Emergent innovation through the co-evolution of informal and formal media economies

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Abstract:

Well-established distinctions between amateur and professional are blurring as the impact of social media, changes in cultural consumption, and crises in copyright industries' business models are felt across society and economy. I call this the increasingly rapid co-evolution of the formal market and informal household sectors and analyse it through the concept of 'social network markets' – individual choices are made on the basis of other's choices and such networked preferencing is enhanced by the growing ubiquity of social media platforms. This may allow us better to understand sources of disruption and innovation in audiovisual production and distribution in wealthy Western markets which are as significant as those posed by informal practices outside the West. I examine what is happening around the *monetization* and *professionalization* of online video (YouTube, for example) and the *socialization* of professional production strategies (transmedia, for example) as innovation from the margins.

Keywords: informal media economies, YouTube, transmedia, Australian transmedia, media innovation, social network markets

Bio:

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Emergent innovation through the co-evolution of informal and formal media economies

This article is a contribution to a themed journal issue on informal media economies. It seeks to link central debates in new media studies to what has been a debate in the social sciences over the inadequate and highly skewed account of the contribution that informal activity makes to mostly developing economies. New media studies is trying to come to grips with the way well-established distinctions between amateur and professional, consumer and producer, non-commercial and commercial, and garage and corporation are blurring as the impact of social media, changes in cultural consumption, and crises in copyright industries' business models are felt across media systems. I discuss the relevance of these crises in wealthy, mostly Western, markets to wider debates around informal economies. Innovations in media practice are arising from the increasingly rapid co-evolution of the market and household sectors. I apply the concept of 'social network markets' – individual choices are made on the basis of other's choices and such networked preferencing is enhanced by the growing ubiquity of social media platforms – to both what is happening around the monetization and professionalization of online video (YouTube, for example) and the socialisation of professional production strategies (transmedia, for example).

Following the reasonably settled understandings in the anthropological and sociological literature on informal economies (summarised in Lobato and Thomas 2011; Lobato 2012), the formal lies within the legally sanctioned media economy on which production and distribution data are routinely based, while the informal encompasses grey markets (secondary markets, household-level peer-to-peer exchange) as well as organised or incidental piracy, which may or may not be defined as black markets. Informal media economics, this paper argues, can also encompass emerging markets such as those based on the emergent commercialisation of online user-generated content, on the one hand, and the embrace by innovative professional content creators of arguably the informal sector *par excellence*, web 2.0/social media, on the other.

What are the relationships between the informal and the formal? It is certainly the case that the boundaries of the formal and informal shift temporally and spatially, and that the new digital affordances do not necessarily presage a definitive break from previous media histories (Lobato and Thomas 2011). But it is the mutually constitutive interrelationships of the formal and the informal, particularly in the very new environments of web 2.0/social media, that interest me.

Much theorisation of the role and value of informal economies, and a good deal of the innovation in general that informality impresses on the formal, has arisen in developing countries and regions where necessity is indeed the mother of invention (for example, in the case of pharmaceutical patent busts in Brazil, or in Lobato's 2012 account of 'hybrid' media circuits intermeshing the licit and illicit). In this article, however, I stress mutually constitutive interrelationships of the formal and the informal as sources of innovation and renewal in media ecologies and focus on the stresses and forces of endogenous change within developed economies.

Co-evolution of informal and formal content distribution

Rather than the more typical emphasis on informality in developing countries, I focus largely on what is happening in wealthy markets where by far the greatest proportion of copyright industries' revenue is derived. I explore the degree to which these market arrangements are at least supplemented and at most challenged by both new forms of commercialisation of amateur creation on the one hand, and on the other by social media-engaged, transmedia professional formats which are finding revenue pathways outside mainstream entertainment formats and around powerful gatekeepers. As Nitin Govil (Miller *et al.* 2005, especially chapter 4) has pointed out, most audiovisual piracy is of premium western/Hollywood content in developing regions. This is a pure (grey/black) market response to demand for such product (for many newly expanding consumer markets, US entertainment is a synecdoche for modernisation) and primes a proto-licit market for Hollywood. This situation, arguably, is in Hollywood's longer-term interest, if it was to begin to address what Joe Karaganis (2011) identifies as the central problem in the growth of piracy – the lack of preparedness on the part of licit businesses to price appropriately in low income markets.

