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## Buying Love Through Social Media: How Different Types Of Incentives Impact Consumers' Online Sharing Behavior

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**BUYING LOVE THROUGH SOCIAL MEDIA:  
HOW DIFFERENT TYPES OF INCENTIVES IMPACT  
CONSUMERS' ONLINE SHARING BEHAVIOR**

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## **ABSTRACT**

### **BUYING LOVE THROUGH SOCIAL MEDIA: HOW DIFFERENT TYPES OF INCENTIVES IMPACT CONSUMERS' ONLINE SHARING BEHAVIOR**

Yueming Zou  
Old Dominion University, 2016  
Chair: Dr. Yuping Liu-Thompkins

A key issue in social media marketing is insufficient consumer participation and engagement. Oftentimes companies have to devise tactics to encourage more social sharing of brand messages, such as through the use of incentives and rewards. Previous research has investigated incentive effects under the traditional offline context, which addresses mostly economic exchanges and fails to consider the social dynamics of the social media environment. Addressing this gap, this research aims to answer the following research question: how can companies target different consumers with different incentives to maximize consumer sharing through social media? Specifically, the present research proposes three factors that can affect the relative appropriateness of monetary versus non-monetary incentives in driving consumer sharing: consumer loyalty, audience size and brand personality. Three experimental studies were conducted to examine these factors. The findings of study 1 indicate that consumers with high loyalty are more likely to engage in social sharing when faced with non-monetary incentives. In contrast, non-loyal consumers are more likely to engage in social sharing when offered monetary incentives. Study 2 shows that non-monetary incentives are more effective when sharing to a wide audience is requested, but incentive type does not make a difference when sharing is limited to specific individuals. The results of Study 3 show that, for a brand

characterized by sincerity, consumers are more likely to engage in social sharing when a non-monetary incentive is used than when a monetary incentive is used. For an “exciting” brand, the incentive type does not matter. By examining these moderators, this dissertation contributes to a better understanding of how to use incentives more appropriately to increase social sharing under different situations. Moreover, the research findings here can help marketers define the appropriate strategies to target different types of social interactions, and allow them to restore some control in the co-creation of brand stories in the social media context.

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The thesis is dedicated to my Father, Mother, Husband, Sister, and Sons.  
Family is my precious treasure. They inspire me to be a better woman every day.

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# **BUYING LOVE THROUGH SOCIAL MEDIA: HOW DIFFERENT TYPES OF INCENTIVES IMPACT CONSUMERS' ONLINE SHARING BEHAVIOR**

## **CHAPTER I: INTRODUCTION**

Since the rise of social media websites such as Facebook, Twitter, Youtube and Instagram, consumers have become more powerful in spreading their opinions about products and services. In today's market, the power of building consumer-brand relationships is coming not only from firms, but also from consumers; thus, the game has changed to a co-creation of brand stories (Gensler, Völckner, Liu-Thompkins, & Wiertz, 2013). In some ways, consumers have influence over firms through the use of online social media.

Although online social networks have been frequently used to increase online communication with consumers, they cannot promise to tie brands and consumers together more closely. Many brands suffer from low consumer contribution to their social media channels. Addressing this issue, most of previous research has focused on how to increase word of mouth (WOM) from the consumer's perspective. However, Godes & Mayzlin (2009) show that a firm can promote WOM among consumers, which will in turn drive sales.

The question then is how companies should stimulate online discussion about their brands. While diverse incentives have been used by companies to encourage consumers to share brand information via social networks, a majority of these incentives are monetary incentives, such as coupons, discounts and free samples. It appears as though companies are trying to bribe consumers into promoting their brands on social

media. Can a company really buy consumers' true love through incentives and if so, how?

Optimal strategies for how to incentivize consumer participation in social media are not yet well established in either research or practice. First, in practice, most incentives provided online are monetary because of the instant effect of such incentives. Paralleling this disproportionate focus, previous academic research has also focused mostly on monetary incentives. This is detrimental as both incentive types can be beneficial. While money is certainly enticing, 'softer' non-monetary incentives are also essential for a steady relationship (Raban, 2008). Non-monetary incentives may also be more cost effective in some instances.

Second, with the limited research on non-monetary incentives, previous studies on using incentives to motivate consumers have usually treated monetary and non-monetary incentives separately and have not directly compared the effectiveness of the two types. This hampers companies' ability to choose the appropriate incentives to build steady relationships through social media (Hennig-Thurau et al., 2010). In reality, one or the other incentive type may be more appropriate at different times or to different consumers. It is critical to identify these contingencies to best engage consumers in social media. While offline research on monetary and non-monetary incentives may yield some useful insight, it lacks the interactivity present in the social context and may not directly translate into how consumers will react in a more public and social environment as represented by online social networks.

Based on the above analysis, this research aims to answer the following research question: how can companies target different consumers or different situations with

different incentives to maximize consumer sharing through social media? Specifically, the present research proposes three factors that can affect the relative appropriateness of monetary versus non-monetary incentives in driving consumer sharing: consumer loyalty, audience size and brand personality. Together, these factors reflect consumer, situational, and brand influences that can guide companies in choosing the optimal incentive to use.

By answering the above research question, this research will make significant contribution to both marketing research and practice. First, compared to most previous research that investigate WOM effect from consumers' perspective, the present research will follow Godes & Mayzlin (2009) to examine firm initiated WOM influence. This firm-based understanding of WOM incentivizing effect will broaden the social media literature and provide more practical strategic solutions for firms. Second, from a research perspective, by examining the interaction between incentive type and the three moderators, this project will represent an initial step towards recognizing and understanding the complex ways in which monetary vs. non-monetary incentives can be more appropriate and can be utilized to affect consumers' social behaviors under different conditions. Third, the issue of incentive design has been studied in different contexts but not with regards to social media. With increasing social power from consumers, this platform has become a competitive resource for enhancing consumer-brand relationships. A better understanding of this platform will offer companies a higher probability of success in the digital marketing era.

From a practice perspective, customer relationship management practices often have to make choices between the use of monetary and non-monetary incentives to stimulate relationships at different time. However, without understanding how different

consumer, audience and brand characteristics may affect incentive choice, it will be hard to stimulate social interaction to maximize the benefits for companies. By understanding when monetary versus non-monetary incentives should be used to increase social interaction and information sharing, this research can help marketers define the appropriate strategies for a given situation and reduce the cost of misidentified targets. Using appropriate incentives to stimulate consumer online sharing will strengthen company-initiated power through social media. It may help companies to restore some control in the co-creation of brand stories.



## **CHAPTER II: LITERATURE REVIEW**

This chapter describes relevant literature and theoretical foundation that lead to the development of the proposed conceptual model and hypotheses tested in this dissertation. There are two parts in this chapter. The first part includes a comprehensive review of two literatures which are related to the proposed study: social media research and incentive research. Specifically, the review of social media research focuses on personal drivers of WOM and firm strategic influence on consumer WOM, and the review of incentives research focuses on the impact of extrinsic incentives on intrinsic motivation. The second part of the chapter proposes a social media incentive model and the moderators that impact individuals' online sharing effects, the theories driving the proposed relationships, and three hypotheses derived from this model.

### **Review of the Social Media Literature**

From firm initiated online communities to consumer-created virtual communities, the Internet has changed the definition of traditional media functions as well as the ways that marketers perceive and manage this component of the marketing mix. Hoffman and Novak (1996) introduced the conceptual foundations of marketing practice in computer-mediated environments. According to the framework, consumers are increasingly active participants in immediate and interactive communication processes in the online environment. As a result, marketers can effectively leverage the power of interpersonal networks to promote a product or service, leading to more rapid cost effective adoption by the market. Social media is especially useful in this respect as it transforms communication networks into influence networks (De Bruyn & Lilien, 2008).

Consumers benefit from social media activities. People share information and resources and get social supports and interactions with each other in countless online communities (Ling et al., 2005). However, under-contribution is a problem for many online communities. Although a successful brand using social media does not need everyone to contribute, it is important to motivate people to create their own content as well as share firm-created and other user-created content (Godes & Mayzlin, 2009).

It is an important and difficult challenge to motivate individuals in social media. A large amount of research has been conducted on social media since the 2000's, and it has exploded after MySpace and Facebook were created (de Valck, van Bruggen, & Wierenga, 2009; Hennig-Thurau et al., 2010). While many different theoretical frameworks point to the nature of motivational factors (Bagozzi & Dholakia, 2002; Hennig-Thurau et al., 2010; Jahn & Kunz, 2012; Katz, 1974; Kornish & Li, 2010), a clear classification of motivations is still rare. Rather than covering the full range of this literature, this study focuses on the giving end of social media literature, not on the receiving end. In other words, the discussion focuses on what motivate consumers to share as opposed to consume. There are two main kinds of relationships where interactions could be valuable for social media users: the interaction with other users and the interaction with the brand or company behind the brand (Jahn & Kunz, 2012). Thus, there are two main research streams that deal with social media's influence on brand-consumer relationships: 1) from internal personal drivers of consumer sharing, why consumers engage in social interaction with other consumers about brands, and 2) from external firm strategies of consumer sharing, what elements of the firm and what firm actions drive consumer to share (Brodie, Hollebeek, Jurić, & Ilić, 2011; Brown &

Reingen, 1987; de Valck et al., 2009; Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004; Hennig-Thurau & Walsh, 2003; Kaplan & Haenlein, 2010; Katona, Zubcsek, & Sarvary, 2011; Nambisan & Baron, 2007). Before reviewing the two research streams, however, it is necessary to differentiate between two closely related concepts: social media and brand community.

Both social media and brand community revolve around consumer interactions. Brand community is defined as “a specialized, non-geographically bound community, based on a structured set of social relationships among users of a brand” (McAlexander, Schouten, & Koenig, 2002). Mass-mediated brand communities provide the opportunity for context-rich and reciprocal relationships. In comparison, social media refers to “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content” (Kaplan & Haenlein, 2010). The nature of social media communication reflects active consumers engage in behaviors that can be consumed by others both in real time and long afterwards regardless of their spatial location (Hennig-Thurau et al., 2010). One key characteristic of social media is its informational and personal nature – consumers share their likes and loves with others through networks and might expect something in return from their befriended if not beloved brands (Hennig-Thurau, Hofacker, & Bloching, 2013).

Even though brand communities are similar to social media networks in terms of empowering consumers and enabling interactions, there are key differences such as thematic orientation. While relationships and interactions tend to be wide and general in a social network, they are usually narrow and focused in a brand community. Brand

community members are usually strongly attached to the brand, and membership in the community is purposeful and stable. In social media networks, consumers come in touch with brands on a much more casual and non-committed basis (Gensler et al., 2013). Thus, the strength of tie between members and personal involvement are different between online social networks and brand communities. It is important to note, however, that these differences do not necessarily differ in kind, but in degree (Zaglia, 2013). As a result, many research findings about brand communities also apply to social media and are therefore included in this review.

### **Personal Drivers of WOM**

People's internal motivations depend on individuals' preferences and perceptions (Garnefeld, Iseke, & Krebs, 2012). Most of existing research used economic and psychological theories to analyze consumer's motivations. For instance, Jahn and Kunz (2012) identified that there are two major reasons which motivate people to use social media platforms: social connections and information sharing. Calder et al. (2009) found that both utilitarian experience and collective experience will influence individuals' engagement with media context. This engagement between consumers and community will finally affect advertising effects. Many other studies also show that chasing status and prestige as well as looking for entertainment play important roles on motivating individuals to participate social media activities (Jahn & Kunz, 2012; Mehmetoglu, 2012). Overall, there are three basic needs that drive individuals to participate and contribute through social media: need for information, need for social interaction and need for status and image. Individuals' needs determine their interactions with others. All social media interactions are exchange behaviors which are either

economic exchange or social exchange. People are motivated to interact in social media as a payback for what they need now or later. Therefore, this research classifies the personal motivations discussed in existing studies into three groups: information-oriented, social-oriented and self-oriented.

### ***Information-Oriented Motivations***

A major driver for brand-related interaction is information acquisition and distribution based on people's interests. An increasing number of people cluster online with similar others to "anchor themselves, support each other, and exchange information" (Wiertz & de Ruyter, 2007). Such online activities are essential to consumers' interests by exchanging intangible resources, such as information and knowledge. Compare to traditional companies educating consumers about the brand, consumers learn brand knowledge through social media. Online information flows further spill over unexpectedly through message forwarding, providing access to more people and new social circles, thus increasing the probability of finding solutions to one's problem (Wellman et al., 1996). However, if need for information is the reason for people to participate in social media, then what makes people contribute differently? The answer lies in three information related characteristics: 1) perception of knowledge as a private versus public good, 2) level of shared-interests and informational value, and 3) information creation via intrinsic versus reciprocity motivation.

First, whether people consider information as a private good or a public good will determine their contribution level (Fahey, Vasconcelos, & Ellis, 2007). Wasko and Faraj (2000) investigated the implications of comparing knowledge as a public good or a private good for knowledge exchange in a community. They find that individuals will

contribute their effort to provide knowledge to others members in the community out of self-interest only when they judge knowledge as a public good. When information is viewed as a private good, individuals focus on self-interest and are in an economic exchange mindset. People exchange their information through community in order to receive commensurate benefits. People will use reciprocity to evaluate their costs and benefits. Only when benefits are over their costs, people will contribute to the community and share with others. These benefits could be tangible returns such as promotion and bonuses, or intangible returns such as reputation and status. In this situation, information exists in people's minds and is difficult to share. Information flow is sticky and does not easily cross through the community even when information is made available. However, when information is viewed as a public good, people are in non-economic exchange condition. Information is an intangible resource, which means that it won't lose its value when information is shared and spread throughout community. Because of this unique aspect, information can be viewed as a public good. As a public good, information is socially generated, maintained, and exchanged within emergent communities of practice (Brown & Duguid, 1991). Information is considered as a community collective contribution, and all members may access it. Members immersed in knowledge flows. From this perspective, the motivation for information sharing is not self-interest or personal gain, but care for the community (von Krogh, 1998). The more individuals care about community, the more contribution they will provide. Instead of expectation of self-interest, individuals are motivated to share information among others as an altruistic behavior through social media.

Second, whether information represents shared interests and co-created value also motivate individuals to share. Fahey et al. (2007) show that members want to share with others who have similar interests and they are driven by the need to realize their potential for learning and advancing the community. Whether information represents shared interests is important. Previous studies (Bagozzi & Dholakia, 2002; Dholakia, Bagozzi, & Pearo, 2004) find that informational and instrumental value is the main reason for participation in network-based communities. Social media provide an opportunity to provide collaborate and co-created information from individuals themselves. When brand community members share common interests, it will produce affinity and create social bond among members (Brodie et al., 2011). Online information about brands produced by other consumers is typically perceived as more credible and relevant without the bias of personal gain, and it tends to result in more empathy than marketer-generated information. This increases the likelihood of consumers internalizing brand information received from social media and actively seeking out such consumer interactions through online communities (de Valck et al., 2009). Hennig-Thurau et al. (2004) investigate the reason behind consumers' online articulations behavior. They state that consumers may be turning to the Internet to interact with others who share their consuming passions. Common interests and co-created information linked individuals to an intrinsic motivation. On the other hand, these online-articulations will save other consumers' decision making time and make better buying decisions. This shared interest makes consumers' life easier. Other consumers who are not active but benefit from co-created and shared information will motivate themselves to share with other about their product or service experience as a return later.

Third, information creation condition influences community sharing motivation. Information can be created under two distinct conditions to fulfill intrinsic motivation versus to reciprocate. Whether information is created under intrinsic motivation or reciprocity will influence individuals' sharing motivation. Bartol and Srivastava (2002) state that the most effective means of encouraging online community knowledge sharing should focus on intrinsic motivation. This could be a creating condition to let people feel the nature of the work and promote feelings of competence through helping members. Research suggest that when members are interested in helping other members and participating in joint activities, the community will enhance its value for all members (Algesheimer, Dholakia, & Herrmann, 2005). Brodie et al. (2013) show that businesses need to listen to and engage consumers in brand communications, which consumers perceive to be non-commercially driven. However, other research argues that a willingness to share information usually depends on reciprocity. Individuals provide information to others at a personal cost but with the expectation that their kindness will be repaid at some undefined point in the future (Mathwick, Wiertz, & De Ruyter, 2008). Nambisan and Baron (2007) report that customer participation in B2C virtual communities is motivated primarily by a belief in the benefits of engaging in such activities, thus implying that consumers find participating in reciprocal, interactive communication and activities rewarding in specific ways. Accordingly, individuals will be less inclined to share knowledge in the community if they feel this adherence to benevolence norms is lacking.

### ***Social-Oriented Motivations***



Human beings are also social animals. People have a need to engage in social behavior. Social-oriented motivations pertain to interpersonal interaction and bonding. It makes customers engage in self-disclosure, listen, and care, and helps improve mutual understanding between relationship partners (Hennig-Thurau et al., 2004; Hsieh, Chiu, & Chiang, 2005). When consumers participate in virtual communities, they commit time and effort to freely benefit other people (Mathwick et al., 2008). This freedom creates a culture of spontaneous sociability. Hennig-Thurau et al. (2004) identify “adding value” to the community as an important goal for individual participation in such communities. This value enhancement is achieved largely through social drivers such as concerning for other consumers, helping the brand and increasing social benefits. Different from sharing interests and informational values, social values more focus on individuals’ connections, emotional attachment and network influences. Thus, increasing social belongingness and developing emotional attachment are the drivers under social to motivate individuals to grow, maintain and broaden their relationships with brand through social media (Dholakia, Blazevic, Wiertz, & Algesheimer, 2009; Jahn & Kunz, 2012).

Baumeister and Leary (1995) have shown that there is a strong motivational basis for individuals to feel connected to others and to fulfill the need to belong. McKenna and Bargh (1999) defined belonging to be a member of a group of people with similar interests and goals who value oneself as a member, and to have friends and close intimate relationships. Feeling loneliness will drive individuals to find a place where they could belong to and grow relationships with others. Social media can help individuals to decrease the distance between each other and strengthen their commonality. When individuals try to locate themselves in any brand community, it is a cognitive

development and categorization process (Algesheimer et al., 2005). Individuals formulate and maintain a self-awareness of their membership within the community, emphasizing the perceived similarities with other community members and dissimilarities with nonmembers. Once they connect to each other, the community will increase their home feeling and decrease their loneliness. For instance, a brand social media channel such as a Facebook fan page is a special form of community built on mutual interest in the brand (Laroche, Habibi, & Richard, 2013). Therefore, joining social media and connecting with other people through this channel fulfills a need for belongingness.

