

[Editorial Review]

Analysis on the Characteristics of Consumers on Social commerce

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Abstract

Purpose - The purpose of this study is to investigate the impact of awareness on the characteristics of a consumers' social commerce. This study examines whether the characteristics of social commerce influence the purchase intentions in accommodating these types of social commerce.

Research design, data, methodology - The data for the study were collected and analyzed from a sample of 126 adult customers, comprising both males and females, using social commerce. The survey was conducted and the results aggregated through distributing a copy to each participant. For statistical analysis of the data collected, SPSS 18.0 statistical package was used.

Results - The results can be summarized as follows. First, the perceptions about the characteristics of Social Commerce demonstrated a significant effect for attitudes. Second, the attitudes demonstrated positive effects on purchase intention. Third, the subjective norm affected the purchase intention. Fourth, perceived behavioral control influenced the purchase intentions.

Conclusions - As a result, perceptions about the characteristics of Social Commerce may be seen in the positive effects on purchase intention. Using social commerce in the future, retailers would need to increase the scope of the study, through applying more diverse characteristics of Social Commerce.

Keywords : Social Commerce, Social Shopping, Purchase Intention, Attitude.

JEL Classifications : C15, L16, M15, M31.

1. Introduction

Groupon, as the company found by social commerce business model, has achieved a remarkable record annual sales of \$350 million and the enterprise value of \$ 1.35 billion in 2008, a year and a half after its founding. The social commerce craze is blowing in United States as well as worldwide. Korea was not an exception. After start-

ing Wipon(wipon.co.kr) in February 2010, a variety of social commerce companies are springing up. Media, manufacturers, advertising agency as well as the existing e-commerce to social commerce are joining the craze. Portal site or a large open market also is preparing the big picture encompassed social commerce. Although the social commerce of Korea is based on 'co-buy' kind of business model, the renaissance of social commerce is being held in Korea.

The concept of social commerce can be said e-commerce taken advantage of social media. In other words, it has the structure that causes word-of-mouth in conjunction with social media such as Blogs, Twitter, Facebook without goods. There are the type of social commerce such as ① commerce models in the social media, ② social commerce model within the commerce service, ③ the independently established model between commerce and social media etc. Groupon such as the current third model has received the most attention. The majority of domestic companies is the same. In other words, almost no social media itself, it can be called a model-driven commerce. In this study, it focused on the Groupon model that has gained great interest in the domestic.

Ticket Monster, Coupang, WEmakePRICE and Dailypick are current leaders in Korea. The conglomerate Shinsegae(HappyBuyrus), shopping mall Interpark(Half Time), Thinkbig also started business. Daum, a portal site, jumped into this market.

The core of the business model in this rapidly growing social commerce(Groupon model) is as follows. From the consumer's point of view, the 50% discount is tempting and quite attractive.

For example, there is the A named product that did not think to purchase at a consumer, he can lead to unnecessary consumption because it might change your mind if it is half value. In other words, the business model is basically based on impulse buying. The powerful cause of impulse buying is a very important part in the business of shopping.

You can see that customers in mall gravitate feeling like 'Jackpot' if staff shouts as broadcasting 'from now on 10 minutes Pork 50% off sale' suddenly in a large shopping mall, The people that have had same experience are attractively fallen in.

However, consumer harm such as reservations inability due to the excessive sales, quantity shortage, coupons, system errors such as coupons outgoing missing, difficulty coupons non-refundable and non-transferable and limited use conditions could not be ignored.

This study is to examine whether the characteristics of social commerce affect on purchase intentions in accommodating these social commerce. It tried to verify additional factors in addition the relevant variables in the behavior presented in the theory of planned behavior.

