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Standing Out In The Crowd: Competing in the dynamic marketplace of cultural products

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Geographers have been endeavoring to understand the complex relationships between cultural production, consumption, society and space for some time. In particular, they consider the ways in which cultural products generate and trade on symbolic value and how cultural producers draw from and alter the meaning of place. Recently, however, new technologies, social practices and consumer behavior are changing these relationships. MP3's, digital cameras, creative software and online communities, which facilitate collaboration, file sharing and consumption, for example, allow an unprecedented volume of cultural goods and services to be produced and consumed in a marketplace which is becoming increasingly global. This expansion has also been accompanied by the general oversupply of cultural products and the widespread practice of downloading MP3's, movies and video games over the Internet illegally. Together these conditions serve to lower the monetary value of cultural products. As a result of these market dynamics and intensifying competition cultural producers are searching for ways to stand out in the crowd.

Contemporary examples demonstrate the innovative and diverse nature of these competitive strategies. The U.K. band Radiohead, for example, altered the production process by incorporating input from consumers into the content and pricing structure of their 2008 album 'In Rainbows.' Other strategies feature branding and marketing techniques based on place, collaborations between producers in different industries such as music, film and fashion, tapping into digital markets through virtual spaces such as MySpace and YouTube and a host of experience driven promotional strategies designed to enhance the symbolic value of cultural products.

Despite this dynamic experimentation the goal of differentiating and selling products is universal. While geographers have started to explore some of these strategies, there is still much work to be done in this area. Therefore, the goal of this session is to examine the strategies cultural producers are developing and implementing to compete in the contemporary marketplace in more detail, while paying particular attention to their spatial dynamics and implications.

We welcome papers from diverse conceptual and empirical perspectives that address the following and related themes;

- Analysis of the relationship between technology and space and its influence on cultural production and consumption
- Critical studies on the role of marketing and branding within society in general and cultural industries in particular
- The economics and spatial dynamics of competition within cultural industries
- Structures and outcomes of inter and intra sectoral collaborations
- Comparative studies which look at the ways in which competitive strategies are different and similar across space, industry and scale. Those of global firms and indie producers operating in different countries or markets or cultural and non-cultural industries, for example.

Above all, this session aims to not only stimulate a forum to investigate these themes but to establish a basis for future exchange and collaboration as well.

Panel I

1. Markus Bugge (Norwegian Institute for Studies in Innovation, Research and Education): *Jacobian cluster mutation: From advertising to Internet-based market communication.*
2. Heike Mayer (University of Bern): *Cooperation and competition in the activewear industry in Portland, Oregon.*
3. Deborah Leslie & Norma Rantisi (University of Toronto; Concordia University Montreal): *The role of path-interdependence and spillacross effects in the Cirque du Soleil's innovation.*
4. Dorothea Kleine & Ann Light (Department of Geography ICT4D Centre/UNESCO Chair in ICT for Development Royal Holloway, University of London): *Hybrid products: the marketing of ethical food production processes with cultural products.*

Panel II

5. Doreen Jakob & Atle Hauge (Center for Metropolitan Studies Berlin/UNC Chapel Hill; Eastern Norway Research Institute): *Standing out in the Crowd: Competing in the dynamic marketplace for cultural products I*
6. Brian Hracz & Atle Hauge (University of Toronto; Eastern Norway Research Institute): *Standing out in the Crowd: Competing in the dynamic marketplace for cultural products II.*
7. Jessica R. Barnes (Ohio State University): *Get me to the next show: Music performance as a competitive strategy for cultural producers.*
8. Nicole Simms (University of Minnesota, Twin Cities): *Competing with the Counterfeit: Fashion houses, luxury branding, and the struggle to maintain symbolic value.*

Panel III

9. Özge Öner (Jönköping International Business School): *Streaming Music: Innovation in Digital Music Distribution.*
10. Patrick J. Adler (University of Toronto): *Remix?: Appreciating Current Trends in Cultural Production.*
11. Frank Roost (Research Institute for Regional and Urban Development Dortmund, Germany): *Branding Centers -flagship stores and urban theme parks as three-dimensional advertising.*
12. Tara Vinodrai (University of Waterloo): *Discussant.*

Abstracts:

Panel I

I. Jacobian cluster mutation: From advertising to Internet-based market communication

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The advertising industry is currently undergoing a restructuring process, where traditional media like TV and print are being complemented and replaced by interactive advertising and market communication on the Internet. The paper discusses how this transformation process unfolds and affects the structure and organisation of services within Internet-based market communication. Based on interviews with 50 respondents from advertising agencies, web agencies, media agencies and technology consultancies the study argues that the Internet causes fundamental changes and challenges to the advertising industry. The multiple and interactive nature of the Internet medium lays the ground for a new role for advertising agencies that transcends their traditional role as developers of creative ideas and campaigns, and which merges into market communication and even user experience and product development. It is argued that the Internet calls for a convergence of creative, strategic and technical market communication services. Together this convergence represents a new market communication space and innovation system in which the end consumer plays a lead role, and where interactivity, accessibility and transparency constitute new and vital preconditions. The paper is underpinned by theorizing on industrial agglomerations and suggests that the technological transformation across advertising and ICT in Oslo can be viewed as an example of Jacobian cluster mutation.

Keywords: economic geography, advertising, Internet, mutation, consumer, agglomeration

2. Cooperation and competition in the activewear industry in Portland, Oregon

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Studies of entrepreneurship and innovation in design industries have emphasized the importance of inter-firm networks and interactions, the so-called local buzz. These studies often neglect the ways in which power, competition and market interactions influence the nature of innovation and knowledge creation.

In this paper, we examine innovation in the activewear and outdoor gear industry in Portland, Oregon. The industry consists of a mix of large, globally operating firms like Nike, adidas, and Columbia Sportswear and small firms that operate in niche markets. The firms design, manufacture and market sporting and athletic apparel as well as camping, hiking and outdoor gear. The industry employs about 10,000 people and has shown rapid growth.

Using data from surveys and interviews, the paper examines the ways in which three spheres interact: Local users and customers set trends that are used to create new products. Anchor firms like Nike and adidas provide important inputs into the innovation process. They are also incubators for startups and as such entrepreneurs utilize skills and knowledge gained at these firms.

The industry innovates using a balance between competition and cooperation. Industry representatives note that they are "frienimies", who are engaged in friendly yet watchful relationships. Relations depend on firm strategy: Firms tap into the network of users (outdoor enthusiasts, bikers, etc.) to develop new products yet the fiercely compete to differentiate themselves. The paper contributes to the discussion of the relational approach in economic geography as it shows that networks cannot be viewed in isolation of the industrial structure.

Keywords: innovation, cooperation, competition, relational economic geography

Topics: Economic Geography, Business Geography

3. The role of path-interdependence and spillacross effects in the Cirque du Soleil's innovation.

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The Cirque du Soleil, based in Montréal, is a model of creativity in the Canadian context. In this paper, we examine how the strength of other cultural sectors in the city of Montréal - such as theatre, fashion, dance, and music - stimulates a dynamic process of cross-fertilization that contributes to the Cirque's unique style of circus production.

Stolarick and Florida (2006) suggest that knowledge transfers between industries -or what they refer to as spillacross effects- are even more important to innovation than spillovers within an industry. A diverse array of industries increases the likelihood of new ideas emerging through the incorporation of insights learned from other fields. In the case of the circus, the presence of interrelated and complementary industries suggests the importance of 'path interdependence'- situations where the path-dependent trajectories of different industries are mutually reinforcing (Martin and Sunley, 2006). We examine the multiple benefits the Cirque derives from the presence of related cultural industries, but also the ways in which the company develops local synergies through a series of in-house programs designed to capitalize on local spillacross effects.

Keywords: creativity, urban economic development, circus, Montreal

Topics: Economic Geography, Cultural Geography, Urban Geography

4. Hybrid products: the marketing of ethical food production processes

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Consumer interest in provenance has sparked a rash of tools for sourcing and sharing the production history of goods so as to determine their social, economic and environmental footprint. Producers and distributors are giving their products an information coating which goes beyond traditional marketing. Cultural goods such as narrative pictures, video and texts accompany the items at point of sale or can be found on related websites.

Thus cultural products are linked, through narratives of ethics, to specific tangible products to enhance the symbolic value of the goods. This process transforms the every day goods into hybrid products made up of both the tangible product and related cultural products, further merging use value and symbolic value.

Indeed, in a Web 2.0 paradigm, the consumer as commentator becomes a co-producer - offering ratings, feedback or more imaginatively, their own video diary of use. The cultural product element of the hybrid product is co-created by consumers as symbolic value is visibly socially constructed.

