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## Can we get from liking to buying? Behavioral differences in hedonic and utilitarian Facebook usage





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#### ABSTRACT

Companies' Facebook pages have emerged as a commonly used marketing channel and their importance as a sales channel is likely to increase. Details about consumers' underlying motivations to use these pages need to be linked to their effect on the host company's business. This study distinguishes between consumers' hedonic and utilitarian motivations for using company-hosted Facebook pages and relates them to two types of community usage behavior: browsing and participation. The effects on variables closely linked to business performance are examined. Analysis of data collected from 1162 members of a travel agency's Facebook page reveals that hedonic motivations indicate a higher propensity to participate in the community whereas utilitarian motivations relate more strongly to merely browsing the community page. The participating members, however, do not show intentions to buy from the host company or refer it to others, while the browsers do. For practitioners, the finding that hedonic community participants are needed to maintain the community, but that they are unlikely to profit the company, is crucial.

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#### 1. Introduction

Social commerce is predicted to be the next large and disruptive phenomenon in business in terms of redefining the customer relationship (Wesson 2010). This phenomenon has evolved over time, and is currently generally defined as *commerce activities mediated* by social media (Curty and Ping 2011). Companies are integrating social shopping tools such as recommender and review systems into their online stores (Stephen and Toubia 2010), and are increasingly using social networking services for commerce-related activities, or are planning to do so in the near future (Wesson 2010). The Internet abounds with social networking sites such as Facebook, Twitter, LinkedIn and Pinterest, for example. The power of such online networks lies in the fact that they, unlike the topically organized web in general, are organized around their users (Mislove et al. 2007), thus making it possible to utilize user interconnectedness in order to reach large audiences at a relatively low cost. This potential has aroused a great deal of interest in social media, and especially in Facebook as a marketing tool: 76 percent of companies in 2011 reported that they planned to strengthen their presence on Facebook (Socialmediaexaminer.com 2011). Although there is no denying the popularity of many other social networking sites, Facebook is currently the most widely used, with over one billion registered users globally (The Wall Street Journal 2013). As digital social interaction lies in the heart of social commerce, Facebook will undoubtedly be one of the most prominent tools to conduct social commerce activities.

However, despite the undeniable commercial potential of social networking sites like Facebook, no sound theories exist that would enhance understanding of what motivates consumers to interact with companies in social media environments. Their motivations and reasons for belonging and participating in traditional brand communities are fairly well documented (e.g., Algesheimer et al. 2005, Ridings and Gefen 2004, Wang and Fesenmaier 2003), but social networking sites represent a different kind of environment in which the consumer can choose to interact with multiple companies within one site, with relatively little effort. Thus, a consumer interacting with a company on a social networking site, such as Facebook, might not be as committed to it as a consumer who joins a discussion forum-based brand community located on a separate site, for example. Furthermore, as social networking sites are expected to represent the future of electronic commerce in the form of social commerce (Curty and Ping 2011), it is necessary to know what drives the business in those environments.

The current research widely adopts the view that consumption behavior includes both utilitarian and hedonic dimensions. Utilitarian behavior is defined as goal-oriented and rational, concerned with effectiveness and instrumental value, whereas hedonic behavior implies seeking fun, play, enjoyment and experiences

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(Babin et al. 1994, Batra and Ahtola 1990, Dhar and Wertenbroch 2000, Voss et al. 2003). Both dimensions have been found to explain traditional consumer behavior (Arnold and Reynolds 2003, Babin et al. 1994), as well as, more recently, online consumer behavior (Cotte et al. 2006, Hartman et al. 2006, Mäenpää et al. 2006). There is a wide recognition among researchers of the utilitarian value of online communities for consumers (Bateman et al. 2010, Casaló et al. 2010), but their hedonic value has received somewhat less attention (c.f., Sanchez-Franco and Rondan-Cataluña 2010). However, as online communities are known to speak to consumers' both informational as well as social needs (Kozinets 1999, Ridings and Gefen 2004), the way social networking sites are organized around their users highlights the social, and thereby probably more experiential, aspect of their use. The dichotomy between hedonic and utilitarian provides, therefore, new knowledge within the social network context.

The aim in the current study is to tackle these challenges by developing a model for consumer behavior on company-hosted Facebook community pages. In particular, we examine the relationship between the members' hedonic and utilitarian motivations for using the community and their usage behavior. We seek answers to the following research question: How are users' hedonic and utilitarian motivations for using companies' Facebook community pages reflected in their usage behavior? We differentiate between two types of behavior, browsing and participation (Casaló et al. 2010, Cotte et al. 2006, Novak et al. 2000), which are currently the most prominent usage behaviors in Facebook. Along the ideology of social commerce, the usage behavior 'electronic shopping' (Cotte et al. 2006) will probably become more common in Facebook in the future, but, at the moment, that activity is still extremely limited and scarce.

