Influence of Online Shopping Enjoyment and Trust towards Purchase Intention in Social Commerce Sites

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Abstract

Purpose – The role of social media in e-commerce has been evolving. It is a platform for sellers to interact, engage customers and even to sell their products and services. The convergence of social media and e-commerce has led B2B and C2C businesses to rethink their business models. Currently, there is limited understanding on how trust and shopping enjoyment affect online purchase intention. When purchasing online, customers do not get to see or visit a physical store, nor the tangible goods. There are also thousands of sellers offering similar products or services. The key purpose of this paper, is thus to produce a conceptual framework that can improve online purchase intention.

Literature/Findings – Social commerce uses Web 2.0 infrastructure to support online user interactions. Consolidating from various literatures, this paper found that shopping enjoyment and trust can be vital in influencing online purchase behaviour. Shopping enjoyment includes quality and accessibility of websites, value of products and services offered, most importantly, the integration of consumer feedback, review and rating system. Online trust, on the other hand can be determined by the trustworthiness of seller. High level determinants like integrity, concern, aligned values and communication predicts trustworthiness and trust; while low level determinants like consistency and competence predicts trustworthiness.

Practical implications – The motivators for consumers to shop online are different from brick-and-mortar stores. Unlike e-commerce, consumers play an important role via their online interactions. These interactions then influence how trust is generated and subsequently lead to purchase intention. Therefore, an online business model, which can garner higher level of trust and shopping enjoyment, is proposed to leverage online businesses using the influence of social media.

Originality/value – This paper identified a literature gap, particularly in online trust and shopping enjoyment. The proposed model is valuable for future research whereby customer engagement and viral marketing can be enhanced to maximize the influence of social media.

Keywords: Social commerce, E-commerce, Shopping enjoyment, Social impact theory, Customer empowerment orientation, Trust, High level determinants, Low level determinants, User-generated contents, Purchase intention.

1. Introduction

The Internet has brought the world into a whole new era – the dawn of digital communication, it literally changed the way we live. As the digital network infrastructure improves, the dissemination of information across the globe becomes more efficient. Today, Internet is accessible to billions of population worldwide.

1.1. Electronic Commerce – Business without Boundaries

E-commerce started in the late 1990's and began to receive popularity in the early 2000's, that was when the concept of having an entire Internet-based company became possible. Since e-commerce was introduced to the public, it represents a paradigm shift, radically changing the traditional way of doing business. Recent study indicates e-commerce is growing at a tremendous five times the rate of traditional retail channels. Even the group buying industry alone (with companies like Groupon and LivingSocial) grew almost 140% in 2011 (Hughes & Beukes, 2012).

1.2. Social Commerce – The Evolution

The evolution of Internet to Web 2.0 further acted as a catalyst for social media development, since then, traditional media has been outpaced by the growth of social media. Web 2.0 is defined as the Internet technologies that include blogs, wikis, podcasts, social networks, Really Simple Syndication (RSS) and information tags (Akar & Topçu, 2011). Social media is the online tools that enable the creation and exchange of user-generated contents (Kaplan & Haenlein, 2010; Lai, 2010). Social media has become an important element to marketers where they can reach their target audience at much lower cost, sometimes even free. The term social commerce was coined in 2008, where Liang and Turban (2011) defined social commerce as a subset of e-commerce, involving the use of social media technologies to perform e-commerce transactions and activities. Liang and Turban (2011) concluded that there are two major configurations of social commerce websites. First, there are social media sites that allow commercial features (advertisements and transactions). Second, normal e-commerce websites such as eBay and Groupon, these websites can add social networking capabilities and take advantage of the social media.

1.3. Problem Statement

One of the advantages of a social commerce business in contrast to a brick-and-mortar company is the low startup cost. This factor has drawn in thousands of entreprenuers, however most of them do not have the right knowledge and resources to run a social commerce company profitably. Using South Korea as an example, it is a country with high internet penetration and have seen high social commerce growth in recent years. As of 2011, there were more than 300 social commerce companies, the market was valued at around US$300 million. Sadly, many were small in size and did not have sufficient resources, leading to issues like poor service, delayed refunds, inaccurate information and fraud. This does not only degrade consumers' trust over time, but further reduce consumers' purchase intention from a particular social commerce site (Kim & Noh, 2012).

