

# Consumer generated brand extensions: definition and response strategies

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## Abstract

**Purpose** – Sometimes consumers express their enthusiasm for a brand by creating brand extensions, products or services in new categories that are closely affiliated with the “parent” brand. This paper aims to examine the positive or negative impact that consumer-generated brand extensions (CGBEs) can have on brand image and revenue, and the options that companies have available to deal with them.

**Design/methodology/approach** – The paper presents a case study of the collectible strategy card game – Magic: The Gathering – and discusses how the company responded to five different brand extensions that were created by players. This case study was used to develop a framework that allows managers to evaluate CGBEs based on their benefits and risks and to select an appropriate response.

**Findings** – Four possible responses were identified: challenge, criticize, commend and catalyze. Which of these responses is appropriate for companies depends on whether the CGBE has a positive or negative impact on the brand image and revenue and whether this impact is large enough to merit an active response.

**Originality/value** – This study shows that it is essential for managers to understand how to evaluate CGBEs. Managed properly, they can improve product usage, help generate new customers and have a positive impact on revenue and brand image. However, CGBEs can also have a negative effect, in particular if they are substitutes for the original product.

**Keywords** Innovation, Brand image, Brand extension, Consumer-generated content, Creative consumers, Magic: the Gathering

**Paper type** Research paper

## Introduction

Over the past two decades, the internet has become society’s new “speaking trumpet” – the megaphone of choice for people to amplify their voices and direct their messages in any direction they want. At-home video producers share their films on YouTube, employees report on the practices of their former or current employers on Glassdoor.com, restaurant patrons tell the world about their meals on Yelp or Instagram and, well, everyone shares everything about anything with everybody on Facebook.

Unsurprisingly, researchers and practitioners have discovered that social media are a goldmine for understanding consumer behavior (Berthon *et al.*, 2007; Campbell *et al.*, 2011; Muñiz and Schau, 2007). Consequently, organizations no longer only use online social networks to disseminate product information, but also to generate market research data, and even to drive innovation (Dholakia *et al.*, 2004; Sawhney *et al.*, 2005, Prpić *et al.*, 2015). Additionally, firms

discover that some consumers, all by themselves and without any incentive from the firm, create and co-create consumer-generated content (CGC) in relation to their brand (Berthon *et al.*, 2007, 2015, Muñiz and Schau, 2007).

Just how creative consumers can be with CGC is evident in the high number of YouTube videos that focus on particular products, brands or even advertisements (Campbell *et al.*, 2011). Because these videos are created without the involvement of marketers, they carry a significant amount of reputational risk for the targeted brands (Campbell *et al.*, 2011; Muñiz and Schau, 2007). Some well-known consumer-generated spoof advertisements include a video that attacks MasterCard for withholding money from Wikileaks and a spoof that operates on an ideological level by comparing the price of a Starbucks coffee with daily income of child refugees in Sudan (Campbell *et al.*, 2011). However, there are also many genuine user-generated YouTube advertisements that pay homage to a brand or product rather than to deliver criticism or satire and that are therefore more likely to have a positive effect on the brand.

What makes CGC contentious is that consumers feel entitled to be creative with the brand content, whereas for the firms it is an issue of money and control (Berthon *et al.*, 2015). Some consumers go a step further than making a video; they express their enthusiasm by creating brand extensions – products or services in a new category that is closely affiliated with the “parent” brand. Such brand extensions can be as basic as a fan website or a series of blog posts on how to use

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any given product, but they can also be entirely new products that consumers develop to change the way the original product is used.

Ideally, from the firm's perspective, a consumer-generated brand extension (CGBE) will lead to improved user experiences, attract new customers or increase purchase frequencies, increase customer lock-in and have a positive effect on brand image. However, if the CGBE acts as a substitute for the original product, it may also affect the brand and revenue negatively. It is therefore essential for firms to assess the impact that CGBEs will have and to formulate an appropriate response.

This paper identifies the factors that determine the severity of the impact of CGBEs on the parent brand. Following this, a framework is developed that allows managers to respond appropriately to CGBEs. The decision-making process is illustrated through a case study of the collectible card game – Magic: the Gathering (Magic) – where five CGBEs that were created by its players are discussed.

In addition, this paper offers managers important tools for evaluating significant potential risks and benefits of CGBEs for the parent brand and for selecting appropriate managerial responses.

