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From hybrid TV towards transmedia: Recent marketing advances of the New Media developments

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From Hybrid TV toward Transmedia:
Recent Marketing Advances of the New Media Developments

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From Hybrid TV toward Transmedia: Recent Marketing Advances of the New Media Developments

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Abstract

Large broadcasters and independent media companies are already aware of the global developments in transmedia storytelling and understand that this is the trend (Gambarato, Renira R., 2012). In Taiwan, the HwaCom New Media project started with a government funded HbbTV development project, and then turned into a transmedia trial. The Fun Travel infrastructure has been built since June, 2013. The HwaCom Systems, Inc. establishes alliances to gain access to other firms' valuable resources. This study focuses on single case and tries to provide an exploration of how strategic alliances help the HwaCom New Media project achieve resource combinations through the resource-based theory of strategic alliances. To facilitate this study, direct observations and a focus group interview were conducted to explore some insights of this trial case.

The Fun Travel infrastructure is based on three platforms: the TV main-screen, the mobile second-screen, as well as the Internet and the guide books from which the original Factory Tours programmes are based. Due to limited budget, the project is compromised into three basic platforms and simple stories. A good story is the key to a success transmedia business but the HwaCom New Media team did not have know-how to do the hybrid content. The difficulties for such a transmedia initiative are gathering enough main themes and attract a sizable viewer base; otherwise, the platform may not sustain its operations. Results show that the more resources are characterized by imperfect mobility, imperfect imitability, and imperfect substitutability, the more likely the HwaCom Systems, Inc. will get involved in strategic alliances. It’s rather easy to build the technical platform than to find talented storytellers. Fruitful stories and user engagements are expected to be developed in such an environment soon; still, there are some possible barriers to the development of transmedia productions.

The Fun Travel trial is a compromised case that it grows out from the resources contributed from the three partners. But the business differentiation keeps a firm mutual trust between the members of such an alliance. Also, common interests in such
an alliance are important factors to move the business forward. Results show that transmedia storytelling is a new concept but strategic alliances might be the key to success. It’s very obvious that each team in the Fun Travel trial contributes its resources from complementary aspects. The HwaCom Systems, Inc. benefits the trial case more from strategic alliances with a complementary rather than supplementary fit between partner firms. With mutual trust and common interests, a few good friends gathered together to figure out such a strategic alliance toward a Fun Travel trial and to share their resources in hand. Obviously, trust relationship and knowing key person in an alliance influence the performance of alliances. What makes the Fun Travel trial unique is its strategic alliance and complementary resources from partners. Cross-platform storytelling and user engagements are supported in the trial environment as well.

There are opportunities for transmedia TV developments in Taiwan. The Fun Travel trial was designed as an open structure platform in the external resources and story extensions are easy to be incorporated. External resources and story extensions are good revenue sources but important stakeholders such as TV commercial agents and EC operators are still outside of the trial team. The transmedia storytelling is rather a new media business model than a new media technology. This study suggests some concepts may be further extended to explore more business opportunities.

Key words: complementary resources, Hybrid Broadcast Broadband Television (HBBTV), resource-based theory of strategic alliances, The HwaCom Systems, Inc., transmedia storytelling (TS)
Introduction

Recent advances of the various smart devices push media industry into another level of the digital convergence evolution. Also the cloud-based multi-system services are getting mature nowadays. In Europe, a Hybrid mode TV (HbbTV Website) concept is emerging. The technical specifications of the hybrid smart terminals as well as the hybrid multi-system environments are ready to serve the market. What we are still looking for are the suitable content and application models for these new developments.

On the other hand, the media industry has been facing even greater challenges from the Internet since the Web2.0 evolution. Gradually the new production schemes are getting along with such Internet cultures to form various new programming styles. One of the new media production models is the so called transmedia storytelling. Such new media production processes perfectly match the hybrid mode TV defined in the HbbTV.

Transmedia storytelling is a somewhat vague term. There are several similar terms for using multiple technological platforms to tell different types of stories such as cross-platform productions, digital storytelling, social TV, or second-screen and multi-screen adaptations. Many of these different names incorporate similar logic that this study is interested in but geared for different end products. Cross-platform projects usually favor one media over the other and are simply defined as “any content (news music, text, and images) published in multiple media/channels.” (Veglis, 2012) A typical digital storytelling usually focuses more on the telling of personal or biographical tales or in education which use low end film or photo clips and an Internet connection so that marginal voices reach a larger audience (Matthews, 2013, Wawro, 2012) Social TV is a general term for any TV production that supports communication and social interaction in either the context of watching television, or related to TV content. Second-screen adaptations usually refer to the extensions of a main-screen story into another format to be shown on companion handheld devices such as an iPhone, iPad, or notebook.

For the purposes of this study, transmedia storytelling is not the mere use of multiple entertainment platforms to tell a story but the way in which the story or story world is designed to be released across these platforms in a strategic and coordinated manner. The term transmedia storytelling will be used to define production processes for television or the movie industry that are supported by secondary or tertiary
entertainment platforms which help to develop more immersive experiences for the story being told. There is a core vehicle (the film or TV show) and other extensions that help to support the world or story being told in that main vehicle.

