



Fan-centric social media: The Xiaomi phenomenon in China

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Abstract In this highly competitive century, social media offers both opportunities and challenges. The concept of social media is top of mind for many entrepreneurs today. Fans are assuming an increasingly active role in co-creating marketing content with companies and their respective brands. Based on the Xiaomi success story in China, we provide a framework for building the power of the fan base and propose a new fan-centric social media business model. We examine the best practice case study of an emerging company's successful efforts to leverage social media in order to reach an important audience of young consumers. Thereafter, we conclude with several lessons related to the integration of social media into a new firm's operation strategy. We strongly recommend that businesses, and especially startups, make good use of powerful social media to develop a business model with fan demand as the core. This is what we call the 'fan-centric' social media business model.

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1. Xiaomi: An introduction

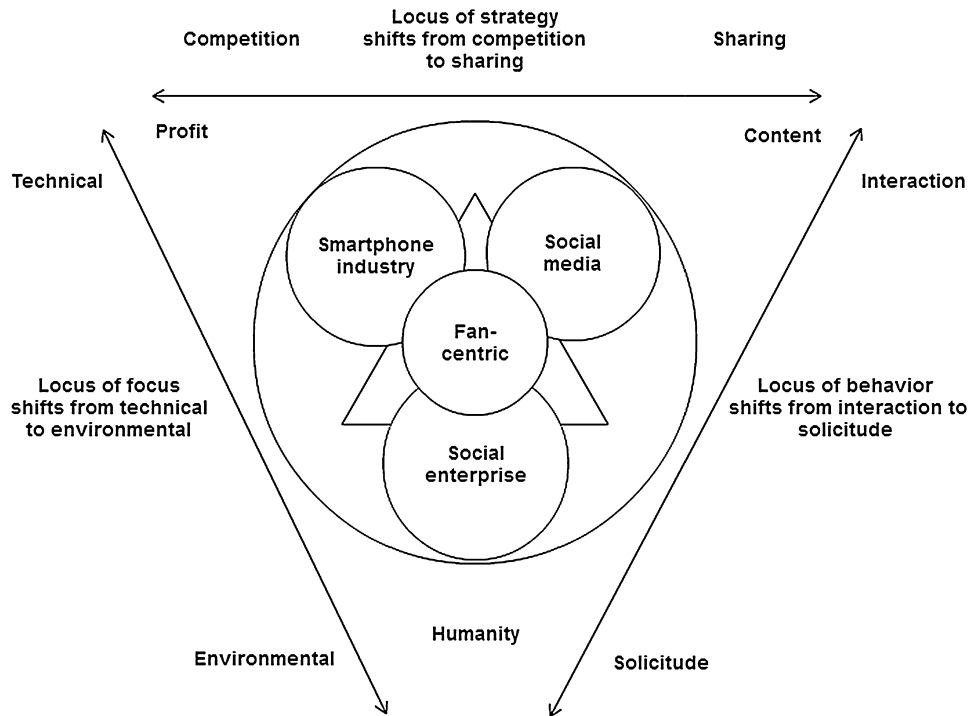
Founded on April 6, 2010, upstart Chinese handset maker Xiaomi (小米, pronounced "chow me")—or Beijing Xiaomi Technology Co., Ltd.—grabbed the spotlight with impressive early sales figures in its

first year of existence. Xiaomi Corporation is a Mobile Internet company focused on the research and development of high-end smartphones; it comprises the handset team (小米機 Xiaomi Phones), MIUI (the Android Skin), MiTalk, Xiaomi.com (the e-commerce platform), and Duokan. Xiaomi's slogan, "We produce the Xiaomi phone because of the Mi-fans," clearly and decisively reflects the 'fan-centric' philosophy of its founder, Lei Jun (雷軍), a well-known angel investor.

