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Social commerce: The transfer of power from sellers to buyers

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ABSTRACT

The emergence of social media has demonstrated the empowerment of end-users with a transfer of power from sellers to buyers. Consumers have become able to generate content and share this in their networks with peers. Digital content generated by individuals has an economic value. Economic implications in the form of product sales through social interaction of individuals must now be taken into account by businesses. This has seen the emergence of social commerce, an important evolution in e-commerce. This paper draws on social support theory, social commerce constructs and information systems concepts, and proposes a conceptual model. This proposed model investigates the role of social media in facilitating online communication between consumers through social commerce constructs, leading to online social support. A survey has been conducted to examine the structural model. Data analysis using SEM-PLS reveals important factors indicating the role of social media in facilitating online communication through social commerce constructs, generating online social support and affecting consumers' behaviour, the value of social commerce for the market. Theoretical implications and practical implications of this study are explained in the end of the paper.

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1. Introduction

Enabled by Web 2.0 technologies, consumers use social media to share their experiences and knowledge about products and services on the Internet (Pitta and Fowler, 2005): individuals are now content providers (Phillips, 2011). In recent developments, the Internet provides the facilities for users searching for goods by offering tools to consumers to search online and access information and experiences of other consumers before making a purchase (Di Maria and Finotto, 2008). Therefore, digital content generated by individuals has economic value (Pitta and Fowler, 2005) and information created by other customers is the main source of purchase decision making (Do-Hyung et al., 2007). These are the benefits of social media creating a social climate on the Internet.

In this social climate, with regular interconnectivities amongst individuals via social media (Liang et al., 2011) potential consumers have access to information provided through social interaction by social media to support them in their purchasing decisions and this creates online social support (Hajli, 2014a). Social support is an established concept in sociology, defined as “information leading the subject to believe that he is cared for and loved, esteemed and a member of a network of mutual obligations.” (Cobb, 1976). This supportive environment has seen the rise of online social support via social commerce constructs (SCCs) known as forums, communities, ratings, reviews and recommendations (Hajli, 2014b).

Social commerce is a new stream in e-commerce; it is the integration of social media in e-commerce platforms. Individuals are using SCCs and social tools to perform social interaction with peers in social networking sites (SNSs), which creates a social climate with the emergence of online social support. The social interaction of individuals is mainly due to the popularity of social networking sites, social media (Hajli, 2015; Cachia

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et al., 2007) and the growth of social commerce (Stephen and Toubia, 2010). SNSs are the area of largest growth on the Internet (Hollenbeck and Kaikati, 2012).

In this era, consumers explore the Internet for what they want and need, and also share with other people their knowledge, information, and experiences that they have about the products and the services. They use SCCs for this interaction, which produces online social support in SNSs. Moreover, social interaction of consumers influences a user's social commerce intention and his or her social behaviour (Hajli, 2014b; Liang et al., 2011).

Nevertheless, there are few studies that have investigated social factors and their influence on online social support and social commerce. Social commerce is a product of social media and e-commerce (Constantinides et al., 2008) and is progressively drawing more attention from scholars and practitioners (Huang and Benyoucef, 2013). The emergence of social commerce has resulted in the empowerment of users, as the Internet, and specifically Web 2.0, has transferred power from sellers to buyers (Gu et al., 2012; Wei et al., 2011). SNSs are an example of this change with the opportunities they now offer to consumers (Kim, 2013). Towards these ends, the study of SNSs and potential paradigm changes is important for the current business world and can exert significant influence on virtual communities and their users' behaviours (Hajli, 2014b; Williams et al., 2001).

The purpose of this research is to study the social relationship of consumers in social platforms provided by social media, and to demonstrate the importance of social media in producing online social support and shaping social commerce. Social support is known to have positive effects on consumer behaviour. This has been shown through studies that pre-date social commerce, in social psychology and more recently, information systems literature. It is particularly important in social media because the social relationship of individuals on the Internet has developed e-commerce into social commerce. More specifically, this study examines the role of social commerce constructs—online forums, communities, ratings, reviews and recommendations (Hajli, 2013). The study looks at users' social commerce intention and how these constructs can produce social support. Social media facilitates the creation of social support, which can lead network users to make a better decision in their purchasing, and also shape a more supportive climate (Liang et al., 2011; Lu and Hsiao, 2010; Stephen and Toubia, 2010). In other words, more and better social support is likely to lead to higher levels of social commerce intention and will influence the social behaviour of consumers. Therefore, the study of social support and social commerce constructs in social commerce research is important. In addition, the impact of social media and the way these constructs can facilitate social change can make a unique contribution to the current knowledge base of individuals' commercial behaviour in SNSs.

In this regard, the present study intends to answer these questions: (1) Do social commerce constructs affect the user's social commerce intention and social support? (2) Does social support affect the user's social commerce intention? and (3) Which factors (social support or social commerce constructs) are more important in determining the user's social commerce intention in social networking sites? The author proposes a theoretical model based on social support theory,

social commerce intention and social commerce constructs. This has been piloted on Facebook as it is the world's most popular SNS. The results of this empirical research, using SEM-PLS, show the effect of social commerce constructs on the user's social commerce intention and that social support is significant. Social support strongly influences the user's social commerce intention. In addition, the effect of social commerce constructs has a stronger influence than social support on social commerce intention in users. These results show that the study of social support and social commerce constructs are important concepts in predicting consumer behaviour in this era. They demonstrate that social media is leading social change as more individuals are attracted to SNSs. In the following sections, the study reviews literature on social commerce and social support. This is followed by an explanation of the research model, hypothesis and methodology. Findings from the data analysis will be in the last part along with conclusions and discussion.

1.1. What is social commerce?

Social commerce is a new stream in e-commerce (Hajli, 2014b). Social commerce is the use of Web 2.0 applications and social media to facilitate the interactions of individuals on the Internet to support consumers' acquisition of services and products (Liang and Turban, 2011). In another definition, social commerce is given as any commercial application based on the Internet which supports social interaction and user content generation through social media in order to support individuals in their purchasing decisions (Huang and Benyoucef, 2013). Social commerce is a relatively new phenomenon and there is little research on this area (Huang and Benyoucef, 2013). The authors define social commerce as a new stream in e-commerce, where social factors are the determinant of this phenomenon and consumers are empowered to generate content using social media through online communities, forums, ratings, reviews and recommendations. Social commerce emerged by the increasing popularity of social media and integration of social media in e-commerce platforms. Social interaction of consumers on the Internet has shaped social commerce. This has provided different values such as co-creation (Zwass, 2010) when collaboration between consumers and business generates a new source of value creation (Füller et al., 2009), easily accessed by consumers browsing the marketplace (Stephen and Toubia, 2010) with readily available content (Chen et al., 2011). This also has enhanced creativity (Cachia et al., 2007) and has led to increased sales for traders (Crocker and Canevello, 2008). It is expected that in future, almost 88% of businesses will develop their business strategies based on social commerce (Constantinides et al., 2008). Hence, the study of social commerce is a promising research agenda.

1.2. Social support; a theory from social-psychology track

Social support is defined as "The social resources that persons perceive to be available or that are actually provided to them by non-professionals in the context of both formal support groups and informal helping relationships." (Gottlieb and Bergen, 2010). Social support has been thoroughly investigated in psychology, sociology and health studies (Hajli et al., 2014). With the emergence of Web 2.0 and social

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