Australasian Marketing Journal xxx (xxxx) xxx

Contents lists available at ScienceDirect

Australasian Marketing Journal

journal homepage: www.elsevier.com/locate/ausmj

Why consumers' 'New power' will change marketing

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ARTICLE INFO

Article history:
Received 30 January 2019
Revised 4 June 2020
Accepted 8 June 2020
Available online xxx

Keywords:
Sharing economy
Pareto efficiency
New power
Exponential organisation
Multi-stakeholder market orientation
Stakeholder value

ABSTRACT

Because the sharing economy compels firm-stakeholder dynamics towards a multi-stakeholder market orientation (MSMO), the structures and power dynamics of sharing-economy firms differ markedly from traditional-economy firms. In this vein, we explore sharing-economy firms' dependence on stakeholders (new power), the continual threat of new entrants (exponential organisations), and how these conditions combine to create additional stakeholder value by shifting Pareto efficient outcomes. We also discuss how previous scholarly efforts to impel traditional-economy firms toward stakeholder orientations failed because these firms generally treated stakeholder satisfaction as an optional rather than crucial goal for achieving sustainable competitive advantages. Finally, we argue that sharing-economy firms continue to disrupt markets, which increases every firm's need to explore value creation in theory and practice.

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1. Introduction

Since the early 1990s, marketing theoreticians have tried to capture marketing's role in negotiating diverse organisational and stakeholder needs; for example, Morgan and Hunt's (1994) relationship marketing, Vargo and Lusch's (2004) service-dominated logic, Prahalad and Ramaswamy's (2013) co-creation marketing, and Bhattacharya and Korschun's (2008) stakeholder marketing. As their theories evolved, they increasingly stressed the stakeholders' role in marketing success, first with (1) a *market orientation* (MO) that focused on internal coordination, customer value, and combatting competition (Narver and Slater, 1990), then to (2) a *stakeholder orientation* (SO) that focused on firm-wide use of intelligence and information to meet stakeholders' needs (Maignan and Ferrell, 2004), and now to (3) a *multiple stakeholder market orientation* (MSMO) that synthesised firms' needs to create value for all stakeholders (Line et al., 2018). Simultaneously, many critical societal outcomes have worsened, such as climate change, wealth and income disparity, and air pollution in the developing world (Berman et al., 2016; Hansen, 2005; Wong et al., 2008). In response, worldwide trust in governments, businesses, and capitalism has reached a historical low (Edelman, 2020).

Through their studies on the connection between firms and their constituents, marketing scholars encouraged the scope of marketing relationships to evolve from *maximising profits by using customer data to satisfy customer needs* (Narver and Slater, 1990) to *creating value for a multifaceted array of stakeholders, including but not limited to stockholders, consumers, employees, suppliers, and community members* (Line et al., 2018). This expanded scope morphed marketing from a zero-sum game, in which marketers seek to maximise transfers from customers (Mizik and Jacobson, 2003), to a shared-value orientation, in which marketers seek to maximise the economic and social value accrued internally and amongst stakeholders (Garcia-Castro and Aguilera, 2015). By treating the marketing function holistically, firms encourage sustainable relationships rather than transactions (Line et al., 2018). Unfortunately, firms often attempt such relationships via management systems that primarily rely on customer data to increase purchase quantity and frequency (Gummesson, 2002), which merely facilitates an updated zero-sum game.

The *sharing economy*, which is "where asset owners use digital clearinghouses to capitalise the unused capacity of things they already have, and consumers rent from their peers rather than rent or buy from a company" (Geron, 2013, p. 60), is a manifestation of MSMO. Recent business structure theories suggest that sharing-economy firms are stakeholder-focused; contrarily, longstanding, traditional, stockholder-centric firms are inherently myopic and incompatible with stakeholder theories because these firms and their stockholders prioritise short-term earnings and dividends over stakeholders' long-term welfare (Stein, 1989). Although marketing scholars have created new approaches meant to spur pro-stakeholder practices in traditional firms—by proposing a sus-

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https://doi.org/10.1016/j.ausmj.2020.06.011
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Please cite this article as: A.J. Reynolds-Pearson and M.R. Hyman, Why consumers' 'New power' will change marketing, Australasian Marketing Journal, https://doi.org/10.1016/j.ausmj.2020.06.011

tainable marketing mix (Pomering, 2017), a green marketing strategy infused with the theory of planned behaviour (Kalafatis et al., 1999), and an ethical scheme for managerial decision-making (Ferrell and Gresham, 1985)—many marketing practitioners have no impetus to implement such models.