The paper starts with a definition of CGBEs as an extension of existing literature on brand extensions and CGC. It continues with the case study; a description of the Magic brand and game and a discussion of five CGBEs created by its players. The paper then develops a framework that enables companies to respond appropriately to CGBEs. Finally, implications, limitations and directions for future research are discussed.

### Firm-created vs consumer-generated brand extensions

Aaker and Keller (1990) define brand extensions as “using a brand name to enter a completely new product class”. This distinguishes it from a line extension, which is a new product in the same class as the original product. Brand extensions leverage the existing brand equity, possibly the most valuable asset of companies, to reduce the risk associated with launching new products (Aaker and Keller, 1990). This widespread corporate strategy can help companies achieve growth, capitalize brand assets and redefine the nature and direction of the brand (Aaker, 1990). Virgin Group illustrates how valuable brand extensions can be. So-called spin-offs from its original Virgin recording label include transportation (e.g. Virgin Atlantic and Virgin Trains), wireless service provider Virgin Mobile, retailer Virgin Megastores and dozens more. However, poorly chosen or executed brand extensions can create damaging associations, which can affect both the extension and the parent brand negatively (Tauber, 1988). Well-known examples of poorly executed and therefore unsuccessful brand extensions are Harley Davidson's perfume and Heinz's All Natural Cleaning Vinegar (Haig, 2003).

We combine the definition for brand extension in the previous paragraph with Muñiz and Schau's (2007) definition of CGC (“vigilante marketing”) to propose a definition of CGBE:

Consumer-generated brand extensions (CGBEs) are unpaid marketing efforts in which consumers create a product related to a well-known brand, to extend it into a different product category.

A well-known example of a CGBE comes from fans of the band The Grateful Dead, who have been extending the brand for decades. “Deadheads”, as they are known, derived their own idioms and slang from the band's songs and began to create and sell various unofficial branded merchandise items, such as tie-dye T-shirts and bootlegged concert tapes (Timmons, 2006).

To learn more about the impact that CGBEs can have on the parent brand, it is useful to start by examining the traditional brand extension literature. This research can roughly be divided into two interrelated streams. The first stream looks at how the parent brand impacts consumer evaluations of brand extension. For example, researchers found that a strong fit between the parent brand and the extension is a key criterion for success (Aaker and Keller, 1990; Boush and Loken, 1991). This research is of significant interest for managers as it informs brand extension strategies (Milewicz and Herbig, 1994; Ambler and Styles, 1996; Martínez and de Chernatony, 2004).

Conversely, the other body of academic literature examines the effect of the extension on its parent brand. This stream is more relevant for CGBEs because it is important for the organization to understand the impact that such brand extensions have on the parent brand. Success of a brand extension is measured more directly by the development of positive brand associations (Pitta and Prevel Katsanis, 1995) because the key benefit of extensions is to provide firms with a way to leverage brand awareness and brand image (Keller, 1993) when entering new markets (Aaker and Keller, 1990). If chosen and executed well, extensions have a positive effect on the brand (Ambler and Styles, 1996). In contrast, brand extensions can also dilute the brand or affect the brand image negatively if there is insufficient consistency between extension and brand (Bhat and Reddy, 2001; Lane and Jacobson, 1997; Loken and John, 1993; Martínez and de Chernatony, 2004; Martínez and Pina, 2003), or reduce the parent brand's revenues and market share (Pitta and Prevel Katsanis, 1995). The key factor in the effect that a brand extension has on the parent brand is once again consistency or fit (Park *et al.*, 1991; Völckner and Sattler, 2006). In addition to the damaging effect that brand extensions can have on brand image, Loken and John (1993) identify another potential risk – that the brand extension may affect the brand's overall revenue negatively if the extension acts as a substitute and starts cannibalizing existing products. If this is true for firm-created brand extensions, then it stands to reason that brand extensions that are created by consumers could expose the brand to similar risks since consumers are less likely to:

- be concerned with fit between the brand and the extension; or
- worry about the impact their extension has on firm revenue.

