MESSAGE IN A BOTTLE: HOW PRODACTIVIST CONSUMER COMMUNITIES COMPETE IN THE MAINSTREAM MARKET

Florian Ladstaetter, University of Innsbruck
Marius K. Luedicke, Cass Business School

ABSTRACT
This study explains how “prodactivist” communities can compete in the mainstream market by pursuing a confrontative market entry strategy. We offer a conceptualization of this strategy with regards to its underlying rationale, key engagement motive, existential threats, defense tactics, and dissolution mechanism.1

INTRODUCTION
“Premium Cola wants to make the world a better place by exemplifying and spreading a humane and sustainable model of doing business in a stable and functional way,” Premium Cola’s mission statement.

In 2011, a community of German market-critical cola enthusiasts known as “Premium Cola” had its best business year ever: The community sold more than 730,000 bottles of “Premium Cola” through its international network of community members. The Premium Cola community emerged in 1999 from a group of consumers that protested against the reformulation of their fancied “Afri-Cola” drink (see www.premium-cola.de). Throughout the ensuing 12 years, the community evolved into what we may call-in a good consumption theoretical tradition – a “prodactivist” community. From this theoretical angle, the Premium Cola community can be seen as a group of “productive activists,” e.g., prodactivists, that combines the roles of producers, consumers, and social activists to promote change in the capitalist market system by demonstrating how market exchange can be both successful and ethical.

Prodactivist communities are anything but a new cultural phenomenon. Consumer researchers have addressed a wide array of such communities that develop, among other themes, around open source software (OSS) development (Cromie and Ewing 2009; Hemetsberger 2006), anti-market festival organization (Chen 2012; Kozinets 2002a), co-operative farming (Moraes, Szmigin, and Carrigan 2010; Press and Arnould 2011), or other tribal activities (Cova, Kozinets, and Shankar 2007). In contrast to emancipatory, resistant, or culture jamming consumers that produce a rich array of (counter-)cultural meanings (Carducci 2006; Kozinets and Handelman 2004; Peñaloza and Price 1993), prodactivist communities also proactively explore various modes of collective value creation. When prodactivist communities hit a market nerve and grow their membership and customer bases, they tend to face a range of problems related to one predominant dilemma: How can these communities perpetuate their countercultural value creation practices without becoming just “another chapter in the ongoing saga of countercultural co-optation” (Thompson and Coskuner-Balli 2007a, p. 136)?

Consumption literature addressing this puzzle has focused on illuminating one particular type of approach that we refer to as the “countervailing market creation” strategy (Thompson and Coskuner-Balli 2007a). When pursuing this strategy, prodactivists create and occupy a market niche that fulfils consumer needs the conventional profit-oriented, growth-driven, and scalable commercial mainstream cannot satisfy. In their market niches, prodactivist communities insulate their alternative brands from corporate co-optation by adopting a countercultural ideology (Thompson and Coskuner-Balli 2007a), rejecting conventional pricing logic (Hemetsberger 2006), or bridging the production/consumption divide (Kozinets 2002a). This strategy animates the prodactivist efforts of, for instance, OSS developers (Cromie and Ewing 2009; Hemetsberger 2006), the Burning Man community (Kozinets 2002a), or community supported agriculture (Thompson and Coskuner-Balli 2007a).

As we studied value creation in the Premium Cola community, we found that this group of prodactivists has chosen another way of inducing change, that is, to directly compete against mainstream players in their very own market, yet by different, more “ethical” means. We refer to this alternative strategy as the “confrontative market entry” strategy. In contrast to communities following a countervailing market creation strategy, Premium Cola prodactivists intend to actively change the behavior of mainstream market actors through educational communication and providing a role model for more ethical business practice.

Thompson and Coskuner-Balli (2007a) have shown how a prodactivist community can secure its operations in a countervailing market system even against powerful actors like Wal-Mart. But how can prodactivist communities like Premium Cola survive in an even more vulnerable mainstream market position without getting absorbed by mainstream principles or failing commer-
cially? Which ideological narratives, market practices, defense tactics, and dissemination mechanisms do these communities use to succeed in the mainstream market? And how do their ideas and operations compare to those of communities that have chosen the countervailing market creation strategy?

