

INFLUENCE OF S-COMMERCE ON CONSUMER BUYING BEHAVIOUR-FINDINGS FROM LITERATURE REVIEW

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ABSTRACT

S-commerce or social commerce has revolutionised the way modern business transactions are conducted. The emergence of digitalisation along with the evolution of Web 2.0 technology have witnessed the growth of S-commerce as a new dimension of E-commerce that transformed the traditional marketplace into a more sophisticated market space where buyers and sellers can virtually connect with one another without any personal contact and engage in online transaction. The emergence of S-commerce has provided a suitable platform where interaction takes place between consumers across territorial boundaries which also influences other consumers as well. The growth and importance of this area of S-commerce is evident by the significant contributions that have been made by different researchers which are available in the form of extant literature that provide immense scope for future researchers. Therefore by reviewing the extant literatures available, this study is an attempt to understand the shift in buying behaviours of people from a traditional market place to a more sophisticated one due to S-commerce.

Keywords: S-commerce, digitalisation, buying behaviour, market place, market space.

INTRODUCTION

The recent trend in the field of information and communication technology, the emergence of digitalisation and the evolution of Web 2.0 technology together have witnessed the growth of Social commerce or s-commerce as a new and upgraded dimension of e-commerce of the 21st century. The emergence of s-commerce has provided a suitable platform where interaction takes place between consumers across territorial boundaries which also influences other consumers as well. The changing tastes and preferences of consumers have made them to explore new ways of business transactions. In this regard, Stephen and Toubia (2009) observed that the emergence of Web 2.0 have provided a new way of conducting business. It is generally observed that the social networking sites have gained immense popularity especially amongst youths due to increase in the number of internet subscribers and smart phone users. Such sites are an effective platform where people can share information, opinions and also can exchange their views with others over a virtual framework. These advantages have led to the growth of Social commerce (s-commerce) as a modern and upgraded version of e-commerce. Since s-commerce is a virtual market place where buyers and sellers interact and negotiate over a product or a service therefore the element of trust is a matter of significant importance. Generally in case of online transactions the amount of risk and uncertainty are perceived to be much higher due to the physical non-availability of the product which entails the presence of trust as an important factor (Pavlou, 2003; Mutz, 2005). Moreover, the element of trust increases with the frequent interactions that take place amongst consumer on the social commerce platform (Hajli et al. 2014). It is therefore important for online vendors to generate accurate information about their products so as to raise the level of trust in the consumers and enhance purchase (Yang et al. 2009).

LITERATURE REVIEW

Considering social commerce as 'a subset of e-commerce' the significant contributions made by different researchers highlights the importance of this emerging area and its applications (Stephen and Toubia, 2010; Liang and Turban, 2011; Kim and Park, 2013; Huang and Benyoucef, 2013). According to Hajli (2015), the advancements in the field of information and communications technology witnessed the development of e-commerce while the evolution of Web 2.0 technologies has created a revolution in the field where people can not only view the products but also can interact and exchange their opinions and ideas through some social commerce constructs that motivates their buying behaviour. Wingand et al. (2008) feels that Web 2.0 has significantly contributed in the transformation of e-commerce from being a product-oriented platform to a more customer centric one in the form of s-commerce. With a constant fluctuation in the preferences of buyers that witnessed an increase in demand for products, Stephen and Toubia (2010), have commented that Web 2.0 technology have provided buyers with a scope for interacting with marketers as well as the probable other buyers about the product before taking a decision thereby shifting the market control from the seller to the buyer.

In this context, social interaction enhances the online buying decision of an e-commerce buyer and therefore it is necessary that online vendors adapt to different applications that makes social interaction much more effective (Kim and Srivastava, 2007). However, an extremely important yet challenging aspect for e-commerce organizations to entail trust in their buyers that plays a significant role in buyer purchase (Gefen and Straub, 2000, Kim et al. 2008). Social commerce as a new paradigm in electronic commerce provides buyers with a scope to explore the experiences of shopping online by interacting or communicating with different buyers through word-of-mouth referrals and exchanging trustworthy information related to product quality that enhance buying decisions (Linda, 2010; Kim and Park, 2013). Therefore, different constructs, factors or applications of social commerce like communities and discussion boards, ratings and reviews, referral and recommendations, have been developed by different researchers in order to make the social commerce platform credible (Kim and Srivastava, 2007; Stratmann, 2010; Hajli, 2015). Also, different researchers have highlighted trust in s-commerce sites as a motivating factor that influences the buying behaviour of individuals and have identified several factors or determinants like goodwill and magnitude of the s-commerce sites, safety and security of the sites, cost effectiveness, honesty and benevolence, credibility and integrity of the online vendors (Doney and Cannon, 1997; Ba and Pavlou, 2002; Gefen, 2002; Gefen and Straub, 2004; Kim et al. 2005) that builds a trustworthy relationship between online buyers and s-commerce websites. Communities and discussion boards are online platforms that facilitate social interaction and discussion among different members of the online community by sharing experiences and information regarding different products and services available through the use of social technologies and Web 2.0 applications (Bagozzi and Dholakia, 2002; Lu, Zhao and Wang, 2010). Do-Hyung et al. (2007) refers to such discussion and interaction as 'word-of-mouth communication' in online environment that influences the buying behaviour of the consumer. Previous researchers have defined social commerce as a platform of social interaction and exchanging of experiences and ideas about different online products or services and have identified constructs and factors that influence the buying behaviour of consumers. Huang and Benyoucef (2013) have developed a four-layer conceptual model of social commerce design consisting of individual, conversation, community and commerce to enhance an effective and a memorable online shopping experience. From the review of extant literature, the following are the objectives proposed for this study:

1. To investigate the role of various factors of social commerce on consumer buying behaviour.
2. To understand how the functioning of the different layers in a social commerce design model influences buyer behaviour.

RESEARCH METHODOLOGY

From the extant literature review it is observed that previous researchers have highlighted different factors of social commerce that influences the buying behaviour of individuals. This study is descriptive in nature and derived from findings of previous research works and therefore is based on secondary sources.

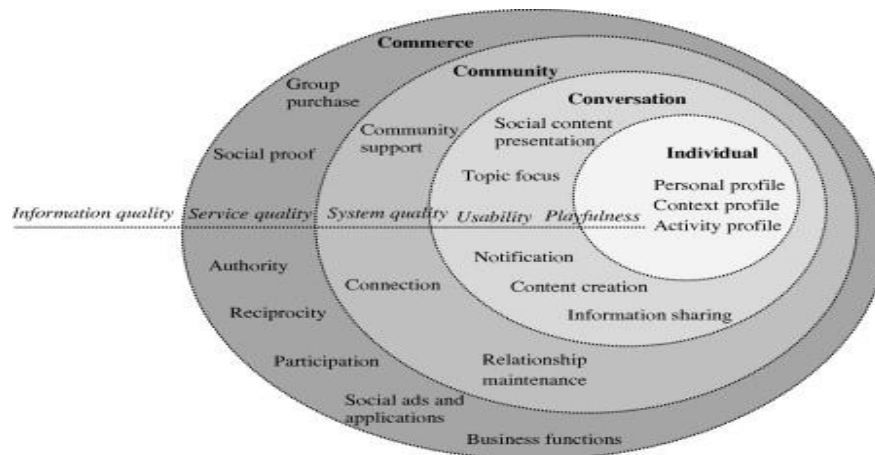
DISCUSSION

Social commerce is a revolution in the field of e-commerce and the increasing popularity of social media and social networking sites are the prime reason for its growth and development (Leitner and Grechenig, 2007; Liang and Turban 2011; Hajli, 2015). Considering its significant growth potential and wide reach, it is seen that different organizations are adopting new ways of conducting their business where online communities are formed and organizations encourage their potential customers to gather on a common platform, discuss with one another and exchange their ideas, experiences and information regarding products and services through the use of online technologies and web-based applications (Lu and Wang, 2010). Such online discussion boards are an effective method of delivering trust among the buyers for online products that influences their purchase decisions. Due to the physical non-availability of online products, it is difficult to ascertain its quality. In such cases, ratings and review of the product are an essential factor that makes online buyers to determine its quality. According to Chen et al. (2011), ratings and review are an important factor in social commerce platform where detailed and updated information about products are highlighted that support in the buying decision of probable online customers. The intensity of product review is constantly rising due to the growing popularity of online purchase which has minimised the necessity of information generated through different mode of advertising which indicate that reviews and ratings are an effective and trusted medium of generating information to probable buyers (Yubo and Xie, 2005).

Unlike a physical store where buyers can engage in one-to-one discussion with sellers before purchasing a product, in case of online stores referrals and recommendations play a crucial role due to its non-physical nature. Therefore, probable online buyers rely on experiences of previous customers and their recommendations before taking a decision to purchase the product (Senecal and Nantel, 2004). This indicates that referrals and recommendations of previous buyers are an important and trustworthy factor that determines the buying behaviour of an individual.

