Study on the difference in the Social Commerce use of Korea and China Consumer: Consider factor, shopping value, purchase satisfaction and intention to revisit

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Abstract The purpose of this study is to verify differences between Korean and Chinese consumers in consideration, shopping value, the extent of purchase satisfaction and intent to revisit the site when people use social commerce. When Korean and Chinese consumers use social commerce, it was confirmed that they look at four things; economical efficiency, practical, informativeness, and convenience. There are the following results. Firstly, it was found that in the case of using social commerce, economical efficiency as a factor of consideration was higher in Chinese consumers than Korean consumers. Secondly, practical of social commerce concerns the social commerce site's trustworthiness and stability, and also the popularity of the site and ease in which users can use the site. In this, this factor is more important to Chinese consumers than Korean consumers. Thirdly, in the factors of informativeness, which means product information and quality, and buyers comments, there was no confirmed difference between Korean and Chinese consumers. Fourth, in the convenience factor, there was a difference found between Korean and Chinese consumers.

Key Words : Social commerce, consider factor, shopping value, purchase satisfaction, revisit intention

요약 본 연구는 한국과 중국소비자들의 소셜커머스 이용 시 고려요인, 쇼핑가치, 구매만족 그리고 재방문의도에 있는 차이가 있는지 확인한 것이다. 먼저 소셜커머스를 이용할 경우 고려하는 요인을 확인한 결과 경제성, 유용성, 정보성, 편의성으로 확인되었다. 첫째, 소셜커머스 이용 시 경제성, 정보성 요인은 한국 소비자들이 더 많이 고려하는 것으로 확인되었다. 그러나 소셜커머스의 유용성은 중국소비자들이 더 많이 고려하는 것으로 확인되었다. 정보성은 한국과 중국소비자들에게 차이가 없는 것으로 확인되었다. 둘째, 소셜커머스의 합리적 쇼핑가치와 편리적 쇼핑가치 모두 중국소비자들이 더 높은 것으로 확인되었다. 셋째, 소셜커머스 이용에 따른 구매만족에는 한국소비자들이 더 높은 것으로 확인되었다. 넷째, 소셜커머스 재방문의도는 한국소비자들이 더 높은 것으로 확인되었다. 이상의 연구결과는 소셜커머스 이용에 따른 한국과 중국소비자들의 차이를 확인함으로써 한국기업의 중국 진출을 위한 소셜커머스 활용에 의미 있는 자료가 될 것으로 사료 드리기 바이다.

주제어 : 소셜커머스, 고려요인, 쇼핑가치, 구매만족, 재방문의도
1. Introduction

According to the Wikipedia, Social commerce is a subset of electronic commerce that involves using social media, online media that supports social interaction, and user contributions to assist in the online buying and selling of products and services[1].

In Korea, social commerce started with ‘Wipon’ on March 2010, followed by other social commerce companies offering diverse services, such as Ticket monster, Coupang, and We make price(Wemep)[2]. According to statistics on September 2011, there exist about 400-500 social commerce websites, and sales was between 3-5 trillion won in 2011, and reached 8 trillion won in 2012[3]. This growth of social commerce is bringing about change in the entire online market[4].

According to a report released by online market research company lanky.com, mainstream social commerce websites such as Ticket monster (5th), Coupang (8th), Groupon korea (9th), etc, surpassed major distribution company shopping malls such as Lotte I-mall, Shinsaegae mall, and Hmall were listed among the top ten online shopping malls in the first half year of 2013[5]. Social commerce, as the quickest industry to adapt to mobile appliances, has become one of the strongest contenders in the mobile market: offering products based on location, and adding mobile payment options, etc. By offering services which are perfectly adapted to the mobile, from the beginning it overwhelmed open market, which used to be called the strong contender of PC shopping. In the case of Coupang, which has the most users, the number of its mobile users has already surpassed 10 million people[5].

Social commerce in China emerged starting with online auction type sites from March 2009 and many companies had been established in 2010 and come to exceeding as many companies as 6,177 in 2012[6].

The end of December 2012, buying items were 5,277 cases, buyers were 60 million people, and sales were aggregated to 348.85 million yuan in one months. This was 61% growth over the previous year[6].

According to a report from the online market research company iResearch, 2013, China online shopping market capitalization (GMV; gross merchandise volume) was 1.84 one trillion yuan, which was raised to 7.9% of the total retail sales of consumer goods[7].