To address these questions, we conducted a longitudinal extended case study (Burawoy 1991) with Premium Cola that began in 2009 and is still going on. Our findings suggest that the confrontative strategy is even less stable and more paradoxical than the countervailing strategy. Over the years Premium Cola’s members have developed a set of tactics to balance pragmatic with idealistic goals, promote member commitment, develop the community, and find their “more ethical” position in relation to mainstream market players and practices.

We reveal these insights in the following order. First, we set the theoretical stage for our analysis by reviewing consumer (culture) theories on the countervailing market creation strategy. Then, we explain our research methods and context followed by an illustration of our empirical findings. We close with discussing the theoretical contributions garnered from this study and highlight roads for further research.

**THEORY**

Consumers have been considered participants in the commercial value creation process at least since Toffler’s prominent writings on the “rise of the prosumer” (Toffler 1980, p. 265). Yet, only relatively recent developments in communication technology have significantly increased consumers’ possibilities to co-create value (Cova, Dalli, and Zwick 2011), enhance their brand experiences in communities (Cova, Kozinets, and Shankar 2007; Schau, Muñiz, and Arnould 2009), or express their criticism (Ritzer and Jurgenson 2010). These developments have further complicated the theoretical distinction of producer and consumer roles. To conceptualize the phenomenon of consumers developing capabilities like new product development, distribution, or branding, that originally have been associated with producers, Füller, Lüdicke, and Jawecki (2007) have developed the concept of a “community brand.” The community brand concept describes how consumers gather around a common interest or values and collectively create their own brand.

The amalgamation of consumer and producer roles with yet another role—that of the social activist—has produced a social form that we call a “prodactivist” community. Prodactivist communities attempt to inspire socio-economic change in their environments by adopting the triple role of producers, consumers, and social activists. For the purpose of our study, we focus on the case of community supported agriculture (CSA) to illustrate the particularities of the “countervailing market creation” strategy. Throughout our review of the literature we developed a five-dimensional framework that outlines the characteristics of the countervailing market creation strategy: (1) the underlying rationale for the community to exist, (2) members’ key engagement motives, (3) existential threats to community perpetuation, (4) the defense tactics the community applies to counter these threats, and (5) the dissemination mechanism through which it expands its sphere of influence (see Table 1 for a summary).

**The CSA-Case**

(1) CSA’s underlying rationale is to build an alternative marketing channel that operates on the principles of shared rewards and risks (Press and Arnould 2011; Thompson and Coskuner-Balli 2007a). Consumers can buy shares of a specific farm and become “members,” or participate in food production and become “worker members.” The value proposition of CSA is that locally grown produce is directly transferred from grower to consumer without commercial intermediaries or extended time lags. (2) Consumers engage with the CSA movement because they buy shares of a specific farm and become “members,” or participate in food production and become “worker members.” The value proposition of CSA is that locally grown produce is directly transferred from grower to consumer without commercial intermediaries or extended time lags. (2) Consumers engage with the CSA movement because they face the threat of being co-opted by mainstream companies (Thompson and Coskuner-Balli 2007b). (3) Because counter-cultural market initiatives like CSA can be attractive to a broader audience, they face the threat of being co-opted by mainstream companies (Thompson and Coskuner-Balli 2007a). (4) However, through its tactics of combining locally embedded prosumption practices with anti-commodification and anti-globalization discourses the CSA market system aligns the interests of farmers and consumers in a way that is not (yet) scalable and thus unattractive for larger retailers. (5) Press and Arnould (2011) have shown how the CSA movement has disseminated through its connection to American pastoralist discourses. It is, however, not the single farm that grows, but the cultural template of a CSA-farm that gets copied and reproduced.

**The Countervailing Market Creation Strategy**

The CSA example illustrates how prodactivist communities evoke change by pursuing a countervailing market strategy. Following this strategy, they create alternative exchange systems that compensate for particular insufficiencies of the mainstream market. These alternative exchange systems break with defining elements of the commercial system, such as asking for monetary returns (OSS), or scaling up (CSA). Through connecting production, consumption, and activism, they become attractive as realms for creative self-expression,
provide reason and space for creating community, and engaging in a wide array of unconventional activities. The countervailing market creation strategy thrives on anti-corporate discourses that leverage consumer engagement and protect the countercultural exchange system to some extent from corporate co-optation.

