



Why Monetary Gift Giving? the Role of Immediacy and Social Interactivity

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Abstract. Live streaming, as a new practice of online digital content business, generates revenue mainly through users' monetary gift giving to content providers. The designs of the live-streaming platforms allow users to experience real-time interactions with both content providers and the virtual community. This study investigates potential motivations regarding the immediacy and real-time social interactivity and tests their impacts on users' intention of monetary gift giving behavior. The findings will not only extend the self-presentation theory to new contexts but also contribute to the Internet gift economy by elucidating underlying motivations in the virtual gifting cycle. The study will offer a new angle for online digital content businesses worldwide on how to construct interactive functions in online communities.

Keywords: Live streaming · Monetary gift giving · Immediacy · Social interactivity

1 Introduction

With technological advances, digital content businesses have started to seek innovative ways to generate revenue. A new business model called live streaming is becoming popular around the world. For example, on Twitch.tv, a live-streaming platform for video games launched in 2011, users can participate in chats with other users while watching the live streaming of online games. This platform has attracted 15 million daily active users [13] who contribute to its revenue via advertisements. Since 2015, the live-streaming business has been fast developing with several new functions. Typical ones include platforms or apps in China such as douyu.com, inke.cn, YY Live, hua-jiao.com, and huya.com. According to the Chinese research platforms, as of February 2018, the number of users of live-streaming platforms has increased to over 220 million, and the market penetration rate has been over 20%. These platforms create an online community for users to experience interaction with the content providers and other users, thus putting monetary gift giving into new contexts.

On live-streaming platforms, users can buy virtual currencies on the platforms through online payment, then exchange for virtual gifts at different price levels and “donate” the gifts to the content providers. When the streamer receives a virtual gift, he or she will get its value minus the 20–30% deducted by the platform and exchange the virtual currency back to RMB. Monetary gift giving is the mainstream of the streamers and platforms to get revenue. Different from traditional motivations of gift giving, users

may have new desires to give virtual gifts on such platforms given the unique interaction designs. The first design is the interaction between users and streamers. Since the gifts are present on the screen, when the streamers receive gifts, they usually show thanks to the givers immediately, highlighting their names and the gifts, giving the giver acknowledgment or approval for his or her gifting behavior. It emphasizes on the giver's identity and changes his or her expectation for rewards. The other one is the interaction between users and the community. When there is a gift giving, the picture and the number of the gifts are shown on the screen to the community. Users will not only get recognition from the community by updating their profile but also sense the atmosphere of the community, such as whether peers in the community like to give gifts. Apart from these interactions, competition in the community may also relate to users' intentions of monetary gift giving. When users notice same-sex peers chasing after the target, they may change their desire to give [28].

Previous studies have attributed the attenuated social influence in virtual communities to the lack of immediacy [5]. However, living-streaming platforms characterized by real-time interactions, provide an opportunity to rethink the interpersonal behavior, such as the reciprocity process and users' social motives. Drawing on existing literature, we would like to ask (1) what factors will affect users' intentions of monetary gift giving in virtual communities and (2) how such factors interact with each other?

2 Literature Review and Hypotheses

2.1 Internet Gift Economy

The Internet has played a role in the gift economy, which based mainly on sharing [23, 27]. In the sharing process, reciprocity is required, and such interchange may be in the form of intangible rewards (e.g., enhanced reputation, desire for prestige) [9, 18, 22], or further leads to tangible rewards [32]. When the giver receives the receiver's feedback, the gift exchange is considered to be completed. Later, a new round of gift exchange will be created, thus enforcing the cycle of gifting. Prior literature has discussed the norm of reciprocity in gift giving behavior [12, 17, 29]. People may hold an "anticipated reciprocity" to get similar gifts back in exchange [22]. Reciprocity in gift giving is often delayed because it usually happens at a later stage. Moreover, relationships involved in gifting relationships are more related to moral economy logics [33]. The personal dimension of such relationships is about identity, in which how the giver and recipient see each other matters. The other is the social aspect, which means to build and maintain social relationships. Traditional literature mainly focused on the individuals in the relationships [4], while recent studies have extended to a more complex system of relations regarding communities as a whole [10]. The giver may either receive an intangible reward from a gift-receiver or receive awards from the Internet community [32]. However, the immediacy in reciprocity and the rewards from the virtual community in the gifting process are still under-explored. In this study, the new features of instant feedback and status-updates on the live-streaming platforms will address such gaps.