Such inertia should change as the internet and social media enable unprecedented firm transparency and consumer interconnectedness. They enhance economic activity in sharing economies via information-richer transactional and relational environments, lower information search costs for buyers, diminished information asymmetry between sellers and buyers, closer electronic proximity for buyers and sellers, and greater temporal separation (proximity) between the time of purchase and the time of possession for physical (digital) products bought online (Varadarajan and Yadav 2002). Marketing practice must evolve in response to these changes.

In the latter half of the 20th Century, firms focused on developing economic advantages by extracting relatively more stockholder value from the marketplace than their competitors (Day and Wensley, 1988). However, such advantages do not prevail in the sharing economy. Instead, firm success (failure) mostly depends on positive (negative) word-of-mouth comments spread via the internet and social media (Tierney, 2014). Heightening consumer power means the marketing function must increasingly help firms mediate competing stakeholder interests.

Research that explores the ways that the sharing economy will change the allocation of value in the marketplace is needed (Eckhardt et al., 2019). The sharing economy encourages a multidimensional accounting of stakeholder value that can shift firms' Pareto efficient outcomes without stockholder blowback (Eckhardt et al., 2019). Because most managers of stockholder-owned firms believe that they must maximise short-term earnings per share (Friedman and Friedman, 1980), they tend to be myopic and oblivious to negative externalities (e.g., coal-fired power plants and dirty air, the tragedy of the commons resource misuse) that adversely affect their stakeholders. In contrast, we propose that low market-entry barriers (i.e., increased competitiveness) in entrenched markets and dependence on empowered and connected consumer and supplier bases incentivise sharing-economy firms to create more stakeholder-friendly Pareto efficient outcomes, which should increase their overall value.

Furthermore, we outline how these sharing-economy firms, which manifest MSMO, may spur traditional, zero-sum, market-orientated firms towards a greater stakeholder emphasis. Guiding a free-market economy toward multidimensional Pareto efficiency (i.e., resources allocated to ensure all parties experience an ideal, value-maximising outcome) will require changes to the essential business elements (e.g., stakeholder empowerment, corporate transparency, and lower market-entry barriers) of stakeholder-centric theories (Hindriks and Myles, 2006). Because marketers would be at the forefront of managing this shift, it is critical to explore the catalysts to MSMO as well as their implications.

Our exploration of the sharing economy will focus on two emerging theories: Exponential organisations and *new power*. By showing that sharing-economy firms are exponential organisations—which are organisations that use mobile technology to lower market-entry barriers (Ismail et al., 2014), and must depend on *new power* that is an "open, participatory and peer-driven" force that strengthens as more people contribute to and draw from it (Heimans and Timms, 2014, p.50)—we will show how the sharing economy is poised to change the economy towards MSMO in ways traditional, stockholder-driven, corporations have been unable to manifest.

Our integrative literature review synthesises three research domains encompassing the influences of technology on corporate structure. It shows how these tech-driven changes are poised to help marketing practitioners manifest 30 years of scholarship intended to conduce more stakeholder-centric marketing practice. Furthermore, we seek to address critical questions from marketing scholars about how the sharing economy will affect market-level appropriation of value (Eckhardt et al., 2019). Our market-level focus precludes an analysis of the marketing theories that best characterise individual-level changes (e.g., collaborative consumption, co-creation of value, shared consumption).

2. Sharing economy

The sharing economy's most potent manifestation has been the widespread diffusion of high-engagement consumer-to-consumer transactions. Once limited to newspaper classified ads and neighbourhood activity, information technology allows such transactions to transpire rapidly and with safety assurances that satisfy risk-averse market participants. Consumer-to-consumer transactions are high-engagement and drive holistic value-creation (Abdul-Ghani et al., 2018). For example, a woman who owns a home with extra rooms is more confident renting to out-of-towners because she can preview complete Airbnb profiles rather than minimal credit card information and photo IDs. Conversely, out-of-towners are incentivised by extra amenities, lower prices, and host hospitality to rent from Airbnb room suppliers rather than hoteliers.

Marketing scholars have long argued that the availability of online review communities empowers consumers (Kozinets, 1999). The sharing economy's dependence on consumers' and providers' mutual reviews has created a flood of information that facilitates peer-to-peer transactions. For example, 67% of stays in an Airbnb result in at least one review (Fradkin, 2015), and Airbnb averages 500,000 stays a night (iProperty Management, 2019), which means Airbnb adds 122,275,000 new reviews annually.

