

Effects of various characteristics of social commerce on consumers' trust and trust performance

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Abstract

Considering the increasing rate of internet users in our country, the footing for the utilization of the phenomenon called Social commerce via online trades has emerged. Concerning this fact, it is necessary for active organizations in virtual space to attract more customers in the most appropriate way through online channels. Having this in mind that the most important quality of social commerce is making use of online social investments; the concept of customer's trust is of grand importance. Nowadays the expanding access to internet has caused to more emphasis on this issue. This research aims at studying the Effects of various characteristics of social commerce on consumers' trust and trust performance. The model which is used in this study has been adopted from that of Kim and Park's in which every variable indicates a key characteristic of social commerce. Since social commerce in our country is a brand new topic, more inquiry must be done in this field.

Key words: social commerce, trust, trust performance

Introduction

The advances made in computer science, IT and communication skills have enabled the enterprises to design new procedures that are more profitable. (Bamdade soufi)

Delivering appropriate services is one of the best methods to attract more customers and satisfy their desires. Based on this fact, the organizations are quite aware of getting updated with the modern technology and its applications (Zhang, 2009). Nowadays Electronic commerce evolving from IT, has variety of impacts on the economy such as the speeded-up process of goods delivery and cash flow, and enlarging the size of business units from local to national and from domestic to international (Siavashi and Abedini). Internet has offered such a wide opportunity for business that online shopping is increasing

day to day. One of the applications of virtual space is electronic commerce that has led to a revolutionary changes in customer's shopping trends and a big share of the existing market for these kinds of trading is allotted to it (Torabi and Zamani)

In recent years, the growing popularity of social networks has initiated a new era of electronic commerce called social commerce which has changed our view about online shopping (Chen and Shen, 2015). Social commerce uses the method of publicizing its products and services in Facebook, Twitter, Instagram, etc. to persuade the prospects to buy those (Bai et al, 2015). With escalating rate of social network's application and its popularity and regular usage, naturally the profit making strategies comes to exist since the members of these communities would be considered as prospects and thus they can affect in whether one-on-one traditional way or modern electronic way of trading, commercial planning, and fomenting the shopping trends of clients. One of the most applicable models of electronic commerce is initiating virtual communities that are demanding researchers to invest great deal of studies and surveys on them in order to plan the strategic policies that increase its efficiency (Fathian and housseini). trust is the foundation in the marketing theories and strategies. It is in fact a valuable asset for every business enterprise. In addition to that, it causes to the lower amount of risk in the commerce, acquiring client's satisfaction, creating social and moral obligations, and long lasting relationships with the customers. To develop trading communication, a grandeur concept named trust is a must to be viewed upon. It is a basic principle for every business enterprise to improve its performance and attract more customers (Torabi and Zamani). This paper deals with the Effects of various characteristics of social commerce on consumers' trust and trust performance .

Definition of social commerce

Social commerce is a sort of online commerce composed of electronic commerce and social media which is designed to satisfy daily demands of consumers (Kim and Park, 2013). Social commerce is the application of social media in the ground of electronic commerce to develop the better efficacy of online selling and purchasing services and goods (IBM white paper, 2012).

A preview on theoretical literature

Reputation:

Reputation means to what extent the buyers believe that the seller is professional, honest, and complaisant. Researchers define Reputation as an intangible asset that is based on the long-term investment on resources and caring for the customers (Teo and Lies, 2007).

Size:

Size is one of the effective factors on customer's trust to the organization i.e. the share of market allotted to the so-called organization.

Information quality:

Information quality is a powerful index to determine the level of customer's satisfaction in the trading environment (Afkhani and Torabi). Information quality originates from the precious assessment of

customer's apprehension and satisfaction of using a specific product purchased from a website of a particular enterprise (Hso et al, 2012).

Transaction Safety:

One of the essential and necessary elements affecting online trading is the existence of security. The customer's awareness of such a security would persuade online trading and enhance their trust in this kind of business (hemphill, 2002).

