



# The effects of social commerce design on consumer purchase decision-making: An empirical study



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## ABSTRACT

Social commerce encourages consumers to participate actively in the buying and selling of products and services in online marketplaces and communities. However, the effects of social commerce design on consumer purchase decision-making are not well understood, and this may lead to the ineffective design of social commerce platforms and applications and may thus negatively affect consumers' online purchase behaviors. We propose an empirical model to study the effects of three social commerce design factors (i.e., usability, functionality and sociability) on the five stages of the purchase decision-making process. The results show that the five stages are affected differently by the three social commerce design factors in question. The main implication here is that online merchants who adopt social commerce should devise design strategies that are specific to each stage of the purchase decision-making process to ensure that their online platforms address the needs and wants of their customers.

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## 1. Introduction

Recent advancements in web technologies and the emergence of social media concepts and tools have led to the emergence of new developments that affect electronic commerce (e-commerce). These developments enable and encourage consumers to participate actively in the buying and selling of products and services in online marketplaces and communities (Huang and Benyoucef, 2015). This new phenomenon is commonly referred to as social commerce (Hajli, 2014), which can be described as the use of social media tools and Web 2.0 technologies in e-commerce. Social commerce is having a profound impact on business processes and on social interactions among consumers (Spaulding, 2010). Indeed, within this environment, consumers are exposed to a more social and collaborative online shopping experience wherein collective intelligence can be aggregated and harnessed to support a superior understanding of purchases and more accurate shopping decisions (Dennison et al., 2009). Online merchants can identify consumer behaviors, preferences and expectations to help them deliver better services (Constantinides et al., 2008). Distinct from traditional e-commerce, which focuses

on enhancing the efficiency of online shopping, social commerce delivers a rich social, interactive and collaborative online shopping experience (Yang et al., 2015). As such, e-commerce is shifting from product-centered marketplaces to a consumer-oriented environment aimed at developing closer relationships with consumers (Yang et al., 2015), increasing consumer participation (Guo and Barnes, 2011), creating new business opportunities (Sadovykh et al., 2015), and supporting product and brand development (Huang et al., 2012).

Research on social media and Web 2.0 related to the context of e-commerce (e.g., Hajli, 2014) and to their impacts on consumers (Kim and Park, 2013) including their attitudes (Hassanein and Head, 2007), levels of satisfaction (e.g., Bai et al., 2008), and shopping behaviors (e.g., Seckler et al., 2015) highlight the importance of designing quality social commerce websites (Hernández et al., 2009). Indeed, website design has a considerable effect on consumers' interactions with social commerce (Cebi, 2013). In particular, consumer purchase decision-making is largely influenced by the quality of social commerce website design (Curty and Zhang, 2013).

Our review of the literature shows that design quality can be achieved by addressing issues of *usability*, *functionality* and *sociability*, as usability is related to a number of important outcomes such as the ease of use, error reduction and positive attitudes (Wagner et al., 2014), and it has been shown to increase consumers' intentions to purchase products as well as levels of system usage

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(Lee and Kozar, 2012). For functionality concerns, it is one of the most important factors that consumers focus on in regards to social commerce design (Cebi, 2013). Functionality appears to have a significant impact on consumers' purchase decisions and repeat purchasing habits (Wu et al., 2015). Sociability is another component of social commerce design (Huang and Benyoucef, 2015) that impacts consumer interactions, levels of engagement, beliefs and decision-making (Curty and Zhang, 2013).

Notwithstanding the importance of usability, functionality and sociability for social commerce design and for impacts on consumer decision-making, businesses still face the challenge of making their social commerce websites usable, functionally flexible, and socially rich (Hassanein and Head, 2007). In response to these challenges, some studies have explored design aspects of social commerce and have identified a number of design attributes (some of which are described in the paper) (e.g., Curty and Zhang, 2013; Yang et al., 2015). Other studies have focused on understanding the impacts of social commerce design and online consumer behaviors by analyzing online purchase decision-making trends (e.g., Gao et al., 2012), consumers' attitudes toward online shopping (e.g., Hassanein and Head, 2007), and consumers' online purchase intentions (e.g., Sin et al., 2012).

