

S-Commerce: An Empirical Analysis to Study the Consumers Buying Behavior

Ms. Kamaljeet Kaur,

Research Scholar,
School of Management Studies,
Punjabi University, Patiala, India.

Dr. Satinder Kumar,

Assistant Professor,
School of Management Studies,
Punjabi University, Patiala, India.

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. The social platforms facilitate social commerce users may get the assistance from different components which effects the purchase intention. Hence, it is important to study the factors that influence customers purchase intention. For this purpose, the factor analysis technique has been applied to identify the factors and scale reliability was done. The factor analysis of the thirty-six variables; this analysis extracted six factors. Study found the six investigated factors: ratings and reviews, recommendations and referrals, trust, technological features, intention to buy, and forums and communities have effects on purchase intention.

Keywords: E-Commerce, Web 2.0, Social Commerce, Trust and Intention to buy.

INTRODUCTION:

The new approach and opportunities that social networking sites now give to potential customers have formed e-commerce into social commerce (Hajli, 2012). The ease access of the internet has allowed customers the opportunity to use of social media, i.e. Twitter, Instagram, LinkedIn and Facebook, and to convey and interact without the requirement for the physical meeting (Gruzd, Wellman&Takhteyev, 2012). Contemporarily, social commerce (s-commerce) develops as a tool for businesses for making marketing strategy to encourage its products and updated information. The use of social media interaction for commercial purpose is then known as social commerce. The term "social commerce" was first introduced in 2005 by Yahoo! Rubel, S. (2005). Social Commerce," in (Constantinides et al., 2008) said that social commerce is a gathering of e-commerce and Web 2.0 which support social interactions and users generated content in order to support consumers in their purchase decision making within online communities.(Liang, Ho, Li, & Turban, 2012)in a social commerce context, online users perform commercial activities by participating in forums or communities or writing reviews for a product or service and rating them. In this online environment, customers use social commerce platforms to generate content and share their information and experiences with other customers. This sharing information creates social support for other users (Hajli, 2015) has stated that trust is an essential constituent in social commerce platforms. It has verified that social commerce constructs significantly influence trust which positively leads to consumers purchasing decision. Therefore; trust is a significant fact in social commerce, the role of social commerce constructs and social support to build trust in the online context and intention to buy. Social commerce construct consists of various dimensions of forums and communities, ratings and reviews and referrals and recommendations.Ratings and reviews are one of the constructs of social commerce. Users' give their product reviews and rate online products. These reviews and ratings provide complete knowledge and information about products for the advantage of other potential customers. That reviews created by a third party

decrease customers' want for advertising information of a product, Therefore, customer feedbacks and ratings support a higher level of trust and also effect on customers' purchasing perception on the community (Ba & Pavlou, 2002). Recommendations and referrals, the other construct of social commerce constructs. In a social commerce context, as customers cannot touch and feel, experience the products or services, consumers should depend more on other consumers' experiences. The third construct of social commerce is forums and communities. In social commerce environment and online communities provided a platform to encourage customers for social interaction and communications with other peers of the group to support other members.

Social commerce (s-commerce) is a subset of electronic commerce (e-commerce) that involves the use of social media with social interactions and contributions to assist online buying and selling of goods and services. The evolvement of social networking sites (SNSs) such as Facebook, LinkedIn, Pinterest etc. is one of the main reasons for advancement in this area. S-commerce is a subset of e-commerce; it has some unique characteristics of building trust. For example, (Hajli, 2015) developed s-commerce constructs and claimed that various factors such as recommendation and referrals, rating and reviews, and forums and communities, can affect trust and intention to buy. This paper aims to study factors influencing customers' purchase intention on the social commerce platforms.

LITERATURE REVIEW:

In this stage, an attempt is made to review the studies dealing with the social commerce. Literature reviews have given necessary information and knowledge on the research topic. Some of the relevant studies are reviewed as under:

The role of technological advancements to build up a new social commerce era. In social commerce era, individuals share their knowledge, experiences, and information about the products and services with peers, providing a strong domain in an online environment. The online associations of users which generate social support consist of emotional and informational support promoting to relationship quality measures by trust, satisfaction, and commitment. Thus, trust and various factors positively affect the consumers purchasing intention on social commerce platforms. Kim et al. (2007), investigated the social factors influencing virtual community members' satisfaction. Study found that the virtual community members have a strong identification and strong desires for social presence and social comparison. Desires for social presence and social comparison impact members' satisfaction with the use of e-WOM in a virtual community. Liang et al. (2012), investigated the role of social support and relationship quality influence the user's intention to use social commerce. Study found that social support one of the main factors in social commerce. Social support consists of emotional support and informational support. These social factors encourage customers to interact, convey and exchange information with each other on social sites. These factors directly affect the mediating relationship quality amongst user and the social networking sites, which in turn positively affects the user's intention to continue using a social networking site. Hajli (2013), investigated the impact of the online communications of consumers, which produce social word of mouth on trust building mechanisms. Revealed social interactions & communications with consumers through social media, which produce social word of mouth increase the level of trust on social commerce platforms. They suggested that online businesses develop their strategies to build up trust in their online platforms through social commerce constructs. Kim and Park (2013), examined the effects of various characteristics of social commerce on Korean consumers' trust in S-commerce (Social Commerce). Revealed that all the key factors of social commerce influencing Korean consumers to trust like reputation, size, information quality, transaction safety, communication, and word-of-mouth referrals, except for economic feasibility have a significant effect on trust and trust has also significant effects on the purchase and WOM intentions. Researchers suggested that s-commerce is receiving increasing attention from Korean consumers. Therefore, managers with a solid understanding of the factors influencing trust and trust performance are better positioned to transform their e-commerce firms into trusted s-commerce firms. Chen & Shen (2015), examined the impact of social, psychological factors such as social influence, social identity, and social presence on the relationship quality of Facebook users. Revealed the social influence emerge from the different social interactions with others in their online group. Advanced social influence prompts to higher social identity and social presences which thus commence the users' satisfaction and trust with the online communities. All these components influence the user relationship quality with the groups of social media. Hajli and Sims (2015), Hajli (2015) investigated the role of social media in facilitating online communication between consumers through social commerce constructs, leading to online social support. Study found that the role of social media and social networking sites in proving a supportive environment for consumers as well as developing online communication. The Social supports through both informational and emotional support have influenced users' behavior and social commerce intention. In addition,

social commerce constructs, which have a significant effect on consumer behavior, can be powerful tools for practitioners in upgrading social media strategies. Hajli (2013), examined the impact of social commerce constructs and social support constructs on co-branding intentions through social commerce. Study shows that both relationship quality and social commerce constructs have positive effects on co-branding intention. Social commerce constructs and social support positively affect relationship quality and highlighting the stronger effect of social support on relationship quality. Study suggested that co-creation of value with consumers rather than co-creation of value for customers through social commerce constructs is a one of a kind strategy of building up another brand. Zhang (2014), investigated the effect of website characteristics like sociability and self-reference, on consumers' cognitive, emotional trust & purchase intention in social commerce. Study found that the sociability and self-reference feature significantly influence cognitive and emotional trust. Additionally, the emotional trust takes part in influencing consumers' purchase decision through the social commerce sites than cognitive trust, and participant involvement moderates the relationship amongst consumers' trust and buying decision. Lu et al. (2015), examined the relationship between social presence, trust, and social commerce purchase intention. Study revealed that the social presence elements have a positive role to build up trust in online exchanging relationships. The social presence consists of three predecessors of trusting values, i.e., the social presence of the web, perception of others, interact with sellers have a positive influence on consumers' trust which, it leads to online purchase behaviors. Hajli et al. (2015), investigated the constructs that drive continued participation in online communities in Malaysia from their intention perspectives. The study found that both the informational and emotional social support construct significantly influence others to continue participating in online communities due to the supportive environment developed through the social interactions, sharing of experiences, knowledge, and information with peers. Hajli(2015), investigated the role of social commerce constructs by using three dimensions which consist of ratings and reviews, recommendation and referrals, forums and communities on trust and intention to buy. Study revealed that web 2.0 applications are attracting individuals to have interactions as well as generating content on the internet. Consumers use social commerce constructs for these activities, which in turn increase the level of trust and intention to buy. He suggested to e-vendors that it is important to bring together and meet consumers by forming online communities. This enhances communication channels with customers and creates opportunities for business strategies that can benefit both vendors and consumers. Rahayu et al. (2015), investigated the influence of social support and relationship quality to social commerce intention in Facebook. Study found that user's social commerce intention has positively affected by the relationship quality (consisting of several dimensions' trust, satisfaction and commitment) via social media and not directly influenced by the social support. They concluded that social support specifically influences the quality of relationship amongst users and vendors of social networking sites, thus influence the consumers' intention to buy products online from Facebook social networking sites. Dasthi et al. (2016), analyzed the elements influencing customer intention to purchase products and services in social commerce. Study revealed that social commerce constructs directly influence on social support and relationship quality. Social media contain socialization components into commercial sites; online users gave social supports which enhance trust, satisfaction, and commitment. Moreover, relationship quality is comprised of trust, satisfaction and commitment has risen the user's inclination to buy in social commerce. Meymand (2016), examined the factors affecting encouraging people to participate in social commerce. Study shows that the perceived interaction of user about social networks has a positive impact on social support. That is, if people have more interaction with social networks, are more willing to track social networks, more participation in the social network and also shows that all three elements of social support, social participation, and social network tracking are effective on social commerce intention, and encourage customers to participate in social commerce and buy from the site. A major part of the above study suggests that a research model was developed which focused on purchasing intention of consumers on social commerce platforms and constitutes to two factors, namely social commerce constructs and social support constructs that may affect consumers' purchasing intention. So, research can be done to identify the other various factors that may affect consumers' purchasing intention.