In business-to-business transactions of SMEs E-commerce penetration it jumped 46.3% YoY to online full amount 311,07 one hundred million yuan between SMEs[7].

As one of new innovative form of Internet shopping, social commerce has been growing rapidly in a short period of time, but there are still lacks of theoretical and systematic research on this.

In addition to there are little research on differences in consideration, shopping value, extent of satisfaction and intent of revisit, between Korean and Chinese consumers using social commerce.

Therefore, this study can be used as useful information for global social commerce market of the future Korean enterprise through a comparative study of South Korea South Korea and Chinese consumers.

2. Theoretical Background and Research Subjects

2.1 The Concept and Present Situation of Social Commerce

The term social commerce was introduced by Yahoo! in November 2005 to describe a set of online collaborative shopping tools such as shared pick lists, user ratings and other user-generated content-sharing of online product information and advice[8].

The concept of social commerce was developed by David Beisel to denote user-generated adversorial content on e-commerce sites, and by Steve Rubel to include collaborative e-commerce tools that enable shoppers "to get advice from trusted individuals, find goods and services and then purchase them”[9]. The
social networks that spread this advice have been found to increase the customer’s trust in one retailer over another. More succinctly, social commerce is the use of social network(s) in the context of e-commerce transactions. Today, the area of social commerce has been expanded to include the range of social media tools and content used in the context of e-commerce, especially in the fashion industry[9]. The three major social commerce companies represent more than 50% of the entire volume of business, so judging from this, it seems that social commerce will remain strong in the mobile industry. When one looks at the growth rates between 2012 September and 2013 September, Coupang(238%), T-mon(233%), and Wemap(318%) all showed a high growth rate[5].

2.2 Advanced Research

Shopping value is important variable in research of consumer purchase behavior, there have been studies done from a variety of perspectives. Diversification of consumer needs, rather than buying the product itself as it is to shop for obtaining several values have been identified in several studies[10]. Shopping value includes the utilitarian value that is important for such simple products acquired or functional benefit as well as several hedonic value of the shopping process[9].

Park & Jeon[10] divided into functional value, emotional value, monetary value, informational value and social value of social commerce shopping value, identified influencing attitudes functional, financial, social values.

In this study, Shopping Value factor is a new fun and interest, entertainment feel of shopping in social commerce, pleasure as a relevant factor in hedonic value, factors associated with rational value is set to economic, convenience and efficient purchase. Korea and China that the consumer examine the difference between the perception of these values, the difference between them is to verify that the gender interaction[11].

Chung & Park[12] was to examine the differences and similarities of the online shopping behavior in Korea and England. Whether there are differences in online shopping mall assessment in accordance with the values of consumers, shopping behavior according to the online shopping mall assessment, consumer shopping value, attribute importance assessment and shopping behaviors. the value of consumer shopping, attribute importance in relation to the assessment and shopping behavior whether there is a cultural difference.

Firstly, It has been identified that there are differences in attribute importance assessment depend upon the value(practical or hedonic) of shopping. Secondly, attribute importance assessment have an positive influence on the using intention of online shopping mall. Thirdly, on the attribute importance assessment by the value of shopping, There was control effect between Korea and England. The higher Hedonic value of shopping, the higher price related attribute conscious tendency among Korean rather than English consumers[12].

Jun and Kang[13] studied to look at the effect that product quality has on social commerce consumers’ satisfaction and intent on further consumption. In detail, this study’s core purpose was to find out the structural relationship between the effect of product, price, service, information quality on the seller, of social commerce on consumer satisfaction and intent on further consumption. According to this study, there appeared to be a regardful influence of the product, customer service, and quality of seller information on consumer satisfaction, except for price and information quality.

Zhou, Ryu and Lee[14] studied to related consumers’ behavior using social commerce market. They reviewed situation and explanation of current social commerce market both in South Korea and China. Consumers’ dissatisfaction, complaints, repurchase intention were examined. They founded that Chinese consumers have
more frequently visit, more purchasing behavior, more diverse items purchased were shown in social commerce than South Korean consumers. First, the level of dissatisfaction for social commerce was found higher in Chinese consumers. Second, Chinese consumers were reported to be more satisfied with social commerce than South Korean ones, and this disparity is significant. Third, Chinese consumers committed more complaining behaviors than consumers in South Korea. This difference was verified to be significant[14].