The main difference between traditional and sharing economies is stakeholder interdependence. Traditional economy firms often compromise value to some stakeholders while maintaining overall value by making cost-benefit decisions that ignore specific consumer segments, ending relationships with specific supply chain partners, or behaving unethically towards specific communities. In contrast, sharing-economy firms tend to embrace new power and communication networks that facilitate customer relationships, which ensures the safety and financial well-being of customers, providers, and communities. Later, we discuss how a failure to ensure these facets of stakeholder value can foster competing platforms. As clearinghouses for services and goods they never own, sharing-economy firms link customers to producers via online apps (Geron, 2013) and enable exponential growth by minimising capital costs and creating stakeholder power.

2.1. Exponential organisations

Mobile technology and rapid information dissemination have fostered a business model—called the exponential organisation—based on automation, convenience, and assets leveraged in previously unimagined ways (Carter and Sheehan, 2004; Liang et al., 2007). Exponential organisations, which experience accelerating growth that supports internal innovation and continual reinvention, reduce market-entry costs by renting or contracting rather than buying capital assets. Reduced fixed costs permit exponential growth, even in high-entry-barrier industries like hardware and automobile manufacturing (Ismail et al., 2014). Exponential organisations can thrive in non-competitive markets populated by entrenched organisations with excess profits.

Exponential organisations create two forces that pressure firms in entrenched, profitable markets to increase stakeholder value (Porter, 1979). First, such organisations reduce market-entry barriers by shrinking their capital requirements, thus freeing resources

to boost scale economies, promote product differentiation, and negotiate better deals with distributors and governments. Second, such organisations often disrupt markets by introducing substitute products (Ismail et al., 2014; Møller et al., 2017). Reduced market-entry costs and enhanced product choice increase competition, which improves consumer welfare by forcing firms to reduce prices or offer higher value (Baumol, 1982).

Unlike traditional hotels, cab companies, and food delivery services, sharing-economy firms like Uber, Airbnb, and Grub Hub depend on participation by outside parties to enhance flexibility, avoid expenses associated with buying and maintaining assets, and understand stakeholder satisfaction (Ismail et al., 2019). Exponential organisations use digital feedback to improve customer experiences and subsequently to improve community loyalty and encourage further customer engagement (Ismail et al., 2014). For example, a failure to address safety concerns led voters in Austin, Texas, to pass a law requiring rideshare drivers to submit their fingerprints to the FBI. Although overturned the following year, lobbying effort to rescind this law and discourage copycats cost Uber roughly $10,000,000 in legal fees (Lee, 2017), more in $5 and $25 credits to lure back customers (Associated Press, 2018), and even more in lost revenue. Concurrently, Airbnb was handling racism scandals in which African- and Asian-American users were systematically discriminated against while booking accommodations (Kell, 2016; Murphy, 2016). Airbnb has since improved its terms of service and has partnered with the NAACP to help communities of colour benefit from Airbnb income opportunities (NAACP, 2017). Consumers' ability to push back shows the danger of ineffective and reactive relationship management, which demonstrates a change in the stakeholder-firm power dynamic enabled by these exponential sharing-economy organisations.

2.2. New power

Throughout the economy, peer coordination and crowd agency enable new power; conversely, *old power* demands crowd acquiescence. In the sharing economy, new power increases competition via suppliers' and customers' enhanced bargaining power. Today, market participants often are tech-savvy and social-media-enabled, which facilitates their knack for grassroots self-organisation. Emerging concurrently with several tech giants (e.g., Google, Facebook, Amazon), firms nurtured by ready internet access are using new power to meet customers' needs (e.g., Wikipedia, Etsy).

Old-power firms (e.g., IBM, Encyclopædia Britannica) operate with buy-in and must be "closed, inaccessible and leader-driven" to function (Heimans and Timms, 2014, p.50). During the last decade, old-power firms allocated roughly 90% of their earnings to stock buybacks and dividends, which left little "for investments in productive capabilities or higher incomes for employees" (Lazonick, 2014, p.46). Skyrocketing executive compensation, primarily through tax-friendly stock incentive programs that induced executives to prioritise dividends over wages, complemented this phenomenon (Lazonick, 2014).

Old-power firms follow their private interests, as accommodating external parties often requires financial adjustments that can stunt profits. In contrast, new-power firms use collaborative networks to create and disseminate products in ways that reduce shareholder emphasis. Such firms require stakeholders motivated by their fraction of shared value to co-create high-quality products. The egalitarian nature of peer-to-peer exchanges, online customer review processes, and numerous exchange-partner options (Heimans and Timms, 2014) encourage new-power firms to adopt MSMO marketing strategies that enable consumers and reward innovators, which implies marketing should shift its orientation from value extraction for stockholders (Day and Wensley, 1988, Lazonik, 2014) to multiple-stakeholder value creation (Line et al., 2018).