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<Table 1> Previous studies on the characteristics of social commerce

Researchers	Independent variable	Dependent variables	The findings
Jarvenpan&Todd (1997)	Product assortment, The size of a shopping mall	Select Internet shopping mall, Purchase intention and act	Store size and reputation has a strong influence on the purchasing behavior of consumers
Tae-Hyeon Moon & Chu-Young Park (2007)	Discounts	Purchase intention	Deep discounts more than the lowest price have positive influence on the purchase intention.
Soo-Youn Chung & Chul Park (2010)	Collective tendencies	Purchase Decision	Collective attention in online co-buying has a positive influence on the purchase decision

<Table 2> Previous studies summarized the theory of planned behavior intended for the acceptance of mobile media

Researchers	Research	The findings
Dong-Hun Jeong, Hong-Sik Yu, Hyung-Jin Woo (2006)	The factors that DMB users are affected by used form, the main reason of the use, and Intention to use	Proving that the attitude of use DMB video and audio is f significant variables, attitudes and subjective norms in DMB usage intention significantly influences
Min-Young Lee(2006)	Factors affecting the intention and attitudes of users in the use of DMB phones	Attitudes on the use of DMB phones are affected from the perceived usefulness and ease of use, and subjective norms. Perceived usefulness, ease of use and attitude have a significant effect on the intention to use
So-Young Shin(2010)	The impact of attitude on characteristics smartphone innovation service and personal characteristics	'Real-time', 'infinite expansion of information and space' and 'Sense of reality to overcome space constraints' have an influence on the attitude. Innovation of personal property and the image of social impact are not affected receptive attitude .

On the basis of the theory of planned behavior, the attitudes, subjective norms, and perceived behavioral control are based on he premise that affects the formation of purchase.

The purpose of these studies is specifically as follows.

First, the variables associated with social commerce examine the impact on attitudes about social commerce.

Second, the attitudes, subjective norms and perceived behavioral control that presented in the theory of planned behavior investigate what impact examined in using social commerce .

Finally, the useful information based on the results of this study tried to provide to retailers, social commerce provider.

2. Theoretical Background

2.1. Previous studies on the characteristics of social commerce

The characteristics of social commerce has presented the following three categories as the factors that affect buying motives in social commerce. The First is perceived site and reputation (Jarvenpan & Todd, 1997), the second is the perceived price (Moon & Park, 2007), and the third is collectivism (Chung & Park, 2010).

In addition to them, the papers such as Chul-ho Jo (2006), Kwon et al. (2010) are representative in the study for the effect for any consumer in size and reputation of perceived site. Caruana & Ewing (2009) can be called representative in the study that consumers' perceived price affect attitudes. Ahjen (2002) measured the positive evaluation of people around and acceptance when the customer use social commerce by applying the tool developed guidelines and the theory of planned behavior. Davis (1989) and Lee & Kim (2009) studied about consumer attitudes related to purchase intention. Han & Sung (2006) published the paper relating to the collective mentality

2.2. Theory of Planned Behavior

The theory of planned behavior added the perceived behavioral control variables that could be applied to the prediction of non-intelligent behavior in the theory of reasoned action. The theory of planned behavior is presented perceived behavioral control that individuals feel the ease or difficulty to perform a given act. It add to the perceived behavioral control in attitudes and subjective norms about the behavior of rational action theory.

As the research that related to act predictions based these actions, previous studies on the degree of acceptance of mobile media follow Table 2.

3. Research models and methods

3.1. Research

This study is to verify additional factors in addition to the behavior related variables that the characteristics of social commerce effect on purchase intention for the customers using social commerce. The attitude, subjective norm and perceived behavioral control are based on the premise that affects purchase intentions. The following specific research hypothesis were set up to achieve these objectives.

Hypothesis 1 : Characteristics of social commerce will have a positive effect on the attitude.

1-1 : Perceived site size and reputation will have a positive effect on attitudes.

1-2 : Perceived price will have a positive effect on attitudes.

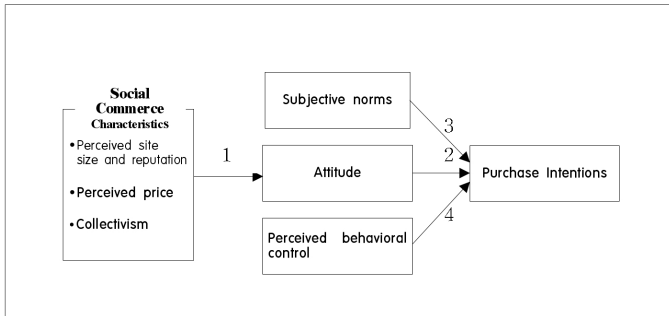
1-3 : Collectivist tendencies will have a positive effect on the attitude.

