Impact of Social Media Management Styles on Willingness to Be a Fan: A Transaction Cost Economics Perspective

Celeste S-P Ng[1], Eric T. G. Wang[2]

[1]Yuan Ze University, Taiwan, celeste@saturn.yzu.edu.tw
[2]National Central University, Taiwan, ewang@mgt.ncu.edu.tw

Abstract

This study investigates the impacts of different styles of social media management on user's willingness to be a fan. Six companies' brand-pages on a social media site are examined. Data are collected using survey and interview with a group of social media users. Qualitative data analyses are conducted based on 30 observation reports and 60 open-ended surveys, with follow-up interviews. Grounded on the theoretical lens of transaction cost economics, we find that companies successful in attracting more fans adopt the bilateral governance structure (with frequent updates and mixed asset specificity) in their social media transactions. They are relatively more dedicated and allocate more amounts of resources in their social media interactions. Practicing the right governance structure is demonstrated to be more preferable to the fans, able to attract more engagement and generate organic media in the long run. This is because it is helpful for creating positive perceptions of a brand-page, and fans find it useful in reducing their efforts in information searching and product procurement and social networking costs; and this in turn shows to positively impact one's willingness to be a fan of the page, which can possibly create the opportunities to be a potential customer, leading to future purchases from the brand. This study also identifies the key concepts or sub-constructs of (user's) willingness to be a fan of a brand-page in the context of social media. They are brand-page management style (dedicated, caring, responsive), contents (quality, usefulness, diversity) and product (uniqueness, variety, popularity).

Keywords: social media, positivist case study, transaction cost economics, governance structure, brand-page, willingness to be a fan

Introduction

According to the report from eMarketer (2018), Facebook is the top social video advertising platform in the United States as it receives the most of the advertisement revenues and is the most popular social network platform that companies choose to invest in. A study by TBG Digital (2012), a global marketing and technology company specializing in Facebook advertising and social media, indicates that many companies worldwide have chosen Facebook as a niche channel to promote their business campaign or brand and to communicate and attract their potential customers. Facebook has been a dominant social technology that potentially can have major impacts on social commerce. According the Technavio market research analyst forecast (2017), the global social commerce market is projected to grow at a compound annual growth rate of nearly 34% from 2017-2021.

There are many well-known companies such as Dell, Adidas, Lacoste, AT&T, Pizza Delicious and General Motors that use Facebook to advertise and market their products and services. Some of these companies, such as Dell, Adidas, Lacoste and AT&T, obtain the expected business benefits, e.g., increases in revenues, online marketing traffic, business leads and ROI from the advertisement activities on the social media. But, some companies like Pizza Delicious and General Motors are disappointed with the results from their activities on social media (Henn & Chace, 2012; Kunz, 2012).

Social media have the advantages of allowing companies to more precisely target their marketing budgets at those truly potential customers in a more tailored or personalized form, thus leading to more effective utilization of their marketing budgets. There are various types of business benefits and performance that a company can obtain from advertising on a social media site. Some of them are hard, e.g., an increase in sales and ROI, while some others are soft, e.g., increase in the number of fans and brand awareness. However, it is time-consuming and costly to

manage social media as companies need to keep social media stream fresh and relevant and manage the adoption of social media internally (Meister & Willyerd, 2009).

In light of the mixed results of the impacts of social media on business benefits and the fact that companies will increasingly be influenced by social media due to their popularity among consumers, **this research aims to understand why some companies are more successful (effective) in utilizing social media for attracting and building a good brand-fan relationship than others**. Our proposition – It is believed that successful companies use a more effective governance structure to manage their social media transactions, resulting in attracting more interactions and engagements from fans (i.e., making reactions, sharing and commenting in brand posts), and positive brand image on the social media, eventually allowing them to obtain more new fans and retain existing fans. An effective governance structure is defined as being better at organizing the right type of interactions (i.e. engaging and interactive-oriented) and making the right idiosyncratic social interactions (i.e. tailored to social users' comments) on the social media. In this study, a brand's fan-page is called brand-page; based on the context of the text, both terms fan-page and brand-page are used interchangeably.

To investigate this research problem, multi-case study is adopted to identify and theorize how governance structure explains the success or failure (as indicated by willingness to be a fan) of social media transactions between a brand and the fans. To achieve this, the up-front theory applied in this study is transaction cost economics (TCE). It is meant to guide the data collection process and serve as a lens to investigate the research phenomenon.

The justifications for the role plays by transaction cost economics in our proposition (i.e. its relevancy to obtaining more new fans and retaining existing fans) are:

(1) Firstly, the scope of a transaction cost is broad; it includes any cost that is required for a transaction to complete and possibly to be extended to a repeated transaction, or any cost that hinders a transaction to occur. In other words, any effort or cost for searching and identifying <u>new customers (who could be new fans) and retaining existing customers (who could be existing fans)</u>, via any possible marketing channels such as social media sites, for future purchases is part of a transaction cost.

(2) Secondly, in comparison to the traditional ways of marketing (such as direct mail, broadcast TV, newspaper and radio), the cost of marketing on social media, based on advertising metric of cost per thousand impressions, is the cheapest (Lyfe Marketing, 2018). Social media marketing, if it is done correctly, will not only be a great method for brands to maintain direct and close connections, but also to build trustful relationships with fans (Lua, 2017). This is one of the most economic and natural ways to <u>retain existing fans</u> and keep fans loyal. According to a research (Reichheld & Schefter, 2000), an increase of 5% in customer retention rate generates a rise in profits by 25- 95%.

(3) Thirdly, loyal fans in social media usually recommend their favorite brands to their social networks and spread positive messages about the brands, for the purpose of sharing and networking (Hinz, 2015). As trust is transferred from loyal fans to their friends and then to a brand (Ng, 2013), there is a relatively higher chance that they will trust that particular brand and <u>become its new fans and potential customers</u>. This is what we usually called electronic word-of-mouth marketing or earned media, capable in reducing the costs of identifying customers and transaction execution.

The subsequent organization of this paper is as follows. Section 2 provides a literature review on the importance of social media for business, and the theoretical background of TCE and how TCE is conceptualized in the social media context. Section 3 describes the research methods adopted in this study. Section 4 presents the results, and section 5 summarizes the contributions and implications of this study for research and practice.

Literature review

The Importance of Social Media for Business

Due to the possible profound impact of social media on businesses, many brands worldwide begin to have strong presence in social media such as Facebook, Twitter, YouTube, LinkedIn, Instagram and Pinterest. Based on a survey conducted on 2887 marketers, 56% of them have at least two years of social media marketing experience (Stelzner, 2014). More recently, we have observed several big brands' success in social media marketing such as:

(1) Youku Tudou, the YouTube of China – gives Intel a comprehensive brand exposure, through its micromovies, resulting in 15% increase in brand awareness and 29.5% increase in preference for the brand (eMarketer, 2014); (2) SAP North America has shown that social media has created "close to eight figures' worth of potential business in the marketing pipeline, and progressed the pipeline in the multimillion-dollar range" (Julig, 2014); and (3) a financial institution, via online target marketing and persona matching in Facebook, succeeds in boosting their new credit card application signups and identifying high value customers – this helps the institution obtain a 40% reduction in customer acquisition costs (LoudDoor, 2014).

Indeed, social media has the potential to

reach a large number of or a specific group of potential customers with a relatively low budget and is a possible tool good for building customer loyalty, improving customer experience with the product, and clarifying the negative news about enterprises during public relations crisis management (Ying, 2010). Experiences from the practice suggest that social media should be used to create brand awareness and a reputation before it is be used to sell products, generate revenues and foster brand advocacy (Awareness, 2012). Kodak's social media marketing experience with Facebook and Twitter discovers that it is more effective and easier to get close to potential customers by providing personalized talk rather than marketing talk, posting new message or updates frequently, giving additional insights and adding varieties to the site with external links (Eastman Kodak, 2009).

However, it is found in a survey that most marketers either do not understand why or mention that their Facebook marketing is not producing the expected outcomes (Stelzner, 2014). Furthermore, another marketing survey from Gallup poll (Redsicker, 2014) indicates that although 35% of the consumers say that social media does influence their purchasing decision, majority of them still think it has no such influence at all. Inconsistent results from social media marketing cause an urgent need for the marketers to identify the right measurement metrics to evaluate returns from social media. The metrics commonly used for measuring social media impacts include: engagement, page fans, business leads, online website traffic, and click through rate (Culnan et al., 2010; Gallaugher & Ransbotham, 2010), to name a few. It is believed that these metrics of a brand's fan-page will exist only if it can attract and retain the audiences in the first place. Thus, it is fundamental to understand how to manage a brand-page efficiently and what needs to be done in order to attract (or maintain the relationship with) the fans of a brand-page. Note that this study treats first time user initial willingness to be a fan and willingness to continue to be a fan as equal as both decisions are made under informed choice.

While the former is based on one's thorough observations of a brand-page's contents, the latter is driven by one's actual experience with a brand-page.

Transaction Cost Economics (TCE)

The philosophy behind TCE is that firms are profit maximizing and this involves transaction cost minimization (Williamson, 1985). This theory has been widely used to explain various areas in practice such as IS/IT outsourcing decision, success and risk (Ang & Straub, 1998; Bahli and Rivard, 2003; Wang, 2002), electronic markets acceptance and purchasing behavior (Liang & Huang, 1998; Teo and Yu, 2005), B2B contracting and performance (Kleindorfer and Wu, 2003; Wang et al., 2013), B2B e-procurement systems investments (Kauffman & Mohtadi, 2004), and strategic flexibility in strategic alliances (Young-Ybarra & Wiersema, 1999). The essence of TCE, i.e. rational economics reason, is that transactions or exchanges conducted are arranged in such a way that they minimize transaction costs. *Transaction costs* comprise the costs of planning, adapting and monitoring a transaction.