Decreasing loneliness and increasing belongingness motivate individuals to use social media to interact with other community members. It shortens the distance and builds connection among individuals. However, this is not strong enough to promise a long lasting social interaction through community. In other words, how close between individuals also affect the motivation to interact. Emotional involvement with the group has been characterized as an “affective commitment” to the group (Ellemers, Kortekaas, & Ouwerkerk, 1999) and drives individuals to increase the intimacy level of an interaction. To have an intimacy relationship through social media will encourage individuals to share their feelings and emotions, not just to tell simple facts. It has been found that the disclosure of feelings rather than mere facts has stronger influence on dating and marital satisfaction (Laurenceau, Rivera, Schaffer, & Pietromonaco, 2004). Nambisan and Baron (2007) state that affect represents part of individuals’ reactions to situation. Affective dimension represents consumers’ emotions, moods, current feelings and so on. With emotional experience, consumers may form the motivation for continued participation in product support based on their positive feelings. They also found that

affective dimension influence customer attitudes regarding the host firm. Brand community research has characterized this emotional attachment as kinship between members (McAlexander et al., 2002). With this emotional attachment, a community interaction will be considered as a human action instead of exchange behavior.

Emotional attachment strengthens aesthetic and pleasurable experiences through social interaction, thus, the stronger individuals' emotional involvement in the community, and the more they will care and contribute to the community.

### ***Self-Oriented Motivation***

Previous studies have shown that social media not only satisfy interpersonal needs to belong in a community, share common interests and set up emotional attachment, but also let individuals to have positive feelings about themselves and a sense of self-worth (McKenna & Bargh, 1999). Individuals interact on the Internet in order to increase their feelings of self-worth and develop their identity which is strongly linked to a particular online community. These needs mean that individuals need to express themselves and need to be liked by others. Self-oriented drivers can be categorized into two groups based on their different needs. One is self-disclosure, the other one is self-prestige. The first one means that compared to traditional media channel, social media is a good venue for individuals to release their identities and to be the person they wish to be. The second motivation represents individual also care about their image and social status through social media.

The concept of role-identity holds that identities are important ways that individuals define themselves (McKenna & Bargh, 1999). Identification refers to one's conception of self in terms of the defining features of self-inclusive social category (Chiu,

Hsu, & Wang, 2006). It is the process whereby individuals see themselves as one with another person or group of people. It is aimed at constructing a certain image of self and claiming an identity for one self (Baumeister & Leary, 1995). For instance, some people feel embarrassed about some aspect of their identities and perceived risks of disclosure to others and some people need to present their inner self to the outside world which they cannot do this in one's current relationship. Social media can help individuals to satisfy this need. There is a discrepancy between one's actual self and ideal self. Individuals will be motivated to reduce them and to make these ideal attributes a reality, while social media can make this happen. Consumers' perceptions, especially their social identity determine membership within a brand community (Zaglia, 2013). Bhattacharya and Sen (2003) state that consumers' identifications with companies have strong impacts on consumer-company relationships. The identification satisfies consumers with important self-definition needs.

Besides self-disclosure, the need to achieve status or the need for diversion also motivates individuals to participate in social media. Previous studies use different but related words to describe this need, such as status, image, prestige, pride and reputation (Dholakia et al., 2009; Garnefeld et al., 2012; Hendriks, 1999; Jahn & Kunz, 2012; Knoke, 1988; Mehmetoglu, 2012; Wasko & Faraj, 2000). All these are around personal integrative benefits. Nambisan and Baron (2007) state that personal benefits relate to gains in reputation or status and the achievement of a sense of self-efficacy. Individuals exhibit their product-related knowledge and problem-solving skills to enhance their expertise-related status and reputation among peer customers. These individuals want to feel superior through social media to satisfy their dream of vanity. Individuals may

decide to participate in a fan page because they expect an impact on their image or status. Individuals want different values for their own personal identities by being members of a brand fan page (Jahn & Kunz, 2012). Status gaining is identified to impact the relationship between individuals and communities (Algesheimer et al., 2005; Wang & Fesenmaier, 2004). Image-related utility is related to the status seeking or prestige motivation. Hennig-Thurau et al. (2004) identify that image-related motivation has stronger influence than intrinsic motivation. A following study by Toubia and Stephen (2013) also found that from image-related utility aspect, users are motivated to interact in social media is by the perception of others. The result also shows that image-related utility influence is larger than intrinsic influence for most users and have many followers.

### **Firm Strategic Influence on Consumer WOM**

As stated at the beginning, social media has shifted the power from firms to consumers. Social media gives consumers more authorities to challenge traditional marketing strategies. While most people believe that a firm is losing its control through social media, some argue that companies can still make social media under control and maximum companies' profits through right strategies (Godes & Mayzlin, 2009). There are two traditional WOM types. One is customer created and customer disseminated. It is an endogenous WOM, which is naturally among consumers as function of experiences with product. Compared to endogenous WOM, exogenous WOM is a firm created and disseminated. It created as a result of firm's actions. Godes and Mayzlin (2009) issued the hybrid WOM concept, which means that the WOM is created by a firm and disseminated by consumers. Their study is the first to claim that a firm has its ability to involve in social media and get control of information sharing through right strategies.

The ultimate goal of a firm is to drive sales and maximize profits. In order to achieve this goal, a firm has to use predominant social media to get the most persuasive and maximal awareness brand connection with consumers. Compared to internal motivations which focus on personal level drivers, external motivations focus on strategies level to maximize consumers' sharing effects from different marketing mix aspects. In other words, it is important for firms to apply optimal strategies to maximize consumers' sharing effects. Existing studies analyze effective strategies from different angles to maximize sharing, such as targeting different types of individuals with varying awareness levels (Godes & Mayzlin, 2009; Mayzlin, 2006), transmitting information through different channels with larger network effects (Goldenberg, Libai, & Muller, 2001; Hinz, Skiera, Barrot, & Becker, 2011), branding product with different personalities to build a stronger connection with consumers (Villanueva, Yoo, & Hanssens, 2008), and promoting incentives at different levels to yield higher profits (Biyalogorsky, Gerstner, & Libai, 2001; Kumar, Petersen, & Leone, 2010). Based on these previous studies, the following review categorizes existing research into four different types: the who element, the where element, the what element, and the how element of strategies.

### ***The 'Who' Element of Strategies***

Who-oriented strategies consider the audience to choose for spreading WOM. To find the right person is the first step of firm to orchestrate their WOM campaign to drive sales. Firms are taking actions to stimulate the number of online conversations instead of hoping and waiting for information spreading after consumers satisfied with products. To identify who are the key influencers is the determining factor which influences the level of product awareness and information spreading. There are two different logics when

firms are picking right individuals. The first type is based on consumers' characteristics to divide individuals into different groups, such as loyal vs. non-loyal consumer. The second type is based on consumers created values to classify individuals, such as consumer with high versus low referral value.

Similarity is an important character which influences loyal and non-loyal consumers sharing behavior differently. It is easy for firms to locate their consumers into loyal and non- or less- loyal consumers. As an intuitive thinking, most people believe that loyal consumer is the right person to help firm spread information and build relationships in the network. As loyal consumers to a brand, they definitely have more similar interests of a brand. The tendency of loyal consumers to interact with other loyal consumers who are like themselves is high (Schmitt, Skiera, & Van den Bulte, 2011; Van den Bulte & Joshi, 2007). This is one of the reasons why people group together to share their interests. Loyal consumers are also diligent and active in screening and matching peers to firm, the similarity drives loyal consumers to refer others who are similar to themselves but not attached to brand yet. Because of this similarity between loyal consumers and their referred new consumers, emotion and trust can play important roles in forming customer-firm relationships (Haenlein & Libai, 2013; Schmitt et al., 2011). The information spreading from loyal consumers is more persuasive to their likely followers, thus will help firms to build a stronger relationship with their new followers. However, there is other research arguing that firm will achieve breadth awareness through targeting non- or less- loyal consumers (Godes & Mayzlin, 2004, 2009; Godes et al., 2005; Godes & Silva, 2012; Samson, 2010). Compared to loyal consumers who are similar among groups and followers, less loyal consumers are less similar among each other. Less loyal consumers'

networks have lower overlap and tremendous different. When information transmits through less loyal consumers, their network will send information to more acquaintance and strangers. Compare to endogenous WOM, exogenous WOM will have stronger influence to less loyal consumers. With tapping in different networks, information send by firm will achieve breadth awareness (Godes & Mayzlin, 2009; Samson, 2010). Bowman and Narayandas (2001) also point out that loyal consumers are more likely to engage in WOM, however, they just engage in negative WOM. They find that More-dispersed buzz is better than concentrated buzz. And non-loyal consumers through exogenous WOM have strongest effect on driving sales. Thus, when firms target loyal consumers to stimulate their information sharing, they will get stronger and persuasive relationships between firms and consumers. When firms target non- or less- consumers to motivate their information sharing, they will achieve greater and awareness relationships between firms and consumers.

Different from using consumers' character to target, using value to measure consumers' contribution to firm is another aspect which firms use to manage their strategies. As social media introduced to firms, consumer value is not limited to consumers' purchase value or consumers' lifetime value. Lots of research has shifted to identify and focus on who can bring maximum referral value to firms through social media. Firms are looking for the most profitable consumers with their referral marketing campaigns (Kumar et al., 2010). Barrot et al. (2013) investigate the service pricing impact on referral behavior. They found that firms have to take into account the monetary value of consumer referrals instead of merely considering the quantity of referred consumers. However, consumer with high referral value means not only with the highest



monetary value, but also with the highest social value. Social value has defined as long-term value a person creates by affecting others (Haenlein & Libai, 2013). It is intangible asset of firm. It has been found that target who get the most attention and strong link will increase firms value (Trusov, Bodapati, & Bucklin, 2010). Villanueva et al. (2008) state that different acquisition strategies will bring different qualities of consumers. Marketing-induced consumers add more short-term value, but WOM consumers add twice as much long-term value to firms. The idea consumers' acquisition effects combine soft communication effect which is brand awareness and hard communication effect which is profitable. And the best strategy should bring the highest customer equity contribution, which covers above soft and hard communication effects, to firms.

### ***The 'Where' Element of Strategies***

Where-oriented strategies investigate the right channel to spread WOM. In social media, information is transmitted from one place to another. Firms try to build the largest and most powerful networks. In order to achieve this goal, firms have to build great and right channels to make information transmit smoothly and effectively. Thus, where to post information and how information reaches the right place impact consumers' sharing effects are important. There are two types of information flow. One is between social media site and individuals. It discusses the initiated brand posting effects. The other one is between consumers. It aims to identify how direct or broadcast communications influence information flow among consumers.

Managers invest in social media to foster relationships and interact with their customers (de Vries, Gensler, & Leeflang, 2012). Consumers get the initiated brand information through brand communities. Based on their own interpretation of firm-

created brand message, consumers will show their support or question through liking or commenting (McAlexander et al., 2002; Muniz Jr & O'Guinn, 2001). The number of likes and comments on brand posts will impact brand post popularity (Shankar & Batra, 2009). The increasing research which is investigating brand communication effect shifts focus from an individual reaction process to an accumulated group buzz reaction process. Previous studies focus on investigating brand website post character influencing, such as videos, images, text, or questions (de Vries et al., 2012). Most research is based on visual or senses. When consumers first read the information from brand posting, their instant reactions will determine their motivation to share the post with others. At this moment, most studies are considering individual's reaction to a post. However, with the increasing number of likes and comments, network assortativity which means the fit between individuals and preferred community will drive individual to click the likes button to prove that he or she belongs to the brand community (Haenlein & Libai, 2013). Because of considering peers' judgment effects from the same community, the influence on information sharing will be stronger and deeper. Thus, considering brand postings as an accumulated group buzz reaction process will be a promised direction. While, Kalyanam et al. (2007) questioned that viral marketing focus primarily on how to grow the customer base. They analysis the nature of negative effect through a case study and show that monitoring blog postings for negative perceptions can be also fruitful. The information obtained from blogs provides the feedback loop. The growth objectives should be balanced against negative perceptions that viral campaigns can create.

On the other hand, the way that individuals choose to communicate among a group of members has different impacts on consumers' sharing behaviors. There are two

share mechanisms influencing information flow: direct one-to-one message and broadcast one-to-many message. The former one represents personalized referral, which allows users to select their friends to adopt the product or service, with the option of attaching a personalized message to invitation (Aral & Walker, 2011). The later one means automated broadcast notifications which are triggered by normal user activities without costumed information. Aral and Walker (2011) investigate direct and broadcast messages influence on Facebook. They found that passive-broadcast increases almost two and half times peer influence effects than active-personalized viral messaging. Broadcast communication makes firm to achieve a breadth of brand awareness. However, personalized communication has strong effects on persuasion, higher engagement and sustained product use. Schulze et al. (2014) found that direct message from Facebook friends is greater for high-utilitarian product than low-utilitarian products. Because high-utilitarian product is focus on function, information through direct message will enhance the central route evaluation. Compared to broadcast communication, direct message is more persuasive. Barasch and Berger (2014b) also identify that because of the audience size different, consumers are sharing different contents to others. When consumers are using broadcasting, consumers like to share self-presentational content to make them look better. However, consumers prefer to share useful content to partners when they are using narrowcasting.

### ***The 'What' Element of Strategies***

What-oriented strategies pertain to the product categories and brand influence on spreading WOM. Product categories and brand personalities influence the fundamental of what kind of a product it is. Compare to brand message content, which represents

external brand image building through online communication, product categories and brand personalities represent the key internal value that different brands stand for. Different product categories and brand personalities will determine the external message content used through online communication. Thus, the related strategies analysis will focus on the fundamental differences among product categories and brand personalities. Almost 3.3 billion brand message transmit through social media each day (Berger & Schwartz, 2011). There is a wide range of product categories covered in online information flows (Godes & Mayzlin, 2009). Brand fulfills important psychological and social needs by expressing who a person is and what group the person aligns oneself with (Laroche, Habibi, Richard, & Sankaranarayanan, 2012). However, not all products and brands get same attention or buzz from consumers. Some products get a greater buzz, while others are never discussed. There are reasons that make some brands more talkable than others. One reason is the differences between product categories characteristic, such as utilitarian versus hedonic product, and interesting versus accessibility product.

Marketing literature illustrates that what works for one product does not necessarily work for all products. Because of the different product characters, they make buzz differently through social media. A popular approach which captures differences is to classify products into utilitarian and hedonic categories (Chandon, Wansink, & Laurent, 2000). Chiu et al. (2007) investigate the determinants of a successful viral campaign. They find that utilitarian and hedonic content in marketing message have different impact on stimulating sharing effects. Berger and Milkman (2012) show that product with high or low emotional involvement, which refers to hedonic and utilitarian product, shapes consumers' sharing behaviors. For example, hedonic product usually has

high emotional involvement, and consumers are more likely to express their experiences to others. Moreover, consumers' interactions with brands are multiple-party conversation than a brand-directed monologue (Hennig-Thurau et al., 2010; Rohm, Milne, & Kaltcheva, 2012). Some research investigates the fit between product characters and social media platform characters impact on sharing behavior. Schulze et al. (2014) assumed that social network platforms primarily is for fun and entertainment. They state that when the fit between product characters and social media platform characters is high, the sharing behavior among individuals will be high. In other words, compared to utilitarian product, hedonic product are more welcome to discuss in social media and generate higher WOM. Rohm et al. (2012) investigate brand-consumer engagement through social media. They found that the attachments between brand and consumer are from functional and purposive, such as looking for news associated with a specific brand, to hedonic and random, such as sharing fun brand-related content on Facebook.

Berger and Schwartz (2011) from different aspect to identify brand character. They divide brand into interesting vs. accessibility brand. As intuitive thinking, if firms want their brands "talkable", their WOM about brands should be interesting. No one wants to discuss boring stuff. The interesting WOM message about a brand will immediately increase consumers' attention and sharing effect. Also, because brands are somehow representing consumers' image, if consumers are involving and discussing interesting products, it makes them seem interesting. Chaudhuri and Holbrook (2001) also state that the unique value from brand will help consumers to build their identity image. Campbell et al. (2011) investigate consumers' online conversations around advertising campaign. They state that consumers can create advertising about brands.

However, these advertising will have no effect until they are broadcast. They found that consumers are collecting recognized brands to build their online image through broadcasting their created ads. However, Berger and Schwartz (2011) state that interesting products get more immediate WOM, it is hard for interesting brands to receive long lasting WOM discussion. On the other hand, the high accessibility brands will reach long lasting buzz. Products are different in their accessibility. When stimuli of the environment acts as cues, consumers will trigger associate concepts in memory and make them more accessible. Public visibility also increases the product accessibility and boosts the chance which products are discussed more in online conversations. Thus, compare to the immediate heat discussion of interesting products, products with high accessibility have longer discussion over time.

### ***The 'How' Element of Strategies***

How-oriented strategies are around price sensitivity effects on spreading WOM. Specifically, the discussing focused on e-referral with incentives. Profit is the ultimate goal which firm wants to achieve. As one of the marketing mix aspect, pricing is related to people, channel and product aspects to maximize consumers' sharing effects. There are two different but related price strategies through social media: referral program and price cutting program. Biyalogorsky et al.(2001) compared customer referral programs and cutting price strategies when they try to find a way to maximize consumers' sharing effects. They state that a reasonable rewards and attractive price will lead to a profitable referral influence. However, there is a free riding problem, if firms just cut price. Thus, firms have to turn consumers into sale forces through e-referrals with incentives. They believe that pay for performance will drive consumers' motivations.

E-referrals can be executed by an altruistic individual and by firm encouragement (Ahrens, Coyle, & Strahilevitz, 2013). Altruism is individuals' internal motivation. Everyone has it but to a different extent. Firm encouragement is an external motivation that firm brings to stimulate consumers' internal motivations. However, not all firm encouragements will promise positive results. Ahrens et al.(2013) point out two referral strategies. One is inbound mechanism, which encourages consumers to referral through webpage functions without any incentive, such as product rating, share, like and comments. The other is outbound referral mechanism, which encourages consumers to pass on information through online communication with a financial reward. They believe that the outbound referral is a good low-cost customer acquisition strategy. Their results show that the magnitude of financial incentives affects e-referral rates. Biyalogorsky et al. (2001) also found that referral rewards depend on consumers' delight threshold level. The optimal referral reward should provide at intermediate delight level with low price. However, managing referrals is not limited to setting reward premiums. Barrot et al. (2013) compared two pricing strategies. One is low-complexity tariff based on consumers' satisfaction with current tariff. The other one is network-effects tariff based on number of ties and intensity to use. The findings show that not only pricing has an impact on referral behavior but also that it is low-complexity tariffs that trigger referrals. Compared to network-effects tariff generates higher revenues, low-complexity tariff increase the likelihood of referrals and overall a higher referral activity. Chen et al. (2011) focus on relationship between product price and consumer posting behavior. They found that the relationships are different at early and mature stages. The reason behind

this is that early stage consumers are more affluent and less price sensitive than mature stage consumers.