The EPSRC Fair Tracing project used mobile phones which read barcodes to match products with information on the value chain. We worked on Chilean fair trade wine and Indian shade grown coffee. People in both consumption and production spaces increased their understanding of the processes and journey attached to the product. Narrative pictures and YouTube videos developed with producers co-created the symbolic value of these hybrid products. In the consumption spaces in the UK, consumers engaged with the producers' narratives but also enquired into unexpected aspects of symbolic value.

Keywords: value chain, cultural products, Web 2.0, ICT4D, Fair Trade, environment, ethical consumption

Topics: Economic Geography, Latin America, Third World

Panel II

5. Standing out in the Crowd: Competing in the dynamic marketplace for cultural products I

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Geographers have been endeavoring to understand the complex relationships between cultural production, consumption, society and space for some time. In particular, they consider the ways in which cultural products generate and trade on symbolic value and how cultural producers draw from and alter the meaning of place. Recently, however, new technologies, social practices and consumer behavior are changing these relationships. MP3's, digital cameras, creative software and online communities, which facilitate collaboration, file sharing and consumption, for example, allow an unprecedented volume of cultural goods and services to be produced and consumed in a marketplace which is becoming increasingly global. This expansion has also been accompanied by the general oversupply of cultural products and the widespread practice of downloading MP3's, movies and video games over the Internet illegally. Together these conditions serve to lower the monetary value of cultural products. As a result of these market dynamics and intensifying competition cultural producers are searching for ways to stand out in the crowd. While geographers have started to explore some of these strategies, there is still much work to be done in this area.

Thus, this presentation will explore some of these strategies with a focus on the luxury fashion industry and present examples of inter and intra-sectoral collaboration between designers, filmmakers, musicians, visual artists, architects etc. as an attempt to secure uniqueness and consumer attention. Within this process, what is finally being bought and sold is no longer an actual object but an experience of an idea of worth.

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Keywords: culture industries, marketing, luxury goods, fashion

Topics: Economic Geography, Cultural Geography, Urban Geography

6. Standing Out In The Crowd: Competing in the dynamic marketplace for cultural products II

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Geographers have been endeavoring to understand the complex relationships between cultural production, consumption, society and space for some time. In particular, they consider the ways in which cultural products generate and trade on symbolic value and how cultural producers draw from and alter the meaning of place. Recently, however, new technologies, social practices and consumer behavior are changing these relationships. MP3's, digital cameras, creative software and online communities, which facilitate collaboration, file sharing and consumption allow an unprecedented volume of cultural goods and services to be produced and consumed in a marketplace which is becoming increasingly global. This expansion has also been accompanied by the general oversupply of cultural products and the widespread practice of downloading MP3's, movies and video games over the Internet illegally. Together these conditions serve to lower the monetary value of cultural products. As a result of these market dynamics and intensifying competition cultural producers are searching for ways to stand out in the crowd. While geographers have started to explore some of these strategies there is still much work to be done in this area. Therefore, in this paper I explore the strategies indie producers in Toronto are employing to differentiate new and existing products. One example involves intra-sectoral collaborations between indie musicians and indie fashion designers to enhance the visual components of recorded music, live musical performances and merchandise. I also consider how indie producers create value and exclusivity by fusing diverse stylistic and symbolic elements and linking their products to local cultural scenes.

Keywords: Cultural Industries, Competitive Strategies, Indie Producers,

Topics: Economic Geography, Cultural Geography

7. Get me to the next show: Music performance as a competitive strategy for cultural producers.

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Performances of live music are temporal-spatial events that serve multiple purposes for musicians and audiences. For musicians, performances can be an expression of their art, a moment of anxiety and conflict, a chance to connect with people and expose new audiences to their music, and a site at which to sell merchandise. For audiences, performances can be a way to see new music, a chance to experience familiar music in a visceral way, a place to connect with artists and other music fans, and a way to craft their identity as part of the music scene. In this paper, I examine how live performances of music have changed with new technologies of cultural production, how live performances are used in musicians' competitive strategies, and how cultural producers' spatial strategies of live performance compare for independent musicians in the United States and Europe.