As stated above, there are several “transmedia” productions are on trial in Taiwan in the forms such as multi-system, social TV, second-screen and multi-screen, location based services, etc. Among them, we are especially interested in the HwaCom New Media project that will be detailed in this paper later.

The Definition of Transmedia Storytelling –
TS as defined by Henry Jenkins

What could be understood as transmedia or transmedia storytelling (TS)? According to Gambarato, Renira R.(2012), Transmedia is a buzzword that has been used and misused in the last couple of years. There is not yet consensus on what TS means and the definition of TS is still open (Table 1). The most referred terms alongside TS are cross-media and multimedia but Gambarato, Renira R.(2012) argues that both terms are not the same and still misused worldwide. Cross-media would spread core content across complementary media, and multimedia would articulate original narrative universe on different media (TV, radio, print, Internet, mobile, tablet, etc.), which brings new and complementary perspectives on the universe, characterizing multiple entry points into the story (Gambarato, Alzamora, 2012).

<table>
<thead>
<tr>
<th>Terms</th>
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<tr>
<td>intermedia</td>
<td>Dick Higgins, 1966</td>
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<td>multimedia</td>
<td>Bob Goldstein, 1966</td>
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<td>cross-media</td>
<td>Paul Zazzera, 1999</td>
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<td>multimodal discourse</td>
<td>Gunther Kress &amp; Theo van Leeuwen, 2001</td>
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<td>superfictions</td>
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<td>multiple platforms</td>
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<td>screen bleed</td>
<td>Matt Hanson, 2003</td>
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<td>networked narrative environment</td>
<td>Andrea Zapp, 2004</td>
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<td>transmedial world</td>
<td>Lisbeth Klastrup &amp; Susana Tosca, 2004</td>
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<td>distributed narratives</td>
<td>Jill Walker, 2004</td>
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<td>hybrid media</td>
<td>Jak Boumans, 2004</td>
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<td>media mix</td>
<td>Mizuko Ito, 2005</td>
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<td>cross-sited narratives</td>
<td>Marc Ruppel, 2005</td>
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Table 1. Transmedia storytelling (TS) and several other terms are considered synonyms (Gambarato, Renira R., 2012).

Henry Jenkins was founder and director of MIT’s comparative media studies program while he wrote the book *Convergence Culture: Where Old and New Media Collide*, (Jenkins, 2006). Jenkins says that new media will not simply replace old media, but rather, will learn to interact with it in a complex relationship he calls "convergence culture." In his book, Jenkins proves that the notion of convergence culture is not primarily a technological revolution. Through a number of well-chosen examples, Jenkins shows that it is more than a cultural shift. It’s dependent on the active participation of the consumers working in a social dynamic.

Jenkins describes in detail the multiple ways that advances in technology and fan culture have changed the way that storytellers and audiences behave. With the advent of the Internet, mobile phones, and connected audiences, a culture of participation, engagement, or immersion has evolved and has been changing the way major films, and television shows are produced. The basis of these changes comes from the media convergence described as the

> “technological, industrial, cultural and social changes in the ways that media circulates within our culture. Comes common ideas referenced by the term include the flow of content between multiple media industries.” (Jenkins, 2006)

There has been a shift in the way major franchises and their producers need to think about developing a product: “Whereas old Hollywood focused on cinema, the new media conglomerates have controlling interests across the entire entertainment industry. Warner Bros. Produces film, television, popular music, computer games, websites, toys, amusement park rides, books, newspapers, magazines, and comics.” (Jenkins, 2006, 16). This has led to a greater, industry-wide shift of standard practice for certain types of productions. The same principles of transmedia storytelling can and are used in several other industries such as advertising, political campaigns, journalism, and education, but for the purposes of this study, the focus as stated above will be limited to transmedia productions geared for television and portable devices. For the purposes of this study, transmedia is not as Jenkins points out mere adaptation. It is not making a blockbuster movie into a video game that follows the same characters and plot on a different medium. Nor is transmedia storytelling franchising by way of complementary products, such as themed snacks, clothing, or posters.
Instead, our focuses of the transmedia storytelling involves the outlying platforms used in a way that make a “distinct and valuable contributions” to the original story or story world.

**Why Transmedia production – in search of Hybrid content business models**

The Hybrid Broadcast Broadband Television (or HbbTV thereafter) is an European initiative for providing both broadcast and broadband/web content on a smart terminal device in the living room (HbbTV Website). HBBTV is an open standard for connected TVs and set-top-boxes for harmonizing broadcast and broadband delivery of entertainment to the end user. HBBTV is both an industry standard (ETSI TS 102 796) and promotional initiative for hybrid digital TV to harmonize the broadcast, IPTV, and broadband delivery of entertainment to the end consumer through connected TVs (Smart TVs) and set-top boxes.

To go one step further, Hbb-Next architecture and specification is currently under developing. The Hbb-Next project seeks to facilitate the convergence of the broadcast and Internet world by researching user-centric technologies for enriching the TV-viewing experience with social networking, multiple device access, group-tailored content recommendations, as well as the seamless mixing of broadcast content, of complementary Internet content and of user-generated content (Hbb-Next Website).