The occurrence and the amount of transaction cost depend on three characteristics inherent to the transaction. They are asset specificity, frequency and uncertainty (Williamson, 1985). Asset specificity indicates the degree of uniqueness of an investment (made by supplier) or asset involved in a transaction is only valuable in the context of a specific transaction. The greater the specificity of an investment or asset to a specific use, the greater is the transaction costs of transferring the investment or asset to another use. Frequency refers to the numbers of such transactions occurred. If the frequency of a transaction is high, then the transaction cost is also high. Uncertainty describes the difficulties to foresee the eventualities that might occur during the course or the length of time of the transaction. A higher uncertainty will involve higher risks and thus higher associated costs.
In order to contain the possible risk

resulting from a transaction, there are four governance structures proposed by Williamson (1979; 1985). They are market, bilateral, trilateral and unified (or transaction-specific) governance structures. Each governance structure is meant to manage different transaction with different characteristics. According to Williamson (1979): (1) market governance is suitable for non-specific transactions of both occasional and recurrent occurrence, (2) bilateral governance fits the recurrent transactions, with a mixed degree of asset specificity investment, (3) trilateral governance is suggested for occasional transactions of the mixed and highly idiosyncratic in nature that requires a third-party assistance to resolve any possible disputes, and (4) unified governance is dedicated for highly idiosyncratic transactions of both occasional and recurrent occurrence.

All business transactions involve a relationship; therefore, transaction cost is considered to be an important variable affecting the nature of inter-organizational relationships (Bunduchi, 2005). While TCE is traditionally used to investigate contracting relationship between two organizations, it has also been adopted to study the business relationship between an organization and customers, between an organization and employees, and between parent and child family relations (Williamson, 1979). In any of these business relationships, there exists a *seller* and a *buyer* role. According to the business marketing research perspective, adversarial and cooperative relationships (or transactional and collaborative, respectively) are two fundamental types of buyer-seller relationship (Wilson, 1995). Transactional relationship is perceived as an economic exchange of goods or service between parties; however, collaborative relationship involves both economic and social exchanges of goods or service between parties (Ring & van de Ven, 1994). Several attributes differentiate these two types of relationship. Transactional relationship requires low interdependence between parties, "short-term commitment, narrow communication channels, low trust and low asset specificity" (Ring & van de Ven, 1994). In contrast, collaborative relationship comprises "strong interdependences, high levels of trust and commitment, long-term span, high transaction costs, terms and conditions loosely specified and high asset specificity" (Lambe et al., 2001).

Adapting the above definitions to the specific context of social media, we suggest that *brand-fan relationships* also comprise of two categories, i.e. transactional and collaborative, similar to the transactional and collaborative relationships between buyer-seller in electronic-market classified by Markus and Christiaanse (2003). However, in social media, the most commonly seen is the collaborative relationship. Transactional relationship, although is promising, it is still at its early stage of advancement and it is not yet as widely accepted among the social media users as the collaborative relationship due to the nature of a social media, which is more social networking-oriented. Thus, collaborative relationship is the main focus in this paper and is defined based on Lambe et al. (2001) accordingly.

Business Value of Collaborative Relationship in Social Media

In the context of social media, economic exchanges are said to occur when a brand advertises and sells on the social media, whereas the fans buy goods or product, share and/or comment on a post in order to obtain a discount coupon or a freebie. In contrast, social exchanges involve a brand developing and distributing a social media content (e.g., product information and daily life tips, special promotion information) to the fans/consumers; and fans share their experiences with the brand (by "liking," "sharing," or making recommendations) to their relatives and friends.

Each economic or social exchange brings values to both parties involved in a business relationship. Based on the above descriptions of economic and social exchanges specific to the social media, the common value-expectations of a brand and a fan from both exchanges are as shown in Table 1. Accordingly, a brand will create

interesting contents in its social media site and is expecting to attract more fans to the site, whereas a fan will hope to obtain her expected contents with tangible and intangible benefits from the brand.

Table 1 – Value Expectations from a Social Interaction Between a Brand and a Fan from Economic and Social Exchange Perspectives		
Exchange*	Brand	Fan
Economics (from either transactional or collaborative relationship)	Get more fans, interaction, positive comments, sharing and liking from fans → to enhance word-of-mouth marketing and understand consumers' need	Obtain first-hand information fast, discount coupons, special offers and after-sale service → to reduce product procurement cost and information searching cost
Social (from collaborative relationship)	Build brand awareness, trust, good brand image and reputation → to establish good relationship	Share product information, special offers and experience with friends → to get good social image and reputation, and make well-informed purchasing decision

*Exchange occurs in a social media interaction.

Thus, effective social interactions on a social media can moderate and facilitate the success and efficiency of a collaborative relationship on the social media. Social interactions can generate high business values to a brand, such as reducing the future customer acquisition cost by establishing a good brand image in the fans' mindset, and minimizing the future marketing and advertising cost through viral marketing effects from the fans. While the former represents a symbolic capital, the latter is a social capital (Mandviwalla and Watson, 2014). From the fans' perspective, effective social media governance can help them reduce product procurement cost and information searching cost, and get a good social image and reputation for sharing valuable information with their friends (see Table 1).

Conceptualizing the "Transaction" in the Social Media Context

According to the online Merriam-Webster dictionary, a transaction is defined as "an exchange or transfer of goods, services, or funds" or "a communicative action or activity involving two parties or things that reciprocally affect or influence each other," (Merriam-Webster, 2015). Following this definition, social media *transaction* in this study is defined as social media interaction conducted between a brand and a fan in a social media (Facebook), initiated by either

a brand or a fan, in order to establish an exchange or a relationship. This transaction requires participation from both brands and fans. The types of interaction from a brand will include posting product/service information, organizing online activities (e.g., lucky draws, polling of opinions), asking or responding to questions, and/or encouraging interactions from the fans. On the other hand, the types of interaction from the fans will include subscribing to be a fan, "liking" a post, "sharing" a post with friends, writing a comment, and/or asking a brand a question.

From the **cost perspective**, it is noted that the time and effort used for social interactions are parts of transaction cost even though they themselves are not the transaction per se. Transaction cost is the cost required and incurred for a transaction to be executed and completed, including social media marketing, and social media contents creation and management.

Although social media sites are commonly used by many companies for direct marketing activities, this is not a good practice. The use of social media sites for direct marketing is, in fact, not only ineffective but also brand image damaging. This is because most social media users use social media sites for entertainment, networking and keeping in touch with friends and relatives, instead of being

bombarded with commercial posts (Alam, 2016; Dang et al., 2018).

In contrast, social media sites are very useful for establishing and maintaining good fan-and-brand relationship (Harvey, 2017). However, "interactions" must exist, in social media sites, before a good fan-and-brand relationship can possibly be established. After a good fan-and-brand relationship happens, then organic or earned media will start to take place themselves. Examples of earned media are, for instances, fans commenting and sharing a brand's social media post, and recommending a brand to their own friends and relatives, either directly or indirectly (depending on a social media site newsfeed algorithm).

In short, from the **process perspective**, the logical association between social media interaction and (business) transaction is driven by the following sequence of cause-and-effect:

(1) First, social media **interaction** must exist on a social media site
(2) Second, fan-and-brand **relationship** is established and maintained
(3) Third, a (business) **transaction** may then occur.
(Note: this study focusses on step-1 and step-2 only.)

It is noteworthy that, similar to any traditional marketing method, the average interaction rate of fans per brand-post is also very low (Ng, 2017). For instance, fans' engagement rate of 1-2% is usually considered as good (Weng, 2018) on social media sites. However, the business values of social interactions are that:

(1) there is definitely some degree of organic reach effect for a social media post, through a post's engagements or any equivalent type of communicative actions, which can create brand awareness (Cooper, 2018); and

(2) social media site, such as Facebook, is found to be a platform for product/service discovery that drives purchasing decision. A recent Facebook statistic highlights that "78% of American consumers have discovered retail products to buy on Facebook" (Meeker, 2018).

Based on the above explanations, social media is a popular venue, where a brand can introduce and expose itself, and can search for new consumers. It can also make direct communications, inspire and convince its potential consumers that it is a trustworthy brand to be considered as a candidate in their future purchasing decisions.

It is acknowledged that a social interaction does not always generate any social transaction. However, it is definitely an antecedent that drives business transaction; and social interaction cost, covering various content creations and management, that takes place on a social media site accounts for a substantial portion of business transaction cost, coming from a social media site.

In the nutshell, social interactions from both brand and fans are a **necessary precursor** of an economic transaction. Broadly speaking, we define that social interaction is social transaction (i.e., the transaction cost) that supports the initiation and completion of the economic transaction.

A brand is defined as the supplier of a social media interaction as it is the origin and main source of social media interaction, whereas a fan (a social media user) is the buyer of a social media interaction. Following the abovementioned definition of social transactions adopted, the terms social (media) transaction and social (media) interaction are used interchangeably in this study. From a brand's perspective, social media transactions are expected to minimize the cost of fostering trusting relationship with

existing fans, which will lead to minimizing the cost of future customer acquisition, and retaining existing customers and fans (the potential future consumer), and reduce consumer churn rate. From the fan/potential customer perspective, social media transactions allow a fan to better understand a brand's product/service, monitor the sincerity of a brand, the integrity of a brand's policy and practice, witness the trustworthiness of a brand, and obtain useful and entertaining information from a brand. These are useful for minimizing the cost of product/service risk (including product/service quality and return policy), fraudulent, social image and relationship conflict, information searching cost, and information asymmetry issues. Over time, through observing the reliable and well-managed social media transactions, trust and commitment with a brand will develop. This will eventually lead to long-term relationship between a fan and a brand.

Based on the public common practices of

most (if not all) brand fan-pages, a social media interaction or transaction has the following characteristics: (1) the frequency of a social transaction between a brand and a fan is recurring in nature; (2) it does not require any third-party assistance for settling disputes or claims; and (3) the type of social transaction created by a brand for the fans can vary from non-specific to mixed idiosyncratic kinds, when it needs to reply to specific questions from the fans.