Prodactivist communities enacting a countervailing market creation strategy distance themselves from mainstream markets by creating market niches and protecting them from corporate influences. In this sense, they change society by propagating alternative exchange systems. However, it is not their intention to change the behavior of actors within the existing market system. As they are uninterested in mainstream companies – except from using them as negative template – none of them has shown any intention to directly interact with mainstream companies in order to change their behavior. But that is exactly what Premium Cola is doing.

**METHODOLOGY AND CONTEXT**

In 2009, the first author embarked on a longitudinal (and ongoing) study of the prodactivist “Premium Cola” community. Premium Cola (or just “Premium,” like members often refer to themselves) is a classic case of a community brand (Füller, Lüdicke, and Jawecki 2007) that produces, promotes, and distributes an original cola soft drink, as well as coffee and beer, under its own, self-created brand name.

The origins of the community date back to the year 1999 when the German cola producer “Afri Cola” sold its operations to the Mineralbrunnen corporation. After the takeover, Mineralbrunnen changed the recipe of Afri Cola, however, without informing its loyal customers. Fans of the original Afri Cola protested against these changes and against the clandestine way in which it had occurred. After two years of protest without any concession by the new brand owner, the activists got a hold on the old Afri Cola recipe, searched and found a bottler, and began to produce a first lot of 1000 bottles of what they called “Premium Cola.” In the ensuing years, the sales of Premium Cola sloped steeply upwards transforming the small anti-brand protest movement into a veritable soft drink brand. In 2009, Premium Cola began to also produce and market beer under the Premium brand, followed by coffee in 2011. In 2011, Premium Cola sold 730,000 bottles of Premium cola and 160,000 bottles of Premium beer in bars and shops throughout Germany, Austria, and Switzerland. Production of the beverages and logistics are outsourced. Hence, Premium Cola is a largely virtual organization that consists of about 60 voluntary members who are locally spread over different states and three paid members that take care of administrative tasks. Members predominantly communicate via their emailing list and at their biannual brand convention. The community is the forum for strategic decision making. Strategic decisions follow a consensus democracy principle, meaning that there can be no decision as long as there is but one dissenting voice. Community members also operate as a sales force that recruits new outlets and spreads the word about the Premium Cola brand.

The first author started his empirical journey with a netnographic analysis of the community’s website and of various other on- and offline sources commenting on Premium Cola (Kozinets 2002b). This first step provided us with an idea about the group’s historical origins and evolving ideology. Then, the first author started following the community’s emailing list and seeking personal exchange with community members and leaders. He conducted 15 phenomenological interviews with members of the community that began with grand tour questions about personal backgrounds and membership history and later moved toward themes such as specific strategic dilemmas. He further attended three Premium Cola conventions (October 2010, May 2011, and June 2012) and participated in four “core team meetings” via Skype conference in June and July 2011. In parallel to this data collection, both authors analyzed the emerging data set using a hermeneutic approach as suggested by Thompson, Pollio, and Locander (1994). Following this methodology allowed us to garner the following empirical insights into Premium Cola’s confrontative market entry strategy.

**FINDINGS**

In this section we present empirical evidence of Premium Cola’s particular use of the confrontative market entry strategy. For this purpose, we draw on the five-dimensional analytic framework developed in the theory section (see Table 1).

**Rationale**

Premium Cola initially emerged from a small protest movement. However, since it became a prodactivist community, Premium seeks to exemplify and spread its own version of sustainable and morally correct economic-, social- and ecological behavior. The community’s intention is to inspire change in the mainstream market through educational communication and providing a role model for both start-up and established market actors. Premium Cola’s structure and activities are designed to point out what community members think is wrong in the marketplace.