As coordinating entities, new-power firms incur minimal operating expenses and overhead. Although new technologies can benefit all firms, old-power firms do not parlay such technologies into an *added value associated with an active stakeholder base* (e.g., Uber's *integrated driver and rider review system* to improve drivers' and riders' experiences). Nonetheless, new-power firms face old-power incentives; for example, Uber mimicked old-power firms when it bypassed costly stakeholder demands and pressured governments by denying employee benefits to drivers and deploying an *expand first and secure government permission later* strategy in several international markets (Conger, 2019; Sier, 2019). Noncooperation with *the crowd* is contrary to new power and emblematic of old power's top-down, closed-door decision-making. For a summary of the differences between new power and old power, refer to Table 1.

New power manifests a concomitant change in consumers' attitudes and behaviours; for example, Millennials often believe that they can be active economic actors rather than passive shoppers (Yarrow and O'Donnell, 2009). However, cooperating with sharing-economy firms is often insufficient to guarantee superior outcomes for minority stakeholders. For example, Airbnb is struggling to resist Chinese racism towards Tibetan and Muslim Uyghur minorities while opposing racist bookings in Western countries (Kussin, 2019). Hence, new-power firms can succumb to old-power influences, and current manifestations of new power are imperfect.

2.3. Characteristics of sharing-economy firms drive greater stakeholder value

In sharing economies, exponential-new-power organisations become marketing-exchange facilitators. Crowdsourcing could provide startup capital for such firms, thus circumventing bank financing. These firms would incur lower distribution and middle management costs, as (1) ceteris paribus, locally produced goods cost less to distribute, (2) consumer reviews and market forces discourage problematic exchange outcomes, and (3) firms' dependence on stakeholder-owned assets creates a balance of power. In sharing economies, the ability to maximise value outcomes allows firms to more closely approach a Pareto frontier, with multiple stakeholders capturing anticipated value.

Fig. 1 illustrates the disparity in Pareto frontiers in a MSMO (which considers all stakeholder outcomes) versus Pareto frontiers in a MO (which only ensures customers receive sufficient value to preclude defecting to a competitor). To depict the disparity between stockholder- and stakeholder-driven frontiers, we aggregated all stakeholders into a two-dimensional representation of the entire market; in actuality, each stakeholder would have a competing frontier, and firms should maximise value outcomes across different dimensions.

3. Porter's competitive forces and sharing economies

Porter's (1979) competitive forces offer a framework for understanding how new power and exponential organisational structures in the sharing economy can permeate the entire economy. Under Porter's model, four forces characterise pressured markets: 1) the threat of new entrants, 2) the threat of substitute products or services, 3) the bargaining power of suppliers, and 4) the bargaining power of customers. These forces compel firms to satisfy stakeholder demands (Baumol, 1982). Because the sharing economy is driven by exponential organisations defined by new power, these firms can create competitive pressures that drive more stakeholder-friendly outcomes.

Please cite this article as: A.J. Reynolds-Pearson and M.R. Hyman, Why consumers' 'New power' will change marketing, Australasian Marketing Journal, https://doi.org/10.1016/j.ausmj.2020.06.011

Table 1
Characteristics of Old Power versus New Power Firms*.

Value	Old Power	New Power
Governance	Formal, top-down decision making	Informal, networked decision making
Transparency with the public	Confidentiality, privacy, discretion	Radical transparency
Corporate culture	Professional	Informal
Innovative values	Specialisation, refinement	Do-it-ourselves, disruptive
Corporate networks	Long-term affiliation, loyalty, minimal participation	Short-term, conditional affiliation, highly participative

* Adapted from Heimans and Timms (2014).