Based on the characteristics of the four governance structures (i.e., market governance, bilateral governance, trilateral governance and unified governance) proposed by Williamson (1985), market governance and bilateral governance match with the characteristics of the current common practices in social media transaction, see Table 2. It is noted that the third characteristic of uncertainty such as information asymmetry is not shown in Table 2 as it is assumed to present in some intermediate degree in all governance structures; in contrast, more emphasis is on the aspect of asset specificity and frequency of a transaction, cf. (Williamson, 1985).

Table 2 – Matching the Governance Structure with the Social Media Transaction						
		Governance structures*				Social media transaction
Characteristics of transaction		Market	Bilateral	Trilateral	Unified	
Frequency	Occasional	✓		✓	✓	
	Recurrent	✓	✓		✓	✘
Asset specificity	Nonspecific	✓				✘
	Mixed		✓	✓		✘
	Idiosyncratic			✓	✓	
Third-party assistance	No	✓	✓		✓	✘
	Yes			✓		
Social media transaction		☑	☑			

* Source: (Williamson, 1985); ✓=A characteristic of a governance structure; ✘= A characteristic of the social media transaction; ☑=A match of a governance structure and the current common practices in social media transaction.

Investing in social media strategy requires human asset specificity resources allocated to the management of a brand's fan-page. This would include resources to design the outlook and the contents of a brand's fan-page, to respond to complaints and comments from consumers and fans, to frequently provide updates and new contents, and to post interesting contents for the fans in order to maintain a certain

level of engagement and relationship with its audiences (Barizi Web Solutions, 2011). Both human asset specificity (specific to a social media site) and high frequency of interactions with fans increase businesses transaction costs. However, in return, businesses expect that these will reduce the uncertainties in the brand awareness, brand affinity, brand bonding, customers' demands and sales volume, and

economizing a fan's or user's transaction cost (i.e., cost of information searching and monitoring trustworthiness in a brand). Businesses such as Addidas, American Express, Lacoste and All Nippon Airways (Keath, 2012) perceive that social media advertising as a success because the

transaction costs involved in managing this project are low enough as it generates ROI, sales revenues and a better brand awareness to the businesses. The nature of a brand-fan social transaction (i.e., social media interaction) is as shown in Figure 1.

Figure 1 – The Nature of Brand-Fan Social Media Interaction
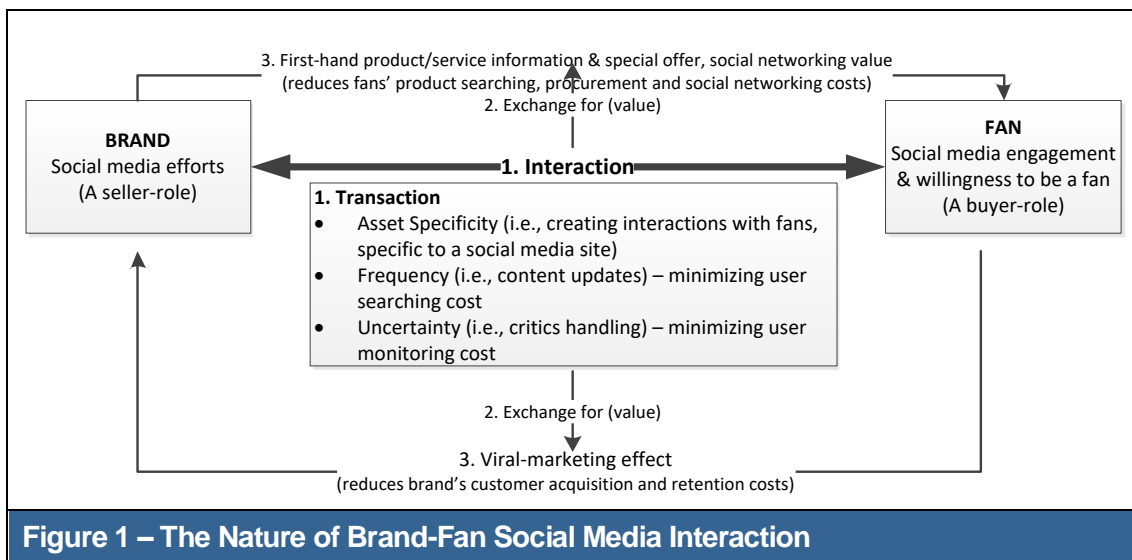
Research Method

This study adopts the qualitative case study research approach with a focus on case companies' social media practices. The case study method is positivist, with the nature of both exploratory and explanatory. This research method can suggest relationships among variables to constructing a theory (Yin, 2003). The conduct of this study follows the guidelines as suggested by Sarker et al. (2013).

Six brands were studied. Three brands come from the convenient store retailing industry and another three belong to the online shopping industry. These two industry types were selected as they belong to the top four Facebook brand fan-page in Taiwan. Two industries were chosen rather than one because this can serve as a control variable in order to investigate whether industry-type will cause differences in the findings later on. Out of the six brands, four of them were categorized as the top 100 Facebook brand fan-page in Taiwan by Business

Next Magazines (http://www.bnext.com.tw/article/view/id/31155) in a joint marketing research effort with a Taiwan government agency, named Institute for Information Industry (III) (http://web.iii.org.tw/). They were the literal replication cases in this study. The other two brands were selectively chosen and they served as the theoretical replication cases (Yin, 2003). The three brands from the convenient store retailing industry were 7-Eleven, FamilyMart, SimpleMart. The other three brands from the online shopping industry were Momoshop, CrazyMike and Lovego.

Detailed descriptions of these six brands were given in the Appendix 1. The characteristics of these brands were shown in Table 3. The selection of the cases (successful and failed cases) was determined based on their total number of fans, number of talking about and the way the fan page was managed. In general, these three indicators had to be vastly different between the successful and failed cases. These data were collected in March 2014.

Table 3 – Characteristics of the Six Brands or Cases					
	Retailer			Online shopping		
	7-11	**Family Mart**	**Simple Mart**	**Momoshop**	**CrazyMike**	**Lovego**
Fanpage created	Sep., 2009	Sep., 2009	July, 2011	May, 2010	March, 2012	Sep., 2011
# of fans*	2.1M	1M	11K	752K	353K	3.6K
Talking about*	93K	61K	175	116K	83K	NA
Ranking in Taiwan*	Top 1	Top 2	-	Top 3 (top 1 in its industry)	(top 2 in its industry)	-
Category of case	Successful	Successful	Failed	Successful	Successful	Failed

M=million, K=thousand, *Evaluation reported in Business Next Magazine in March 2014

Data collection methods involved IT artifact of a brand's social media fan-page, direct observations of a brand's social media fan-page's contents, survey and semi-structured interviews with social media users (Yin, 2003). Ten individual Facebook users were recruited for making their observations of a number of the selected brands-pages and followed by responding to a survey and then a follow-up interview. Ten users are perceived as sufficient in this study as: (1) this can generate 60 surveys (and follow-up interviews), which covered 40 surveys (and interviews) for the literal replication cases and 20 surveys (and interviews) for the theoretical replication cases (Marshall et al., 2013); (2) this study adopts multiple methods (observation reports, surveys, interviews)in data collection (Lee et al., 2002), which can serve for cross-checking to ensure data accuracy and consistency; and (3) it is sufficient for data saturation to occur in the data analysis (Corbin & Strauss, 2008). Data collected from multiple users and methods can also serve the purpose of data triangulation well. Each brand-page is considered as a case in this study.

For making observation of the six brands or case companies' social media activities and interactions on their respective Facebook brand-pages, these 10 individuals were divided into two groups, each with five members. Each group was requested to study three brand-pages from the same industry over the past three months by following the predesigned observation objectives and contents (see

Table 4 for examples). They were required to write down their detailed descriptions and comments for each observation instruction, for all the three brands, as they went through the observation steps. All together 30 observation reports (five observation reports per brand) were collected. These observation reports were to ensure that the participants take the time to (1) clearly identify what they actually liked about a brand-page; and (2) fully understand how the brands governed and conducted their social media transactions on their brand-pages. This knowledge about the brands' practices was also helpful for repeating similar tasks required in the subsequent survey.

For the survey, the same ten individual participated. They were required to eyeball a brand's fan-page over the past three to twelve months. These were done one brand-page after another in a coordinated and predetermined setting. This was meant to collect data on fans' perception and interpretation of a brand-page social interaction, and their willingness to be a fan of different brand-pages on Facebook. Ten surveys for each brand were obtained. This resulted in 60 open-ended survey responses. The guidelines for answering observation, survey and interview questions were as shown in Table 4. Follow-up interviews were conducted, whenever necessary, to ensure the accuracy in the data interpretations and to obtain any further details based on the data collected.

Table 4 – Observation and Interview Questions, and Their Objectives	
Observation and survey questions	**Objectives**
<u>Part-1:</u> (i) What they do and have on the brand-page? What they usually write in a post? How they present their messages? (ii) Do they encourage feedbacks and interactions from the fans? How do they response to a critic or question? How?	Determine a brand's degree of (i) *asset specificity* in conducting social media transactions; and (ii) *idiosyncrasy* in a brand's social media transactions.
<u>Part-2:</u> How frequent they update the contents? How frequent they response to query?	Determine how *frequent* a brand conducts social media transactions.
<u>Part-3:</u> Do you want to be a fan of this brand-page? Explain you decision.	Willingness to be a fan. Explain the reason behind this decision.
<u>Final-part:</u> Part-1 to Part-2 are used to determine the styles of governance structure practiced by each brand	

In Vivo and descriptive coding were adopted in our first-cycle of coding. The former involves quoting the participants own words and the latter covers assigning a label to the In Vivo codes, see (Miles et al., 2014). These are meant to analyze the observation reports to identify and formulate ideas and themes, involved in observing the contents of a brand fan-page, management activities and impression attached to a brand. Then, *evaluation coding* is used to determine whether an impression is positive or negative. On the other hand, *pattern coding* (for categories/themes summarizer) is conducted to explore the relationships between core themes, and to identify and test the causal conditions, interactions and contextual conditions (Miles et al., 2014). Thus, it is applied to determine and explain the core themes, which are basically about the social media governance structure, impression and image attached to a brand and the willingness to be a fan as shown in Figure 1.