Communication:

One of the factors of social commerce that signifies the official and casual process via which consumers share their information regarding the product (Moon and Lee, 2008). A successful communication has a positive impact on the bond between the customers and the producers (moormen et al, 1992).

Economic Feasibility:

Indicated the expectations of an individual from social commerce to deliver the information and communication channels in a reasonable price (Getward et al, 1998).

Word-of-Mouth Referrals:

Word-of-Mouth Referrals is based on resources including the experienced of customers disseminated to prospects via online channels to help them decide whether to buy a product or turn it down (Kim and Prabhakar, 2000). Similarly, Kim and Prabhakar have proved that Word-of-Mouth Referrals has a great deal of impression on customer's trust in electronic commerce (Kim and Prabhakar, 2000).

Trust:

A sense of trust that one develops regarding the competency, morality, and predictability of the other party (Joseph and Winston, 2005).

Purchasing intention:

Online shopping space is a specific zone that users utilize to satisfy their buying desires. Online shopping is an aptitude way beyond the ordinary shopping that is including the skill of computer application and searching for the items needed (Demangeot and Broderick, 2007). This process involves an individual who gathers and assesses information concerning goods, services, organizations, persons, places, and ideas.

Word-of-Mouth Intentions:

Kim and Park define it as on often both direct and indirect ways of communicating information regarding the experience of using specific products or services (Kim and Park, 2013).

Research Background

The concerns related to private securities that are shown by the electronic commerce can be attributed to social commerce customers as well. On top of that a number of serious issues have evolved in the area of security and private limitations in social commerce. After searching and imploring in a various research and theses the following cases can be related to our study:

Sheikhi, shafe'ei, and faroughi in a survey with the title of "effective factors in enhancing customers trust in online trading" have studied the effective factors influencing customer's trust in online trading and commerce. The result has showed that the factors affecting the customers trust is: the comprehensible validity factors of the producing or servicing companies and organizations, country's electronic

infrastructures, individual factors, customer's knowledge, experience background, and risk taking abilities.

Kim and Park (2013) in a research titled "Effects of various characteristics of social commerce (s-commerce) on consumers' trust and trust performance" study key elements in social commerce that has an enormous effect on shopping trends in Korea (Reputation, size, information quality, Transaction Safety, communication, Economic Feasibility and Word-of-Mouth Referrals). Results show that all the factors mentioned above except Economic Feasibility has a drastic impact on customer's reliance and trust. Customer's resources based on dealing with old consumers of a product had a vital role in purchasing intentions based on references.

Chen and Shen (2015) in a study named "Consumers' decisions in social commerce context" have studied social commerce from two different but related aspects. The results show that social and emotional support and protection of information dissemination have would influence trust and onus developed between consumers. Similarly, trust in members can diffuse through society and causes the rise of acceptance of the social obligations by the users.

Bai et al (2015) in a study titled "Effect of social commerce factors on user purchase behavior" have developed a solid understanding of the effect of the relations between the users and social factors on the social networks. The results demonstrate that the lack of trust towards a seller or a product would affect a customer's behavior. Social factors can widely increase the shopping intentions in buyers.

Research model :

Trust as a social phenomenon has been observed and studied in other fields. In order to study the effective factors on customers trust in social commerce a model has been suggested below. The conceptual model suggested in figure.1 is in accordance with that of Kim and Park (2013). This model insists on key social factors (Reputation, size, information quality, Transaction Safety, communication, Economic Feasibility, Word-of-Mouth Referrals). In this model, the theory of reasonable action is used to explain the concept of customer's trust and trust performance.

