

Information Exchange

(excerpt from Person-to-Person Exchanges over the Internet)

E-Commerce and Marketing

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INTRODUCTION

Throughout history people have looked for ways to exchange ideas, goods, services, and money. This exchange process has helped human civilizations grow and prosper. With the dawn of computers and, subsequently, the Internet many new avenues are made available for people to exchange their products on a person-to-person basis. Pitta & Burnson (2003) suggest in the early days of the Internet some people thought that individuals would not want to trade with others that they did not know. There are many examples that you could use today to dismiss this idea, but Ebay is probably the most well known. “Ebay claims 25 million members and \$14.9 billion in merchandise sales in 2002” (Miller 2003). Pitta & Burnson (2003) later suggested that, apparently, people do want to sell items to people they don’t know, but in the process of selling items to them they built ongoing relationships with their customers from all over the world. For example, Ebay hosts 20 non-US sites. Person-to-person exchanges through the Internet are increasing every year. “According to Websense, the number of peer-to-peer file sharing web pages has increased by more than 300 percent in the last 12 months” (Hyman 2003). With person-to-person exchanges on the rise, so are the issues and controversies that are associated with such exchanges. This paper will examine several issues of person-to-person exchanges including the technology involved, the current legal environment, exchanges of goods and services, exchanges of information, emotional exchanges, and recreational exchanges.

INFORMATION EXCHANGE

In this section, information is examined as a type of resource which may be exchanged by two (or more) individuals over the Internet. Different categories of information exchange will be evaluated. These include special interest groups, consumer criticism, fan sites, and amateur

news reporting. While many common threads run through each of these topics, an attempt will be made to illuminate the characteristics which distinguish one from the other. Additionally, this section of the paper will examine some of the marketing opportunities and legal issues presented by each category of information exchange.

Special Interest Groups

Special interest groups (also referred to as news groups or usenet groups) are collections of people who exchange information about various topics over the Internet (Coupey 2001). These groups are often classified by content focus (such as cultural issues, arts, and recreation) and then organized according to more specific subtopics. This is a powerful, two-way communication tool which can be used for acquiring free information quickly. This information can take a number of different forms, ranging from medical advice to automobile repair instructions. Special interest groups can also exist on personal websites facilitated by a new software technology called “blogging” (Von Sternburg, 2002). This software allows for the creation of a live, online journal which people accessing the site may post messages to.

In a recent medical study, six researchers were able to provide empirical data which demonstrated the positive effects of a discussion group focused on issues relating to chronic back pain. The study, which was done over the course of an entire year, showed that the information exchanged between different members of the group led to improved health as well as a decrease in professional health care needs (such as hospital visits) (Lorig, Laurent, Deyo, Marnell, Minor, and Ritter 2002).

While non-commercial in nature, special interest groups do provide a number of different opportunities for marketers. In terms of content, a group can serve as a rich source of secondary

research data. A marketer working for an automobile manufacturer, for example, may be able to gauge the public's enthusiasm for alternative fuel vehicles by observing activity within an automotive or environmental news group. In her book, "Marketing and the Internet," Eloise Coupey (2001) points out that "marketers have long counted on networks of consumers to spread favorable word-of-mouth (information) about products." Influencing an "e-fluential" (a respected and prominent member of a group) may, consequently, provide a catalyst for a viral marketing campaign in which the number of people made aware of a certain product or service is compounded over a short period of time.

Consumer Criticism

Another purpose which a special interest group may serve is as a forum for the criticism of commercial products and services. A number of different websites post consumer reviews for anything from tools to television shows (Jackson 2000). These websites provide power to consumers in two ways. First of all, they allow them to communicate directly with people who have already purchased and used the specific product (or service) in question. Secondly, they allow them to compare competing brands in a way which was not possible prior to the emergence of Internet technology. Such websites range from the independently published *2 Walls Webzine* (ArmChairReviews.com) to commercially sponsored websites such as ConsumerReviews.com. The latter, maintained by California based E-centives Incorporated, hosts and categorizes consumer reviews for a multitude of different products. To make the website profitable, however, E-centives provides advertising and data mining services to private companies.