A case-oriented approach of cross-case analysis (Yin, 2003) was carried out to identify and confirm: (1) the type of governance structure practiced by successful and failed cases, (2) how different social media governance structure conducted its transaction differently, and (3) most importantly, why one was more successful (or effective) than the other. The third objective above explained the differences between organizations that succeed and fail in social media management activities. *Pattern-matching* method was then adopted to examine if the predicted pattern of specific variables described in our initial proposition (e.g., social media governance structure, impression and image attached to a brand-page, and willingness to be a fan), defined before data collection supported any cause-effect pattern between independent and dependent variables (Yin, 2003). Detailed and specific data analysis process and methods used for different purposes were shown in Figure 2.
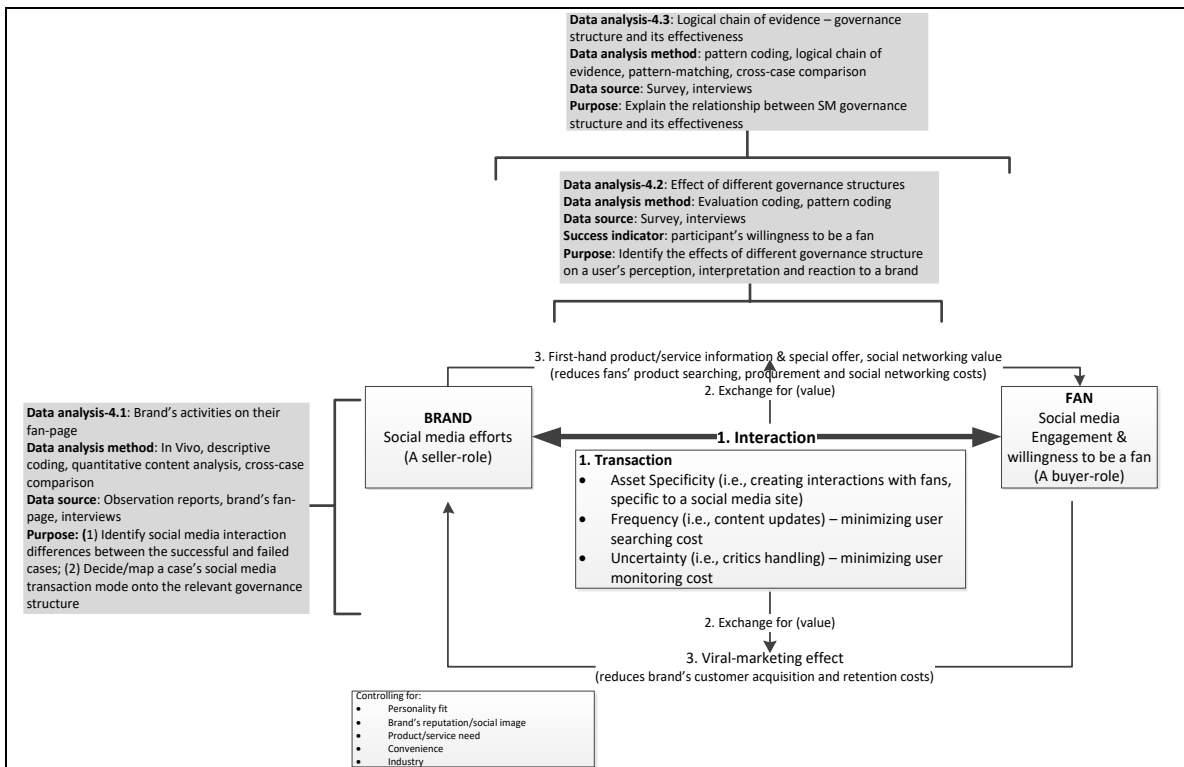
Figure 2 – Data Source and Analysis Method Used in Different Stages of Data Analysis

Results and Discussions

Brands' Business Activities on Their Brand-Pages

In general, the activities done by these six brands on their brand-pages include: introduce and promote their products and brand, provide latest information about the brand, organize activity (e.g., activities during weekends, lucky draws), post photo, post advertising video, announce special offers and promotional items, sell product, post text and photo not related to the brand (i.e., inspirational, funny contents), interact with fans, have short conversations with fans, conduct activity evaluation, and share current affairs or latest news.

Based on the 30 observation reports, seven formats of posting are witnessed from these six brand-pages (see Appendix 2). They are text only, text plus photo, text plus hyperlink, photo plus hyperlink, text plus hyperlink plus e-commerce-site, interaction-oriented and communication-oriented, and social proof. There are a lot of similarities in how these brands present

their messages, e.g., the use of text plus photo, text plus hyperlink, and photo plus hyperlink plus e-commerce-site. There are nevertheless some differences among them. For instance, 7-Eleven brand posts social proofs that describe customers' experience with its products, whereas Momoshop brand sometimes posts text-only contents. Overall, brands use various formats of posting and various media in their postings. The main difference (between 7-Eleven and Momoshop) may be that company such as 7-Eleven is primarily a physical channel and uses social media for promoting sales in their numerous physical channels. In contrast, company such as Momoshop is an online shop that treats their social media fan-pages as complements to their online shop.

The characteristics of the six brands' post contents include: product marketing-oriented, interaction-oriented, greeting-oriented, motivating post, perceptual post, current affairs, interesting, relaxing, exaggerating, funny, variety in products (because of different seasons, weather or special edition products), and variety in contents (e.g., weather forecast,

business partner info, opening of new shops, vacation news, daily life tips, Chinese new year dinner menu). This is shown in Appendix 3. It is observed that there is a slight difference in terms of the characteristics of post contents between these two industries. The retailers (i.e. convenient stores) tend to be more friendly and warm, e.g., using emoticons, emphasis-wordings and local slangs, while the online shopping group tends to be more formal.

Adoption of various types of social media transaction or interaction methods: There are various ways used by the six brands to encourage interactions and establish good relationship with the fans. These include: providing product promotion information, offering cheaper online product price, sending greetings to fans, requesting fans to comment and to "like" a post, soliciting opinions from fans, offering product discount to fans those make interactions, conduct an online lucky draw, organizing meeting events with fans, posting and designing interesting or funny pictures, addressing critics for the fan, and responding to questions from the fans. Majority of the brands maintain interactions with fans by using lucky draws, requesting fans to like, share and comment on their posts, and offering product promotions (see Table 5).

Table 5 – Types of Social Media Interaction						
Descriptive code: interaction methods (count)	**Retailer**			**Online shopping**		
	7-11	Family Mart	Simple Mart	Momo shop	CrazyM ike	Lovego
Overall impression: Do very minimal and/or do nothing (2)			X			X
1. Provide product promotion info. (4)			X	X	X	X
2. Offer cheaper online product price (1)					X	
3. Send greetings (1)			X*			
4. Request to comment and like a post (4)	X	X		X	X	
5. Solicit opinions (1)	X					
6. Conduct online lucky draw (6)	X	X	X**	X	X	X
7. Organize meeting events (1)	X					
8. Offer product discount for interacting (3)	X	X		X		
9. Design interesting or funny pictures (2)				X	X	
10. Frequently address critic (1)				X		
11. Frequently response to question (1)				X		
Total	5	3	3	7	5	2

*= related to earthquake, Christmas, weather; **= But, does not require fans to share a post

Adoption of social media interactions those require engagements from fans (or having a call-to-action, CTO) and/or responses from a brand in a social media post: Examples of post requiring inputs from fans (or replies from a brand) are related to "requests to comment and like a post," "invitations for giving opinions," "participations in online lucky draws," "addressing fans' critics," and "responding to fans' questions," (see Table 5). Four brands, i.e. 7-11, FamilyMart, Momoshop and CrazyMike, have posts requesting their fans to comment and like their contents. Only one brand, 7-Eleven, solicits its fans for opinions on its in-store activities. On the other hand, all of the six brands have conducted online lucky draw event, which is the most interactive and engaging activity one can organize on a brand page.

In overall, most of the brands, including 7-Eleven, FamilyMart, CrazyMike, Lovego and SimpleMart, rarely (or do not) make a response to any *critic* (Table 5). An exceptional is the case of Momoshop that responses to critics on their brand-page (including apologizing for the cause of the critic), and sometimes resolves a critic by contacting the fan directly by telephone. There are quite a few methods (e.g., individually, privately, publicly, and crowdsourcing among fans) used by these brands to respond to a *question* on the brand-page too. Momoshop chooses to respond to each query individually on the brand-page, and occasionally provides a reply by crowdsourcing the query to the fans. Other brands prefer to rarely respond to any question individually.

In an extreme case, brands, such as SimpleMart and Lovego, give the impression of doing nothing to encourage feedbacks and interactions from the fans. These two brands offer product promotions to their registered members only rather than to all Facebook fans in general.

The descriptive codes of the types of social media transaction, presented in Table 5, are further evaluated based on the extent to which a transaction is content-, context- and investment-specific to a social media site, to determine its degree of asset specificity. There are two categories of evaluation codes identified; they are as illustrated in Table 6. The first evaluation code is called "low" asset specificity, see Table 6. It is meant for transaction relating to simply distributing product promotion information, informing fans about a cheaper online product price and sending special greetings occasionally. These will require "low" asset specificity as their post contents can be pretty much the same with those in the other offline and/or online marketing channels, and this type of investment is not specific to a particular social media as it can be easily transferred to other use.

The second evaluation code of social media interactions (such as soliciting opinion, conducting online lucky draw, designing interesting pictures, addressing critics and questions) is named "mixed" asset specificity. Although some of these interactions can be organized and synchronized with other social media outlets (e.g., Instagram, YouTube, Twitter), their feedbacks and outputs need to be given and monitored individually in that specific social media. Thus, this category of social media transactions investment here is claimed to be partially specific to a social media site. The evaluation results of the six brand's social media interactions (in Table 5) with respect to the abovementioned two categories of asset specificity are shown in the second part of Table 6.