**Key Engagement Motive**

Since Premium Cola distributes standardized, mass produced products it provides community members with limited opportunities for creative self-expression. The
community’s consensus democracy system, however, allows community members to participate in the brand’s governance process, including strategic decision making. Members also engage proactively in word-of-mouth advertising to recruit new distributors, customers, and community members. Akin to Kozinets and Handelman’s (2004) consumer activists, Premium Cola community members are motivated by raising awareness and educating uncritical market participants. Community member Miguel explains:

*Miguel:* We can make people start thinking. Not just consumers, but producers. We have questioned a good part of the economic system or the production chain. We just looked one after the other at every element of the chain and thought about how we could do it better. An example is the anti-quantity discount. By means of something like the anti-quantity discount you can question a habitus that has become accepted. You can question what has always been taken for granted. At first, people are shocked, but if you explain it to them, they are like: “Of course, that’s totally logical.” And the market has some viruses or erroneous ideas that nobody corrects... And to find these errors and question them, that’s also fun.

Miguel’s quote illustrates how community members understand themselves as agents for a moral market reform. He describes the work of Premium as an investigative process in which the community step by step identifies the diseases of the market and develops alternatives. From this position of critical awareness, the community starts its educational mission. Practically, Premium Cola members think, for instance, that quantity discounts are unfair because such offers unjustly support big distributors and suppress small ones. The “anti-quantity discount” allows Premium Cola to give discounts to small distributors and thus compensate for their smaller margins. These activities of critically questioning market practices and developing alternative, and more ethical, modes of exchange provides Premium Cola members with a feeling of empowerment and moral superiority.

**Existential Threats**

The dual position as a market actor and a market critic causes a range of problems for Premium Cola in its daily business operations. Premium adopts conventional business practices to form relationships with other market actors. But it also depends on noticeable differences from its competitors to sustain member commitment and market position. The resulting challenge for Premium Cola is avoiding assimilation by the market system, but also avoiding economic marginalization and, thus, bankruptcy.

The second important threat to community perpetuation is the limited possibility for community members to engage in creative self-expression, which has been found to be a key motor driving participation in other communities (Cromie and Ewing 2009; Kozinets 2002a). We found that many community members lose their motivation to participate quite soon after a first excitement has settled. This drop of interest apparently occurs because possibilities for self-realization are scarce, and only a few members derive sufficient emotional and cognitive reward from Premium’s missionary project.

**Defense Tactics**

To counter the first threat – assimilation by the mainstream market or economic marginalization – the community mainly relies on six organizational and communicative tactics:

**Defying Profit Logic.** To avoid the impression of becoming overly assimilated to mainstream market practices, Premium Cola members often make decisions that counter a conventional profit-oriented business logic. Uwe, one of Premium Cola’s founding members, explains in the following interview excerpt how the idea of using vegan label-glue emerged.

*Uwe:* No other producer is paying attention to vegan glue for their labels. Maybe when their customers pressure them, but not voluntarily. And of course I immediately passed on the information that we use vegan glue to our cooperation partners. And of course I received answers like: “Are you crazy? Don’t you have other problems?” And I think that they did not get it that we are working on another branch of the competition there. Of course we are also involved in the price competition. But parallel we are also involved in a competition of sustainable and fair economic activity. And on this front we are leading.

Uwe’s quote provides an example of how Premium Cola tactically manages its survival in an intricate market position. As he notes, not only did the community decide for using (the more expensive) vegan glue for the bottle labels, but Uwe was also quick to announce that Premium was using such a glue. When making such economically “unreasonable” decisions Premium Cola not only pursues its moral mission, but also makes a bet on its customers’ willingness to pay a premium price for super-Premium ethics such as vegan glue. If successful, the community not only secures a loyal customer base and
defends its moral market position, but also inspires customers to pressure their conventional suppliers and, thus, provokes change.

**Promoting Community.** The community structure has turned out to be an obstacle for Premium Cola where administrative tasks demand instant decisions. Still, the community’s most active participants insist on perpetuating the community structure and its multitude of different opinions because the community, for Premium Cola, is paramount for continuing the moral project and the critical reflection on its market actions. The community serves as a moral supervisory board and prevents community leaders from assimilating to mainstream marketing practices. It is also one of the most striking communicative assets of Premium Cola vis-à-vis its competitors.

**Framing Sales as Market Subversion.** Unlike OSS producers, Premium Cola prodactivists depend on their commercial success to keep advancing their market critical agenda. However, the community must avoid being perceived as “sales-driven,” or to pursue sales at the cost of morals. To counter this impression, community members frame sales expansion as a sign of success for their mission. Expanding product sales is therefore considered a means to subvert the market, and not as an end in itself.

