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# Factors that determine the adoption of Facebook commerce: The moderating effect of age

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### ABSTRACT

The importance of social networks has been demonstrated over the last few years, extending to multiple activities related to commerce. This research has two objectives; to provide evidence for the influence of social networks in purchase decision making in individuals and how age can favorably determine the development of sales in social commerce and more precisely in Facebook. For this reason, a literature review was carried out about the variables of influence in the intention of use and an online questionnaire was created that was then answered by 205 users with profiles on social networks. The results demonstrate that the social image, subjective norms and usefulness determine the final intention of the users. Furthermore, substantial differences in behavior were observed after the employment of a non a priori PLS-POS segmentation, with the age of the users as the variable that best explained the division of the segments. The proposed research is pioneering for studies of this kind at a national level and proposes interesting lines of action for both future research and in the field of business management.

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## 1. Introduction

The consolidation of new technologies and new channels of communication and sales have caused a profound change in the formulation of strategies in the majority of companies. In this sense, social networking has been configured as a tool of multiple services and applications for both private users and for businesses.

The birth of social networks and the Web 2.0 protected by the information society has led to one of the most profound revolutions in 21 st century society (Liébana-Cabanillas, 2012). We would like to highlight different studies that show evidence of its great importance. Various studies conducted by the Online Business Schools (2015) show that the emergence of social networks has caused the online audience to grow 741% from 2000 to 2014; the online audience grew 11% in 2014 alone, soaring from approximately 300 million to 3 billion new Internet users just that year. Only 10% of the population of regular Internet users has stated that they do not have any social network profiles.

Social media have changed the way relationships are established in today's society (Zhang et al., 2014), including the interactions between companies and their customers (Zhang and Benyoucef, 2016). Social relationships also mediate

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customer behavior (Liang et al., 2011) since the act of purchasing is generally accepted as a social exchange relation for the most part. In this sense, various leading e-commerce websites have been adopting Web 2.0-based tools and applications in order to help their customers to get in touch with other consumers and thus driving consumers' purchase intention (Lu et al., 2016).

The concept of Social Commerce (S-commerce) emerged in 2005 amid the growing commercial use of social networking sites and many other social media websites (Curry and Zhang, 2011). As a result of this new market situation, S-commerce can be described as a new form of electronic commerce which involves a comprehensive approach to social media (online media that supports social interaction and user contributions) with the purpose of providing assistance within the context of online buying and selling of products and services (Shen, 2012).

In this regard, the importance of S-commerce lies on its potential to become the most widely adopted and significant platform of electronic commerce in the near future (Zhang and Benyoucef, 2016). It is worth noting that this study finds the extant scientific literature rather limited. However, previous studies (Chen and Shen, 2015) posit that studies on S-commerce are bound to increase according to its relevance.

To harness the power of social commerce, it is important to study the process and uniqueness of how consumers behave in this setting (Hennig-Thurau et al., 2013). To achieve this purpose, this study evaluates a research model involving customers' behavior and intention to use of a certain S-commerce application while also assessing the importance of the age variable within the context of purchasing in social media platforms.

This paper is organized in various sections. Firstly, the study discusses the definition and scope of S-commerce and Facebook Commerce as a practical application in this widely known social network. Secondly, an analysis of structural equations will be carried out to contrast the model employing Partial Least Squares (PLS) through SmartPLS software and PLS-POS segmentation. With the result of the segmentation, this research carried out a chi-squared automatic interaction detectors CHAID analysis in which age was shown to be the best variable to explain the groups. Finally, this study explores the different implications, opportunities for future research, as well as the limitations of this research.

## 2. What is social commerce?

As already described above, S-commerce is often considered as a subset of electronic commerce (Liang and Turban, 2011). However, a closer look at its definitions in the literature reveals that the social commerce concept is also linked to multiple inconsistencies (Zhang and Benyoucef, 2016).

Social commerce, also known as social business, has no specific definition since it actually has different meanings. In this regard, various authors posit different definitions for this concept; Liang and Turban (2011) define it as the use of Web 2.0 applications in order to support people's interactions in an online context where users' contributions may aid in the acquisition of services and products. More precisely, S-commerce can thus be defined as the set of applications, which combine contexts such as online purchasing and social networks (Tedeschi, 2006). On the other hand, Stephen and Toubia (2010) explain S-commerce as the integration of social network features in basic functions of electronic commerce websites in order to allow consumers to actively participate in both the commercialization and sale of products and services. Also, Bai et al. (2015) describe S-commerce as an emerging marketing platform in which business is conducted via social networking platforms. Lastly, Busalim (2016) recently conducted a literature review of the different definitions and conceptualizations regarding S-commerce in the past few years (110 studies from different sources), and concluded that the importance of the S-commerce concept is rapidly growing and generally linked to behavioral variables such as customers' intention to use. Also, the S-commerce concept is often referred and evaluated while designing and planning commercial websites, validating the relevance of the main purpose of our study.

Despite all of the above, the impact of S-commerce on the behavioral habits of online buyers is still not fully known, as there are various studies with different conclusions/results. In this sense, there is empirical evidence collected by Nielsen (2015) which reinforces the aforementioned arguments; firstly, it established that 92% of worldwide consumers trust the recommendations of their friends and family more than any other form of advertising, and secondly, 70% of those surveyed said they trust the comments and reviews they read on social networks. Finally, 58% find the advertising on a brand's website to be valid and believable. However, in spite of all of the importance that many studies give to this new model of commerce (Williams, 2014; Mahdavi-Anari et al., 2014; Miranda et al., 2014; Kang and Johnson, 2015; Bai et al., 2015) it is not at all clear if the sellers really understand the feelings of the consumers and their interactions within websites.

S-commerce is a significant improvement over any existing form of traditional commerce thanks to the following distinct characteristics (Zhang, 2009): firstly, it helps and encourages users of social media to interact directly with each other by exchanging opinions as well as purchase advices and experiences. Secondly, S-commerce allows users the ability to access and browse a variety of products online, which would be impossible to attain within an offline context (due to the rather limited access). In addition of these attributes, this study approaches two additional characteristics of S-commerce: the third relevant feature would be the improved technological accessibility since this form of commerce can be fully accessed nowadays through a variety of existing tools (traditional mobile phones, smartphones and tablets among others). Lastly, the fourth advantage that S-commerce posits is the payment facilitators and facilities already implemented or planned in most social networks.

Considering the aforementioned potential growth of S-commerce, there are certain differences between electronic commerce and S-commerce worth noting. Various authors have already outlined some of these differences; according to

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