GAP ANALYSIS:

E-commerce in India has seen quickly expand over the past few years. The primary reason for the emergence of the study is the development of technologies in this globalized world, SNSs turned into a wide technology for computer network and every person working with Web 2.0 technologies. The social networking area has become one of the fastest developing online environments interfacing and connecting a huge number of people around the world. In this new type of business intervened by social media, both buyers and firms take advantage. Most of the people spent more time on social networking sites because these sites provide a platform for

communication & interaction, rating & reviews by users, sharing information and experiences. All these features of social commerce, supply easily and quickly relevant information related to products and services in social commerce platforms. Thus, most of the customers find it more convenient to collect valuable information as compared to get from their friends, family members, and mass media advertisements. Hence, it is important to study the factors that influence customer's buying behavior in social commerce platforms.

RESEARCH METHODOLOGY:

An empirical study was conducted to study the factors that influence customers' purchase intention on the social commerce platforms and a questionnaire was developed for this purpose. The research conducted a survey to collect the data, which is described below.

Survey Instrument:

The data for the study was gathered through a questionnaire. A direct survey was used to collect the data for this study. For this, the survey instrument was developed using variables from the existing empirical studies. After the review of the appropriateness of items, 36 statements were selected. A five-point Likert scale was used to measure the items/ variables chosen, where (1) and (5) denoted strongly disagree and strongly agree, respectively.

Data Collection:

Primary data were collected through using convenience sampling. The questionnaire was filled by the social commerce users. Intercept method was used and person contacted were inquired about their experience and use of social networking sites for getting relevant information related to products and services. The survey enumerators facilitated 250 respondents in completing the self-administered questionnaire. Of these, 218 questionnaires were found to be usable.

RESULTS AND DISCUSSION:

In order to identify the factors that influence consumers' purchasing decisions on social commerce platforms, factor analysis was employed. The collected data were analyzed with SPSS software and scale reliability was done.

Table 1

Variables↓	Components					
	1	2	3	4	5	6
30. Comparison between same product review	.935					
17. After reading positive or negative comments customers change their attitude towards a certain product	.929					
19. Reviews and comments are more reliable than description of products on social commerce platforms	.923					
31. Online users get confused after reading lots of reviews	.921					
16.Feedbacks on SNSs (reviews/comments/posts) on SNSs affect customers purchase decision	.912					
23. Customers have to filter the information from hundreds of user's opinion and comment then make the purchase decision	.883					
6.Online customer's review has the direct influence on searching the product information	.817					
12. Online users share product information that helps to make a good purchase decision		.895				
10.Sharing information about products through videos and photos on SNSs influence users' choice about buying products		.869				

24. SNSs provide positive and negative sides of a product as well as real-life experiences which affects the consumers' intention		.866				
1. Online users' recommendations are helpful for customers to buy product		.849				
2. Online users' recommendations affect customers purchasing decision behavior		.843				
3. Customers rely more on other customer's online purchase experiences		.824				
7. shopping experiences users on SNSs affect the consumers purchasing intention		.797				
32. Customers buy the product at SNSs in the near future after obtaining product information		.739				
28. Consumers' level of familiarity with a website is likely to increase trust			.898			
22. Information and feedback from group members are more trustworthy			.874			
29. Bridging and bonding among online group members have affected the consumer's trust			.854			
27. Trust influenced by social relationships of people on the social commerce platforms			.848			
26. Good feedbacks by other members are likely to have a high level of trust			.843			
13. Users update the graphics and image related to product information that impacts the customer's trust			.841			
34. Convenience of the purchase process on social networking sites				.872		
37. Social networking sites leads to impulsive buying behavior				.872		
18. Number of likes/ dislikes of a product affects the consumer's intention while considering any product or service				.824		
9. SNSs help in accessing details about products easily and quickly				.808		
15. Consumers disclose financial information for their purchase behavior				.783		
14. Consumers' participation in pages of an SNSs e.g, read, forward and reply to messages affect the intentions behavior				.755		
43. Customers think SNSs is a good place to buy a product					.948	
39. Customers likely to buy goods and services from SNSs					.948	
40. Customers use credit card to purchase from SNSs					.882	
42. Customers will definitely buy products on SNSs in the near future					.862	
38. Customers likely to pay for the membership if SNSs start charging fees					.667	
5. Forums and communities help customers to find a relevant information						.957
8. Word of mouth among members on SNSs is trustworthy influence purchasing intention						.936