Table 6 – Asset Specificity Evaluation Code for Social Media Interaction		
Asset specificity	**Evaluation code's description**	**The corresponding descriptive codes (in Table 5)**
Low ⬇ **High**	"Low" ➢ feedback from the fans is not necessarily expected; ➢ post contents can be pretty much the same with those in other online and offline marketing channels; ➢ investment is not specific to social media	Including: 1. Provide product promotion info. 2. Offer a cheaper online product price 3. Send greetings
	"Mixed" – 1: ➢ feedback from the fans is expected; ➢ post content can be the same or different from other marketing channel; but, the outputs need to be monitored ➢ this social transaction investment can be specific to a social media site	Including: 4. Request to comment and like a post 5. Solicit opinions 6. Conduct online lucky draw 7. Organize meeting events 8. Offer product discount for interacting
	"Mixed" – 2: ➢ feedback from the brand is expected; ➢ post content can be the same or different from other marketing channel; but, the outputs need to be monitored ➢ this transaction investment can be specific to a social media site and specific to the fans on Facebook	Including: 9. Design interesting or funny pictures 10. Frequently address critic 11. Frequently response to question
	# of "Low" asset specificity transaction adopted (%)	**# of "Mixed" asset specificity transaction adopted (%)**
Momoshop	1 (14%)	6 (86%)
CrazyMike	2 (40%)	3 (60%)
Lovego	1 (50%)	1 (50%)
7-11	0 (0%)	5 (100%)
FamilyMart	0 (0%)	3 (100%)
SimpleMart	2 (67%)	1 (33%)

Frequency of a brand-page update: In general, there is a big difference among these six brands in how frequent they update their brand-pages. This ranges from updating more than five times per day to once per week. For example, Momoshop and CrazyMike update more than five times per day, whereas 7-11 and FamilyMart update around two to three times per day. In the opposite extreme cases, Lovego updates once per week and SimpleMart does not have a fixed pattern of brand-page updates (see Table 7). A higher frequency of updates, signaling effects, is useful to create and enhance fans' trust perceptions in a brand.

Table 7 – Frequency of Social Media Transaction (i.e. Brand-Page Updates)						
Descriptive code: update frequency	**Retailer**			**Online shopping**		
	7-11	Family Mart	Simple Mart	Momo shop	Crazy Mike	Lovego
1. Once/week						X
2. 2-6 times/week			X*			
3. Once/day						
4. 2-3 times/day	X	X				
5. 4- 5 times/day						
6. More than 5 times/day				X	X	

*Not fixed

Table 8 combines the aggregated data on the types of social media transactions (as in Table 5 and 6), and the brand-page update frequency (in Table 7) by the six brands in managing their social media activities. Based on the success indicators of the number of fans and "talking about" (a Facebook's engagement indicator), we observe that successful brands, such as Momoshop, CrazyMart, 7-Eleven and FamilyMart – interact more with fans and frequently invest more efforts in managing their social media sites than the failed brands (i.e., Lovego and SimpleMart).

Table 8 – Comparisons of Social Interaction Characteristics among the Brands						
	Success indicators		**(Relative) asset specificity**		**Frequency – 3 times/day**	
	# of fans	Talk about	Mixed	Low	Yes	No
Momoshop	752K	116K	✓		✓	
CrazyMike	353K	83K	✓		✓	
Lovego	3.6K	NA		✓		✓
7-11	2.1M	93K	✓		✓	
FamilyMart	1M	61K	✓		✓	
SimpleMart	11K	175		✓		✓

Utilizing the salient characteristics (of asset specificity and the frequency) of the social media transactions implemented by the six brands and the corresponding characteristics of governance structure described in the literature in Table 2, we empirically shed light on the governance structure practiced by them in the social media site. As illustrated in Table 9, the social media governance structure practiced by Momoshop, CrazyMart, 7-Eleven and FamilyMart are "bilateral", whereas by Lovego and SimpleMart are "market" governance structure.

Table 9 – Mapping the Social Interaction onto TCE Characteristics and Governance Structure					
	Asset Specificity (social interactions)		**Frequency (Update 3 times/day)**		**Governance structure**
	Mixed	Low	High (Yes)	Low (No)	
Momoshop	✓		✓		Bilateral
CrazyMike	✓		✓		Bilateral
Lovego		✓		✓	Market
7-11	✓		✓		Bilateral
FamilyMart	✓		✓		Bilateral
SimpleMart		✓		✓	Market

16

Effect of Different Governance Structures on Users' Perception of a Brand-Page

Based on the governance structure identified for the six cases (in Table 9), this section analyzes the effect of different governance structures on a user's perceptions, interpretations and reactions to a brand. For this, the participants are requested to make a decision whether they want be a fan of the six brands after making detailed observation reports based on each brand-page physical artifact from the past three to four months (from December 2013 to March 2014). Based on their explanations and justifications for their decisions, we identify the meaning, symbols and images attached to a brand's fan-page that drive them to make a particular decision.

In the first round coding, In Vivo coding is done on reports and interview transcripts in an effort to determine the text-segments describing the reasons behind why (the cause) the participants make their decisions (the effect). All together 168 descriptive codes are obtained, see Appendix 4. These codes are later analyzed using evaluation coding and pattern coding for different purposes.

In the evaluation coding, the 168 descriptive codes are categorized into two groups of "positive" and "negative" image attached to a brand. From the cross-case analysis in Table 10, it is observed that bilateral governance structure brands' fan-pages, such as Momoshop, CrazyMike, 7-11 and FamilyMart, have more respondents wanting to be their fans than the other failed cases. The number of positive evaluations and remarks attached to a brand's fan-page is associated with the number of respondents willing to be its fan. In contrast, respondents do not want to be a fan of a brand that they have more negative perceptions and symbols attached to it. As a result, becoming a brand's fan is highly positively associated with optimistic perceptions, meanings and images for the brands, instead of the negative ones (see Table 10). Based on the same line of argument, social media governance structure can influence one's perception of a brand's image (either positively or negatively). Bilateral governance structure is related to more positive image, whereas market governance structure is prone to more negativity in brand image.

Table 10 – Summary of Analysis						
	Governance structure	Success indicator: Want to be a fan		Images attached		Percentage of positive images attached (%)
		Yes	No	Positive	Negative	
Momoshop	Bilateral	7	3	23	6	79
CrazyMike	Bilateral	5	5	20	8	71
Lovego	Market	0	10	0	16	0
7-11	Bilateral	7	3	24	6	80
FamilyMart	Bilateral	8	2	32	2	94
SimpleMart	Market	5	5	11	20	35

In preparing for pattern coding, based on the 168 descriptive codes obtained in the 1st round coding from the observation reports and surveys, 161 of them are found to be relevant to be analyzed semantically for their meaning. In the second round of coding, codes pointing to the same meaning or concept are grouped into the same theme. The result

of the pattern coding (an excerpt is given in Appendix 5), suggests that the respondents' perceptions, meanings and images for the brands can be grouped into seven themes. However, following a more rigorous inspection, themes having a pretty close meaning and relatively low frequency counts are combined together. This produces a final three core themes of

management, content, and product (see Table 11) – as the key concepts of rationales for becoming a brand-page's fan.

Table 11 – Core Themes* of the Rationale for Becoming a Brand-Page Fan			
Theme	**Definition***	**N (# of codes)**	**%**
Management	It is defined by the amount of efforts inputted into managing a brand-page, purpose of the brand-page, and value offerings to the fans. *Social interaction investment → (perception of) management*	73	45
Content	It focuses on the quality, presentation, timeliness, and usefulness of a brand-page's content. *Social interaction (service) → value-*	55	34
Product	It is characterized by the product nature, product variety, product price, and the knowledge about the brand. *Social interaction (product) → value-proposition*	33	21

*More descriptions are given in section 5

Logical Chain of Evidence and Implications – Governance Structure and Willingness to Be a Fan

The quantitative content analysis in Table 10 supports that more positive image, impression and perception attached to a brand-page relate to more people willing to be the brand-page's fan. Here, we provide the explanation of the relationships between social media governance structure and one's willingness to become a fan of a brand-page.

Frequency

Brands, which adopt bilateral governance structure in their social media transactions, update their brand-page more frequently than the counterparts utilizing market governance structure. The frequency of social interactions, i.e. frequent updates to brand-page contents, can produce positive symbols and perceptions for the brand-page. This practice influences one's perception of how good the management of a brand-page is and the projection of the value of a brand-page's contents in the future. In fact, the effects of this practice are the core reasons for and the causes of a good or a bad brand image. Table 12 provides some evidences to support this finding.

Table 12 – Quotations Showing the Impacts of Frequent Social Interactions on Brand Image and Willingness to Be a Fan		
Governance structure	**Quotation from interviews or surveys**	**Logical chain of evidence**
Bilateral	Momoshop, Interviewee-10: *"It manages its brand-page pretty well, and continuously organizes activities for its fans. … My feelings toward this brand are very positive, because it manages its brand-page well."*	Well brand-page *management* → positive feelings
Bilateral	7-11, Interviewee-10: *"I think its brand-page is great. Its content is updated every day, and this brand also organizes free product giveaway activities."*	*Content* updates → positive impression
Bilateral	FamilyMart, Interviewee-1: *"In this brand-page, I can always obtain real-time product promotion information. With this, I can buy those special price products as soon as I wish."*	*Product* promotions → positive value
Bilateral	FamilyMart, Interviewee-10: *"Overall, the performance of this brand-page is very good because it frequently sends messages and sponsors activities for the fans."*	*(i) Frequency* of message posting → good performance *(ii) Frequency* of sponsored activities → good performance
Bilateral	Momoshop, Interviewee-7: *"I want to be its fan because it updates its brand-page very frequently."*	*Frequency* of updates → willingness to be a fan
Market	Lovego, Interviewee-5: *"For brand-page that is not properly maintained, there is no need to be its fan as I will not get the information I want."*	(i) Poor *management* → unwillingness to be a fan (ii) Poor *content* → unwillingness to be a fan
Bilateral	CrazyMike, Interviewee-2: *"It is its brand-page contents, which makes me like this brand. It makes me feel that it cares for its fans a lot."*	*Content* (service) → good feeling (caring) → liking

Frequent updates to a brand-page lead to positive impression and good image, and eventually a user's willingness to be the brand-page's fan. As good impressions continue to build up, fans will have the confidence to introduce the brand to others, such as their relatives and friends, a form of valuable word-of-mouth marketing. This viral marketing effect will indeed become helpful for companies to decrease their future cost of creating brand awareness and social interaction transaction costs in the long run and increase marketing value for their brands.