Hypothesis 2 : Attitude will have a significant impact on purchase

intention.

Hypothesis 3: Subjective norm will have a significant impact on purchase intention.

Hypothesis 4: Perceived behavioral control will have a significant impact on purchase intention.



<Figure 1> Research Model

3.2. Methods

3.2.1. Data Collection

The data collection for this study was carried out to target customers using social commerce. The survey was conducted in a way to recover and distribute one copy each. For the statistical analysis of the data collected, the social sciences program SPSS 18.0 statistical package was used. The general characteristics of the respondents were analyzed by frequency analysis. Through factor analysis, the 10 characteristics of social commerce were divided into three factors. Attitudes, perceived behavioral and control, subjective norms used the each average value calculating variable. Regression was used for analyzing the relationship between attitudes and characteristics of social commerce, and relationships between purchase intentions and perceived behavioral control, attitude and subjective norms

3.2.2. Measuring variables

Variables-the most critical concepts of existing research-used in this study are measured as follows

- ① Perceived site size and reputation - Referring the papers of Jo(2006) and Kwon et al.(2010), four items such as the famous level of site, perceived reputation, product types and a variety of goods was measured.
- ② Perceived price - Referring the papers of Kwon et al.(2010), Caruana & Ewing(2009) and etc, three items such as affordable prices, economical and high value for money were measured.
- ③ Collectivism - Referring the paper of Han & Sung(2006), three items such as affordable prices, economical and high value for money were measured.
- ④ Attitude - How to think positively about the use of social commerce or not is conceptualized as a rating. The items such as "use of social commerce is unnecessary or useful", "bad or

good", and "negative or positive" were measured.

- ⑤ Subjective norms - With reference to the previous studies developed guidelines of Ajzen(2002), the questions were made to answer while thinking the most important people around and when using social commerce. the questions such as "The people around me think that I should use social commerce.", "The people around me think that it is the good behavior that I use social commerce." and "The people around me recommend to use social commerce" were measured about the positive evaluation and my acceptance for around people using social commerce.
- ⑥ Perceived behavioral control - With reference to the previous studies developed guidelines of Ajzen(2002, 2004) and applied the theory of planned behavior, the questions such as "I can decide for themselves purchasing social commerce , If I want to" and "I can purchase social commerce without having to worry about the people around" were measured.
- ⑦ Purchase Intentions - Referring the measurement questions related to intention to use of Davis(1989), the questions related to purchase intentions of Lee & Kim(2009), the questions such as "I would buy social commerce", "I am likely to buy social commerce" and "I'm willing to pay money to buy social commerce." were measured.

4. Results and Discussion

4.1. The general characteristics of the respondents

The general characteristics of the subjects used in this study is shown in Table 3. First, Male was 54.8%, more than female. The age are respectively 24 years old (20.6%), 20 years (18.3%), and 23-year-old (16.7%). The month's allowance was the order 200 to 300 thousand won less than (31.7%), 300 to 400 thousand won less than (28.6%), and More than 400 won (24.6%).

<Table 3> The general characteristics of the respondents

Variables		The frequency	%
Gender	Men	69	54.8
	Women	57	45.2
Ages	18	4	3.2
	19	8	6.3
	20	23	18.3
	21	12	9.5
	22	21	16.7
	23	21	16.7
	24	26	20.6
	25	8	6.3
	26	1	.8
	31	2	1.6
Monthly allowance	Less than 100 thousand won	2	1.6
	100 to 200 thousand won less than	17	13.5
	200 to 300 thousand won less than	40	31.7
	300 to 400 thousand won less than	36	28.6
	More than 400 won	31	24.6
Total		126	100.0

<Table 4> The results of factor analysis the characteristics of social commerce

Division	Question	Wit	Eigen values	Dispersion ratio	Cronbach's α
Perceived site size and reputation	Item number of goods	.846	4.627	46.267	.840
	Diversity of goods	.759			
	Perceived reputation	.750			
	The famous degree of the site	.718			
Perceived price	Affordable prices	.880	1.697	16.973	.879
	Economical	.874			
	High value for money	.766			
Collective tendencies	Prefer to work with	.860	1.077	10.767	.819
	Prefer shopping with	.839			
	Prefer to spend time together	.809			

