Does social climate matter? On friendship groups in social commerce

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ABSTRACT

This article contributes to e-commerce research by providing an enriched understanding of how social climate of friendship group affects members' intention to purchase and their actual purchase behavior. Data collected from 215 group members within a WeChat friendship group show that social climate significantly affects group members' social value, hedonic value, self-discovery value, informational value and their member intention to purchase together. This study highlights the importance of the proximal social network in voluntary settings, illustrating that social climate influences friendship group members' purchase behavior through affective channels rather than through cognitive channels.

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1. Introduction

Social commerce – the delivery of business and commercial activities in an online social environment – has attracted attention for shaping emerging online commercial channels (Liang and Turban, 2011; Zhou et al., 2013). According to *Business Insider*, the top 500 retailers earned $2.69 billion from online social commerce in 2013, a 60% increase over the past year (Workman and Adler, 2014). Commercial features are included within social networking services, such as Facebook, Weibo and WeChat is an example of social commerce. Facebook is a leading social commerce platform and accounts for 64% of total social revenue in the U.S. (Smith, 2015). This massive growth of sales through social networking services and the corresponding massive increase in profit generated by vendors implies that social commerce deserves attention and research should be conducted to understand consumer purchase behavior in such an environment.

Social commerce is different from e-commerce and group-buying. In social commerce, consumers always bond together in the form of social groups and purchase collectively rather than shopping on an e-commerce website separately (Zhu et al., 2010). Social groups are specific social networks that enable assembled members to gather together as an intangible circle for

sharing information and providing social support (Dholakia et al., 2004). According to Chi et al. (2010), online customers prefer communicating with other customers, discussing about particular products, seeking feedback from shopping partners, and enjoying leisure time with friends. Since Social Media facilitates such discussion with others customers, social commerce has come into vogue and promotes collaborative shopping whereby globally dispersed consumers shop online simultaneously (Zhu et al., 2010).

Collaborative shopping is also different from group-buying. In group-buying, consumers gather together online temporarily to form a group and bargain for a lower price. Group-buying consumers make purchase decisions separately and may not communicate or collaborate with one another. However, consumers in a collaborative shopping group have a sense of belonging. They feel themselves as one of the group members and carry a commitment towards their group. Furthermore, collaborative shopping is more enjoyable as customers communicate among themselves informally and crack jokes. Table 1 lists differences among collaborative shopping, traditional e-commerce and group buying.

A number of studies (Kim et al., 2013; Zhu et al., 2006, 2010) assert that consumers act jointly (such as searching information together, and exchanging personal experiences collectively) within a collaborative shopping process. In the collaborative process, members of the group possess an intention for acting collectively. This is *we-intention*, the commitment of group members to join a collective action (Bagozzi and Dholakia, 2002). "We" here reflects

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Table 1
Comparison between collaborative shopping, e-commerce and group buying.

	Collaborative shopping	E-commerce	Group buying
Actor	Collective	Personal	Collective
Interaction	Simultaneously	Asynchronous	Asynchronous
Decision	Group-level	Individual-level	Individual-level
Self-identity	√	×	×
Enjoyment	√	×	×

group members' awareness of membership. For the purpose of clarity, this study uses the term *member intention* to characterize we-intention that represents collaborative purchase behavior whereby consumers shop together in an online social group.

Due to the paucity of research on collaborative purchase behavior in the context of social media, little is known about the factors that influence members' intention to purchase. Since collaborative shopping is different from other form of shopping, antecedents of purchase behavior in this context may be different. Most of the previous studies (Kim et al., 2013; Zhu et al., 2006, 2010) investigate the antecedents of member's shopping intention from the perspective of supporting tools and personal experiences. However, the social-side of consumption and the group-level antecedents have been neglected in previous studies on collaborative shopping. Social influence in a group depends on the entire atmosphere among members and reflects the nature of the entire group.