What does it take for a business to show it cares for its fans? A simple relabeling does not suffice,

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Figure 1. Fan-centric social media business model



Source: Revised from [Berthon, Pitt, Plangger, & Shapiro \(2012\)](#)

particularly one that implies a more devoted effort but is only intended to capture a larger share of the wallet. To prosper, a business must deliver on its promises of genuine concern for its fans. It must design the organization to facilitate interaction with those who buy its products or services. Concern for fans is a given in processes that ease their dealings with the company. From product design and the sales transaction to post-sale activities including delivery, installation, training, maintenance, warranty, and repurchase, all interactions must be implemented with passion, respect, and trust. The fan-centric social media business model is shown in [Figure 1](#).

2. Social media becomes a real business strategy

Today, everything is about social media. Social media allow firms to engage in timely and direct end-consumer contact more efficiently and at a relatively lower cost as compared to traditional communication tools. This makes social media relevant not only for large multinational firms, but also for small and medium-sized companies, nonprofit organizations, and governmental agencies ([Kaplan & Haenlein, 2010](#)).

According to a recent survey, nearly 60% of adults maintain profiles on social networking sites and/or visit these sites regularly ([Bernoff, 2010](#)). The Internet has rapidly become the medium of choice for communicating and consuming information in this century. Companies that ignore social media in the hope that they are a passing fad do so at their own peril ([Parent, Plangger, & Bal, 2011](#)). In the new social media-driven business model defined by customer connectivity and interactivity, content goes hand-in-hand with technology and has far-reaching effects on how marketers influence current and potential customers ([Hanna, Rohm, & Crittenden, 2011](#)). Xiaomi incorporates social media as follows:

- Since the establishment of the company, Lei Jun has used Sina Weibo (新浪微博) and Facebook to communicate with the company's fans. He posts over 100 comments daily on Sina Weibo in response to fans' questions about the company's situation, new product features, and product development. He has established direct and effective communication channels to interact with fans and, as corporate chairman, has been willing to communicate directly with fans. The fans, in turn, feel respected and are therefore willing to pay more attention to Xiaomi Corporation.

- Company executives other than Lei Jun have also grown accustomed to using a variety of blogs, Sina Weibo, and Facebook to inform fans of the company's status, answer their questions, and maintain friendly and direct interaction with them. This is generally rare among large companies, in most of which only the sales staff or customer service staff interacts with customers while executives seldom maintain such direct relations. As such, executives are often out of touch with the status quo of the market, as they are not on the proverbial 'front lines' of the business.

3. Fans play a key role in social networking sites

Social networking sites are applications that enable users to connect by creating personal information profiles, inviting friends and colleagues to access those profiles, and sending e-mails and instant messages. These personal profiles can include any type of information, including photos, videos, audio files, and blogs (Kaplan & Haenlein, 2010).

Social networking sites are full of fans; in fact, their key purpose is to attract and accumulate fans. The number of fans has become an important indicator of success. However, there are several types of fans on social networking sites, and encouraging them to become real or super fans is not easy. Many companies have started employing social media managers to build their respective fan bases, and have even set up separate fan departments and commissioned professional marketing companies to handle fans' issues. This implies that fans are becoming increasingly important, and will play a key role in social networking sites.

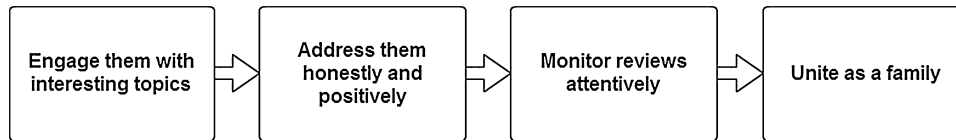
The fans of Xiaomi Corporation play a very important role in the company's development. Xiaomi Corporation's core value is that it is fan-centric; it makes sense, then, that it would use social networking as a tool to maintain contact with fans and build a strong fan community. The company interacts with fans in the following ways:

- Xiaomi's provision of a user-friendly interface within smartphones is a very good start. MIUI is an Android smartphone user interface developed by Xiaomi Corporation, which offers optimization and customization in terms of features such as the main page, voice volume control, camera parameters settings, and address book layout to compensate for deficiencies in the original Android smartphone operating system. As such, it makes smartphone use easier and more powerful for Chinese users.
- As a next step, to provide the most powerful smartphones—including the best hardware specifications, the most convenient user interface, and the most feature-rich software—Xiaomi updates MIUI each week and at the best price. Xiaomi Corporation hopes that its fans become so thrilled about using the interface that they feel compelled to discuss it and generate considerable positive word of mouth in social networking sites.
- In response to fan comments, Xiaomi Corporation quickly acknowledges feedback with gratitude; this creates strong interaction with its fans. In the company's early stages, most of its fans were 'power users' that were deeply conversant with the products and familiar with smartphone functionality. Hence, users of Xiaomi's smartphones provide substantial feedback regarding many requirements. They want Xiaomi Corporation to create smartphones that can sustain many modifications and can be enhanced functionally. These modifications include those made to both hardware and software, including the phone's shape, color, size, weight, speed of operation, theme pages, reception function, sound volume, camera function, and mode of operation. Other modifications include those to pricing, the ordering process, delivery speed, and after-purchase customer service. It is very important for the sake of Xiaomi Corporation's future operations that it leverages fan support and input in order to effectively shorten its product development and testing cycles, shorten the user learning curve, and facilitate rapid mass production.
- Xiaomi Corporation systematically classifies its fans into grades in terms of their participation level, number of comments, and level of importance of services provided to other fans. Based on that grade, Xiaomi Corporation then grants the fans a variety of permissions and incentives. This encourages fans to participate in all company activities and to use social networks to answer the questions of other fans, thus creating a very large, active, and powerful community.

4. Framework to build the power of the fan base

For a business to prosper, it must serve its fans; to serve them well, it must understand their needs, wants, and desires. In the social media era, fans are even more important than spectators and customers. They are no longer merely passive recipients in the marketing exchange process. Today, they play

Figure 2. Framework to build fan power



an increasingly active role in co-creating everything from product design, to promotional messages, to after-sales service. Based on the characteristics of fans on social networking sites, we propose a framework to build the power of the fan base as shown in Figure 2.

4.1. Engage them with interesting topics

Social media are Internet-based technologies that facilitate conversations (Carton, 2009). Their main embodiments are Facebook, YouTube, and Twitter websites/applications, as well as the 200+ million blogs in existence (Pitt, Parent, Steyn, Berthon, & Money, 2011). They differ from the more traditional web applications by offering users a platform for creating content, uploading content, networking, conversing, media sharing, and bookmarking.

Consumer participation is increasing rapidly; consumers are willing to engage with a brand beyond just making purchase decisions at the point of sale. Parent et al. (2011) suggest that there are six progressive levels to such participation: viewing, forwarding, commenting, creating, moderating, and arbitrating. By engaging customers with interesting topics, viewing their comments, and forwarding the same to others, opportunities and possibilities for significant interactions between the enterprise and its fans will heighten, thereby strengthening their mutual relationship. In its interactive approach, Xiaomi considers the following:

- The smartphone is the most important modern portable communication tool; it can be used not only to place phone calls, but also to send and receive messages and e-mail, take pictures, listen to music, watch movies, purchase goods, and play games, among other things. The smartphone has substantial functionality, surpassing even that of a computer. Therefore, in purchasing a smartphone, each customer will have different desires and preferences extending from exterior appearance to internal functionality, from color and weight to user interface and computing speed, and from price to after-purchase customer care. Indeed, there are many interesting considerations that are worthy of attention and discussion.

- In particular, the market has been flooded by Apple and Samsung smartphones; customers like to compare these brands and offer suggestions for Xiaomi's smartphone. Such comparisons give rise to a number of questions that are open to discussion: Is Xiaomi's smartphone the world's fastest phone? Why is the price of Xiaomi's smartphone only one-half that of Apple's? Why is Xiaomi's smartphone always out of stock? Will Xiaomi Corporation endure? Will Xiaomi continue in this pattern and succeed?
- Xiaomi's software is updated each week; fans can try the new features and discuss and learn about them. No other smartphone company offers this kind of community. As such, Mi-fans have something to look forward to each week and can keep abreast of changes.