<Table 5> The impact of attitude on awareness about the social characteristics of Commerce

Model	Coefficient a						
	Non-standardized coefficients		Standardized coefficients	t	F	R-squared	Significant probability
	B	Standard error	Beta				
(Constant)	3.558	.059		60.352			.000
site size and reputation	.163	.059	.229	2.762	8.113	.167	.007
Perceived price	.169	.059	.236	2.850			.005
Collective tendencies	.173	.059	.243	2.930			.004

a. Dependent variables : attitude

4.2. Factor analysis on the characteristics of social commerce

Factor analysis was conducted in order to ensure the independence of each other on the basis of existing theoretical discussion of factors determine the structure and inter-item measure of each variable. A total of 10 traits were measured in order to examine the characteristics of social commerce that is expected to have an impact on the attitudes in this study. And then, it analyzed the results of the factor analysis that extracted from the rotation method in Berry Max. In general, Eigen values greater than 1 determine the number of factors in factor analysis. If Eigen value is less than 1, the factor lose of the meaning according to the assumption that one factor could not explain the degree of dispersion about one variable. On the other hand, if the value of the witty that represented the degree of correlation between each variable and the factor is greater than 0.50, it considered to be important variables and included in the factor.

Accordingly, this study were selected the number of factors that Eigen value is 1.0 or more. The characteristics of social commerce that these criteria are met, three factors were identified as shown in Table 4. Through factor analysis, a total of 10 different traits and characteristics of social commerce has been divided into three factors. The first factor is 'The famous degree of the site', 'Perceived reputation', 'Item number of goods' and 'Diversity of goods'. The second factor is 'Affordable prices', 'Economical' and 'High value for money'. The factor is 'Prefer to work with', 'Prefer to spend time together' and 'Prefer shopping with'. The three factors grant each the name. The first factor is 'Perceived site size and reputation'. The second factor is 'Perceived price'. The third factor is 'Collective tendencies'.

Cronbach's α coefficients were all above 0.80 in the results to verify the reliability of the measured variables. Therefore, it can be seen that certain items was measured at the levels that can be reliable

The result table for the factor analysis on the characteristics of the

social commerce is shown in following Table 4.

4.3. The verification of factors affected on attitudes and the purchase intention

In this study, regression analysis was performed to verify the influence of the two predicted variables affecting motivation to use the awareness and purchase intention of the characteristics of social commerce that expected to have an impact on the attitude and purchase intention.

4.3.1. Hypothesis 1 verification : The impact of attitude on awareness about the characteristics of social commerce

It showed that the awareness about the characteristics of social commerce affect attitude($F = 8.113$, $df = 3$, $p < .05$) and it has 16% of the explanatory power. Next looking at the impact on the attitudes of each independent variable, it showed that all of perceived site size and reputation, perceived price, collectivist tendencies had a significant influence ($p < .05$). It was analyzed that the perceived size and reputation, perceived price and collectivist tendencies were all positive effects. Also it showed that the collective mentality of the characteristics of social commerce has the greatest impact on the attitude, then appeared to affect the perceived price, the size and reputation of perceived site in the order.

Therefore, the all of hypothesis 1-1, 1-2, 1-3 were revealed the positive effects. Hypothesis 1 was adopted.

4.3.2. Hypothesis 2 verification : The impact of attitude on purchase intention

As can be seen from Table 6, in the result of a simple regression analysis to see the impact of attitude on the purchase of social commerce, the attitude was affecting the purchase intention ($\beta = .68$, $t = 10.252$, $p < .05$). It had 46.1% of the explanatory power, and

<Table 6> The impact of the social commerce attitude on purchase intention

Model	Non-standardized coefficients		Standardized coefficients	t	F	R-squared	Significant probability
	B	Standard error	Beta				
(Constant)	.089	.324		.276	105.107	.461	.783
attitude	.915	.089	.679	10.252			.000

a. Dependent variables : purchase intention

<Table 7> The Impact of subjective norms of intent to purchase the social commerce

