

Federal Trade Commission  
Public Hearings on Protecting Consumers  
in the Next Tech-Ade  
November 6-8, 2006

# **User Generated Content and Changing Roles: Consumers as Sellers and Producers**

Jane K. Winn  
Charles I. Stone Professor  
Director, Shidler Center for Law, Commerce & Technology  
University of Washington School of Law  
[law.washington.edu/faculty/winn](http://law.washington.edu/faculty/winn)  
[jkwinn1@u.washington.edu](mailto:jkwinn1@u.washington.edu)

# Consumers as Sellers and Producers of User-Generated Content

- In how many different ways do consumers produce and sell “social media”?
  - What are you when you are no longer a consumer?
- How do those roles translate into a continuum of institutional outcomes?
- Is commercialization inevitable?
- What can a 20<sup>th</sup> century regulatory agency do now?

# Consumers as Creators of Social Media

- Old Consumer: weak/passive recipient of mass production/mass communication
- New User or Blogger or Contributor or Collaborator or or Producer or Distributor or Citizen Journalist or Creator Netizen...
  - Social Networks
  - Blogs/Vlogs
  - Peer Production
  - Folksonomies
  - User-generated content
  - Product reviews/feedback
  - User-generated advertising
  - User-generated content with advertising/tips

# Institutional Continuum of Social Media

Collaborate to  
Reinvent  
Advertising and  
Marketing

Collaborate to  
Reinvent  
Products and  
Services

Regulate to  
Preserve  
Transparency  
and  
Accountability

Develop User-  
Centric  
Governance

Emergence of  
New  
Communities



Improve Market  
Communications  
Under Producer  
Authority

Exercise  
Private  
Authority to  
Improve  
Markets

Exercise  
Public  
Authority  
to Improve  
Markets

Open  
Standards  
Governance

Direct  
Democracy

# Is Commercialization Inevitable?

- Market versus Social or Political Governance
  - Is there evidence of market failure?
  - Is commercialization a problem?
    - Ads and sponsored links on popular blog sites
    - News Corp and MySpace; Google and YouTube
    - Viral advertising
- Will collective action problems fuel the growth of proprietary platforms rather than democratic social networks?

# What Can an Agency Do?

- Police Fraudulent and Deceptive Practices
  - Undercover marketing masquerading as user-generated content
  - Bogus feedback/reviews/search results
- Backstop self-regulation
  - COPPA Safe Harbor for industry self-regulatory guidelines
  - Promote competition by supporting transparent, fair standards processes
- Regulate
  - Mandate disclosures?
  - Mandate standards?