

The evolution of power in communication: Organizational perceptions about the digital era

A study about tipping the scales of power.

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Course code: BE-501

Word count: 14 547

Research Questions:

RQ1: How has the power shift in information sharing impacted the dynamics between organizations and individuals?

RQ2: How do organizations perceive this change and its consequences?

If you're not paying for something, you're not the customer; you're the product being sold.
- Andrew Lewis, under the alias Blue beetle, on the Web site MetaFilter

Abstract

The digital age has disreputably brought shifts in the business sector by bolstering networking individuals' activities. The theory of a Fifth Estate by William Dutton elaborates on how social media has facilitated information sharing among networked individuals, which then becomes the new powerhouse. Previous research has shown that individuals experience increased power over organizations, however, it lacks organizational perceptions of this change.

This thesis strives to understand organizations' perceptions of the change elaborated by the theory of a Fifth Estate, and the power dynamic between organizations and individuals. This is done by utilizing a qualitative method including 12 interviews with organizations operating in Norway. Our findings show that the perception of the change varies according to different variables, while the sum of organizations mainly find the change as beneficial for their growth.

Keywords: Power shift, The theory of a Fifth Estate, Electronic WOM, Social media

Acknowledgements

All things must end, so new things can begin. We are eternally grateful for the knowledge and experiences we have had the honor to acquire through our five years at the School of Business and Law at University of Agder.

The age of digitalization is dawning upon our society, intriguing our curiosity about the changes happening in the business sector. We endeavored to highlight the different perspectives on the current transformation in the digital media landscape. Throughout the project we utilized our individual strengths to lead insightful discussions and daring to think divergently.

The five-month process of writing was full of uncertainty, doubt and worries. However, our collaboration turned these negative feelings into motivation, by working closely, writing consistently, and co-working throughout the whole paper. Our combined capabilities made us overcome all the obstacles along the way and proudly present the thesis you are currently reading.

Words are powerless to express our gratitude to our supervisor, Professor Kalanit Efrat, for her unwavering support and guidance throughout this project finalizing our time as master's students.

We want to thank our families and friends for their kind and comforting words in a moment of doubt.

We also wish to extend our immense gratitude to our respondents who volunteered to participate with insights and data. This project would lack foundation without their contributions.

Lastly, we want to thank you, as the reader, for taking an interest in the thrilling topic of power in communications. We hope you will find similar joy in reading, as we found while producing this thesis.

We wish you an enriching reading experience full of inspiration and new perspectives!

- RB & MFA

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1.0 Introduction

Organizations have to a large degree been able to control their marketing solely based on their strategies. However, recently organizations have turned to making decisions based on customer expressions that have been prominent on social media. Furthermore, the European Parliament has implemented regulations to clarify the guidelines for massive platforms, to stop them from utilizing their power in unfair ways and not infringing on online users' rights (*EU Digital Markets Act and Digital Services Act Explained*, 2023). This example underscores a transformative moment in history where technology, society, and the law are intersecting to decide how information is distributed, made available, and used. Furthermore, these guidelines contribute to dispersing the power organizations possess over networked individuals and supposedly balancing the dynamic between the two. To promote an extensive understanding of the complex power relationship between organizations and individuals on the web, we aim to contribute with information that supports organizations to manage their activities in the digital landscape. To understand the shifting digital landscape in today's world, our thesis is a timely contribution to the research exploring the dynamics between organizations and individuals in information sharing.

The customer perspective has been researched; however, the organizational perspective of this evolution is yet to be shed light on. Therefore, to minimize inadequate research about the paralleling organizational perspective, we embark on the topic of information sharing. Our thesis revolves around two following research questions:

RQ1: *How has the power shift in information sharing impacted the dynamics between organizations and individuals?*

RQ2: *How do organizations perceive this change and its consequences?*

By interviewing 12 organizations that operate in Norway, we have managed to elucidate various practical and theoretical implications. The framework of this project stems from a theory conceived by William Dutton (Dutton, 2023). We use this theory and previous research in line with our findings, to map out valuable insights that can be of use for Norwegian organizations, legislators, and those who find this field interesting.

2.0 Exploring existing literature

The development of Web 2.0 and social media has introduced a podium for mass communication, where the sender can reach a large, heterogeneous, assorted, and anonymous audience in a short amount of time (Muhammadali, 2011, p. 17). This develops an interest to examine how the power in message broadcasting has shifted from organizations to ordinary people, and how organizations perceive this change. The outline of the literature review will consist of the basics of marketing communication, new possibilities due to the internet, and how social media and word of mouth have facilitated social movement and decentralized power. Following, it will examine how this has contributed to the power shift and the aftermath of it. Lastly, potential gaps will be presented, which will guide the study of this paper.

2.1 Evolution of marketing communication

Traditionally, organizations market themselves through one-way communication. This involves radios, newspapers, and magazines, etc. Thereby, organizations could construct their communicative information in ways that would benefit their brand image. Thus, mainly organizations influence their reputation among individuals (Hoffman & Novak, 1996). Organizations would avoid focusing on negative aspects to keep this influence effective. Consequently, they find themselves with more information than their consumers, which creates an information asymmetry. Organizations were able to suppress opinions that were not aligned with their own, due to the lack of channels where consumers could express themselves (Christodoulides, 2009). Nonetheless, organizations are known to operate better under controlled conditions. Therefore, it is preferred by organizations to foster a barrier, where knowledge is restricted, and it facilitates the conditions to make organizational control succeed. This in turn helps predict their market. However, the recent development of the internet and digital platforms has made it possible to exchange information publicly. In addition, commencing discussions are creating a sanctuary of knowledge for individuals. Following, the seemingly increased influence of networking individuals leads to the need for critical thinking.

2.2 Social media and Word of mouth

Organizations cannot control or significantly affect the user-generated content that is being spread in society. Consequently, inadequate regulatory measures and the broad user-base in social media, create a mix of information with differing trustworthiness that is exchanged between users. Due to the accessibility of social media and Web 2.0, previous one-way communication from organizations has become a many-to-many communication. This process is known as word of mouth (WOM) and is defined as *“the communication between consumers about a product, service, or a company in which the sources are considered independent of commercial influence”* (Litvin et al., 2008). The nature of WOM is sharing and spreading information which shapes brand perception independently from organizational intentions. This phenomenon occurs through an already existing network, meaning people who interact already have a preexisting relation. Therefore, the established credibility is likely to encourage the recipient to act based on the message received (Hennig-Thurau et al., 2004, p. 39).

However, is there a reason why people share opinions regarding products, services, and organizations? Sundaram et al. (1998) discuss different motives that drive people to initiate WOM, with both positive and negative intentions. Some of these are product-involvement, self-enhancement, and altruism. Product-involvement is when people feel excited to share their product experiences with others. Self-enhancement, on the other hand, occurs when customers desire to be perceived as intelligent shoppers. Lastly, altruism occurs when people aim to prevent others from experiencing any similar problem they have encountered (Sundaram et al., 1998). The sum of these motives leads to a process of spreading information through an existing network. Sherman et al. (2016), found that people tend to like pictures on social media that have already received many likes, especially from people in their network. This finding can be used to suggest that users have a lower threshold to spread trending information, regardless of their subjective beliefs. Thus, organizations may experience exponential growth in both positive and negative attention for WOM.

An instance where WOM had a negative impact on a company was United Airlines in 2017. A man was forcefully removed from the plane due to overbooking. The man by the name Dr. Dao suffered several injuries. This incident sparked demonstrations and bad publicity for the aviation company (BBC, 2018). On the contrary, an example of growth due to WOM is the success of Zappos, *“a customer service company that just happens to sell shoes”* as the CEO Tony Hsieh

refers to it. They invest their money in customer experience rather than advertising, with the hope of their consumers staying loyal while also recommending them to others. This strategy worked excellently generating 2 billion in yearly revenue (Huhn, 2019).

Nevertheless, do positive and negative WOM have the same influential power? Previous research found that people are more willing to believe negative WOM than positive WOM (Huang et al., 2011, p. 1292). This can be expounded on with the fact that organizations' communication tends to be positive, but attention will be gathered when negative information distorts the intended message. This is because the existing beliefs of the users need to be congruent, and the lack of consistency may induce doubt. As a result of the contradictions, users will be more susceptible to negative WOM (Martensen & Mouritsen, 2016, p. 4). On the contrary, other research has found that positive WOM is more influential based on brand loyalty theory. Hence, consumers like to spread positive attention regarding their choice of organization, confirming their existing beliefs (Martensen & Mouritsen, 2016, p. 4). Additionally, brand loyalty perseveres against negative WOM, since loyal consumers know to be critical about the negative attention and avoid being misled (Ahluwalia, 2002, p. 278).

2.2.1 Positive implications of WOM

Organizations endeavor to use WOM as a marketing strategy by using social media to stir positive attention among their customers. A study from Wursan et al. (2021), found that promotion through social media has a positive effect on marketing through WOM. Furthermore, the same study found that marketing through WOM has a positive impact on product purchasing decisions (Wursan et al., 2021). Social media not only serves as a place where consumers get information but also as a platform where brands can activate consumer networks to support product or service promotion (Appel et al., 2020). Therefore, the takeaway is that organizations can affect customers' purchasing decisions by indirectly generating WOM through social media. In a sense, WOM can be regarded as marketing on autopilot. Companies will save time on creating advertisements that build trust and are convincing. Typically, the one spreading the word about an organization will find it easier to convince their recipients as there already is pre-established credibility and the sender is free from commercial influence, thus not paid to promote and deliberately speak positively about the organizations (Gildin, 2003, p. 97). The receiver can

therefore, to a certain degree, trust that the perceived utility of, for example, a product is not skewed in favor of the seller.

If the organizational reputation is maintained, WOM will have a positive effect on organizations. When organizations make the overall customer experience better than what was expected, it engages people to spread the word further. Additionally, organizations can benefit from the promotion that comes with WOM. Nevertheless, once a negative experience has taken place, organizations can avoid the negative outcomes by responding with extraordinary service for the customer. Converting the customers' negative attitude has been shown to cause the strongest WOM, accordingly in a positive sense (Silverman, 2001, p. 27). Lastly, generating promotion through WOM has no operational costs (Singh et al., 2018).

2.2.2 Negative implications of WOM

On the other hand, WOM can have negative outcomes for organizations. As WOM is independent of commercial influence, organizations can experience an unpredictable continuity of their brand narrative and find themselves struggling to influence their own reputation. Also, as the internet allows multiple people to interact, organizations must carefully consider how they respond to different situations. In case of a negative experience with an organization, the information spread on the web has a long-lasting availability (Hennig-Thurau et al., 2004, p. 42). Others can therefore access the information and consider whether to interact with the same organization. What is negative for organizations is that people tend to be more engaged in spreading negative experiences than in spreading positive ones (Gildin, 2003, p. 97). Therefore, organizations must recognize the importance of minimizing negative experiences and mending poor customer relationships.

To put it in perspective, Gildin (2003, p. 97) refers to research which found that on average, positive experiences are being spread to three people, while negative experiences are being spread to seven people. This can be explained by the fact that positive outcomes are expected and therefore do not stick to the memory unless it is extraordinarily good. Negative experiences, however, are below expectations. This usually disappoints the customer and thereby creates more engagement in WOM (Silverman, 2001, p. 27). Lastly, organizations can experience negative and damaging WOM simply by the reason of customer misunderstandings (Gildin, 2003, p. 104).

As mentioned previously, people tend to trust WOM more than they trust advertisement and organizational communication. This can make it challenging for organizations to steer the perception of their brand image. While 90 percent of WOM can be credible, the same percentage of advertisements may not be (Gildin, 2003, p. 99). Accordingly, once a negative reputation has started among people, it can be quite difficult for organizations to affect it positively. This poses the question of whether users are interacting with like-minded individuals, causing an echo chamber where groupthink occurs (Sunstein, 2017, p. 59). Therefore, organizations must focus on stimulating positive experiences to cultivate a strong reputation, while avoiding negative ones (Gildin, 2003, p. 94). As WOM becomes electronic, organizations face more challenges in maintaining their power. Meanwhile, the increasing use of the internet by individuals led to the contribution of user-generated content. In other words, individuals have the opportunity to share and create their own information.

2.2.3 Electronic Word of mouth

As social media and Web 2.0 have facilitated communication between individuals, organizations can experience these results on a larger scale. Consequently, the contention is that social media has accelerated WOM and led to opinions being disseminated rapidly and electronically. This extension introduced the term electronic word of mouth (eWOM). The expression includes positive or negative statements, which can reach various people and organizations on the internet (Hennig-Thurau et al., 2004, p. 39). This increases the potential number of receivers, while also immortalizing the availability of feedback-content like comments and discussion threads. The sum of eWOM on social media, the motives, and the outcomes, create an instrument of power over companies. This enables users to freely articulate their experiences which exerts collective power over companies. In short, the low threshold for communicating through eWOM supports the shift in power from organizations to consumers. The possibility for multiple consumers to express similar critiques on social media can be a strong tool to strengthen collective power (Hennig-Thurau et al., 2004, p. 42).