We argue that studying the effects of social commerce design on consumer decision-making is important, as decision-making is a complex cognitive process that involves engaging in multiple perceived activities (Sadovykh et al., 2015). In relation to this we must address questions regarding which social commerce design factors affect consumer purchase decision-making, how these factors influence purchase decision-making, and whether and why certain factors are more important than others. We must also conduct a socio-demographic study on the effects of social commerce design on consumer decision-making to facilitate a stronger understanding of the issue at hand and to contribute to the development of consumer-centered social commerce.

This study thus investigates the following research questions. (1) What are the effects of social commerce design on consumer purchase decision-making? (2) How do those effects differ when considering gender and age? (3) Are certain design features more important than others in various stages of the purchase decision-making process and if so why? (4) Which decision-making stage is more heavily affected by issues of design quality and what particular design features are required at different stages of purchase decision-making? To answer these questions, an online survey is used to capture consumers' perceptions of social commerce design quality and its influence on their purchase decision-making. We believe that the answers to these questions can serve as a useful foundation for future social commerce research.

This paper is structured as follows. In Section 2 we provide background information on social commerce and discuss issues of usability, functionality and social features in the design of social commerce applications. In Section 3 we present our research model and develop associated research hypotheses. We then detail our empirical approach in Section 4. The data analysis is discussed in Section 5. Finally, our conclusions, implications and limitations are detailed in Section 6.

## 2. Background and related literature

### 2.1. Social commerce

A study by Yadav et al. (2013) defined social commerce as the exchange-related activities that occur in or that are influenced by a consumer's social network in computer-mediated social environments, where activities correspond to need recognition, pre-purchase, purchase, and post-purchase stages. In view of this,

two vital concepts are identified: exchange-related activities including stages of consumer purchase decision-making and computer-mediated social environments including social connections, interactions and communications.

Based on the conceptual definitions of social commerce, notable differences between e-commerce and social commerce can be highlighted with respect to business purposes, system connections, and consumer decision-making behaviors. Regarding business purposes, e-commerce focuses solely on improving the efficiency of online shopping (Carroll, 2008). Social commerce, however, gives priority to social purposes such as consumer generated content, collaborative knowledge, networking communities, and shopping considerations (Wang and Zhang, 2012). In terms of system connections, consumers normally approach e-commerce individually and independently under little or no control (business organizations control online content and messages) while social commerce involves a social community, encouraging consumer control and offering real time participation to support social connection among consumers (Kim and Srivastava, 2007). For consumer decision-making, purchase decisions are primarily influenced by the quality of information, products or services provided on an e-commerce website. Social commerce, however, provides a more social and interactive experience through which collective decision-making occurs (Kang and Park-Poaps, 2011).

In this study, rather than focusing on transactions alone, we rely on Yadav et al.'s definition (Yadav et al., 2013) of social commerce, which considers a number of stages of the purchase decision-making process and namely, product awareness, information search, evaluation, purchase, and post-purchase stages.

### 2.2. Social commerce website design

Both social interaction and commercial activities are delivered through social commerce websites, which form an interface that provides consumers with a first impression of business organizations. Hence, business organizations should aspire to offer social commerce websites of high-quality design (Liang and Turban, 2011). A well-designed user interface has a positive effect on consumers, inciting them to use a website and purchase online (Fan and Tsai, 2010). Previous studies have investigated aspects of social commerce website design quality based on three factors: *usability*, *functionality* and *sociability*.

Usability, an important factor of social commerce design (Hassanein and Head, 2007), is defined as the capacity or a software product to be understood, learned, operated, and attractive to users (Fernandez et al., 2011). More specifically, website usability describes the extent to which a website can be used by visitors to achieve specified goals with effectiveness, efficiency and satisfaction in a specified context of use (Venkatesh et al., 2014). Several studies have employed multidimensional constructs to describe effectiveness, efficiency and satisfaction as they relate to website usability design. For example, website usability reflects the perceived simplicity, readability, consistency, learnability, interactivity, navigability, content relevance, supportability, credibility and telepresence of a website (Lee and Kozar, 2012). Luna-Nevarez and Hyman (2012) described the following six usability attributes of website design: content quality, visual and presentation style, navigation, textual information, advertising and social media aids. According to their description, content quality refers to the provision of quality services; visual and presentation styles concern page sizes, layouts and numbers of images; navigation concerns the use of site maps, search tools and alternative languages; textual information refers to the provision of home page titles, numbers of keywords and text lengths; advertising concerns the restriction of website ads; and social media aids refer to the presence of social media tools.

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