It is apparent from this discussion that CGBEs present companies with significant opportunities, as well as risks. This is not surprising; research on other forms of CGC has drawn similar conclusions (Berthon *et al.*, 2007; Muñiz and Schau, 2007). What is new, though, is that today consumers are

engaging in more and more creative activities partially because of the modularity of existing products, the increasing availability of user-friendly tools that allow everyday people to become creative (e.g. software programs, 3D printing) and to collaborate, and the ease with which CGBEs can be diffused online (Berthon *et al.*, 2015; Kietzmann *et al.*, 2014). All of these trends point to an increasing participation of consumers in the creation of brand extensions. Given their potential impact on firms, both good and bad, a deeper understanding of CGBEs is required. To understand the different types that exist, as well as of the motivation that consumers have to create CGBEs, we next turn to the case of Magic: the Gathering.

### Case study – Magic: The gathering

To learn more about how firms should evaluate and respond to CGBEs, this paper presents a case study of Magic: the Gathering. The case study research methodology was selected to be the most appropriate method because it focuses on understanding the dynamics of a phenomenon and lends itself to the development of valid, testable and relevant theory (Glaser and Strauss, 1967), allows researchers to provide description (Kidder, 1982) and generate theory (Gersick, 1988; Harris and Sutton, 1986). Additionally, case studies can use multiple levels of analysis within a single study (Yin, 1994). As a case study, Magic is not meant to be a representation of the entire CGBE phenomenon but is simply meant to illustrate theory:

*Magic: The Gathering* is a trading card game that has an active and innovative community of players. Many players make up their own game variants (formats), write blogs or create YouTube videos or speculate actively on the prices of cards. Magic was selected as a subject for this case study because its highly active player base has created a variety of different types of CGBE.

*Information with regard to Magic: The Gathering*, its player community and various CGBEs that were created by players, was collected through articles in popular media and online sources dedicated to Magic. Based on this review, five case studies were selected of players who created a variety of different CGBEs to learn more about these players' motivations and how Wizards responded to the initiatives. In addition to information gathered from public sources (such as websites and social media pages set up by the players), the five players were also contacted through social media with a few follow-up questions.

*Magic: The Gathering* (aka Magic) is owned by Wizards of the Coast, a subsidiary of the toy firm Hasbro. Magic has existed since 1993 and even with the high-tech competition of today's social media choices, on-demand movie selections and video games (Kietzmann *et al.*, 2011) has seen solid growth in its player base. In the past five years, the game has seen an even faster expansion and *The New York Post* called Magic "the new Poker", suggesting that it is experiencing the same unprecedented growth that Poker had about a decade ago (Grilli, 2014). In 2014, the *Washington Post* reported that there were 20 million Magic players worldwide, resulting in a US\$200m industry (Kaplan, 2014).

Although it is difficult to determine a reason for this growth, it is likely that the popularity of Magic-related content on social media has played a role; there are hundreds of weblogs, discussion forums, YouTube channels and Twitch video-streams dedicated to Magic. Magic is played around the world, and cards are currently being printed in 11 languages, including English, Spanish, Russian, simplified Chinese and Japanese. In recent years, it has also become part of popular culture. For example, in 2014, it was featured in an episode of the popular cartoon *South Park* and in the same period it was reported that 20th Century Fox is interested in producing a movie adaptation based on the Magic: the Gathering fantasy universe (Kit, 2014). In June 2015, Magic: the Gathering featured in an article in the magazine *Rolling Stone*, covering the largest-ever Magic tournament and convention, which took place in Las Vegas and simultaneously in Japan and The Netherlands and attracted over 20,000 players (Greenwald, 2015).

### Simple game mechanics resulting in a high level of complexity

Magic: the Gathering is a card game that has been described as a cross between chess and poker (Grilli, 2014). The game is strategic in nature, and there are many different cards that can be compared with chess pieces. At the same time, it has hidden information, and the game has the same level of face-to-face excitement that poker is known for (Kit, 2014; Vice, 2015).

Players collect Magic cards like baseball cards bought in sealed packs in dedicated game stores (both online and offline), as well as at mass-market retailers, such as Wal-Mart. Players often own thousands of cards, collected over years, which may be worth hundreds or even thousands of US\$. These cards feature different creatures, spells, lands and enchantments, each of which has strategic value for the gameplay. From their inventory of cards, players build a playing deck of 40 or 60 cards to customize their own strategy and game experience[1]. Players may compete at home, at small events organized by games stores and clubs and at tournaments of various sizes that take place every weekend throughout the world.