Asset Specificity

Governance structure influences how a brand-page is managed, the quality of a brand-page's contents, and how its product/service is marketed to the fans. It is observed that brands implementing bilateral governance structure in their social media transactions, to some degrees, interact more and respond to questions from the fans than the brands adopting market governance structure. Of course, more interactions with fans require greater specific investment. The quotations from the participants in Table 13 show the relationships between asset specificity of social media interaction conducted in social media, and brand image and willingness to be a fan.

Table 13 – Quotations Showing the Impacts of Frequent Social Interactions on Brand Image and Willingness to Be a Fan		
Governance structure	**Quotation from interviews or surveys**	**Logical chain of evidence**
Table 13-1		
Bilateral	Momoshop, Interviewee-2: *"… if it can provide timely response to its customer then it will be perfect. … Most of the people will have positive comments for this brand."* *"…I feel mostly satisfied with this brand … because I feel that the brand puts a lot of effort in managing the entire brand-page."*	*(i) Asset specificity (management practice – timely response) → positive comment* *(ii) Asset specificity (management image) → positive image (satisfaction)*
Table 13.2		
Bilateral	Momoshop, Interviewee-10: *"… when there is a critic or a problem [from the fans] they will response positively. So, I find it a very positive brand."*	*Asset specificity (management practices) → positive brand*
Bilateral	Momoshop, Interviewee-1: *"This brand-page is very passionate in solving any problems raised by its fans. In overall, I think it manages the brand-page well."*	*Asset specificity (management – being a passionate brand) → positive image*
Table 13.3		
Bilateral	7-11, Interviewee-2: *"It does not have a lot of marketing activities. Most importantly, it gives me surprises. Its newsfeed contents are different and changed every day, and it is not boring. So, I want to be its fan."*	*Asset specificity (non-marketing oriented, creative contents) → willingness to be a fan*
Bilateral	FamilyMart, Interviewee-2: *"It is my preferred type of brand-page. It has no intense marketing atmosphere; in contrast, it creates new and interesting posts. It seems to have a dedicated brand-page management team."*	*(i) Asset specificity (no intense marketing atmosphere, interesting contents) → liking* *(ii) Asset specificity (dedicated management) → liking*
Bilateral	FamilyMart, Interviewee-10: *"This brand is likable mainly because its brand-page contents are very rich, and gives away product samples frequently. I feel it takes its brand-page seriously."*	*(i) Asset specificity (rich contents) → liking* *(ii) Asset specificity (organize product giveaway activities) → liking*
Market	SimpleMart, Interviewee-10: *"I feel its brand-page is managed poorly because its contents are relatively plain, and most of the time its posts are product information."*	*(i) Low asset specificity (poor management) → negative image* *(ii) Low asset specificity (plain contents) → negative image* *(iii) Low asset specificity (products information only) → negative image*
Market	SimpleMart, Interviewee-5: *"This brand-page does not provide a lot of activities for its participants. So, there is no need to be its fan as I will not obtain any value from it."*	*Low asset specificity (poor activities management) → negative image (low value) → unwillingness to be a fan*
Bilateral	Momoshop, Interviewee-10: *"I am impressed by its brand-page. They respond to fan's comments, often update brand-page contents, and provide product giveaways frequently."*	*(i) Asset specificity (management responds to comments) → good impression* *(ii) Asset specificity (organize product giveaways) → good image*

20

Although there is uncertainty associated with open communication with the public in the social media, it can be avoided if negative reviews and comments are managed properly. This indeed is helpful to project a good brand image, see Table 13.2.

It is also observed that brand-page contents and topics that are too narrow (for examples, focusing on product marketing information only) will not create a good brand image and will not attract the willingness to be a fan. Too often these social media users want varieties in content's styles, topics, format, modes of interaction (call-to-action – answer a question, take a quiz, give an opinion, like and share a post), and posts coming from different post originators and different social media sites (e.g., YouTube and Instagram), see Table 13.3.

To sum up, all these communications with fans and provision of resourceful, variety and interesting contents demand brands to put more dedicated efforts and produce more creative and new contents. In general, asset specificity in social interactions in our cases ranges from high to low. Social media transaction with higher asset specificity, i.e. involving more interaction specific to the fans and being more responsive to fans' questions, and creating more unique and original contents – to form a more positive impression, perception, and image for a brand. This eventually causes one's willingness to be a fan of a brand-page.

Based on the above findings, Figure 3 summarizes the relationships between social media governance structure and willingness to be a fan. Social media governance structure here is characterized by frequency and asset specificity of social media interaction transactions.
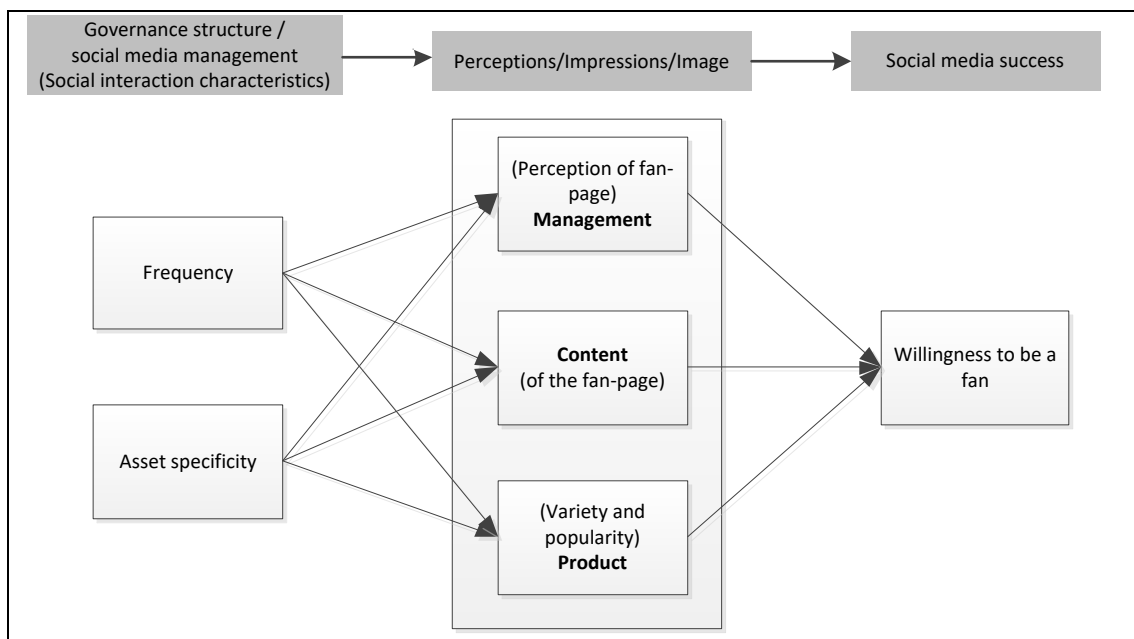

Figure 3 – Relationships between Governance Structure and Willingness to Be a Fan

Key Concepts in Willingness to Be a Fan

The prior section has described the key causes and conditions that form a positive and favorable perception, impression and image on a brand-page, which lead to the willingness to be its fan. The key causes and conditions are primarily the frequency and the amount of dedicated efforts (asset specificity) a brand allocated to its social media interaction transactions. Here, we explain the three key concepts of factors (see also, Table 11) affecting one's willingness to be a fan of a brand-page.

"Management" concept – based on the direct codes, it is understood that this theme comprises of and can be measured by the (i) dedication – the amount of efforts inputted into managing a brand-page, (ii) purpose of the brand-page, and (iii) value offerings to the fans. The dedication or amount of efforts inputted into managing a brand-page – this is described as dedications, frequency of posting, organizing activities (e.g., lucky draw, raffles activities, collecting fans feedbacks), observable brand-page brand image (e.g., number of fans and likes), caring for the fans, friendliness, and being attentive to fans' queries and responding to fan's questions. The purpose of the brand-page – this is measured by the tone used in presenting the brand's message and information. This can be easily detected by fans and can be classified into marketing-oriented and non-marketing-oriented. Value offerings to the fans – this explains how a brand treats its fans, and whether it provides feedbacks and values to its fans as a token of gratitude for their participations and interactions. This includes organizing interesting activities, such as giveaway freebies, lucky draw, special offers or discounted products for the fans.

"Content" concept – following the extracted codes, the content of a brand-page can be evaluated based on its (i) quality, (ii) presentation, (iii) timeliness, and (iv) usefulness. The quality of content is characterized by being interesting (vs. boring), richness and variety in content, meaningful, lively and funny. Presentation describes how a brand-page presents its content, e.g., whether its contents are plainly product-oriented, advertisement-oriented, messy, too plain, complex, lively, arousing, emotive, pictorial presentation, and ease of use (information browsing and searching). Timeliness explains how new and up-to-date the contents are. Finally, usefulness defines the practicality (e.g., related to daily life), meaningful or relevancy (related to the right target group and location), and value (e.g., obtaining promotion offers, first-hand information, new information, pricing information) of the content.

"Product" concept – based on the extracted codes in this theme, they can be characterized into four attributes. They are the (i) product nature, (ii) product variety, (iii) product price, and (iv) knowledge about the brand. The nature of the product includes the product's quality, attractiveness, uniqueness, and usefulness to daily life. In general, variety in products and relatively cheaper product price are expected by the fans. The knowledge about the brand or company is related to how well others know, hear or are familiar with the brand. For example, one knows where to look for this brand's product, has trust in the quality of this product because of its brand value, and has the experience of using this brand before.