Studies were conducted to examine e-commerce and social media from various perspectives. For instance, studies were conducted to verify the social impact theory claims in social media context (Mir & Zaheer, 2012); the influenced and impact of social media in marketing, advertising, branding and public relations (Bernhardt, Mays, & Hall, 2012; Daniasa, Tomita, Stuparu, & Stanciu, 2010; Lipsman, Mudd, Rich, & Bruich, 2012; Yan, 2011); user's willingness to pay on social network sites (Han & Windsor, 2011), implication of social media in sales and revenue (Agnihotri, Kothandaraman, Kashyap, & Singh, 2012; Andzulis, Panagopoulos, & Rapp, 2012); factors influencing user's attitude towards social media marketing (Akar & Topçu, 2011); successful factors of online social networks (Wattanasupachoke, 2011). Despite the exponential growth of social commerce, it is a relatively new area (around 6 years at the time this paper was written). Little studies have been conducted on social commerce per se, especially in determining the impact of shopping enjoyment and trust towards purchase intention in social commerce.

Agnihotri et al. (2012) found that many companies were reluctant to adapt to social commerce, due to unproven success metrics and the absence of a clear ROI of embracing social commerce. It is

therefore the aim of this study to fill the literature gap while also provide social commerce businesses with a conceptual model to increase purchase intention.

2. Methodology

We conducted an exploratory research on existing literatures in order to build our conceptual model. As e-commerce and social media started to become popular in the 2000s, our literature searches were performed from year 2000 onwards using search terms from a combination of "social commerce", "trust", "shopping enjoyment", "purchase intention", "e-commerce", "social media" and "attractiveness". Searches were performed on Business Source Complete (EBSCOhost database), Emerald Management Plus, JStor, SAGE and Scopus databases. Being a new area of research, most articles that we found relevant were from 2010 onwards. Out of 75 articles that we reviewed, we filtered around 20 that were most useful in conceptulizing a model for this research.

2.1. Literature Review

Most people would consult different sources before buying a product, especially a high involvement product. Furthermore, reviews are particularly important when consumers do not get to be physically present at a shop while making transaction. In today's world, social media is becoming the source of product related information, where a user will interact online with other individuals regarding their experience on a certain product/service (Mir & Zaheer, 2012).

2.2. Social Impact Theory

This theory was conceived by Latane (1981), which states, "when other people are the source of impact and the individual is the target; impact should be a multiplicative function of the strength, immediacy and number of other people" (Mir & Zaheer, 2012, p. 4). In other words, as the number of users increases and more people talk about something, the influence on a user increases. In Mir and Zaheer (2012) research, they extended their study of social impact theory onto social media and it was proven that number of users on a social media would positively affect user's perceived credibility of content. This means users of social media will find a posted content more credible when there are more users sharing or talking about it, making it positively associated with consumer trust (Khong & Onyemeh, 2012).

2.3. Creating Higher Purchase Intention Through Social Impact Theory

Through the social impact theory, it is supported that the number and strength of reviews and ratings online can influence consumer trust. Moreover, Akar and Topçu (2011) had concluded that the higher a consumer trust a product/service online, the higher a consumer's purchase intention is. To increase purchase intention, social commerce businesses can design and provide a post-purchase review and rating system; to acquire a good review or high rating, businesses should focus on consumers' shopping enjoyment.

2.4. Shopping Enjoyment
a) Consumer Empowerment Orientation & Interactivity

According to Khong, Onyemeh, and Chong (2013), empowerment in the context of consumer, means increasing value for customer by "providing additional access, content, education and commerce to wherever they are located". In short, consumers should be given the flexibility of making their own choices. Consumer empowerment orientation in this research is consumer's evaluation of a social commerce sites' innovativeness, versatility and engagement; this includes the ability for consumers to access, understand and share information (Khong & Onyemeh, 2012). Consumers should be allowed and provided a platform to share their shopping experience/product review (in the form of ratings and recommendations). Ultimately, a sound consumer rating and review system (such as those employed by Amazon and eBay) contributes to building consumers' trust (Khong & Onyemeh, 2012; Mir & Zaheer, 2012).