**Discrediting the Evil Competitor.** The creation of an evil antagonist is a common practice within social movements (Kozinets and Handelman 2004). Premium Cola prodactivists, however, do not consider market giants like Coca Cola or Pepsi their main antagonists (even though they show considerable antipathy against these corporations), but a relatively small soft drink brand named “Fritz Cola.” We find that although big hegemonic corporations like Coca Cola serve Premium Cola as a raison d’être, it is the constant comparison and ideological distancing from small direct competitors that provides Premium’s members with a sense of uniqueness and keeps them from mindlessly adopting mainstream marketing practices.

**Decoupling Administrative Tasks.** Over the years of its growth, it has become apparent that external exchange partners depend on Premium’s reliability and accountability. To be accepted as an exchange partner and, thus, avoid economic marginalization, Premium Cola had to find a way to stabilize its operations that were often jeopardized by unreliable community members. Consequently, the Premium Cola community decided to decouple strategic and representative tasks from administrative work and now employs three community members that reliably take care of its daily business.

**Integration of Key Stakeholders.** Many Premium Cola drinkers have very limited knowledge of the Premium project. To uninformed consumers a bottle of Premium Cola resembles other underground lifestyle soft drinks (like Fritz Cola). In order to secure its special market position, the Premium Cola community undertakes various measures to integrate its key stakeholders (bars, bottlers, distributors) into the community. By means such as foregoing formal contracts or inviting them to join their mailing list the community ties exchange partners closer to the community network and raises excitement for the Premium mission.

**Dissemination Mechanism**

In contrast to prodactivist communities pursuing a countervailing market strategy, Premium Cola prodactivists want their practices and morals to be adopted by other market actors. On the Premium Cola homepage, members present a detailed description of Premium’s “operating system” and its underlying moral principles (in German: www.premium-cola.de/betriebssystem). Community members regard this operating system one of the biggest achievements of the Premium Cola community. It is Premium’s mission to convince as many companies as possible to adopt its operating system as a whole or at least parts of it.

**DISCUSSION**

Prior consumer research has explained how prodactivist consumer communities thrive in capitalist markets by creating countervailing market structures and recruiting participants with market-critical ideologies. The present study adds to this stream of research by shedding an empirical light on an alternative strategy that we call the “confrontative market entry” strategy. Prodactivist communities such as the Premium Cola community that we have studied pursue this strategy to change the mainstream market from within rather than from a structurally and ideologically protected outside position. For 12 years, Premium Cola has implicitly followed this strategy to grow in the competitive soft drink market without abandoning its ethical “operating system,” or failing commercially.

The empirical findings of our research on the confrontative market entry strategy come most clearly into relief when compared to the countervailing market entry strategy discussed in the preceding literature (see Table 1). In summary, we find that although both strategies are similar with regards to their market-critical ideological background, they differ significantly in terms of their rationale, as well as their key engagement motives for participants, existential threats, defense tactics, and dissemination mechanisms.

Countervailing prodactivists create an alternative market structure to address unsatisfied consumer needs, for instance, for greener products, authentic communal
experiences, gentler treatment of natural resources, or creative self-expression. Confrontative prodactivists, instead, directly challenge the mainstream market with the goal of changing unethical market structures from within. Consequently, countervailing prodactivist communities draw participants with better products and the satisfaction of needs the market can not satisfy, whereas confrontative prodactivists like Premium Cola attract participants mainly with their proactive approach to market-subversion and socio-economic change.