Although there are several different variants (or formats) of Magic, which differ in the way players are allowed to construct their deck, the mechanics of the game are consistent across formats and easy to learn. Both players in a game start off at a life total of 20, and the goal is to win the game by reducing the opponent's life to zero. Each player starts with seven cards in their hand and draws an additional card per turn. Players take turns playing cards that may, for example, damage their opponent's life total directly, cards that stay in play permanently to deal damage to the opponent over consecutive turns, that remove their opponent's permanent cards to prevent damage, or that allow them to draw additional cards (Vice, 2015). The complexity of Magic stems from the high number of cards that have become available to players over the years. Additionally, because Wizards of the Coasts launches a new set of cards every few months, the strategies that players can develop through their deck building are constantly changing. As a result, competitive players are required to stay up-to-date with their knowledge and card collection.

Because Magic cards are sold in sealed packs and all cards go out of print at some point (on average after 1.5 years), there is a vibrant secondary market for single cards, where prices are determined by the rarity of the card (supply) and by how much it is being played (demand). Prices for single cards that are in print vary between zero and US\$30, whereas popular cards that are no longer in print can easily have a value of US\$50 or more. The highest price that has ever been paid for a single Magic card is US\$27,302, for a mint Alpha (= first-edition) *Black Lotus* (Kotaku, 2013).

### **Magic: the community**

The player community is highly active and very valuable for the Magic brand. On a local level, players may organize tournaments, trade cards and teach new players how to build decks and play the game. There are also various social networks and online forums that players use to interact with others, ranging from local Facebook pages where tournaments are announced and where players look for cards to massive forums and discussion boards such as Reddit and MTG Salvation, where players discuss newly released cards and game play strategies. There are also thousands of dedicated Magic websites, as well as hundreds of Twitch TV and YouTube video channels. The most popular sources of information about Magic are articles and videos that are created by professional or semi-professional Magic players. These competitive players are often sponsored by companies to promote their product and travel from tournament to tournament to compete, while wearing the company's attire.

The following section describes five players who created important brand extensions. The information was obtained through a combination of semi-structured interviews conducted by the researchers and by reading and listening to interviews by third parties.

### **Customer-generated brand extension 1: MTG custom deck boxes by aaron cain**

Magic players spend hundreds, often thousands of dollars on cards. A single deck of 60 cards can easily be worth several thousands of dollars. It is therefore unsurprising that these players store their deck in a box that not only protects cards from getting damaged but that is also visually appealing.

Aaron Cain is a casual Magic player who also has a passion for wood-working. He initially manufactured custom-made deck boxes for himself and friends and later decided to sell them to order through Etsy.com and Facebook. As his reason for making deck boxes, Cain states that he loves wood-working, and Magic: the Gathering allows him to make things that people want to buy (Aaron Cain, 2015).

Aaron Cain has never received an official response from Wizards of the Coast, but several of its employees, as well as several professional Magic players, have ordered his boxes.

### **Customer-generated brand extension 2: tournament organizer demons of the alps**

Demons of the Alps are two brothers who organize Magic tournaments in Valais in Switzerland. They both returned to Magic after a 15-year absence and discovered, much to their surprise, that there were no tournaments organized nearby.

They organize tournaments because this allows them to be involved in the game they enjoy playing in a way that better

suits their experience and interest. In the words of one of the brothers: "I'm much more interested in organizing a successful tournament than in becoming an average tournament player myself". The brothers intend to continue organizing tournaments as long as these remain successful. Success here is defined less in monetary terms, although each tournament has broken even, and more in terms of the players' and the organizers' experience: fun is central.

Wizards of the Coast offers support to tournament organizers in several ways. They will add an announcement to the tournament finder section of the Magic: the Gathering website. They also provide organizers with tools, such as administrative software and scorekeeping pads, for participating players.

### **Customer-generated brand extension 3: the Tiny Leaders format**

As discussed earlier, there are many different formats of the game that vary based on the cards that are and are not allowed in decks. There are several sanctioned formats that are played at official tournaments, but also a high number of casual formats that were created by players over the years.

At the end of 2014, a new format called tiny leaders gained popularity fast because it spread through social media such as Reddit and Facebook. The format was created by a small group of Canadian Magic players in an effort to combine the speed and competitiveness of one existing format with the budget-friendliness of another. Tiny Leaders was initially only played within this group, but after they developed official rules and created a website, it quickly spread; it is now being played around the world (Tiny leaders, 2014).