Trust is the essence of building a positive relationship between an online buyer and an s-commerce site and also plays an important role in bridging the gap between them. From the extant literature it is observed that previous researchers have identified different factors like safety and security of the sites, cost effectiveness, honesty and benevolence, credibility and integrity of the online vendors that assist in building a trustworthy relationship between online buyers and s-commerce sites (Doney and Cannon, 1997; Ba and Pavlou, 2002; Gefen, 2002; Gefen and Straub, 2004; Kim et al. 2005). Safety and security of online transactions are of prime concern to buyers and considering this aspect most of the e-commerce organizations are upgrading their sites so as to ensure that buyers feel secured while dealing in online transactions. Therefore, Hsiao et al. (2010) feels that safe and cost-effective e-commerce sites are important aspects from the customer point of view as these factors increases the level of trust and influences their buying behaviour. Moreover, the ability of an e-commerce organization to work for the welfare of its customers by delivering quality products inculcates an element of trust amongst the online buyers and positively influences their buying habits (Doney and Cannon, 1997).

Fig 1: Social Commerce design model



Source: Huang and Benyoucef (2013)

The above figure highlights four layers of a social commerce design model. Since social commerce require online interaction and exchange of ideas among different individuals regarding products and services therefore it is essential to create a profile for self-identification which may include the context and activity profile so that it can grab the attention of other individuals. As such, the individual consists of the first layer of the model. For example, if an individual specialises in a particular area like photography, a profile may be created on the different types of photography related products like cameras required for the purpose so that other individuals may get some knowledge on the different types of cameras available which may motivate their purchase intention. Creating a self-profile will not only make the individual more acceptable to those interested in taking up a similar activity but also enhance their buying intentions. Conversation is an important aspect of social commerce which provides an opportunity for individuals to interact over the focused area as well as share requisite information and provide notifications so that others may get ideas related to the availability of different products within their own domains and thereby take a decision. Online communities are a common platform where different individuals come together, discuss over a common area of interest and support each other's opinions. Such communities foster positive relationship building as well as effectively influence the buying pattern. Commerce is the last layer of the model which includes group purchase, participation, social proof, authority, reciprocity, social ads and applications. In order to fulfil its business objectives, different organisations adopt certain policies for each layer of the social commerce design model.

An organisation that focuses mainly on e-commerce activities without much emphasis on social interaction than the focal point for such organisations will be on the individual layer and commerce layer respectively. But if an organisation is primarily concerned with building a community wherein discussion and interaction related to its products may be considered then the individual, conversation and community layers are of prime importance. Therefore, depending on the required policies every organisation focuses on the different layers accordingly.

EMERGING TRENDS IN RESEARCH ON SOCIAL COMMERCE FRAMEWORK

Social commerce is an important and emerging concept amongst academicians and scholars is evident from the extant literature above that has been reviewed in this regard. Every moment in our lives are associated with and are governed by the continuous and rapid technological up gradation. Previous researchers observed social commerce (s-commerce) as a revolution in the field of e-commerce that had a significant influence on the ways of conducting online businesses. However, Galanxhi-Janaqi and Fui-Hoon Nah (2004) have identified Ubiquitous commerce (U-commerce) as an extension and combination of traditional e-commerce along with wireless, television, voice and silent commerce respectively that provides ubiquity, universality, uniqueness and unison. Ubiquitous commerce as an emerging area will enable continuous and uninterrupted flow of communication and transactions between organizations, customers, employees and other stakeholders at any point of time without depending on any form of external connectivity (Watson et al., 2002). U-commerce is looked upon by different organisations and academicians as the future of conducting uninterrupted businesses across territorial boundaries, interconnecting with people at any point of time without any dependency on external mode of communication and an increased and effective customer service delivery technique.

RECOMMENDATIONS

From the above discussion, certain recommendations can be provided to organisations as well as academicians alike that may widen the scope for further development of social commerce (s-commerce). Organisations have to be aware of the changing market scenario and need of the customer. With the rapid developments in the field of e-commerce and social networking sites, customers seek more value for money. Therefore, organisations that are already into the e-commerce domain must apply different upgraded applications and develop online communities so that customers can interact within their respective communities and generate ideas. Further, organisations must understand the emotions of customers and provide rapid services to any query that may arise from the online transactions. E-vendors must deliver transparent information regarding product quality and ensure safety and security so that customers can trust the company and the site. This will lead to a positive word-of-mouth communication about the organisation. From the academic point of view, it is expected that research related to the emerging aspect of u-commerce be conducted so that an uninterrupted mode of commerce can be implemented for the development of the economy.

CONCLUSION

The above discussion highlights different aspects of social commerce as depicted by researchers from their empirical investigations. It is observed that Web 2.0 application of social commerce is the beginning of a new and modern outlook to the traditional form of e-commerce and many organisations have adopted different ways of enhancing customer interaction in order to generate trust and goodwill for their website and products. Moreover, it is observed that with the rapid progress in technology, researchers have identified u-commerce as an emerging concept of delivering uninterrupted communication across geographical boundaries without the use of any power and wireless connectivity. This provides an opportunity for researchers to further explore in this emerging area and provide valuable insights to it.

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