4.2. Address them honestly and positively

There are many benefits to the right kind of customer-to-customer (C2C) communication, including reduced customer support costs, powerful marketing and promotion opportunities, new product ideas, enhanced loyalty, and incremental purchases (Algesheimer, Dholakia, & Herrman, 2005; Williams & Cothrel, 2000).

However, while this kind of C2C communication can have enormous reach and be incredibly cost effective, it also introduces a dramatic loss of control for organizations that are carefully trying to project a consistent brand message. This dynamic makes an organization extremely vulnerable to even a single subversive customer intent on damaging the brand (Tripp & Gregoire, 2011; Ward & Ostrom, 2006). The high stakes highlight the importance of managing online communities or social networking sites in ways that leverage and amplify positive influences while mitigating or eliminating negative forces (Noble, Noble, & Adjei, 2012).

A company should have a positive attitude and respond quickly, courageously, and honestly when fans make comments, whether good or bad. What matters to fans is whether the company cares about them or indulges in window-dressing. A good company often communicates with its fans, providing an

opportunity to create value. It is primarily worried about providing misleading information or deliberate deception, upon which fans will have a very negative impression of the company and withdraw their loyalty.

Xiaomi Corporation interacts with fans through social networking sites, where all messages are transparent. When fans post opinions on the web, everyone can read them—even those who are not fans or customers of Xiaomi. Consequently, people who visit these sites post positive as well as negative comments and sometimes engage in malicious attacks. Because these posts appear on social networking sites, there are virtually no secrets; thus, the company cannot possibly cover up problems, and it is compelled to address and resolve them. Customer complaints that are not handled properly could lead to more complaints. Responses appear quickly on social networking sites. When a product is first launched, fan opinions surface on these sites immediately, and it is of utmost importance to Xiaomi that it faces and deals with them honestly and positively.

Sometimes a number of individuals will complain about relatively trivial issues, such as the color of the back cover (which is currently only white or black). As for the more serious issue of system crashes, this is highly problematic; Xiaomi launched a smartphone that frequently crashed at the early stage, and fans complained swiftly and strongly. System crashes occur for a number of reasons, sometimes because of the machine itself, and sometimes because it has been misused. In any case, Xiaomi Corporation must face and handle all complaints quickly, honestly, and positively; otherwise, negative word of mouth will spread and seriously affect the company's reputation and its business promotions. As regards problems pertaining to photographic quality, there have been complaints. Many reasons underlie poor photographic quality, and Xiaomi Corporation must address all of them via actions such as offering technical support and videos to teach customers about photography functionality, or organizing photography contests. By engaging in these activities, fans can enhance their knowledge of photography and increase product enjoyment while reducing complaints.

4.3. Monitor reviews attentively

Fans usually want to express their personal thoughts, emotions, and opinions about the company. These include some rational statements, sentimental rhetoric, fragments, compliments, or even long and unfocused complaints. With so much content available, what should the company focus on? The answer is fans' reviews of products or services.

Marketers and economists have examined the role of online customer reviews. In many of these studies, it is assumed that online reviews communicate information about the product quality (e.g., Etzion & Awad, 2007) and reduce the research costs of identifying a product that matches the consumer's preferences (e.g., Chen, Wu, & Yoon, 2004).

Fans spend significant time and effort toward reviewing a product or service; hence, their reviews are very important. Fans express their ideas and opinions and share them with friends. They usually provide many valuable insights, which companies must consider carefully. Reviews are a requirement for other fans, and they have great influence on the company's operations. When fans post negative comments or positive suggestions, it gives the company an important opportunity to reestablish its relationship with them. Therefore, the company must show sincere concern and respond quickly and appropriately. A good reviewer is usually a super fan or an opinion leader who may be very influential in cyberspace. Neglecting such reviewers may cause the company serious and irreparable loss. The company should begin by committing to eliminate deficiencies in its interactions with fans, and ensure that superior fan care becomes a standard operating procedure.