Wizards of the Coasts has not endorsed Tiny Leaders officially, but, in response to a question at a gaming convention, they stated that they support every format and that they consider these formats in their development of new cards.

### **Customer-generated brand extension 4: online magic simulator Cockatrice**

When players build decks, they often create proxies of cards so they can test the deck's effectiveness before having to spend money on cards. Although most players create proxies by writing the name of the card on a piece of paper or by making a photo-copy, over the years, several software tools were developed that allow players to build and test decks virtually.

Wizards of the Coast offers players to play on the internet through its Magic Online platform, but they do so with the same revenue model as for paper cards, which means that buying (virtual) cards online is as expensive as buying paper cards.

Cockatrice is an advanced open-source Magic simulator that allows players to play against each other through a network or on the internet. Initially, it was created for personal use by a player who is also a programmer, but he soon made it available for free downloading.

Wizards responded to Cockatrice by sending its creator a cease-and-desist letter to halt its distribution. This did not have the desired effect; although the creator is no longer the one who distributes the program, it is still widely available and used by thousands of players (Cockatrice, 2013).

### Customer-generated brand extension 5: Tolarian community college

Tolarian Community College (TCC) is a YouTube channel that is run by a Magic player who calls himself “The Professor”. He creates humorous and high-quality videos that are targeted at beginning and intermediate Magic players. The channel focuses primarily on reviews of Magic products and accessories (such as deck boxes and binders), introductions to popular formats and budget decks that allow players to start playing a new format at low investment. TCC was started in August 2013 and in June 2016 it had 142,900 subscribers, making it the most popular Magic-related YouTube channel produced by an individual (rather than a firm) (Tolarian Community College, 2016).

In May 2015, TCC launched a crowdfunding campaign through Patreon, a website that enables fans to support artists and content creators with small monthly donations. The Professor’s goal was to reach US\$900 per month, which would allow him to work less and dedicate more time to creating videos. The campaign was highly successful; in July 2015 TCC had 1,181 supporters, generating a monthly income of US\$6,015 (Patreon, 2015).

Because there are many players who create content on social media, Wizards of the Coast is selective in the ones it supports. However, they recently acknowledged the importance of TCC by inviting the professor to the annual Community Cup tournament, and gave TCC an exclusive spoiler: a card from the new expansion that they could reveal to the community. It is very likely that his had a major impact on the channel’s viewership.

### The impact of customer-generated brand extensions on the parent brand

To develop a framework for firms to respond correctly to CGBEs, as a first step, we will discuss the impact that the five CGBEs from the case study have on the Magic: the Gathering brand and how this affected the response by Wizards of the Coast. The impact and responses are summarized in Table I.

Aaron Cain’s deck boxes allow players to protect their cards and show them off to others, thereby improving their game-play experience. Deck boxes have no direct impact on card sales but instead may lead to increased players’ loyalty because the product is complementary to the cards. Wizards of the Coast works with a number of firms that are licensed to use Wizards images and artwork on their deck boxes and consumer-made boxes may affect these firms’ revenue. It is therefore understandable that Wizards of the Coast does not support Aaron Cain actively.

Tournament organizer Demons of the Alps offers players the opportunity to play Magic more frequently. This has an immediate impact on players’ experience, and, because tournament prizes are typically Magic cards, it also has a positive effect on revenue. It is therefore logical that Wizards of the Coast supports tournament organizers with tools and free advertising (on its website).

The Tiny Leaders format gives players another way to play the game, therefore improving their experience. It is also quite common for alternative formats to increase the popularity of cards that are otherwise not seeing much play. However, it is possible that players who focus on this new format will stop participating in tournaments that take place in established formats. It is therefore difficult to determine what the overall impact of tiny leaders is on card revenue. Wizards’ official position is that it supports any format but so far it has not offered any specific support to tiny leaders.

The online simulator Cockatrice stands out among the other CGBEs because it triggered a strongly negative response from Wizards of the Coast in the form of a cease-and-desist letter. This is understandable; although it improves players’ experience by allowing players to test decks before purchasing cards, it is possible that Cockatrice becomes a substitute for Magic Online and therefore has a strongly negative effect on revenues.