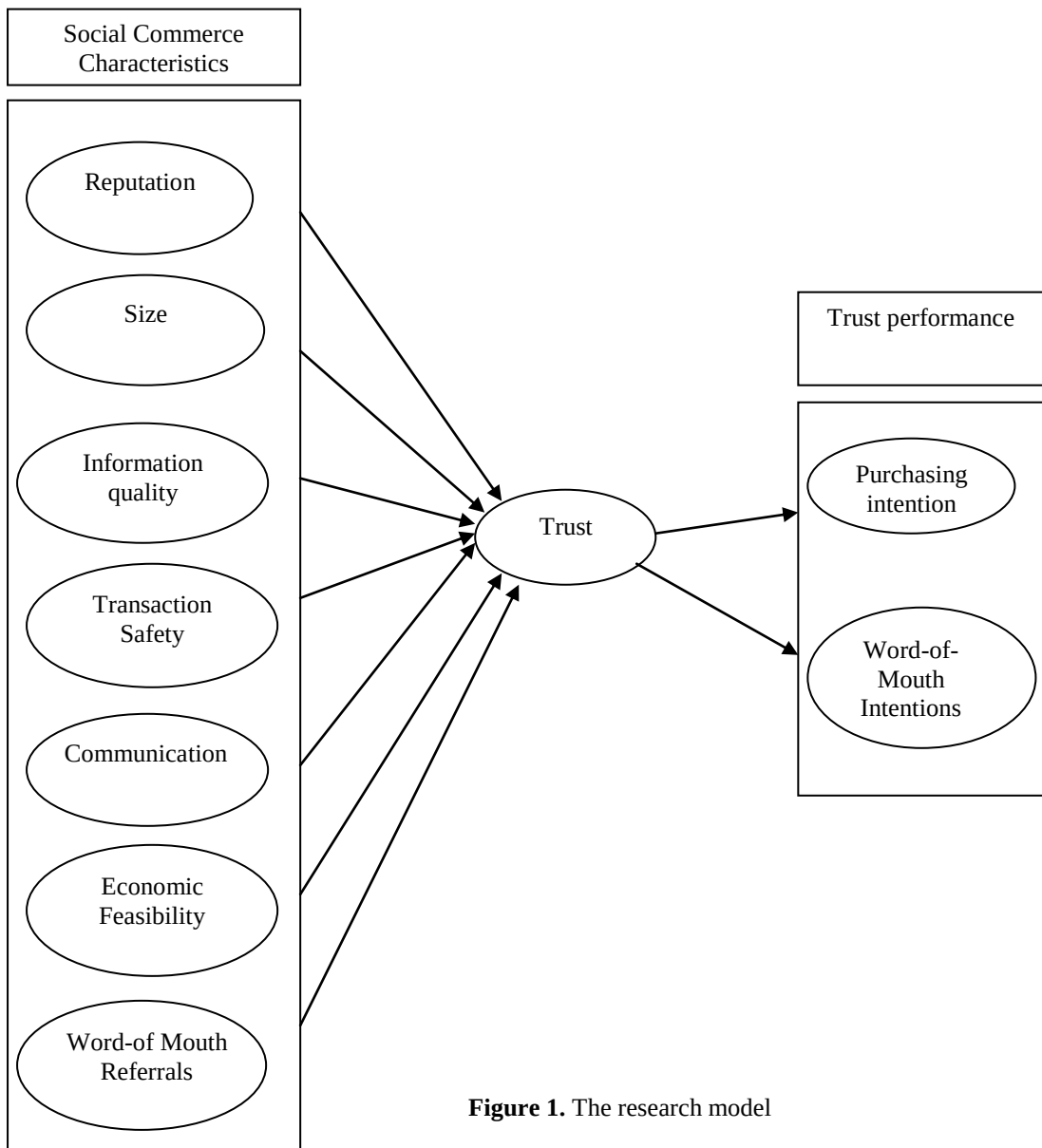


Figure 1. The research model

Conclusion :

The fast growth of social network and web has created a huge potential for applying electronic commerce as social and client-oriented environment instead of a product-oriented one. Online commerce has its own difficulties. Its most prominent hardship is the paucity of trust between the buyer and seller and this is due to the lack of following factors: physical and tangible existence of buyer and seller per se in real world, possibility to test the product while one is buying it, the accesses to the purchasing place and instant access

to the commodity at the same time the buyer purchasing it. In this research various characteristics of social commerce were described such as: information quality, Reputation, size, Transaction Safety, communication, Economic Feasibility, Word-of Mouth Referrals.

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