Consumer's recommendation can be positively associated with the long tail of demand, where less popular products actually represent a larger fraction of total sales (Oestreicher-Singer & Sundararajan, 2012). Online sales are found to be higher for niche products, introducing

recommendations to other customers will increase sales of the niche product. Oestreicher-Singer and Sundararajan (2012) conducted a research on Amazon's bookstore to study the relevance of consumer recommendation network on total sales and revenue. The recommendation network appeared at the bottom of every product, written as "customers who bought this item also bought". Their study concluded that recommendation network can be positively associated with more even revenue distribution as the product that used to be unpopular has seen an increase in sales (Oestreicher-Singer & Sundararajan, 2012). Besides, recommendation network can also help improve consumer trust in the less popular items. In other words, consumer recommendation network help increase purchase intention of niche products that otherwise would have remain stagnant.

Maintaining and increasing site traffic is paramount to any social commerce sites, without the traffic flow, there will not be any sales. According to Wattanasupachoke (2011), the key of keeping a social commerce site lively is interactivity, the most common activities to stimulate users interaction in the website are online contest and games. The more members interact, the better it is for the network. These activities can create positive attitude towards the brand and product, moreover, online activities can help attract more users to the website (Wattanasupachoke, 2011).

b) User-Generated Content

In today's digital world, consumers give more importance to user-generated content as compared to producer-generated content (Akar & Topçu, 2011). User-generated content, also known as user-created content is the material created and uploaded to the Internet by common Internet users (Akar & Topçu, 2011). Some Internet shoppers like to review and comment after using the product, it can be a review on eBay, video posted on YouTube or comments shared on Facebook. Those reviews, if positive, can be useful for word of mouth advertising, which leads to publicity.
Users believe that the information disseminated through social networks is more credible and reliable as compared to information disseminated through traditional marketing channels (Lai, 2010; Mir & Zaheer, 2012). Thus social media acts as a trusted environment for users to seek for comments and advices before making online purchase.

c) Attractiveness

Website attractiveness has an impact on purchase intention on social commerce sites, but is often regarded as unimportant by many sellers. Liang, Ho, Li, and Turban (2011) found that website attractiveness can be partially explained by the hygiene factor; if the website design is good, users might not necessarily buy more from the commerce site; conversely, if the website design is bad, users will be discourage to purchase from the site. Although not highly significant, website attractiveness has a positive effect on users intention to continue using the site for social commerce (Liang et al., 2011).

Besides the design of the website itself, studies showed that sales of social commerce business can be affected by attractiveness, where attractiveness encompasses product assortment (number and uniqueness of the "shop's" products) and the ability of the social commerce business in creating an appealing product assortment (Stephen & Toubia, 2010). Consumers will not buy from the website that doesn't have the products that they want, even if it is highly credible website; similarly, consumers are more reluctant to pass on a message or content online if the product is not appealing. This means that viral effect is less likely to occur for such products. Attractiveness has high contribution in social commerce business, it is able to influence a consumer's purchase intention, thus must not be undermined (Stephen & Toubia, 2010).

2.5. Consumer Trust

Understanding consumer trust on social commerce is vital, as the credibility of information posted will directly affect consumer's purchase intentions. Research indicates that users are still being cautious towards online transaction or e-commerce (Kamel & Hussein, 2001; Quayle, 2002; Wattanasupachoke, 2011). Security and privacy issues are of great concern especially when it comes to revealing credit card information. Some consumers are worried of being cheated by the sellers as they do not meet the seller or "feel" the product prior to purchase (Kamel & Hussein, 2001). Such issues created a barrier and a general lack of faith of online purchase.

