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Social presence, trust, and social commerce purchase intention: An empirical research



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ABSTRACT

Lacking the presence of human and social elements is claimed one major weakness that is hindering the growth of e-commerce. The emergence of social commerce might help ameliorate this situation. Social commerce is a new evolution of e-commerce that combines the commercial and social activities by deploying social technologies into e-commerce sites. Social commerce reintroduces the social aspect of shopping to e-commerce, increasing the degree of social presences in online environment. Drawing upon the social presence theory, this study theorizes the nature of social aspect in online SC marketplace by proposing a set of three social presence variables. These variables are then hypothesized to have positive impacts on trusting beliefs which in turn result in online purchase behaviors. The research model is examined via data collected from a typical e-commerce site in China. Our findings suggest that social presence factors grounded in social technologies contribute significantly to the building of the trustworthy online exchanging relationships. In doing so, this paper confirms the positive role of social aspect in shaping online purchase behaviors, providing a theoretical evidence for the fusion of social and commercial activities. Finally, this paper introduces a new perspective of e-commerce and calls more attention to this new phenomenon of social commerce.

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1. Introduction

A notable difference between online and offline markets that is hindering the growth of e-commerce is the decreased presence of human and social elements in the online environment (Cyr, Head, Larios, & Pan, 2009; Hassanein, Head, & Chunhua, 2009). This lean nature of online environment is often mentioned one of the major drawbacks of e-commerce (Pavlou & Gefen, 2004). It is claimed to eliminate social cues (e.g., body language), impose additional unique risks (Lee, 1998), and consequently impair the building of the trustworthy atmosphere online. However, this situation has been greatly improved recently by incorporating Web 2.0 capabilities into the e-commerce website. This new evolution is commonly referred to as the birth of social commerce (SC) (Huang & Benyoucef, 2013; Shin, 2013; Yadav, De Valck, Hennig-Thurau, Hoffman, & Spann, 2013). New design features built upon social media and Web 2.0 technologies, including recommendation lists,

ratings, comments, social proof, and reciprocity applications (Huang & Benyoucef, 2013; Olbrich & Holsing, 2011), enhance customer participation and allow them to collect socially rich information, resulted in a more trustworthy and sociable online transaction environment. Although these positive influences have been widely recognized, the social aspect of e-commerce has not been completely understood, nor their impacts on purchasing decision.

In this study, Social Presence Theory (SPT) is employed as the theoretical lens to understand the impacts of social shopping features in online SC marketplaces. To account for various aspects of social commerce, a multi-dimensional conceptualization of social presence is proposed based on previous studies (Biocca, Harms, & Burgoon, 2003; Caspi & Blau, 2008; Shen & Khalifa, 2009). Then their influences on purchasing decision are examined in a research model by using trust as the key mediating variable. In sum, this study tries to offer several potential contributions.

First, it re-conceptualizes social presence as a multi-dimensional construct in social commerce context, and thus, overcomes the limitations of the unidimensional conceptualization in literature. In doing so it sheds light on the nature of social aspect

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in SC context by using SPT, contributing a set of social factors that have impacts on trust. Second, it offers a full understanding on online purchase behaviors by considering the influences of both social factors and structural factors. Finally, it discloses the importance of the social aspect on online purchase behaviors, calling more attention to this relatively new but important research area in future.

The rest of the paper is organized as follows. We begin with the theoretical development, including discussing the emergence of social commerce phenomenon and proposing a multi-dimensional model of social presence. Next, we present the research model and the hypotheses, followed by a description of the research methodology. The paper then presents the research results, which is followed by a discussion of key findings and contributions, as well as the implications for both research and practice. Finally, we discuss the limitations of this study, the possible direction of future research, and provide the concluding remarks.

2. Theoretical background and conceptual development

2.1. Social commerce

As a relatively new phenomenon, social commerce has evolved quickly in practice (Barnes, 2014; Kim & Park, 2013; Wang & Zhang, 2012). A recent report by McKinsey (Chui et al., 2012) estimates that the use of social technologies can contribute \$900 billion to \$1.3 trillion in value, and that up to 1/3 of consumer spending is subject to influence from social commerce. Another report by Barclays (2012) indicates that by 2021 nearly half of the UK consumer population will be engaged in social commerce. The term of social commerce was first coined by Yahoo in 2005 to denote online places where people can share experiences, get advices from one another, find goods and services and then purchase them (Mardsen, 2010). Its early applications can be found in the late 1990s when Amazon introduced the rating and review systems. The increased popularity of social technologies over last couple of years, including social media, web 2.0 and social networks, has spawned an expanded range of social commerce tools and opportunities (Liang & Turban, 2011; Mardsen, 2010).