Online consumer information exchange provides a way for product awareness to circulate rapidly, however, it can also have a negative effect on commercial organizations and, sometimes,

hinder the efforts of their marketing staff. In a recent legal battle, a California based company sued individuals who had posted defamatory comments about the company on an Internet message board which, they claimed, had damaged them economically (Sandburg 2001). Even though the company did not win their case, the judge stated that the ruling did not “necessarily foreclose defamation cases against individuals” (Sandburg 2001).

Fan Sites

Fan sites provide another way for consumers to evaluate commercial “products” in a somewhat different sense of the word. Unlike the evaluations mentioned in the previous discussion, however, fan sites are almost always intended for praise. Fan sites function, largely, as online newsletters which focus on the life and work of actors, musicians, and other public figures. Additionally, these websites may revolve around various types of intellectual content such as books and movies.

A search for “Britney Spears fan site” on Yahoo.com brings up 1,070 website links. One of those sites, “Bonita Spears,” is maintained by a sixteen year old girl named “Karissa” from New Jersey. The site features a biography of her favorite pop star as well as current news, images, message boards, poems, and links to other sites.

Fan sites provide numerous marketing opportunities. Some independently maintained websites have propelled a handful of low-budget movies (such as *The Blair Witch Project*) into the mainstream at no additional cost to the movie studios (King 2001). Media organizations and their marketing staffs do have concerns about this new phenomena, however. When control over promotion slips out of the hands of the media organization, it affects their ability to synergize all of the media advertising and unify the marketing messages (visual or otherwise) which are

being sent out to the public. In 1997, Viacom was concerned about this and threatened to prosecute *Star Trek* fans who were using copyrighted images to build their own websites (Boscardin 1997). Two years later, however, when fans of *Lord of the Rings* began doing the same thing, the studio executives responded with enthusiasm (Flynn 1999). Such fan sites have become so influential in the movie industry, in fact, that they have prompted a rash of unscrupulous marketing tactics. These include everything from the creation of fake fan sites (Flynn 1999) to the dispatch of “moles” which post positive reviews on legitimate sites (King 2001) and negative reviews on sites which promote movies released by rival studios (Stentz 1999).

Amateur News Reporting

One of the concerns regarding the ongoing consolidation of media organizations has been the ability for critical, balanced, and unbiased news reporting to co-exist with corporate interests (McManus 1994). Internet technology, however, has provided an extremely cost-effective vehicle for the distribution of news content. As a result, many journalists and independent news organizations are taking advantage of this new found freedom.

“If you’re progressive, and you understand the relationship between issues and getting the story out for public awareness and education, you know it’s not happening through the corporate media,” says Sheri Herndon, a founding member of the Independent Media Center (IMC) (Rosner, 2001). IMC was founded in Seattle in 1999 to cover the protests at the World Trade Organization summit and has since grown into a network of over 50 chapters around the world. Their website, indymedia.org, will post reports and photos which are sent from independent sources -- most often ones that are at the scene of a developing news story. While the writing and overall presentation is less polished than that of the corporate news media, IMC’s content is

distinguished by a unique sense of candor.

IMC represents a highly organized network of amateur journalists, however, blogging software (mentioned previously) has facilitated the creation of similar networks of smaller groups. In the days after 9/11, blog traffic soared due to many people's frustration with the mainstream media (Von Sternburg 2002). According to some media scholars, this is a point of frustration for the United States Government who, until recently, have been able to manage the press and, consequently, public opinion with varying degrees of success (Cobb 2001). Because of the Internet, blocking the flow of information is no longer possible -- regardless of whether or not that information comes from a foreign news source (such as the Arab network *al-Jazeera*) or from an individual posting an eye-witness account to a blog.

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