These three themes form the brand image of a brand in a brand-page. They are interrelated such that management of a brand-page will influence the content of the brand-page, and the postings and marketing of the product or service sold by the brand will also affect the content of the brand-page, see Figure 4.
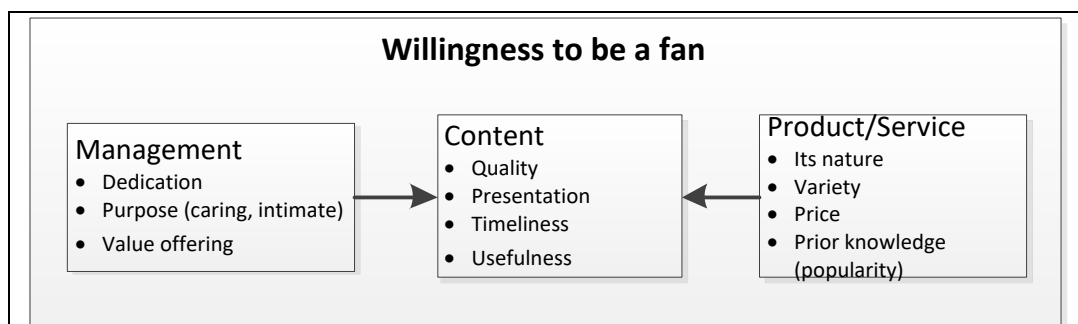

Figure 4 – Key Concepts (Sub-Constructs) in Willingness to Be a Fan

Conclusion and Contribution

This study has extended our understanding of how to manage a brand-page efficiently and what needs to be done in order to attract (or retain the relationship with) the fans of a brand-page. Our findings support the initial proposition of "successful companies use a more effective governance structure to manage their social media transactions, resulting in attracting more interactions and engagements from fans (i.e., making reactions, sharing and commenting in brand posts), and positive brand image on the social media, which eventually leading them to obtain more new fans and retaining more existing fans." Based on our study, these successful companies or brands adopt the bilateral governance structure in their social media interaction and related transactions. On the other hand, the brands those fail to attract many fans utilize the market governance structure. Thus, under a non-manipulative circumstance ineffective governance structure, such as the "market governance structure," is shown to be unsuccessful in attracting a good number of fans in most of the time.

Overall, the data analysis in Table 6 shows that successful cases are relatively more dedicated and allocating more amounts of specific resources in their social media interaction transactions. This, in turn, helps them to obtain a better impression and perception of its brand, and ultimately build a good brand image. All of these are helpful in establishing a positive bonding and emotion with existing fans and potential fans. From the transaction cost economics perspective, the transaction cost of social interaction activities is high considering the frequency, asset specificity and the possible uncertainty involved. However, brands with high social interaction costs are expected to have a lower fan acquisition costs and brand awareness costs in the future; they are found to obtain more positive impressions, perceptions, meaning and symbols attached to their brand-pages (see Table 10). This leads to positive impacts on one's willingness to become the brand-page fan.

From the fans' perspective, they prefer brands, investing more resources specific to a social media site and its fans, because these brands reduce social transaction cost of the fans by providing useful, entertaining and interesting contents, offering social networking opportunities with other fans, giving rewards to them, and allowing them to better understand a brand through observing how the brand resolves other fans' critics and doubts.

This study makes the following theoretical contributions. Firstly, it has provided a basic understanding of the key concepts or sub-constructs of user's willingness to be a fan of a brand-page in the context of social media. Secondly, this study contributes to TCE building as it examines a previously unexplored relationship between social interaction transaction costs and willingness to be a fan of a brand-page. While brands gain reduction in fans acquisition and retention costs, fans obtain reduction in information searching, product acquisition and social networking costs. In specific, this research integrates the role of transaction cost economics (mainly, the attributes of frequency and asset specificity) involved in social media interaction transactions and willingness to be a fan to explain the success of utilizing social media for business. In addition to adopting a TCE theoretical perspective to explain the success and failure in social media, it proposes a conceptual model (in Figure 3) of social media success for business, and provides a better understanding of the issues and factors underpinning the success of a social media project.

From the TCE perspective, this study suggests that although a frequent brand-page updates and asset specificity expected by the fans can cause the social interaction transaction costs to increase, future fans acquisition costs, customer retention costs and word-of-mouth (WOM) marketing costs can be pretty low. Social media can be used as an effective communication tool and an effective media to: (1) allow fans to know a brand better

and foster mutual understanding, and (2) clarify and explain any complaints, conflicts and critics about a brand, due to its accessibility and widely used by consumers. Thus, it is helpful to build trust, and contain the potential threats, uncertainties, ripple-effects and costs associated with the misunderstanding and/or critics. The brand-generated-content in a brand-page can be low in cost if they are re-used from existing internal sources, curated from other sources, and/or shared (the new content) with other social media channels or traditional marketing channels.

The research findings from this study should be useful to the practitioners as it suggests the factors, i.e., brand-page management, contents and product information, that are helpful for a successful social media strategy and the pitfalls to avoid based the prior experiences of other companies as illustrated in this study. Based on our observations in this study, fans have a specific purpose of being a fan; it can be for special product offers, entertainment and daily life knowledge. Whenever any of these is not met, the fans will unsubscribe from being a fan, being passive and/or ignore any post from a brand.

Many companies utilize social media to understand consumers' needs, connect and establish a good bonding with consumers and fans, and attract new prospects. Most of them use it to communicate and inform consumers and fans about their brands' concepts, policies, directions, and product and service offerings. This is meant to help consumers

to better understand the brands, reduce their unknowns (risks or uncertainties) about the brands and information searching costs, which can be useful to build up a good impression and image of the brands.

In reality, the cost of dedicated and human asset specificity for a brand, which focuses on organizing various activities to obtain interactions from fans and creating social contents specific to a particular social media, is pretty high. However, social media cross-channel marketing is gradually becoming a norm among brands and companies those plan to utilize online marketing venues. For example, a social content created for YouTube, YouKu, blog, and Pinterest can be shared to a Facebook brand-page, Twitter and Line application; and contents from Facebook's brand-page can be shared to a Twitter account and vice versa. Thus, the costs associated with managing a social media site can be distributed to other social media channels, and create a very attractive scale of economics for each channel.

Similar to all studies, there are a few limitations in this study. Firstly, it is related to the sample size and limited industry types examined. In this study, only six case studies are investigated and they are limited to retailing and online shopping industries. Secondly, the interpretations of this study may be constrained by the authors' initial suppositions and prior experiences related to this subject matter. However, extensive review of trade literature and prior research studies can help in minimizing biases and drawing the right conclusions.

Acknowledgment

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Appendix 1 – Details of the six brands covered in this study

Brand	Description
7-Eleven (7-11)	Taiwan 7-Eleven is the top convenient store in the convenience retailing industry, in Taiwan. It is owned by President Chain Store Corporation under Uni-President Enterprises Corporation, an international food conglomerate based in Taiwan. It started its business operation in Taiwan in 1978 (7-Eleven, 2014). It offers a variety of services for customers such as selling foods, drinks, magazines, daily products, transportation tickets/cards, exhibition ticket, facsimile transmission, courier services, various bills payment, and pre-ordered purchases. It is operating both physical store channels and virtual channels domestically.
FamilyMart	Taiwan FamilyMart was the founded in 1988 in Taiwan, and is the second most popular convenience store in Taiwan (FamilyMart, 2014). It is the pioneer in bill payment service and the first in the convenience retailing industry to start e-commerce with the service of online ordering and pick-up in stores. Besides selling foods, drinks, magazines and daily products, FamilyMart also provides similar daily life services as offered by Taiwan 7-Eleven.
Simple Mart	Simple Mart was established in Taiwan in 2006. It is a retailing store and is belonged to Mercuries Group. It provides discount to customer through points stored in a membership card, earned from previous shopping (SimpleMart, 2014). It sells fresh food and drinks, as well as providing the service of bill payment collection.
Momoshop	Momoshop is an online home shopping platform created by Fubon Multimedia Technology Co., under the Fubon Group. Fubon Momo online shopping portal (momoshop) was launched in 2005. It is one of Taiwan's five biggest online shopping centers (Fubon Group, 2009). It sells various products such as cosmetics, leather goods, home appliance, computers, food, baby products, shoes, fashions, daily products, arts, car accessories, sports products, and luxuries.
Crazymike	Crazymike was an online shopping channel established by eDynamics, Incorporation in 2008; it was acquired in 2011 by ZinTV Incorporation that is under a public listed company named Zinwell Corporation (ZinTV Incorportion, 2011). In addition to offering goods similar to Momoshop, it also sells fruits, domestic and international hotel accommodations, food coupons, mobile phone, and entertainment tickets.
Lovego	Lovego is an official online shopping website of Senao International Co., Ltd. The company was founded in 1979 in Taiwan (Senao International Co., 2012). It is one of the top agent distributions of mobile phones, digital cameras, satellite navigation products, handheld computers, and related accessories of various brands in Taiwan.