### **Summary**

Overall, both firms and consumers are looking for maximum value. On one hand, consumers want to achieve their self and social value from their individual behaviors through social media. On the other hand, firms wish to stimulate consumers' sharing effects to increase network, monetary and social long-lasting benefits. However, consumers can't survive without market resources. Consumers not only interact with each other, but they also interact with different firm resources. Different marketing mix affects consumer motivation, which in turn generates different levels of desire to share and disseminate through social network (Chen et al., 2011). From a practical standpoint, using different marketing mix, various types of incentives can drive consumers differently to help a firm achieve its goals through social media (Godes et al., 2005). Thus, fully understanding the external effect on internal drivers will boost both individual and firm sharing value.

### **Review of the Incentive Literature**

Successful communities achieve a critical mass of users for self-sustaining content creation (Becker, Clement, & Schaedel, 2010). However, it is not easy for all communities. Hence, it is necessary to consider instruments to encourage people to join and actively participate, such as rewarding users through monetary or non-monetary incentives. Because not all tasks that market managers want their customers to perform are inherently interesting or enjoyable, knowing how to promote more active sharing



behaviors with the right extrinsic incentives is an essential strategy to success. Before moving to analyze intrinsic and extrinsic incentives, it is important to understand the fundamental theories used to explain incentive effects. They are self-determination theory and cognitive-evaluation theories (Deci, Koestner, & Ryan, 1999a).

### **Underlying Theories**

Self-determination theory (SDT) is employed to investigate the social contextual conditions that foster versus undermine positive human behaviors (Deci et al., 1999a). It discusses two major aspects. One is from people's inherent growth tendencies and innate psychological needs which are basis for their self-motivation and personality integration. The other one is the conditions that foster those positive processes. These two aspects represent the internal value and external reasons or social environments. From the internal value perspective, individuals have three basic psychological needs to satisfy: competence, autonomy and relatedness. From the external social environments, because people are connected socially, all individuals' behaviors will be judged and valued by others. The outside environment will influence individuals' internal motivation process in some level. Thus, SDT examines the total effects of internal nature and external environments. Individuals can be urged to take action through their innate motivation, which has more interest, excitement and confidence. Or individuals can be urged to act by bribe, which means through external incentives to enhance and heighten the results. These two drivers are neither isolated nor independent. Managers want to keep the inner motivation as high as possible when they promote external incentives to sustain the results.

Cognitive-evaluation theory is a sub theory in SDT. It aims to specify factors that explain variability in intrinsic motivation (Deci et al., 1999a). Two fundamental needs which determine the effects of internal and external motivations are competence and autonomy. Social contextual events, such as feedback, communication and rewards, influence individual's feeling of competence. Through these events, individuals will have opportunities to access more information. With different levels of information individuals have from the external environment, it will influence their internal motivation process. High competence, also meaning high informational level, has positive effect on intrinsic motivation. At the same time, environmental factors will influence individuals' feeling of autonomy. When the environmental makes individuals feel low autonomy, with things such as threats, deadline, directives, pressured evaluations or tangible rewards, individuals feel a loss of themselves, and perceived external locus of causality will diminish intrinsic motivation. The low autonomy effect will have a negative effect on intrinsic motivation. However, choice and opportunities can enhance autonomy and subsequently increase intrinsic motivation. Competence and autonomy are not independent but they interact with each other to influence the intrinsic motivation process, and whether the external effect will be positive or negative depends on the joint effect between competence and autonomy. Existing research shows that high competence and high autonomy will have positive effect on internal motivation. However, this situation is rare.

### **Extrinsic versus Intrinsic Incentives**

Intrinsic motivation involves engaging in an activity for the inherent satisfaction of the activity itself. Extrinsic motivation in contrast involves performing an activity in

order to attain some separable outcomes. Such an extrinsic motivation is not inherently interesting. However, it can be externally prompted by explicit rewards. Cerasoli, Nicklin, & Ford (2014) find that intrinsic motivation remains a motivational force even in the presence of external incentives, but that external incentives and intrinsic motivation best encourage different outcomes, so they should be considered together. Thus, when external rewards are provided to individuals, people's internal needs for the target behavior will be adjusted because of the external stimulation. Whether such an adjustment will be positive or negative will depend on the perception of contingency between performing the behavior and attaining a desired consequence.

### ***Rewards Contingency***

Extrinsic contingency is the results from the interaction between autonomy and competence. Extrinsic rewards vary on autonomy and competence, and these two elements often work against each other to determine extrinsic influences on intrinsic motivation (Deci, Koestner, & Ryan, 1999b). Existing research divides the contingency of rewards into two groups: positive contingency versus negative contingency reward groups. The positive contingency reward group represents extrinsic rewards that enhance or at least leave intrinsic motivation unchanged. It includes performance-contingency rewards, completion-contingency rewards and verbal rewards. These three types of rewards have one common factor, which is high information or competence. Even though they do exert some level of control, the high competence can offset the diminishing sense of autonomy when individuals face these rewards. Consequently, the chance to achieve positive outcomes is stronger when these three types of extrinsic rewards are provided. In contrast, the negative contingency reward group undermines intrinsic motivation. It

includes engagement-contingency rewards and task-noncontingency rewards. Both of these rewards exert strong control effect but provide low information. Thus, they are likely to undermine intrinsic motivation.

While reward contingency used widely in education and psychology disciplines to explain the effect of extrinsic rewards on intrinsic motivation, the marketing literature has most often divided extrinsic reward from another angle: monetary versus non-monetary rewards. Specially, monetary rewards have received the most attention.

### ***Monetary versus Non-Monetary Incentive***

Previous studies have examined whether the use of extrinsic rewards increases engagement in pro-social behavior based on altruism or simply desire for the acquisition of the reward (Lacetera & Macis, 2010). Economic theory from a rational perspective predicts that any type of incentive would increase an individual's willingness to perform an activity. In other words, economic theory assumes that non-monetary rewards can be translated to monetary reward equivalents and that they should have similar effects. In contrast, a psychological perspective believes that monetary and non-monetary rewards cannot be evaluated alone; other factors should be taken into account, such as psychological needs. Thus, a psychologist would claim that there are additional factors that supplement intrinsic motivation to influence the individual's performance (Mahmood & Zaman, 2010; Raban, 2008). Monetary rewards and non-monetary rewards are the mediums used to present offers from a company to the individual consumer. Their values are judged by individual consumers. Thus, consumers' differing characteristics, such as valuation of extrinsic rewards, enjoyment of doing an activity and consideration of about their image and others' images, make each consumer view extrinsic rewards differently.

Based on previous research from both economic and psychological views, monetary rewards are material rewards offered in exchange for a desired behavior, such as discounts, financial bonus, prizes, free gifts or other material benefits. Such rewards invoke market exchange norms, focus on performance and compensation, and normally have short-term effects. In contrast, non-monetary rewards are non-material related rewards. They include soft benefits that often bring the perception of special treatment and personalized attention, such as social approval, reputation, status, public recognition, and verbal praise (Ariely, Bracha, & Meier, 2009; Becker et al., 2010; Burroughs, Dahl, Moreau, Chattopadhyay, & Gorn, 2011; Garnefeld et al., 2012). Such rewards invoke social exchange norms, focus on effort and recognition, and normally have long-term effects. Previous comparisons of monetary and non-monetary rewards have mixed results. The present study categorizes previous research into four areas to analyze the fundamental characteristics of monetary and non-monetary rewards. These four areas include effort-reward relationship, social signaling effect, utility versus hedonic benefits, and post-reward effect (Chandon et al., 2000; Heyman & Ariely, 2004; Kube, Maréchal, & Puppe, 2012; Mahmood & Zaman, 2010).

#### Effort-Reward Relationship

Research on the effort-payment relationship for monetary versus non-monetary rewards can be categorized into two groups. One group compares monetary and non-monetary rewards based on exchanges that happen in monetary versus social markets. The other group focuses on the independence of effort and performance evaluations for monetary versus non-monetary reward. Within the former group, Heyman & Ariely (2004) state that individuals live in two markets simultaneously. These two markets are

monetary and social markets. However, there is a strong conflict between these two markets. The monetary market operates on the basis of payment and material gains. Exchanges in monetary markets are on-spot, sharp and short-term in nature. The social market, in contrast, operates on the basis of effort and non-material gains. Exchanges in social markets are coordinated, consistent, independent of magnitude of payment and long-term in nature. However, any occurring exchange operates either in a monetary market or in a social market but not in both markets. Thus, when one market is used the other one is driven out (Mahmood & Zaman, 2010).

Monetary rewards are based on market-pricing orientation. They are the rational choice for individuals to compare the cost they will pay and the benefit they will gain. According to this, the amount of compensation directly determines the level of effort or desire (Jin & Huang, 2014). Individuals' efforts will increase with payment in monetary exchange. There is a linear relationship between effort and payment. Monetary rewards prime people for business transactions rather than social relationships. They shift toward a higher output by replacing intrinsic motivation. Thus, monetary rewards are very sensitive to the magnitude of payment. The market can observe an immediate reaction when companies use monetary rewards, but it comes with high cost of easily undermining intrinsic motivation. When individuals are involved in monetary exchange, they act more selfishly and are less sensitive to the needs of others (Hammermann & Mohnen, 2014). Individuals also demonstrate less cooperative, communal and altruistic behavior.

In contrast, non-monetary rewards are personal and socially based incentives. They induce persistent participation with higher average gains compared to monetary

rewards. Unlike monetary rewards, which have negative effects on price sensitivity and brand equity, non-monetary rewards have no such negative effects (Yi & Yoo, 2011). However, this sometimes makes non-monetary rewards have lower attractiveness than monetary rewards (Büttner, Florack, & Göritz, 2012). Thus, non-monetary rewards may not have immediate or easily apparent effects. In the non-monetary condition, even if costs are disclosed, non-monetary rewards do not shift individuals' perceptions to the same extent as monetary does (Hammermann & Mohnen, 2014). Compared to monetary rewards which have a linear relationship between effort and payment, non-monetary rewards induce consistently high levels of effort as individuals ignore the value of payment. Individuals will sometimes put more effort into exchange even with no payment. When individuals perceive non-monetary rewards as a gift exchange, the received benefit for consumers is larger than monetary rewards because these perceived intentions will elicit reciprocity without reducing intrinsic motivations. The low cost of intrinsic motivation makes non-monetary rewards more efficient.

The second difference between monetary and non-monetary rewards comes from whether the evaluations of effort and payment happen independently. Monetary rewards are involved in rational processing. Consumers can directly compare monetary rewards among different brands. In comparison, non-monetary rewards focus on social approval. They are more favorable when they are evaluated separately and independently among different brands. Based on Jeffrey & Shaffer's (2007) study, when individuals receive incremental income, such as monetary rewards, they will calculate income relative to what else is categorized in that account. There is diminishing marginal utility in additional earning, which means a person gains less utility from each additional dollar as

the total pay increases. This suggest that, when individuals judge monetary rewards, because monetary rewards have an exact price value, consumers can easily calculate this price value into the effort they are going to pay. The monetary rewards factor into the total payment to form a joint evaluation process.

In contrast, non-monetary rewards are less susceptible to this problem. The currency of payment makes non-monetary rewards be evaluated differently. It is more likely that non-monetary reward will be evaluated in isolation, or at least as part of a much smaller mental account. This separate evaluation of non-monetary rewards inflates personal value attached to such reward. For non-monetary rewards, people tend not to evaluate different non-monetary assets collectively. Thus, when consumers prefer to use non-monetary rewards, they like to evaluate non-monetary rewards separately; whereas when consumers use monetary reward, they prefer direct comparison among different rewards (Hammermann & Mohnen, 2012). Moreover, there is a neutral reference point for evaluating monetary rewards and this will make the rewards more objective to valuate. However, the reference point of non-monetary rewards is ambiguous and less well-defined in consumers' mind. Thus, non-monetary rewards are more subjective to valuate. When consumers do not receive the best non-monetary rewards, they respond by diminishing their appreciation instead of being dissatisfied with the extrinsic rewards. In contrast, when consumers do not receive sufficient monetary rewards, they will respond with more dissatisfaction because of their simultaneous comparison between effort and reward.

#### Social Signaling Effect



The signaling effect comes from individuals' psychological needs. Image building and emotional characteristics will drive consumers to compare monetary and non-monetary differently. First, no matter which exchange market consumers are involved in, individuals do care about their image building through different interpersonal communications. Kube, Maréchal, & Puppe (2006) compare monetary and non-monetary rewards and find that non-monetary rewards provide stronger incentives than equivalent monetary rewards. They attribute the higher output in non-monetary rewards to kind intentions signaled from using non-monetary rewards. Jeffrey & Shaffer (2007) state that social reinforcement make non-monetary rewards more welcome. Social reinforcement is a consequence of the trophy value of non-monetary rewards, which are highly visible to people in a community. For example, a trophy which represents a winning has a high status due to the observability of the object. The trophy will last forever, as the winner and the audience can talk and watch this achievement for a long time. However, when transferring the equivalent value from non-monetary to monetary rewards, people won't discuss or show the equal value of monetary rewards on purpose. The winning effect will fade after a while with monetary rewards (Gneezy, Meier, & Rey-Biel, 2011). The long lasting visibility of non-monetary rewards drives individuals to set up their social status and image through social activities. Moreover, this characteristic of non-monetary rewards drives individuals to pay more effort with less consideration of the rational side of money. Non-monetary prizes might appeal to peoples' emotions in a stronger way than monetary prizes. Consumers care about their perceptions in a community. When they are provided with a small monetary reward, this small reward might have a higher negative effect than does zero monetary reward (Gneezy & Rustichini, 2000). Consumers won't

invest their effort with such a small monetary reward to make them look “cheap” in others’ minds.

Second, monetary rewards may be an inferior motivator to satisfy individuals’ psychological needs. However, monetary rewards have been demonstrated to be a surprisingly good deterrent against unethical behaviors (Jin & Huang, 2014). Previous literatures find that people are more likely to engage in dishonest behavior, when the rewards are non-monetary rather than monetary. From the self-presentation theory, people act in certain ways to construct and maintain a good public image. When offering non-monetary rewards, people have more room to interpret their behavior in terms to cohesion with their public self-image. In contrast, when offering monetary rewards to consumers, it makes them look like “greedy” apparently in some ways. These “unethical” monetary rewards are less attractive to consumers who care about their social image. Thus, to decrease the perceived social cost resulting from diminished self-image effect, consumers may prefer non-monetary rewards to monetary rewards from a social signaling perspective and thus may be more willing to engage in unethical behavior to earn such rewards.

#### Utilitarian versus Hedonic Benefits

According to Chandon et al. (2000), monetary and non-monetary rewards may involve different types of benefits to consumers, that is, the utilitarian versus hedonic values. These researchers state that this differentiation between monetary and non-monetary promotion is important. Utilitarian benefits represent savings, quality and convenience, while hedonic benefits involve expression, exploration and entertainment. Monetary rewards can be perceived as saving or loss reduction and primarily provide

utilitarian benefits. This should meet the goals of task-focus shoppers, who focused on maximizing utilitarian shopping value (Büttner et al., 2012). However, monetary values are not the only reason why consumers look for special deals. Previous research indicates that monetary rewards are also more convenient to redeem and that they offer more flexibility (Jang & Mattila, 2005).

In comparison, non-monetary rewards provide primarily hedonic benefits. This should meet experiential shoppers' goals for hedonic stimulation during shopping. However, the benefits provided by non-monetary rewards may not be restricted to only hedonic in nature. Some studies find that non-monetary rewards may also involve utilitarian benefits (Crespo-Almendros & Del Barrio-García, 2014; Shu-Ling, 2006). For example, when companies provide non-monetary promotion as a reward, it does not only provide game-like hedonic pleasure, but also bring some computable economic savings to consumers.

According to congruency theory, the more congruent the extrinsic reward type with the benefits sought by the consumers, the more effective the extrinsic incentive effects will be. The different rewards provide different types of benefits. If the provided benefit type matches the benefits sought by consumers, the more effective the reward will be.

#### Post-Reward Effect

Very limited research investigates the difference between monetary and non-monetary rewards based on what will happen after such rewards are discontinued and how long the effects from such rewards last. Mahmood & Zaman (2010) find that there is a significant asymmetric behavior of discontinuing monetary and non-monetary rewards.

Monetary rewards show a stronger response to reward discontinuance. When monetary rewards are no longer offered to stimulate consumers' activities, the existing effect created by the rewards last only for a short period of time. When consumers receive monetary rewards, the economic value of monetary rewards will soon be mixed with other values which consumers have paid for, as in the case of joint comparisons mentioned in the effort-rewards section. This merge makes the effect of monetary rewards dissipate in consumers' minds quickly. Thus, monetary rewards usually have short-term effects. In contrast, although discontinuing non-monetary rewards also result in productivity loss, they are significantly less than discontinuing monetary rewards. As discussed earlier, non-monetary rewards are judged independently. Social value is predominant instead of economic value for non-monetary rewards. Even when incentives are withdrawn, the strong satisfaction of psychological needs from non-monetary rewards will lead to a long-lasting effect consumers.

### **Summary**

A large body of research from both economics and psychology has investigated the different types of extrinsic incentive effects. Economic theories are from a rational perspective to expect that additional incentives would increase individuals' willingness to perform an activity, and that there is an equivalent value transfer from monetary rewards to non-monetary rewards. However, psychology claims that incentives might not work so simply in the case of activities already performed. Individuals' psychological needs will color their judgments of monetary and non-monetary rewards. So far, the discussion about the advantages and disadvantages of monetary versus non-monetary rewards has been inconclusive. Previous research has also mostly treated the two incentives separately

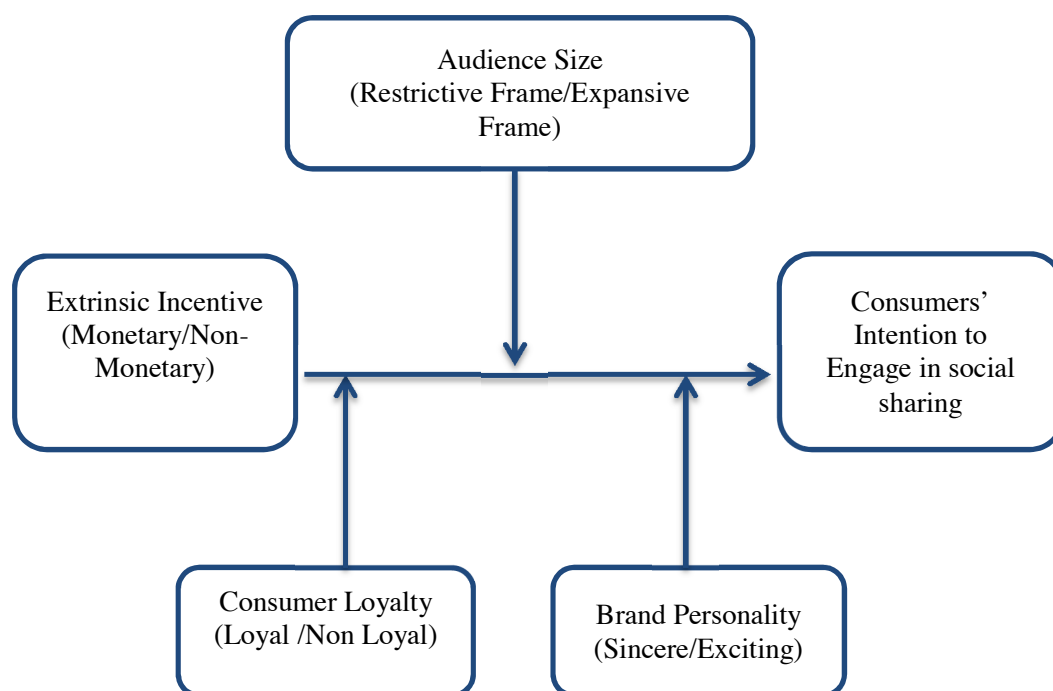
and has not formally and directly compared monetary and non-monetary incentive effects. From the earlier discussion, it is clear that each reward type has its advantages and disadvantages. However, there is no in-depth research showing when the advantage or disadvantage of each reward type may manifest itself the most, or under what conditions one reward type may be more appropriate than the other. This can impede the optimal use of incentives in companies' social media marketing practices. Addressing this missing link, the current research will investigate how companies can target different consumers or different situations with different incentives to maximize consumer sharing through social media.

