



Social commerce constructs and consumer's intention to buy



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ABSTRACT

Social commerce is a new development in e-commerce generated by the use of social media to empower customers to interact on the Internet. The recent advancements in ICTs and the emergence of Web 2.0 technologies along with the popularity of social media and social networking sites have seen the development of new social platforms. These platforms facilitate the use of social commerce. Drawing on literature from marketing and information systems (IS) the author proposes a new model to develop our understanding of social commerce using a PLS-SEM methodology to test the model. Results show that Web 2.0 applications are attracting individuals to have interactions as well as generate content on the Internet. Consumers use social commerce constructs for these activities, which in turn increase the level of trust and intention to buy. Implications, limitations, discussion, and future research directions are discussed at the end of the paper.

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1. Introduction

Recent advancements in information and communication technologies (ICTs) and the emergence of Web 2.0 technologies have brought new developments to e-commerce. The popularity of social technologies and platforms such as social networking sites (SNSs) is one of the main reasons for advancement in this area (Liang & Turban, 2011). These developments attract individuals to come online and have interactions with their friends on social platforms such as online communities. The social connections and interactions of people on the internet, especially in social networking sites, the main focus of SNSs (Fue, Li, & Wenyu, 2009), have developed e-commerce to social commerce. These advancements shape a postmodern view of consumers (Füller, Mühlbacher, Matzler, & Jawecki, 2009), where they communicate, rate other products, review others' opinions, participate in forums, share their experiences and recommend products and services. They co-create value with firm (Wang & Hajli, 2014). This is an advantage of social commerce era, where consumers interact and their social interaction influence other consumers (Hajli, Lin, Featherman, & Wang, 2014). Social commerce is mediated by social media (Hajli, 2014a; Jeppesen & Molin, 2003; Shin, 2013) and is mostly related to online communities and SNSs, which have grown rapidly (Lu & Hsiao, 2010). These social platforms give opportunities to consumers to

support each other with information exchange and with the content they generate there (Hajli, 2013).

Trust is a challenging issue of e-commerce for consumers (Gefen & Straub, 2000). Trust can now be supported by social commerce as social commerce includes social interactions of consumers, which increase the level of trust (Hajli et al., 2014). Distrust fails to shape a good relationship between consumers and firms (Jones & Leonard, 2008). Therefore, trust is a critical point in an online context. Considering trust as a critical aspect of e-commerce, this research is being directed to investigate the role of social interactions of consumers through social commerce constructs in order to establish trust in e-commerce platforms.

The present study tries to develop social commerce constructs and investigate on the role of these constructs on trust and intention to buy. SCCs are forums and communities, ratings and reviews and referrals and recommendations. Therefore, this study recognizes social commerce constructs and tries to answer these questions: (1) Do social commerce constructs influence consumers' trust and their purchase decisions? (2) Does trust influence social commerce intention?

2. Literature review and theoretical framework

2.1. Social commerce

Social commerce is a new stream and subset of e-commerce (Hajli, 2014b; Kim & Park, 2013), which enables consumers to generate content. Social commerce enables vendors to reach different

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markets by integrating social interactions of consumers (Hargadon & Bechky, 2006). Social commerce is a new development in e-commerce with the popularity of social networking sites and social media that enable consumers to be active content creators on the Internet. A powerful tool for this is social media, which differentiates e-commerce from social commerce. Social commerce is the use of Web 2.0 applications to support interaction of people in an online context where the contribution of users can help in the acquisition of services and products (Liang & Turban, 2011). The popularity of social media sites is the main element for development in this area, introducing new business models as a result (Leitner & Grechenig, 2007; Liang & Turban, 2011). Social media technologies have become social tools and online platforms are now places where users share information and use opinions and experiences of others in music, photographs, insight and knowledge (Lai & Turban, 2008). In this era, SNSs and the attraction of its applications play an important role in the development of social media (Johann, Bartl, Ernst, & Hans, 2006; Liang & Turban, 2011). The mission of SNSs is to create online communities where members can share and seek common interests, activities, experiences and information (Shin, 2010). Social commerce statistics show that this is a promising phenomenon. Social commerce is introducing new business models based on online communities where the objective is to bring features of Web 2.0 technologies to e-commerce in order to design customer-oriented business. The businesses can develop an online community and encourage their consumers to share their knowledge, experiences, and information about their products or services, which forms social commerce strategy for them. Alternatively, the firms may join popular SNSs such as Facebook and sell their product through this channel or ask their consumers to like their page or product to benefit from social commerce. Many companies have their Facebook page and ask their consumers to share their comments about the products or the services on these social platform, which help them to introduce their products or services. Channel, H&M, Selfridge, Dell and many other shops are examples of brands that use social commerce in this context.