Finally, TCC, like other online content creators, helps other players to understand the game and improve their game. This is particularly helpful for new players because Magic is a complex game. Wizard of the Coast therefore offers support to TTC, as well as to other channels.

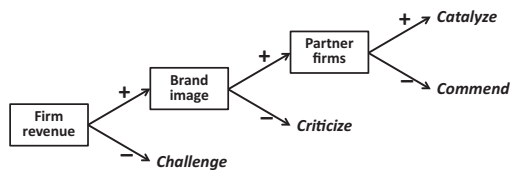
It is clear from the case study that there are a number of factors that firms need to consider with regard to CGBEs. The case study shows that brand extensions can improve customers’ experience with the brand or product, and this is what makes them popular. However, CGBEs can also have an impact on firm revenue and brand image, and may also affect the business of partner firms (such as retailers and licensees).

### The firm’s response to customer-generated brand extensions

Based on the factors that firms need to consider when responding to CGBEs, we developed the decision tree that is shown in Figure 1 below. We propose that the first consideration that firms need to make is whether the brand extension has a negative impact on revenue. This is particularly the case if the CGBE offers a substitute for the original product. Wizards of the Coast reacted very strongly to Cockatrice because it jeopardized their online revenue by

Table I Impact of CGBE created by magic players

CGBE	Customer experience	Impact on		
		Parent firm revenue	Parent firm brand image	Partner firms
Aaron Cain deck boxes	Positive	–	–	Negative
Demon of the Alps tournaments	Positive	Positive	Positive	–
Tiny leaders format	Positive	–	Positive	–
Cockatrice simulator	Positive	Negative	–	Negative
TCC YouTube channel	Positive	–	Positive	–

**Figure 1** Decision tree for response to CGBEs

offering players a way to play the game for free. We further propose that the second factor to consider is the effect that the CGBE has on brand image because this can affect the firm negatively as well. Finally, the firm should take into account whether the CGBE could have any impact on the business of partner firms such as retailers and licensees.

Based on these considerations, we suggest that there are four stances that a firm can take to respond to CGBEs: challenge, criticize, commend and catalyze. Each stance will be discussed in detail in the following paragraphs.

### Challenge

If a CGBE has an immediate effect on the firm's revenue, it needs to respond swiftly to minimize the financial damage. This will typically be the case if the CGBE offers customers a substitute for buying the firm's products. Challenging does not necessarily mean legal action; because many consumers who create brand extensions do so out of enthusiasm for the parent brand, it may be sufficient to just get in touch with them and ask them to terminate their activities. However, unless the impact is minor and short-lived, the firm must be willing to pursue legal action if necessary.

Wizards of the Coast responded with a cease-and-desist letter to the online simulator Cockatrice because of the impact it had on the revenue of their online game client. They take this kind of action rarely because Cockatrice did offer players an improved experience (by allowing them to test new cards and decks before investing in them) but, in this case, the impact was significant and long-term enough to require immediate action.

### Criticize

If a CGBE has a negative impact on the brand but if the effect is not major, the firm may be better off taking a more passive approach. This is in particular the case if there is a poor fit between the CGBE and the parent brand (Park *et al.*, 1991; Völckner and Sattler, 2006). A passive response could for example be posting a message on the company website or on one or more online social media.

The Magic: the Gathering caselets did not include an example of a CGBE that required a negative/passive response. A possible reason for this is that the players are highly involved in the Magic brand and act as its custodians; a CGBE that hurts the brand would therefore never become popular. However, a fitting hypothetical example would be if a brand extension would associate the Magic brand with Satanism. The Magic fantasy universe includes creatures such as demons and zombies, but Wizards of the Coast takes great efforts to ensure that the game remains light-hearted.

### Commend

If a CGBE has a positive (or at least non-negative) impact on both revenue and brand image, the firm should respond in a positive manner to the creator's initiative to improve other customers' experience. However, there is one final consideration that the brand needs to make: how the CGBE affects its partner firms. If the CGBE has a negative effect on the business of retailers, licensees and other companies that have a formal business relationship with the brand, it is inadvisable to jeopardize this relationship by supporting the CGBE actively. In this case, a positive mention of the CGBE on the brand's website or through social media is the appropriate response.