### **Hypothesis Development**

The present research will focus on the social media context (specifically Facebook) and investigate how companies can encourage consumer sharing in such venues through monetary and non-monetary incentives. The proposed conceptual model is presented in Figure 1. The model suggests that the effect of monetary versus non-monetary incentives is contingent on individual, company, and situational factors. Specifically, it will investigate three moderators: consumer loyalty, audience size and brand personality. Consumer loyalty represents a consumer's characteristics; it reflects individual differences in their commitment to the company, and high vs. low loyalty consumers may respond differently to monetary versus non-monetary incentives. Audience size, a situational factor, refers to whether the communication audience is restricted to a few individuals in the form of narrowcasting or whether it is expansive as in broadcasting. Lastly, brand personality, which represents brand-characteristics, can

also affect the suitability of monetary versus non-monetary incentives. This research will focus on two typical brand personalities; a sincere brand versus an exciting brand.

**Figure 1: The Conceptual Model**



### **The Effect of Consumer Characteristics – Customer Loyalty**

Loyalty is defined as “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future” (Oliver, 1999). Based on this definition, loyal consumers have high affective commitment towards the brand. They make repeated purchases because of the brand itself. The enjoyment consumers receive from the product or service provides their intrinsic motivation to bond with a specific brand and to repurchase frequently. The consumer’s value perception of a specific brand

will focus more on the core values of the product or service instead of price. In contrast, non-loyal consumers are governed primarily by the economic exchange mechanism. They are not emotionally attached to the brand and are influenced more by non-brand factors such as price (Yoon & Tran, 2011).

Based on the above differences, loyal and non-loyal consumers can exhibit very different reactions toward extrinsic incentives for two reasons. First, loyal consumers have an intrinsic motivation to engage in brand-related activities, and the inherent enjoyment of and satisfaction from such activities will motivate consumers to continue their actions. For this reason, loyal consumers operate under the social market and engage in their brand-related effort without considering payment (Heyman & Ariely, 2004). This presents a risk when using external incentives, as the added extrinsic motivation may hamper loyal consumers' intrinsic motivation (Deci et al., 1999a). This may be especially true when a monetary incentive is provided. When monetary incentives are provided to loyal consumers, the exchange mechanism will shift from a social market to a monetary market (Heyman & Ariely, 2004), and it will motivate consumers to become calculative and start comparing what they do versus the benefits that they receive.

The above does not mean that loyal consumers cannot be properly rewarded and incentivized for their sharing and participation in social media. But it does suggest non-monetary incentives are social incentives as better alternatives. Non-monetary incentives operate under the social market and will not trigger the same calculativeness as monetary incentives do (Heyman & Ariely, 2004). Non-monetary incentives are also usually more informative and are perceived as less controlling (Ryan & Deci, 2000). This satisfies loyal consumers' need for more information (Melancon et al. 2011) and addresses their

desire to act in congruence with their values and with the brand that they are highly committed to. These characteristics of non-monetary incentives make such incentives act similarly to informative performance-contingent rewards, which have been shown to have a positive influence on intrinsic motivation (Deci et al., 1999b).

Compared to loyal consumers, non-loyal consumers do not inherently enjoy a brand or its associated activities. Hence they have no or low intrinsic motivation. When faced with extrinsic incentives, non-loyal consumers do not suffer the same risk of reduced intrinsic motivation. This makes monetary incentives less of a problem with non-loyal consumers.

Second, monetary incentives use cold economic currency and embody no emotional attachment, or brand differentiation. For example, a five-dollar discount remains exactly the same value for all brands. In contrast, brand-based non-monetary incentives may carry different meanings depending on the brand. For non-loyal consumers who are not emotionally attached to a brand, they are focused on economic values and respond to extrinsic incentives strictly based on an effort-payment exchange. For these consumers, a monetary incentive may be more desirable because of its universal value and its ease of redemption. In contrast, loyal consumers are emotionally attached to their preferred brands. The cold cash provided by a monetary incentive does not satisfy their emotional need towards the focal brand. Instead, non-monetary incentives associated with the focal brand may carry special meanings for these consumers and can better enhance the emotional drive to engage in desired brand activities. Consistent with the above arguments, loyal consumers have been shown to be



less responsive to monetary incentives than non-loyal consumers (Van Heerde & Bijmolt, 2005).

Overall, monetary and non-monetary incentives may be differentially effective in encouraging social sharing depending on consumers' loyalty level. This leads to the following hypothesis:

*H<sub>1</sub>: A monetary incentive will lead to high intention to engage in social sharing for non-loyal consumers than will a non-monetary incentive. The opposite will be true for loyal consumers, where a non-monetary incentive will be more effective than a monetary incentive.*

### **The Effect of Audience Characteristics – Audience Size**

Consumers communicate with many different people through social media every day. All messages consumers send out will be delivered to their conversation partners. The exact conversation audience size may impact the effects of extrinsic incentives as consumers consider and manage their self-image in the social world. From the image motivation theory, everyone desires to be liked and respected by others or by oneself in prosocial activities (Ariely et al. 2009). When individuals engage in online interactions, they will look for social approval of their behavior and associate themselves with good traits. When extrinsic incentives are introduced into such interactions, the external factor may enforce or dilute the signaling value of the prosocial behavior. The desire for a positive image will drive people to act more prosocially in the public sphere than in a private setting (Ariely et al. 2009). Thus, audience size is a crucial variable in determining the visibility of external incentives through social media.

Indirect support for an audience size effect comes from the Cheema and Patrick (2008) study on framing issues related to promotional activities. Their main thesis is that an expansive versus restrictive promotional frame is appropriate depending on consumers' focus, and that framing can shift consumers' focus and achieve different effects. In that research, they examined expansive versus restrictive time framing. But they suggested that the framing concept is not limited to time, and could be primed through other things such as geographic availability of a product or terms of use. In the social media context, consumers are often faced with various sizes of audience that they are conversing with, as either an expansive audience in the form of broadcasting or a restrictive audience in the form of narrowcasting (Barasch & Berger, 2014a). These differential audience sizes through social media can moderate the impact of external incentives on consumers' sharing motivation.

When consumers "like" a company on Facebook or post a company's advertisement on their Facebook page, all of their followers will see the postings. This posting behavior is considered broadcasting. Previous study shows that when broadcasting, consumers are more likely to present self-presentational content (Barasch & Berger, 2014a). Broadcasting leads people to share things that make them look better and to use a more positive language, as they are trying to win more social approval among an expansive audience. When monetary incentives are provided to encourage broadcasting of brand information, the stigmatization of materialism will lead the consumer's social network followers to like or enjoy the conversation less (Van Boven, 2005; Van Boven, Campbell, & Gilovich, 2010). Consequently when broadcasting, consumers may avoid monetary incentives in order to maintain their positive image in

their pro-social behavior. Compared with material possessions, non-monetary incentives such as experience will satisfy more psychological needs from consumers (Caprariello & Reis, 2013), as discussed in the literature review section. Non-monetary incentives can help consumers achieve long-lasting social enforcement and trophy value (Jeffrey & Shaffer, 2007; Mahmood & Zaman, 2010). This makes such incentives more appropriate in the broadcast condition.

In contrast, narrowcasting involves a restrictive referral frame where individuals share information with specific and limited friends in their social networks. This can happen, for instance, through private messages and directed tweets or postings. Consumers choosing to narrowcast are driven more by an altruistic motivation. They will share more things that are useful to their conversation partners instead of sharing self-presentational content that builds their own image (Barasch & Berger, 2014a). This shift in focus from self-presentation will drive posters to think more about their conversation partners' direct benefits. Compared with typically abstract non-monetary incentives (Caprariello & Reis, 2013; Van Boven, 2005), monetary incentives with a concrete value can be easily used to estimate the benefits the other party will receive. Therefore they will be more attractive to posters in a narrowcast setting. This discussion leads to the following hypothesis about the moderating effect of expansive versus restrictive audience size:

*H<sub>2</sub>: A monetary incentive will lead to stronger intention to engage in social sharing than non-monetary incentive when referral frame is restrictive (i.e., narrowcasting). In contrast, when the referral frame is expansive (i.e., broadcasting), a non-monetary incentive will be more effective than a monetary incentive.*

### **The Effect of Brand Characteristics – Brand Personality**

A key element of a successful brand is the brand personality, defined as ‘the set of human characteristics associated with a brand’ (Aaker, 1997, p 347). Previous research shows that brand personality is an important concept which helps build brand attitude (Ajzen & Fishbein, 1977) and brand image (Chernev, Hamilton, & Gal, 2011), strengthens brand relationship and brand commitment (Fournier, 1998), and enhances purchase intentions (Chaudhuri & Holbrook, 2001). Moreover, brand personality has an impact on brand trust and brand attachment and can increase marketing effectiveness (Keller & Lehmann, 2006). From a consumer self-identity perspective, previous studies show that brands with distinct personalities help consumers to express their ideal self and enhance consumers’ affiliation with desirable reference groups (Park & Roedder John, 2010). This allows brands to play a more central role in consumers’ life, and can stimulate consumers to project themselves onto the desirable characteristics that they are looking for.

There are five different dimensions of brand personality sincerity, excitement, competence, sophistication and ruggedness (Aaker, 1997). However, given the classification, very little existing research investigates the optimal tactics that should be used for different personalities. In the social media context, as consumers try to build a cohesive image through their social activities with preferred brands, the congruence between brand personality and external incentives will influence consumers’ social activities Swaminathan et al (2009) investigated the effect of brand personality on purchase likelihood contingent on the attachment style of the consumer. The results suggest that the effects of brand personality dimensions on consumer behavior may

depend on situational and individual variables such as public vs. private consumption setting, an individual's anxiety and avoidance tendency. Following this study, Valette-Florence, Guizani, & Merunka (2011) examined the congruence effect between brand personality and promotion intensity on brand equity. They found that brand personality dimensions that influence brand equity differ across consumer groups. Along the same line of thinking, brand personality can also affect how consumers respond to different external incentives for social sharing of brand information.

This study will focus on the moderating effect of sincerity and excitement brand personality dimensions on extrinsic incentive effectiveness. Previous studies found that these two personalities are fundamental as they compose two of the three partner ideals in intimate personal relations and capture the majority of variance in personality ratings for brands (Fletcher, Simpson, Thomas, & Giles, 1999). Aaker, Fournier, & Brasel (2004) further emphasize analyzing sincerity and excitement brand personality dimensions to facilitate brand-customer relationship building through evaluating partners' capabilities and efforts.

Sincerity represents a personality that is down-to-earth, real, sincere, honest and trustworthy (Aaker, 1997). Swaminathan, Stilley, and Ahluwalia (2009) state that a sincere brand is natural, warm, family-oriented and traditional. Sincerity represents being in-group and being average. Thus, sincere brands are typically easily accepted and favored by consumers. Sincerity can encourage long-term relationship development among partners. It can spark inferences of interacting partners' trustworthiness and dependability, which temper feelings of vulnerability and support relationship growth. Sincerity is a caring-oriented and emotion-attached personality. As non-monetary

incentives focus on social exchange, their potential strengthening of long-term relationships and emotional attachments is congruent with sincere brands' characteristics. Such incentives will strengthen sincere brands' social effect. In comparison, monetary incentives utilize cold and economic currency and offer no emotional attachment. When monetary exchange meets a socially oriented sincere brand, there is an incongruence that can decrease the sincere brand's social influence.

Compared with a sincere brand, an exciting brand is unique, irreverent, vital, and independent (Aaker, 1997). Excitement is less stable and evokes a spontaneous short-term oriented spirit rather than long-term relationship development. Usually, an exciting brand encourages consumers to expect the unexpected through a more flexible and lively spirit, thereby reducing feelings of consistent sustainable relationship growth. Previous research shows that an exciting personality may be more exchange-oriented in spirit and therefore may be characterized more by calculativeness (Aaker et al., 2004). When providing incentives, an economic exchange oriented monetary incentive that features less emotional attachment and more short-term benefits will fit an exciting brand's personality and will strengthen the brand's exciting exchange-oriented effect. In contrast, non-monetary incentives based on social exchange conflict with the independent and irreverent personality of an exciting brand, making it less effective than monetary incentives. This leads to the next hypothesis:

*H<sub>3</sub>: A monetary incentive will lead to stronger intention to engage in social sharing than a non-monetary incentive for an exciting brand. In contrast, a non-monetary incentive will be more effective than a monetary incentive for a sincere brand.*

## **CHAPTER III: METHODOLOGY**

To investigate the three hypotheses, three experimental studies conducted. Study 1 examined how a consumer characteristic, customer loyalty, influences the effects of monetary versus non-monetary incentives on consumers' intentions to engage in social sharing. Study 2 examined the moderating effect of audience size (restrictive audience size vs. audience size). Finally, study 3 examined the impact of brand personality (sincere vs. exciting) on the relative effectiveness of monetary versus non-monetary incentives.

### **Study 1: The Moderating Effect of Consumers Characteristics – Customer Loyalty Design**

To test H<sub>1</sub>, I conducted an experiment featuring a 2 (monetary vs. non-monetary incentive) X 2 (high vs. low loyalty) between-subject factorial design. A fictitious hotel was used as the focal firm, and Facebook was used as the social media channel. Both incentive type and loyalty were manipulated. A 15% off coupon as well as 15% off the restaurants during hotel stay, 10 % off sightseeing tours booked through hotel guest service, and 10% off for in-room dining were used to represent the monetary incentive, whereas the non-monetary incentive was described as accessing to exclusive hotel areas reserved only for club members, including the platinum lounge, the Club dining room, and the upgraded fitness room (Melancon, Noble, & Noble, 2011). Consumers will receive personalized services such as a member-only check-in desk, a hand-written welcome card in their room, and a designated hotel concierge during stay (Lee, Tsang, & Pan, 2015; Melancon et al., 2011). To manipulate loyalty, a description of the consumer's relationship with the focal hotel was provided. The consumer either has high preference

for and frequent activities in the focal hotel (high loyalty) or shows no special preference and activity with the hotel (Liu-Thompkins & Tam, 2013).

### **Pretest**

A pretest was conducted to test the incentive and loyalty manipulations. 119 responses were collected originally through online Amazon Mechanical Turk (MTurk). After limiting the responses to participants who are Facebook user and who use hotels at least once a year, 92 responses (Male = 52 (57%), Female = 40 (43%); Average age = 33) were retained. The convenience samples from Mturk are merely different from common convenience samples (Landers & Behrend, 2015). Respondents were randomly assigned to one of the four experimental conditions. Upon entering the online questionnaire, each participant first read a description of his/her relationship with the hotel corresponding to the assigned condition. He/she was then told that he/she needs to book a hotel for an upcoming trip. The loyal vs. non-loyal hotel preference condition was randomly presented to respondents. Then, respondents saw an ad about the focal Montelena Hotels requesting consumers to share a promotion on Facebook in exchange for a monetary or a non-monetary incentive (See Appendix 1 for the complete scenarios and the questionnaire). After reading the promotion information, each participant was asked several manipulation check questions. Participants were asked the four-item loyalty questions first. Then, four-item non-monetary and three-item monetary questions were asked to test incentive conditions (see item summary in table 1).



**Table 1. Study 1 Measurement Items**

Variables	Items	Source
Monetary vs. Non-Monetary Benefits	<ol style="list-style-type: none"> <li>1. I will get special treatment from Staff.</li> <li>2. I will get better service than most people.</li> <li>3. I will be recognized by the hotel staff.</li> <li>4. The staff will give me personalized attention.</li> <li>5. I will get financial incentives.</li> <li>6. I will get a discount or special deal on hotel products/services.</li> <li>7. I will save money compared to people who don't join hotel promotion event.</li> </ol>	<p>Hennig-Thurau et al., (2002)  Melancon et al., (2011)  Lee et al., (2015)</p>
Perceived Customer Loyalty	<ol style="list-style-type: none"> <li>1. You Like Montelena Hotels more than other hotels.</li> <li>2. You have a strong preference for Montelena Hotels.</li> <li>3. You give first considerations to Montelena Hotels when you need to book a hotel.</li> <li>4. You would recommend Montelena Hotels on others.</li> </ol>	<p>Yi and Jeon (2003) Liu-Thompkins and Tam (2013)</p>
Social Sharing Likelihood	<ol style="list-style-type: none"> <li>1. How likely is it that you will share this ad for Montelena Hotels with your friends on Facebook?</li> </ol>	

Three ANOVAs were used to examine loyalty and incentive manipulations.

Perceived loyalty and perceived monetary and non-monetary benefits represent the dependent variables. Loyalty and incentive conditions and their interaction served as the independent variables.

I tested the normality of the loyalty variable. The result shows that the loyalty variable is non-normally distributed (Shapiro-Wilk = .92,  $p = .00$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, loyalty manipulation was tested using an analysis of variance (ANOVA) with loyalty, incentive conditions and their interaction as the independent variables, and loyalty scale served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. Supporting the loyalty manipulation, only the loyalty main effect was significant in the ANOVA ( $F(1, 88) = 74.79$ , Partial Eta Squared = .459,  $p = .000$ ). The perceived loyalty for the high loyalty condition ( $M = 6.22$ ) was significantly (Chi-Square = 44.24, Partial Eta Squared = .49,  $p = .000$ ) greater than that for the low-loyalty condition ( $M = 4.04$ ).