Xiaomi Corporation treats all fans' reviews very seriously and attentively; product-related feedback, in particular, is highly valued. All comments are carefully classified and researched. Then, in accordance with the seriousness and urgency of the problem at hand, the company creates and schedules a solution timetable. Every post is taken seriously, regardless of the author; significance lies in the problem itself, not the person who wrote it. However, fans receive small rewards for their contributions.

Xiaomi has received from its fans numerous suggestions for smartphone improvements and new features, to which the company responded with improvements. Consider the following examples:

- Many people do not find it easy to update their smartphone software. In response, Xiaomi Corporation has provided a software update procedure for fans to learn.
- Customers are not highly conversant with the smartphone's camera functionality settings, so Xiaomi Corporation has provided a technical description of the camera to help fans set up their options.
- People want to conserve power on their smartphones. Accordingly, Xiaomi Corporation has provided a larger-capacity battery.

- Users want to record the times at which they answer the phone, so Xiaomi Corporation now provides this functionality.
- Some people take important calls at night and others want automatic filtering; Xiaomi Corporation offers these functions.

Xiaomi Corporation employs a hierarchical system to manage its fan-based community, and the company has a very clear understanding of the technical-expertise level and loyalty of each fan. They sort fans into two categories: ‘fever fans’ (發燒友) and ‘pan-fever fans’ (泛發燒友). Fever fans are those who have a high degree of understanding of and desire for new smartphone features. Their opinions are highly valued, and they are often invited to participate in the development of the company’s new product specifications. In addition, they are prioritized for new product trials and are even hired as consultants or employees of Xiaomi Corporation. Pan-fever fans are those who have a normal degree of understanding of and desire for new smartphone features.

4.4. Unite as a family

Two hundred years ago, Adam Smith would have said customers want to invoke ‘fellow feeling’ among employees and managers alike to enable “pity for the sorrowful, anguish for the miserable, and joy for the successful” (Davis, 1996, p. 3). According to Mike DiLorenzo, director of social media marketing and strategy for the National Hockey League (NHL), “Social networks aren’t about Web sites. They’re about experiences” (Wyshynski, 2009). These experiences arise when marketers are able to incorporate reach, intimacy, and engagement in the company’s overall integrated marketing communications strategy through online social media and traditional activities (Hanna et al., 2011). Engagement with fans provides strategic insights.

Based on our observations and study, fans on social networking sites should be an intimate group of people who enter a committed relationship, care for one another, and share activities and close emotional ties.

Xiaomi Corporation attaches great importance to its fans and often provides them with preferential products and giveaways (e.g., smartphone or accessory discounts, free T-shirts or puppets). It also organizes various gatherings for them to enjoy. At these events—including fan festivals and same-city reunions—fans can meet, share experiences, and learn and grow together.

The annual fan festival represents Xiaomi’s most important occasion for gathering devoted followers.

As part of the program, Lei Jun, Xiaomi’s founder, usually reports the latest results of company operations, introduces new products, and provides the best feedback gifts. All proceeds from ticket sales go to charitable institutions. This festival belongs to all Mi-fans: their enthusiastic participation is evident, and their ‘holiday’ cheer during this time is widely shared.

Same-city reunions are organized by Mi-fans within each city. Xiaomi Corporation provides the venue, gifts, and prizes in support of the reunion. As such, the fans are allowed to select their own topics and locations, and hold meaningful rallies. Many fans who recognize each other within the social networking sites but have never met in person take this opportunity to meet face-to-face and nurture their fellowship. They organize meaningful social activities such as mountain climbing, sightseeing, visiting the elderly, and environmental protection activities. By undertaking these activities jointly, fans can get to know each other, learn from each other, and help each other. Naturally, these events also improve the visibility of Xiaomi Corporation.

5. Benefits of superior fan care

Excellent service levels ensure that customers enjoy a high degree of satisfaction and continue to buy, which is the cornerstone of sustainable enterprise development. However, maintaining these service levels often entails very high costs. This problem can be resolved via self-service, an approach that significantly reduces the cost of service. Such a mechanism requires the establishment of a good fan management system, something Xiaomi Corporation has successfully achieved through effective grading and rewards.

