

The Understanding of Social Networking Site Adoption as S-commerce Platform

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ABSTRACT

The popularity of social networking sites' (SNSs) services is changing the landscape of e-commerce. SNSs are providing consumers and businesses the platform to engage in social commerce (s-commerce). The use of SNSs to conduct s-commerce activities is utilising the advantages of the synergetic experience and motivation to buy in crowds. Through SNSs, businesses are able to reach more consumers at lower advertising and marketing cost. This is due to the fact that the products or services are marketed by consumer to consumers. Despite the growing advantages associated with SNSs as s-commerce platform, very little is known about issues related to SNSs adoption as s-commerce platforms. The main objective of this research in progress paper is to introduce a conceptualized research model that can be used to examine the adoption of SNSs as s-commerce platform. This paper also discusses the methodology adopted in this study.

Keywords: Social shopping, social networking sites adoption and s-commerce.

I INTRODUCTION

The growth of social networking sites (SNSs) (e.g., Facebook, Twitter) have changed the landscape on how consumers and business owners participated in e-commerce activities. Social commerce (will be known as s-commerce onwards) provides new mechanism for consumers and business owners do online business (Yoo et al., 2011). Through the synergistic experience of crowds, consumers are sharing and disseminating information about products, prices and deals (Leitner & Grecheing, 2007). Through SNSs, consumers can tag picture, upload images, write comments and share shopping lists with friends.

Within s-commerce, not only consumers are engaged in commerce activities (e.g. buying of products, requiring information from seller, searching for product's information); but they can also share their experiences (i.e. satisfaction, dissatisfaction) with other consumers. In today's world of information driven consumers, a decision to buy a product is heavily influenced by others opinions or comments published in user-generated content platforms (e.g. online community, blog, SNS sites). The shared content is said to empower and sophisticate traditional consumers (Afrasiabi Rad & Benyoucef, 2011).

Despite the growth and popularity of SNSs being adopted by as s-commerce platform, very little is known about what and how consumers are influenced to adopt SNSs as s-commerce platform. Extant of adoption literature shows that the understanding of issues related to SNSs as s-commerce platform is still at infancy level. In fact, the focused of previous studies towards understanding the adoption behaviour are limited only to the technology (e.g. perceived usefulness and perceived ease of use) and motivation related antecedents (Teh & Ahmed, 2011).

Realizing that the adoption of SNSs as s-commerce platform is beyond technological related issues, this study believes it also involves the influences of consumers and intercommunication related factors. According to Weijun and Lin (2011) the usage of SNSs as s-commerce platform requires understanding of consumers participation, intercommunication and interconnectivity within the community.

Motivated by that, this study will examine consumer's behaviour to adopt SNSs as s-commerce platform using a multi-perspectives approach. This study will examine consumers' adoption behaviour from: 1) consumers characteristics; 2) medium characteristics; and 3) sales channel characteristics. Having a complete understanding of these characteristics can help developed better understanding of consumer's e-commerce adoption (Chang et al., 2005).

II SOCIAL COMMERCE OVERVIEW

S-commerce or also known as social shopping can be considered as a kind of online commerce that combines e-commerce activities with social interaction activities (Kang & Park, 2009). By definition, s-commerce is defined as a business model that capitalized on social media application where people can collaborate or get advice from trusted individuals in order to find satisfactory goods or services and purchase it (Weijun & Lin, 2011). It is also defined as a kind of e-commerce that allows consumer to share products information (by cut and paste), make comments or reviews about the items in their own blog or SNSs services, and derived commerce from it (Kang & Park, 2009).

Overall, although s-commerce can be considered as a part of e-commerce, there are eventually unique characteristics that differentiate between them (Yoo et al., 2011). For instance, s-commerce is said to deal with service products, focuses on selling non-popular brand and actively uses social network services such as Twitter and Facebook (Yoo et al., 2011). The used of s-commerce is also said to give new hopes for 'mom and pop' type of business to be promoted to potential consumers at a lower cost and greater advertising coverage (Yoo et al., 2011). However recently, big companies (e.g. HP, and Levis) are also using SNSs to get connected with their consumers. This company usually will set up a Facebook account fan page and used it as advertising tool to keep their consumers updated with their new product. Consumer can now follow new updated news by just clicking the 'Like' button.

Above all, this study believes that the most essential character that differentiate between e-commerce and s-commerce is actually the utilization of SNSs to build the sense of shared values by reaching out to people within an intimate and comfortable setting of social media sites (Bansal & Chen, 2011). Therefore the unique character to differentiate between e-commerce and s-commerce does not lies on the types of product or businesses involved; but is about integrating social network elements with commerce activities.