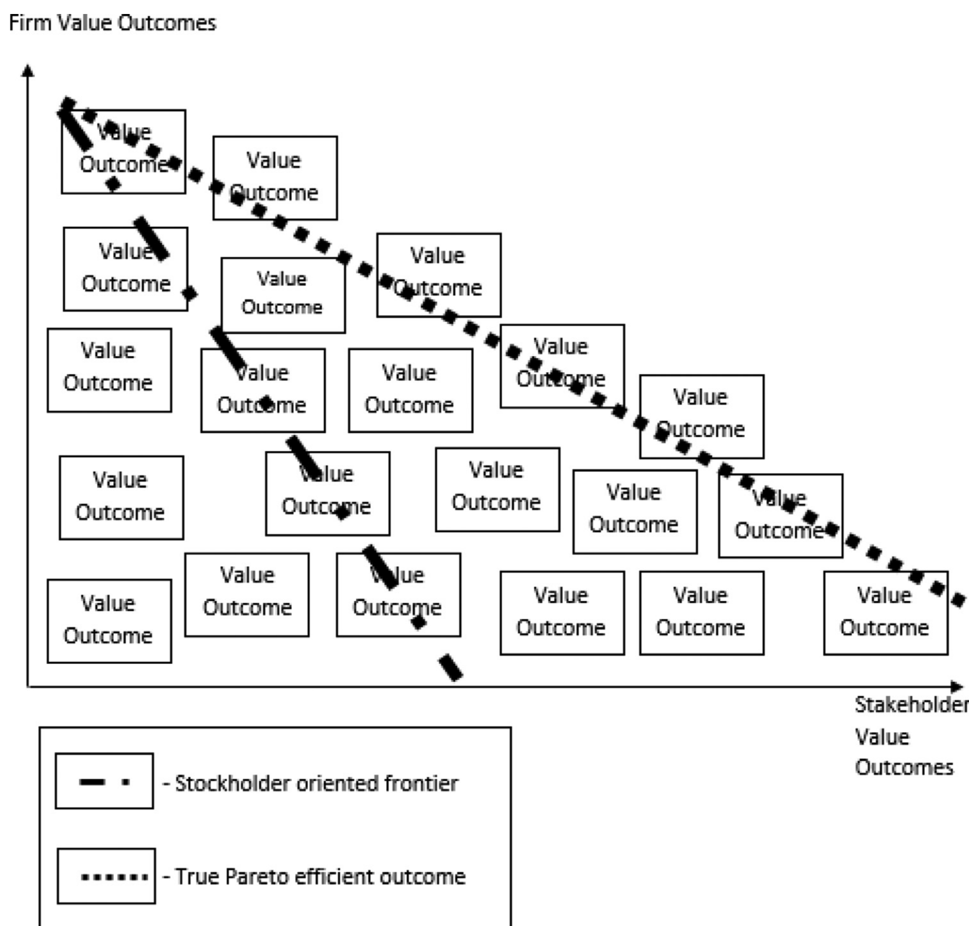

Fig. 1. Pareto Efficient Outcomes in the 'Old Power' Economy.

Exponential organisations are defined by their capital-minimising structures (Ismail et al., 2014). By serving merely as clearinghouses for consumer-to-consumer transactions (Geron, 2013), sharing-economy firms can minimise the amount of capital they own relative to their traditional-economy competitors. When existing firms fail to meet customer demands, these lower barriers to entry encourage new market entrants and substitute sharing-economy firms. For example, InnClusive, which provides short-term real estate rentals to minority group members, was founded by an African-American male rejected for an Airbnb booking his Caucasian friend subsequently secured (King, 2016). A Boston woman launched Safr, which enhances female rider safety by providing detailed driver background checks, out of frustration with Uber's inability to restrain drivers' sexually harassing behaviours (Manning, 2016). Although sexual harassment reports may have lowered its profits only minimally, Uber installed more thorough driver background checks, simplified reporting systems, and an emergency button for threatened riders (Griffith et al., 2018; Hawk, 2018; O'Brien, 2018). Botched efforts to address stakeholder concerns and an *ask for forgiveness rather than permission* ideology harm sharing-economy firms, which should preempt financial and reputational damage rather than react post-catastrophe.

Through their exponential organisational structure, sharing-economy firms face increased pressure from both new entrants and substitute products. Furthermore, new power underlies the ways that customers and providers (i.e., suppliers) can collaborate to pressure sharing-economy firms to provide more value. The traditional framework for strategic marketing assumes that companies seek to match the value they create with customers who can provide the highest value in return (Chernev, 2018). By this logic, the marginal value lost when a traditional, old-power firm fails to satisfy a customer is relatively low because serving that customer is likely to be cost-prohibitive. In contrast, such a loss can be substantial in sharing economies because workers can readily find a new employer, and customers' switching costs are low (Yaraghi and Ravi, 2017). Such substantial losses increase the bargaining power of customers in a sharing economy.

Providers and consumers are peers on sharing-economy platforms (Belk, 2014), which means disgruntled ex-providers may

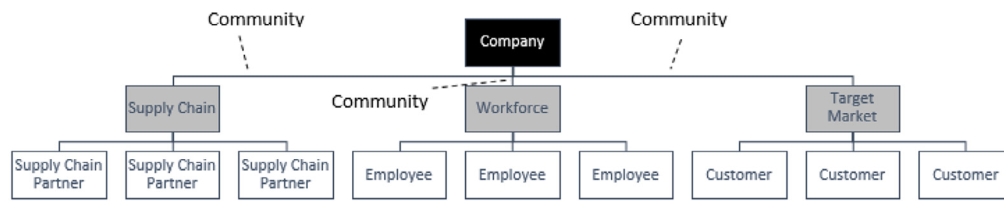

Fig. 2. The Mobile Model – Traditional Economy Stakeholder Relationships.