But a focus on the degree of substantive change in wealthy western markets goes to the heart of the challenge to business-as-usual for US entertainment conglomerates:

> Hollywood today is nevertheless very much like Detroit forty years ago, a factory town that produces big bloated vehicles with plenty of chrome. As production budgets mushroom, quality declines in large part as a result of institutional inertia and a lack of competition. Like Detroit, Hollywood has dominated for so long that many of its executives have difficulty envisioning the transformations now on the horizon. Because of this myopia, the global future is commonly imagined as a world brought together by homogeneous cultural products produced and circulated by American media. (Curtin 2007: 4)

And at the heart of US entertainment is screen distribution. Recent research (Cunningham *et al.* 2010; Cunningham and Silver 2012) seeks to demonstrate that there is discernible disruptive innovation in Hollywood distribution, with new players using what is called the 'IT-innovation' model challenging the premium content-premium pricing-mass media model. (Note that premium pricing is being challenged licitly within high-price markets more than in low-price markets.) This strategy sees premium (and other) content sold at market-friendly prices, driven not by content as such but by the attractiveness of 'cool' multi-use devices and/or global online distribution reach. Such disruptive innovators, led by Amazon, Google/YouTube, Apple and increasingly NetFlix, now are seeking, or being pressured, to facilitate content creation on a major scale to feed their distribution networks - the same reason the theatre wars were fought in the late 1910s and early 1920s in Hollywood.

Notwithstanding many other obstacles, it is clear that informal, peer-to-peer, file sharing of film on BitTorrent and other platforms is the most significant impediment to the growth of cash flows for formal online distribution. In the online environment, the formal and the informal, the licit and illicit, exist side by side, on the same screen, accessed through technically similar pathways and recommended within the same social media networks. Illicit pathways are the only way film online has reached – and, indeed, for some considerable period of time - 'critical mass'. Clearly, pervasive free downloading and peer-to-peer filesharing forms a major part of online film culture. Nevertheless, there is a lack of credible evidence as to what downloading actually costs copyright owners. A succession of industry-funded reports (see Karaganis 2011) has made highly publicised claims that vast sums have been lost to piracy. Many of these studies appear to be based on questionable extrapolations of consumer behaviour, and assumptions that downloaded copies can be directly translated into sales foregone. Free downloading and peer-to-peer filesharing needs to be analysed in its own right, as well as in its complex relations to offline piracy, the way it operates as another avenue of Hollywood distribution which may in fact further entrench its dominance, the way it forces change in the formal economy and engenders state action, and the way it now has to be factored into the business models of online distribution companies.

Well-established free downloading in major world markets has caused Hollywood to experiment with its release windows, using ‘day-and-date’ (widespread simultaneous release) more often to forestall knock-offs. This has benefitted audiences. Similarly, audiences benefit when DVD vendors attempt to lower prices to raise sales. State action can also force change. For example, 2008-09 brought a massive state-led restructure and shakeout of the online distribution scene in China which had grown like Topsy. One of the more enterprising online distribution business ideas that is illustrative of the mutually constitutive nature of the formal and informal is to track popular films on Torrent sites, and offer deals to the rights holders of those films for sufficiently low point of sale prices that will attract those who want to watch but would prefer to be legal. The informal drives continuing innovation in the formal. There are also manifold informal production strategies, with crowdsourced financing and storylining, storyboarding, and even actual online production (Tryon 2009). These are innovations arising directly from informal online consumption cultures.