Although, s-commerce is usually associated with SNSs usage, it is important not to limit its usage

only to that platform (i.e. SNS services). Based on the s-commerce literature, there are two types of platform that are usually related to s-commerce: 1) social shopping sites; and 2) SNSs (e.g. Facebook, Twitter, Youtube). Examples of social shopping sites are like Groupon.com or Yahoo!Shopping. In this type of platform it usually features daily deal for each city; offering consumers discount for local business or event; and consumer pay upfront and have certain amount of time to use it (Yoo et al., 2011). However, for this study the focus is given on the adoption of SNSs as s-commerce platform.

III LITERATURE REVIEW

In general the understanding of s-commerce within SNSs adoption context is still at infancy. Although growing attention is reported in this area, there are very limited publications in IS respective journals in this topic. However, recently IS journals are starting to call for research that focuses on issues related to s-commerce.

Thus, to overcome this limitation, previous papers focusing on e-commerce adoption will be used to shape the understanding and direction for this research. According to Chang et al. (2005), e-commerce adoption is mainly influence by three main factors: 1) consumer's characteristics, 2) medium characteristics and 3) sales channel characteristics. This paper conducted a thorough analysis on previous studies that focused on e-commerce adoption topic. All paper published in major IS journal outlets from year 1990 to 2003 were reviewed by Chang et al.(2005). The rigorousness of the paper is the main reason why this paper will be used to shape the direction of this study although this paper was published in the year of 2005, Furthermore, there are no other works found that examined recent publications related to e-commerce adoption.

According to these authors, understanding consumer characteristics is very important as it can help e-commerce owners learn about their consumers. By knowing the consumers trend and behaviour it can help e-commerce owners provide a platform that can fulfilled consumer's needs. Based on their findings, the understanding of consumers characteristics can be established by examining the influence of consumer's shopping orientations, consumer's demographics, consumer's e-commerce experiences, consumer's

innovativeness and consumer's psychology adoption variables. Out of these factors, this study will only focused only on consumer's psychology variables to examine the adoption of SNSs as s-commerce platform. Consumer shopping motivation will be conceptualized to represent consumer's psychology variables. Understanding the affect of motivation is important as it is an important driving factor that help to understand consumers' desire or readiness to adopt SNSs as s-commerce platform (Teh & Ahmed, 2011).

On the other hand, this study will also examine the influence of medium characteristics on consumer's adoption behaviour. Based on Chang et al (2005), understanding the medium characteristics is important as it helps to build consumer's confidence towards using the e-commerce platform. In their study, factors such as risk reduction measures, and e-commerce platform features have been identified as important factors influence consumer's intention to use e-commerce. Hence, this study will examined the influence of risk reduction measures taken by business owners when using SNSs as s-commerce platform. Understanding the risk reduction measures is important to build up confident in consumers when using the SNSs for s-commerce activities.

Finally, Chang et al (2005) also suggested that e-commerce adoption is also influenced by the ability of the medium to perceive as sales channel. In other words, it refers to the ability of the medium to effectively act as an effective sales channel. In their study, factors such as relative advantage, online shopping experience, service quality and trust have been identified as determinant factors influencing e-commerce usage intention. Hence, this study will manifest online shopping experiences as sales channel characteristics. Understanding how SNSs is shaping user's online shopping experience is important as it will help increase consumers desire to adopt SNSs as s-commerce platform.

Thus based on above discussion, this study predicts that consumers' adoption behaviour of SNSs as s-commerce platform is determined by their online shopping motivations, risk reduction measures and online shopping experiences. The following sections discuss these determinants in brief.

IV ONLINE SHOPPING MOTIVATIONS

According to Arnold and Reynolds (2003), consumers' shopping decision is influenced by their hedonic motivation. These authors explained that consumers' hedonic motivation is achieved when consumers view shopping activities as – adventurous, allow them to spend time with others (socializing), release stress or alleviate negative moods (gratification), generating new ideas, role playing, and value shopping (looking for discounts). This sub-dimensions of hedonic motivations has also been established within online shopping context (O'Brien, 2010).

Below are the brief descriptions about each sub-dimension of hedonic motivation. This explanation is based on the work of Arnold and Reynolds (2003).

a) Adventure shopping

Refers to shopping for stimulation, adventure and the feeling of being in another world. Consumers are identified to feel the excitement and adventure when going for shopping trips

b) Social shopping

Refers to the enjoyment of shopping with friends and family members. The hedonic stimulus is achieved through the socialization and bonding activities taken place during the shopping activities.

c) Gratification shopping

Refers to shopping to release stress and alleviate a negative mood and as a special treat for oneself. Through shopping it help consumers forget about their problems.

d) Idea shopping

Refers to shopping to keep up with new trends and new fashion, to see new products or innovation.

e) Role shopping

Refers to enjoyment derived from shopping for others. The hedonic stimulus is achieved when consumers are able to find the right gift for others.

f) Value shopping

Refers to shopping for sales, looking for discounts and hunting for bargains. The ability to get quality items at low prices gave enjoyment to shoppers.

Therefore, in this study these hedonic motivations sub-dimensions are used to examine consumer's adoption of SNSs as s-commerce platform.