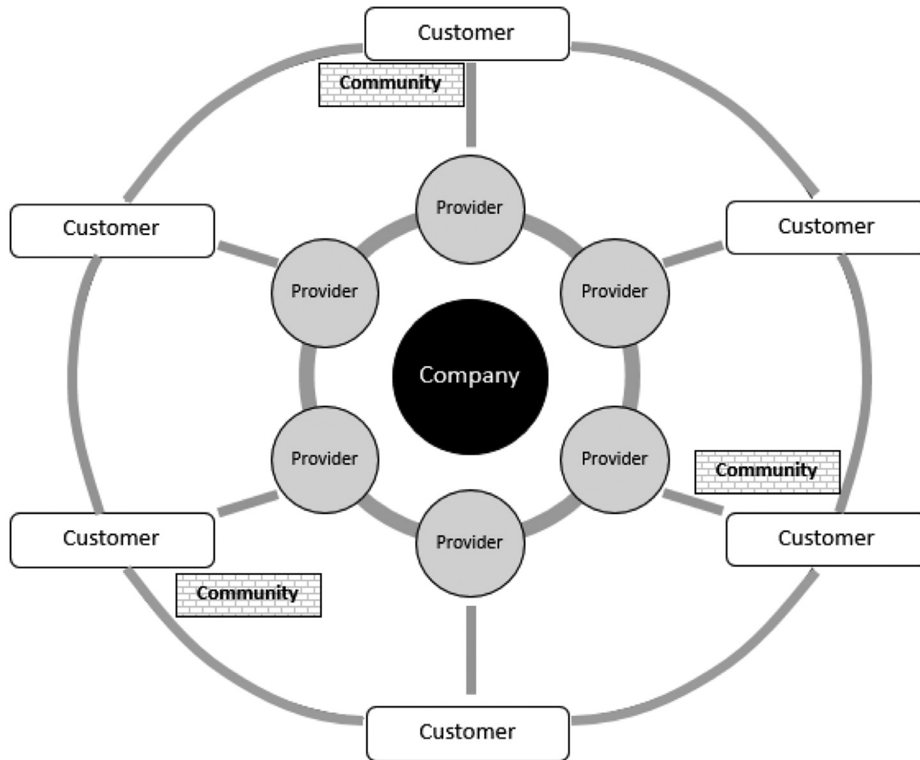

Fig. 3. The Web Model – Sharing Economy Stakeholder Relationships
*The community serves as an anchor point, and the customers and providers interweave in a way that breakdowns can pull apart entire value sections.

avoid patronising a platform, and dissatisfied customers may avoid becoming providers, which increases suppliers' and customers' bargaining power. Furthermore, unfairly treated providers and customers can connect to other consumers via the internet (Belk, 2014; Heiman and Timms, 2018), and thus can readily dispense negative word-of-mouth comments. Hence, traditional firms follow a *Mobile model* that is insensitive to losses caused by stakeholder defections. In contrast, exponential, sharing-economy firms follow a *Web model* that is sensitive to losses associated with interconnected stakeholder defections. (See Figs. 2 and 3.) The increased competitive pressure and marginal costs of mistreatment in the sharing economy imply re-envisioning the Pareto frontier, with multi-stakeholder value as an integral component in sustainable operations that foster a competitive advantage.

Because low market-entry costs and exponential growth characterise many sharing-economy firms, competitors' ability to syphon off mistreated workers and customers increases competitive pressure. It encourages value-optimisation across stakeholders in unprecedented ways, which facilitates market entry by new firms that can deliver value to those stakeholders (Porter, 1979). Sharing-economy firms are forcing traditional firms toward more stakeholder-friendly outcomes. For example, pressure from rideshare applications has caused several cities to lower their taxi fares (Harding, 2018; Ma, 2014; Nelson, 2015; Peat, 2015); concurrently, lowered costs and the greater availability of taxi-like services has decreased drunk driving accidents (Peck, 2017) and fatal accidents overall (Dills and Mulholland, 2018)—all positive externalities. Furthermore, lowered barriers to entry facilitated by ridesharing apps have increased taxi-like-service employment and total annual rides (Berger et al., 2018).

4. Marketing equitably in response to competitive forces

What can preclude or remedy stakeholder negligence by traditional firms? Such firms are distinct legal entities devoid of an inherent moral imperative to behave virtuously. "Though vicious

character may not be the sort of thing we can enforce—we cannot coerce people to do the right thing for the right reason—we can and should shame, shun and otherwise socially and personally impose consequences for failures of virtue" (Castro 2014, p.599). New power offers a mechanism by which interconnected consumers, providers, and communities can collaborate and impose value consequences in ways previously unavailable to stakeholders. Traditional firms are obliged to accept the *public will* insofar as that will is ostensibly moral and does not create an excessive, immoral burden (Castro 2014). In contrast, new-power firms create a democratic process whereby their products and revenue streams depend on public participation and thus focus on consumer-centric marketing practices (Heiman and Timms, 2014).

