

Navigating the Changes in Interest Aggregation and Articulation

With the rapid development of information and communication technologies, people have found new ways to self-identify and self-organize, i.e. to aggregate and articulate their interests. The Internet and social media now provide a platform where 'the masses' can communicate almost instantaneously and empower stakeholders at all levels to elevate from mere information consumers to information producers. This shift is critical.

Stakeholders at all levels, even the individual consumer, can now communicate their interests on a large scale, and can identify one another, gather into virtual groups around the globe and identify very focused interests. Their ability to create output that can penetrate deeply into the mainstream through social media, means they can reach larger numbers and quickly. Thanks to social media, they are able to circumvent traditional media, which has long served as a filter of issues that make it above the fold or to primetime. Instead of major newspapers and networks being able to propel or stifle issues, which could be easily monitored by firms and other traditional institutions, stakeholder interests are now making headlines via the new media, at a higher rate and on increasingly narrow issues. The result is that individuals and non-governmental organizations (NGOs) are progressively able to gain political legitimacy and power on par with the traditional institutions such as industry, unions, firms, the church, and political parties, all of whom had previously occupied a sphere of influence in relative isolation.

For business, the impact is significant. More and more, firms find themselves being engaged by stakeholders, in both predictable and unpredictable ways. Those who had previously lacked numbers and focus to warrant a response from the firm or to catch the attention of the broader public can now be quite effective in hitting their targets. With more sophisticated tools and platforms available to anyone using the Internet, stakeholders of several degrees

can now easily build momentum, target individuals, and tailor their message to become a critical mass. Some of these movements may be cooperative in nature, seeking to work with firms when their interests are convergent. Others will seek to attack businesses in order to enforce existing regulations, change laws, thus weakening firms whose interests diverge from theirs.

In addition to these changes in the social movement context, there are changes in the larger context. As the middle classes are rising on a global scale, so too is the mass of people who can afford to aggregate and articulate their interests, yielding more social movement activity. In other words, virtual protests, campaigns, attacks etc. are only increasing. In conjunction, globalization and the break neck development of technology and social media means local actions will continue to spread their reach to achieve global impact. This adds a new challenge to firms when deciding which decisions to make on the local level and which to take on the global corporate level, including responses to claims from social movements.

Based on these changes and trends, regulatory developments in technology will be key in defining the new virtual landscape. The Internet will either continue to be essentially unregulated or, in line with efforts underway in the U.S., it will increasingly be controlled and possibly even reach full censorship akin to several nations. Alternatively, it could be modestly regulated. This Goldilocks scenario belies the complexity of the potential consequences on social movements and firms, as the nature of the regulations e.g. privacy, advertising, fees etc. are unknown. As traditional media wanes and social media waxes, the potential for a new phase of media oligarchs emerging in the digital sphere is great. Could Facebook, in its own political legitimacy, become the new gatekeeper independent of other interests? Could it stifle or nourish a social movement according to the interests of firms based on advertising fees? Will other platforms emerge, displacing the current social media giants? Will censorship mean a resurgence of traditional media's role and a reversion to individual consumption from production?

These are very real scenarios that firms may have to confront, but what are the implications of these scenarios on businesses? How can they respond to stakeholder interests, acted on in

increasingly sophisticated campaigns? What responses have worked and how will they work in future? What framework can firms use to better understand their position with respect to claims from social movements? How can firms better manage stakeholders, and what does this new digital and social media landscape mean for stakeholder engagement?

These questions can be addressed through causal mapping, scenario generation, and case study analysis, which will provide firms with the fundamentals they need to develop strategy as they navigate this newly critical area.