According to Bagozzi (2000), the social consumer behavior can be scrutinized as the effect of social features on interpersonal process, interactive behavior and relationships among social collectives. Social climate is an important source of environmental features of a social group (Chen and Huang, 2007; Liang et al., 2010). It refers to the perception of individuals about the atmosphere and general socio-emotional tone of the group (Koo and Ju, 2010; Liang et al., 2010). Prior studies (e.g. Bagozzi, 2000; Johnson et al., 2005; Kivlighan and Tarrant, 2001) postulate that social climate affects members' intention and ultimately their behavior. However, few empirical studies test the influence of climate on member's purchase intention and behavior within an online social group. Therefore, the objective of this study is to examine the influence of social climate on members' intention of purchasing. Specifically, the research question address is this study is: How does the social climate bring about members' intention of purchasing?

This study makes two important contributions to IS research and practice. First, it examines collaborative shopping activity as a members' intention of purchasing. Second, it introduces the social climate into IS research and specify it within a friendship group context. A friendship group is a specific online social group where members develop friendship with each other (Tsai and Bagozzi, 2014). We argue that the social climate of the friendship group can affect the purchase intention of group members and thereby influence their purchase behavior.

2. Theoretical development

2.1. Collaborative shopping

Generally speaking, shopping is often a social process in which consumers go shopping with others, such as friends or family members. The ubiquity of social networks provides collaborative platforms for shoppers to overcome the physical dissociation that happens in online purchases (Zhu et al., 2010).

Collaborative shopping, a type of social shopping, has received substantial amount of attention from both practitioners and researchers. Companies have tried various techniques to build a collaborative online shopping environment, which can be

categorized into two main types. In the first type, traditional e-commerce websites include social shopping features. For example, eBay launched a function "Help Me Shop" (www.ebay.com/helpmeshop), which enabled consumers invite their friends join the online shopping and sharing opinions. Similarly, the Chinese traditional e-commerce platform, Taobao, also added a social feature which called Tao Jianghu (jianghu.taobao.com) in its website to facilitate collaborative social shopping. In the second type, the social media platform adds commercial features (Fang, 2015; Geeks Operation, 2014). For example, companies set up WeChat groups and communicate with customers in the group who are interested in product choices. Companies, as group members, also encourage consumers within the group to discuss and purchase together.

Researchers also have concentrated on figuring out ways to implement collaborative tools across social networks. For example, Zhu et al. (2010) examine the impact of two different design features of supporting tools, namely, navigation support and communication support, on consumers' collaborative performance and their perceptions of social presence. Ye et al. (2005) propose a collaborative virtual shopping system to facilitate real interaction and communication between consumers who are interested in similar products. A number of studies propose prototypes that enable consumers to navigate through virtual environment and conduct shopping collaboratively (Puglia et al., 2000; Shen et al., 2002; Zhu et al., 2006). In addition to implementation issues, interest is burgeoning in examining the impact of collaborative shopping factors on consumers' perception and behavior. For example, Zhu et al. (2010) explore the influence of shared navigation and chat on shopping partners' coordination performance. Kim et al. (2013) also propose two design features, namely, embodiment and media richness, and examine their impacts on consumers' perception of social presence.

However, recent studies have mainly been focusing on the role of supporting technologies in facilitating collaborative shopping. From a social influence perspective, consumers' behavior is largely influenced by their surroundings. In the social network context, consumers' immediate social environment is the social group with which they interact and communicate frequently. Prior research reveals that social influence occurs within social groups and has a significant impact on group members' perceptions and behavior. Few studies have investigated the contextual factors that influence the social and relational perspectives of collaborative shopping though.

Because of the lack of knowledge about these emerging collaborative technologies, as well as the social nature of the friendship-based collaborative shopping group, it may be inappropriate to apply the previous findings on the use and impact of collaborative shopping in e-commerce to a social commerce context. Therefore, additional research effort is needed to analyze and evaluate collaborative shopping intention and behavior theoretically and empirically to advance our knowledge concerning this important and expanding buying channel.

2.2. Uses and gratifications theory (UGT)

UGT focuses on explaining the psychological values that motivate media users to participate in specific media use behaviors (Luo, 2002). UGT helps researchers to explicate various user values when they are engaged with media, allowing for a better understanding of different behaviors and perceptions (Smock et al., 2011). UGT has been widely used in understanding users' IT adoption behavior. Previous studies have noted that motivations affect user perceptions of the contextual stimuli and they shape their intention and behavior. For example, Shin (2010) utilizes the *uses and gratification* (U&G) approach to understand users' motivations