



Leveraging social media for electronic commerce in Asia: Research areas and opportunities



Sang-Yong Tom Lee^a, Chee Wei (David) Phang^{b,*}

^a School of Business, Hanyang University, Seoul, Republic of Korea

^b School of Management, Fudan University, Shanghai, China

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ABSTRACT

The last decade has seen phenomenal growth of electronic commerce in Asia. An important driving force has been the parallel rise of social media, enabling pervasive interactions among consumers and between consumers and firms. This article provides an overview of the current state of development of social media in Asia. We also survey the literature on social media that has been produced by authors in this region. The research covers a variety of topics and issues, including: user behavior with social media, the impacts of social media, and the issues arising from its use. It also identifies a number of future research opportunities that fall into these areas. The Asia region is filled with high potential for promising research regarding how social media may be leveraged for e-commerce. This article calls for more research attention to be given to social media-related e-commerce research, and the discovery of new knowledge related to the connections between social media and e-commerce that are unique to the Asia region.

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1. Introduction

Social media represents one of the most important platforms for electronic commerce. Asia is no exception in this global trend, and it has attained dramatic and high levels of growth in the use of social media in e-commerce during the past several years. For instance, research by McKinsey has indicated that there are more than 300 million consumers in China who use social media to obtain product information (Chiu et al., 2012). McKinsey further estimates that China's online consumers spend more than 40% of their time on social media. A similar pattern with social media has been observed in Japan, Korea, and other Asian countries. For example, KakaoTalk, Korea's local social media service, has now more than 100 million global users, with 30 million users of its gaming app in Korea (Takahashi, 2013). The firm has been trying to achieve a dominant position of centrality as an e-commerce platform in Korea. Naver's LINE, a service that was initiated in Japan, now has 400 million users (Cheng, 2014). In view of these kinds of developments, it is valuable to update our understanding of what motivates the usage of social media and how organizations will be able to make fuller use of it in the Asia region. The impacts

of social media on the businesses, economies and societies in the Asia region also need to be understood in greater depth.

At the same time, the development of social media, which affords extensive connectivity and easy information exchange, has also brought with it a number of issues with regard to their use, such as copyright infringement (Carpenter, 2012) and the spread of unverified information and rumors (Dube, 2010). These issues are particularly pertinent in Asia, where institutional policies in the various countries and the region as a whole are not yet very mature. Thus, research is needed to assess the nature and characteristics of these issues, and what measures can be devised to address them effectively.

This essay examines the current state of research on social media in the Asia region, and especially among authors who work in the countries in this region. We investigate a variety of issues, including user behavior involving social media, the impacts and issues associated with social media use, and future research opportunities in these areas that are likely to create significant impacts on research and industry practices due to the new knowledge that is being produced.

2. Social media use in the Asia region

We next will discuss the characteristics of social media development and extant research on user behavior of social media in the Asia region.

* Corresponding author.

E-mail addresses: tomlee@hanyang.ac.kr (S.-Y.T. Lee), phangcw@fudan.edu.cn (C.W. (David) Phang).

2.1. Characteristics of social media development in the Asia region

Social media are widely used in the daily life activities of consumers and in the business activities of firms in Asia, just like any other region in the world. For example, a University of Southern California-based blogger, quoting a *Hollywood Reporter* study, reported that 79% of people in the U.S. always or sometimes access Facebook while watching TV (Greg 2014). Another source, KryptoniteDigital.com (2014a,b), provides estimates that are more specific to Asia. For example, in Asia: 85% of marketers point to social media as a major source of business exposure; 48% are able to reduce expenditures using various social media sites; and 45% of small and big retailers are on social media to drive sales. In addition, managers and recruiters analyze social networking profiles to help them make hiring decisions. They look at the profiles of job candidates they are considering, and many of them declare that a person's social profile is a major factor in their hiring decisions. In addition, restaurants, retail stores, and other service providers are also relying on social media to increase customer loyalty and build more exposure in the marketplace through location-based services.