There are three layers to support a complete HbbTV system operation: the hybrid terminals (e.g., Smart TV, Smart Phone, PAD, etc.), the hybrid services (e.g., cloud based multiple-screen services), and the hybrid content. Both hybrid terminals and hybrid service operators are getting popular nowadays, but the real hybrid contents are still rare. So the consumers are mainly using their connected devices for linear TV viewing or Internet surfacing independently. Without good enough hybrid contents or hybrid applications for consumers to adopt the Smart TV services, the market growth is therefore very sluggish.

One of the recent smart TV market drives in Taiwan has been the HbbTV development. Although the related technologies are ready here, the hybrid contents and applications are still very hard to find due to lack of suitable content business models. In search of a good hybrid content model, we found that transmedia storytelling productions can fulfill what HbbTV market is looking for. Also, there are many application developers are working with TV programmes from different aspects.
of the transmedia productions such as social TV, second-screen Apps, location based services, and built-in merchandize services, just to name a few. The HwaCom New Media project is such a typical example and will be discussed in detail in the following.

**the HwaCom New Media project – from HIBTV toward Transmedia**

To lead in the HbbTV into Taiwan smart TV market, the New Media team in HwaCom Systems Inc. has executed a HIBTV (stands for Hybrid Internet and Broadcast TV, it’s a local implementation of the original HbbTV) project from early 2010 till end of 2011. With the support of the Taiwan Digital TV Committee, an industry-wide HIBTV working group is formed. Also, a HIBTV R&D alliance is formed to facilitate the project execution. There are four major parties in the HIBTV R&D alliance: HwaCom New Media team: responsible for the Hybrid services system integration; Tatung TV team: responsible for the hybrid terminal developments include a set-top box and a smart TV design; Ali TV chip team: responsible for the hybrid TV chip design; and Smart Network System Institute of III: responsible for the end-to-end HbbTV system developments.

As already mentioned, it started with a government funded HbbTV development project, and then turned into a transmedia trial. The Fun Travel infrastructure has been built since June, 2013. The project is developing second-screen location-based Apps to go with a serials of main-screen touring program on a local IPTV platform MOD. Fans clubs are also managed in the handset Apps and on the Facebook for users feedback and engagements. Other features such as touring guide and maps are designed in the Apps.

According to Rose (2011:98), the early stages of transmedia components for TV and motion pictures in the Hollywood arena, producers and collaborators needed to learn by trial and error what worked and what didn’t by dumping money or time into projects that were unsuccessful. Transmedia storytelling is a relatively new subject that does not have its own methodology of analysis (Gambarato, Renira R., 2012), and there is not much discussion about this topic in Taiwan. This research attempts to bring attention to the opportunities for transmedia business through the HwaCom New Media project in Taiwan. The proliferation of strategic alliances marks a shift in the conception of competition, which is characterized by constant technological innovations and speedy entry into new markets and become increasingly important in
recent years (Das & Teng, 2000). The HwaCom Systems, Inc. establishes alliances to gain access to other firms' valuable resources. What opportunities are there for the growth of transmedia productions in Taiwan? This study focuses on this trial case and tries to provide an exploration of how strategic alliances help the HwaCom New Media project achieve resource combinations through the resource-based view of strategic alliances. The next section discusses the principal theories.

Theories

Resource-Based Theory of Strategic Alliances

Strategic alliances are cooperative inter-firm agreements aimed at achieving competitive advantage for the partners (Das & Teng, 2000). A resource-based view seems appropriate for examining strategic alliances because firms use alliances to gain access to other firms' valuable resources essentially. As a matter of fact, firm resources are important indicators of entering into strategic alliances, for example, the possession of critical resources is a prerequisite for alliance formation (Das & Teng, 2000). Thus, firm resources provide a relevant basis for studying alliances. As compared to other theories relating to strategic alliances, Das & Teng (2000) believe the Resource-based view (RBV) can make valuable contributions because RBV suggests that the rationale for alliances is the value-creation potential of firm resources that are pooled together. Essentially, RBV emphasizes internal sources of competitive advantage and the fact that firms’ heterogeneous resources cannot be perfectly imitated, substituted, or traded (Barney, 1991; Wernerfelt, 1984).