Consumer trust towards the seller and products/services offered can be influenced by the user-generated contents, reviews and ratings as mentioned above. Research indicates that consumers will often check online, reviewing other consumer's comments before buying a product to reduce the risk involved. More importantly, consumers will consider those contents generated in social network sites as opinion leaders even if they do not personally know them (Mir & Zaheer, 2012). Internet users view information disseminated through the web as more credible than those on traditional media channels, this includes user-generated contents such as posts on social media, blogs, wikis and forums; such credibility then translates to consumers' favorability towards a product/service. In addition, user-generated contents become more credible when there are multiple users that work on and articulate the same content, such as re-posting, sharing, liking, reviewing and commenting (Mir & Zaheer, 2012). The effect of social sharing can be further amplified when the information is shared among friends of the user; it is viewed as more valuable and plays a key role in social commerce (Liang et al., 2011). The above argument is again supported by the social impact theory that assumes the number of people in a social group has a positive impact on an individual's attitude and behavior (Mir & Zaheer, 2012).

Consumer trust on the social commerce businesses generally comes from their credibility and benevolence. Credibility is defined as whether a person believes that the other party is honest, competent and reliable (Han & Windsor, 2011). Meanwhile, benevolence is "a person's belief that other persons are genuinely interested in the other partner's welfare and have intention and motives beneficial to the other party even under adverse conditions for which a commitment was not made" (Han & Windsor, 2011, p. 32). Besides, the more a consumer trusts the seller, the more likely the consumer will reveal personal and privacy information. Han and Windsor (2011) revealed that improving credibility could improve consumers' trust in sellers, hence increasing their purchase intention in social commerce sites.

Kharouf and Sekhon (2008) had created an established model for trust whereby consumers' trust is determined based on low level and high level determinants. Low level determinants arise from the assessment of cost benefit from the relationship, which include competence and consistency of a service. High level determinants cover the emotional context like integrity, benevolence, values alignment and communication of the company (Ennew & Sekhon, 2007). In a research of consumer trust in social media network in Malaysia, it was found that high level determinants were strong predictors of trustworthiness and trust; low level determinants were only strong predictors of trustworthiness but not trust. Even so, trustworthiness fully mediated the relationship between low level determinants and trust (Khong, Onyemeh, & Lee, 2013). Therefore, both low level and high level determinants can either directly or indirectly build up trust. Khong, Onyemeh, and Chong (2013) also concluded that trust has become a vital influencer of consumer behavior in organizations. Focus must be given to consumer trust, if social commerce sites were to increase purchase intentions.

3. Insights and Findings

This study outlines the two key variables that lead to higher purchase intention in social commerce sites based on the social impact theory. The model assumes that the two independent variables have positive association with each other and will influence the dependent variable – purchase intention in social commerce sites. The conceptual framework is illustrated in figure 1. Meanwhile, table 1 tabulates the findings regarding shopping enjoyment and consumer trust from multiple authors.

4. Limitations and Directions for Future Research

The research has only provided a conceptual model for increasing purchase intention in the social commerce context. However, items to measure each of the constructs were not developed yet, future research should look into developing a set of reliable and valid rating scales to measure the abovementioned constructs.