Social network markets

The preceding discussion instances mutually constitutive interrelationships of the formal and the informal and the disruptive innovation driven by informal dynamics, including piracy. It is now time to formalise a key aspect of what is at stake in such mutually constitutive interrelationships with the concept of ‘social network markets’. This concept has been developed collaboratively (Potts *et al.* 2008; and see Banks and Potts 2010) to account for ways in which formal market based activity and informal social or household activity is converging as a distinctive feature of the contemporary, especially digitally-enabled, economy. A social network market describes the nature of consumer choice and producer decision making under conditions where price signals are not prime or sufficient information, and where therefore one’s choice is based on others’ choices due to uncertainties about product quality arising from novelty or complexity, or the cost of acquiring this information oneself. This definition describes the crucible of new or emergent markets that, typically, arise from non-market dynamics (for example, digital and Internet affordances) and that often stay at the complex borderland between social networks and established markets. I now turn to detailed cases of the emergence and co-evolution of social network markets from both the social and the market side, and explore the innovations which these dynamics are bringing – with stress, uncertainty, disruption and uneven outcomes - to life.

Monetisation and de-piratisation of YouTube

YouTube is growing dramatically. Google accounts for 40% of all videos viewed online, while YouTube.com accounts for 99% of all Google videos viewed. YouTube passed the one billion video views per day in 2009 (and created a special “1 BN” logo to highlight the occasion), far surpassing its next-closest rival Microsoft and helping the site continue its strong growth, especially since being acquired by Google in 2006.

But YouTube is also evolving very rapidly (see, for extended treatments of this phenomenon, Burgess and Green 2009a,b; Burgess forthcoming 2012). While it remains, predominantly, a huge repository of classically informal (that is, both amateur and/or ripped) content, it now rapidly evolving into a site that is contracting mainstream content and shoring up its advertiser base. Through ContentID, it is also instituting a key innovation in the copyright wars, learning from the Napster and Limewire cases (see Knopper 2009) and 'study[ing] the music industry, to see how the crisis of that sector can be avoided in this one' (Kaufman *et al.* 2008: 17). This fingerprint system identifies copyrighted content and offers the rights holder either a take down or the opportunity to join YouTube's 'Partnership' program - a shared advertising revenue solution rather than legal disputation. It is, amongst other things, evolving into a mainstream player in broadcasting and film markets (e.g. by bidding for the broadcast rights to IPL cricket) while platforming the evolution of amateur cultural expression into enterprise opportunity.

The monetisation process has not arisen ex nihilo from Google's 'don't be evil' catchline, but from multiple interrelated pressures. Small scale online enterprises which offered to share revenue with creators had pioneered it, trialling an innovation learning process. The exponential growth of popularity of YouTube inevitably led to calls for recognition, ranking and then remuneration – a process also seen in other hitherto resolutely non-commercial spheres such as Creative Commons. (There has been a the growth of commercial optioning within CC licence suites; see Lawrence Lessig's (2008) call for a greater account to be taken of monetisation pathways in the 'hybrid economy'). Early inquiries showed that the vast preponderance of advertisers YouTube secured wanted their ads placed next to legal and professional content, while the real rates of growth were in amateur content. A strategy for better marrying amateur content and online advertisers was necessary.

Equally, pressure was being brought to bear on Google/YouTube to address the amount of copyrighted content available in a ripped, mixed and burnt formats. The lessons learnt from Napster was these access corporations have to work with the copyright industries, limiting the damage that could be brought to bear through expensive and time consuming litigation. Compliance around take downs, creating HD format viewing spaces for premium content, as well as developing ContentID – all this was a defensive strategy to mollify the copyright industries, while at the same addressing their advertiser base and managing the expectations of their legion of content makers by creating a regime in which amateur content is endogenously professionalised and further popularised through a shared remuneration scheme. This is being addressed through including the amateur in its Partnership program.

YouTube has developed its Partnership program (http://www.youtube.com/partners) which promises that it can help ‘generate revenue from your videos and access YouTube's specialized partner features and tools, including rentals, content management, and analytics’. It is designed for heavily-involved video makers and uploaders to ‘take your channel to the next level’. The company acquired content creation company Next New Networks in early 2011 (Diana 2011). Launched in early 2007, Next New Networks built an effective platform for developing, packaging, and building audiences around original Web video programming. Under the title YouTube Next, it is tasked with increasing the number of YouTube video ‘partners’ generating viable income. On the occasion of YouTube’s acquisition of Next New Networks, the director of global content operations and YouTube Next, Tom Pickett, declared: ‘we now have hundreds of partners making six figures a year. But frankly, 'hundreds' making a living on YouTube isn't enough and in 2011 we know we can and should do more to help our partners grow.’

