe (1994). Wolfe argues, in a distinction particularly powerful as we grapple with the limits to the information age, that information is what machines can pass back and forth, or construct by analysis, while meaning is what only people can make. Meaning, as he defines it, is a macrophenomenon that involves making larger sense out of smaller bits, while information reduces larger complexity into smaller, and presumably more manageable, units. Information communicates through signs; meaning, through symbols. For those who seek information, context is only noise; for those concerned with meaning, context is everything. Information and meaning, in short, work at cross-purposes. Communication is possible within the terms of information theory, but interpretation is not. Information can only be processed, not read. The act of reading from the perspective of information processing technology, with no interpreting self interposed between text generation and text storage, is the transmission of noise.

Monitoring interaction at the level of thought tracing in this view, even if it is aided by Google's algorithms, limits the marketer to the realm of information. But the marketer desires to operate in the realm of meaning because marketing in its fullest sense is the making of meaning. Monitoring of interaction in a world of ubiquitous connectivity does not solve the problem. It increases the amount of information available to marketing but it does not alter the capacity to infer and construct meaning.

Wolfe goes on to argue that community is integral to meaning-making. He contends that because the world is infinite in its possibilities, we never capture it perfectly in the way we individually represent it to ourselves. This impossibility forces us to turn to others and to triangulate across facets of meaning, a social act that binds us together in interpretive communities. Meaning, so it seems, is a cultural idea, not a psychological idea. Thus the five categories of interactivity that we have identified from practice can be arrayed linearly on a scale that measures the power to make meaning, and therefore the power to effect marketing transformations on a marketplace.

The second factor we use to distinguish among categories of interaction is the extent to which the category employs or enables identity over mere accessibility. Interaction, as we have argued earlier, necessarily involves the ability to recognize a person on a second encounter so that the parties to the conversation can maintain the thread of the dialogue. Simple kinds of address, for example cookies or email locators, are all that is needed to manage simple recognition. Mobilizing the human need to assert and present to the world a self-serving identity entails more than a cookie. It depends on the ability, opportunity and motive to manipulate one's personal reputation. Thus the five categories of interactivity can be arrayed linearly on a second scale, one that measures the power to mobilize identity.

In conclusion our analysis of interactive practices points to a progression up and to the right in the figure. This integrative picture privileges some of the emergent interactive forums over others from the perspective of marketing. In particular, the most potent of

the new media are those that enable cultural exchange, media currently exemplified by the functionality of Youtube and Facebook. What matters, this analysis concludes, is that the form of interactivity most attractive to marketing is that which can facilitate peoples' identity projects and contribute to the collective making of meaning.

References

Aoki, P. M., Grinter, R. E., Hurst, A., Szymanski, M. H., Thornton, J. D., and Woodruff, A., (2002). *Sotto Voce: Exploring the Interplay of Conversation and Mobile Audio Spaces*. Proceedings of CHI 2002. ACM Press, 431-438.

Bagozzi, Richard P and Utpal M Dholakia (2002), "Intentional social action in virtual communities," *Journal of Interactive Marketing*. 16(2) 2 – 21.

Bartley, Chad and Steve Weinstein (2003), "High growth in search creates opportunities for niche players," *Pacific Crest Securities*. 11.

Barwise, Patrick, and Colin Strong (2002) "Permission-based mobile advertising," *Journal of Interactive Marketing*. 16(1).14 – 24

Bendapudi, Neeli and Robert P. Leone (2003), "Psychological implications of customer participation in co-production," *Journal of Marketing* 67(1) 14 – 28.

Blattberg, Robert C., and Deighton, John. (1991). Interactive marketing: Exploring the Age of Addressability. *Sloan Management Review*, 33(1), 5-14.

Brown, Jo, Amanda J. Broderick and Nick Lee (2007), "Word of Mouth Communication Within Online Communities: Conceptualizing the Online Social Network." *Journal of Interactive Marketing* 21 (3) 2 – 20.

Deighton, John (1996). The future of interactive marketing. *Harvard Business Review*, 74(6), 131-161.

Deighton, John (2007), "Dove: Evolution of a Brand." Boston, MA: Harvard Business School Press.

Deighton John and Rashi Glazer (1997), "Editorial," *Journal of Direct Marketing* Summer 11(3).

Dourish, Paul (2001) "Seeking a foundation for context-aware computing" *Human-Computer Interaction* 16(2-3)

Dourish, Paul (2001), *Where The Action Is: The Foundations of Embodied Interaction*. Cambridge, MA: MIT Press.

Farber, Dan (2005), "Getting a piece of the action: The attention economy," *ZDNet* <http://blogs.zdnet.com/BTL/wp-trackback.php?p=2280> visited August 29, 2007.

Moon, Youngme (2002) "BMWFilms," Boston, MA: Harvard Business School Press.

Nielsen, Jakob (2006), "Participation Inequality: Encouraging More Users to Contribute,"
http://www.useit.com/alertbox/participation_inequality.html visited August 29, 2007.

Pagani, Margherita (2004), "Determinants of adoption of third generation mobile multimedia services," *Journal of Interactive Marketing*. 18(3), 46 – 59

Petrelli, D, Not, E. Zancanaro, M, Strappavara, C, Stock, O (2001), Modeling and Adapting to Context. *The International Journal of Personal and Ubiquitous Computing*, 5, 20-24.

Thompson Craig J , Aric Rindfleisch and Zeynep Arsel (2006), Emotional Branding and the Strategic Value of the Doppelganger Brand Image, *Journal of Marketing*. 70(1) 50 –

Vom Lehn, D., Heath, C., & Hindmarsh, J. (2005). *Rethinking interactivity: design for participation in museums and galleries*, Work, Interaction & Technology Research Group, King's College London, from Re-thinking Technologies in Museums at <http://www.idc.ul.ie/museumworkshop/>

Wikipedia <http://en.wikipedia.org/wiki/Cyworld>. Visited August 29, 2007.

Wolfe, Alan (1994), *The Human Difference: Animals, Computers, and the Necessity of*

Social Science. University of California Press.