The American Marketing Association (2015, p.1) claims, "we not only serve our organisations but also act as stewards of society in creating, facilitating and executing the transactions that are a part of the greater economy." As the public becomes increasingly disenfranchised with marketing practice, traversing the tightrope between a firm's well-being and that of its consumers presents an ever-stiffening challenge (Darke and Ritchie, 2007; Martin and Smith, 2008; O'Malley and Prothero, 2004). Although a supposedly equalising mediator of firm and economic interests, marketing practice nurtures the consumerism that transfers wealth from the bottom 99% to the top 1% of society (Oxfam, 2014). The sharing economy's inherent new-power-driven stakeholder interdependence, along with the competitive pressure posed by exponential organisations, provides the foundation for actualising stakeholder-centric theories.

By allocating value more equitably amongst stakeholders, sharing economy firms can focus on long-term goals and value-maximisation instead of traditional short-term earnings and stockholder equity (Stein, 1989). Although radical from a conventional economic perspective (e.g., Friedman and Friedman, 1980), this more egalitarian allocation can improve outcomes for firms and stakeholders that provide or require resources. For example, firms can increase value from improved supplier relationships by investing in supply chain partners. Along with public-relations gains, investing in communities should improve local conditions by reducing crime rates, boosting customer incomes, and improving residents' health.

Such a shift has massive implications for marketing practice. Managing stakeholder relationships and responding to stakeholder demands becomes more than a theoretical ideal; instead, it becomes an essential practice for exponential new-power organisations. Increased stakeholder empowerment and interconnectedness means that marketers should focus on maximising the value extracted from stakeholders and ensuring that firms maximise the reciprocal value. Failing to do so may trigger responses that correspond with Porter's forces (1979) and are costly to stockholders and stakeholders, such as consumers switching platforms, providers changing platforms, stakeholders developing new platforms, and communities regulating platforms to death. Such switching behaviours will likely produce ripple effects across the internet because losing a *provider qua provider* will likely lead to losing that *provider qua customer*. Coordinating disenfranchised, internet-savvy customers could induce a community's restrictive regulatory response or potential competitors' recognition of a service gap. Although such stakeholder empowerment pressures sharing-economy firms, it also can disrupt traditional-economy firms.

5. Effects of the new-power sharing economy on the old-power traditional economy

Managing relationships with external partners is a crucial component of old-power business models (Osterwalder and Pigneur, 2010). This component often entails the dominant partner extracting maximum value from the subservient partner. For example, corporations like Wal-Mart are infamous for pressuring suppliers to meet demands meant to increase its profit margin (Pettypiece and Townsend, 2015). Although roughly 200 CEOs of top old-power U.S. corporations have adopted the *Statement on the Purpose of a Corporation*, which implies that top corporations care about the life and dignity of every stakeholder (Business Roundtable, 2019), many scholars are sceptical that such corporations are willing and able to abandon stockholder-centric models (Taylor, 2019). Talk is cheap; non-binding and non-actionable statements may appease stakeholders but achieve little else. In contrast, new-power firms depend on well-managed relationships with key collaborators. Such relationships combined with low market-entry costs provide an environment amenable to accommodating stakeholders (Ismail et al., 2014). Hence, new power could revolutionise business models because managing stakeholder relationships is the focus rather than a mere component.

A new-power firm's customers and providers actively invest in its maintenance. Because new-power firms are participatory, the channels for communicating stakeholders' needs are open (Heimans and Timms, 2014). For example, reviews that substantiate expected quality ease transactions between Airbnb owners and guests. As a result, both groups often provide feedback to Airbnb because they believe it is appreciated and essential. These open channels incentivise customers to scold Airbnb if it fails to provide adequate service and for Airbnb to respond meaningfully (Fradkin, 2015). Although responding to feedback may require additional staff and capital investments, new-power firms should benefit from timely and readily available feedback from customers and providers, which will facilitate timely and effective responses to problems.

More stakeholder-centric corporate cultures should emerge from new-power firms, which should compel all firms to bestow ever-greater rewards to customers and other stakeholders. As a result, old-power firms, with deeply engrained cultures that will resist new-power practices (Barney, 1986), may need to reevaluate how they provide value by being more receptive and responsive to parties they once ignored at a minimal cost.