The firm is as a wide set of resources, Resource-based Theory (RBT) is due to Edith Penrose in 1959 (Buckley & Casson, 2007). Penrose (1959) assumed the heterogeneity and immobility of resources and carried out an analysis of how firms achieve competitive advantage (Bowen, 2007). Peteraf (1993), Grant (1991), Wernerfelt (1984), and Hofer & Schendel (1978) also contributed to RBT. Grant (1991) replaced the term RBV with RBT to emphasize that a company can hold strategic resources if others can’t imitate, it can achieve performance higher than its opponents, and that means holding a sustainable competitive advantage. Barney (1991) argues that resources that meet four conditions: valuable, rare, imperfectly imitable, and imperfectly substitutable can lead to competitive advantage. A central proposition of RBV is that firms are heterogeneous. Resource heterogeneity is the degree to which a firm has unique resources (Teng, 2007).
Resources include physical and financial assets as well as employees’ competences and organisational (social) processes (Hart, 1995). Literature review suggests that firms’ resources can be intangible (based on knowledge) and tangible (physical and financial) (Mário Franco1 & Heiko Haase, 2012; Esteve-Pérez & Mañez-Castillejo, 2008; Wernerfelt, 1984) and capacities that are acquired, developed and expanded over time. Intangible resources are more specific than tangible ones (Lorente, 2001). Miller and Shamsie (1996) offer a typology of two broad types of resources: property-based and knowledge-based. Das and Teng (2000) used the classification to distinguish between property-based resources (physical and financial resources) and knowledge-based resources (intangible resources and skills). Property-based resources are those assets legally owned by a firm, including physical, financial, patents and so on. But knowledge-based resources (or tacit knowledge) are implicit and cannot be easily protected against unauthorized transfer (Teng, 2007).

As we discussed, various theories support the formation of alliances between firms, this paper highlights the RBT because Das & Teng (2000) suggested that certain resource characteristics (imperfect mobility, imitability, and substitutability) promise value-creation and facilitate alliance formation. In other words, firms with these resource characteristics will be highly in demand as alliance partners. In determining alliance structure, the HwaCom Systems, Inc. should examine the resource profiles of their own firm and of the potential partner firms. Alliance formation is facilitated by these resource characteristics, the HwaCom Systems Inc. should examine the degree to which the resources of their own firm and of other firms have these characteristics.

RBT articulated the relationships between a firm’s resources, capacities and competitive advantage. Competitive advantage can be sustained if the capacities that create that advantage are supported by resources that are not easily copied by competitors (Wernerfelt, 1984). Esteve-Pérez and Mañez-Castillejo (2008) argue that a firm’s resources and capacities are the result of its strategic choices and commitment of resources over time and determine its performance. Therefore, the unit of analysis of this theory is the firm and that firm’s resources and capacities (Mário Franco1 & Heiko Haase, 2012). A firm’s capacities are the result of the sets of resources acquired for unique activities that create value (Mário Franco1 & Heiko Haase, 2012; Hart, 1995). In this sense, the term of capacities is used to describe how resources are applied in the firm.

Das & Teng (2000) provided the argument and the ingredients for the resource-based theory of strategic alliances from the proposed theoretical framework, and developed
propositions to facilitate empirical testing. A proposition of the theory is that the more a firm's resources are characterized by imperfect mobility, imperfect imitability, and imperfect substitutability, the more likely the firm will get involved in strategic alliances (Das & Teng, 2000). The research question is in the following:

Q1. Are the more resources characterized by imperfect mobility, imperfect imitability, and imperfect substitutability, the more likely the HwaCom Systems, Inc. will get involved in strategic alliances?

These answers would enable us better understand why and how the HwaCom Systems, Inc. is interested in forming alliances with other firms, and those who are the most desirable and likely candidates as alliance partners. In addition, we can realize how the HwaCom Systems, Inc. tried to create competitive advantage from resources of alliance partners that make competitors hard to imitate or follow.

**The Reasons for Alliances**

Das & Teng (2000) suggest there are two distinct motives for establishing strategic alliances: one is the need to obtain new resources and the other is developing own resources by combining them with those of other firms (Mário Franco1 & Heiko Haase, 2012). Bamford et al. (2003) restructure the motives for developing strategic alliances according to these topics including cost reduction; creation of scale economies; increased innovation and quality; possibility to create new business; easy access to the partner’s capacities when resources are scarce or when risks are high; overlapping business; improvement of supplier efficiency through establishing optimal relationships; and value creation. All in all, the reasons stimulating alliance formation are different, such as: the need to develop, risk reduction, the search for scale economies, access to technology, improved competitiveness, market exploration, and response to government pressure.

Strategic alliances allow shared costs and risks among partner firms. Meanwhile, alliances have their share of unsuspected difficulties. Not only are good partners hard to identify, alliances are also difficult to manage because of conflicting objectives of partners, shared decision making and control, and opportunistic behavior (Parkhe, 1993). In addition, there is uncertainty about the long-term availability of resources which access in alliances is temporary (Teng, 2007).

Das and Teng (2000) suggest four types of partner resource alignment: supplementary,
surplus, complementary, and wasteful. Indeed, in forming strategic alliances, the firms are complemented or supplemented by other firms' resources, even when this inevitably attracts some nonperforming surplus and wasteful resources, enabling them to exploit their combined competitive advantage (Das & Teng, 2000). Consequently, Das and Teng (2000) suggest that both supplementary alignment and complementary alignment have a positive effect on the collective strengths of the alliance. However, wasteful alignment is detrimental to alliance performance. Researchers have emphasized the value of a complementary rather than a supplementary fit (Rothaermel, 2001), and stressed the value of complementary alignment in the success of alliances (Deeds & Hill, 1996; Harrigan, 1985). Thus, focusing on a complementary fit in alliances is a good strategy for an entrepreneurial firm (Teng, 2007). Corporate entrepreneurship can be defined as ‘the sum of a company’s innovation, renewal, and venturing efforts’ (Zahra, 1995, p. 227). When partner firms have diverse resource profiles, chances are better that one has resources that can fill a resource gap of another. According to Teng’s (2007) proposition, firms engaging in corporate entrepreneurship activities benefit more from strategic alliances with a complementary rather than supplementary fit between partner firms. The research question may therefore be asked in the following:

Q 2. Does the HwaCom Systems, Inc. engaging in the HwaCom New Media project activities benefit more from strategic alliances with a complementary rather than supplementary fit between partner firms?