2.2. Social commerce constructs

The experience of consumers in an online environment enabled by social media is different to that offline, as the customers have social interactions with other individuals (Do-Hyung, Jumin, & Ingoo, 2007). Today researchers claim that through social media and the emergence of social platforms such as forums and communities, ratings and reviews, and referrals and recommendations, consumers do have sociability. In addition, relationships between e-vendor and consumers are in fact personal. These social platforms are social commerce constructs, which this research will investigate. SCCs are social platforms which have emerged from Web 2.0 and empowered consumers to generate content and share their experiences. They also use others' information, offer advice and share experiences in these platforms providing a source for online social support. Although, SCCs have the same functions to facilitate the sharing of information and establishing social support platforms for consumers, they are different in their technical capabilities.

Ratings and reviews are one of the constructs that shape social commerce. Individuals can easily post their product reviews online (Chen, Xu, & Whinston, 2011) and rate products. These reviews and ratings give comprehensive information about products for the benefit of other potential customers. Research shows that a popular product review by a third party is growing (Yubo & Jinhong, 2005). It is argued that reviews generated by a third party reduce customers' need for advertising information (Yubo & Jinhong, 2005). Therefore, reviews and ratings seem to generate effective

information for customers. Additionally, the engagement of consumers in co-creation and content generation empowers them (Füller et al., 2009), where they are able to learn about others' experiences about a product, for instance. Consumers are increasingly co-creating value with firms (Pralhad & Ramaswamy, 2004). Empowerment refers to the capability of social technologies to enable people to have social interaction and collaborate on the Internet (Füller et al., 2009). Research shows that customer feedbacks and ratings promote a higher level of trust (Ba & Pavlou, 2002; Ono et al., 2003). However, information related to the identity of reviewers has an effect on community members' perceptions (Chris, Anindya, & Batia, 2008). This issue has been raised as a result of fake ratings and reviews produced by third parties. E-vendors now have to consider whether to take actions to persuade reviewers to give more information about their identity (Chris et al., 2008) to assure consumers about the authenticity of ratings and reviews.

Recommendations and referrals, the other construct of SCCs, are likely to play an important role on social commerce intention. Research shows, in an online context, as customers cannot experience the products or services, consumers should rely more on other consumers' experiences such as their product recommendations (Senecal & Nantel, 2004). In a high street shop, customers spend their time in store and interact with the staff whereas in an online shop it is a major challenge to create an online store which is socially rich (Kumar, Novak, & Tomkins, 2010).

The third construct of social commerce is forums and communities. Online communities and Internet forums are social environment that facilitate social interaction of individuals. Members of online communities participate in different group activities and support other members through their social interactions and communications in the provided platform (Bagozzi & Dholakia, 2002). They use social technologies, such as social media, online communities and other Web 2.0 applications, to support other members by their experience and information sharing. These communities allow people to obtain information for products and services and to support each other (Y. Lu, Zhao, & Wang, 2010). This type of information, which is created by other consumers, is a new kind of word-of-mouth recommendation as used in traditional markets (Do-Hyung et al., 2007).

2.3. Trust

Trust is a central issue in most economic and social transactions, especially in an online context where there may be lots of uncertainty (Pavlou, 2003). Trust is more important when risks are perceived to be high, as in the case of e-commerce (Mutz, 2005). This area has been widely studied by researchers (Gefen, 2002; Gefen, Karahanna, & Straub, 2003; Kim, 2012; Morid & Shajari, 2012; Mutz, 2005; Pavlou, 2003). It is mostly because trust plays an important role in the e-commerce adoption process (Aljifri, Pons, & Collins, 2003) and it has a significant role in online commerce (Gefen, 2002).

With the increase of social technologies and interconnectivity of people on the Internet, there is a need for some sort of trust and security that will allow two parties to reduce their perceived risk in transactions (Hajli & Lin, 2014). Research shows that people like to reduce their social uncertainty (Gefen & Straub, 2004). It is also argued that if an e-commerce website describes products or services accurately, consumers will trust the website more (Ming-Hsien, Chandrees, Binshan, & Hung-Yi, 2009). This can be facilitated by social technologies such as customer reviews, information and experiences of others in forums and communities. For instance, when a reputable member of an online forum or community makes a recommendation to a vendor by giving good feedback, the other members are likely to have a high level of trust in the process (Lu et al., 2010).

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