



User preferences of social features on social commerce websites: An empirical study



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ABSTRACT

The development of social media applications has given rise to a new e-commerce paradigm called social commerce. The social features inherent to these applications foster user interaction and contribution which facilitate the online buying and selling of products and services. But businesses face challenges in making their websites socially rich by implementing the features that address their customers' needs. Moreover, social commerce can be achieved in two ways: one brings e-commerce to social media platforms; the other brings social media to e-commerce websites. Faced with such choice, businesses need to understand their customers' preferences with regard to online social and commercial activities. To this end, we investigated user preferences of the social features implemented on current social commerce websites. Using a survey, we identified important features such as providing the "comment" button, encouraging users to respond to comments made by others, and providing product reviews. In addition to the practical implications consisting of insights for the design of social commerce, we found that, in presence of social and commercial features, users visit social networks mainly to socialize, and visit e-commerce websites mainly to shop.

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1. Introduction

The increasing popularity of social media applications, such as blogs, wikis and social networks, has created opportunities for developing new business models in electronic commerce (e-commerce) [1]. Among these new business models, social commerce allows users to participate actively in the marketing and selling of products in online marketplaces and communities [2]. The concept of social commerce was first introduced by Yahoo in 2005 [3]. Soon afterwards, major web companies such as Amazon.com, Groupon.com and eBay.com started taking advantage of user participation as a way of adding value to commercial services, hence contributing to the rapid proliferation of social commerce. As reported by Merron [4], in the United States for instance, nearly 74% of business organizations

have utilized social media applications, whilst about 88% of them are willing to increase their spending on integrating social media into their systems [5]. Indeed, investment in social media technologies by business organizations in the United States is expected to reach 4.6 billion USD in 2013 [6].

Although social commerce has the potential to revolutionize online business transactions, many argue that its power to transform e-commerce from a product-centred environment to a user-centred one has not reached its full potential yet [7]. A notable distinction between product-centred and user-centred online marketplaces is that the former involves one way interactions where users search for and purchase products based on information provided by companies [8], whereas the latter provides an online community that supports social connections to motivate users to shop together [9]. Shopping experiences that involve more social and collaborative interactions have been linked to several important benefits, such as increasing sales, stimulating user engagement and strengthening business and user relationships [10]. Therefore, the social aspect of shopping is seen as a major contributor towards

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online business. However, online vendors face significant challenges in making their websites socially rich [11], as well as in developing a variety of social features to accommodate their users' needs [7].

In response to these challenges, many studies explored the social aspects of design, identifying a number of social features on social commerce websites, such as brand blogs, storefronts on social media websites, product recommendations, ratings and reviews, feedback mechanisms, product customization, synchronous shopping, and flash sales [11–14]. Other studies focused on social commerce development by analysing the business requirements [7,10], the marketing needs [15,16], and the retailers' expectations [5,17]. But many questions regarding whether consumers use social features, how they use them, and what facilitates or hinders their use on social commerce websites remain practically unanswered. These questions cannot be addressed without the evaluation of existing social commerce websites. Even those rare studies that investigated user behaviour on social shopping websites [18] did not provide an understanding of users' perspective of social features. We argue that this lack of clear understanding may obstruct the development of effective social commerce strategies and platforms.

Social commerce can be implemented in two major ways. One way is based on e-commerce websites that leverage social media features; the other is based on social network websites that provide e-commerce functionalities [3]. Such diversity is bound to increase the need for understanding the expectations of users towards social commerce systems. In particular, adapting social commerce systems to individual users typically requires a clear understanding of their preferences. As indicated by Lee and Koubek [19], understanding user preferences is helpful in identifying the needs of each individual. Therefore, an empirical investigation of user perception of social features is paramount because it can provide concrete prescriptions for developing more user-centred social commerce systems that better meet users' needs. Hence this study aims to investigate the following research question: what are user preferences of social features on social commerce websites? The answer to this question is sought using an online survey to capture users' attitudes and expectations towards the social features found on a selected number of social commerce websites. Online surveys have been successfully applied to help measure user perceptions and identify problems in fields such as marketing [20], psychology [21], healthcare [22] and sociology [23].

This paper begins with a review of the literature on social commerce (Section 2). This is followed in Section 3 by a description of the research instruments and the procedure of the empirical study. Section 4 reports on and discusses the findings of our data analysis, and Section 5 concludes the paper and points to the limitations and future research directions.

2. Related work

According to Sung [50], e-commerce has the potential to radically alter economic activities and the social environment. Particularly, the enormous growth of e-commerce along with the rapid development of information technology is having a profound impact on the world economy. For

instance, e-commerce allows regional businesses and economies to be more global in keeping with long-term trends towards market liberalization and reduced trade barriers. E-commerce also significantly changes users' shopping behaviour as well as their social interaction. For instance, e-commerce provides online comparison-shopping for finding products under the best terms, which makes searching for (and buying) products more effective and efficient [54]. Moreover, product recommendations seriously affect customers' shopping decisions. With e-commerce becoming more user-driven, customers are encouraged to rate, review and even customize products online, with the potential of accelerating user interaction, contribution and online activities and engagement. Nowadays, users are finding the traditional way of shopping online to be no longer sufficient or satisfying. Indeed, they expect a more social, interactive, and collaborative online experience, where collective intelligence can be aggregated and used to support problem solving and decision making. To this end, e-commerce is undergoing an evolution by adopting Web 2.0 capabilities to enhance customer participation and achieve greater economic value. This new phenomenon is commonly referred to as social commerce [26].

The term "social commerce" refers to the delivery of e-commerce activities, services and transactions throughout social media environments, mostly on social networks and by employing Web 2.0 software [24]. However, this is not the only definition since the term "social commerce" can be explained from a marketing [15], retailing [5], computer science [10], sociology [9] and psychology perspectives [8]. Studies of social media applications in the online business world [5,10] and its impact on users [25], including user satisfaction and user behaviour have shown that social commerce websites are a key component in determining the success of social commerce [7]. Thus, social commerce websites are increasingly drawing the attention of practitioners and academics. Evidence from relevant studies indicates that social commerce is developed in two major ways. One is e-commerce on social network platforms; the other is social media applications on e-commerce websites [26]. Note that the distinct differences between e-commerce websites and social commerce websites can be argued in terms of marketing, customer control and system interaction. Regarding the marketing paradigm, e-commerce focuses on maximizing shopping efficiency by providing advanced search, product catalogues, one-click buying and product recommendations. Social commerce however is directed towards social activities, such as sharing, networking and collaborating with a secondary focus on shopping [26]. With respect to customer control, customers usually interact with e-commerce websites individually and independently from other customers, and have little or no control (i.e., companies control the message and the exchange). Social commerce however involves real time participation, which empowers customer control and reduces the distance between customers and companies [16] so that customers' preferences and decisions rely not only on information provided by companies, but are also influenced by user generated content provided by other customers. As for system interaction, e-commerce (at least in its classical style) always provides one-way browsing, where information from customers is

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