The best example from the case study is Aaron Cain deck boxes; because Wizards has licensed a number of firms to make deck boxes and other accessories for them, they should not give Aaron Cain such support that it would hurt these partner firms. However, by commending Aaron Cain privately or publicly for the quality of his boxes, they make more players aware of his products and also create an environment where other players are encouraged to develop CGBEs.

There are two other CGBEs that garnered a positive/passive response from Wizards of the Coast: the Tiny Leaders format and the TCC YouTube channel. Both have a positive impact on players' experience and are in line with Magic's brand image, but they are only two of many initiatives undertaken by players. If a brand is as popular as Magic, it is impossible for the firm to support every initiative actively.

### Catalyze

If a CGBE has a positive effect on both revenue and image and if it does not have a negative impact on the business of other partner firms, the firm should respond by supporting it actively. How much support it should offer depends on the actual and potential size of the CGBE and how well it fits the brand. An active response could range from promoting the CGBE on the firm website, all the way to offering the creators a license or purchasing the CGBE to integrate it into the brand.

Wizards of the Coast provides Demons of the Alps with the tools to organize tournaments effectively and helps them to attract players by promoting the tournament on their website. In fact, there is an entire support program for tournament organizers that offers assistance and rewards depending on the tournament's size. It also offers active help to individuals who create content (such as blogs and Twitch channels) and who are popular in the community, for example, by inviting them to the annual "community cup" or by giving them exclusive information on newly released cards.

### Conclusion

The amount of CGC is on the rise. Passionate consumers now create their own content and share it online through YouTube, Facebook or other social media platforms (Berthon *et al.*, 2008). In this paper, we focus on consumers whose accomplishments directly relate to existing brands. More specifically, we discuss instances of CGBEs – unpaid marketing efforts to develop a new product class, undertaken by brand loyalists on behalf of the brand.

To explore the variety of CGBEs and how they influence firms, we turned to a card trading game, Magic: the Gathering, which has attracted a number of CGBE. We discovered that the different types of CGBEs differ on the basis of their financial impact on the parent firm, their fit with the parent brand and their impact on partner firms. The combination of these dimensions allows us to create a decision-tree for managers who contemplate which response to CGBEs (i.e. challenge, criticize, catalyze or commend) is most appropriate. Managed properly, these CGBE can improve product usage, help generate new customers and have a positive impact on brand image, among many other positive consequences. However, when managed poorly (or not managed at all), CGBEs can also have a negative effect, in particular if they are substitutes of the original product.

In addition to offering managers the tools to evaluate and respond appropriately to CGBEs, this paper contributes to knowledge about CGC by identifying a specific type of consumer activity: CGBE. By providing a definition for this new construct, by exploring it through a case study, we enable other researchers to study this subject in greater detail. Additionally, we contribute to the literature on brand extensions by examining the situation where the extension is created by consumers rather than the firm.

As with any qualitative case study approach, this study is not without its limitations. To begin, because a case study studies a single firm, it is dangerous to generalize its findings beyond the specific firm or industry (Eisenhardt, 1989). We selected Magic: the Gathering as a case study for this paper that allowed us to examine a variety of different CGBEs. Therefore, it served the exploratory nature of this study, even if other firms and industries may not be as exposed to CGBEs. A second concern with case studies is that the findings are subject to interpretation of the researcher (Glaser and Strauss, 1967). We addressed this concern by discussing our findings in detail, both internally and with a number of researchers not affiliated with our study.

We hope that this paper stimulates discussion of CGBEs and leads to further research of this increasing phenomenon. Specifically, we encourage the academic community to empirically examine the impact of CGBEs on the parent brand and the mediating factors of this relationship. Additionally, it would be valuable to explore the factors that influence how consumers interact with the CGBE and how it affects their relationship with the parent brand.

It should be evident from this paper that consumers are more creative than ever before and that this creativity goes beyond spoof ads on YouTube. Although many of these activities are beyond the control of the firm and therefore bear some risks, it is important to keep in mind that most CGC is created out of enthusiasm for a brand or product. If managed well, firms can harness this enthusiasm and creativity, and use it to strengthen and grow the brand.

## Note

- 1 Readers might recognize similar elements of gameplay from their children's collection of Pokemon cards, which is also owned by Wizards of the Coast. Magic attracts an adult demographic that is much more active in terms of creating CGBEs.

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