This develops a form of community, and Web 2.0 and social media users are now able to reach a bigger audience in a short amount of time. Web 2.0 does not have a final definition, but Kaplan & Haenlein (2010, p. 61) have attempted to define it as “*the second generation of the Web,*

wherein interoperable, user-centered web applications and services promote social connectedness, media and information sharing, user-created content, and collaboration among individuals and organizations". Meanwhile, social media can be understood as internet-based applications that are built on Web 2.0 and that enable the creation and exchange of user-generated content (Wilson et al., 2011). In order for Web 2.0 to function properly, it is dependent on user-generated content and interaction between users. This concept is based on services provided by organizations, where user data is used for monetization and personalization to maximize profit, without explicit consent (Gan et al., 2023). However, the third generation of the Web (Web 3.0) has applied encryption algorithms with digital keys to secure information. This hinders the exploitation of user data by online services, thus returning the power to individuals. In other words, Web 3.0 embodies the idea of a decentralized digital state where the power is devolved to users, and the consent to access data must be requested by third parties (Gan et al., 2023).

As a result of social media on Web 2.0 and the recent development of Web 3.0, ordinary people have shifted from only receiving information to sharing information on a larger scale. As the use of social media has grown, opportunities to interact through user-generated content have emerged, which also includes organizations. The collaborative nature of user-generated content enables users on the web to share and consume both information and individual experiences. This shift shows an evolution in the dynamics and interactions between users and organizations (Fournier & Avery, 2011, p. 194). Christodoulides et al. (2009) define user-generated content as *"consumers creating content that is made available through publicly accessible transmission media such as the internet ... and is created for free outside professional routines and practices"*. To elaborate, the main categories of user-generated content include reviews, online ratings, vlogs, community forums, podcasts, discussion threads, and so on. Increased user-generated content led to the advantage of information asymmetry shifting, meaning users were not only interacting with organizations but also sharing personal experiences with other people (Hoffman & Novak, 1996). Furthermore, the low threshold for user-generated content has led to a plethora of opinions, which has influencing power. This shift reduces organizations' power to influence people's perception of their brand and facilitates the power shift in message broadcasting.

2.3 Collective effort

The digital age harnesses networking individuals' collective power which is the foundation of the power shift. "*Knowledge is power*" is an old statement that alludes to the potential of this societal change. The idea is that a redistribution of information will lead to a potential redistribution of the existing power in society. Dutton (2023, p. 7) comments on this shift as "*the potential for networks to be used in ways that empower ordinary people is the power shift of the digital age*". This potential shift in power is a result of individuals that source organizational independent information on the internet and social media, which thereby enables them to hold organizations with power accountable for their actions (Dutton, 2023, p. viii; Sormanen & Dutton, 2015, p. 2). Thereby, it can be argued that networked individuals are disseminating information in various fields of society, while exerting a more independent and strategic role in shaping the information.

Networked individuals enhance their communicative power by connecting with others to create collective action (Sormanen & Dutton, 2015, p. 3). These people can exercise their power to gain societal influence, in collaboration with multiple others by creating a web of like-minded people. Therefore, the essence of this power shift is the collective effort that challenges the organizational influence. Since the collective effort is being cultivated without disturbances from organizational control, it creates an autonomous environment where networked individuals can both consume and produce information to strengthen their communicative power (Sormanen & Dutton, 2015, p. 3). A wide range of sources supports the shift, as networked individuals are independent and can spread and leak information that challenges the traditional informational authorities (Dutton, 2023, p. 4). In addition, networked individuals are able to utilize methods to source their own information, minimizing their dependence on organizations (Dutton, 2023, p. 14). This also contributes to minimizing biased information. Consequently, it is more difficult to keep information hidden, which results in a reduced information asymmetry and thereby a reduction in the organizations' power.

2.3.1 Social movement

As a result of the collective effort to challenge organizational influence, people with similar mindsets gather to persist against organizational control (Sormanen & Dutton, 2015, p. 3).

Research by Castells (2007, p. 249) further clarified this as a social movement, which is “*purposive collective actions aimed at changing the values and interests institutionalized in society, what is tantamount to modify the power relations*”. To emphasize, social movements gained more growth and attention by interacting in the networked web as the digital age progressed. From hereby, this paper will refer to the discussed actors of interest as networked individuals. These are people who develop more communicative power through social media, by sourcing and disseminating information without organizational influence. This clarification is based on the definition of networked individuals by Sormanen & Dutton (2015, p. 3). The actors in this role are a community of individuals, who enrich their power over organizations by using social media in a strategic way (Dutton, 2023, p. ix). However, we also acknowledge that not all individuals are using social media with altruistic intentions, for the public’s best interest, or to enrich their communicative power.

Research suggests that there are characteristics that affect the success of communicative power. Firstly, membership size has a significant role, Secondly, online activity generates more communicative power, especially if done by leaders. Thirdly, media visibility can contribute to communication, while offline activity is the least influential attribute (Sormanen & Dutton, 2015, p. 12). Considering social movement, networked individuals can use these attributes in order to maximize their relative power to organizations. Sormanen & Dutton (2015, p. 12), explained how social movements can reach societal consciousness by collaborating and growing in size, which will command attention from powerful organizations.

The progress of the digital age has facilitated the global network structure to become a tool for social movements with locally concerned objectives. Since power holders often operate on a global level, social movements will aim globally even if their objective focuses on local issues. This can be done through network structures on the web. Thereby organizations that may be targeted by networked individuals and social movements will find it necessary to consider their actions, due to a potential of gaining resistance both locally and globally. If the social movement is small relative to the targeted organization, then the confrontation will be less significant. Therefore, it is important for social movements to gain adequate size to match the power of the targeted organization (Castells, 2007, p. 249). It might seem like a decentralized power dynamic

is forming since social movements are able to confront organizations and contribute to societal change.

In addition, organizations need to have proper timing for when to respond to networked individuals who are targeting them. Furthermore, organizations need to be aware of the aforementioned characteristics that are at play when building communicative power, to evaluate the potential risk of social movements created by the collective power of networking individuals. To exemplify, if a company has a large customer base and is globally known, there will be less chance that it will respond to a smaller confrontation on the web. However, regardless of the severity degree, organizations should recognize the movement in order to appease the negative experiences. It is evident that we are witnessing a power shift in society seeing how networking individuals' ability to access information becomes apparent.

As mentioned, an outcome of a social movement can be that people gather in digital networks against controlled organizational communication. However, it is important to note that when a social movement reaches a certain size of members or adopts values, it can develop into organizational structures (Castells, 2007, p. 249). At this point, communication would no longer be independent, as they have motives and self-interests of their own. This change in roles is outside of this paper's scope of study.

2.4 Informational access granted

Accessing information and reconfiguring it is the essence of the power shift that has originated from the digital age as smartphones are being widely used. The opportunity to network wherever and whenever in the world online enriches the users' role in the power environment and generates individualistically formulated views. Thereby, individuals will be less influenced by established and dependent organizations (Dutton, 2023, pp. 5, 14).

Prior to the digital age, networking individuals had less power and opportunities to exercise their freedom of speech and reach a bigger mass in a short amount of time, without risking being censored (Dutton, 2023, p. 12). The internet has facilitated this power shift by allowing a mass of individuals to think critically by virtue of networking, which is done by participating in sharing, viewing, and sourcing information. Therefore, networking results in a dispense of social

accountability for organizations (Dutton, 2023, p. 10). The power shift due to networking has led to an evolution of individuals sharing information creating a “collective intelligence” (Dutton, 2023, p. 13). Their ability to access information has provided them with influential power that aligns with certain figures of authority. Individuals continue to gain experience and learn about this new method of sourcing information, which may be a reason for organizations to evaluate the risks and threats of their own influential power (Dutton, 2023, p. 172).

Despite the decrease in traditional organizational influence on individuals, the internet age has shown new ways for organizations to reverse this. As people check their information, search tools like Google can sometimes avoid showing certain results saying it is against regulations or not relevant. As networked individuals navigate on the web, the same web tracks the activity in order to personalize the potential results. Search algorithms and filter bubbles can therefore affect networked individuals’ perceptions (Dutton, 2023, p. 14). These factors can be used by organizations to determine what the networked individual will see next. By gathering information about networked individuals, organizations can develop a figure of the users’ interests and show results they think engage curiosity. Thereby, it raises the question of whether users’ perspectives are being limited, due to withheld information which is considered irrelevant.

Nevertheless, the topic of personalized advertising and filter bubbles will have different comprehensions based on the perspective. By using the web, the trade-off is information about the user. This is also known as Surveillance Capitalism and is defined by Shoshana Zuboff (2019) as “*A new economic order that claims human experience as free raw material for hidden commercial practices of extraction, prediction, and sales*”. This is what the quote by Andrew Lewis “*If you’re not paying for something, you’re not the customer; you’re the product being sold*” alludes to (Lewis, 2010). The user is accepting this cost by actively interacting on the web. Organizations value this information, as they can use it to personalize advertisements that marketers can benefit from (Pariser, 2011, p. 9). By doing so, individuals’ viewpoints are being restricted, which confines the user in a filter bubble (Pariser, 2011, p. 12). In addition, the convenience of getting filtered information to get relevant searches carries a risk for networking individuals, as their data will be available to companies without a guarantee of data security (Pariser, 2011, p. 14). We acknowledge that since this paper is focusing on the organizational perspective, we might not have elaborated on the users’ side.

2.5 Existing research and gaps

Author, year	Goal of the study	Theory	Construct	Methodology	Main findings
Haigh M. Michel & Wigley S., 2015	Examine the impact of negative, user-generated content on organization stakeholders' perceptions of the organization.	Theory of Inoculation.	Corporate social responsibility, social media, Facebook, Attitude.	Paired sample t-test.	Public relationship and corporate social responsibility significantly decrease after people read negative, user-generated content. Inoculation can prevent attitude shift.
Sana, M., 2015	Critical analysis of mass communication theories.	Media effects, cultivation theory.	Mass communication, Theories of mass media.	Critical analysis.	Cultivation theory states that media exposure shapes our social reality.
Dutton, W., 2023	The Fifth Estate: The power of the digital age.	The theory of the Fifth Estate.	Power shift, communication, Access to Information.	Content analysis, Case studies.	Networking individuals challenge the influence of other established organizations. A network power shift has enabled individuals to create new sources of accountability.
Castells, M., 2007	The interplay between communication and power relationships in the technological context that characterizes the network society.	Not clear, maybe communication, power, and information society.	Communication literature, case studies and examples.	Content analysis, Case studies, and Historical analysis.	Power holders have understood the need to enter the battle in the horizontal communication networks.
Pariser, E., 2011	An exploration of the consequences from personalized internet content, the impact it has on politics, society, and individual perspectives.	Filter bubble theory, Echo chamber theory, Confirmation bias.	Filter bubble, Personalized Information.	Surveys, Data analysis, Content analysis, Interviews, Observations, Case studies.	Be aware of the consequences of filter bubbles and seek multiple sources of information to avoid filter bubbles.
Gildin, S., 2003	Understanding the power of Word of Mouth and the possibilities to monitor its effectiveness.	Theories of communication and WOM.	Word of Mouth, communication, advertising, internet, informational age.	Content analysis, History analysis.	Organizations that intend to build strong relationships with their customers will have to understand and manage the characteristics of WOM.
Sormanen, N & Dutton, W., 2015	The Role of social media in Societal Change. Focus on the use of social media in building communicative power. To identify web pages that enhance relative communicative power.	Communicative action theory.	Social movements, Social media, Online communicative power, Networked individuals.	Case studies, Quantitative communication data analysis, Media analysis, Content analysis, Observation analysis.	Media visibility, online activity and larger membership correspond with societal influence and communicative power. Their study revealed a gap on how to develop successful communicative power.

Table 1 – Summarized existing literature on power shift

After reviewing the main findings in Table 1, there are several gaps in the existing literature.

Further research on the topic of power shift through social media would contribute to reducing

these gaps. This in turn could assist organizations to navigate the landscape of the digital age. As the resources and time for this project are limited, we will have to acknowledge that we will not be able to fill all the gaps. However, as we were reading the available research, we realized there is limited research on power shift from the organizational perspective. The power shift is becoming prominent as the use of the internet is becoming ubiquitous. Our society will continue to witness the evolution of the digital age and its consequences, which applies both to organizations and individuals. This paper has now explored the available research regarding the topic of power shift and its mechanisms, impacts, and repercussions. Table 2 highlights the gaps identified and how they contribute to expanding current research.

What are the gaps?	How does it contribute?
What are the organizational perceptions of the power shift?	Clarifies whether organizations acknowledge the power shift or if the power shift is an illusion.
How do organizations shape a strategy to confront the power shift?	Comprehending the adaptability of organizations in a rapidly evolving change.

Table 2 – Gaps in current research.

There is abundant research available on the evolving power shift in communications. However, Table 1 clearly shows an absence of research on the organizational perspective regarding this phenomenon. Considering that the nature of the topic at hand is unfamiliar and still being theorized, there might be ambiguous and irrelevant literature making it a challenge to identify relevant gaps. As presented in Table 2, the identified gaps consist of organizations' perceptions of the power shift and how they shape strategies to confront the power shift. The idea behind researching the selected gaps is to assist organizations in making conscious decisions when trying to navigate the current landscape of social media. As the allegory about *the boiling frog* states, the inability or unwillingness to react or be aware of threats that arise gradually can lead to serious consequences (CMAJ, 2004). In light of the power shift, this development has gradually emerged from the use of social media. The rapid development of power shift and the research about the topic have unequal growth. Therefore, the gaps identified will attempt to supply relevant knowledge in today's society. Aiming to clarify whether organizations

acknowledge the power shift and their adaptability in communication that is rapidly changing, it puts a spotlight on their knowledge. It also emphasizes whether organizations react to gradually increasing issues and their ability to adapt to them. These gaps will be the core of our methodology and how we aim to contribute with new insights within the topic of power shift.