Xiaomi Corporation provides honest and substantive feedback to each fan contribution, and hence fans are proud to provide services to each other. This increases fans’ willingness to participate, technical competence, and service effectiveness, and allows close and meaningful interaction between fans, thereby transforming the fan base into an extremely loyal and strong centripetal force. Motivation and ability of the fan base is an important success factor for Xiaomi Corporation.

Xiaomi Corporation’s core value is fan-centric: everything is for its fans. Xiaomi Corporation tries to make the best smartphone in the world. The company hopes that in using it, fans will grow excited, love the phone, and be enthusiastic enough to recommend its use to others. Xiaomi Corporation need not spend much on marketing and sales as long as it makes the best product, addresses the fans’

demands, and offers the best prices. ‘Focus, extreme word of mouth, and fast’ is an approach that is critical not only to Xiaomi’s corporate culture, but also to its competitive edge.

Xiaomi Corporation leverages the power of its fan base to provide the best and most affordable service over the long term; this is the key factor for its continued success. Overall, Xiaomi Corporation and its fans form a very tight supply–demand community. This has helped the firm to forge an irreplaceable, symbiotic relationship with its fans, much beyond a mere trading relationship. Fans can get the best and cheapest smartphone and services, designed in accordance with their views.

Xiaomi Corporation gains valuable advice through the enthusiasm and active participation of its fans, thereby allowing it to design the most cost-effective products. Consequently, the products are in short supply due to panic buying during launches. Because of significant savings in marketing, advertising, and service costs across the business cycle, the company can sell its products at a 40% discount off market prices and still make profits. As a result of this virtuous cycle, Xiaomi Corporation has gained millions of fans and customers and made a good profit margin in just 2 years.

It is evident that social networking sites have contributed positively to Xiaomi’s company growth and fan satisfaction. In 2012, 7.19 million Xiaomi smartphones were sold in China. In 2013, the company was allowed to expand into the Hong Kong and Taiwan markets. This change is expected to double sales compared to 2012—to around 15 million smartphones. The first half of 2013 alone saw the sale of 7.03 million Xiaomi smartphones, resulting in revenues of RMB13.27 billion. This growth will contribute to cost reductions and higher company profits. Clearly, the case of Xiaomi Corporation is worthy of our continued attention and further study.

The company’s revenue growth has largely been due to the influence of Xiaomi’s brand in tier-1 cities, which has been extended to tier-2 and 3 cities. Meanwhile, the company’s supply chain has become more mature and its logistics and other factors have improved. At the end of June 2013, there were 14.22 million users of Xiaomi smartphones in China, Taiwan, and Hong Kong, and 20 million MIUI system users. Mi-fans worldwide have helped Xiaomi Corporation translate materials into 25 different languages, helped create work sites in 17 countries, assisted in rolling out thousands of sets of themes and thousands of quiz programs, and posted on Xiaomi Corporation’s forum over 130 million opinions (i.e., around 200,000 daily).

Although we cannot obtain specific customer satisfaction information regarding Xiaomi Corporation,

company founder Lei Jun has said in interviews (Chen, 2012):