The YouTube Creator Playbook (http://www.youtube.com/creators/playbook.html) has been developed which provides tips, best practices, and strategies for building audiences for online video through social media. An explicit invitation to position YouTube content creation as pro-am practice (Leadbeater and Miller 2004; and see also Leadbeater 2008), the Playbook ‘bible’ recommends thinking in terms of marrying the logics of television production with the affordances of social media. It reminds its readership that much more goes on beneath the surface of managing pro-am user-produced video channels than appears on the surface: ‘Some of the same trends and viewer interests that drive television viewership are applicable to the web. Regular release schedules, programming and timely publishing are all important in online video’ (p.16). To develop a successful channel, the Playbook recommends developing a regular schedule and frequency for content delivery; organising releases around a forward looking annual programming calendar which identifies tent-pole events around which to organise programming; and conceptualising release as sequencing “pre-release buzz”, the release event itself, and continued audience engagement for a long-tail market. All this is pretty much main media 101, but the Playbook stresses equally social media affordances: creating user loyalty (rewarding lead-users to retain/create loyalty through links, shout outs, etc.); two-way dialogue – creating user interaction, feedback, input, recommendations and cross-promotion; and networking – online videos must generate cross promotion with other YouTube users, social media, blog outreach and recommendations etc.

The monetisation process laid out in these initiatives appears very attractive but is highly fraught, and is subject to similar issues that impact other new methods of creative and co-creative activity undertaken in proprietary spaces such as MMOGs (for example see Castranova 2005, 2007; Humphreys 2010; Taylor 2006). These concern the status of intellectual property generation, the absence of natural justice and legal recourse when disputes arise, as well as the novelty of such entrepreneurial endeavour. There is passionate debate about the non-transparency of the criteria for admission to the Partner program – whether it is driven by numerical popularity or by the quality of the material – and the urban myths surrounding the criteria that create space for exploitative third party promissory activity - for example, ‘I got denied to Partner Program for the most ridiculous reason’ (Surensimonyan *et al.* 2010). Perhaps the most elaborated story is the plangent account of ‘what it’s like being sacked by a Google algorithm’ (Winter 2011).This is the story of Dylan Winter, a freelance English journalist and filmmaker, which reveals rare details of the financial interactions with Google of the-then 97th biggest reporter on YouTube globally and 7th in the UK. Despite being a very successful contributor to YouTube and valuable generator of attention to the ads placed next to his content by Adsense, Google’s advertising placement company, he infringed a contract that was ‘designed so that it was almost impossible not to break the Google rules’ (http://www.duckworksmagazine.com/).

These recitations of seemingly arbitrary exercise of power by large corporates over the creative individual are, sadly, consistent with those that have been endemic before, up to and including the social media era. The asymmetry of contracts in the creative industries, the potentially exploitative nature of creative labour based on structural oversupply and ‘art for arts sake’ motivations of creators – these are structural characteristics of the field, as expounded at length in the definitive work by Richard Caves (2000) on contract theory and the creative industries.

The balance of critical literature on YouTube is suspicious of its overall benefits to the broader creative community – which is often assumed to be already self-identifying professional or semi-professional producers. Aymar Jean Christian (2011) makes this line of attack explicit: 'The Problem of YouTube' may be that the effects of YouTube content creation strategies are to dampen professionalism, marginalise it online, and make it more difficult for professional filmmakers to find their online niche. But there is a more evolutionary perspective that, steering between an overly celebratory account of the democratising, participative potential of social media as propounded by a Clay Shirky (2008, 2010) and the equally populist critique of it at the hands of an Andrew Keen (2007) or a Jaron Lanier (2010), attends precisely to the way YouTube is shaping a social network market. This is a market characterised by competition for attention as much as cooperation, shaped by the Partnership program: 'the function of [open production] on YouTube is not only or primarily aimed at an egalitarian and democratic culture of production, but also to generate an entrepreneurial desire that is aligned with the commercial interests of the company' (Jakobsson 2010: 116).