2.6 The process of background research

When we decided which field of study to venture into, mapping out the existing knowledge was our first step. This was done by using search monitors like Google Scholar and a range of encyclopedias like Science Direct and Research Gate. As our field of study is in the same landscape of communication, marketing, power, and social media, we were met with a plethora of writings. To filter down the search results we made use of the function “*Advanced search*” on Google Scholar and used search words like “*Power shift on social media*” and “*WOM influence on organizations*”. Secondly, we applied for the filter for publication year, removing all articles before the year 2000. When trying to filter for articles after 2020, there were very few articles available regarding the power shift in information sharing. As of 8th of April 2024, Google Scholar showed 620 results when searching the following: “*Power shift*” “*Information sharing*”. Furthermore, among these results, most of them are not relevant to our field of study as they do not consider organizational perspectives.

However, we also researched concepts that originated before the year 2000 like word of mouth. When processing the massive amount of information available, we opted for the skimming technique where we only read the abstract and conclusion of articles of interest, to ensure relevancy. Furthermore, when abstracts and conclusions were interesting for the aim of our paper, we read through the article in more detail and referred to interesting insights in our literature review. As one of our guidelines when choosing an article, we would make a notice of the source list to understand what it is based on. If the articles used different sources, we would find the referred articles in the reference list and read them ourselves.

The literature review has contents that contribute to conceptualize the evolving power shift and how individuals have gradually become networked. To keep this chapter as precise as possible, it was based on concepts that are in relation to the field of study. As an example, we included

literature about word of mouth and how it is facilitated by social media instead of general communication literature, like the theory of communication.

2.7 Theoretical Framework

The framework of discussion is based on the Fifth Estate theory by William Dutton (2023) which discusses the potential to empower individuals by being networked through the use of information and communication technologies (ICTs), like digital media. Furthermore, Dutton elaborates on the possibility for networked individuals to strategically use digital resources to gain more informational and communicative power respective to organizations (Dutton, 2023, p. 19). He also highlights that “(...) *internet and social media are enabling a new network power shift—the empowerment of networked individuals that can challenge institutions of the press, governments, business and industry, and public intellectuals and hold them more accountable to the public*” (Dutton, 2023, p. 7). In his elaboration of the theory, Dutton acknowledges that institutions use the internet to maintain and enhance their communicative power but emphasizes that networked individuals can reconfigure access to multiple sources and reduce their dependency on traditional sources.

To determine which individuals are a part of the Fifth Estate, Dutton includes all of those who understand the impact and empowerment of independent information sourcing (Dutton, 2023, p. 24). His elaboration of the Fifth Estate highlights an observation suggesting that information and communication have been reconfigured by the internet and social media, characterizing it as a power shift (Dutton, 2023, p. 204). Furthermore, he also highlights that the internet has enabled the rise of the Fifth Estate (Dutton, 2023, p. 219). To additionally supplement the Fifth Estate and its significance, there are drawn similarities to the Fourth Estate of the press, where both enhance pluralistic accountability (Dutton, 2023, p. 13). By grounding the new shift in the previous Estate, it solidifies the Fifth Estate’s place in a theoretical sense and the digital age. Figure 1 shows the evolution of Estates.

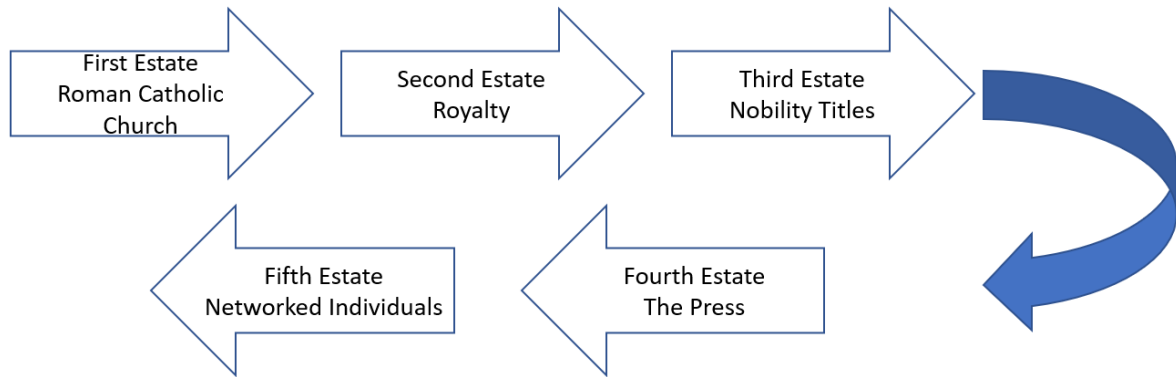


Figure 1 – Authors’ interpretation of the evolution of Estates based on Dutton, 2023.

The idea behind Fifth Estate theory is based on inductive reasoning and field studies but only from the individuals' perspectives and the potential consequences they might meet during this evolving power shift. We discovered that Dutton’s ideas lack insight into organizational perception of the change in power dynamics. Therefore, this paper will attempt to extend Dutton’s ideas about the Fifth Estate concept and delineate this theory further in a business context. This will be done by researching the organizational perspectives about the shifting dynamics between networked individuals and organizations. As this paper explores the potential of information sharing, we strive to contribute to this theory by using the Fifth Estate as a framework to examine the findings from our methodology.

3.0 Methodology

The research method gathered data that attempts to explore the research questions; “*How has the power shift in information sharing impacted the dynamics between organizations and individuals*” and “*How do organizations perceive this change and its consequences?*” while contributing to filling gaps in our research topic.

3.1 Choice of method

When researchers use qualitative methods, they want an in-depth understanding of a research topic that lacks literature. With qualitative research, they can explore new knowledge and develop empirically grounded theories, rather than test what is already known (Flick, 2023, p. 7). The main reason for the choice of qualitative research lies in the fact that our research question requires a deeper understanding. As we have taken a qualitative approach and made recordings, we have been obligated to request permission from SIKT, to ensure that personal data is handled according to regulations.

In light of our research questions, knowledge about organizations’ perception of the power shift is limited, indicating that we need elaboration from respondents to explore the topic (Flick, 2023, p. 4). Moreover, a qualitative approach contributes to modeling organizational perceptions regarding the change in power within information sharing. Perceptions of power shift and ways to avoid its influence cannot be measured, meaning that a quantitative approach is not sufficient to discuss our research questions. By taking a qualitative approach to the data collection, respondents were able to elaborate on our questions in a less restricted way. This creates a free dialogue where the respondents can emphasize the fields, they find most important. This ameliorates the detection of patterns and derives new insights to examine our identified gaps in Table 2.

3.2 Interview

Our data collection is based on semi-structured interviews, which are done in several different contexts, including face-to-face and online (Sekaran & Bougie, 2020, p. 119). We opted for semi-structured interviews rather than unstructured interviews, enabling us to get the respondent’s perspective of the topic and limit the researcher’s interference. In addition, a semi-structured interview is planned in advance and keeps the interview within the scope of the paper.

Sekaran & Bougie (2020, p. 119) explain that an introduction to a semi-structured interview starts with a presentation of the interviewers, the goal of the study, attest to confidentiality, and attain consent to ask questions and record them. Then follows a methodically structured series of questions, with warm-up questions first and then topic-related inquiries. By initiating warm-up questions the interviewer and respondent get to develop trust, which can lead to more engagement in the conversation (Flick, 2023, p. 203). Table 2 assisted in formulating our interview guide (Appendix A) which contributed to collecting answers that helped explore the gaps. We created 14 questions that highlight different themes in our research, including marketing operations, social media, competition, and customer acknowledgment. In addition, we included one question dedicated to word of mouth to understand the respondent's perception of this marketing tool. Lastly, depending on the duration, we had two optional questions that the respondents could answer if they had any insights or thoughts.

The following paragraphs will explain the interview guide in more detail. Due to anonymity, we include the guide, but not the transcriptions of the interviews.

Introductory questions are simple questions that the respondent can answer without giving much thought. These questions are not included in the data analysis but grant an informal approach to the dialogue from the start.

- Firstly, could you please indicate your name and your position in this business?
- How long have you been employed by the company?
- What is the size of the company (No. of employees) and when was it founded?
- What sector is the company acting in? Are you a B2B or a B2C?

The section about Marketing operations attempts to extract data on organizational priorities when it comes to collecting customer insights. In addition, it asks how influential marketing departments are on organizations' overall ability to adapt.

- How does the company communicate with customers?
- How important is the marketing department for decision making in the organization?

The Social media section was formulated to explore how organizations navigate the web, how they use their resources, and how they prioritize different platforms. These questions contribute to giving an understanding of how the respondents perceive social media and the shift it has facilitated.

- Are social media activities done internally or/and externally?
How many people are involved in it, and to whom do they report?
- How is social media perceived by the company? Is it integrated with traditional marketing, or has it replaced marketing?
- How is information gathered through social media used in decision making?
- Can you describe positive and negative aspects of the use of social media information?
How does the company react to the negative aspects? Can you give us an example?
- Can you elaborate on how social media impacts your organization's image and reputation?
(Positive and negative)
- What are the perceptions regarding a potential power shift within marketing communication?
- How much resources are spent on analyzing the user-generated content about your organization on social media to gather customer insights?

The Competition section was formulated to give insight into whether they find a change to be influential in their position in the industry.

- How does the organization assess changes in competition as a result of the power shift?
- Do you perceive your position in the industry to be changed due to the power shift?

The Customer acknowledgment section was to understand how organizations communicate with customers and how they adapt to remain within customers' expectations. This encapsulates awareness and recognition of the increased customer power.

- Does the company have immediate response to customer feedback?
Is it valid for both positive and negative feedback?
- Does the company have ways to assess customer expectations?

The Final section was included to evoke a discussion about the use of WOM. By asking a broad and open question we wanted to know about organizational attitude and awareness of the influence WOM can have and how they strategically use it to build reputation.

- Are there any concluding thoughts about WOM?

Lastly, two optional questions assessed their recognition of change in customer expectations. Additionally, it made the respondent elaborate on any shift in the organization as a result of the increased customer power, which emphasizes their perception of the power shift.

- How have customer expectations changed after the increased use of social media?
- Can you elaborate on any shifts within the organization as a result of the increasing influence of social media?

3.2.1 Interview sample

We got information on companies operating in Norway through *Næringslivet i Agder* (NIA). Factors like social media presence, word of mouth dependency, company size, and type of industry were evaluated during respondent sampling. When contact information for the relevant organizations was gathered, we sent an email asking whether they were interested in contributing with their insights to our master's thesis. For the ones that did not answer, we sent a follow-up email and eventually dialed on their phone. Some organizations did not have public contact information, which led us to contact the respondent through LinkedIn. In the initial stage of communication with companies, we discussed who they would send as an interview subject. We then requested candidates with knowledge and understanding of social media presence and marketing communication. In many cases, the main characteristics of the candidates were

marketing managers of the organization. Consequently, we created a table of organizations with the contact information of the respondents. This table was used as an overview of who we had contacted, who we had an ongoing dialogue with, and who we had scheduled an interview with. The dialogue status of the different organizations was continuously updated as the correspondence progressed. We also used this table to keep our data collection organized. This table is not included in the appendices as it would risk the anonymity of our sample.

Respondent	Sector and industry	Interviewee's position	Company size (Employees)	Year of Establishment
Company A	Charity	Head of marketing and fundraising	1 700	1870
Company B	Digital marketing services	Self-employed	1	2010
Company C	Art and culture	Sales and market manager	230 – 500	2012
Company D	Retail	Head of marketing	2	1987
Company E	Delivery and logistics	Operational manager	600 000	1969
Company F	Marketing services	Company leader	5	2019
Company G	Insurance	Sales Manager	4 100	1823
Company H	Retail	Marketing Manager	3 000	1943
Company I	Non-profit	Marketing and communication leader	150	1988
Company J	Insurance	Market- and communication director	7 000 - 7 500	1728
Company K	Car Retail	Marketing and communication leader	2 700	1901
Company L	Broadcasting and media	Strategic Advisor for Social Media	3 000 – 3 500	1933

Table 3 – Detailed overview of interview sample

Table 3 illustrates the characteristics of our 12 interviews with different companies. As seen above, the size of the chosen companies varies from one to thousands of employees. Some of the companies are newly established while others have been operating for centuries. Additionally, a variation of sectors where the participating companies represent nine different industries, contributes to a more diverse insight. A portfolio with diverse respondents allowed us to explore the research questions on different scales providing us with an opportunity to generalize our findings across the Norwegian business sector. Although some companies operate on an

international level, the respondents answered the questions in line with their Norwegian market insight.

3.3 Implementation of the study

When interviews were successfully scheduled, we offered the contact person to participate physically or digitally. If the respondent preferred to be interviewed digitally, we created a password-protected Zoom meeting. We then sent the link to the participant's email shortly after scheduling the interview, to reserve a time frame in their calendar. However, some respondents preferred to be interviewed physically. In these cases, we arranged a meeting at a location suggested by the respondents. Additionally, some respondents requested to receive the interview guide prior to the interview. We then gave the respondents access to the questions, but a limited insight into the aim of the research. This was done to minimize biases in their answers and errors that could follow in our analysis.

We started every interview by informing the candidates about the consent form (Appendix B) and the need for them to sign it. At physical interviews, this was done immediately, but digital solutions took more time. Respondents then sent us the signed consent form within a couple of days after the interview. We informed them that the interview would be recorded for transcription purposes. After the respondent consented, we started with introductory questions. Thereafter, we asked questions according to the interview guide and let the interviewee answer to their ability.