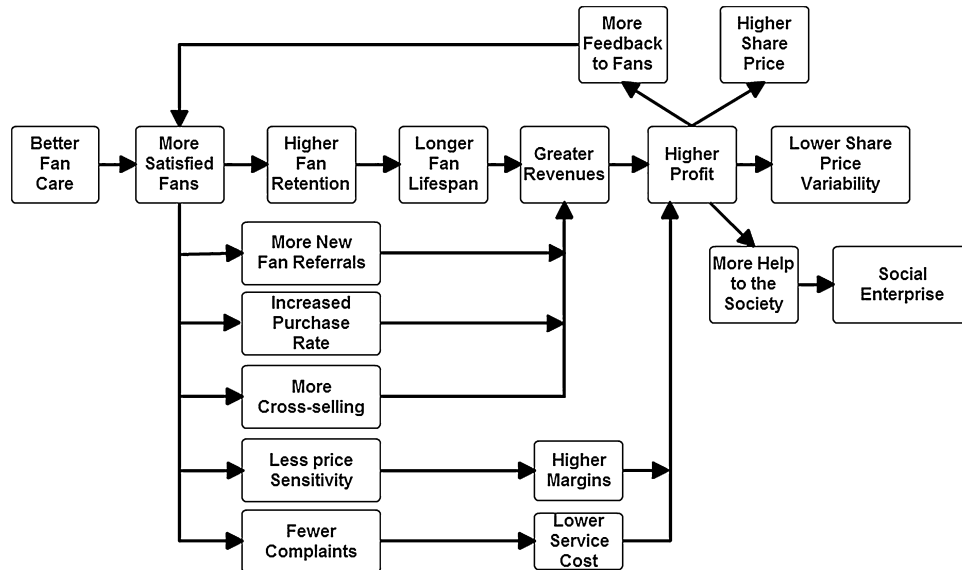
[Customer satisfaction] has been very bitter in the past; however, customer satisfaction is now very high. In addition to strengthening our network of services, Xiaomi has set up homes in 28 cities; there are also 347 authorized service centers, 404 customer service agents, and investments worth RMB200 million. Our team numbers are in the thousands and are growing by 50 people every week.

To summarize, when fans feel that a company cares about them, their satisfaction with the company rises considerably and they hold its offerings in higher regard. Greater satisfaction results in enhanced fan loyalty, which increases the likelihood of further purchases and frequency of recommendation to others. This, in turn, leads to higher revenues and net cash flows for the firm. Given its strong impact on fan satisfaction, better fan care generates greater return on investment, higher earnings per share, and decreased earnings variability, thereby resulting in appreciation of equity share prices with lower price volatility. The stock market directly rewards investments in fan service while penalizing any cutbacks. Thus, investments in fan care are likely to yield substantial returns, as illustrated in Figure 3.

Most new companies do not survive beyond a year, especially those providing innovative technologies or products. Their poor grasp of customer needs coupled with a market that does not respond quickly enough leads to a very high failure rate. By using social media and considering fans as the core of its business, Xiaomi Corporation masters the art of identifying fans’ needs and rapidly responding to their problems. Consequently, fans get value for cost of products and services and the company successfully bridges the chasm. This is a win-win situation in which a very successful smartphone company is also a fan-centric social media business model.

The Xiaomi target group is made up of young, Internet-savvy Chinese buyers with a need to profile themselves socially. Given this information, we can re-examine the strategies outlined thus far. Xiaomi produces relatively inexpensive but good devices. Being a complement, hardware is not the most important part of the equation. The focus is on simplicity and value for money; this is achieved by eliminating supply chain activities that do not add any value for the target group. The basic hardware can then be customized—an important social goal for youngsters—with a host of accessories, from covers to batteries in different colors. Xiaomi Corporation focuses heavily on the social aspect. Its marketing is

Figure 3. Benefits of superior fan care



Source: Revised from Gorry & Westbrook (2011)

achieved largely through electronic word of mouth ('e-word of mouth' or 'word of mouse'), thereby adding to a sense of community and belonging. Another of its key selling points is its messaging application that addresses consumers' social needs. Messaging applications are a dime a dozen and do not have intrinsic value, but for Xiaomi's fans, they reinforce the group feeling. This application is one of the elements of a consistent story.

6. Lessons learned

6.1. Social media: A bridge across the chasm

A host of vendors have sought success in the smartphone market space over the years. Apple, Samsung, Sony, and HTC are the only firms, so far, that have achieved a semblance of success. For others, this has proved to be far more difficult than envisioned.

It seems that the development of a new technology or product, by itself, does not guarantee commercial success for firms operating in the smartphone industry. Counter-balancing technological expertise with business skills and capabilities in other areas such as marketing, input-sourcing, and general management is the key determinant of success for technology-based startups. Further, once the product is designed and a prototype developed, over-emphasis on technology or research and efforts to develop unique products may not lead to success.