I tested the normality of perceived non-monetary and monetary benefits variables. The results show that both non-monetary and monetary variables are non-normally distributed (Shapiro-Wilk = .97,  $p = .014$ ; Shapiro-Wilk = .93,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, non-monetary and monetary benefits manipulations were tested using ANOVA with loyalty, incentive conditions and their interaction as the independent variables, and either non-monetary benefit or monetary benefit served as the dependent variable. Similar as loyalty manipulation check, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The ANOVA on perceived non-monetary benefits revealed only a significant main effect of incentive condition ( $F(1, 88) = 5.81$ , Partial Eta Squared = .06,

$p = .018$ ). Participants in the non-monetary incentive condition considered the incentive to be significantly (Chi-Square = 6.97, Partial Eta Squared = .08,  $p = .008$ ) more non-monetary ( $M = 4.62$ ) than those in the monetary incentive condition ( $M = 3.96$ ). The ANOVA on perceived monetary benefits also showed a significant main effect of incentive condition ( $F(1, 88) = 11.85$ , Partial Eta Squared = .12,  $p = .001$ ). Participants in the monetary incentive condition considered the incentive to be significantly (Chi-Square = 8.14, Partial Eta Squared = .09,  $p = .004$ ) more monetary ( $M = 5.2$ ) than those in the non-monetary incentive condition ( $M = 4.2$ ).

### **Procedure**

MTurk interface was also used for subject recruitment in the main study. Based on Iacobucci et al.'s (2001) recommendation of 30 per cell, one hundred and twenty-eight MTurk workers participated in this study. After limiting the responses to participants who are Facebook user and who use hotels at least once a year, one hundred and nineteen responses were selected. I also checked the patterns of responses to investigate whether any respondents provided careless answers during experiment (Meade & Craig, 2012). This procedure involves looking across each individual's answers on the first ten pages of the survey questionnaire. After recording the maximum number of same answers on each page for a participant, I averaged this number across the ten pages for each participant. This average represents each participant's careless response score. The careless response score was normally distributed (Shapiro-Wilk = .99,  $p = .46$ ). I used a boxplot to detect outlier of responses (Tukey, 1977). No outlier was detected, using 2.2 as the multiplier

based on Hoaglin & Iglewicz's outlier labeling rules (1987)<sup>1</sup>. Thus, all 119 responses were retained. The sample consisted of 65 (54.6%) male and 54 (45.4%) female participants with the ages ranging from 21 to 67 with a mean of 35 and the standard deviation of 9.5. The work status shows that 94 (79%) participants have full time job, 14 (11.8%) have part time job, and 11 (9.2%) have no job.

Participants were randomly assigned to one of the four conditions. Upon accepting the "Hit" on MTurk, participants were asked to picture themselves in one of the two loyalty scenarios. Then they read the description of a promotional campaign. On the next screen participants found a question asking how likely they are going to share this promotion. Next, participants responded to the same set of manipulation questions as the pretest asking about their loyalty level and the types of benefits they would receive if they were to share. Finally, participants reported their perceived fair price of the promotional incentive, and answered some demographic questions.

## **Measures**

Sharing Likelihood: Sharing likelihood was measured with a one-item 11-point scale anchored at "very unlikely" and "very likely". The questions asked how likely it is that they would share the promotion given the information provided. As Rossiter's (2002) and Bergkvist & Rossiter's (2007) studies show, for a concrete singular object such as intention, the use of a single-item measure is equally valid as a multiple-item measure. Hence, I use a single-item measure for likelihood to share.

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<sup>1</sup> Using 1.5 as the multiplier for a more stringent definition of outliers, two of participants would be considered as outliers. But the analyses excluding these participants generated similar results as the ones reported here.

Perceived Consumer Loyalty: Four items using 7-point scale anchored at “strongly disagree/strongly agree” were used to check the perceived loyalty of consumer in each condition. The items were adapted from Yi & Jeon (2003) and Liu-Thompkins & Tam (2013). The reliability of the loyal scale was good with Cronbach’s  $\alpha$  of 0.98. The average of the four items was used as the loyalty score.

Perceived Benefits: Four items pertaining to non-monetary benefits and three items for monetary benefits using 7-point scale anchored at “strongly disagree/strongly agree” were used to check the perceived incentive type offered in each condition. The items were adapted from Melancon et al. (2011). The reliability of the scale was good with Cronbach’s  $\alpha$  of 0.95 and 0.93 for non-monetary and monetary items respectively. The average of the four non-monetary items was used as the non-monetary score. The average of the three monetary items was used as the monetary score.

## **Results**

### ***Manipulation Check***

Two manipulation checks were done in order to assure that the consumption scenarios functioned as intended. Three ANOVAs were conducted with perceived loyalty and incentive types as the respective dependent variables. Loyalty, incentive conditions, and their interactions served as the independent variables. I tested the normality of the loyalty variable. The results show that the loyalty variable is non-normally distributed (Shapiro-Wilk = .87,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, loyalty manipulation was tested using an analysis of variance (ANOVA) with loyalty, incentive conditions and their interaction as the independent variables, and

perceived loyalty scale served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. Supporting the loyalty manipulation, only the loyalty main effect was significant in the ANOVA on perceived loyalty ( $F(1, 115) = 114.97$ , Partial Eta Squared = .50,  $p = .000$ ). The perceived loyalty for the high loyalty condition ( $M = 6.30$ ) was significantly (Chi-Square = 66.11, Partial Eta Squared = .56,  $p = .000$ ) greater than that for the low-loyalty condition ( $M = 3.43$ ).

The incentive manipulation also worked well. I tested distribution normality of non-monetary and monetary benefits variables. The results show that both non-monetary and monetary variables are non-normally distributed (Shapiro-Wilk = .94,  $p = .000$ ; Shapiro-Wilk = .90,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, non-monetary and monetary benefits manipulations were tested using ANOVA with loyalty, incentive conditions and their interaction as the independent variables, and either non-monetary benefit or monetary benefit served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The ANOVA on non-monetary incentive type revealed only a significant main effect of incentive condition ( $F(1, 115) = 24.13$ , Partial Eta Squared = .17,  $p = .000$ ). Participants in the non-monetary incentive condition considered the incentive to be significantly (Chi-Square = 19.75, Partial Eta Squared = .17,  $p = .000$ ) more non-monetary ( $M = 4.93$ ) than those in the monetary incentive condition ( $M = 3.57$ ). The ANOVA on monetary incentive type also showed a significant main effect of incentive condition ( $F(1, 115) = 41.01$ , Partial Eta Squared = .26,  $p =$

.000). Participants in the monetary incentive condition considered the incentive to be significantly (Chi-Square = 33.68, Partial Eta Squared = .29,  $p = .000$ ) more monetary ( $M = 5.97$ ) than those in the non-monetary incentive condition ( $M = 4.20$ ).

The equivalence of incentive value between the monetary and the non-monetary conditions was also tested through an independent sample t-test. The result shows that there is no significant difference between monetary ( $M = 99.89$ ) and non-monetary ( $M = 76.39$ ) incentives ( $t = .89$ , Cohen's  $d = .17$   $p = .38$ ).

### ***Hypotheses Testing***

I tested the normality of consumers' sharing likelihood variable. The result shows that the sharing variable is non-normally distributed (Shapiro-Wilk = .91,  $p = .00$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence,  $H_1$  was tested using an analysis of variance (ANOVA) with loyalty, incentive conditions and their interaction as the independent variables, and Likelihood to share the promotion on Facebook served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test.

As expected, the study found a significant two-way interaction between incentive type and loyalty ( $F(1, 115) = 10$ , Partial Eta Squared = .08,  $p = .002$ ). Simple effect tests indicate that incentive type mattered in both high loyalty ( $F(1, 115) = 4.41$ , Partial Eta Squared = .04,  $p = .04$ ) and low-loyalty ( $F(1, 115) = 5.61$ , Partial Eta Squared = .05,  $p = .02$ ) conditions. Figure 2 shows the marginal mean sharing likelihood under each condition. Supporting  $H_1$ , under low-loyalty conditions, the monetary incentive led to significantly higher sharing likelihood than the non-monetary incentive ( $M_{\text{Monetary}} = 5.75$

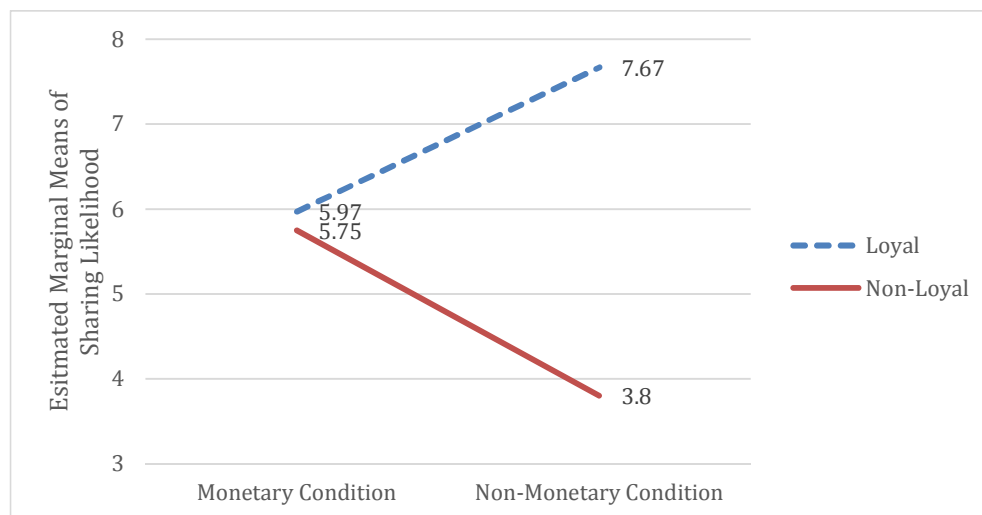
vs.  $M_{\text{Non-Monetary}} = 3.80$ ; Chi-Square = 5.83, Partial Eta Squared = .10,  $p = .016$ ). The opposite was true for high-loyalty conditions, where the non-monetary incentive led to significantly higher sharing likelihood than the monetary incentive ( $M_{\text{Monetary}} = 5.97$  vs.  $M_{\text{Non-Monetary}} = 7.67$ ; Chi-Square = 4.23, Partial Eta Squared = .07,  $p = .040$ ). Overall, H1 was supported. Not surprisingly, the main effect of loyalty was also significant ( $F(1, 115) = 12.56$ , Partial Eta Squared = .10,  $p = .00$ ). However, the main effect of incentive was not significant ( $F(1, 115) = 0.05$ , Partial Eta Squared = .00,  $p = .83$ ). Table 2 is the descriptive statistics of all variables.

**Table 2. Study 1 Descriptive Statistics of All Variables**

		Mean	STD	Min	Max	2	3	4
1	Sharing Likelihood	5.76	3.37	0	10.00	0.56	0.24	0.13
2	Perceived Loyalty	4.90	2.03	1.00	7.00		0.28	0.26
3	Non-monetary incentive	4.22	1.66	1.00	7.00			-0.1
4	Monetary incentive	5.13	1.72	1.00	7.00			



**Figure 2. The Interaction Effect of Incentive Type and Customer Loyalty on Likelihood to Share**



### **Study 2: The Moderating Effect of Audience Characteristics – Audience Size**

#### **Design**

To test H<sub>2</sub>, I conducted an experiment featuring a 2 (monetary vs. non-monetary incentive) X 2 (restrictive vs. expansive audience size) between-subject factorial design. Similar to Study 1, a hotel was used as the focal firm, and Facebook was used as the social media channel. Both incentives type and audience size were manipulated. The incentive type was manipulated the same way as in Study 1. Audience size was manipulated similarly to Barasch and Berger (2014). A description and a picture of where to share the promotion was provided. The consumer was asked to share the focal hotel promotion either through a Facebook status update (expansive audience size or through posting on a specific friend's Facebook wall (restrictive audience size) (Barasch & Berger, 2014a).

## **Pretest**

A pretest was conducted to test the incentive and audience size manipulations. 120 consumers participated in the online study through Mturk. However, after limiting the responses to participants who are Facebook user and who use hotels at least once a year, only 106 consumers' (Male = 60 (57%), Female = 46 (43%); Average age = 34) responses are used for analysis. Participants were randomly assigned to one of the four experimental conditions. Upon entering the online questionnaire, participants first either saw the description and picture of Facebook status update or Facebook wall post corresponding to the assigned condition to ensure that participants understand the format of the posting type. They were then told that they saw a poster at the focal Montelena Hotels requesting consumers to share a promotion on Facebook through the format specified, in exchange for a monetary or a non-monetary incentive (see the Appendix 2 for all the scenarios). After reading the scenario, each participant was asked several manipulation check questions. The questions related to audience size were adapted from Barasch & Berger's (2014a) study. They asked participants to rate the sharing audience on three 7-point scales anchored at one vs. a lot, private vs. public, and indirectly vs. directly. The first of these questions served as the manipulation check, and the other two served as confound checks. Then, the same perceived benefits questions were asked to test incentive manipulation.

Five ANOVAs were used to examine audience size and incentive manipulations. Perceived audience size level and perceived monetary and non-monetary benefits represent the dependent variables. Audience size, incentive type, and their interaction served as the independent variables. I tested the normality of the audience size variable.

The results show that the perceived audience size variable is non-normally distributed (Shapiro-Wilk = .897,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, audience size manipulation was tested using an ANOVA with audience size, incentive conditions and their interaction as the independent variables, and perceived audience size scale served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. Supporting the audience size manipulation, only the audience size main effect was significant in the ANOVA on perceived audience size (using one vs. a lot single item scale) ( $F(1, 102) = 8.51$ , Partial Eta Squared = .08,  $p = .004$ ). The perceived audience size for the expansive audience size condition ( $M = 4.66$ ) was significantly (Chi-Square = 9.78, Partial Eta Squared = .09,  $p = .02$ ) greater than that for the restrictive audience size condition ( $M = 3.72$ ). When the same analysis was run on the private vs. public nature of the sharing mechanism, the perceived private vs. public nature of sharing mechanism is non-normally distributed (Shapiro-Wilk = .818,  $p = .000$ ). There was no significant difference (Chi-Square = .19, Partial Eta Squared = .002,  $p = .66$ ) in perceived private vs. public nature of sharing between expansive ( $M = 5.38$ ) and restrictive ( $M = 5.60$ ) conditions. The perceived directness of the sharing variable is non-normally distributed (Shapiro-Wilk = .89,  $p = .000$ ). However, there was a significant audience size main effect on the directness of the sharing ( $F(1, 102) = 3.56$ , Partial Eta Squared = .02,  $p = .08$ ). There was no significant difference (Chi-Square = 1.23, Partial Eta Squared = .01,  $p = .27$ ) in perceived directness of sharing between the expansive audience size ( $M = 4.66$ ) and restrictive audience size conditions ( $M = 5.30$ ).

The incentive manipulation also worked well. I tested distribution normality of non-monetary and monetary benefits variables. The results show that both non-monetary and monetary variables are non-normally distributed (Shapiro-Wilk = .95,  $p = .000$ ; Shapiro-Wilk = .92,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, non-monetary and monetary benefits manipulations were tested using ANOVA with audience size, incentive conditions and their interaction as the independent variables, and either non-monetary benefit or monetary benefit served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The ANOVA on non-monetary incentive type revealed only a significant main effect of incentive condition ( $F(1,102) = 26.26$ , Partial Eta Squared = .21,  $p = .000$ ). Participants in the non-monetary incentive condition considered the incentive to be significantly (Chi-Square = 24.45, Partial Eta Squared = .23,  $p = .000$ ) more non-monetary ( $M = 5.08$ ) than those in the monetary incentive condition ( $M = 3.31$ ). The ANOVA on monetary incentive type also showed a significant main effect of incentive condition ( $F(1,102) = 27.86$ , Partial Eta Squared = .22,  $p = .000$ ). Participants in the monetary incentive condition considered the incentive to be significantly (Chi-Square = 20.32, Partial Eta Squared = .19,  $p = .000$ ) more monetary ( $M = 5.68$ ) than those in the non-monetary incentive condition ( $M = 4.02$ ) (See item summary in table 3).

**Table 3: Study 2 Measurement Items**

Variable	Item	Source
Monetary vs. Non-Monetary Benefits	1. I get special treatment from Staff. 2. I get better service than most people. 3. I am recognized by the hotel staff. 4. The staff gives me personalized attention. 5. I get financial incentives. 6. I get a discount or special deal on hotel products/services. 7. I will save money compared to people who don't join hotel promotion event.	Hennig-Thurau et al., (2002) Melancon et al., (2011) Lee et al., (2015)
Perceived Audience Size Characteristic (Expensive vs. Restrictive)	1. Do you consider the number of your friends you will share this promotion with to be one friend or a lot friends?	Barasch and Berger (2014)
Other Audience Size Characteristics	1. Do you consider the place you are asked to share the hotel information in to e is private or public?  1. Do you consider the way that you are asked to share the hotel information to be indirectly with friends or directly with friends?	
Social Sharing Likelihood	1. How likely is it that you will share this ad for Montelena Hotels with your friends on Facebook?	

### Procedure

In study 2, the manipulations are more complex and more subtle and as a result, the sample size is increased from 30 per cell due to expected weaker effect when consumers do not pay full attention (Iacobucci et al., 2001). Two hundred and eighty

MTurk workers participated in this study. Seventeen of these participants failed an attention check question and therefore were excluded. After further limiting the responses to participants who are Facebook user and who use hotels at least once a year, two hundred and twenty responses were used. I also checked for careless responses using the same approach as in study 1 (Meade & Craig, 2012). The careless responses score was normally distributed (Shapiro – Wilk = .98,  $p = .14$ ). After using boxplot to detect outlier of responses, there was no outlier in the 220 responses using either 1.5 or 2.2 as the multiplier (Hoaglin & Iglewicz, 1987; Tukey, 1977). Thus, all 220 responses were retained in the final sample. The sample consists of 114 (51.8%) male and 106 (48.2%) female participants with the ages ranging from 19 to 67 with a mean of 34 and the standard deviation of 9.9. the work status shows that 158 (71.8%) participants have full time job, 27 (12.3%) have part time job, and 35 (15.9%) have no job.

Participants were randomly assigned to one of the four conditions. Upon accepting the “Hit” on MTurk, participants first either saw the description and a picture of Facebook status update or Facebook wall post corresponding to the assigned condition to ensure that participants understand the format of the posting type. They were then told to share a Montelena Hotels’ ad promotion on Facebook through the format specified in exchange for a monetary or a non-monetary incentive. On the next screen participants found a question asking how likely they are going to share this promotion. Next, participants responded to the same set of manipulation questions as the pretest asking about audience size and the types of benefits they received. Finally, participants reported their perceived fair price of the incentive in the promotion, and answered some

demographic questions (See Appendix 2 for the complete scenarios and the complete questionnaire).

### **Measures**

Sharing likelihood: Sharing likelihood was measured with a one-item 11-point scale anchored at “very unlikely” and “very likely”. The questions asked how likely it is that the consumer described would share the promotion given the information provided. As Rossiter’s (2002) and Bergkvist & Rossiter’s (2007) studies show, for a concrete singular object such as intention, the use of a single-item measure is equally valid as a multiple-item measure. Hence, I use a single-item measure for likelihood to share.