According to Sekaran and Bougie (2020, p. 119), interviewers will encounter challenges with keeping the conversation flowing and informative, which can be managed by using probing tactics and follow-up questions. To avoid adverse situations like silence, repetition, confusion, or unclarity, we utilized probing tactics. Moreover, we used follow-up questions, which allowed us to get more information and discover new insights. Follow-up questions that were not included in the interview guide were used to ensure that the respondent remained within the scope of the study. These questions were improvised and based on their line of reasoning on the initial question. Despite our efforts to gain research insights and have a learning-oriented attitude, some of our respondents had a propensity for protecting the organizations' image. This prompted us to probe our interviewee during the interview more frequently than planned.

After we completed the interview, the recording was uploaded on *Nettskjema* through their application. We then uploaded the recording on *Autotekst from UiO* which automatically transcribes the interview, using Artificial Intelligence (AI). When the transcription was ready on *Autotekst*, we read through it to ensure that it corresponded with the interview. We then sorted the transcription based on questions from the interview guide and created a Word file to extract 1st Order Concepts that would be used for further analysis. After the 12 interviews were completed, all the 1st Order Concepts were gathered on a separate Excel table. This was the basis for our data analysis which was structured according to the Gioia method. Thereafter, we proceeded to arrange our 1st Order Concepts in Excel, by removing duplicates and highlighting similar ones. This resulted in 587 unique concepts from the transcription.

3.4 Data analysis approach

Contributing to developing the International Business research field has shown to be manageable through grounded theory. The qualitative approach of Gioia's Methodology can assist in building a grounded theory, to facilitate comprehensive discoveries within a chosen research scope (Magnani & Gioia, 2023). This approach is favored by empiricists who strive to keep their work credible, as this method meets the rigorous standards of trustworthy research (Corley & Gioia, 2011; Magnani & Gioia, 2023). The main attitudes that sustain a grounded theory are interpretivism and constructivism, as they regard the organizational universe as an intricate system in a constantly changing state. In addition, the elements of this world are related to each other and in certain contexts even interdependent. In other words, the parts have inevitable influence on others (Magnani & Gioia, 2023).

Viewing the mechanisms of the organizational world as an intricate system stipulates a holistic approach when attempting to make sense of phenomena or even recognize insights. This perspective aims to understand the organizational context as a whole rather than separate elements. Furthermore, it acknowledges the unavoidable influence of the researcher as well since grounded theory requires a heavy amount of deciphering (Magnani & Gioia, 2023).

When processing data with no set of coding or analytical techniques the researcher may risk being overwhelmed by the lack of structural approach. In this case, the Gioia method ensures increased rigor with its systematic way of interpreting. The method employs a three-step process (Magnani & Gioia, 2023):

- a. Informant centered codes are converted into theory centered.
(1st order concepts to 2nd order themes)
- b. Creation of a grounded theoretical model
- c. Presenting the findings in a comprehensive and detailed way, including 1st order concepts, 2nd order themes, and aggregated dimensions.

By taking into account that qualitative methods may not always have a structured way of execution, we used the Gioia method as guidance. With this knowledge, our aggregated dimensions are the result of a 3-step process, where 1st order concepts were selected from the transcription and developed into 2nd order themes. Thereafter, similarities were seen, and aggregated dimensions were identified. We developed these dimensions based on the answers from the respondents and our own theoretically based interpretations of them. Figure 2 shows the model for the identification of aggregated dimensions. The structure of Figure 2 is inspired by the Gioia model, with 1st order concepts representing the sample consensus from the interview. Our selection outlook was to find summarizing notes to examine our gaps. In the next step, we based our formulation of the 2nd order themes on organization theory, as the insights the interviewees provided us are familiar perceptions and statements that can be found within International Business theory. The sum of this process led us to insightful proportions which we will discuss in further detail in the next chapters.

4.0 Results

As a result of using the Gioia model to execute our data analysis, we have identified five aggregated dimensions from a total of 587 unique open codes. The following sections explain the results respectively to their aggregated dimensions. While the process of reasoning may resemble a syllogistic conclusion, Figure 2 illustrates these findings and is the basis of this chapter's structure.

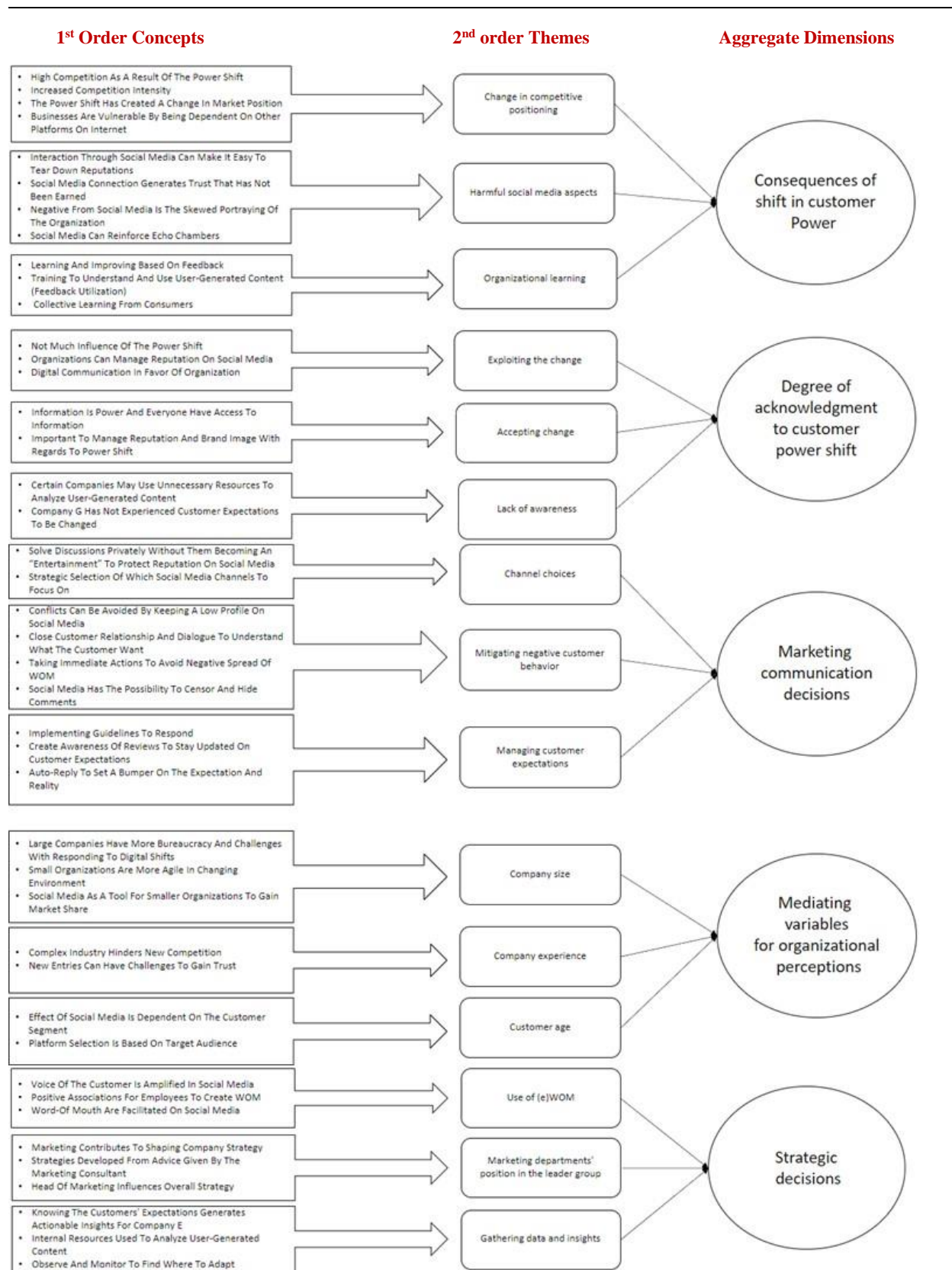


Figure 2 – Gioia Model Results

4.1 Consequences of shift in customer power

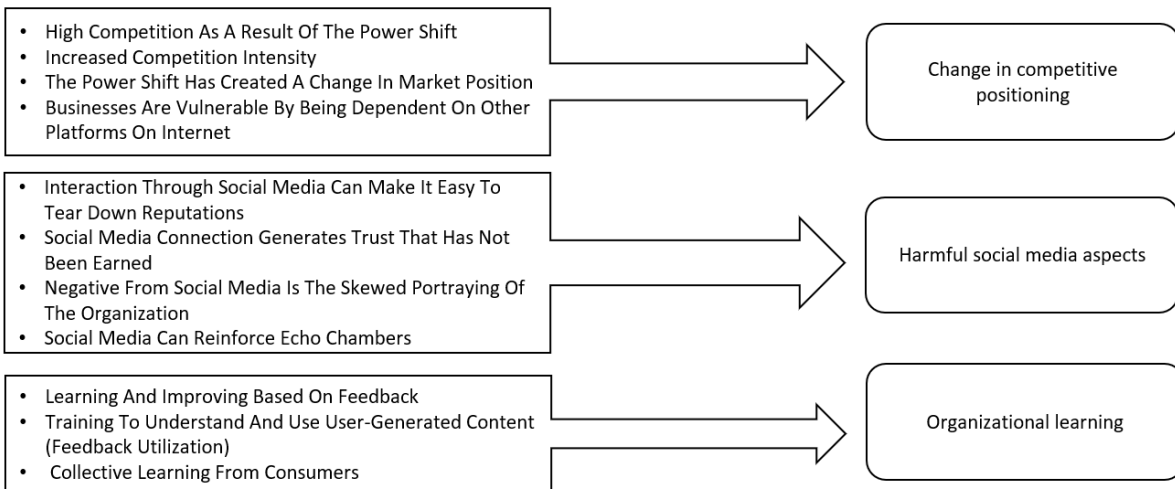


Figure 3 – First Aggregated Dimension

During the analysis stage, we discovered a coinciding perception regarding a shift in information sharing. These perceptions were categorized into competitive positioning, harmful social media aspects, and organizational learning.

The essence of the chosen 1st order codes represents an observation of the current competition dynamic among the organizations. Our interviewees seemed to perceive a shift within their competition as a result of the changing dynamics in digital platforms. One of our respondents emphasized that their competition is not limited to a national level:

“There is no longer a national competition like in the old days. It is an international world championship for getting your [the customers’] attention (...) and that has happened gradually over the last 20 years” (Strategic advisor for social media, Company L, Broadcasting and media).

Thereafter, it was apparent that the revolutionized way of interaction through digital platforms has created harmful social media aspects for organizations. As shown in the 1st order codes, social media connections generate trust that has not been earned, which can distort the company image, lessen credibility, and create a false narrative through reinforced echo chambers.

“We have experienced comments that are critical or difficult to answer on social media. It becomes an echo chamber, where what is already negative becomes reinforced by generating a

discussion in the comments. Therefore, when we receive negative feedback, it is taken seriously, but we do not want to solve it in social media, as others can join and express frustration over other things” (Head of marketing and fundraising, Company A, Charity).

Our sample of respondents emphasized that the change in power is also beneficial for organizations. The growth in customer knowledge and information sharing increases organizational access to customer expectations. This can be used to learn and develop organizations’ offers. Examples that were given of how organizations utilize this include customer feedback, analyzing user-generated content, and learning to understand customer needs.

“When not everybody agrees, we have to listen to the negative aspect also, but we can learn something from that. (...) So it is much more interesting if people are talking negatively of something we are not aware of because maybe we can [learn from that]” (Head of marketing, Company D, Retail).

Additionally, organizations learn by analyzing what types of expectations are developed and make decisions based on that.

“People understand that they have a right and demand that we must have our things in order. ... At the same time, I think it is good that consumers have that knowledge, I would say it is a win-win situation. The quality [of our products] goes up when consumers know more about what they want. It requires more from the suppliers, companies and sales locations. When consumers have increased knowledge, they expect things to improve, and then businesses must deliver upon that” (Marketing communication leader, Company I, Non-profit).

4.2 Degree of acknowledgment of customer power shift



Figure 4 – Second Aggregated Dimension

The second aggregated dimension consists of organizations’ degrees of acknowledgment regarding the power shift. Some organizations claim that they can exploit this change, others accept that this is a change for the benefit of consumers, and others are not aware that a change is occurring.

Our analysis shows that organizations have a differing acknowledgement of the power shift. Some respondents highlighted that the change in power can be misunderstood, as their organization does not recognize much influence of the power shift. They also emphasized that through digital platforms, organizations can manage their reputation and exploit digital communication channels. It even occurred that organizations could use their customers as a marketing tool through WOM, as long as they deliver a good product and good experiences.

“The fact that I recommend a company to a friend, has a lot more value than the company expressing it itself. That's obvious. So, if I've had a good experience with a company or a product and I talk about it to others, it's very valuable. It's fantastic marketing. And it's about delivering a good product. The sale isn't finished after you've done a sale. Then you have the opportunity to develop this sale into a marketing channel and create ambassadors” (Company leader, Company F, Marketing services).

Secondly, some respondents claim that power is based on information and that everyone has access to information through the internet. Additionally, based on our sample, organizations find it important to manage their reputation and brand image, as the power shift can have a negative

influence on them. Therefore, organizations are now aware of their own actions and act cautiously.

“But it's clear that information is power and it's clear that from a consumer perspective, it gives room for action and a negotiation card in many cases. You sit on knowledge and information, making the company stay on their toes to not be arrested” (Marketing communication leader, Company I, Non-profit).