While Facebook and YouTube have emerged as the top social media sites for most companies, they

cannot be treated as standalone marketing tools. Rather, they must be integrated with the company strategy. Fans are utilizing most social media platforms to express their opinions. Hence, it is important to devise suitable strategies to understand, monitor, and provide feedback to their comments. For new companies in particular, social media are generally used to communicate with fans. It is evident that, in the mobile industry, social media are used in almost all communications and promotions, as well as for troubleshooting and rewarding customers. Fans are changing the way they communicate within their social networks; therefore, new companies must devise their own communication methods. At the same time, a strategic social media plan is likely to include a variety of different media vehicles. New companies tend to use multiple social media, and several corporate webpages utilize social media for myriad communication purposes. Reactive communication includes active engagement with social media fans, whereas promotional communication encompasses efforts to evoke interest in the company, product, or brand, and attempts to encourage fans to become opinion leaders and service providers. Promotional communication activities wield the most power among the various means of dissemination.

Failing companies easily burn money given their insufficient grasp of customers' needs, poor communication with them, and slow marketing activities. Customers like to research a product or service until they find some good comments. Therefore, companies can achieve success by identifying their fans' requirements and responding to their problems

quickly and easily through the use of social media; fans must be considered core to the business. When fans get value for the money they pay for products or services, their positive e-word of mouth helps a company get more orders and earn higher profits. This win-win situation will help a new company cross the chasm and attain success.

6.2. Fan loyalty is contingent on the company's promise

If a consumer purchases a product that is of lower quality than expected, he or she will usually abandon allegiance to the brand. However, fans may remain loyal even if the enterprise that the fan supports continues to perform poorly. Fan loyalty positively impacts fans' self-esteem, psychological well-being, likelihood of attendance, willingness to spend time and money to follow the enterprise, attitude toward the sponsor, and purchase intention, besides brand equity creation for the enterprise. This is extremely important for the highly competitive smartphone industry.

James and Ross (2004) categorized the motives for fan loyalty into three constructs: sport-related motives (entertainment, skill, drama, and team effort), self-definition (achievement, empathy, and team affiliation), and personal benefits (social interaction and family). In the social media era, earning fan loyalty requires a team committed to the business and its success. A good reputation cannot be purchased; rather, it is earned by honoring promises made. For social media, strong commitment standards are unquestionably an organization's most tangible and marketable assets.

A company cannot expect to be effective and successful without truly believing in its business and the goods/services provided. It must also remember that fans are the individuals who ultimately support a firm in its high-growth phase. Accordingly, everything must be fan-centric, including company policies, strategies, products, warranties, payment options, after-sales service, and even presentations, advertising, and promotional campaigns and web-sites. To this end, it is imperative that the company be absolutely familiar with its fans.

6.3. Negative e-word of mouth is an asset

Normally, consumers use negative e-word of mouth to communicate dissatisfying consumption experiences. Such unfavorable experiences are often due to malfunctioning products or poor customer service. With the spread and adoption of new web technologies through social media and mobile devices,

complaints and dissatisfactory experiences can be communicated instantly within a social network.

For a newly established company, quick and accurate negative word of mouth provided by customers is critically important. Prior to the social media phenomenon, negative word of mouth could not be detected as easily. Now, however, given access to social platforms filled with customer feedback, negative word of mouth should be considered an asset by the company and utilized properly. Negative word of mouth helps the firm understand customers' thoughts and use them as a basis for improving its products or services.

We encourage companies to use the available mechanisms to detect negative word of mouth as soon as possible. The company can then prioritize the most urgent customer cases that must be resolved in the short term. Fans that provide critical feedback to the company are usually amongst the most loyal customers. Thus, monitoring negative word of mouth can help companies identify the most loyal customers and meet their requirements. It can also help to develop the next generation of products and services that accurately meet the near-future requirements of fans.

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