'Socialization' on the market side

On the market side, creative enterprises are being pitched into experiments with engaging audiences and users that begin to significantly blur the producer-consumer boundary via the affordances and challenges of the web 2.0/social media. This means that different forms of production, distribution and consumption are stimulating emergent new markets for screen content even as traditional ones weaken. It means changing costs of production and lowering barriers to entry for those prepared to experiment with form, content and market. It sees the entry into the highly oligopolistic distribution domain of new players who challenge the model of premium content, high price, mass media-controlled release/windowing. It also provides digital content firms wishing to reach into global markets from peripheral countries - like Australia – some new options.

These changes are happening especially in the ‘transmedia’ space. Henry Jenkins, who has been influential in defining a category that is now as much owned in industry as in academia, describes transmedia as ‘a new aesthetic that has emerged in response to media convergence’ where audiences act as ‘hunters and gatherers, chasing down bits of the story across media channels’ (2006: 20-21). A ‘transmedia story’, he says, ‘ unfolds across multiple media platforms, with each text making a distinctive and valuable contribution to the whole … a story might be introduced in a film, expanded through television, novels, and comics; its world might be explored through game play or experienced as an amusement park’ (pp. 95-96). Each platform ‘is a point of entry into the franchise as a whole’ and ‘each franchise entry needs to be self-contained so you don’t need to have seen the film to enjoy the game, and vice versa’ (p. 96). Transmedia stories are most effective when they are built around a deep narrative, or a narrative with a detailed world that can be explored in greater depth in other mediums (i.e. an online website or electronic game) as ‘reading across the media sustains a depth of experience that motivates more consumption’ (Jenkins 2003).

Jenkins’ model of transmedia is fundamentally about storytelling. There are also models that stress transmedia as a business model responding to the crises of viability for independent film and screen producers and which are tapping into the potential for new market creation through social media network effects. A report for the Tribeca Film Institute sums it up well: ‘What has become clear is that more work needs to be developed in analyzing new financing models; new pricing and sales models; new distribution models; and new production models … and to study the music industry, to see how the crisis of that sector can be avoided in this one’ (Kaufman and Mohan 2008: 17). There are now many models and exemplars of filmed entertainment using cutting-edge social media communication strategies and the full affordances of the ‘digital value chain’ (e.g. Blossom 2009, chapter 5).

Much attention, therefore, is being paid to the invention or reinvention of business models in this emergent transmedia space. All the main options involve differing, but intensifying, levels of user participation, online social networking strategies, and the attempt to generate multiple revenue streams across platforms. Michael Gubbins (forthcoming 2012) provides a realistic account from the content maker’s perspective. He argues that advertising support and subscription remain major models, but these need constant tweaking. Advertising can be incorporated into an opt-out subscription model (think Spotify). IPTV could significantly boost advertiser-supported ‘free’ content. Branded entertainment – such as www.easytoassemble.tv, IKEA’s IPTV channel – suggest both a return to US television in the 1950s and a future with much more sophisticated brand-content relationships than we see now with product placement. Where brand-content synergies work, and the commercial influence over content does not harm the integrity of the latter, there will be new, disintermediated, relationships between creative and commerce which take us well beyond the advertising age. Crowdsourcing has produced some successes, particularly around strongly political projects such as *Age of Stupid*. Gubbins doubts that crowd funding will deliver a viable business model for larger commercial projects but it may form a viable contribution to the overall funding strategy.