The key difference between e-commerce and social commerce is the social factor, where users can generate and disseminate their own information. By utilizing users to spread information across the network, businesses can achieve high exposure with minimal cost. Although this research has
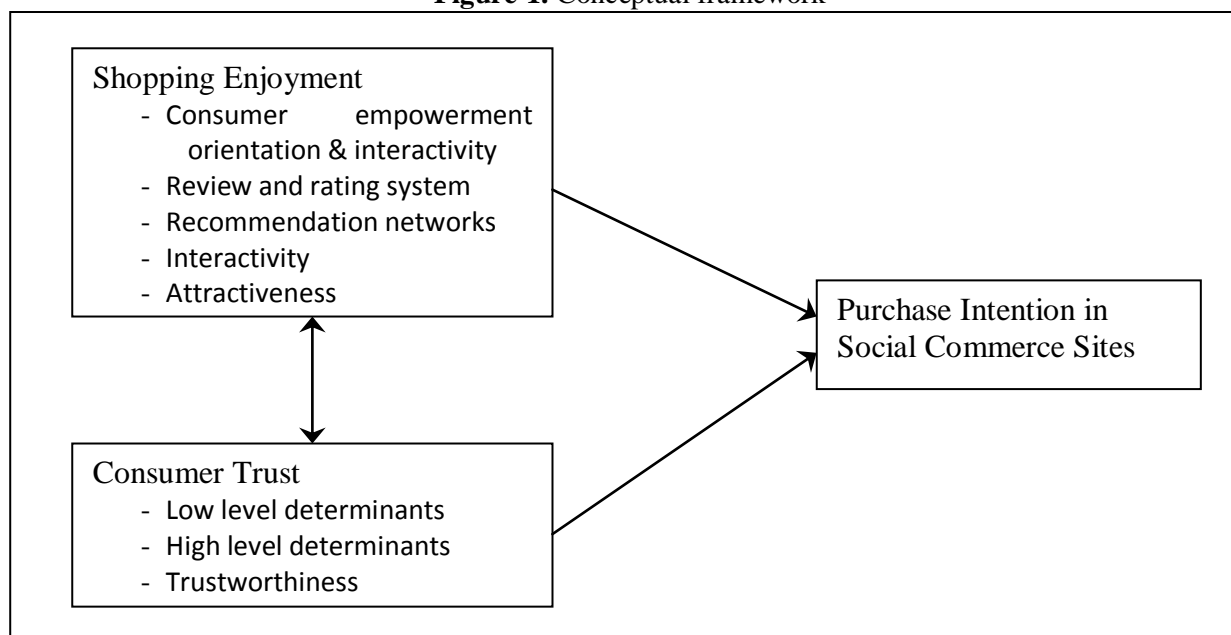
Figure-1. Conceptual framework

Table-1. Findings of Exploratory Research on Literatures

Variable	Description of Variable	Author (Year)
Shopping Enjoyment	Consumer empowerment orientation and interactivity, consumer should be able to access, understand, share information.	Khong & Onyemeh (2012) Khong, Onyemeh & Chong (2013)
	Review/rating system, recommendation networks.	Khong & Onyemeh (2012) Mir & Zaheer (2012) Oestreicher-Singer & Sundararajan (2012)
	Interactivity (consumer interaction)	Wattanasupachoke (2011)
	User-generated content	Lai (2010) Akar & Topçu (2011) Wattanasupachoke (2011) Khong & Onyemeh (2012) Mir & Zaheer (2012)
	Attractiveness - Website attractiveness - Product assortment	Stephen & Toubia (2010) Liang, Ho, Li & Turban (2012)
Consumer Trust	Online security, low consumer trust towards seller	Kamel & Hussein (2001) Quayle (2002) Wattanasupachoke (2011)
	User-generated content is more credible to consumer than producer-generated content, sharing among known friends can be amplified and viewed as more valuable	Liang, Ho, Li, & Turban (2012) Mir & Zaheer (2012)
	Trust arises from credibility and benevolence	Han & Windsor's (2011)
	Low level determinants High level determinants Trustworthiness and trust	Ennew & Sekhon (2003) Kharouf & Sekhon (2005) Ennew & Sekhon (2007) Khong, Onyemeh & Chong (2013) Khong, Onyemeh & Lee (2013)

discussed about the user-generated contents and generating trust, the viral effect of how information spread in social media was not researched. Customer engagement should also be considered, as engaged customer tends to play an important role in providing referrals and actively influencing the purchase intention of others.

5. Summary

This exploratory research offers several insights, particularly the 2 important foundations that can improve purchase intention in social commerce sites. Shopping enjoyment and trust are positively correlated, which have a positive effect on purchase intention. There is a need to develop valid and reliable instrument to measure shopping enjoyment and consumer trust. Future research should look into the viral effect and customer engagement factors in enhancing purchase intention. The authors hoped that this conceptual model can spawn further academic and practitioner interest in generating a best practice model for social commerce, while also serve as a framework for future research in social commerce.

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