These answers would enable us better understand what their motives for establishing strategic alliances, as well as the firm’s resources, capacities and competences affect alliance type and partner selection around the process of alliance formation.

**Competitive Advantage through Strategic Alliances**

Rossi et al. (2009) identified base-lines supporting justification of alliance formation. The first base-line, the motive for forming an alliance to satisfy the shortage or lack of resources, the other base-line is the combination of resources to gain competitive advantages (Rossi et al., 2009; Mário Franco & Heiko Haase, 2012). Hagedoorn (1993) suggests that the way resources are aggregated will influence the performance of the alliance significantly. The resource-based theory of strategic alliances suggests the importance of resource alignment for alliance performance but some other scholars do not agree about the relationship between resource alignment and alliance performance. More concretely, the resource-based logic argues that the competitive
advantage of alliances is based on the effective integration of the partner firms' valuable resources (Das & Teng, 2000).

The performance of strategic alliances can be measured in different ways, such as alliance longevity (Beamish, 1987) and profitability (Reuer & Miller, 1997). Some studies have used the alliance as the unit of analysis for alliance performance, and have measured alliance goal achievement in terms of new product development (Deeds & Hill, 1996) and alliance profitability (Cullen, Johnson, & Sakano, 1995). Some other studies have evaluated alliance performance in terms of meeting the objectives of individual partner firms (Thomas & Trevino, 1993; Dollinger & Golden, 1992). In addition, Park and Russo (1996) argue that alliances formed by direct competitors are more likely to fail. When firms have competing objectives in alliances, it becomes very difficult for both partners to achieve their goals.

It seems too early to discuss alliance goal and alliance profitability of this trial case ‘the Fun Travel’ because transmedia storytelling is a new concept. Das and Teng (2000) believe that partner resource alignment affects alliance performance through two critical variables: collective strengths and inter-firm conflicts. When partner firms have different and competing interests in the alliance, they will reduce incentive and willingness to work together. Researchers often suggest that inter-firm conflicts lead to unsatisfactory alliance performance (Zaheer, McEvily, & Perrone, 1998; Bucklin & Sengupta, 1993; Habib & Burnett, 1989). Literature review suggests that inter-firm trust and mutual forbearance are important for controlling potential conflicts in cooperative arrangements (Buckley & Casson, 1988; Ring & Van de Ven, 1992, 1994) because partner firms' objectives in an alliance are not usually congruent, a certain degree of conflict is inevitable. It finds a fit with a strategy that relies on trust, long-term commitment, and mutual forbearance when a firm is more aggressive and oriented toward risk taking (Teng, 2007). Therefore, trust in a relationship can be seen as taking risk with someone in whom one has confidence (Das and Teng, 2001).

According to Teng’s (2007) proposition, the research question is in the following:

Q3. How would the trust relationship in the HwaCom New Media project alliance influence the performance or the success of alliances?

We examine how the performance of alliances may be influenced by resource alignment among partner firms through the trust of an alliance. The answer would enable us better understand what the factors such as trust relationship and knowing key person influence the performance of a new alliance.
Methods

The HwaCom New Media project started with a government funded HbbTV development project, and then turned into a transmedia trial. The Fun Travel infrastructure has been built since June, 2013. The project is developing second-screen location-based Apps to go with a serial of main-screen touring program on a local IPTV platform MOD. Fans clubs are also managed in the handset Apps and on the Facebook for users’ feedback and engagements. Other features such as touring guide and maps are designed in the Apps. The HwaCom Systems, Inc. establishes strategic alliances to gain access to other firms' valuable resources.

This study focuses on single case and tries to provide an explanation of how strategic alliances help facilitate the HwaCom New Media project through the resource-based view (RBV) of alliances. Case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied by one or more methods (Thomas, 2011). We conducted case study research, relies on multiple sources of evidence, and benefits from the prior development of theoretical propositions.

To facilitate this study, direct observations and a focus group interview were conducted to explore some insights of this trial case. The interviewees are: Dr. C. Stone Shih, VP of HwaCom Systems, Inc., and leader of the New Media team; Dr. Jeff Hwang, VP of HwaCom Systems, Inc., and strategic leader of the Fun Travel trial; Forrest Lin, Director, Product & Digital Content, Sekoan; and Yachi Yang, General Manager, Taishang Resource International Group. Their professional opinions on the case studies are recorded to ensure the data can be carefully analyzed afterward. Data reduction, data display, conclusions and verification (Huberman & Miles, 1994; Berg, 2007) were followed in this study. The data was reserved with the original language in transcription as much as possible to get the whole picture. Then the raw data was transformed to a manageable form through written summaries and identification of analytic themes.