Perceived Audience Size: A single item using 7-point scale anchored at one vs. a lot was used to check the manipulation of audience size. I included two other 7-point scale items anchored at private vs. public, and indirectly vs. directly to check for possible confound related to audience size. All three items were adapted from Barasch & Berger (2014a).

Perceived Benefits: Four items of non-monetary benefits and three items of monetary benefits using 7-point scale anchored at “strongly disagree/strongly agree” were used to check the perceived incentive type offered in each condition. The items were adapted from Melancon et al., (2011). The reliability of the scale was good with Cronbach’s  $\alpha$  of .87 and .90 for non-monetary and monetary benefits respectively. The average of the four non-monetary items was used as the non-monetary score. The average of the three monetary items was used as the monetary score.

## Results

### *Manipulation Check*

Two manipulation checks were done in order to assure that the consumption scenarios functioned as intended. Five ANOVAs were used to examine the manipulations. Perceived audience size level and incentive benefits represent the dependent variables. Audience size, incentive type, and their interaction served as the independent variables.

I tested the normality of the perceived audience size variable. The results show that the perceived audience size variable is non-normally distributed (Shapiro-Wilk = .88,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, audience size manipulation was tested using an ANOVA with audience size, incentive conditions and their interaction as the independent variables, and perceived audience size scale served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. Supporting the audience size manipulation, only the audience size main effect was significant in the ANOVA on perceived audience size (using one vs. a lot single item scale) ( $F(1, 216) = 45.69$ , Partial Eta Squared = .18,  $p = .000$ ). The perceived audience size for the expansive audience size condition ( $M = 5.10$ ) was significantly (Chi-Square = 37.94, Partial Eta Squared = .36,  $p = .000$ ) greater than that for the restrictive audience size condition ( $M = 3.24$ ). I also examined the perceived private vs. public and indirect vs. direct nature of the sharing mechanisms. When the same analysis was run on the private vs. public nature of the sharing mechanism, the perceived private vs. public nature of sharing mechanism is non-



normally distributed (Shapiro-Wilk = .75,  $p = .000$ ). As I expected, there was no significant difference ( $F(1,216) = 3.05$ , Partial Eta Squared = .01,  $p = .08$ ; Chi-Square = 1.71, Partial Eta Squared = .01,  $p = .08$ ) between expansive ( $M = 5.88$ ) and restrictive ( $M = 5.47$ ) audience size conditions for the private vs. public 7-point single item scale. The perceived directness of the sharing variable is non-normally distributed (Shapiro-Wilk = .86,  $p = .000$ ). However, when I used indirectly vs directly 7-points single-item scale, only the audience size main effect was significant in the ANOVA on perceived audience size ( $F(1,216) = 6.27$ , Partial Eta Squared = .03,  $p = .01$ ). The perceived directness of the sharing mechanism for the expansive audience size condition ( $M = 4.71$ ) was significantly (Chi-Square = 4.72, Partial Eta Squared = .04,  $p = .030$ ) smaller than that for the restrictive audience size condition ( $M = 5.37$ )<sup>2</sup>. Based on these results, expansive and restrictive audience size conditions are equally public (both can be viewed by all Facebook friends), but wall posts are more targeted (i.e., directed towards one person) (Barasch & Berger, 2014a).

I tested the normality of the perceived non-monetary and monetary benefits variables. The results show that both non-monetary and monetary variables are non-normally distributed (Shapiro-Wilk = .97,  $p = .000$ ; Shapiro-Wilk = .92,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, non-monetary and monetary benefits manipulations were tested using ANOVA with audience size, incentive conditions and their interaction as the independent variables, and either perceived non-monetary benefits or perceived monetary benefits served as the dependent variable.

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<sup>2</sup> In the main analysis, an alternative ANCOVA model with perceived directness as a covariate was run. The substantive findings remained the same.

However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The incentive manipulation also worked well. The ANOVA on non-monetary incentive type revealed only a significant main effect of incentive condition ( $F(1,216) = 42.63$ , Partial Eta Squared = .17,  $p = .00$ ). Participants in the non-monetary incentive condition considered the incentive to be significantly (Chi-Square = 40, Partial Eta Squared = .38,  $p = .000$ ) more non-monetary ( $M = 4.79$ ) than those in the monetary incentive condition ( $M = 3.51$ ). The ANOVA on monetary incentive type also showed a significant main effect of incentive condition ( $F(1,216) = 50.69$ , Partial Eta Squared = .19,  $p = .000$ ). Participants in the monetary incentive condition considered the incentive to be significantly (Chi-Square = 45.18, Partial Eta Squared = .48,  $p = .000$ ) more monetary ( $M = 5.68$ ) than those in the non-monetary incentive condition ( $M = 4.17$ ).

The equivalence of incentive value between the monetary and the non-monetary incentives was also tested through an independent sample t-test. The result shows that there is no significant difference between monetary ( $M = 109.25$ ) and non-monetary ( $M = 107.38$ ) incentives ( $t = .087$ , Cohen's  $d = .01$ ,  $p = .93$ ).

### ***Hypothesis Testing***

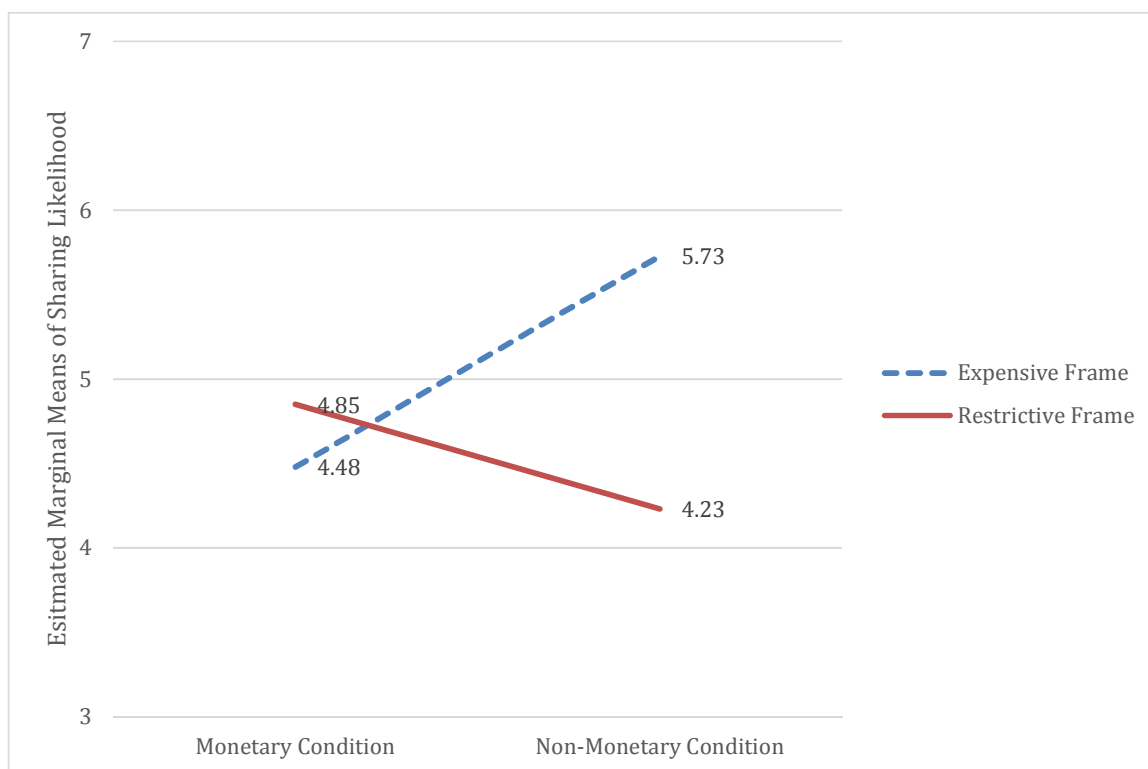
$H_2$  was tested using an analysis of variance (ANOVA) with audience size, incentive type and their interaction as the independent variables. Before running an ANOVA, I tested distribution normality of consumers' share likelihood variable. The result shows that the sharing variable is non-normality distributed (Shapiro-Wilk = .92,  $p = .00$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that

my study uses a relatively balanced design (Laird & Ware, 1982). Given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test.

The analysis revealed only a significant two-way interaction between incentive type and loyalty ( $F(1, 216) = 4.19$ , Partial Eta Squared = .02,  $p = .04$ ). Simple effect tests indicate that incentive type mattered only in expensive frame (Facebook status update) audience size ( $F(1, 216) = 4.38$ , Partial Eta Squared = .02,  $p = .04$ ) condition. Figure 3 shows the marginal mean sharing likelihood under each condition. Partially supporting H<sub>2</sub>, under expensive frame audience size condition, the non-monetary incentive led to significantly higher sharing likelihood than the monetary incentive ( $M_{\text{Non-Monetary}} = 5.73$  vs.  $M_{\text{Monetary}} = 4.48$ , Chi-Square = 4.67, Partial Eta Squared = .04,  $p = .038$ ). Under restrictive audience size (Facebook wall post) audience size condition, monetary incentive led to marginal mean sharing likelihood of 4.85, compared with 4.23 with the non-monetary incentive. While the effect for the restrictive audience size condition was in the direction hypothesized, the difference between the incentive types was not statistically significant (Chi Square = .89, Partial Eta Squared = .01,  $p = .37$ ). Neither the main effect of incentive ( $F(1, 216) = .47$ , Partial Eta Squared = .00,  $p = .49$ ) nor that of audience size ( $F(1, 126) = 1.54$ , Partial Eta Squared = .01,  $p = .22$ ) was significant. Overall, H<sub>2</sub> was partially supported. Table 4 is the descriptive statistics of all variables in study 2.

**Table 4. Study 2 Descriptive Statistics of All Variables**

		Mean	STD	Min	Max	2	3	4
1	Share	4.86	3.36	0	10	0.40	0.33	0.24
2	Audience Size	4.30	2.22	1	7		0.19	0.09
3	Non-monetary incentive	4.15	1.59	1.00	7.00			0.01
4	Monetary incentive	4.93	1.70	1.00	7.00			

**Figure 3. The Interaction Effect of Incentive Type and Audience Size on Likelihood to Share**

### **Study 3: The Moderating Effect of Brand Characteristics - Brand Personality**

#### **Design**

To test H<sub>3</sub>, I conducted an experiment featuring a 2 (monetary vs. non-monetary incentive) X 2 (sincere vs. exciting brand personality) between-subject factorial design. A coffee shop was used as the focal firm, and Facebook was used as the social media channel. Both incentive type and brand personality were manipulated. A one month 10% off coffee coupon as well as a one-time 15% off discount on other merchandise were used to represent the monetary incentive. The non-monetary incentive was described as invitation to private coffee tasting events hosted by top professional coffee maker, access to coffee shop private space for hosting social gathering, and secret premium drink recipes only provided to Golden Bean private coffee club members. To manipulate brand personality, two versions of a fictitious ad for the focal coffee shop were used. The picture design was borrowed from Aaker et al., (2004) study. Based on the four criteria that Aaker (Aaker et al., 2004) used, such as overall tonality as conveyed through vocabulary and phrasing choice, brand identity elements through logo, web site visuals through different personalities of a coffee shop.

#### **Pretest**

A pretest was conducted to test the incentive and brand personality manipulation. 120 respondents were collected originally through online MTurk. After limiting the responses to participants who are Facebook user and who shop at coffee shop at least once a month, 94 consumers (Male = 53 (56%), Female = 41 (44%); Average age = 36) participated in the online study through Amazon MTurk. They were randomly assigned to one of the four experimental conditions. Upon entering the online questionnaire, each

participant first saw the focal Bean Coffee Shop ad corresponding to the assigned condition. He/She was then told that he/she saw a message on the coffee shop Facebook page requesting consumers to share this ad on Facebook in exchange for a monetary or a non-monetary incentive. After reading the promotion information, each participant was asked several manipulation check questions. Participants were asked the four-item sincere brand personality and four-item exciting brand personality questions first (Aaker, 1997). Then, the same four-item non-monetary and three-item monetary benefit questions as in the previous two studies were asked to test the incentive conditions.

Four ANOVAs were used to examine brand personality and incentive manipulations. Perceived sincere and exciting brand personalities and perceived monetary and non-monetary benefits represent the dependent variables. Brand personality and incentive conditions and their interaction served as the independent variables. I tested the normality of sincere and exciting brand personality variables. The results show that both sincere and exciting brand personality variables are non-normally distributed (Shapiro-Wilk = .96,  $p = .004$ ; Shapiro-Wilk = .92,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, sincere and exciting brand personality manipulations were tested using ANOVA with brand personality, incentive conditions and their interaction as the independent variables, and sincere brand or exciting brand served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The ANOVA on perceived sincere brand personality revealed only a significant main effect of incentive condition ( $F(1, 90) = 11.62$ , Partial Eta Squared = .11,  $p = .00$ ). Participants in the sincere incentive

condition considered the brand personality to be significantly (Chi-Square = 13.07, Partial Eta Squared = .14,  $p = .000$ ) more sincere ( $M = 4.99$ ) than those in the exciting brand personality condition ( $M = 4.13$ ). The ANOVA on perceived exciting brand personality also showed a significant main effect of brand personality condition ( $F(1, 90) = 8.93$ , Partial Eta Squared = .09,  $p = .00$ ). Participants in the exciting brand personality condition considered the brand personality to be significantly (Chi-Square = 10.55, Partial Eta Squared = .11,  $p = .001$ ) more exciting ( $M = 5.39$ ) than those in the sincere brand personality condition ( $M = 4.58$ ).

I tested the normality of the perceived non-monetary and monetary benefits variables. The results show that both non-monetary and monetary variables are non-normally distributed (Shapiro-Wilk = .97,  $p = .020$ ; Shapiro-Wilk = .92,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, non-monetary and monetary benefits manipulations were tested using ANOVA with brand personality, incentive conditions and their interaction as the independent variables, and either non-monetary benefit or monetary benefit served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The incentive manipulation also worked well. The ANOVA on perceived non-monetary benefits revealed only a significant main effect of incentive condition ( $F(1, 90) = 10.72$ , Partial Eta Squared = .11,  $P = .002$ ). Participants in the non-monetary incentive condition considered the incentive to be significantly (Chi-Square = 15.39, Partial Eta Squared = .17,  $p = .000$ ) more non-monetary ( $M = 5.47$ ) than those in the monetary incentive condition ( $M = 4.02$ ). The ANOVA on perceived monetary benefits also

showed a significant main effect of incentive condition ( $F(1, 92) = 37.98$ , Partial Eta Squared = .30,  $p = .000$ ). Participants in the monetary incentive condition considered the incentive to be significantly (Chi-Square = 26.74, Partial Eta Squared = .29,  $p = .000$ ) more monetary ( $M = 6.06$ ) than those in the non-monetary incentive condition ( $M = 4.21$ ) (See item summary in table 5).

**Table 5. Study3 Measurement Items**

Variable	Item	Source
Monetary vs. Non-Monetary Benefits	<ol style="list-style-type: none"> <li>1. I will get special treatment from Bean Coffee Shop.</li> <li>2. I will get better service than most people.</li> <li>3. I will be recognized by the Bean Coffee Shop staff.</li> <li>4. The Bean Coffee Shop staff will give me personalized attention.</li> <li>5. I will get financial incentives.</li> <li>6. I will get a discount or special deal on Bean Coffee Shop products/services.</li> <li>7. I will save money compared to people who don't share Bean Coffee Shop ad.</li> </ol>	<p>Hennig-Thurau et al., (2002)  Melancon et al., (2011)  Lee et al., (2015)</p>
Perceived Brand Personality Characteristic (Sincere vs. exciting)	<ol style="list-style-type: none"> <li>1. Sincere</li> <li>2. Wholesome</li> <li>3. Sentimental</li> <li>4. Family-oriented</li> <li>5. Exciting</li> <li>6. Unique</li> <li>7. Young</li> <li>8. Trendy</li> </ol>	Aaker (1997)
Social Sharing Likelihood	1. How likely is it that you will share this ad for Bean Coffee Shop with your friends on Facebook?	



## Procedure

Again based on an expected weaker effect size for this study, more than 30 participants were recruited per cell based on Iacobucci et al.'s (2001) recommended rule-of-thumb. Two hundred and twenty nine MTurk workers participated in the main study. Twenty nine of these participants failed an attention check question and were excluded. After further limiting the responses to participants who are Facebook user and who shop at coffee shop at least once a month, one hundred and twenty-six responses are used. I also checked for careless responses using the same approach as in study 1 (Meade & Craig, 2012). The careless responses score was normally distributed (Shapiro–Wilk = .96,  $p = .1$ ). There was no outlier among the 126 responses when I used 2.2 as the multiplier (Hoaglin & Iglewicz, 1987; Tukey, 1977)<sup>3</sup>. Thus, all 126 responses were used for final analyses. The sample consisted of 68 (54%) male and 58 (46%) female participants with the ages ranging from 19 to 70 with a mean of 33 and the standard deviation of 10.47. The work status shows that 89 (70.6%) participants have full time job, 27 (21.4%) have part time job, and 10 (7.9%) have no job.

Participants were randomly assigned to one of the four conditions. Upon accepting the “Hit” on MTurk, participants were showed one of the two brand personality pictures. Then they read the description of the promotional campaign as mentioned earlier. On the next screen participants found a question asking how likely they are going to share this promotion. Next, participants responded to the same set of manipulation questions as the pretest asking about brand personality and the types of benefits they

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<sup>3</sup> Using 1.5 as the multiplier for a more stringent definition of outliers, five of participants would be considered as outliers. But the analysis excluding these participants generated similar results as the one reported here.

would receive if they were to share. Finally, participants reported their perceived fair price of the promotional incentive, and answered some demographic questions (See Appendix 3 for the complete scenarios and the questionnaire).

### **Measures**

Sharing likelihood: Sharing likelihood was measured with a one-item 11-point scale anchored at “very unlikely” and “very likely”. The questions asked how likely it is that they would share the promotion given the information provided. As Rossiter’s (2002) and Bergkvist & Rossiter’s (2007) studies show, for a concrete singular object such as intention, the use of a single-item measure is equally valid as a multiple-item measure. Hence, I use a single-item measure for likelihood to share.

Perceived brand personality: Four items pertaining to sincere brand personality and four items for exciting brand personality using 7-point scale “strongly disagree/strongly agree” were used to check the perceived brand personality offered in each condition. The items were adapted from Aaker (1997). The reliability of the scale was good with Cronbach’s  $\alpha$  of 0.88 and 0.88 for sincere brand personality and exciting brand personality items respectively. The average of the four sincere items was used as the sincere brand score, and the average of the four exciting items was used as exciting brand score.