Our last finding within the acknowledgement of the power shift is that organizations can lack awareness of the change while it is occurring. This is explained by our respondents elaborating on how organizations may use unnecessary resources to analyze and understand user-generated content. When asked whether the perception of their company is affected by customers expressing their experiences, our respondent answered the following:

“Not to a large extent, but it is probably a little of it. It is. It is controlled and you catch it very quickly, either with a clear answer or an early reaction to whatever it should be. (...) what seems to be the case is, that we turn around very quickly in case of social media pressure and impressions” (Sales manager, Company G, Insurance).

Furthermore, others elaborated on how they find social media to be a powerful tool for organizations, as they become less dependent on others to control their narrative and get access to a lot of feedback.

“I'm thinking, you're talking about power and social media. They give [the organization] enormous power, because we can control our own narrative, without depending on others doing it for us. At the same time, we can get feedback from people who otherwise wouldn't have given us feedback, because it's easy to give feedback. However, we do not experience a lot of engagement in social media” (Sales and market manager, Company C, Art and Culture).

4.3 Marketing communication decisions

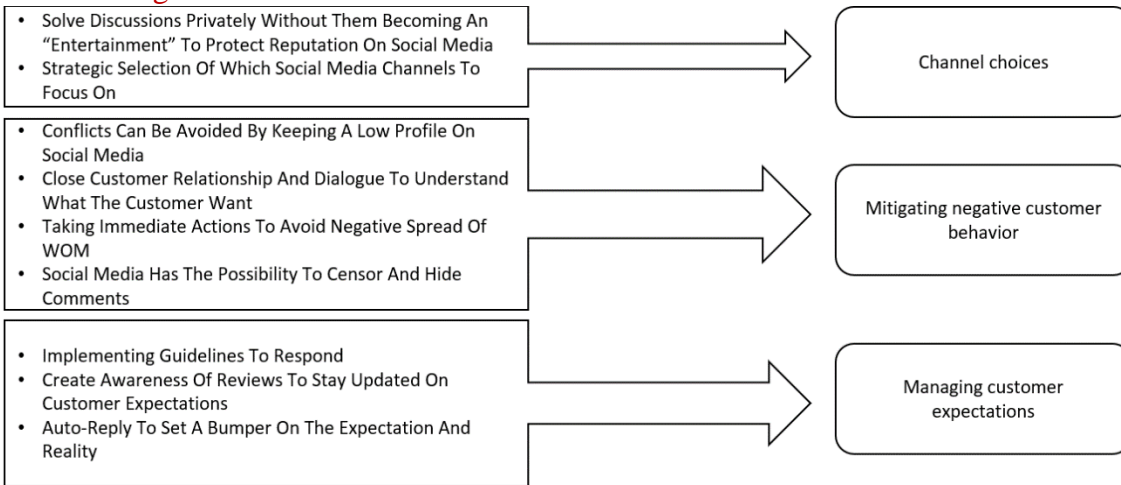


Figure 5 – Third Aggregated Dimension

As for the contents of the third dimension, we noticed organizational advances designed to navigate in the evolving digital age. Three factors that affect marketing communication decisions were found, and include channel choices, mitigating negative behavior, and managing customer expectations.

Methods of communicating with customers seemed to be a reoccurring predicament in their decision-making process, where different channels are used for different purposes. To protect brand image and to be discerned as a serious business actor, organizations assign responsibility to the marketing department to collect customer feedback and use it for organizational development.

“So, we meet them in person and map out what they expect and where we can contribute” (Sales Manager, Company G, Insurance).

In addition, mitigating unwanted behavior from customers extends further than personal dialogue. It includes strategic choices such as limited social media presence, building customer relationships to predict customer preferences, and even resorting to censorship to maintain a clean image.

“The last five years Company L has reduced the number of social media accounts drastically. We have gone from 600 accounts to 20 in 5 years. So, we have retracted out of social media because

we do not have publishing or editorial control” (Strategic advisor for social media, Company L, Broadcasting and media).

Additionally, there were discussions about how censoring comments has become part of the organization’s guidelines:

“When it comes to sexual orientation and race, we take it away. If we get reactions on that [censoring harassing comments], we are prepared to face that in the media. And actually, to be honest, sometimes I hope that the people that we censor would go to the media so we can take that discussion up on that level (...) We're just doing it. It's like that's going to be a guideline somehow. It's just a decision we've made in the administration. And also, of course, it's part of the strategy of the city and the municipality, how we think in 2024, that's it's given. We are not supposed to be a political organization. However, in those matters, we are” (Head of marketing, Company D, Retail).

Moreover, respondents explained how customer expectations develop based on others' experiences and if expectations are met, they become the new standard. Digitalization has made the speed of communication drastically faster, which resulted in expectations for instant replies. Our respondents have elaborated that autoreplies have been implemented to manage their customers' expectations for quick response time. Furthermore, awareness of reviews is more important than before, and organizations have developed guidelines to stay congruent with their responses to customer behavior.

“It is customer visits, risk analysis, and many questions in regard to advising, which we go through with our customers. We also have courses about how to meet new customers with various personalities, the psychological aspects of it and using tactical questionnaires” (Sales Manager, Company G, Insurance).

4.4 Mediating variables for organizational perceptions

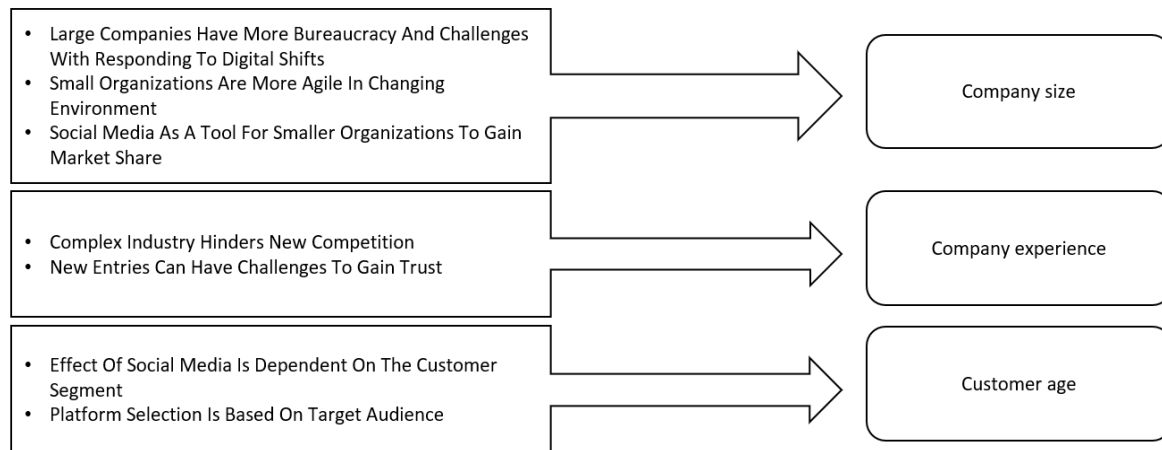


Figure 6 – Fourth Aggregated Dimension

We discovered that the straightforward process of perceiving and overcoming the challenges of new customer dynamics for organizations had mediating factors, that influenced their perceptions and strategies. Depending on the size of the organization, their experience, and the age of their customers, organizations had different perceptions and strategies.

A large company size seems to have a so-called negative proportional relationship with their reaction time and influences how organizations are affected by outside pressure. This revelation might have a connection to their bureaucracy, considering their extensive policies and different levels of roles.

“We have been here for 200 years and will be for another 200 years. That is what people believe and the safety we possess. Smaller businesses probably do not have that, I think. ... That probably is the reason that we let things take its natural course, as we have the foundation for it” (Sales Manager, Company G, Insurance).

However, the same company also said that adaptation can be difficult, as they might have more bureaucracy and more demanding processes for change. When asked whether they believe the bureaucracy, rules, and routines in larger organizations affect their effectiveness in changes to the digital environment, our respondent answered the following:

“I most definitely do, yes. We do work a lot with things that we want to try, but we are a large organization and cannot escape what comes with it” (Sales Manager, Company G, Insurance).

Furthermore, there seems to be a reduced sense of risk for new market entries, while the competition aspect has not changed. However, the degree of experience an organization possesses seems to influence this perception.

“I believe that there is not much change in competition. It's pretty much the same for everyone. Everyone has the same conditions, the possibility to be active on social media. Compared to earlier, newly established competitors have an advantage, because there is probably an easier way into the market, with more channels in, and that does not cost much” (Marketing and communication leader, Company K, Car retail).

Since our interview sample had different target groups, they appeared to have differing attitudes regarding social media as well. They recognized social media as a tool mostly used by the younger generation. Companies doing business in the insurance sector like Company G and J, targeted older generations with assets making them less inclined to join the trends of digital marketing. Accordingly, platform selection is based on the customer segment and where one believes that the most customers will be reached.

“... skip a few platforms. You don't have to be everywhere. Where are your clients? What do you want? And also have a good plan for why you are on those platforms” (Self-employed, Company B, Digital marketing services).

4.5 Strategic decisions

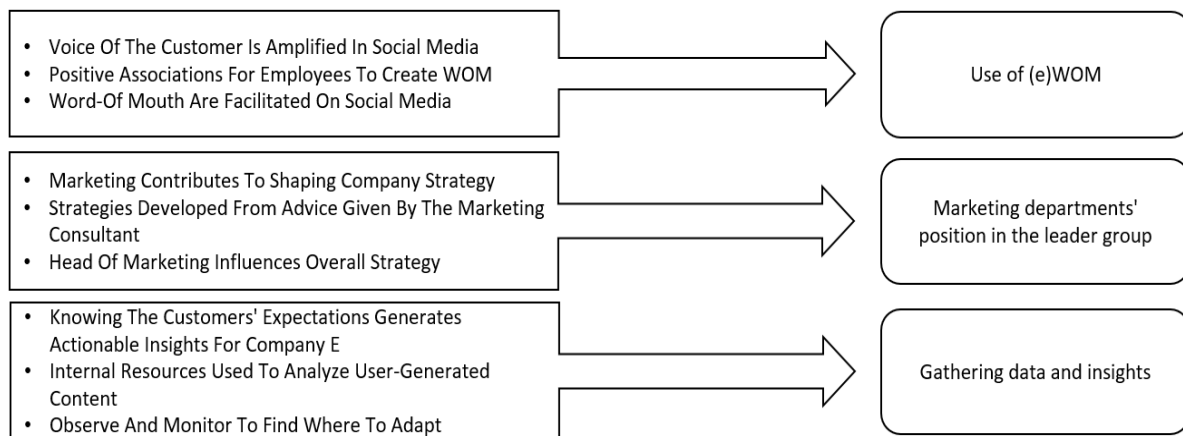


Figure 7 – Fifth Aggregated Dimension

Lastly, our aggregated dimensions consist of strategic decisions, which involve how organizations use word of mouth and its facilitation on social media, how marketing departments influence strategies in the leader group in organizations, and how data and insights are gathered.

WOM has through our interviews been elaborated on as one of the most influencing marketing tools. Respondents highlight that customers can express their opinions on a larger scale through social media, which will have a positive effect as long as organizations maintain a good customer-relationship. Thus, companies engage in activities to make their employees spread WOM on digital platforms that reach further than within the organization.

“I think it all starts internally with how we are as a business interacting with our customers, whether that's business customers or private customers. But then also growing a sense of pride in our employees and our couriers who are service partners to speak positively about the business outside of work. Because it can be one thing that you're in work, you're a great employee, you go and talk to your customers, oh, fantastic, Company E is really great. And then you go out with your mates on a Friday night and talk about how crap it is to work for the company. And that would be a real negative effect on promoting the company in terms of the competitors. So, I think that's very important and that's built into culture, ownership and pride” (Operational manager, Company E, Delivery and logistics).

Our respondents also emphasized that the marketing department's customer insights are highly valuable in their strategic decisions. Therefore, many organizations include marketing insights when shaping their organizational strategy. Others exemplify that strategies are developed from advice given by marketing consultants and that marketing directors have become a part of the leading group in organizations.

“It is me who is the leader of the marketing department, and I am one of four people in the strategic leadergroup. ... so, the marketing department has a large influence on the overall strategy” (Head of marketing and fundraising, Company A, Charity).

As for strategies organizations utilize to gather data and insights, Company E emphasizes that it is crucial to know the customer expectations to gather insights that lead to actions. Others dedicate internal resources to analyze user-generated content to create an understanding of

customers and trends. Similarly, some respondents highlighted their need to observe and monitor social media trends and adapt accordingly.

“We usually answer immediately, because time is important. And if you are not good at Facebook and accessibility, then you can simply not have it, because it requires that you are listening and can answer. They [customers] have an expectation that if they send a question, they will get an answer immediately, which we try to keep up with. It applies to both positive and negative feedback. And then it happens that we have to come back to that, because we have to discuss it with the product expert or something else, and then we have to answer something true. Then we can either follow up directly in the thread, for example, or on a personal email. The question is whether we see the benefit of this being public to more people, or whether this should be restricted” (Marketing and communication leader, Company K, Car retail).