Results

This research attempts to bring attention to the possibilities and opportunities for Taiwanese transmedia development through the HwaCom New Media project. The HwaCom Systems, Inc. establishes strategic alliances to gain access to other firms' valuable resources. Since strategic alliances are the results of resource integration
among firms, Das & Teng (2000) suggest that a resource-based view has the potential for helping us understand alliances better. The resource-based theory of strategic alliance argues that alliances are instruments for combining resources among various firms with the aim of obtaining new business opportunities. This study explores some insights of this trial case, and there are a lot of challenges in front of the trial team. The pros and cons of using the transmedia storytelling for the Fun Travel trial are discussed in the following.

A Transmedia Trial: the Fun Travel

Together with Digital Education Institute of III, a Transmedia Forum/Class was planned in early 2012. Due to slow adaptation of such new media production concepts, a transmedia trial team was formed few months later instead. One of the trial partners, Sekoan (HwaDar Digital) is operating a group of the IPTV programmes on the CHT MOD platform. Among these MOD programmes, the Fun Travel is chosen as the main trial themes. First batch of stories are coming from more than 135 Factory Tours (www.taiwanplace21.org) provided by another partner TaiShang Resource International (www.tsrinc.com). Factory Tour is a project office managed under Industrial Development Bureau, Ministry of Economic Affairs. The Fun Travel trial project infrastructure is built as follows:

- The main-screen programmes: the Fun Travel programmes running on the MOD platform by Sekoan. It’s currently a subscription based service and is looking for new business models.
- The second-screen Apps: the Fun Travel Apps both on iOS and Android smart phones by the HwaCom New Media team. In addition to the second-screen video, it provides value-added services such as maps, tour guides, promotion events, etc. An fingerprinting mechanism is implemented in the Apps for the handsets to synchronize with the main-screen programmes. Fans clubs are managed in Apps to support the promotion events.
- The Factory Tour project: the Factory Tour stories produced by the TaiShang Resource International. The stories are published on a series of guide books, HD video clips to be shown on the MOD, as well as streaming services over Internet and smart phones. Fans clubs are managed on the Facebook to support promotion events.

Based on the Fun Travel structure above, viewers may watch those Factory Tour
stories on the MOD. New programmes are coming along the way. In addition, the
viewers may install Apps on their companion smart phones to access second-screen
applications. Also, they may want to join fans clubs for touring discussions. They may
also want to arrange a tour and call for a tour group. In the end, they may want to
share their tour stories in the fans club, or, to be published over the main-screen and
the second-screen platforms. Hence, user engagements can be achieved in the Fun
Travel environment.

The Importance of Storytelling in Transmedia Productions

The Fun Travel infrastructure is based on three platforms: the TV main-screen, the
mobile second-screen, as well as the Internet and the guide books from which the
original Factory Tours programmes are based. But the Factory Tour stories produced
by the TaiShang Resource International are just simple and independent short movies.

Jenkins (2006) concluded that true transmedia storytelling involves the outlying
platforms used in a way that make a “distinct and valuable contributions” to the
original story or story world. According to the Resource-Based Theory of Strategic
Alliances, firm resources are important indicators of the firms entering into strategic
alliances. Firms must possess some resources to capture more resources (Eisenhardt &
Schoonhoven, 1996; Saad et al., 2005), and the possession of critical resources is a
prerequisite for alliance formation. It’s rather easy to build the technical platform than
to find talented storytellers. Due to the importance of storytelling in transmedia
productions, the HwaCom Systems, Inc. should create the most value out of firm’s
existing resources by combining those with stories’ resources, and this combination
results in optimal returns.

As already mentioned, a good story is key to a success transmedia business. Although
the trial platform is ready, the stories of the Factory Tours are still simple and
independent short movies. The resource-based view suggests that valuable firm
resources are usually scarce, imperfectly imitable, and lacking in direct substitutes
(Barney, 1991; Peteraf, 1993). Thus, the trading and accumulation of resources could
be a strategic necessity. According to Dierickx and Cool (1989), factor markets are
often incomplete and imperfect, so that many resources are either not tradable at all or
not perfectly tradable. The distinct advantage of strategic alliances is to have access to
precisely those resources that are needed. When this trial case resources cannot be
obtained through market exchanges efficiently, it is to share, aggregate, or exchange
valuable resources with other firms. The HwaCom New Media team found that
transmedia storytelling may resolve all those difficulties once for all but the firm lacked for stories and did not have know-how to do the hybrid content. As stated above, proposition 1, the more resources are characterized by imperfect mobility, imperfect imitability, and imperfect substitutability, the more likely the HwaCom Systems, Inc. will get involved in strategic alliances.

Moreover, the original plan of the main-screen programmes was rather big in that attractive stories were required to keep enough audiences stick with the platform. But, due to limited budget, the project is compromised into three basic platforms and simple stories. In the future, the trial is looking for more programmes of the Factory Tours. Also, user engagements are expected in this trial platform, for example, actual travel stories may be shared in the fans clubs or on the main-screen through a contest.