2.2 Self-presentation Theory

Self-presentation is a behavior that aims to convey some information or image of oneself to other people [3]. Self-presentation theory is also explained as the reason to project a desired image of oneself to others, testing people's purchasing behavior in virtual communities [20]. The definitions indicate one crucial element of self-presentation, that is, the immediate peer group or the presence of the potential audience [15]. Groups may control rewards and punishments for their members because mutual interpersonal evaluations can shape human social interactions. As long as the group members continue to meet each other, they will be affected by such evaluations. Given the features and designs of live-streaming platforms, the monetary gift giving behavior can be regarded as a way of self-presentation under certain circumstance, since it includes self-image transformation and self-audience interactions. Moreover, such kind of monetary gift giving behaviour highlights a feature of real-time interaction, which is absent in the traditional contexts of self-presentation.

There are two types of self-presentational motivations: self-belief or self-disbelief [11]. A person may represent to others in a way he or she sincerely believes, or engage in a way lying to others. Later, researchers made it systematic by stating two sub-groups: acquisitive self-presentation and protective self-presentation [1]. The two motivational systems are separate and unrelated. The acquisitive style supports that people present themselves to get approval from their peers or groups. The protective style is in the service of avoiding disapproval, being associated with social anxiety, reticence, and conformity.

In acquisitive self-presentation, people are motivated to acquire benefits, such as respect, power, and reputation, from online interactivities [2]. Given the features of live-streaming platforms, we develop two variables based on the acquisitive self-presentational motivation. The interactive designs with streamers allow users to perceive their gift giving as an immediate rewarding behavior, such as recognition of their identities, or responses respecting and approving of the personalities they present. Therefore, we define *expectation of immediate reciprocity (EIR)* as a giver's expectation of rewards from the streamers right after the giving behavior. When individuals regard others' responses to be validating and understanding, they will make more considerable efforts to maintain the relationship or the social bond [30]. Furthermore, some studies use reciprocity as a representation of social interaction and test its effect on charitable giving decisions [19, 24]. In social media, individuals may well expect intangible benefits to affect their behaviour further [25]. Therefore, the expectation of immediate feedback from the gift receiver may stimulate the giver's intention to give. The other variable, *virtual status-seeking (VSS)*, the desire to increase personal status in the virtual community, is represented by real-time screen updates of users' profile. When they give more gifts, users' status can be upgraded on the screen, which represents the rewards from the community. The real-time status-upgrade displayed in the virtual community may motivate users to give. Studies have shown that effective social interaction motivates users' contribution and continuance intention in a virtual community [6, 34–36]. Therefore, we make hypotheses that in the context of real-time interaction, the two new variables (i.e., EIR, VSS), will motive users' intention of monetary gift giving behavior:

H1a: *Expectation of immediate reciprocity has a positive impact on a user's intention of monetary gift giving.*

H1b: *Virtual status-seeking has a positive impact on a user's intention of monetary gift giving.*

Protective self-presentation means people present themselves to be in alliance with the rules of the community, to prevent criticism and to get into the group. The image of self for self-presentation could be defensive, rather than claiming some aspects of self [15]. When the giving records are shown on the live-streaming screen through animations, users are able to sense the rules of the community. In this study, we use the term *overwhelming gifting signal (OGS)* to represent the pressure that comes from the high-intense gift giving behavior in the community, usually represented by exaggerated and eye-grabbing animations. People experience constraints from the expectations of fellow members might change their identities. Moreover, people may be driven by the desire to conform to the social norms to perform voluntary behaviour [26]. Moreover, strong normative pressure might evoke the mood of “have to” rather than “want to,” which affects their contribution desires [8]. We propose that the desire to conform to peers' behavior highlighted by eye-grabbing animations, would promote users' intention to present themselves in the virtual community.