6. Transitioning from old power to new power

Although corporate inertia inhibits old-power firms from transitioning into new-power firms, the sharing economy's rise may prompt old-power firms to adopt new power in some operational areas. Consider the online networks that emerged to support the sharing of Lego blocks, Lego build patterns, and artistic Lego sculptures. These networks' existence alerted Lego's management that Lego was isolated from some of its most valuable customers and brand advocates (O'Connell, 2009). Viral images of great buildings or artwork made with Lego blocks represented wasted marketing opportunities. Lego's managers worked with prominent model designers to crowdsource Lego kits based on ideas from a newly created Lego Ambassador Network. This network encouraged many of the last decade's successful Lego launches, including professional female mini-figures and *The Lego Movie*. These new-power efforts allowed Lego to surpass Mattel as the world's largest toy company and to be honoured as the "World's Most Powerful Brand" (Brand Finance, 2015).

As the internet creates an increasingly interconnected world, old-power corporations (e.g., General Electric, IBM), old-power institutions (e.g., Britain's National Health Service, the U.S.'s National Aeronautics and Space Administration), social movements (e.g., Black Lives Matter, Starbuck's Race Together), and public figures (e.g., Lady Gaga, Pope Francis) have evolved towards a business model that leverages the under- or untapped power of crowds

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(Heimans and Timms, 2018; Surowiecki, 2005). Consumers' actions performed through new-power and disruption threats from exponential organisations fostered this evolution. Thus, empowered stakeholders can discourage cost-saving activities that consumers disfavour (e.g., selling goods in blister packs, bundling unwanted features) or supply chain partners disfavour (e.g., forcing delivery times, using odd package sizes to hinder price matching). By increasing stakeholder centrality, sharing economies are poised to transform marketing theory and practice.

7. Discussion and future research

Sharing-economy firms differ from old-power firms because the former typically are exponential new-power organisations characterised by Porter's competitive forces. Although some new-power firms may choose not to embrace a stakeholder focus, stakeholders and other new-power firms will punish such choices. In other words, counterarguments to the sharing economy's stakeholder potential based on the questionable actions of some new-power firms are overshadowed by other new-power firms and their stakeholders' actions.

Firms increasingly will be unable to capitalise on power imbalances that historically enabled them to prioritise stockholders over stakeholders. Consumers are demanding greater efficiency and products that improve their lives and the world. As this dual focus intensifies, the marketing function will become integral to mediating firms' and consumers' interests. By embracing new power, marketing practitioners can ensure their firm's continuing success despite growing competitive pressures. Attentiveness to loyal stakeholders can improve new product development, supply chain management, customer relationship management, and community outreach. For macromarketing scholars, new power represents an opportunity to transfer stakeholder-centric marketing theory from journal pages into practice. Hence, new power is a relatively low-cost, high-value impetus for a multi-stakeholder market orientation that can inform marketing scholarship, practice, and pedagogy.

We do not contend old-power firms will (or should) disband rapidly; instead, we posit the digital age and stakeholder connectedness will facilitate the rise of new-power firms less flawed by corporate cultures that engaged in reactive rather than proactive consumer-centric practices. The Business Roundtable's *Statement on the Purpose of the Corporation* (2019) embodies such reactive policies and demonstrates the concern old-power corporations have with changing corporate-consumer power structures. Once new-power firms enter a market, old-power firms will be forced to adjust their behaviours to remain competitive.

Technology such as mobile applications has enabled a sharing economy in which consumers can recapture value from their underutilised possessions while software developers create income. The rise of platforms such as Uber and Airbnb shows how easy access to lower-cost services can disrupt traditional business models. Marketers should be sensitive to the sharing economy because it alters the historical power dynamic amongst market participants, as firms become mere transaction facilitators dependant on their interconnected stakeholders. This shifts firms from a *Mobile model*, under which a stakeholder's removal imposes a minimal loss, to a *Web model*, under which interconnected stakeholders withdraw substantial value as they defect. Hence, marketing theory must shift its focus from (1) customer-centric marketing meant to sustain a competitive advantage to (2) customer-centric theories that view firms and their stakeholders as equal partners who must respond to customers' needs. Shifts towards exponential organisations, new power, and the sharing economy have sensitised marketing theorists to create value for increasingly diverse stakeholders (Line et al., 2018).

Future research should explore possible impediments to these shifts (e.g., stockholder pressures on sharing-economy firms that *go public*). Although we assumed low market-entry barriers, a better understanding of consumer satisfaction and entry rate into low-satisfaction markets by new-power firms is needed. Also, researchers should examine the differences in stakeholder advocacy and firm-to-stakeholder dynamics to ensure effective logistics practices that maximise value outcomes.

Acknowledgements

N/A

Funding sources

N/A

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