Contents

| Chaj | oter 1: Surviving the Customer 1 |
|------|--|
| 1.1 | The Origins of Game Theory |
| 1.2 | Game Theory, the New Media, and the NEW New Media |
| 1.3 | The Payoff Matrix |
| Cha | oter 2: Zero-Sum Games in Traditional Marketing |
| 2.1 | Zero-Sum Games and the Problem of Transparency |
| 2.2 | The Zero-Sum of Pricing Strategies |
| 2.3 | The Wisdom of Randomization |
| 2.4 | Randomization and A/B Testing |
| 2.5 | The Hazards of Entrenchment |
| 2.6 | Making Zero-Sum Work |
| 2.7 | Mastering Randomization |
| 2.8 | Doing Better than Zero-Sum |
| 2.9 | The Cautionary Tale of Banner Click-Through Metrics |
| Char | oter 3: The Prisoner's Dilemma and the Emergence |
| | operation |
| 3.1 | The Great Consumer Opt-Out |
| 3.2 | The Shifting Ground of Consumer Trust |
| 3.3 | The Marketer's Loss of the Informational Advantage |
| 3.4 | The Prisoner's Dilemma |
| 3.5 | The Hidden Allure of Cooperation |
| 3.6 | The Iterated Prisoner's Dilemma |
| 3.7 | The Persistent Problem of Bad Apples |
| 3.8 | The Enduring Relevance of TIT FOR TAT |
| 3.9 | The Dangers of the Death Spiral |
| 3.10 | The Marketer's Dilemma |
| J.10 | THE PRODUCT OF PRODUCT OF THE PRODUC |



VIII Contents

| | oter 4: Consumer Revolt and the Rising Cost | |
|-------|--|------|
| of D | efection | . 53 |
| 4.1 | The Unreasonable Standard of Immediate Action | . 54 |
| 4.2 | The Missing Link in the Evolutionary Chain: Paid Search | . 55 |
| 4.3 | How Paid Search Gave Free Riders the Boot | . 56 |
| 4.4 | Enforcing Rules of Cooperation | . 58 |
| 4.5 | Social Media and the Peculiar Pleasures of Punishment | . 59 |
| 4.6 | "United Breaks Guitars" Breaks Through | |
| 4.7 | Recalculating the Cost of Defection | |
| 4.8 | Changing the Defection Stakes for Banks: Debtor Videos | |
| 4.9 | Attention Saturation and the Limitations of Punishment | |
| 4.10 | The Motrin Moms and Social Media Backlash | |
| 4.11 | TIT FOR TWO TATS and the Virtues of Forgiveness | |
| 4.12 | The Enduring Appeal of Punishment | . 69 |
| Chap | oter 5: Sustaining Marketer-Consumer Cooperation | |
| thro | ugh Coordination Games | . 71 |
| 5.1 | Cold War Coordination Games | . 72 |
| 5.2 | The Stag Hunt. | . 74 |
| 5.3 | Dell and the Exposed Flank Coordination Strategy | |
| 5.4 | Greenpeace Exposes Its Flank | |
| 5.5 | The Neutral Ground Coordination Strategy | |
| 5.6 | Social Media as Neutral Ground | |
| 5.7 | Coca-Cola's Neutral Ground | |
| 5.8 | Skittles and the Limits of the Neutral Ground Strategy | . 83 |
| | oter 6: Crowdsourcing and Schelling's Theory | |
| of Se | elf-Command | |
| 6.1 | Introducing Self-Command | |
| 6.2 | Self-Command in Marketing | |
| 6.3 | Blogging as Self-Command | |
| 6.4 | Starbucks' Crowdsourcing as Self-Command | |
| 6.5 | What Crowdsourcing Can and Can't Do | |
| 6.6 | Dealing with Free Riders and Bad Actors | |
| 6.7 | Schelling's Focal Point | . 97 |
| | pter 7: Content Popularity and Spence's Theory | |
| | ostly Signaling | |
| 7.1 | The Theory of Costly Signaling | |
| 7.2 | Traditional Advertising and Costly Signaling | |
| 73 | The Freeign of Costly Signaling in Super Royal Advertising | 105 |

Contents IX

| 7.4 | How Web Transparency Disrupts Costly Signaling | 107 |
|------------|---|-----|
| 7.5 | The Evolution of Costly Signaling on the Web | 108 |
| 7.6 | Google Changes the Costly Signaling Currency | 109 |
| 7.7 | Paid Search and Popularity-Based Signaling | 112 |
| 7.8 | Noise in the Signaling System | |
| 7.9 | Popularity-Based Signaling in Social Media | 115 |
| 7.10 | The Disruptive Effects of Popularity-Based Signaling | 116 |
| 7.11 | The Perils of Negativity in Popularity-Based Signaling | 119 |
| 7.12 | Popularity-based Signaling in Presidential Politics | |
| 7.13 | Noka and the Disruption of Costly Signaling | 122 |
| 7.14 | Sock Puppetry as Noise in the System | 126 |
| 7.15 | Target Learns the Rules of Popularity-Based Signaling | 127 |
| 7.16 | Target and the Problem of Capacity | |
| 7.17 | Content Aggregators and the Evolution of Costly Signaling | |
| 7.18 | The Three Rules of Popularity-Based Costly Signaling | |
| 7.19 | Paying the Costly Signal to Go Viral | |
| 7.20 | A Popularity-Based Success Story: Blendtec | 137 |
| | | |
| | oter 8: Kapferer's Prism and the Shifting Ground | |
| | and Identity | |
| 8.1 | Branding by Definition. | |
| 8.2 | Branding as Reciprocal Relationship | |
| 8.3 | The Traditional Limits on Brand Engagement | |
| 8.4 | Consumers Assert Brand Ownership: Nike | |
| 8.5 | Consumers Assert Brand Ownership: Apple | |
| 8.6 | Kapferer's Prism. | |
| 8.7 | Rapaille and the Brand Imprint | |
| 8.8 | The Limitations of Traditional Branding | |
| 8.9 | Introducing Brand Monitoring | |
| 8.10 | Brand Monitoring and Ethnographic Analysis | |
| 8.11 | Diffusing Defection through Brand Monitoring | |
| 8.12 | Crowdsourcing Brand Identity | 160 |
| Char | oter 9: Maxwell's Demon and the Dwindling Supply | |
| | onsumer Attention | 165 |
| 9.1 | The Problem of Overtaxed Attention | |
| 9.1 | The Volunteer's Dilemma and the Tragedy of the Commons | |
| 9.2 | Social Media's Capacity Problem | |
| 9.3 9.4 | The Risks of Quantification | |
| 9.4 | Social Traps and Counterreinforcers in Social Media | |
| 9.5 9.6 | Voting with their Feet: Why Quality Matters in Social Media | |
| 7.0 | voting with their reet: why Quanty Matters in Social Media | 1/4 |

| X | Contents |
|---|----------|
| | |

| 9.7 9.8 | |
|--------------|--|
| Bibliography | |