To complete the model and to increase our understanding about the possibility of conducting business transactions in Facebook, we also explore the outcomes of the usage behavior in terms of purchase and referral intentions as well as membership continuance intentions. Although these indicators do not necessarily mean that actual purchasing will take place, they do appear to possess predictive power (Jamieson and Bass 1989). We explore these outcomes for three reasons. Firstly, understanding only motivations and behavior is inadequate for practitioners who are interested in the economic value of their marketing initiatives. Linking behavioral actions to even attitudinal outcomes will give a more in-depth understanding of consumer behavior in the context of Facebook community pages and insight into the type of behavior that should be encouraged in order to achieve a positive impact on sales. Secondly, research supports the interconnected link between these attitudinal factors and company performance (e.g., Luo and Homburg 2007, Zeithaml et al. 1996), and while there are also mixed results and doubt towards using these metrics (e.g., Chandon et al. 2005, Morgan and Rego 2006), their combined effect is bound to predict business performance better than only one metric or no metric at all. Thirdly, company-hosted online communities are usually open to everyone and, thus, there are oftentimes also non-customers in the community. When it comes to purchase intentions, they reflect users' future purchases, thus capturing the potential value of community members who might currently be non-buyers.

This article provides a basis on which to study hedonic and utilitarian consumer behavior within the novel context of social commerce mediated by social media. Given that social media-related activities are steadily gaining in terms of the proportion of all time spent online (Nielsen 2011), there is a clear need for research that would enhance understanding of both hedonic and utilitarian drivers of consumer activity in commercial social media environments. Neither dimension alone is sufficient to explain and capture the complex phenomenon of such consumer behavior.

#### 2. Theoretical background

#### 2.1. Hedonic and utilitarian web consumption

There is ample evidence that hedonic and utilitarian motivations affect consumption behavior (Arnold and Reynolds 2003, Babin et al. 1994, Batra and Ahtola 1990, Dhar and Wertenbroch 2000, Holbrook and Hirschman 1982). It is further suggested that utilitarian motivations relate to goal-oriented and rational behavior, whereas hedonic motivations are concerned with fun, playfulness and enjoyment (Babin et al. 1994, Batra and Ahtola 1991). Holbrook and Hirschman (1982) explicitly refer to hedonic and utilitarian consumption motivations, claiming that the traditional view of consumption as an objective act, focused on gaining maximum utility value, is likely to be inadequate in terms of capturing the wide spectrum of consumption motives. Batra and Ahtola (1990) subsequently found that consumers derived value from consumption bi-dimensionally, enjoying both instrumental (utilitarian) and experiential (hedonic) benefits.

A recent research stream has focused on the hedonic and utilitarian dimensions of web consumption (e.g. Cotte et al. 2006, Hartman et al. 2006, Kim et al. 2012, López and Ruiz 2011), and it can be divided by two prominent ideas: hedonic and/or utilitarian value is created in different usage activities and by different information system types. According to the first view, web consumption incorporates a multitude of behaviors (browsing, searching, chatting, shopping, etc.) that can be seen as inherently practical, objective and goal-directed, or subjective and experiential (Cotte et al. 2006, Hartman et al. 2006). According to the second view, web environments (news sites, discussion forums, video services, etc.) in themselves, or in their features (security, accessibility, quickness, etc.), may be hedonic or utilitarian, or a mixture of both (Bernardo et al. 2012, Kim et al. 2012, van der Heijden 2004).

However, regardless of whether we look at the online activities or different information systems and their features, we can see that the hedonic or utilitarian value of whatever object is determined by the degree of utility or enjoyment it provides for the user. Thus, both the nature of the context as well as the motivation to use a website will determine the kind of usage behavior in which the user engages (Cotte et al. 2006, van der Heijden 2004).

#### 2.2. Online brand communities

Internet technology allows for easy information sharing and communication beyond geographical and time limits. The absence of such limits sets online communities apart from traditional geographically bounded communities (Bagozzi and Dholakia 2002, Kozinets 2002), as they exist entirely within a computer-mediated environment located in cyberspace (Koh and Kim 2003). Online communities usually depend on voluntary actions on the part of their members, and are built around shared interests (Bagozzi and Dholakia 2002). Shared interests are the defining feature of a voluntary community and a prerequisite for its existence (Koh and Kim 2003), and, by connecting through the shared interests and practices, the members create value in the community (Schau et al. 2009, Seraj 2012).

Online communities vary, communities of consumption being a distinct type (Kozinets 1999). Kozinets (1999) defines communities of consumption as 'affiliative groups whose online interactions are based upon shared enthusiasm for, and knowledge of, a specific consumption activity or related group of activities'. Brand communities are similar and are also related to consumption, but instead of focusing only on the consumption activity, they are based on a shared interest in and admiration for a specific brand (Muñiz and

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