Appendix 2 – Facebook post presentation formats

Descriptive code: presentation format	Retailer			Online shopping			Count
	7-11	Family Mart	Simple Mart	Momo shop	Crazy Mike	Lovego	
1. Text only				X			1
2. Text + photo/picture	X	X	X	X*	X*	X	6
3. Text + hyperlink	X	X		X		X	4
4. Photo + hyperlink	X	X		X		X	4
5. Text + hyperlink + commerce-site	X			X	X	X	4
6. Interaction- and comm.-oriented	X			X			2
7. Social proof		X					1

*=their photos are relatively clearer

Appendix 3 – Facebook post content characteristics

	Retailer			Online shopping			Count
	7-11	Family Mart	Simple Mart	Momo shop	Crazy Mike	Lovego	
1. Product-oriented	X	X	X	X	X	X	6
2. Interaction-oriented	X			X			2
3. Greeting fans			X			X	2
4. Motivating post				X			1
5. Perceptual post				X			1
6. Current affairs				X			1
7. Interesting		X	X		X		3
8. Relaxing					X		1
9. Exaggerating				X			1
10. Funny		X					1
11. Variety in products*	X			X			2
12. Has external links to the corporate webpage	X	X				X	3
13. Variety in contents**	X		X			X	3
14. Well described events	X						1
15. Use lively words		X					1
16. Use smiley or emoticon		X	X				2
17. Use hashtag and keyword		X					1
18. Use emphasis in post	X						1
Count	7	7	5	7	3	4	33

*=because of different seasons, weather or special edition products; **= such as weather forecast, business partner info, opening of new shops, vacation news, daily life tips, new year dinner menu, latest advertisement

Appendix 4 – 1st round (open) coding: Descriptive codes for making the decision to become a fan of a brand's fan-page

7-11: Total number of direct quotes = 30	
7-11 **(YES)**	Adjusted number of direct quotes: 22 (+2) = 24
Interviewee 1	Too close to our daily life, can obtain timely goodies giveaway news, good brand-page management – 3
Interviewee 2	Does not have a lot of marketing activities, feel fresh as its newsfeed is updated frequently, not boring, good brand-page management – 4
Interviewee 3	Be continuously informed of the new products and activities, can share goodies with friends, good brand-page management – 3
Interviewee 6	Fully trust this brand, product quality is guaranteed, good brand-page contents – 3
Interviewee 7	Daily life product, organize lucky draw activities, provide new information, dedicated brand-page management – 4
Interviewee 9	Brand has multifunction, convenient – 2
Interviewee 10	good brand-page management, update contents daily, organize free product activities – 3
7-11 **(NO)**	Adjusted number of direct quotes: 8 (-2) = 6
Interviewee 4	Am not used to brand-page, brand-page content is pretty messy – 2
Interviewee 5	Has no such need, can obtain information from a physical store directly, good brand-page performance[(P)] – 3
Interviewee 8	Products are not attractive, products are not suitable for me, great brand-page management[(P)] – 3
FamilyMart: Total number of direct quotes = 34	
FamilyMart **(YES)**	Adjusted number of direct quotes: 30 (-1) (+3) = 32
Interviewee 1	Related to daily life, obtain timely post on product promotions, can buy special offer products, good brand-page management – 4
Interviewee 2	I like it, has no intense marketing strategies, new posts, interesting posts, good brand-page management, dedicated brand-page management – 6
Interviewee 3	Obtain a lot of information on the brand's activities, obtain of promotion information, obtain new products information, good brand-page management – 4
Interviewee 6	Want to know new product information, obtain first-hand information – 2
Interviewee 7	Beautiful pictures, has lucky draw activities, good brand-page management, content is complex[(N)] – 4
Interviewee 8	Obtain latest information, has opportunities to get free products – 2
Interviewee 9	Like the contents, get product information – 2
Interviewee 10	Rich contents, organize free product giveaway frequently, dedicated brand-page management, send post frequently, organize activities frequently, good brand-page performance – 6
FamilyMart **(NO)**	Adjusted number of direct quotes: 4 (+1) (-3) = 2
Interviewee 3	Can buy from physical store directly, good brand-page performance[(P)] – 2
Interviewee 4	Too familiar with the brand[(P)], contents are good[(P)] – 2
SimpleMart: Total number of direct quotes = 31	
SimpleMart **(YES)**	Adjusted number of direct quotes: 13 (-3) (+1) = 11
Interviewee 2	Put a lot of efforts in managing the brand-page – 1
Interviewee 3	Considering brand-page as a product buying reference, beneficial to compare product, can get a cheaper price product, good brand-page management – 4
Interviewee 4	Brand-page is good for browsing before buying, look for discount product – 2

Interviewee 6	Often has product discount, can get information quickly – 2
Interviewee 10	Want to know the brand's special offer information, poor brand-page management[(N)], message is too plain[(N)], message is too product-oriented[(N)] – 4
SimpleMart (NO)	Adjusted number of direct quotes: 18 (+3) (-1) = 20
Interviewee 1	Product promotion is too location-specific, not all physical stores have the same promotional products, brand-page management is poorly managed – 3
Interviewee 5	No activities to participate, mainly provide information only, obtain no special value from it, not satisfied with the contents – 4
Interviewee 7	Have not seen this brand before, not sure where to locate this shop, not practical, not willing to be its fan, brand-page management is okay[(P)], contents are focused on advertisement – 6
Interviewee 8	Most of its contents are advertisement, do not want my FB full of advertisement – 2
Interviewee 9	Target group should be the mother-group, not attractive to the youngster group, brand-page management is not very good – 3
Momoshop: Total number of direct quotes = 29	
Momoshop (YES)	Adjusted number of direct quotes: 23
Interviewee 1	Provide special promotion, friendly in addressing questions from fans, good brand-page management – 3
Interviewee 2	Brand-page is useful, practical, meaningful post, can search for daily life products – 4
Interviewee 3	Has a lot of activities, has a lot of fancy product types, has a lot of unknown products – 3
Interviewee 5	Often organize lucky draw activities, for trying luck, good brand-page management – 3
Interviewee 7	Post message frequently, has lucky draw activities, good brand-page management – 3
Interviewee 8	Variety of products, has a lot of cheaper products, good brand-page management – 3
Interviewee 10	Good brand-page management, reply fans' questions, update contents frequently, organize free product giveaway frequently – 4
Momoshop (NO)	Adjusted number of direct quotes: 6
Interviewee 4	Dislike online shopping, not very satisfied with their brand-page – 2
Interviewee 6	Products are not useful to me, dislike the type of message posted – 2
Interviewee 9	Too many product categories, too difficult to find my favorite product – 2
CrazyMike: Total number of direct quotes = 28	
CrazyMike (YES)	Adjusted number of direct quotes: 16 (+4) = 20
Interviewee 2	Like the messages content, brand-page cares for its fans, good brand-page management, less business-oriented brand-page – 4
Interviewee 3	Like the product (titbits) varieties, very attractive, brand-page management is still okay – 3
Interviewee 4	Interesting pictures, funny pictures, post messages frequently – 3
Interviewee 7	post messages frequently, brand-page performance is good – 2
Interviewee 8	Variety in contents, lively, funny, product is cheap – 4
CrazyMike (NO)	Adjusted number of direct quotes: 12 (-4) = 8
Interviewee 1	Has no promotional information, organize no activities, it is not very good – 3
Interviewee 5	Product quality has no guarantee, product is cheap but is not good to use, contents are still acceptable[(P)] – 3
Interviewee 6	Do not need the products, brand-page management is okay[(P)] – 2
Interviewee 9	More comfortable to inspect the product on the spot, good brand-

	page management[(P)] – 2
Interviewee 10	good brand-page management[(P)], message content is too plain – 2
Lovego: Total number of direct quotes = 16	
Lovego **(NO)**	Adjusted number of direct quotes: 16
Interviewee 1	Did not update for a long time – 1
Interviewee 2	Brand-page is no longer in business – 1
Interviewee 3	Contents are very old, contents have not been updated – 2
Interviewee 4	Brand-page is no longer in business – 1
Interviewee 5	Brand-page is no longer in business, will not get the information I want – 2
Interviewee 6	No brand-page management dedications, post very few messages – 2
Interviewee 7	Not updated at all, no lucky draw activities – 2
Interviewee 8	Boring contents, no updates for a long time – 2
Interviewee 9	Not well-maintained – 1
Interviewee 10	Brand-page is no longer in operation, contents are not good – 2

(P) = belongs to positive symbol; (N) = belongs to negative symbol

Appendix 5 – 2nd round (focused) coding: An example of assigning common themes to descriptive codes

7-11: Total number of direct quotes = 30	
7-11 **(YES)**	Finalized number of quotes: 22 (+2) = 24
Interviewee 1	[Product is] too close to our daily life - P, can obtain timely goodies giveaway news - M, good brand-page management – M – 3
Interviewee 2	Does not have a lot of marketing activities - M, feel fresh as its newsfeed is updated frequently - C, not boring - C, good brand-page management - M – 4
Interviewee 3	Be continuously informed of the new products and activities - P, can share goodies with friends - S, good brand-page management - M – 3
Interviewee 6	Fully trust this brand - B, product quality is guaranteed - P, good brand-page contents - C – 3
Interviewee 7	Daily life product - P, organize lucky draw activities - M, provide new information - C, dedicated brand-page management - M – 4
Interviewee 9	Brand has multifunction - B, convenient - B – 2
Interviewee 10	good brand-page management - M, update contents daily - C, organize free product activities - M – 3
7-11 **(NO)**	8 (-2) = 6
Interviewee 4	Am not familiar with brand-page - I, brand-page content is pretty messy - C – 2
Interviewee 5	Has no such need - I, can obtain information from a physical store directly - B, good brand-page performance - P – 3
Interviewee 8	Products are not attractive - P, products are not suitable for me - I, great brand-page management - M – 3

Note: M=management, B=Brand, I=Individual, C=Content, P=Product

About the Authors

Celeste See-Pui Ng is currently an Associate Professor of the Department of Information Management at Yuan Ze University, Taiwan. *She received her PhD in management information system from the Queensland University of Technology, Australia.* She has published research work and articles in the *Information & Management, Journal of Information Technology (JIT),* Journal of Global Information Management *(JGIM), Journal of Systems and Software (JSS), Journal of Software Maintenance and Evolution: Research and Practice (JSME), Information Systems Frontier (ISF),* International Journal of Enterprise Information System (IJEIS), among others. Her research interests include social media marketing, IS/IT success, and Enterprise Resource Planning (ERP) maintenance and upgrade issues.

Eric T.G. Wang is Information Management Chaired Professor of Department of Information Management at National Central University, Taiwan (R.O.C.), and a Fellow of Association for Information Systems. He received the Ph.D. degree in Business Administration, specialized in computer & information systems, from the William E. Simon Graduate School of Business Administration, University of Rochester. His research interests include electronic commerce, supply chain management, outsourcing, organizational economics, and organizational impact of information technology. His research has appeared in *MIS Quarterly, Information Systems Research*, *Journal of Management Information Systems, Journal of AIS, Management Science*, *Decision Sciences, European Journal of Information Systems*, *Information Systems Journal, Decision Support Systems, Information & Management,* and others.