Jo[15] studied the characteristics of the lifestyle were classified by taste, active, health, comparison and fashion-oriented types. Satisfaction of using social commerce site was classified by reliability and accuracy of information, and then, the service of employee, trust, indoor environment, facilities and appearance were classified as service satisfaction. The result, the usage of social commerce products and purchases number of eating coupons showed Chinese was more than South Korean consumers.

3. Research Problems and Methodology

3.1 Research Problems

In this viewpoint, this study will look at the consider factors when using social commerce, the beneficial factors that come from shopping in social commerce, the factors that influence user satisfaction and the factors that desire to visit again, and to find differences between the Korean consumer and Chinese consumer on these factors. With the purpose of finding out these things, the following four research subjects are set up.

1. Will there be a difference between Korean and Chinese consumers using social commerce based on shopping value factors?

2. Will there be a difference between Korean and Chinese consumers using social commerce in their purchase satisfaction?

3. Will there be a difference between Korean and Chinese consumers using social commerce in their intention to revisit?

4. Will there be a difference between Korean and Chinese consumers using social commerce in their intention to revisit?

3.2 Research Methodology

3.2.1 Collection of Data

The respondents in this study may consist of Korean and Chinese consumers. Social commerce users in Korea, consist of male and female university students of 153 in Seoul and Daejeon area. For social commerce users in China, university students of 152 within Beijing and Shanghai were conducted.

3.2.2 Measurement Tools

On the consider factors when using social commerce, among the questions of Kim and Yoo[16] study which a standard was developed to check validity and reliability, 18 questions appropriate to this study were used(Cronbach’s α = .829).

On the benefit factors when using social commerce, among the questions of Kim and Yoo[14] study was developed and used which 10 questions are used(Cronbach’s α = .865).

On the loss factors when using social commerce, among the questions of Kim and Yoo[14] study was developed and used which 16 questions are used(Cronbach’s α = .879).

After purchasing satisfaction in social commerce, among the questions of Collier and Bienstock[17] study, 3 questions were used(Cronbach’ α = .789).

On intent to revisit by consumers of social commerce, questions from Jun and Chung[16] were used, modified to the purpose of this study(Cronbach’ α = .806).
4. Results

4.1 Results on the Exploratory factor analysis of the measurement variables

In this study, an exploratory factor analysis is done to test the reliability of consider factor when using social commerce. For the method of factor analysis, on the principal component analysis and the factor rotation, the Varimax method is used. For the KMO (Kaiser–Meyer–Olkin), which shows the extent to which the correlation of the two variables are explained by the other variables, the basic value is 0.6[17], the factor extraction’s eigen value is over 1, and the absolute value is greater than 0.4[20].

When this basic value is high, it is viewed to be a significance criteria. Also, to verify the internal consistency reliability of each factor, Cronbach’ α coefficient is used to verify the credibility.

According to this standard, in the usage of social commerce, after factor analysis of the eighteen questionaries of consider factors, the results is shown in <Table 1>.

To look at the four extracted factors, the first factor consists of five questionaries. The name of the factor is set as economical efficiency (Cronbach’s α = .866).

In the usage of social commerce, the second consider factor consisted of four questionaries. The name of the factor as set as practical (Cronbach’s α = .740).

The third factor consists of five questionaries. The name of the factor is informativeness (Cronbach’s α = .783).

There were four categories when looking at the fourth factor in social commerce use. The name of the fourth factor is set as convenience (Cronbach’s α = .757.)