H2: *Overwhelming gifting signal has a positive impact on a user's intention of monetary gift giving.*

2.3 Competition

Competition very often exists in social media contexts [31]. Since more than 80% of the contributors to a content provider is from the opposite sex, live streaming is a typical context for the competition between same-sex users. When males are donating to an attractive female fundraiser, they respond competitively to donations made by other men. The researchers suggest a role for sexual selection in explaining remarkable generosity [28]. Based on social value orientation theory, an individual's heterogeneous preferences may result in competitive individuals [16]. Since users can detect a giver's gender on the interactive screen, we name the observation of gift giving behavior from same-sex givers as a user's perceived competition (PC). As discussed before, users may give gifts to the streamers to get immediate feedback or rewards from the community. When there is perceived competition in this process, the desire to acquire benefits may be stronger.

H3a: *Perceived competition moderates the effect of expectation of immediate reciprocity on a user's intention of monetary gift giving.*

H3b: *Perceived competition moderates the effect of virtual status-seeking on a user's intention of monetary gift giving.*

3 Research Model

This study uses expectation of immediate reciprocity (EIR), virtual status-seeking (VSS), and overwhelming gifting signal (OGS) as independent variables. Perceived competition (PC) acts as a moderator in the model. Meanwhile, there will be several

control variables. Factors such as gender, age, education level, disposable income, online experience and online community participation activities affect giving behaviour and digital content consumption on social network sites [7, 14]. Types of content and user’s perception of content will also be controlled (Fig. 1).

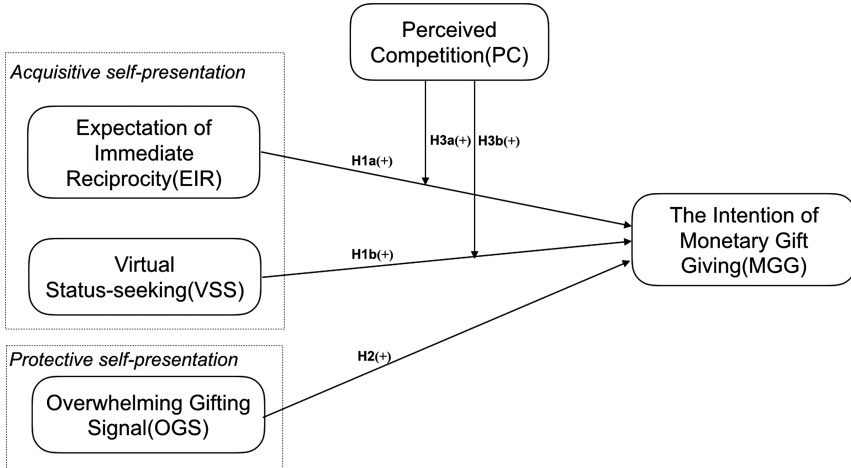


Fig. 1. Proposed research model

4 Methodology

We will conduct three lab experiments to test our hypotheses respectively. Specifically, the first experiment is a 2 (EIR vs. not, i.e., whether the giver receives the streamer’s feedback immediately) by 2 (perceived competition vs. not, i.e., whether the same-sex competition occurs) between- subject design. The second experiment is a 2 (VSS vs. not, i.e., whether the status-upgrade is immediately displayed to the community) by 2 (perceived competition vs. not) between-subject design. The third one aims to test the effect of OGS (i.e., the animations along with gift giving) on users’ intention of monetary gift giving. A field study will also be included to extend external validity of the results from lab study.

5 Ongoing Work and Potential Contributions

In this study, we investigate the role of interactive social factors in a user’s intentions of monetary gift giving in the context of live streaming. With the interactive designs, live-streaming platforms in China provide us an opportunity to study personal and social dimensions of the monetary gift giving process. We test three variables, expectation of immediate reciprocity (EIR), virtual status-seeking (VSS) and overwhelming gifting signal (OGS) based on two subgroups of self-presentation theory. We also test how perceived competition affects users’ giving decisions. The findings will have three main

theoretical implications. First, it will primarily contribute to the self-presentation literature by exploring motivations regarding the immediacy and social interactive designs in virtual communities. Second, it will contribute to the gift economy literature by figuring out gifting motivations in an immediate and transparent cycle. Third, it will contribute to the literature related to competition and giving behavior, by providing an insight into the competition involved in real-time online interaction. This study also has several practical implications. For businesses utilizing monetary gift giving strategies or monetarizing digital content, managers and designers can adopt the designs of interactions, such as direct and immediate interaction with the content provider and information about real-time actions of other users in the community. For the content providers in a generalized scope, they may highlight the interactive atmosphere, the sense of being in the community, and the observed competition in the community to further speed up the giving cycles.

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