Perceived Benefits: Four items pertaining to non-monetary benefits and three items for monetary benefits using 7-point scale anchored at “strongly disagree/strongly agree” were used to check the perceived incentive type offered in each condition. The items were adapted from Melancon, Noble, & Noble (2011). The reliability of the scale was good with Cronbach’s  $\alpha$  of 0.88 and 0.88 for non-monetary and monetary items

respectively. The average of the four non-monetary items was used as the non-monetary score. The average of the three monetary items was used as the monetary score.

## **Results**

### ***Manipulation Check***

Four ANOVAs were used to examine brand personality and incentive manipulations. Perceived sincere and exciting brand personalities and perceived monetary and non-monetary benefits represent the dependent variables. Brand personality and incentive conditions and their interaction served as the independent variables. I tested distribution normality of sincere and exciting brand personality variables. The results show that both sincere and exciting brand personality variables are non-normally distributed (Shapiro-Wilk = .97,  $p = .006$ ; Shapiro-Wilk = .95,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, sincere and exciting brand personality manipulations were tested using ANOVA with brand personality, incentive conditions and their interaction as the independent variables, and sincere brand or exciting brand served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The ANOVA on perceived sincere brand personality revealed only a significant main effect of incentive condition ( $F(1, 122) = 13.06$ , Partial Eta Squared = .10,  $p = .00$ ). Participants in the sincere incentive condition considered the brand personality to be significantly (Chi-Square = 10.75, Partial Eta Squared = .09,  $p = .001$ ) more sincere ( $M = 5.15$ ) than those in the exciting brand personality condition ( $M = 4.41$ ). The ANOVA on perceived exciting brand personality also showed a significant main effect of brand personality

condition ( $F(1, 122) = 5.47$ , Partial Eta Squared = .04,  $p = .02$ ) participants in the exciting brand personality condition considered the brand personality to be significantly (Chi-Square = 8.14, Partial Eta Squared = .07,  $p = .04$ ) more exciting ( $M = 5.14$ ) than those in the sincere brand personality condition ( $M = 4.75$ ).

The incentive manipulation also worked well. I tested distribution normality of non-monetary and monetary benefits variables. The results show that both non-monetary and monetary variables are non-normally distributed (Shapiro-Wilk = .97,  $p = .020$ ; Shapiro-Wilk = .92,  $p = .000$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Hence, non-monetary and monetary benefits manipulations were tested using ANOVA with brand personality, incentive conditions and their interaction as the independent variables, and either non-monetary benefit or monetary benefit served as the dependent variable. However, given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. The ANOVA on perceived non-monetary benefits revealed only a significant main effect of incentive condition ( $F(1, 122) = 15.45$ , Partial Eta Squared = .11,  $P = .00$ ). Participants in the non-monetary incentive condition considered the incentive to be significantly (Chi-Square = 13.74, Partial Eta Squared = .11,  $p = .000$ ) more non-monetary ( $M = 4.82$ ) than those in the monetary incentive condition ( $M = 3.79$ ). The ANOVA on perceived monetary benefits also showed only a significant main effect of incentive condition ( $F(1, 122) = 23.50$ , Partial Eta Squared = .16,  $p = .00$ ). Participants in the monetary incentive condition considered the incentive to be significantly (Chi-Square = 21.80, Partial Eta Squared = .17,  $p = .000$ ) more monetary ( $M = 5.83$ ) than those in the non-monetary incentive condition ( $M = 4.57$ ).

### *Hypothesis Testing*

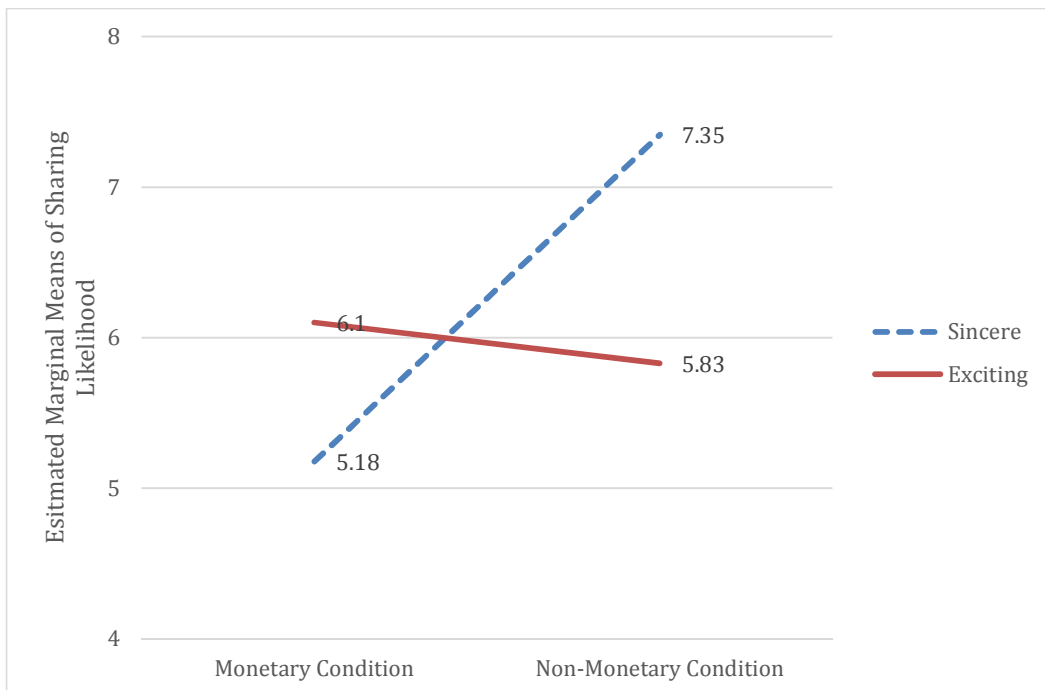
H<sub>3</sub> was tested using an analysis of variance (ANOVA) with brand personality, incentive conditions and their interaction as the independent variables, and Likelihood to share the promotion on Facebook served as the dependent variable. Before running an ANOVA, I tested distribution normality of consumers' share likelihood variable. The result shows that the sharing variable is non-normality distributed (Shapiro-Wilk = .95,  $p = .00$ ). However, ANOVA is fairly resistant to non-normality issue, especially given that my study uses a relatively balanced design (Laird & Ware, 1982). Given the non-normality, effect contrasts were conducted using the Kruskal-Wallis test instead of t-test. As expected, the study found a significant two-way interaction between incentive type and brand personality ( $F(1, 122) = 6.21$ , Partial Eta Squared = .05,  $p = .01$ ). Simple effect tests indicate that incentive type mattered only in sincere brand personality ( $F(1, 122) = 9.25$ , Partial Eta Squared = .07,  $p = .07$ ) condition. Figure 4 shows the marginal means of sharing likelihood under each condition. Partially supporting H<sub>3</sub>, under sincere brand personality condition, the non-monetary incentive led to significantly higher sharing likelihood than the monetary incentive ( $M_{\text{Monetary}} = 5.18$  vs.  $M_{\text{Non-Monetary}} = 7.35$ ; Chi-Square = 9.77, Partial Eta Squared = .16,  $p = .00$ ). Under the exciting brand personality condition, monetary incentive led to marginal mean sharing likelihood of 6.10, compared with 5.83 with the non-monetary incentive. While the effect for the exciting brand personality condition was in the direction hypothesized, the difference between the incentive types was not statistically significant (Chi-Square = .123, Partial Eta Squared = .00,  $p = .73$ ). The main effect of incentive was also significant ( $F(1, 122) = 3.75$ , Partial Eta Squared = .03,  $p = .06$ ). However, the main effect of brand personality

was not significant ( $F(1, 122) = .38$ , Partial Eta Squared = .00,  $p = .54$ ). Overall,  $H_3$  was partially supported. Table 6 is the descriptive statistics of all variables.

**Table 6. Study 3 Descriptive Statistics of All Variables**

		Mean	STD	Min	Max	2	3	4	5
1	Share	5.98	2.76	0	10.00	0.38	0.34	0.35	0.14
2	Sincere brand	4.77	1.25	1.00	7.00		0.48	0.47	0.35
3	Exciting brand	5.10	1.25	1.00	7.00			0.42	0.15
4	Non-monetary incentive	4.27	1.59	1.00	7.00				0.18
5	Monetary incentive	5.25	1.50	1.00	7.00				

**Figure 4. The Interaction Effect of Incentive Type and Brand Personality on Likelihood to Share**



## **CHAPTER IV: DISCUSSION AND RECOMMENDATIONS**

### **Summary of Findings**

A key issue in social media marketing is insufficient consumer participation and engagement. Oftentimes companies have to devise tactics to encourage more social sharing of brand messages, such as through the use of incentives and rewards. To my best knowledge, the current research is among the first studies to investigate the use of specific types of incentive to stimulate consumers' online sharing behavior. Although monetary incentives are dominant in practice, the findings suggest that it may not always be necessary. Given the often more cost-effective nature of non-monetary incentives, companies should more seriously consider the use of such incentives to stimulate social sharing and discussion from their consumers. With this understanding, resources can be more effectively allocated to different consumers. The findings from the studies in this dissertation offer important academic and managerial implications that are discussed in the following sections.

Three studies investigated the incentive effects on social sharing as a function of consumer characteristics, audience characteristics and brand characteristics. Study 1 examined the moderating effect of customer loyalty on consumers' reaction to different types of incentive for encouraging social sharing. The findings of this study indicate that consumers with high loyalty are more likely to engage in social sharing when facing non-monetary incentives. In contrast, non-loyal consumers are more likely to engage in social sharing when facing monetary incentives. The findings of study 1 support the notion that

consumers are unequally influenced by incentives based on their individual characteristics (Heyman & Ariely, 2004).

Study 2 explored how audience size determines the effect of monetary versus non-monetary social sharing incentives. The findings indicate that the interaction between audience size and incentive type is significant. However, the simple effect test result is significant only in the expansive audience size condition. Considering the self-presentational content used to win social approval among an expansive audience, non-monetary incentives can help consumers to maintain their positive image in their pro-social behavior. Therefore, when consumers interact with an expansive audience, they are more likely to engage in social sharing with non-monetary incentives. For the restrictive audience size condition, there is no significant difference between the two incentive types. Study 2 extended previous framing research into the social media context. The findings support that framing of a promotional message can shift consumers' focus and achieve different effects (Barasch & Berger, 2014a; Cheema & Patrick, 2008).

Study 3 investigated brand personalities' influence on using different incentives. Previous research shows that the effects of brand personality dimensions on consumer behavior may depend on situational variables (Swaminathan et al., 2009). The results of Study 3 support this notion and show a significant interaction between brand personality and incentive type. The simple effect test shows a significant difference between the two incentive types for a sincere brand, that is, consumers are more likely to engage in social sharing when a non-monetary incentive is used than when a monetary incentive is used. In contrast, the simple effect test did not show a significant incentive type effect for the exciting brand. It is possible that consumers look for experiences with exciting brands,



which are non-monetary incentives. For example, the Red Bull is a well-known exciting brand. Consumers expect to have great experiences from the brand. Hence exciting brands such as Red Bull often intentionally seek to provide good experiences to their users. As the non-monetary incentives used in Study 3 are also heavily focused on experiences (tasting event, gathering space, etc.), this may explain why the non-monetary incentives worked as well for the exciting brand as the monetary incentives.

In summary, this dissertation introduced and empirically examined new factors that moderate how companies can use different incentives to stimulate consumers' social sharing. Compared to most recent research that investigate endogenous WOM effects from consumers' perspective, this dissertation extends Godes & Mayzlin (2009) to examine how firm-initiated WOM may be best implemented. This will be a valuable addition to social media research and will deepen the understanding of the use of incentives and how companies can encourage exogenous social interaction.

Instead of assuming that social sharing will be predominantly affected by incentives, researchers should look at potential moderating factors that could enhance or hinder the way consumers engage in social sharing. By examining the interactions between incentive type and the three moderators, this work takes an initial step towards recognizing and understanding the complex ways in which monetary vs. non-monetary incentives can be more appropriate and can be utilized to affect consumers' pro-social behaviors under different conditions. Although this topic of proper use of incentives has been studied in various offline contexts, its relevance in social media has not been well understood. This work contributes to the marketing literature through a better

understanding of how to use incentives more appropriately to increase social sharing under different situations.

### **Managerial Implications**

This work provides multiple implications for marketing practitioners on efficiently stimulating consumers' social sharing using incentives. Traditionally, businesses focus heavily on monetary incentives. However, monetary incentives can be easily copied by competitors and their influences tend to be short-lived and limited. Therefore, this work suggests that companies should not always only consider monetary incentives.

First of all, marketers should clearly understand the advantages and disadvantages of both monetary and non-monetary incentives. Monetary incentive has concrete value. It is easy to calculate and redeem by consumers. Thus, usually monetary incentive can trigger an instant effect. Companies can use monetary incentives to draw consumers' attention very quickly and increase online buzz. However, monetary incentive is very easily copied by competitors and hard to attach to a brand for a long time. It is easy to use, but hard to build emotional attachment. In other words, companies can use monetary incentives in some situations, but cannot always use it without thinking the long-term effect. In contrast, non-monetary incentive builds emotional attachment to a specific brand. It is hard to copy. Company can design its special non-monetary incentives without putting its focus on price competition. It is not easy for consumers to switch brands once they have great experience with brands. Non-monetary incentives will help companies to lock in their consumers. Managers should be open to both types of

incentives when they start to design a promotion to stimulate social sharing. Using appropriate incentives to stimulate consumer online sharing will strengthen company-initiated power through social media.

Second, managers should consider different factors' influences on incentives. Understanding consumer characteristics, audience characteristics and brand characteristics can help companies to do better segmentations and targeting through social media. Based on different characteristics, companies can allocate their resources more efficiently and wisely. For example, loyalty can be an important segmentation criterion. Non-monetary incentives can trigger loyal consumers' orientation towards social exchange and increase these consumers' motivation to engage in social sharing. This will enhance loyal consumers' long-term relationship with companies. In contrast, providing monetary incentives is more effective for non-loyal consumers. However, it is debatable whether this effect is positive in the long run.

Besides loyalty, audience size and brand personality can also help firms to reach higher sharing effects when firms use different incentives to stimulate target groups. When the sharing mechanism is intended to target a channel using broadcasting, a non-monetary incentive will be more effective. Specifically, managers should consider using non-monetary incentives when they require consumers to share information through status updates. In such a situation, consumers tend to avoid a materialistic public image and to seek social approval. Thus non-monetary incentives are more effective than monetary incentives. For example, most consumers like to share great experiences and happiness through online social networks. They want to receive friends' likes, share their

joy and receive social approval. Companies can use the same motivation to drive consumers to share through broadcasting.

Managers should consider using different incentives based on their brand personalities. When the sharing is for a brand with sincere brand personality, a non-monetary incentive will be more effective. Non-monetary incentives are more effective than monetary incentives for sincere brands. They can help sincere brands to trigger a stronger emotional attachment from their consumers, which in turn will drive consumers to increase social sharing about such sincere brands. For example, Hello Kitty is a fictional character brand. This brand is considered a sincere brand. Most of its promotions try to enhance the great dreaming experiences that consumers want to receive. Thus, when Hello Kitty provides non-monetary incentives, such as special couture or dressing design, or one-day Hello Kitty special day experience, it will increase consumers' motivations to participate in the firm's promotional activities.

Third, managers should consider the benefits of using exclusivity to incentivize consumers through non-monetary incentives. Through three studies, all the non-monetary incentives were manipulated as exclusivity oriented. The exclusivity satisfies consumers' social and psychological needs, which leads to a higher motivation to share the firm's promotion through social networks. The exclusivity provided by an incentive can make a brand's promotion more special and meaningful for target consumers, target channel, and target brand. The exclusivity also has a 'trophy value' effect. It reminds consumers of their satisfactions, even after a long time period. Besides the non-monetary incentive of social status based exclusivity, other aspects of exclusivity may also trigger different effects in future studies, for example, by limiting the number of incentives offered, or by

limiting the temporal frame of the incentive offered (e.g., using near future vs. far future to structure consumers' benefits exclusivity).

Overall, this dissertation can help marketers define the most suitable strategies for a given situation and allow them to restore some control in the co-creation of brand stories in the social media context.

### **Limitation**

This dissertation has several limitations that should be addressed in future research. First, all three studies only examined the immediate impact of using incentives on social sharing. This may explain why study 2 and study 3 failed to find any disadvantage of the monetary incentive for the restrictive audience size condition and for the exciting brand. The undermining effects of monetary incentives in such conditions may take some time to manifest themselves. Hence, although monetary incentives create similar immediate stimulations as non-monetary incentives, they may still be less desirable from a long-term perspective due to potential negative impact on consumers' intrinsic motivation (Deci et al., 1999a). This is an important issue to investigate in future research. For example, non-monetary incentives used in all studies are manipulated focusing on status exclusivity. However, status exclusivity is only part of non-monetary incentives. Other non-monetary incentives, such as informational benefits, can also be used to represent non-monetary in experiment studies and field tests. These different attributes may bring different or better results for consumers' sharing behavior.

Second, the dissertation only examined the moderating effects of consumer loyalty, audience size and brand personality. Other aspects of the consumer, the audience and the brand may also influence the dynamics of monetary vs. non-monetary incentives

and should be studied in the future. For example, different social media platforms have different characteristics. I only used Facebook status update vs. wall post to compare different incentives' influences. Other social media platforms may involve different mechanisms to share. For example, Sephora encourage its beauty assistants (BA) to use their personal Instagram account to share Sephora promotion events and ads. Consumers have to follow one of Sephora BA's account, and comment to request a promotion code. The BA will randomly send the promotion code through consumers' email. In Sephora's case, both broadcasting (BA post Sephora ads) and narrowcasting (BA send code through direct email) are used in the sharing process. How such mixed situations influence incentive choice will be a future research topic. I only examined incentives using with exciting vs. sincere brand personality. However, brand personality has five dimensions (Aaker, 1997). The incentives appropriate for the other three brand personality dimensions, competence, sophistication and ruggedness, are also an interesting topic for future research.

Third, for all three studies, I used consumers' self-reported likelihood to share as the dependent variable. It means that all three studies just stopped at measuring the intention to share instead of measuring actual sharing behavior. There is a difference between psychological intention and actual behavior (Morrison, 1979). Often companies attempt to use social media to leverage network influence. But lots of consumers may feel interested but never engage in actual sharing in the end. The gap between psychological intention and actual sharing behavior suggests a need to study actual sharing behavior in future research. It may also bring additional opportunities for future studies to examine the conditions under which sharing intentions translate into actual

sharing through their social networks, to help companies solve low participation in their social media channels.