Marc Hustvedt, from tubefilter.tv, adds the following models to the list: ‘reverse content windowing’ – where a project starts on the web and ends up on television; the ‘freemium’ model – the content is offered initially for free and then add-ons and higher quality services are charged for; and international format sales – where rapid innovation in, for example, web series, attract licence deals in other jurisdictions (see Rickey 2010). There are yet more variations on these models (e.g. Solidoro 2009), and vociferous debate in the emergent markets often based around social network dynamics.

All this activity prompts a strong revaluation of what David Stark (2009) calls ‘accounts of worth in economic life’. An economic sociologist, Stark has studied diverse firms and other actors under conditions of rapid change (Hungarian workers establishing private entrepreneurial enterprise within a socialist factory in their downtime; a New York content company during the dotcom era; an arbitrage firm reeling from the effects of the destruction of their workspaces and death of colleagues in New York on 9/11). He concentrates on environments of extreme uncertainty, where ‘multiple evaluative criteria’ contend at the heart of the enterprise. This is a good description of the transmedia space now being carved out of the crisis of screen business. The old defence of professionalism is being overtaken by new modes of value creation through deep engagement with social media affordances, where dichotomous rhetoric – of community versus commercialism, professional versus amateur, entertainment versus education, information or service – don’t work anymore. It is a space where copyright control regimes are less important than socially networked touchpoints into multiple potential markets; where weak IP (everything can be replicated rapidly by competitors) means rapid exploration of new ways to manage risk. Fundamentally, it means moving out of a filmed entertainment comfort zone, engaging with discontinuous social and cultural fields, and delving deep into the world of social, and trans, media.

‘Socialization’ on the market side, in practice

The brief examples of 'socialization' on the market side outlined now are practices based in Brisbane, Australia, as an attempt to also demonstrate the notion of innovation from the margins – the degree to which transmedia practice can break out of the spatial fix of centralised production hubs which is much of the burden of the creative cities literature (Cunningham forthcoming 2012). I differentiate between 'slow' and 'fast burn' innovation; the former instantiated by filmmaking transforming into transmedia among new generation film-trained independent producers in Australia. Feature film production has cultural cachet and established government policy interest and this moderates processes of creative destruction by providing more established sources of public support. 'Fast burn' innovation can be seen in the case of key Australian games companies which have had to shift rapidly from games to smartphone and tablet apps, requiring rapid reorganisation of companies, new skills sets, vastly accelerated production lead times, changed size of teams, and very different client/sales relationships.

Hoodlum is a company specialising in producing transmedia content, funded predominantly by broadcaster license fees and powered by a mix of filmmakers, game developers and IT specialists, to create and host interactive cross-platform content. The company has produced television programs such as *Fat Cow Motel* (screened by Australia's ABC 2002), and from 2006 interactive content to accompany UK-based television productions (*Emmerdale* Online Channel and *Primeval Evolved* for ITV's *Emmerdale* and *Primeva*; and *Spooks Interactive* for BBC's *Spooks*) and for the US (*FIND815* and *Dharma Wants You* for the US ABC's *Lost*). It has claims to be Australia's leading transmedia company, having won numerous mainstream international awards for best practice in innovation, including BAFTA and Emmy awards and nominations for their UK and US productions It has successfully accessed public support from Australian government screen agencies as well as mainstream industry R&D development programs.

Hoodlum is a prime example of slow-burn innovation. The company sits right on the fault line between well established television production and financing practices and transmedia innovations, and its business model reflects this. Hoodlum works primarily on a fee-for-service model, though retaining copyright on the interactive products it produces. From the point of view of broadcaster and network commissioners, transmedia content is designed to 'complement specific TV dramas as a form of viewing enhancement, or to provide a substitute to appease fans while the programmes is off air' (Ward 2009: 138). Being principally funded by mainstream television means transmedia practice is seen by the broadcaster as 'serving as a prompt for TV audiences to move online to official network websites where they can find 'catch-up' functions in programme downloads, additional diegetic material, or repurposed forms of their favourite TV show and, in the process, be exposed to web advertising and/or various forms of merchandising, that are accessed though network portals' (Ward 2009: 151). The company is caught between wishing to push their innovative practices further and faster than their principal source of financing will allow: 'it continues to be a source of frustration ... in that the television industry continues to perceive their online content ... as marketing for existing media properties (dotcom sites and television content brands) – and not as an evolving cultural form...' (Ward 2009: 154).