5.0 Discussion

The purpose of the thesis was to explore the changes in information sharing from an organizational perspective. We strived to understand how organizations acknowledge the theory of a Fifth Estate by William Dutton (2023), by answering our research questions: “*How has the power shift in information sharing impacted the dynamics between organizations and individuals*” and “*How do organizations perceive this change and its consequences?*”

As illustrated in Figure 1, William Dutton (2023) suggests that the power in society has shifted for a fifth time, where social media has enabled the power of networked individuals, which is the basis of the theory of a Fifth Estate. However, it is a theory in progress, which calls for a solid understanding of the topic and extensive research. Yet, it is an inherently realistic perspective as it is a theory based on inductive reasoning rather than a hopeful vision. Therefore, we interviewed 12 respondents from different organizations to gather their perspectives on this change. Our findings show various perceptions, which are influenced by different variables. It has been identified that organizations to a large extent agree that the power has shifted towards individuals. As Company I stated, everyone has access to information, and that makes consumers possess a negotiation card. Considering Dutton’s theory, Company I confirms that their organization has the same perception. On the other hand, a perception that was identified from the interviews was that organizations find a large amount of information to have less credibility. This was argued from the fact that eWOM received unearned trust that leads to believing information without critical evaluation.

As mentioned in chapter 4.4, our analysis discovered mediating variables that affect how organizations perceive the change in information sharing. Our results highlight customer age, company size, and company experience as influencing factors. The former can be regarded as the cause of social media usage, where the target audience affects a company’s presence on social media. It can be seen that organizations that have a small presence on social media also do not experience the Fifth Estate as occurring as others. The respondents also emphasized that this makes a change in the company’s behavior. Furthermore, a change in behavior as a result of increased consumer power can be seen in line with Dutton’s theory of the Fifth Estate.

However, as our sample consists of several different organizations, the perceptions will vary. Other organizations had perceptions that contradicted the theory of a Fifth Estate. Our findings

show that organizations may exploit a change in power to increase their own benefits, while others are simply not aware of any changes occurring. Accordingly, it can be understood that organizations do not regard the power shift as influential if they are rapid in their communication and deal with different cases in a clear way. There can be drawn similarities between this perception and *the boiling frog metaphor*, as the ones who do not acknowledge a change beforehand are more exposed to harmful consequences afterward.

Contradicting, our respondents elaborated on changes within their organizations as a result of changes in customer power and behavior. It can be seen as an action that is done to adapt to changing circumstances, while some still state that they do not experience any change. This may be explained by the lack of willingness to acknowledge the decrease in influencing power on consumers. Multiple respondents highlighted the change in structure, as the market department now influences the overall strategy on a larger scale. A reason could be the insight this department has on customer preferences and behavior. It can be seen that by making such changes, organizations indirectly acknowledge a change in power, even though some do not explicitly admit it. Moreover, some explained how they had the possibility to censor comments with no value as a last resort. Our respondents' attitude seemed to be that they only used this option when comments were not aligned with their values. This finding shows that organizations still can censor their users, as opposed to Christodoulides (2009) arguing how this measure was a thing of the past. However, organizations did not seem to be as sensitive to critical feedback as they were before but rather, they welcomed it and viewed it as a chance to improve, which is a significant change compared to their former attitude. Organizations are viewing the digitalization of information as an opportunity to conveniently acquire market insights thus leading to self-improvement. Companies use tools to map these market insights, as it is necessary for their strategy development. Systems are set up to collect data and are used to understand if the marketing strategy is effectively generating revenue.

A consequence of social media that has been elaborated on by Sunstein (2017), is the occurrence of echo chambers created by like-minded people. Our findings also show that organizations are aware of this phenomenon and the harmful effects it can have on them. Consequently, as Company A stated, when negative feedback is available on social media, it is handled privately to avoid reinforcing negative discussions in public. Others emphasized that a small presence on

social media is a way to avoid different conflicts. In light of Dutton's theory of a Fifth Estate, it can be seen that actions are taken to avoid harmful aspects, which derives from the idea of individuals gaining more influential status on the internet. This is a strategy many of our respondents used, which contributes to minimizing the spread of negative WOM. By not giving in to the pressure of a large social media presence, some respondents opted to choose specific social media platforms that benefit their strategic presence. Meanwhile, Company L opted to eliminate their social media accounts to lead their customers to their own platform. This shows how organizations are aware of the consequences of being on social media without a clear strategy and indicates the acknowledgement of networked individuals' power.

Furthermore, existing research from Hennig-Thurau et al. (2004), shows that WOM can be spread on a larger scale by the evolution of social media. This is in line with the respondent's elaborations of WOM. According to Company E, organizations can benefit from this change, as the accessibility to spread WOM can be used by employees of organizations off work. Moreover, Sundaram et al. (1998), found that motives for driving WOM reside in product-involvement, self-enhancement, and altruism, where self-enhancement can be seen as a reason for employees to spread positive WOM about their employer. This has been shown to be exploited by organizations, as Company E explained how they try to grow a sense of pride in their employees, to make them generate WOM off work. They focus on culture, ownership and pride, which can evoke internal motivation among employees to speak positively about their employer. This can occur as they become proud and will enhance themselves among others.

In light of the topic of self-enhancement, organizations create content to generate curiosity and engagement from their customers. While the networking individual surfs the web, organizations track their digital activities. The purpose of this is to map out what engages their customers. Everything from clicks to searches, and the general purchase behavior helps the organization to predict the future choices a customer will make. This might seem like an exploitation of networked individuals.

When organizations have access to this sort of information that can be used to personalize advertisements and create sales, it can be questioned whether the power has moved to networked individuals, or if organizations are utilizing the power of networked individuals to gain fast

market insight. Furthermore, as the theory of a Fifth Estate is based on that information is power, one can argue that increasing power goes both ways. Networked individuals gain power as they communicate, but their online activities provide organizations with information that enhances their power.

Nevertheless, there was still an impact on organizations as a result of networked individuals engaging in their content. Our findings show that organizations have attempted to adapt to the changing landscape and that they have made changes within their structure, due to increased focus on social media. As organizations have made efforts and adapted to the changing circumstances, it might seem like they acknowledge the increasing influence of networked individuals more than they express. Furthermore, as some respondents emphasized, organizations can meet their customers with proper dialogue and reduce the consequences of the changing power.

Our data collection shows that high expectations are now becoming a new standard for organizations. Also, as information spreads fast, high expectations are spreading among customers, and they become something organizations must meet to not disappoint. Many of our respondents said that this is something they find useful, as they are constantly improving. According to Company I, it is a win-win situation when consumers increase their knowledge, as this creates a higher demand for organizations, which in turn makes organizations deliver higher quality. As organizations continuously improve as a result of increased knowledge among consumers, it can be questioned whether the power shift is as harmful to organizations.

5.1 Practical implications

As the theoretical framework stated, networking individuals have increased their power through information sharing. Our findings can be interpreted as organizations agreeing upon this phenomenon. However, they stay passive in their acknowledgment of it, mostly because the threat is insignificant at face value. An implication that organizations could make use of is to express their acknowledgment of customer influence on a larger scale, resulting in dialogues on the web where fields for improvement will be identified. When realizing that organizations cannot beat the power of networking individuals, it is better to join them.

By having an open attitude toward the change in the digital landscape, organizations will receive knowledge to detect untapped areas in their market. Their overview of the market and the individual's ground-level perspective creates a synergy where organizations can optimize their operation, which in turn could maximize the utility for society. Furthermore, organizations could combine the perspectives of themselves and networked individuals when making strategic decisions. This would make them more credible in society, hopefully resulting in more determined customers.

As customers expect rapid feedback, it is natural to expect that they want their differing challenges to be solved rapidly as well. Therefore, organizations can benefit from developing routines that allow employees to make independent decisions to assist with customer issues faster. Furthermore, as customer issues and expectations are continuously changing, it has been found that larger organizations have challenges with adjusting to new circumstances. However, this can be advantageous for smaller organizations when strengthening customer relationships. The small power distance and vigilance allow them to adjust to new expectations among customers faster, compared to larger organizations. This in turn can be a motivation for larger organizations to strive for similar strategies.

Lastly, as mentioned in our findings, employee satisfaction is of more importance for organizations than before. It has its natural importance as it affects the motivation of employees, but satisfaction can now affect how employees spread information about the organization to others outside of work. Organizations can therefore try to generate a greater work environment to enhance employee satisfaction, which leads to employees becoming unofficial ambassadors for spreading WOM. As shown in our findings, the respondents elaborated on WOM as a great marketing tool, and by ensuring employee satisfaction, organizations can utilize how their employees talk to others about the company as part of brand building. Additionally, if employees are satisfied with their employer, the WOM is more likely to be truly positive than ambivalent due to the employee's obligation to promote the company.

5.2 Theoretical implications

In light of the theory of a Fifth Estate by William Dutton, we have identified contributing factors in our findings. Firstly, we suggest that the theory should also be seen from the organizational

perspective, to gain a comprehensive understanding of the power shift. Our findings illustrate that organizations' perceptions varies depending on different variables. Secondly, we suggest that the theory of a Fifth Estate should include mediating variables, such as company size, company experience, and customer age as presumptions as to who will be affected by the change. These variables could also be used to filter where the Fifth Estate is valid. As a newly disputed topic, one might need to consider the mediating variables when evaluating the potential threat the organization might face. The argument extends to the fact that companies of a significant size will have a different risk perception of growing customer power in comparison to smaller organizations. This differing vulnerability to criticism will be handled according to the company's experience, while the age of the customer will also play a role when considering the occurrence of feedback and its credibility. Organizations have different target groups with vastly varying age ranges. Hence, not all age groups in society are networked individuals, and differing feedback will be considered relevant to the company in regard.

On the other hand, as seen in our data collection, organizations are to a large degree dependent on social media platforms to reach their customers. Simultaneously, networked individuals are dependent on social media platforms to communicate their information rapidly to each other. As social media platforms receive large power by facilitating this communication, they can collect user data and become the new powerhouse. Therefore, one implication that the theory of a Fifth Estate could include, is the question of whether the power has shifted to networked individuals or social media platforms.

5.3 Limitations

Considering the limited resources available and the time frame granted to us, we had to carefully choose the structure of our research. It was important to not compromise the quality of our thesis given the scope. However, we had limited access to existing literature and our requests to the authors were never responded to. This topic of evolving power shift is a relatively new phenomenon, making it challenging to argue from established research, which made it necessary to interpret while being aware of bias influence.

Another limitation of our research is the respondents defending their organization. We experienced that some of them defended their organizations, as we were asking questions from

our interview guide, resulting in their answers being vague or broad. Therefore, our interference in the interviews might have been more frequent than anticipated. Considering that the new power shifts and the Fifth Estate are still being developed, we had to explain the theory of the Fifth Estate, as our respondents did not always have existing knowledge about the theory. This could have influenced their response and created discrepancies between our data and reality.

As aforementioned, our limited competence as researchers might not allow us to detect other alternative limitations. This sheds light on our inadequate competency as researchers, however, we made use of our analytical skills as business students throughout the whole thesis. In addition, we are aware of the cultural context of our interview sample. All of our respondents are operating on Norwegian grounds and are therefore influenced by Norwegian attitudes which may differ from global views and marketing norms.

5.4 Further research

To further expand the scope of insight on this exciting topic we have identified areas of research that would be interesting to investigate. As we have identified three different mediating variables for organizational perceptions of the Fifth Estate, it would be interesting to investigate these in a deeper context. Secondly, as we have investigated how organizations perceive the Fifth Estate, further research could investigate what those organizations that ignore the change actively do to maintain their power. Thirdly, as Web 3.0 is becoming a bigger part of our reality, it would be interesting to see how this complements the power shift with decentralized platforms and user-generated content. As artificial intelligence (AI) is becoming more reliant, further research could also see how AI affects this power dynamic between organizations and networked individuals. Additionally, complementary theories can be considered when research is being implemented in the field of power shift. Lastly, further research can try to identify more gaps in existing research, as we acknowledge that there might be other gaps that have not been identified.

6.0 Conclusion

The research aim of this thesis was to investigate how companies operating on Norwegian grounds experience the evolvement of the digital age, and how it gradually is becoming incorporated into their operation. To understand this process, we employed the theory of a Fifth Estate as a theoretical framework along with a qualitative method for empirical understanding. We have attempted to explore the following research questions respectively:

RQ1: *“How has the power shift in information sharing impacted the dynamics between organizations and individuals?”*

RQ2: *“How do organizations perceive this change and its consequences?”*

As a result of the power shift, the dynamics between organizations and individuals have shifted. Firstly, when organizations are using social media as part of their communication, they are more cautious than before, as their communication is available for all users. This change resembles how the dynamic between organizations and individuals has become cooperative, where organizations try to meet the perpetually changing expectations of networked individuals. Lastly, as the dynamic between networked individuals and organizations is developing on social media, the platforms are simultaneously creating a dependency. This leads to increased power for these platforms and can be harmful to organizations if they become completely reliant on third parties to reach their customers.

Through the qualitative method, aggregate dimensions have been identified which represents how our findings could be understood in a practical sense. Variables like size, experience, and even the target groups' age have been found to influence the way organizations perceive the power shift elaborated by William Dutton. Also, organizations perceive the power shift as an opportunity rather than a challenge, as they can use networked individuals as a form of development and learning. This opportunistic attitude is evident, especially since they constantly map out potential reactions and manage the backlashes they might receive. However, despite their awareness, organizations still express an acknowledgment of consequences. Firstly, they execute changes within their organizational structure. Secondly, social media enables echo chambers, sometimes leading to negative information being accessible to others. This is a reason for organizations to avoid discussions with negative environments. Thirdly, social media has been shown to create trust that has not been earned, which organizations perceive as a challenge

due to the strong effect of WOM. Lastly, another harmful consequence for organizations is the cases where they are unable to control or affect what is being said, through the spread of negative information.