These phenomena can be observed everywhere around the world and are not Asia-specific. However, there are two notable characteristics in the growth of social media in the Asia region that we would like to point out. They are: (1) the popularity of local social media platforms; and (2) the mobile-first strategies of the service providers. First, the services of local providers have become extremely popular in the Asia region. Korean, Chinese, and Japanese companies have been engaging in heated competition in the social networking service market, together with global giants Facebook, Twitter, and Google. Although Facebook is still the number one social media provider in the world, there are many successful local platforms in the different Asian countries that have large installed bases of users. In China in 2014, according to China Internet Watch (www.chinainternetwatch.com), local providers included QQ with 848 million users, Qzone with 644 million, WeChat with 396 million, and Tencent Weibo with 220 million dominate the market. KakaoTalk, with 30 million users in Korea and 130 million worldwide, started its business with mobile messaging, and extended its market power into the social media market (Takahashi, 2013). Another Korea-based service developed by Camp Mobile is the proprietary social media, BAND, which has attracted 23 million users. Also Naver's LINE, with 400 million users, started its social media service in Japan and extended its business in Korea and other Asian countries (Cheng, 2014).

Restrictions on Facebook represent one reason, but may not be the only reason for the popularity of local platforms in China. Language barriers across the Asian countries also make Asia's social media market fragmented. According to a research by Singh et al. (2010), many non-English speaking countries show a higher preference for their own language over English. China is the strongest at 86% preference for content in simplified Chinese. Although the Lionbridge study did not cover Korea and Japan, one may guess that these countries probably have a higher preference for social media in the local languages, considering the English proficiency levels of the people in these countries (Hong, 2014).

According to Yu et al. (2011), there is a big difference in the social media content shared in China, when compared to Twitter, the global social media provider. The level of social media traffic in China is almost entirely due to retweets of media content, including jokes, images, and videos. In contrast, on Twitter, retweets of media content tend to have more to do with current global events and news. This makes it so that the platforms that are based on local languages have a basis for competitive advantage.

A second key characteristic of Asian social media is that the service providers have strength in mobile social media. In fact,

many Asian local platforms have their origins in the mobile market. For example, China's WeChat, Korea's KakaoTalk, and Japan's LINE all were originally designed as pure mobile messaging services. Then, as mobile devices have come to possess stronger processing capabilities, messaging apps have extended the functionality of social media in beneficial ways. This has enabled richer forms of social networking and supporting new and innovative forms of interactions among people.

Another reason for Asia's mobile-first strategy is that a great proportion of consumers in this region access the Internet through mobile infrastructure. Some of the advanced economies, such as Japan, Korea, Hong Kong, and Singapore, have established fixed-line broadband infrastructure. However, other countries, especially some Southeast Asian countries, have relatively poorer infrastructures for Internet accesses. Thanks to the high penetration of mobile technologies such as 3G services in these countries, users can more easily access the Internet via their mobile devices. So the mobile-first strategies of firms have been appealing to the consumers in this region.

2.2. Surveying current research on user behavior of social media in the Asia region

Social media has become an important area of exploration for university and industry researchers interested in online technologies and their impacts on consumers and businesses. The Asia region has about half of world's population and a similar share of social media users. Thus, social media in Asia is a good research target for IS, e-commerce and technology researchers. It will be valuable to explore business and consumer behavior in the social media market, as well as the impacts of social media on businesses, society and the economy in the Asia region.

Considering the fact that the history of social media is relatively short, it is not surprising to see that studies on this topic in this region are not very abundant. Since many of the early studies are conference papers, our expectation is that the number of journal articles will increase soon. To give the reader an idea of how this area of research inquiry is developing, we categorized social media research studies in Asia into three groups. The first includes *behavioral studies*, which attempt to understand users' behavioral characteristics in relation to social media. The second includes *social media impact evaluation studies*. And the last involves studies on the *issues arising from social media use*.

The behavioral studies typically survey social media users to uncover their motivation to engage in social media related activities. Table 1 offers a list of behavioral studies on Asian social media.

There are a number of good examples of this kind of research. One is Choi (2013), who investigated the factors that affect continuous usage of social media in Korea. Another work is by Chung et al. (2012), who focused on the impact of characteristics of social media on information sharing in social media, also in Korea. Huang et al. (2014) found that the use of enterprise micro-blogging improves operational performance by increasing marketing capability. Jang et al. (2013) examined the impact of friendship desire on citizenship behavior in social media in Korea. Kim et al. (2012) evaluated the determinants of continuance and word-of-mouth intention in Korea's social media. Wu et al. (2013) reported how four dimensions of *perceived interactivity* (control, synchronicity, surveillance, and social bandwidth) affect users' bridging and bonding social capital in Taiwan. Zhang et al. (2013) investigated how product attitudes form on online review sites with social networks in China.

In this special issue, Wang et al. (2015) investigated the factors that influence users' posting of status updates on micro-blogging. Their study highlights the unique nature of such behavior. They noted that it is more spontaneous and less rational, and found that

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