Cathy Henkel (trading as Virgo Productions) is a good example of a social documentary 'suitcase' producer who has transformed her business practices while at the same time enhancing and contemporising her social, environmental and political activism. Henkel has written, produced, and directed social documentaries since 1988, including *Heroes Of Our*

Time – the first inside look at Greenpeace during one of its dramatic 'direct action' campaigns – *Walking Through a Minefield*, *Losing Layla, Spike Milligan: I Told You I was Ill* and *The Man Who Stole My Mother's Face*.

Her most recent project, *Project Borneo 3D: An Action Movie*, embraces a full transmedia strategy. This genre-bending story – a combination of *Survivor*-style reality TV competition show and social activist documentary – revolves around deforestation, climate change, and an endangered species of orang-utans whose habitat is being destroyed by logging. It follows the work of DeforestACTION in partnerships with TakingITGLobal and Microsoft Partners in Learning, and prominent conservationist Willie Smits from Orang-utans Outreach, and is platformed by National Geographic and filmed in 3D. As part of a worldwide call, teens and young adults between the ages of 18 and 35 have been asked to produce a ninety-second pitch to become one of a team of selected activists who travel to and spend five months in Borneo to implement the project, and to star in the movie. These user-generated videos of aspiring participants are uploaded to YouTube where audiences can view and comment on the video, in effect growing the project's network. The successful ten report on the deforestation and project progress online via social media to fans worldwide. The documentary feature has already generated interest from distributors for an additional television series and a confirmed sequel, and has cultivated a following of over 28 million young people who contribute to the project by, for example, scanning GPS-generated segments of the forest and reporting on any deforestation activity they can detect (Lennon 2011).

The project arose from a Microsoft online poll which revealed deforestation and climate change as the number one concern amongst young people (Lennon 2011). It uses the branded entertainment business model (its many prominent global brand backers) but also taps traditional social documentary sources. It draws upon crowd sourced finance through donations to the project through the website (Gubbins' part-not-whole solution), but also depends upon license fees and sales to distributors. It uses lifecycle marketing to keep audiences engaged through the duration of the project via Twitter, Facebook and blog posts. Henkel's project also developed a software program which enables users to monitor rain forests via specially designed web tools and satellite imagery to provide near real-time intelligence required to halt illegal deforestation (see Tierney 2011).

The Australian-based games industry has been undergoing rapid creative destruction as a result of a global shakeout dating from the global financial crisis of 2008 onward. Throughout the last decade, the business models of Australian games companies revolved around the production of A+ titles for transnational games publishers, while the strategy of the industry's lobby, the Australian Games Developers Association, has been to secure tax incentives (similar to the film industry) from the government to move from fee-for-service production towards more owned IP. Unlike British games companies, the largest Australian games companies were slow to diversify into exploding new forms of interactive entertainment as well as other areas of activity such as serious gaming. Many went into liquidation.

Half Brick is one of those games companies that not only survived, but has grown strongly through this period – through innovation and the harnessing of social network markets. Formed in 2001, Half Brick, like most Australian games companies, was originally a developer of licensed titles for platforms such as Game Boy Advance, Nintendo DS games handhold console, and Playstation portable. In recent years, however, Halfbrick has transformed its business model to become an independent games developer and publisher of its own titles for mobile devices. Half Brick's principal business model depends upon high-volume sales of games titles via micro-purchased App downloads, principally from Apple's iTunes store (*Fruit Ninja* and *Monster Dash* have sold for 0.99c per download, while *Age of Zombies* sells for $2.99) and merchandising sales from branded T-shirts, children's bibs, posters, mugs etc (with characters/iconography from Half Brick games). In a radical reversal of the usual subordination of the content creator in the recoupment pathway, Fruit Ninja cost 0.99c to download, and Half brick earns approximately 0.69/70c for each download.