6.1 Justification

According to research method requirements we prioritized rigor and trustworthiness. We acknowledged our role as researchers would be played through a limited set of capabilities. Consequently, our potential influence on the research material was inevitable. To keep our research justifiable and not allow externalities to affect our discussion progress, we acknowledged the blind trust we had in our interview subjects during our data collection journey. Despite the mentioned considerations, we wished to deliver acumen in our research. So, to ensure credibility and objectivity, we strived to gain different perspectives on existing research to broaden our horizons as interpreters. This endeavor sustained us to not get tangled up in our presumptions and possible misinterpretations.

Meanwhile, staying critical of our respondent's insight was essential to mitigate the contingencies like misinformation or errors in our interpretations. In addition, the sample had a consensus of uncertainty revolving around the topic, leading to us explaining the goal of the study in further detail. We had to be cautious to not influence the course of the respondent's rationale. However, we acknowledge that the objective description of the evolving power shift might have set a direction in the respondents' interview. This may have inspired the respondents to change their attitude and continue to use our description in their answers. Another outcome of the explanation could be that the respondent's opinions of the power shift were solely based on our formulation of it. Overall, we are aware of the authority we have as researchers and the obedience of a test subject. This leads us to back our second acknowledgment of having inevitable influence while aiming to maintain our efforts to stay credible and objective, so the aforementioned are certain instances where this ambition might be challenged.

Our objective as researchers was to find out what reality is rather than what organizations say it is. Given the resources, facilities, time limit, and expertise, to reach the degree of empirical accuracy required, we have chosen interviews to gather data that can be used to answer our research questions. To gain a deeper comprehension of our topic and enhance the contribution of

our research, the choice of method can limit the bias in collected data if handled with caution. An alternative for such a choice is unobtrusive methods. These varieties of methods allow the researcher to understand the true actions of organizations rather than collecting biased and tailored data based on how organizations claim to act (Sekaran & Bougie, 2020, p. 118). However, this is beyond our resource capabilities.

To ensure proper responses, the interviewer had follow-up questions and probes throughout the process which helped to supplement the responses. After 12 interviews were successfully finished, it was clear from our insight that we had gathered enough information to start our analysis. The last 2 interviews were in many cases repeating what previous interviewees had mentioned, which reduced the need for further interviews. We therefore stopped with 12 interviews to start our analysis.

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Appendices

Appendix A: Interview guide



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Interview guide

Interview respondents will be asked questions from chosen topics and probed to elaborate. The purpose of this study, the prerequisites and the expectations will be found in the interview consent form.

The main purpose is to gain insight into how the power shift in information sharing has impacted organizations, and how they perceive this change and its consequences.

Introductory questions

1. Firstly, could you please indicate your name and your position in this business?
2. How long have you been employed by the company?
3. What is the size of the company (No. of employees) and when was it founded?
4. What sector is the company acting in? Are you a B2B or a B2C?

Section A

Marketing operation -----

1. How does the company communicate with customers?
2. How important is the marketing department for decision making in the organization?

Social media-----

3. Are social media activities done internally or/and externally?
 - a. How many people are involved in it, and to whom do they report?
4. How is social media perceived by the company? Is it integrated with traditional marketing, or has it replaced marketing?

5. How is information gathered through social media used in decision making?
6. Can you describe positive and negative aspects of the use of social media information?
 - a. How does the company react to the negative aspects? Can you give us an example?
7. Can you elaborate on how social media impacts your organization's image and reputation? (Positive and negative)
8. What are the perceptions regarding a potential power shift within marketing communication?
9. How much resources are spent on analyzing the user-generated content about your organization on social media to gather customer insights?

Section B

Competition -----

10. How does the organization assess changes in competition as a result of the power shift?
11. Do you perceive your position in the industry to be changed due to the power shift?

Customer acknowledgement -----

12. Does the company have immediate response to customer feedback?
 - a. Is it valid for both positive and negative feedback?
13. Does the company have ways to assess customer expectations?

Concluding-----

Final Questions:

14. Are there any concluding thoughts about WOM?

Optional:

15. How have customer expectations changed after the increased use of social media?
16. Can you elaborate on any shifts within the organization as a result of the increasing influence of social media?



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The evolution of power in communication: Organizational perceptions about the digital era

A study about tipping the scales of power.

Interview Consent form

You are invited to participate in a research project!

The main purpose is to gain insight into how the power shift in information sharing has impacted organizations, and how they perceive this change and its consequences.

The interview will explore the following:

- What are the organizational perceptions of the power shift?
- How do they address this power shift strategically?
- How do they confront the influence of the power shift?
- How they shape the organizations strategy to confront the power shift?

What does participation involve for you?

By participating in this project, you will be interviewed by two master students. The interview's duration is estimated to be approximately 30-40 minutes.

It includes questions that will help explore topics regarding power shift in communication, organizational perceptions and strategies. Your answers will be recorded electronically.

Interview participation is voluntary

Participation in the project is voluntary. If you chose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made

anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw

Your personal privacy – how we will store and use your personal data

We will only use your personal data for the purpose specified here and we will process your personal data in accordance with data protection legislation (the GDPR).

- *The project group and the supervisor will have access to the personal data.*
- *All personal data will be stored in a document separate from the collected data.*

What will happen to your personal data at the end of the research project?

The planned end date of the project is 1st June 2024. After this date, all personal data and recordings will be erased.

What gives us the right to process your personal data?

We will process your personal data based on your consent.

Based on an agreement with *University in Agder*, The Data Protection Services of Sikt – Norwegian Agency for Shared Services in Education and Research has assessed that the processing of personal data in this project meets requirements in data protection legislation.

Where can I find out more?

If you have questions about the project, or want to exercise your rights, contact:

- University in Agder via *Kalanit Efrat*
- Data Protection Officer at UiA via *Trond Hauso*

If you have questions about how data protection has been assessed in this project by Sikt, contact: email: personverntjenester@sikt.no or by telephone: +47 73 98 40 40.

Sincerely,

Efrat Kalanit, PhD

Supervisor

Rajana Bakhtarysjeva and Mathias Arildsen

Students

I have received and understood information about the project *Organizations in the landscape of social media* and have been given the opportunity to ask questions. By signing this form, I consent to:

1. **Participate in interview voluntarily**
2. **Being recorded during the interview**
3. **The data from the interview to be used in an anonymous way in the research**
4. **My data being processed until the end of the project**

(Signed by participant, date)

Appendix C: Reflection paper on responsibility - Rajana

As my studies at University of Agder comes to a long-awaited conclusion, I have had the opportunity to work with both an incredibly patient co-student and a professor who offered much needed re-assurance and wisdom. This finale of my academic career started with an idea of mass-media manipulation and the type of power that entangles the involved parties in an interplay, which bears a strange resemblance to a puppet show. The question “who pulls the strings?” was a shadow question, suggesting that the new era of digitalization might have a multi-layered dynamic and interpreting it at face-value might create a distorted perspective and hastily formulated conclusions.

The first research question was developed to explore the side of the organizations in a new era of internet: “How has the power shift in information sharing impacted the dynamics between organizations and individuals?”

To further understand the practical implications of the potential findings from this study we formulated the second question: “How does organizations perceive this change and its consequences?”

Current available data and research focus mostly on the repercussions and various effects on the networked individual. The common man. Me, and you. Some might argue a new dimension of power has been granted to both the individual private user and companies. The way these parties interact has forever been revolutionized, radically even. In addition, globalization has made the world inherently close, in a figurative way. Despite humans having the privilege to communicate with each other at the speed of light regardless of their location, there seems to be an invisible hand controlling the masses. Censorship and meticulously designed advertisements to affect an unsuspecting mind of the consumer are some exemplifying measures to make the dynamic flow.

1. 0 Stakeholder theory and responsibility

Many have pondered the role and responsibility of organizations in society and as business actors. The classic argument of the Stakeholder Theory has a grasp on this topic with its rationale concerning the importance of considering the company’s stakeholders to a higher level than just a way to acquire profit (Freeman, 2002). By counting the broad community of customers, employees, etc. as living individuals rather than numbers on a screen representing data. The company may find themselves in a dilemma to upkeep their responsibilities to both stakeholders and shareholders. In the context of information sharing and data collection on the Web, this dilemma might be evident as the obligation to stay both efficient and transparent might seemingly collide, while the privacy and safety of the individuals gradually become crucial. To elaborate on the transparency point, organizations are implored to engage with their stakeholders. A dialogue will be an opportunity to exchange information, where organizations can receive useful insights into what their customers and the public are concerned about, what they expect from the business sector, or just perspectives that can play a role in decision-making. Our thesis explores this process of information sharing where the stakeholders are allowed to participate when deciding what type of information organizations spread which in turn aligns remarkably with the idea of responsibility portrayed by the stakeholder theory.

1.1 CSR

Another theory to consider in line with this reflection is the CSR model (Carroll, 1991). Organizations will find it necessary to adapt to the new environment which threads forth as the fifth estate (Dutton, 2023)

takes place in the power dynamic, while also considering the ethical framework that prioritizes the responsibility for ensuring stakeholder welfare. As corporate responsibility underscores the obligation for businesses to broaden their goal beyond profit maximization, and to take into account what they can do for social, environmental, and ethical dimensions. In the case of a power shift in the way we share information, it makes it even more important for organizations to honor these principles. Ethical practices that are in line with corporate social responsibility theory will also be required, this would mean revealing accurate information that is relevant and engaging dialogues where insights are being shared openly and publicly. Moreover, companies must be willing to acknowledge when misinformation causes harm by being able to rectify the consequences that followed. This approach will strengthen their role as actors in society. Furthermore, organizations will have a chance to understand the complex environment of the fifth estate by integrating CSR when creating strategies to communicate. This will create an awareness for the power shift, leading to responsible public discussions. In addition, by aligning their strategies with corporate social responsibility theory, organizations will harness a reputation of being a trustworthy and sustainable actor. This in turn broadens the organization's relationship with the wide public. Prioritizing stakeholder interests, highlighting transparency and emphasizing the importance of accountability, organizations will also benefit from positive contributions to their market of operation. The more specific benefits of this form of responsible conduct would be the potential for attracting customers, investors, sponsors or even high-quality employees, which in turn creates a long-term value for the organization's shareholders.

2.0 Ethical challenges and management

As this paper discusses the topic of responsibility, I will further reflect on the ethical challenges the organizations might face in this evolving era of digitalization.

The risk of data security infringement might be one of the prevalent challenges that threads forth as the age of digitalization marches forward. Organizations need to recognize the amount of power they hold by having access to user data. Considering the Stakeholder theory, organizations should be expected to implement measures that secure their system where user data is properly encrypted.

Another challenge is the way advertising should be up to ethical standards and keep up with corporate responsibility principles. In the age of digitalization, ads have become a ubiquitous part of the web browsing experience. As mentioned earlier, being open and transparent about the way data is collected and used should be an important practice for organizations. When visiting a website, most of us are met with the question about accepting cookies. This is the organization's way of asking for explicit consent from the user, thus allowing the user to have control over the way their ads will be shown. Tailoring ad preferences will allow the user to not be unnecessarily influenced by the media. Organizations will probably implement features in the future to promote transparency on why certain ads are being shown. This would benefit user autonomy and safer web browsing. Moreover, the value of being ethical and transparent should be internalized further by not supporting or promoting advertising practices that lead to harmful or misleading outcomes. As the vast internet has given organizations an opportunity to reach their customers faster and more effectively, they will probably sense a stronger duty to conduct themselves in a righteous way. By doing so the strictness to obey regulations, adhere to the truth, and ensure that ad content is accurate, while also rejecting to exploit of sensitive user data that can create discrimination and even excessive influence. Furthermore, certain ethical implications of advertising digitally stretch to the methods that can be employed by organizations to handle controversy or other forms of stir in the political climate. An example can be how organizations show their support to different sides in a war. By supporting certain figures or projects, organizations can be said to indirectly advertise certain political perspectives. The most disputed topic in the Palestinian conflict has also

shown how organizations take a stance in different political and social movements. Depending on the social consensus, organizations can thereby receive backlash or credit for their commitment to social responsibility and portraying broader social values. All in all, organizations will find it beneficial to consider the ethical aspects of their advertising strategies as it will be a valuable contribution to creating a legitimate digital environment. These strategies are underscoring how important it is to acknowledge the corporate responsibility in the business sector during decision-making processes. If organizations are able to clearly communicate their policies and the thought behind their decisions, it will help in building trust. This form of transparency is the main essence of corporate responsibility, which assures that efforts to properly manage information is protecting the ethical standards and respects the rights of individual users. A carefully balanced need for managing misinformation, while also considering the principles of free speech, will also contribute to organizations upholding their responsibility. In addition, it fosters an informed and organic discourse among the public. Which in turn reinforces their performance as stewards for conscious practice of information sharing in the age where the Fifth estate is gaining power. If targeted advertising is misused it can lead to a chain of events starting with misinformation, exploiting populations who are far more vulnerable and even reinforce echo chambers and filter bubbles.

2.1 Filter Bubbles

One of the less talked about challenges in the mainstream media is the challenge of filter bubbles (Pariser, 2011). This phenomena of strengthening pre-existing biases while even causing a further spread of misinformation seems to be an invisible happening where the user is led by a confirmation bias. In terms of free speech and web user autonomy, it is important to understand the great influence one has as an informant. As filter bubbles are based on algorithms that will show tailored content based on user data and the available preferences of individuals, will in turn limit the availability of a wider range of perspectives. The problem with such situations is the possible skewed comprehension of information.