Fourth, in the dissertation, incentive type and the three moderators were manipulated using hypothetical scenarios, which may elicit different responses from when consumers actually encounter these incentives in real life. In the future, field experiments using real campaigns and actual sharing behavior should be conducted. What's more, the non-loyal scenario is designed as being non-loyal to all brands in the hotel category rather than as being non-loyal to the specific brand. This makes it not exactly comparable to the loyal scenario, where the consumer is described as being loyal to a specific brand. In reality, consumers may be loyal to some brands and non-loyal to others, which doesn't mean the lack of loyalty to an entire product category. More theoretical and empirical work in this area in general will enhance the understanding of the best way to stimulate online sharing through incentives.

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How intensively are you interested in hotel booking, relative to other people?



How realistic was the scenario that was described to you in this study?



Please answer the following questions.

Are you a Facebook user?

- Yes
- No

How much do you use Facebook?



How often do you travel?

- Once every couple of years
- At least once a year
- At least once a quarter
- Every other month
- At least once a month
- A few times a month

What is the typical rate (\$) you spend on one night's hotel lodging?

What is the typical hotel class you spend on one night's hotel lodging?

- One star
- Two stars
- Three stars
- Four stars
- Five stars

Please answer the following questions.

Age

Gender

- Male
- Female

Work status

- ◆ Full time
- Part time
- ◆ Currently not working

## Appendix 2: Study 2

This research study deals with consumer's hotel online experience. It will take 10 minutes to complete.

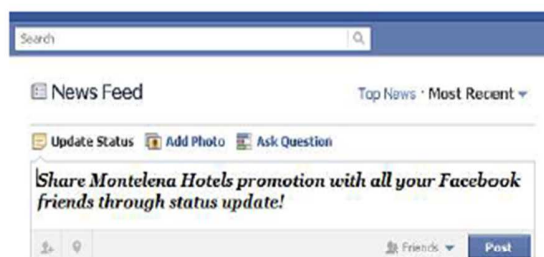
### ***Expansive and monetary scenario***

Please read the following description carefully and imagine yourself in the situation. Afterwards, you will be asked questions based on the scenario.



Facebook allows you to share things. Specifically a **Status Update** allows you to share information with **all of Facebook friends** at the same time. The following promotional campaign from Montelena Hotels intends to build on this sharing mechanism.

*Share this ad with **all your Facebook friends** in a Facebook **Status Update**, and you will receive a membership in our best traveler's program. With this membership, you will become a member in our best travelers' program. You will automatically receive 15% off coupon as well as 15% off the restaurants during your stay, 10% off sightseeing tours booked through Montelena guest services, and 10% off for in-room dining during your stay.*



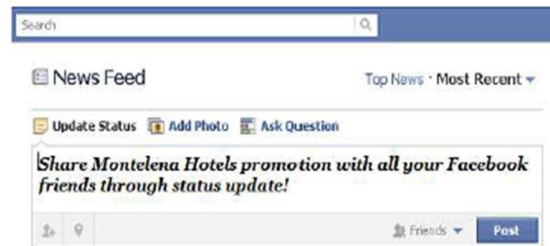
### ***Expansive and Non-monetary scenario***

Please read the following description carefully and imagine yourself in the situation. Afterwards, you will be asked questions based on the scenario.



Facebook allows you to share things. Specifically a **Status Update** allows you to share information with **all of Facebook friends** at the same time. The following promotional campaign from Montelena Hotels intends to build on this sharing mechanism.

*Share this ad with **all your Facebook friends** in a Facebook **Status Update**, and you will become an exclusive member in our platinum traveler's club. With this membership, you will enjoy access to exclusive hotel areas reserved only for club members, including the Platinum lounge, the Club dining room, and the upgraded fitness room. You will also receive personalized services such as a member-only check-in desk, a hand-written welcome card in your room, and a designated hotel concierge during your stay.*



### Restrictive and Monetary scenario

Please read the following description carefully and imagine yourself in the situation. Afterwards, you will be asked questions based on the scenario.



Facebook allows you to share things. Specifically a **Post on a friend's wall** allows you to share information with that friend. The following promotional campaign from Montelena Hotels intends to build on this sharing mechanism.

Share this ad with **one of your Facebook friends** in a Facebook **Wall Post**, and you will receive a membership in our best travelers' program. With this membership, you will become a member in our best travelers' program. You will automatically receive 15% off coupon as well as 15% off the restaurants during your stay, 10% off sightseeing tours booked through Montelena guest services, and 10% off for in-room dining during your stay.



### Restrictive and Non-monetary incentive

Please read the following description carefully and imagine yourself in the situation. Afterwards, you will be asked questions based on the scenario.



Facebook allows you to share things. Specifically a **Post on a friend's wall** allows you to share information with that friend. The following promotional campaign from Montelena Hotels intends to build on this sharing mechanism.

Share this ad with **one of your Facebook friends** in a Facebook **Wall Post**, and you will become an exclusive member in our platinum traveler's club. With this membership, you will enjoy access to exclusive hotel areas reserved only for club members, including the Platinum lounge, the Club dining room, and the upgraded fitness room. You will also receive personalized services such as a member-only check-in desk, a hand-written welcome card in your room, and a designated hotel concierge during your stay.



If you were in the situation that you read just now, how likely is it that you will share this ad for Montelena Hotels with your friends on Facebook?



Based on the scenario, do you consider the number of your friends you will share this promotion with to be one friend or a lot of friends?



Based on the scenario, do you consider the place you are asked to share the hotel information in to be private or public?



Based on the scenario, do you consider the way that you are asked to share the hotel information to be indirectly with friends or directly with friends?



Based on the scenario you read, please answer the following questions about the benefits you will receive if you were to share the ad with your Facebook friends. Please indicate your agreement with each of the statements below on a 7-point scale where 1 is strongly disagree and 7 is strongly agree.

	1	2	3	4	5	6	7
I will get special treatment from hotel.							
I will get better service than most people.							
I will be recognized by the hotel staff.							
The hotel staff will give me personalized attention.							
I will get financial incentives.							
I will get a discount or special deal on hotel products/services.							
I will save money compared to people who don't share Montelena Hotels.							

Based on the scenario description, do you consider the reward you may receive from Montelena Hotels promotion to be Non-monetary or Monetary?



What do you think would be a market value (\$) you will receive from the Montelena Hotels' promotion mentioned in this ad?

If you were to share the hotel information with others, whom are you most likely to share with?

	1   2   3   4   5   6   7	
People don't know that well	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	People I am close to

If you were to share the hotel information as asked, to what extent will that decision be because of each of the following?

1. I will look good in front of my friends.

	1   2   3   4   5   6   7	
Not at all my reason for sharing	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	The main reason for my sharing

2. My friend(s) will benefit from the information.

	1   2   3   4   5   6   7	
Not at all my reason for sharing	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	The main reason for my sharing

3. I will receive the rewards provided by the hotel.

	1   2   3   4   5   6   7	
Not at all my reason for sharing	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	The main reason for my sharing

Based on the scenario description, what do you think is the motivation behind this Montelena Hotels' ad campaign? Please indicate your agreement with each of the statements below on a 7-point scale where 1 is strongly disagree and 7 is strongly agree.

	1   2   3   4   5   6   7	
The hotel wants to make a profit by leveraging consumers' social connections.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	
The hotel is trying to help people share good things with others.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	

To what extent do you think your friends will think negatively of you if you share this information?

	1   2   3   4   5   6   7	
Not at all negatively	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Very negatively

Based on the scenario you read, please answer the following questions about your likelihood to book Montelena Hotels. Please indicate your agreement with each of the statement below on a 7-point scale where 1 is strongly disagree and 7 is strongly agree.

	1   2   3   4   5   6   7	
1. It is very likely that I will book Montelena Hotels.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	
2. I will book Montelena Hotels.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	
3. I will definitely try Montelena Hotels.	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	

Based on the scenario you read, please rate below how you feel about Montelena Hotels. Please check the number that best represents your feelings.

	1   2   3   4   5   6   7	
Negative	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Positive
Unfavorable	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Favorable
Unpleasant	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Pleasant
Bad	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Good
Dislike	<input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>	Like

Please answer the following questions on a 7-point scale where 1 is strongly disagree and 7 is strongly agree.

	1	2	3	4	5	6	7
I like introducing new brands and products to my friends.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like helping people by providing them with information about many kinds of products.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Please ask me for information about products, places to shop, or sales.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If someone asked where to get the best buy on several types of products, I could tell him or her where to shop.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
My friends think of me as a good source of information when it comes to new products or sales.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Think about a person who has information about a variety of products and likes to share this information with others. This person knows about new products, sales, store, and so on, but does not necessarily feel he or she is an expert on one particular product. How well would you say this description fits you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please answer the following question on a 7-point scale where 1 is strongly disagree and 7 is strongly agree.

	1	2	3	4	5	6	7
Taking advantage of promotional deals makes me feel good.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When I taking advantage of promotional deals, I feel that I am getting a good deal.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I enjoy taking advantage of promotional deals, regardless of the amount I can save from doing so.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am more likely to buy brands or patronize service firms that have promotional deals.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promotional deals have caused me to buy products or services I normally would not buy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Beyond the money I save, redeeming coupons and taking advantage of promotional deals give me a sense of joy.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please answer the following question on a 7-point scale where 1 is not at all and 7 is very much.

	1	2	3	4	5	6	7
How intensively do you do hotel booking?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How much do you involved with hotel booking?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How much do you feel like are you a hotel booking expert?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How intensively are you interested in hotel booking, relative to other people?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How realistic was the scenario that was described to you in this study?

	1	2	3	4	5	6	7
Not at all realistic   <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/> <input type="radio"/>   Very Realistic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please answer the following questions.

Are you a Facebook user?

- Yes  
 No

How often do you use Facebook?

1 2 3 4 5 6 7

I rarely use Facebook |        | I use Facebook a lot

How often do you travel?

- Once every couple of years
- At least once a year
- At least once a quarter
- Every other month
- At least once a month
- A few times a month

How often do you stay at hotel?

- Once every couple of years
- At least once a year
- At least once a quarter
- Every other month
- At least once a month
- A few times a month

What is the typical amount of money you spend on one night's hotel lodging?

What is the typical hotel class you book?

- One star
- Two stars
- Three stars
- Four stars
- Five stars

Please answer the following questions.

Age

Gender

- Male
- Female

Work status

- Full time
- Part time
- Currently not working

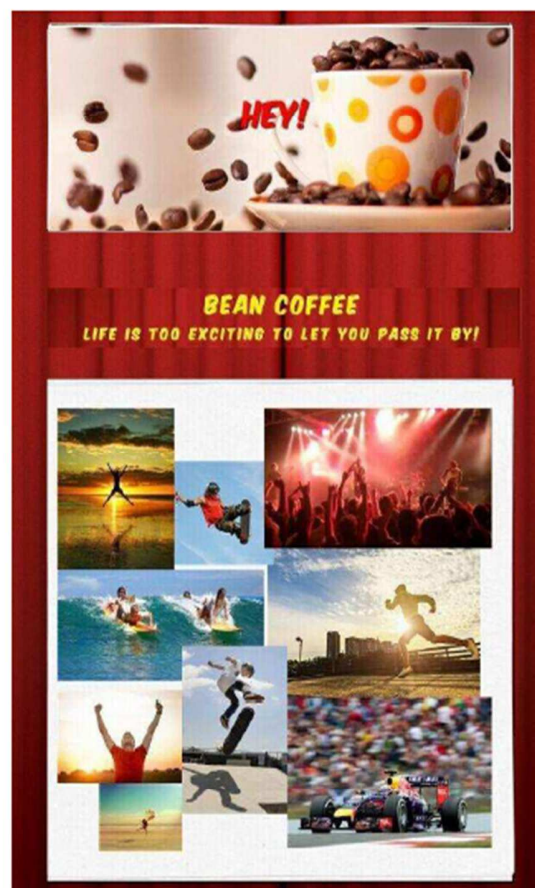


### Appendix 3: Study 3

This research study deals with consumer's coffee shop experience. It will take 10 minutes to complete.

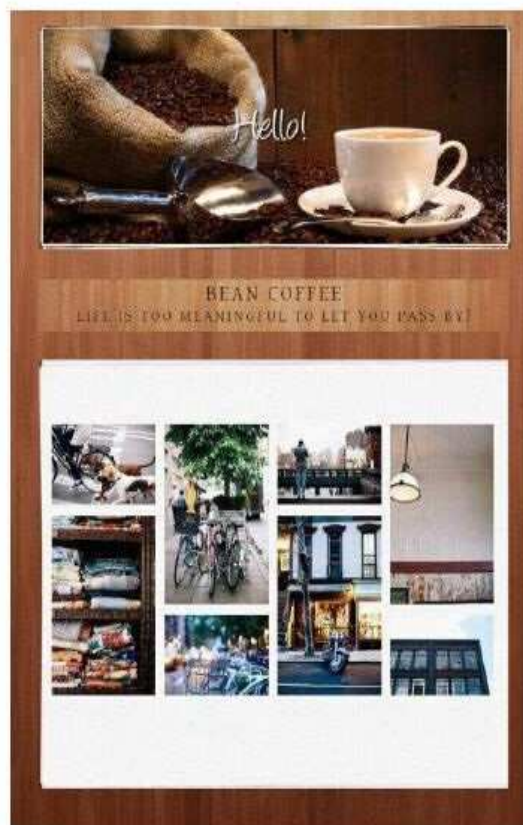
#### *Exciting scenario*

The question in this study concerns the Bean Coffee Shop. Below you will find an advertisement for the coffee shop. Please go over the **IMAGE** carefully before proceeding to the rest of the questions.



#### *Sincere scenario*

The question in this study concerns the Bean Coffee Shop. Below you will find an advertisement for the coffee shop. Please go over the **IMAGE** carefully before proceeding to the rest of the questions.



### Monetary scenario

Suppose one day you saw the following message on the Bean Coffee Shop Facebook page:

*Share this ad with your Facebook friends, and you will receive a membership in our Best Bean Program. With this membership, you will automatically receive a one month 10% off coffee coupon as well as a one-time 15% off discount on other merchandise at Bean Coffee Shop.*

### Non-monetary scenario

Suppose one day you saw the following message on the Bean Coffee Shop Facebook page:

*Share this ad with your Facebook friends, and you will receive a membership in our Golden Bean Program. With this membership, you will automatically receive exclusive access to private coffee tasting events hosted by our top professional coffee makers. In addition, you will have access to private spaces at the coffee shop for hosting social gatherings, and will receive secret premium drink recipes only provided to our Gold Bean program members.*

If you were in the situation that you read just now, how likely is it that you will share this ad for Bean Coffee Shop with your friends on Facebook?

Not at all likely Extremely likely

0 1 2 3 4 5 6 7 8 9 10

◊ ◊ ◊ ◊ ◊ ◊ ◊ ◊ ◊ ◊ ◊





Please answer the following question on a 7-point scale where 1 is not at all and 7 is very much.

	1	2	3	4	5	6	7
How intensively do you shop at coffee shops?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How much are you involved with coffee shops?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How much do you feel like are you a coffee expert?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How intensively are you interested in coffee shops, relative to other people?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please answer the following questions.

Are you a Facebook user?

- Yes  
 No

How often do you use Facebook?

	1	2	3	4	5	6	7	
I rarely use Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I use Facebook a lot

How often do you shop at coffee shops?

- Once every couple of month  
 At least once a month  
 At least once a week  
 Every other day  
 At least once a day  
 A few times a day

How often do you spend your time chatting, studying and resting at coffee shops ?

- Once every couple of month  
 At least once a month  
 At least once a week  
 Every other day  
 At least once a day  
 A few times a day

How much money do you typically spend during a visit to a coffee shop?

How long do you typically spend your time during a visit to a coffee shop?

Please answer the following questions.

Age

**Gender**

- Male
- Female

**Work status**

- Full time
- Part time
- Currently not working

## YUEMING ZOU

Strome College of Business  
Old Dominion University  
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### EDUCATION

Doctor of Philosophy in Business Administration with a major in Marketing,  
Old Dominion University: April 2016

Dissertation Title: Buying Love through Social Media: How Difference Types of  
Incentives Impact Consumers' Online Sharing Behavior

M.B.A., Marketing, Chongqing Technology and Business University, China, 2009

B.A., Marketing, Hunan Business College, China, 2005

### ACADEMIC POSITION

Assistant Professor of Marketing, Longwood University, 2016 fall  
Adjunct Faculty of Marketing, California State University, Stanislaus, 2016 spring  
Adjunct Faculty of Marketing, Old Dominion University, 2010-2015

### RESEARCH INTERESTS

Social Media Influence, Promotion effectiveness, Brand-Consumer Relationship

### TEACHING EXPERIENCE

Marketing Research, International Marketing, Consumer Behavior, Marketing  
Principles and Problems, Marketing Strategy

### PUBLICATIONS, CONFERENCE PAPERS, and PRESENTATIONS

Yueming Zou and Yuping Liu-Thompkins (2015), "Incentivizing Consumer Sharing in  
Social Media: The Role of Consumer Loyalty," the American Marketing Association  
2015 Summer Educators' Conference, Aug 2015, Chicago, IL.

Yueming Zou (2015), "Review of the Incentive Literature," 44<sup>th</sup> AMS National  
Conference, May 2015, Denver, CO

Yueming Zou (2013), "Social Media Review: The Impact of Social Media on Consumer  
Relationships," 42<sup>nd</sup> AMS National Conference, May 2013, Monterey, CA.

Yueming Zou and Kira Karande (2012), "The Effect of Blog Interactivity and Perceived  
Trust on Visitor Response: The Moderating Role of Blogger Expertise and Consumer

Involvement,” the American Marketing Association 2012 Summer Educators’ Conference, Chicago, IL.

Yueming Zou and Leona Tam (2012), “The Effects of Online Reviews on Consumers’ Response: The Moderating Roles of Regulatory Focus and Gender,” the American Marketing Association 2012 Winter Educators’ Conference, St. Petersburg, FL.

Minjuan Fu and Yueming Zou (2008), “Strategic Alliance in Global Collaboration,” *Chongqing Institute of Technology Journal (China)*, Vol. 12, 67-69.

Yueming Zou (2007a), “A Quantitative Analysis of the Contributors to China’s Economic Growth since Its Reform,” *Economic and Trade Update (China)*, Vol. 9.

Yueming Zou (2007b), “Analyzing the Macroeconomic Environment of International Marketing,” *Economic and Trade Update (China)*, Vol. 7.

#### **REVIEWING and PROFESSIONAL ASSOCIATION MEMBERSHIP**

American Marketing Association  
Academy of Marketing Science  
Society for Marketing Advances

#### **HONORS AND REWARDS**

Inaugural Academy of Marketing Science (AMS) Doctoral Consortium Fellow, 2015  
26<sup>th</sup> Society for Marketing Advances (SMA) Doctoral Consortium Fellow, 2014  
AMS Doctoral Consortium Grant, 2015  
Graduate Student Assistantship, Old Dominion University, 2009-2012  
Graduate Research Achievement, Old Dominion University, 2012  
Graduate Travel Award, Old Dominion University, 2012, 2014, 2015

#### **LANGUAGE ABILITY**

Fluent in Mandarin and English