Recently, SC generally refers to as the delivery of e-commerce activities and transactions via the social media environment (Liang & Turban, 2011). It is viewed as a new evolution of e-commerce (Huang & Benyoucef, 2013; Wang & Zhang, 2012). Liang and Turban (2011) summarized three major attributes of SC: social technologies, community interactions, and commercial activities. Thus, SC can be considered a subset of e-commerce that involves using social technologies to assist e-commerce transactions and activities (Yadav et al., 2013). In essence, SC is a combination of commercial and social activities (Liang & Turban, 2011; Zhou, Zhang, & Zimmermann, 2013). Traditional e-commerce sites, such as Amazon and Taobao, have added social applications and content to help people to connect where they usually buy. Considering the dominance of marketplace-based e-commerce like Amazon and Taobao, we try to uncover how social factors engendered by social applications shape the beliefs and behaviors of buyers in online SC marketplaces.

2.2. Social aspect of online shopping

Shopping has always been a social activity. Consumers tend to be influenced by their social interactions with others when making purchase decisions (Codes et al., 2005). E-commerce focuses more on maximizing efficiency and the one-way interactions between customers and the system (Huang & Benyoucef, 2013). Online

transactions are usually facilitated and guaranteed by structural factors such as escrow services and credit card guarantees (Fang et al., 2014; Pavlou & Gefen, 2004). Social technologies reintroduce the social side into online purchasing process, making online purchasing a more social experience. They also greatly increases the firm ability to directly initiate and manage social interaction either impossible or too costly in the past (Chen, Wang, & Xie, 2011). Thus, while e-business concentrates more on business goals, SC is more oriented toward social goals, such as networking, collaborating and information sharing, with a secondary focus on shopping (Wang & Zhang, 2012). Online buyers are able to get access to social knowledge and experiences to support them in better understanding their purchase purposes, and in making more informed and accurate decisions (Dennison, Bourdage-Braun, & Chetuparambil, 2009).

While prior studies offer insights on how social interactions shape buyer behaviors, such as, word-of-mouth (WOM), observational learning, and social support (Amblee & Bui, 2011; Chen et al., 2011; Trusov, Bucklin, & Pauwels, 2009), they may have overlooked the overall effects of the social context (Kreijns, Kirschner, & Jochems, 2003). In SC, buyers are able to get more social cues to support their purchasing decisions by collecting more information from the communities, by observing the actions of other buyer, or by interacting with online sellers. Huang and Benyoucef (2013) proposed a conceptual model to summarize the social design features of SC along four layers including the individual, conversation, community and commerce levels, shown in Table 1. They argued that the key distinction between e-commerce and social commerce is that the former usually only sees an individual layer while the latter usually sees a community built on conversation. We argue that the social design features applied in these four layers enrich social information, make buyers feel more connected with others, and finally enhance a social context online. SPT has been indicated a suitable theoretical lens for understanding the social context in e-commerce. SPT suggests that social presence is built upon signals transmitted in a communication medium, such as virtual agents (Hess, Fuller, & Campbell, 2009), IT-enabled human-like interaction (Pavlou, Liang, & Xue, 2007), socially-rich text, personalized greetings (Gefen & Straub, 2004), chat (Qiu & Benbasat, 2005) or message boards (Cyr, Hassanein, Head, & Ivanov, 2007). Thus, the social design features will convey various types of social presence (seen in Table 1) that will be discussed in next section.

2.3. A multi-dimensional conceptualization of social presence in social commerce context

The concept of social presence is grounded in social presence theory that elaborates the ability of a communication medium to transmit social cues (Short, Williams, & Christie, 1976). Defined as “the salience of the other in a mediated communication and the consequent salience of their interpersonal interactions” (Short et al., 1976), SP is viewed as an inherent quality of a communication medium. From a psychological standpoint, SP also closely relates to intimacy and psychological closeness (Short et al., 1976). In this perspective, SP is often measured as the perceived warmth, conveying a feeling of human contact, sociability, and sensitivity embodied in a medium (Rice & Case, 1983). Most of prior e-commerce research has adopted unidimensional model of SP, focusing on the capability of website to convey a sense of human warmth and sociability.

However, this unidimensional conceptualization of SP might not be suitable for virtual community, where people not only interact with the computer mediated medium, but also need to communicate with other members and immerse themselves into

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