Viewing the challenge with filter bubbles from a standpoint of corporate responsibility, organizations must be on an active mission to mitigate the unwanted consequences. There can be many suggestions on how to minimize the occurrence of such a spiral. For instance, companies that are in the social media business can work towards creating awareness around the phenomena. By implementing algorithms with transparency to let the user know when the results are just being provided for the sake of relevancy rather than being informative. Secondly, the companies could attempt to differentiate the search results that speak both for and against a topic, instead of creating a trail of self-confirming information that leads the user further into a filter bubble. Furthermore, organizations that provide news, and content creators could consider balanced reporting and rigorous fact-checking. This would ensure that their audience receives accurate information. By taking on such actions, organizations and content creators would be closer to meeting their ethical obligations while also taking a step towards a more informed and united society. There are many examples of organizations attempting to promote such awareness by having strict regulations on posting false information which is most likely an attempt to help their users to browse the web safely and responsibly. Ultimately, the issue with filter bubbles can be seen from the framework of corporate responsibility. It underlines the critical importance of practicing ethical information dissemination, which also highlights the role of organizations when creating an inclusive and well-informed digital eco-system participant. If these suggested examples were to be successful it would not only combat the spread of misinformation but also reinforce the societal fabric by creating a strong culture of the previously discussed benefits like transparency, respect and accountability.

However, there is a catch to these regulations, the reason being the undefined parameters of misinformation. In certain cases, the truth can be seamlessly blended with lies and falseness, it can be a significant challenge to manage. The attempt to avoid filter bubbles and the spread of misinformation would require some sort of restrictions through common regulations however, the question of when these regulations would transform into censorship is where the core lies. If companies were to decide how their users see information with the help of an algorithm that tailors the results, then the idea of a power shift to a fifth estate would simply be an illusion. It would, furthermore, go against the focus on user autonomy and their free speech rights. These contradictory issues make it difficult to draw the line. The delicate task of managing content responsibly while avoiding stepping into censorship, and suppressing organic discourse, can be problematic. The principles of corporate responsibility theory would suggest balance and moderation. Social media platforms are striving to create a safe space for their users and seem to be going by the norms of society, like censoring or flagging harassing and discriminating narratives, while also respecting diverse opinions. It is of course a respectable attempt to remove harmful content, however, the user would only be able to see the “socially accepted” perspectives as the more aggressive ones have been silenced. In a sense protecting the user from such harmful content also takes away their autonomy as the organization already has deemed said content unnecessary for the user.

To conclude this reflection, the power shift in the way information is being shared with the fifth estate creates significant responsibility on organizations. Navigating through such a dynamic and complex systematic environment, where the traditional understanding of control over opinions is slowly being transformed while speed and reach are growing. By reflecting on this topic from the framework of both the stakeholder theory and corporate social responsibility, the frameworks have helped to put the word “responsibility” in context. Discussing challenges like filter bubbles, the sheer balance of moderating content, personalized ads, and censorship will raise arguments about commitment to transparency, how organizations keep up with accountability, and a solid understanding of ethical practices when communicating. In a noble attempt to foster a platform with open discussions and informed exchange of knowledge, organizations will be able to build trust and reinforce an educated population. Managing this involvement in a strategic way will ensure that the fifth estate has a chance to be a positive societal change, which will enhance public discussions and reinforce the fundamentals of democratic values.

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Appendix D: Reflection paper on responsibility - Mathias

Introduction

In the rapidly evolving digital age, organizations face new challenges and opportunities in how they share information and interact with individuals. Historically, organizations controlled their communication strategies, but the rise of social media and other digital platforms has shifted this power dynamic towards individuals. This transformation has implications for organizational responsibility towards society. As organizations navigate this landscape, they must balance ethical considerations, ensuring their practices align with societal values and contribute positively to the community. This paper explores the ethical challenges related to the master thesis, which investigates how organizations perceive and respond to the changes emphasized in the theory of a Fifth Estate (Dutton, 2023). Through a qualitative analysis of Norwegian organizations, the study sheds light on the evolving dynamics between organizations and individuals.

Summary of the thesis

The digital age has disreputably brought shifts in the business sector by bolstering networking individuals' activities. The theory of a Fifth Estate by William Dutton elaborates on how social media has facilitated information sharing among networked individuals, which then becomes the new powerhouse. Previous research has shown that individuals experience increased power over organizations, however, it lacks organizational perceptions of this change.

The master thesis strives to understand organization's perceptions of the change elaborated by the theory of a Fifth Estate. This is done by utilizing a qualitative method including 12 interviews with organizations operating in Norway. Our findings show that the perception of the change varies according to different variables, while the sum of organizations mainly find the change as beneficial for their own growth.

The concept "Responsible" in relation to the thesis

As our master's thesis is based on information sharing and communication, it is most natural to relate the concept "responsible" into the field on communication and information sharing. In regard of our thesis, we investigate how organizations perceive a change in information sharing and thereby their decreasing influential power. When relating the thesis to "responsible", it can be discussed that the ones who share information, whether it is user-generated content or concrete facts that are being shared, it should be considered the influence it can have. Therefore, the ones that share information through communication channels should consider different outcomes it can lead to before sharing.

As we dig deeper to the organizational side of information sharing, many ethical challenges can occur. Firstly, as individuals use organizational platforms to express their information, organizations access data about the users. As a result, organizations are responsible for not letting other parties access this data and keep their users safe (Pariser, 2011, p. 14). One way these issues can be managed, is by simply not gathering the data about the users in the first place. However, in light of our thesis, this can be seen as a way to lessen organizational power in society.

Another ethical challenge that occurs is the way filter bubbles develop on the internet. As users' data are gathered by organizations, advertisements and search results are based on the accessed data (Pariser, 2011, p. 12). This leads to users getting search results based on what the algorithms think the user would benefit from and the actual input the user is experiencing are filtered and does not reflect reality.

Ethical Challenges

Ethical challenges for the thesis can be seen in the topic itself, our research question, our findings and the units of analysis, which in this case are organizations. The ethical challenges can consist of considerations that must be included in organizations strategies, challenges which occurred during the research process, outcomes of the research and so on. These will be discussed and drawn in relation to previous research and theories.

Ethical challenges to the topic

As aforementioned, it is natural to use communication as a topic for our thesis, as this is highly relevant to the power shift in information sharing. Firstly, an ethical challenge which relates to the topic are organizations societal responsibility. As digital platform become more weighted, organizations have a larger reach, and it is more important that their practices contribute positively to society and individuals' well-being. Another factor that challenges organizations are the fact that knowledge and information are available for all. This, in combination with regulations for sustainability reports leads organizations to harmful outcomes if their environmental impact is not taken seriously.

Additionally, as the topic revolves around social media and digital platforms, ethical challenges cannot exclude General Data Protection Regulation (GDPR), especially when organizations collect users' data to decide further marketing and decision-making within the organization. A challenge therefore consists of the awareness users have of their information being gathered. Furthermore, this leads to yet another challenge where organizations are then responsible for the user's data and its protection.

On the other hand, as users are spreading information on the platforms, they also are interacting with ethical challenges. Firstly, they, in combination with organizations, are responsible for the trustworthiness of the information being shared publicly. Spread of misinformation can lead to trust in general being less common, and it is all users and organizations responsibility to actively correct or emphasize information that has the wrong intentions. One can also question the ethical standards of organizations that shape a perception on social media in order to be perceived in a certain way.

Lastly, as the topic are based on social media, ethical considerations for these platforms are related. As the platforms are used for communication among individuals and organizations, they possess an enormous power over the flow of information and accessibility to the other part. It is therefore a concern whether organizations and individuals are becoming too dependent on these platforms, raising the ethical challenge for the platforms, if everyone have the same possibilities or the platform are giving benefits to certain actors.

However, these challenges are outcomes of the strive of power, and by simply focusing on itself organizations can develop, individuals can stop misinformation and focus on what they like, and platforms can develop the best product independent of other actors. Simply by reducing the need for power, these challenges can be avoided.

Ethical challenges to the research question

In regard to the research questions for the thesis, other ethical challenges can be identified. Firstly, the questions in regard are the following two: “How has the power shift in information sharing impacted the dynamics between organizations and individuals?” and “How do organizations perceive this change and its consequences?”

The former research question investigates how the shift elaborated by Dutton (2023) has impacted the dynamic between organizations and individuals. An ethical challenge with this question is the trust in communication. As the dynamic change, it might occur situations where organizations are withholding information to not being perceived in a certain manner. This can create issues within trusting the organization and damage their customer relationship.

The latter on the other hand, includes the question of how the change is perceived. As larger organizations have more leverage, they might perceive the change less harming than smaller organizations. This develops the challenge where organizations have different opportunities based on their size, which raises ethical concerns. However, by including customers in their strategy and being open-minded, organizations can avoid these challenges.

Ethical challenges to our findings

The master thesis has found that organizational perceptions on the dynamic varies and that the dynamic between organizations and individuals have changed towards a more cooperative state. However, an interesting factor is the variation between the different organizations. Mediating variables have been found to influence whether organizations perceive the Fifth Estate as threatening or an opportunity. These mediating variables are also influencing our other aggregated dimensions which are the main findings from the research.

Challenges related to these findings are the fact that for organizations to change towards the cooperative state, they become more reliant on digital platforms. This dependency can lead to concerns as algorithms or policies on these platforms influence organizations reach to their customers. Furthermore, ethical concerns over the power social platforms will possess can be addressed, as it creates a dependency which may be exploited. To solve this issue, organizations can start to attract their customers to their own platform or reach customers independent on third parties. This also reduces these ethical concerns of third parties.

Another ethical challenge in our findings is the method that led to them. As research is done to analyse data that leads to the findings, we had to interview respondents. These respondents can have their own thoughts which does not apply for other than themselves, which reduces the generalizability of these findings. Furthermore, we as researchers were put in the situation where the respondent’s privacy becomes our responsibility. To avoid any issues regarding this, we have totally anonymised our respondents in the thesis. The data of respondents were also stored in a separate document, to ensure that no data were forgotten to be removed.

Ethical challenges for the unit of analysis

As we have analysed data from respondents which are representing different organizations, our unit of analysis consists of organizations. Therefore, ethical challenges relevant for this unit are organizational

concerns. Firstly, Corporate Social Responsibility (CSR) are highly relevant. CSR focuses on the different expectations for organizations and are developed on the foundation of Economic Responsibility (Carroll, 1991). As firms are profitable, they are expected to obey the law as it codifies what is acceptable behaviour (Carroll, 1991). Furthermore, as laws are obeyed, organizations must remain ethical. That is, they are obligated to do what is right. Lastly, Philanthropic responsibility states that organizations are expected to be good corporate citizens, which are contributing to society (Carroll, 1991). As for the thesis and our unit of analysis, organizations might be exploiting user data for their own profitability, which questions their ethical responsibility. However, it can be questioned whether the foundation of economic profitability would exist if the user data were not exploited for personalized advertisement. Nevertheless, organizations are benefiting from the information available on the web, causing ethical concerns.

Furthermore, as organizations have responsibility in several factors, it can be relevant to include Elkington's Triple Bottom Line. The Triple Bottom Line includes that organizations must combine financial profits, environmental benefits and create social value (Elkington, 1998). The combination of the three results in long-term success for organizations. If organizations do focus as much as environmental concerns and societal value as they do on profits, many of the ethical challenges they face might disappear.

In contrast to the several areas of responsibility, Milton Friedman emphasizes that since shareholders are the ones investing in an organization, those are the ones that should be benefiting from the profits. That is, organizations should strive to maximize profits, add revenues and minimizing costs, thereby only focusing on shareholders (Friedman, 1970). In regard to organizations in our master thesis, disregarding individuals creates the concern of Word of Mouth (WOM) and its negative consequences, if not managed properly.

On the other hand, Edward Freeman argues that organizations should create value for not only the shareholders, but rather all stakeholders. That is, individuals, groups or organizations that are affected by the organization in regard, and those with interest in the business operation. That includes both internal and external actors (Freeman, 2002). As for the organizations in the paper, the concerns of their customers are emphasized, which results in them focusing on value creation beyond profits. Ethical concerns, however, can rise when questioned whether the focus is for the customers best interest, or the indirect effect it has on their profits.

Summary

The discussion paper includes ethical concerns related to the master thesis, which explores how Norwegian organizations perceive and respond to the power shift in information sharing, emphasized in the theory of a Fifth Estate by William Dutton. The theory suggests that social media has empowered individuals, changing the dynamics between organizations and individuals. The discussion relates to the concept "responsibility", particularly in the context of ethical challenges within the topic, research questions, findings and organizations included in the master thesis. Ethical challenges develop as organizations collect user data for personalized advertisement, leading to privacy concerns and the creation of filter bubbles, where users only see personalized information.

Ethical challenges are also seen in the research process, as it was important to ensure respondent privacy and the generalizability of findings. The findings furthermore highlights the organizational

dependency on digital platforms and the influence algorithms and policies have on their communication to customers. The discussion also includes Corporate Social Responsibility (CSR) and the Triple Bottom Line, emphasizing the need for organizations to balance financial, environmental, and social responsibilities. Lastly, Milton Friedman's and Edward Freeman's contrasting views on responsibility are included, as it develops the perspective on how organizations remain responsible in society.

Overall, the discussion emphasizes ethical challenges in digital communication and information sharing, and challenges for those interacting on these platforms. Differing challenges can be managed by simply focusing on external parties rather than wholly focusing on profits, as this can be a part of developing the differing concerns. Also, by including other parties in value creation, it can be argued that profits will be developed in the long-term.

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