**Strategic Alliances and Complementary Resources**

A transmedia platform is one that provides mechanisms for cross-media productions. The motivation for strategic alliances in forming a transmedia platform would be looking for complementary resources which may not be acquired easily by each independent party. The Sekoean team is focused on the MOD main-screen; the HwaCom team is working on the second-screen mobile application; and the TaiShang team provide its Factory Tours project. Apparently, complementary alignment has been the most widely acknowledged type of alignment in alliances (Brouthers, Brouthers, & Wilkinson, 1995; Lei, 1993), the reasons stimulating alliance formation including the need to develop, risk reduction, the search for scale economies, access to technology, improved competitiveness and market exploration. It’s very obvious that each team in the Fun Travel trial contributes its resources from complementary aspects.

Yet, these resources and functionalities are not independent from each other. For example, the fingerprinting mechanism allows the second-screen mobile devices to be synchronized with the main-screen and, hence, tags in the main-screen programmes can be detected by the second-screen devices. Also, the viewers can carry their mobile devices to the actual place showed in the Factory Tours after they’ve watched the program on the MOD. The related touring guide information can be downloaded while the MOD TV show is on. The fans clubs are managed both on the Internet as well as on the mobile Apps which allows the viewers to share their tour stories easily. In the end, a user friendly environment is ready for the audiences to be engaged with the main themes provided by the Fun Travel platform. Das and Teng (2000) suggest
that complementary alignment exists under two conditions: the resources have to be
dissimilar and also be performing. In other words, to be complementary, different
resources need to be compatible and be pressed into effective service (i.e., utilized).
As stated above, proposition 2, the HwaCom Systems, Inc. benefits the trial case more
from strategic alliances with a complementary rather than supplementary fit between
partner firms. Researchers argue that synergy may be created when firms bring
different resources to the table (Medcof, 1997; Stafford, 1994; Harrison et al., 1991),
and resource dissimilarity is necessarily related to better alliance performance (Olk,
1997; Hill & Hellriegel, 1994).
The difficulties for such a transmedia initiative are gathering enough main themes and
attract a sizable viewer base; otherwise, the platform may not sustain its operations.
The strategic alliances may also serve to easy out such initial difficulties in that each
partner can share the resources from their related daily operation, thus the financial
burden may not be so heavy in the beginning.

**Trust Relationship in Friendship Alliances**

The Fun Travel trial is based a new media transmedia concept not many people could
digest easily. The HwaCom New Media team was looking for smart TV business
models after its HIBTV project. Transmedia storytelling was then discovered as a
somewhat extended solution while the smart TV market was not ready.
Several production teams and companies were approached for such business
collaborations such as Fanily (www.fanily.com.tw) and iSET (www.iset.com.tw).
However, seeing is believing, they want to see a real functioning system before any
further collaborations can be formed. Also, for those major TV producers, they want
to gain control and treat it as a rather traditional media business model which is
difficult especially for such a new media platform. In spite of their doubts, firms
cannot work together very well if they are too different in organizational cultures,
managerial practices, strategic orientations, and technological systems (Harrigan,
1988; Park & Ungson, 1997).

While working with Digital Education Institute of III on the Transmedia Forum/Class
project, a few good friends were gathered together to discuss such a possible new
media business model. With mutual trust and common interests, they managed to
figure out such a strategic alliance toward a Fun Travel trial and to share their
resources in hand. As stated above, proposition 3, trust relationship and knowing key
believe that partner resource alignment affects alliance performance through two
critical variables: collective strengths and inter-firm conflicts. Collective strengths may be reflected in all types of resources, such as market power (Luo, 1997), technology (Blodgett, 1991), and so on. Other issues, such as incompatible goals, disagreements regarding resource allocation, and opportunistic behavior, can all lead to inter-firm conflicts (Cullen et al., 1995). Kogut (1989) argues that competitive conflict in joint ventures may take place in areas such as knowledge imitation and competition in downstream markets.

In the early stage of this trial project, there were several interested parties trying to join the alliance such as travel agents and hotel booking website owner. Due to lack of complementary business models, such collaborations were suspended for the time being. The original trial team insists on the business differentiations so the mutual trust may be maintained as the businesses are developing in the future.

**Looking out for External Resources and Story Extensions**

The Fun Travel trial was designed as an open structure platform in the external resources and story extensions are easy to be incorporated. While internal resources and prepared Factory Tours programmes are basically costs, the external resources and story extensions incorporated may be good revenue sources.

For example, the main theme of the Fun Travel is based on the Factory Tours project. These stories may be aligned to become tour packages by the tour agents. In addition, external resources such as ticketing for the airlines and railroad as well as hotel on-line booking may help the viewers to plan the tour by themselves. Such activities may generate good EC revenues. Also, when the viewers are capable of engaging with the system, they may extend and make the main theme stories cross various media platforms such as their Facebook, Twitter, or Blog.