V RISK REDUCTION MEASURES

Risk reduction measures refer to act against the unreliable online transaction environment (Chang et al., 2005). According to these authors, risk reduction measures such as -money back guarantee policy, buying well-known brand, selling at reduced priced, security and privacy measures have demonstrated positive relationships with the likelihood of online purchase.

Therefore, this study will examined the relationship between security and privacy measures on consumer's intention to adopt SNSs as s-commerce platform.

VI ONLINE SHOPPING EXPEREINCES

Finally, this study will use online shopping experiences to represent sales channel characteristic. According to previous studies, online shopping experiences are concern with the user-friendliness and aesthetics value of the e-commerce websites (Chang et al., 2005). Therefore, factors such as of the e-commerce platform are important towards predicting consumer's online shopping behaviour.

Understanding the influence of online shopping experiences is important as it can give an indicator towards the suitability of the platform used as sales channel. Therefore in this study the SNSs suitability as sales channel will be examined using three factors - evaluated effort, compatibility and playfulness.

VII RESEARCH MODEL

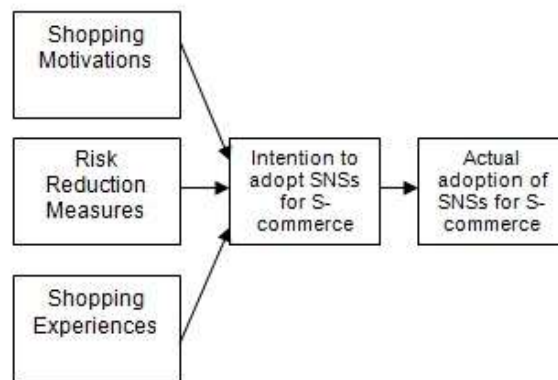


Figure 1 Proposed Research Model

Figure 1 illustrates the research model proposed in this study. In this study, consumers' adoption of SNSs as s-commerce platform behaviour is determined by three important determinants: 1) shopping motivations, 2) risk reductions and 3) shopping experiences. All the relationships within this research model is predicted to be positively related. Following are the research hypotheses for this study:

H1: Consumers' actual behaviour to adopt SNSs as s-commerce platform is directly influenced by their intention to adopt SNSs

H2: Consumers' intention to adopt SNSs as s-commerce platform is directly influenced by their shopping motivations

H3: Consumers' intention to adopt SNSs as s-commerce platform is directly influenced by SNS risk reduction features

H4: Consumers' intention to adopt SNSs as s-commerce platform is directly influenced by their online shopping experiences

VIII RESEARCH METHODOLOGY

Overall, this study employs a mixed methodology approach during the data collection phase. Both positivist and interpretivist paradigms are combined in this study. These approaches are taken into considerations to give a better breadth and depth towards understanding what determine consumers' adoption behaviour of SNSs as s-commerce platform. Methodologically, the data will be collected into two phases.

Phase 1: Quantitative Approach

This study adopts the IS validity and reliability guidelines proposed by Straub et al. (2004) to develop the research instrument. Following steps will be conducted in this study to establish validity and reliability:

1. Focus group with potential respondents.
2. Discussions with IS experts
3. Pre-test
4. Pilot – test

After the reliability and validity of the research instrument established, the actual data for this study will be collected using web survey using Qualtrics web survey package. The unit of analysis for this study will be consumers with experience adopting SNSs as platform to buy and sell products or services.

After that the research model will be analyze using component based structural equation modelling technique (i.e. PLS-SEM) to assess the validity and reliability of the research model. Smart PLS M3 will be used to examine the reliability and validity (both convergent & discriminant) of the measurement model; and the validity of the structural model.

In this study, PLS-SEM is used to analyze the data because:

- 1) The focus of the analysis in this study does not involve the measuring of model invariance. The focus of this study is on prediction factors related to adoption behaviour.
- 2) The focus of this study is to test the relationships according to prior theoretical knowledge. The ability of PLS-SEM to estimate the correlations between the residuals and assesses their impact on the model make this technique as the appropriate approach.

Phase 2: Qualitative Approach

After completing the quantitative phase, this study will conduct the second phase of data collection using qualitative approach. An interview session will be conducted to get further explanations on why these motivation factors influenced consumers' adoption behaviour. Based on the interview transcript, a content analysis approach will be used to analyze the qualitative data. Based on data collected from the two phases, a conclusion will be derived and

suggestions together with the research limitations will be identified.

IX CONCLUSION

From this study, the researchers hoped to understand the determinants that influence consumers' adoption behaviour of SNSs as online shopping platform. Through the adoption of SNSs, consumers are exchanging information and past experiences with others within their circle of friends. This easy to access product related knowledge is important to assist consumers in making decisions to purchase products or services offered within the s-commerce platform.

Through active knowledge sharing it will make this platform (i.e., s-commerce) as consumer's main reference when it comes to gather products or services related knowledge. Further, the nature of SNSs applications that supports social connections will open better opportunities for consumers to share knowledge in the future.

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