11. Communications with friends help online users to obtain relevant information related to products						.923
4. Forums and communities on social media affect customers purchasing decision behavior						.890
Eigen Values	6.675	6.371	5.077	3.962	3.130	2.837
% Variance	18.542	17.697	14.103	11.006	8.695	7.880
Cumulative % Variance	18.542	36.239	50.342	61.349	70.043	77.942
Scale Reliability Alpha	.965	.940	.934	.914	.920	.953
Kaiser-Meyer-Olkin Measure of Sampling Adequacy= .916, Bartlett's Test of Sphericity (Chi-Square 4.0456, df= 946, Sig.= 0.00) Cronbach's Alpha= .825, No of items= 36						

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

The inter-item consistency reliability of these thirty-six variables was tested before factor analysis was carried out. The result of Cronbach's Alpha test was .825 this scale can be considered to be good. Moreover, the results of both the KMO (.916) and Bartlett's test of sphericity (.000), also indicate that it was appropriate to apply the factor analysis techniques to this data set. With principal components analysis and an Eigen value of 1.00 as the deciding criterion, Varimax rotation yielded six factors that explained 77.92% of the matrix variance. According to Hair et al.'s [1995] practical significance criteria, individual item factor loadings have to exceed 0.4, and one factor should include at least two items. These practical significant criteria were fully met in the factor analysis. Table 1 shows the factor analysis of the thirty-six variables; this analysis extracted six factors from the thirty-six variables. Each factor was defined by at least four scale items. Factor 1 loaded on the seven variables. This factor can be labeled as ratings and reviews, as these seven variables were considered as the predominant important elements which impact the consumers' purchasing decisions on social commerce platforms. This factor alone has explained 18.54% of the total variation in the factor analysis. Factor 2 was correlated most highly with the eight variables. It might be labeled as recommendations and referrals. This category's results indicated that it is important for social commerce platforms to create consumer's trust and impact consumers' purchasing decisions. This factor has explained 17.69% of the total variation in the factor analysis and indicates the importance of this factor in the study of social commerce that affects consumer intention to buy. The third factor has explained 14.10% of the total variation in the factor analysis and might be labeled trust. It includes six variables; i.e. Good feedbacks from other members are likely to have a high level of trust, Trust influenced by social relationships of people on the social commerce platforms, Consumers' level of familiarity with a website is likely to increase trust, Bridging and bonding among online group members have affect the consumers trust, Users update the graphics and image related to product information that impacts the customer's trust, Information and feedback from group members are more trustworthy. The results indicate consumers trust influenced by all these elements. The fourth factor might be labeled technological features. The fourth factor has explained 11.00% of the total variation in the factor analysis. It includes six variables. The fifth factor consists of five variables might be labeled as an intention to buy. The fifth factor includes customers likely to pay for the membership if SNSs start charging fees, Customers, likely to buy goods and services from SNSs, Customers use a credit card to purchase from SNSs, Customer enjoys using the social networking sites (SNSs), Customers will definitely buy products on SNSs in the near future, Customers think SNSs is a good place to buy a product, Customers intend to conduct SNSs transactions in the near future. The fifth factor has explained only 8.69% of the total variation in the factor analysis. The last factor has only explained 7.88% of the total variation in the factor analysis and might be labeled forums and communities.

CONCLUSION:

In line with many social commerce types of research concerning the factors which affect the consumers purchasing intention in social commerce platforms, this paper found that ratings and reviews, recommendations and referrals, technological features, intention to buy and forums and communities are the five dominant factors which influence consumers' purchasing decisions in social commerce platforms. Comparison between same product review, after reading positive or negative comments' customers change their attitude towards some certain products, reviews and comments are more reliable than the description of products on social commerce platforms had the highest rating score, followed by ratings and reviews. The results of this study show that consumers are

increasingly using SNSs to share their knowledge, information, and experiences about a product and service with their peers. They use ratings and reviews, recommendations and referrals, forums and communities for participation in creating content. Therefore, these platforms help to increase intention to buy in consumers.

The main contribution of this research is that when empirically tested, social commerce factors showed that the social interactions of individuals in these platforms and share their own experiences & knowledge related to products and services influence consumers' behavior. The findings suggest to e-vendors that it is important to meet consumers by developing online communities. This improves communication networks with customers and builds chances for marketing strategies that can be valuable for both vendors and consumers.

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