Model	Non-standardized coefficients		Standardized coefficients	t	F	R-squared	Significant probability
	B	Standard error	Beta				
(Constant)	1.826	.272		6.720	33.249	.214	.000
subjective norms	.495	.086	.463	5.766			.000

a. Dependent variables : purchase intention

<Table 8> The impact of perceived behavioral control on purchase intention of social commerce

Model	Non-standardized coefficients		Standardized coefficients	t	F	R-squared	Significant probability
	B	Standard error	Beta				
(Constant)	1.293	.310		4.168	45.577	.269	.000
perceived behavioral control	.539	.080	.518	6.751			.000

a. Dependent variables : purchase intention

showed that the attitudes about social commerce has positive effects on purchase intention. In other words, it were verified that taking a positive attitude at social commerce will appear the high purchase intention of social commerce according to the basic assumption of the theory of planned behavior.

Therefore the hypothesis 2 that will affect the attitudes of significant was adopted.

4.3.3. Hypothesis 3 verification : The Impact of subjective norms of intent to purchase the social commerce

As can be seen in Table 7, the subjective norms was influenced on purchases social of social commerce. ($\beta = .46$, $t = 5.77$, $p < .05$) It has 21.4% explanatory power, and showed that subjective norms has positive effects on purchase intention of social commerce. More positive subjective norms in accordance with the theory of planned behavior has been verified to that of social commerce purchasing higher.

Therefore, the hypothesis 3 that subjective norms will affect the purchase of significant was adopted.

4.3.4. Hypothesis 4 verification : The impact of perceived behavioral control on purchase intention of social commerce

Perceived behavioral control variables of the theory of planned behavior that are predicted to affect the purchase intention of social commerce was analyzed to have a significant influence on the purchase intention as shown in Table 8. ($\beta = .52$, $t = 6.75$, $p < .05$)

It has 26.9% explanatory power, and can be expected that higher perceived behavioral control about social commerce is higher purchase intention of social commerce. Therefore, it was verified that a perceived behavioral control as the third hypothesis of the theory of

planned behavior positively affect in purchases intention of smart phone.

Thus, the hypothesis that perceived behavioral control have an influence on the purchase intention 4 was also adopted.

5. Conclusion

This study based on the theory of planned behavior began to examine what factors to some extent in any process leading to the purchase.

By applying the theory of planned behavior to study, attitudes, subjective norms, and the process of the purchasing intention are the basic premise in the purchasing behavior of social commerce. In this process looking at the results for the recognition and analysis of the factors that affect, it can be summarized as follows.

First of all, the recognition on the characteristics of the social commerce that was expected to have an impact on attitudes about social commerce showed an overall significant effect. The perceived scale and reputation, perceived price and collectivist tendencies in the characteristics of social commerce appeared to influence attitudes. This is a positive attitude about the characteristics of these respondents all recognized higher.

The attitude, subjective norm and perceived behavioral control presented in the theory of planned behavior as the variables that affect in the purchasing intention at all of the respondents were significant effect. Having a positive attitude toward social commerce, stronger the subjective norms about the use of social commerce, and the stronger the perceived behavioral control for the use of myself, it showed to increase purchasing intention of social commerce.

To sum up the findings of this study, it showed that all of survey respondents are affected in the purchasing process of social

commerce. In accordance with previous studies applying the theory of planned behavior, it was verified that attitudes, subjective norms and perceived behavioral control influence purchase intention.

This research, however, have some limitations in research target, the surveyed sample, survey methods, etc.

First, this study concluded the three characteristics of social commerce. In the future, more characteristics variables and research are needed on a variety of characteristics.

Second, in this study the distributed questionnaires and numbers of respondents are small. A total of 150 questionnaires were distributed and collected 126. Future research is needed to set research target more broadly and increase the number of samples for more objective investigation.

Finally, this study was conducted under the assumption that respondents used social commerce. If you try it divided into user groups and non-user groups in the future to study the influence between the variables between each group, a more accurate study for purchasing behavior of social commerce would be done.

Received: October 16, 2012.

Revised: November 10, 2012.

Accepted: November 19, 2012

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