<table>
<thead>
<tr>
<th>Questions</th>
<th>Consider Factors</th>
<th>Similarities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheaper prices than offline is important to me</td>
<td>.853</td>
<td>.746</td>
</tr>
<tr>
<td>Cheap prices are important to me</td>
<td>.845</td>
<td>.762</td>
</tr>
<tr>
<td>Price benefits are important to me</td>
<td>.825</td>
<td>.699</td>
</tr>
<tr>
<td>Price discount rates are important to me</td>
<td>.761</td>
<td>.635</td>
</tr>
<tr>
<td>Whether this site offers the same product at a cheaper price than other websites is important to me</td>
<td>.744</td>
<td>.580</td>
</tr>
<tr>
<td>The reliability of the social commerce website important to me</td>
<td>.863</td>
<td>.759</td>
</tr>
<tr>
<td>The stability of the social commerce website is important to me</td>
<td>.756</td>
<td>.630</td>
</tr>
<tr>
<td>The popularity rate of the social commerce website is important to me</td>
<td>.670</td>
<td>.477</td>
</tr>
<tr>
<td>The convenience of using the social commerce website is important to me</td>
<td>.517</td>
<td>.408</td>
</tr>
<tr>
<td>When there is a product I want, the number of people in the group purchase are important to me</td>
<td>.607</td>
<td>.501</td>
</tr>
<tr>
<td>The information on the number of products which I can buy important to me</td>
<td>.694</td>
<td>.543</td>
</tr>
<tr>
<td>Information of the product important to me</td>
<td>.621</td>
<td>.457</td>
</tr>
<tr>
<td>Quality of the product important to me</td>
<td>.546</td>
<td>.513</td>
</tr>
<tr>
<td>Assessments by other buyers (buyer’s comments) are important to me</td>
<td>.515</td>
<td>.414</td>
</tr>
<tr>
<td>Quick delivery is important to me</td>
<td>.807</td>
<td>.697</td>
</tr>
<tr>
<td>The method of payment (card, installment, interest - free installment, cash, etc ) is important to me</td>
<td>.666</td>
<td>.471</td>
</tr>
<tr>
<td>Convenience when exchanging or returning the product is important to me</td>
<td>.633</td>
<td>.557</td>
</tr>
<tr>
<td>Its important for me to not visit the store and do my shopping</td>
<td>.436</td>
<td>.415</td>
</tr>
</tbody>
</table>

Eigen value                                                                  4.820          2.700            1.534          1.284          
Percentage of variance                                                        26.576         15.001          8.619          7.154          
Cumulative percentage                                                         26.576         41.777          50.397          57.531          
Kaiser-Meyer-Olkin=.803, Bartlett’s test of Sphericity x²=1949.654(df=153, Sig=.000)

In the usage of social commerce, after factor analysis of the ten questionaries of benefit factor, the results is shown in <Table 2>.
At the three extracted factors, the first factor consists of four questionnaires, the name of the factor is set as playfulness (Cronbach’s α = .756).

The second factor consisted of four questionnaires, the name of the factor as set as Hedonic shopping (Cronbach’s α = .782).

4.2 Analysis results of research subjects

4.2.1 Verifying the differences of social commerce shopping value of Korean and Chinese consumers

To verify at the differences in considered factors of when Korean and Chinese consumers use social commerce, a t-test is conducted on the factors of economical efficiency, practical, informativeness, and convenience. According to the study, when using social commerce, it is found that Korean consumers consider economical efficiency more than Chinese consumers, and there is a significantly difference. When using social commerce, the second consideration factor practical is higher in Chinese consumers than Korean consumers, and there is also a meaning difference here. The third factor when using social commerce, informativeness, did not show any differences between Korean consumers and Chinese consumers. The fourth factor when using social commerce, convenience, is higher in Korean consumers than Chinese consumers, and there is significantly difference here.

4.2.2 Verifying the differences of social commerce shopping value of Korean and Chinese consumers.

The factors of shopping value of Korean and Chinese consumers when using social commerce was hedonic shopping value and utilitarian shopping value. To see the difference between Korean and Chinese consumers in shopping value factors, a t-test is conducted. As a result, in the utilitarian shopping value factor, Korean consumers scored higher than Chinese consumers. This results was verified to be with meaning through statistics. On the hedonic shopping value factor of social commerce, Korean consumers scored higher than Chinese consumers. These results showed a significantly difference.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Nations</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>economical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>efficiency</td>
<td>Korean</td>
<td>153</td>
<td>4.45</td>
<td>.49</td>
<td>9.881***</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>152</td>
<td>3.80</td>
<td>.65</td>
<td></td>
</tr>
<tr>
<td>practical</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Korean</td>
<td>153</td>
<td>3.83</td>
<td>.51</td>
<td>-4.093***</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>152</td>
<td>3.49</td>
<td>.60</td>
<td></td>
</tr>
<tr>
<td>informative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ness</td>
<td>Korean</td>
<td>153</td>
<td>3.38</td>
<td>.73</td>
<td>-1.030</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>152</td>
<td>3.39</td>
<td>.60</td>
<td></td>
</tr>
<tr>
<td>convenience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Korean</td>
<td>153</td>
<td>3.99</td>
<td>.59</td>
<td>3.777***</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>152</td>
<td>3.70</td>
<td>.73</td>
<td></td>
</tr>
</tbody>
</table>

4.3 Verifying the differences of social commerce shopping value of Korean and Chinese consumers.
4.2.3 Verifying the differences of social commerce purchase satisfaction in Korean and Chinese consumers.