The content also incorporates aspects of 'freemium' business models. Free trials of the game are often offered online, for example *Fruit Ninja HD Lite*. The company can also expand the life of a product, or generate new interest, through the release of different versions, such as HD version of *Fruit Ninja* (Liu 2010). In addition, Half Brick also offers songs from each game's soundtrack for free, or the full digital soundtrack can be downloaded for a nominal price (in an instance of the voluntary payment business model, a buyer can actually offer their own price to buy the *Age of Zombies* soundtrack). And these free and voluntary-paid offerings have added to Half Brick's high-level commercial success. A year after *Fruit Ninja*'s release for the iPhone on 21 April 2010, the game had achieved over 6 million paid downloads and, as at July 2011, was in second place on the Top Paid iPhone Apps list.

Half Brick's social network market business model is highly reliant upon reviews and feedback. Gubbins (2011) is rightly sceptical of claims of the decreasing relevance of critical commentary and review; the emerging social network media market 'is becoming an era of more personalised services and recommendations'. Critical to the success of Half Brick's own titles are good reviews from games zines/blogs as well as user-ratings on iTunes. The higher the rating from its reviews for titles the more exposure it receives through reviews, and a five-star rating can lead to downloads from users over lower ratings. The average games review for Fruit Ninja is 4.5/5 stars (very high), which gives the game a stamp of quality (see for example appsfuze 2010). This should be compared to the disastrous effect of negative feedback on another Australian games company, Auran. Their expert user community thought so lowly of the beta versions of *Fury* that the game rapidly failed in the market and sent the company into receivership (Banks 2009).

John Banks (forthcoming 2012), using the lens of Stark's 'multiple evaluative criteria' which contend at the heart of the enterprise, engages with the success of Half Brick in turning the company 'on a sixpence' to address almost completely different technical platforms, user dynamics, and business model and market conditions:

> In the process of building games for the iPhone platform and searching for new market opportunities for mobile devices, Halfbrick's developers are doing far more than designing and innovating new products: along the way, they are redesigning their firm and transforming their dominant mode of production—the project model of game development. They are reconfiguring their identities as producers, designers, programmers, marketing managers and CEO. ...
>
> This is about much more than technical affordances or design qualities as it goes to the very heart of professional developers' working lives and environments and how they imagine what it means to be professional cultural producers.

Conclusion

I have sought to relate some central debates in new media studies to debates in the social sciences over the dynamics of informal economies and the inadequate account made of them in analysis and policy. On the one hand, there are exponential increases in creative expression and communication facilitated by the explosion of social media (YouTube, Twitter, Facebook and other major social media sites, mobile content, citizen journalism, online games development, etc), while at the same time there are threatening crises in the business models of the established main media (music, newspapers, film, broadcasting). Much debate in new media studies, and in the critical humanities and social sciences more broadly, is based on an exaggerated opposition between enthusiastic optimism and determined scepticism over the potential of new technologies. Contributing to this are unresolved tensions in the field around the future of intellectual property regimes and specifically the ethical, economic and technological dynamics of free culture and piracy. There are assertions of ‘fundamental crisis’ in the strategies of the media and communications industries versus counter assertions that the present is a minor blip in the march of hegemonic capital.

I propose that the concepts of ‘co-evolution’ and ‘social network markets’ offer a way out of such binaries and explore emergent practices of enterprise and proto-enterprise along the dynamic boundary between market and non-market, cultural and economic, commercial and community which are converging around the affordances and constraints of social network markets. These practices– amateur and pro-am content makers being drawn into professionalizing and monetizing processes platformed by YouTube, and the new markets and new paths to market facilitated by social media affordances being developed by independent transmedia and games companies – are significant innovations at the margins of global media economies which provide alternatives as global media businesses undergo great internal disruption. They are by no means unproblematic – they are neither driven solely from the bottom-up by media citizenry, nor are they controlled top-down by hegemonic transnational media corporations. However, they do suggest that significant new forms of media practice are emerging out of the grinding of the tectonic plates of corporate social media platforms and business models for professional independent screen practice.

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