**An Emerging New Media Model : The Transmedia TV in Taiwan ?**

The contribution of the resource-based view is that it develops the idea that "a firm's competitive position is defined by a bundle of unique resources and relationships" (Rumelt, 1984: 557). What the trial has done is a basic platform and simple stories. Fruitful stories and user engagements are expected to be developed in such an environment soon.

The transmedia storytelling is rather a new media business model than a new media
technology. As the smart terminals are getting popular on the market, system operators are ready for the cloud based multi-screen services. Hence, a good content business model may be one that is capable to tell stories cross-platform. There are also several new media programmes trying to do multi-screen or social network based productions. In new product development, strategic alliances are used to pool the technological know-how and expertise of different firms (Leonard-Barton, 1992; Teece, 1992). What makes the Fun Travel trial unique is its strategic alliance and complementary resources from partners. Cross-platform storytelling and user engagements are supported in the trial environment as well.

There are opportunities for transmedia TV developments in Taiwan, but which approaches may be the final winners. Since transmedia storytelling is a content business model, a good story is key to a success business. It’s rather easy to build the technical platform than to find talented storytellers. Thus, a more important thing is whether the firm has achieved increased resource ‘heterogeneity’ as compared to its competitors.

There are three transmedia principles which are cross-media storytelling, distributed narratives, and story franchise. Daryoosh Hayati (2012) argues that transmedia strategy as a narrative storytelling uses different media and cyber space as platforms to advance the story and to create ever-larger fictional worlds of events and characters who become role models. These concepts may be further extended to explore more business opportunities. For example, the cross-media concept may be extended to mean cross-time, cross-places, cross-culture, cross-language, cross-businesses, etc. Also, the distributed narratives may fertilize the way a story may be told, and, hence, improve user engagement experiences. Should we manage transmedia stories as businesses, the story franchise may mean the business franchise.

Christy Dena (2011: 48) refers to two main transmedia types: The first one is a collection of mono-medium stories, commonly known as a franchise; the second type is a collection of media that tells one story. Robert Pratten (2011) describes nearly the same types but considers a third one, which incorporate the other two: Transmedia franchise, portmanteau transmedia, and complex transmedia experience. According to Pratten, transmedia franchise is a series of individual media outlets. Each media platform involved is independent except that they cover different narrative spaces. Michael Graves (2011) concludes that transmedia storytelling franchises encourage viewsing - interactive, participatory, and communicative multi-platform engagement.
Concluding Remarks

According to the resource-based view, the competitive advantage of a firm is built upon their unique resources and resource combinations. Alliances are formed to achieve superior resource combinations that single firms cannot. For the HwaCom Systems, Inc., the specific resource profiles tend to encourage formation of strategic alliances. The Fun Travel trial is a compromised case that it grows out from the resources contributed from the three partners. It’s obvious that each team in the Fun Travel trial contributes its resources from complementary aspects. The HwaCom Systems, Inc. benefits the trial case more from strategic alliances with a complementary rather than supplementary fit between partner firms. The business differentiation keeps a firm mutual trust between the members of such an alliance. Also, common interests in such an alliance are important factors to move the business forward. Thus, transmedia storytelling is a new concept but strategic alliances might be the key to success. However, transmedia is a buzzword that has been used and misused in the last couple of years. There is not yet consensus on what transmedia storytelling means and the definition of TS is still open (Gambarato, Renira R., 2012). When particular projects are too risky and the capital market fail to provide needed capital, the financial resources available from provider firms become imperfectly mobile and imperfectly substitutable (Das and Teng, 2000). As a result, in light of the above discussion on the resource-based rationale of strategic alliances, the HwaCom Systems, Inc. will try to obtain the support of capital.

The Fun Travel trial has set a foundation on which transmedia productions may be realized. There are ample new opportunities ahead of the time. Also, there are various directions that transmedia storytelling may be extended. However, it is still a very new business concept in the media industry here in Taiwan. Outside of the Fun Travel trial alliance, probably not many people may understand such a new business model. As discussed earlier, external resources and story extensions are good revenue sources, important stakeholders such as TV commercial agents and EC operators are still outside of the trial team. It may need quite some efforts to move this trial into real business operations. The HwaCom Systems, Inc. will find it a systematic process to modify this type of resource alignment by examining project options for allocations of firm resources to achieve suitable alliance resource alignments.

When the HIBTV development project is concluded, we found that Taiwan local market is facing a “chicken and egg” dilemma. Without good enough hybrid content,
TV manufactures are slow in pushing out the smart TV products. On the other end, without large enough smart TV users, the TV programmers are hesitate in incorporating the hybrid mode into TV content productions. In addition, the TV programmers do not have know-hows to do the hybrid content.

In search of such a good hybrid content production model, the HwaCom New Media team found that transmedia storytelling may resolve all those difficulties once for all. First, it’s a complete new content business model. Its ways of financing the production process are even better than the traditional media industry’s financing model. Second, it’s based on cross-media and cross-system concepts which do not strictly require an integrated hybrid terminal. We may have freedom to incorporate the Internet access on a second-screen as well as integrated in the same smart TV, and, hence, “chicken and egg” dilemma can be avoided.

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