Keywords: music, live performance, cultural production, competitive strategies, United States, Europe

Topics: Communication, Economic Geography, Social Geography

8. Competing with the Counterfeit: Fashion houses, luxury branding, and the struggle to maintain symbolic value

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Fashion houses struggle to remain profitable by establishing widespread demand for their products while maintaining the exclusivity of their brands. Exposure through high profile advertising campaigns, fashion shows, and celebrity culture in conjunction with exorbitant prices and intimidating points of purchase bolster desire for luxury products while limiting their attainability. Celebrity collaborations and carefully designed flagship stores represent some of the dynamic ways in which fashion houses market their brands. With the emergence and rapid proliferation of counterfeit luxury goods, however, fashion houses must now engage in competitive marketing not only with each other, but also with counterfeit vendors. While the latter trade on the brand recognition established by fashion houses through more mainstream marketing channels, counterfeit vendors must also make use of less traditional strategies to market their illegal products - in addition to social networking and word-of-mouth advertising, the Internet offers various marketing opportunities (such as spam and social media sites) which small-scale vendors can rapidly tap into with little legal or financial risk. In response to the success of these endeavors, fashion houses now market their

products in ways that reinforce notions of authenticity and value, often by placing a renewed emphasis on the rootedness of these brands in particular locales (most notably France and Italy). I explore the distinct branding and marketing strategies employed by luxury houses and counterfeit vendors, and the ways in which these are bound up in the creation, maintenance, navigation, and imaginary of spaces of luxury and counterfeit luxury production and consumption.

Keywords: consumption, branding, marketing, luxury, counterfeit, alternative economies

Topics: Cultural Geography, Economic Geography, Gender

Panel III

9. Streaming Music: Innovation in Digital Music Distribution

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The aim of the paper is to emphasize the transformation in the distribution of recorded music. The focus point is online audio streaming as the new generation method, where Sweden based company "Spotify" is examined as a relevant example.

Rise of the streaming music services and fall of the importance of physical distribution is the inevitable change that the industry has been facing as a result of -so called- internet revolution over the past few years. Music business has already shifted to online platform by the born of file sharing but it couldn't be possible for the companies to control the nature of this transformation or to make profit out of it in the way they used to do. However, new innovations, combined with new online consumption behavior of the consumers, leded possibilities to create a value out of peer-to-peer networking. Streaming music started to be more and more popular in terms of being the future of digital music distribution in the industry. Therefore Spotify, who started operating exactly a year ago from now, is the fruitful example to point out, since it could reach a significant popularity in such a short time period via streaming method of distribution.

Keywords: Streaming music services, Spotify, music, innovation, music industry, creative industries

Topics: Business Geography, Economic Geography, Communication

10. Remix?: Appreciating Current Trends in Cultural Production

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This paper considers how changes in the organization of cultural production are currently affecting the types of products consumed in the cultural economy. It identifies three emerging phenomena which are acting across industries to re-orient cultural production: the consolidation of control over cultural production, the provision of cultural products and services on a "Just In Time" basis, and the tendency for cultural consumption to be reviewed and curated prior to consumption. It proposes that while consolidation is an oft-discussed trend, the other two phenomena are being harnessed by first movers to create enormous economic value, and that they promise to become more apparent over time. It relates these trends to the broader trajectory of consumption in advanced capitalism and concludes with a discussion of Molotch's call for more analysis of products in the social sciences.

Keywords: Cultural economy, media, consumption, economic geography

Topics: Economic Geography, Cultural Geography, Urban Geography

11. Branding Centers - flagship stores and urban theme parks as three-dimensional advertising

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The new marketing strategies of global companies like Sony, Nike, or Volkswagen often include a three-dimensional form of advertising: the construction of Branding Centers - like Showrooms, Flagship Stores or Brand Parks. Unlike traditional retail or entertainment facilities, these projects aren't operated to make profits with high entrance fees. Instead, they are offering visitors some kind of excitement in order to create a positive attitude towards the corporate image. The positive emotions are supposed to influence the consumer's brand name preferences in the future and create revenues for the company later.

Most branding centers are built in global cities. This way, major cities are getting a new economic and cultural function: In addition to being centers of political power, company headquarters, financial services and major tourist destinations, they are also becoming the most important place of global image production.

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To a certain degree these branding centers can be understood as a contribution to the urban cores' attractiveness: Since cities increasingly compete with suburban office parks and shopping centers, branding centers can serve as an impulse for the traditional city center in times when other key functions are getting decentralized. However, the large number and size of these investments might also lead to a cultural homogenization of cities, if privately controlled plazas and arcades designed for the demands of brand marketing become the new form of „public" space.

Keywords: globalization, commerce, branding

Topics: Planning, Urban Geography, Tourism

12. Discussant

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