Prodactivists pursuing confrontative versus countervailing strategies also face different existential threats. When adopting a countervailing market creation strategy, prodactivist communities largely render themselves independent from external market partners. Practices and discourses are designed to satisfy members’ needs and otherwise maintain a safe distance from the capitalist market. They emerge, consequently, as self-sufficient communities that legitimize their activities only vis-à-vis one stakeholder group—namely their members. Confrontative prodactivist communities, in contrast, are not only dependent on the commitment of their members, but also on continuing exchange relationships with external partners such as distributors or the outsourced production company. This puts the brand/organization/community in a vulnerable position where it has to constantly legitimize its position as a market

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Countervailing Market Creation Strategy (CSA, OSS, Burning Man)</th>
<th>Confrontative Market Entry Strategy (Premium Cola)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationale</td>
<td>Create market niche with an alternative exchange system</td>
<td>Protect own identity AND change existing system</td>
</tr>
<tr>
<td>Key Engagement Motive</td>
<td>Satisfaction of needs the mainstream market can not satisfy</td>
<td>Feeling of empowerment by changing the market for the better</td>
</tr>
<tr>
<td>Existential Threats</td>
<td>Co-optation and Commodification</td>
<td>Assimilation, Marginalization, Limited creative self-expression</td>
</tr>
</tbody>
</table>
| Defense Tactics       | Avoid co-optation by combining enchanting consumption experiences and anti-corporate discourses to create a protective ideology. | Avoid (impression of) assimilation through  
  - obvious non-compliance with market logic  
  - maintaining community structure  
  - framing sales as market subversion,  
  - framing direct competitor as evil enemy |
|                      | Avoid commodification through bridging production and consumption and promoting creative self-expression.                    | Avoid marginalization through  
  - integration of key stakeholders into the community network  
  - decoupling strategic decision making and representative tasks from administrative work |
| Dissemination mechanism | - Connection to resonating cultural frame  
  - Reproduction of structure to form new actor                                                                         | Adoption of selected practices and/or ideology by existing actors                                             |
critic but still secure its survival as a market actor. As we have shown, the Premium Cola prodactivists address this issue, for instance, by symbolic non-compliance with the market logic, framing sales as market subversion, and decoupling administrative from representative practices. The community’s position as a market critic within the mainstream market requires constant reflection about the legitimacy of each addition to its expanding range of marketing tools.

And lastly, prodactivist communities that pursue a countervailing market creation strategy disseminate their alternative models of value creation in a way that renders co-optation (at least initially) financially unattractive for conventional market players. Communities like Premium Cola, instead, reach their most fundamental goal in exactly the opposite way, that is, when their ethically considerate way of doing business gets adopted and thus further disseminated by conventional players.

Our paper conveys two theoretical insights. First, Kozinets (2002a, 36) suggests that by studying features of hypercommunities, scholars can “highlight features of their antithesis, the market, that are otherwise taken for granted.” We show that communities enacting a confrontative market entry strategy for inducing socio-economic change can articulate an even more detailed critique of market practices than communities that occupy a countervailing market position. Premium Cola prodactivists explicate what they think is wrong in the mainstream market by framing their own practices as both diagnosis and cure of specific market problems.

Second, the confrontative market entry strategy that we illuminate in this paper contributes further insights to consumer culture research on the “progressive practices of citizenship” that emerge in “market mediated forms” (Arnould 2007, p. 105). Our research shows that prodactivist communities like Premium Cola struggle with their ambivalent role as market critics and agents, which requires a particularly high level of self-reflection.

To conclude, Press and Arnould (2011) have shown how the CSA movement has become a mainstream phenomenon in the United States. OSS has widely spread and substantially changed parts of the software market. The prodactivist communities that created these countervailing market systems in the first place have pushed their idea to a commercial center stage through legitimization and institutionalization of their respective exchange systems. As it currently stands, the Premium Cola community is in contact with about ten other soft drink brands that have begun to partially adopt its operating system. Also, some Premium Cola distributors have begun to ask their mainstream sellers questions about ethics. However, further research will be needed to show if confrontative market actors that try to “hack the economy” (Premium emic terms) for socio-economic change are able to gain substantial attention for their alternative ideology and practices of exchange among mainstream marketers.

ENDNOTE

1 This research was supported by funding from the Young Academics Research Fund of the University of Innsbruck.

REFERENCES


Kozinets, Robert V. (2002a), “Can Consumers Escape the Market? Emancipatory Illuminations from Burn-
ing Man,” *Journal of Consumer Research*, 29 (June), 20–38.


For further information contact:
Florian Ladstaetter
University of Innsbruck
Universitätsstraße 15
6020 Innsbruck
Austria
Phone: 0043.650.8304327
E-Mail: csae5623@uibk.ac.at