To verify the differences between Korean and Chinese consumers in social commerce purchase satisfaction, a t-test is conducted. As a result, Korean consumers are revealed to have higher user satisfaction in social commerce than Chinese consumers. These results showed a significantly difference.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Nations</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>purchase satisfaction</td>
<td>Korean</td>
<td>153</td>
<td>3.50</td>
<td>.61</td>
<td>4.647***</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>152</td>
<td>3.20</td>
<td>.47</td>
<td></td>
</tr>
</tbody>
</table>

4.2.4 Verifying the differences of social commerce revisit intention in Korean and Chinese consumers.

To verify the differences between Korean and Chinese consumers in social commerce revisit intention, a t-test is conducted. As a result, Korean consumers are revealed to have higher user satisfaction in social commerce than Chinese consumers. These results showed a significantly difference.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Nations</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>revisit intention</td>
<td>Korean</td>
<td>153</td>
<td>3.45</td>
<td>.76</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>152</td>
<td>3.64</td>
<td>.54</td>
<td>-2.512*</td>
</tr>
</tbody>
</table>

5. Discussion

Since social commerce, with origins in the US, came to Korea in 2010, it has grown at a fast rate and has found its place as a new shopping culture. With its low price and active community action via SNS of consumers, the meaning of social commerce is becoming greater. Recently the economic growth of China has influenced the Korean economy as its partner, and has brought upon growth in both the offline and online market sector. In relation, this study looked at differences between Korean and Chinese consumers in consider factors, shopping value, purchase satisfaction and intent to revisit the site when people use social commerce. This was a strategic effort to target the new distribution channel currently being created in China through the social commerce market. If one looks at the conclusion of this study, there are the following answers.

When Korean and Chinese consumers use social commerce, it was confirmed that they look at four things: economical efficiency, practical, informativeness, and convenience. Firstly, it was found that in the case of using social commerce, economical efficiency as a factor of consideration was higher in Chinese consumers than Korean consumers. That is, prices cheaper than off line, advantages in prices in social commerce, and the discount rate is more important to Chinese consumers than Korean consumers. Secondly, practical of social commerce concerns the social commerce site’s trustworthiness and stability, and also the popularity of the site and ease in which users can use the site. In this, this factor was more important to Chinese consumers than Korean consumers. Thirdly, in the factors of informativeness, which means product information and quality, and buyers comments, there was no confirmed difference between Korean and Chinese consumers. Fourth, in the convenience factor, there was a difference found between Korean and Chinese consumers. That is, quick delivery, versatile ways of payment, convenience in return and exchange of product, and ease in shopping without going to the store, these elements were found to be more important to Korean consumers. These results will hopefully be used valuably in the future by Korean companies that...
wish to enter the Chinese social commerce market.

Next, looking at the shopping value for Korean and Chinese social commerce consumers, the factors of actual shopping value and enjoyment shopping value were confirmed. Firstly, there was a difference in actional shopping value felt between Korean and Chinese consumers when using social commerce. That is, Chinese consumers tended to feel more strongly that it was more economically feasible, more convenient, more efficient rather than enjoying, to shop through social commerce than Korean consumers. Secondly, enjoyment shopping value through social commerce was higher in Chinese consumers than Korean consumers. That is, when Chinese consumers shop in social commerce sites, they have more of a good time and they enjoy the experience of shopping on the social commerce website more than shopping in the actual store. So, for those who are planning to enter the social commerce distribution market in China or for companies currently active in china, there must be a marketing plan where Chinese consumers can enjoy the fun of shopping and low-cost shopping in the social commerce website.

On products and coupons bought in social commerce, and the shopping experience up until the product is bought, Korean consumers were more satisfied than Chinese consumers in these elements. But intention to recommend the social commerce site or intention to visit again was higher in Chinese consumers than Korean consumers. Therefore, these results are definitely important as material to base marketing plans on for Korean companies who are planning to enter the Chinese social commerce market in the future.

The limits and proposal of this study are as follows. China is a huge continental nation yet this study only focused on the university students in Beijing and Shanghai. We hope future studies will be done in many different areas in China, based on social commerce users. Secondly, this study only looked at the considered factors and shopping value as factors of how Korean and Chinese consumers use social commerce. When one also considers the reasonable price of social commerce, the gains and losses of Korean and Chinese consumers through social commerce will also be a good topic to check on in the future. Thirdly, a study on social commerce looking at the cultural factors effecting Korean and Chinese consumers may also be needed.

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