The impact of social commerce on Jordanian customer's intention to buy

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Abstract This research aimed to investigate the effect of social commerce on consumers' intention to buy as well as identify how is effect on it. SPSS software was used to test the study data and to come up with the study result. Also the researcher depends on regression analysis to test the main hypothesis of research. The study found that Social Commerce have a positive impact on consumers' intention. Based on the result companies should pay more attention to social network and benefit from it because it has a positive impact on customers. Therefore, the customer's decision to buy depends on ability of marketing work with different situations and requirements of customers.

Keywords: Social media, SMM, Social media marketing, customer's intention to buy.

Introduction

Enterprises utilize the technology in all operations and production. They follow technology and use it to facilitate their works. Internet and communication technology are the most useful technology that facilitate works. Recently most organizations are using internet in their daily operations in communicating with customers also buying and selling over the internet. Some organizations like Amazon.com are conducting the business over the internet and don't have traditional stores. Other organizations are full virtual organizations, they sell electronic items or services that use over the internet and for electronic purposes like songs, images and programs and templates.

E-commerce history and definition

The evolution of e-commerce has started before commercializing the internet. First using of technology in trading was on money transfer since 1970s. Money transfer was first electronic activities then Electronic Data Interchange (EDI) in 1990s before starting what we call now a days E-commerce. E-commerce has several definitions according to the perspective researchers define it. Generally, E-commerce is doing business and buying and selling over the internet. Internet gives opportunities for businesses and individuals to make their businesses and perform their activities online. E-commerce applications are applied on several aspects and different types of organizations.

Marketing in Social Media

One newer, very popular type of networking tool is the use of social networking sites. While Facebook has been developed with a focus on building and maintaining personal contacts, sites such as LinkedIn have been developed with an emphasis on professional networking. Nadaraja and Yazdanifard (2013) has established a view that over the growing use of Social Media in the past years it has contributed among different factors. With the passage of time people has built a trust and reliability phenomenon upon social networking sites. This reliability and instantaneous features has encouraged an environment of business generation on Social Media. The Social Networking sites are not being widely used as marketing and for selling goods and services. Marketing strategies done through social media is known as social media marketing. Such type of marketing has made it easy for the businessman to approach the customer and to have better promotional opportunities for his product. The Manufacturers and sale persons can instantly and easily access the customer.

Social Media marketing has become the most convenient way to establish a brand connection with customers. The new marketers socialize and develop deep level connections with the customers. They are building up an environment of trust on social media and using more sophisticated means to relate to people through social media. As the use of social media is growing at a mind blogging rate the business marketers are taking full advantage of it. The international companies has took it as a potential marketing scheme way too before the others might have realized. They have utilized it in the most innovative manner and have kept themselves updated on all the social networking sites. Social Network Sites (SNS) enables the customers to post and comment their opinions and feels readily without any barrier and grade that products purchased online (Chou et.al, 2013).

Social Commerce

From E-commerce to S-Commerce: Huang and Benyoucef (2013) worked on the shifting from E-commerce to Social Commerce. The adaption of Web 2.0 has evolved the dimensions of E-Commerce. It has enriched the consumer participation as well as enhanced the economic value. According to the researchers the concept of Social Commerce is new and also not been understood completely.

Amir and Benyoucef (2010) provided an introductory model for better understanding of Social Commerce. They displayed that people have different patterns of choice and decision making when it comes to purchase a product. In the daily routine, many of our purchasing decisions relay on the opinions of people living around us. Sometimes we get inspired by someone else product purchase or require recommendation from others to take a decision to take the best out of a certain purchase. Social Commerce that has evolved from Social networking sites is providing people with such platforms. Even businesses can lean the opinions in their own favor. The integral conclusions were that the main teamster for social commerce is user interaction and involvement. Companies should encourage users to engage more in providing product and merchant related comments on their social networks.

Social commerce definition

Social Commerce is new wave of internet marketing. There are several definitions of social commerce, Kim and park (2003) defined it as a subset of e-commerce; that the consumers are able to generate content, share information, opinions, experiences, stories, habits to optimize their buying decisions and from whom to acquire to goods and services, where and when (Jascanu, Jascuna, & Nicolau,2007). IBM define Social Commerce (cited in Dennison et.al 2009) as "a marriage between retailers products and interaction of shoppers with content".

Liang and Turban (2011) referred social commerce to applying e-commerce via social media platforms, Many authors defined and studied social commerce concept from different disciplines and correlated eras; Leitner and Grechning (2007; 2008) viewed as Crowd sourcing concept and Consumer Centric Community, Kang and Park (2009) researched social commerce as a revenue model for the bushiness, Leckner & Schlichter (2005) studied as a Multichannel shopping. In simple words; Social Commerce is the application and implementation Word-of-mouth in internet commerce.

Social commerce construct

Fisher (2010) segmented the social commerce into six categories: Social media, Social Advertising, Recommendations and Referrals, Forums and communities, Social Shopping, Ratings and reviews. Business tries to capitalize on them to communicate with customers and to track the interaction of customers with each other. Nick Hajli (2013a) has researched on social commerce deeply and proposed an adoption model called it "Social Commerce Constructs" which he tackles the recommendations and referrals, rating and reviews, Forums and Communities grouped as "Social Commerce Constructs" and how it does affect Trust and Intention to buy.

Wang and Zang (2012) provided theoretical analysis of social commerce. They analyzed the trade articles and academic publications from 2005 to 2011. In the social commerce development, they have descried its four essential dimensions i.e. People, Management, Technology and Information. The also indicated how these dimensions evolved over the years. For instance, People with the perspective of social commerce are not only treated just as customers but their social, cultural and economic conditions have also gained huge consideration. Management, now have to look for both short term and long term goals. IT platforms are not the social networking sites anymore but have become profit attaining sources. Information has become the most instigating factor in social commerce. It is not just confined to a group or community but has spread globally.

Hajli (2015) focused on the influence of consumers' intention to buy and trust on Social commerce. He developed a social commerce adoption Model. This model incorporated rating and reviews and recommendations, forums and communities and referrals. PLS-SEM was used to estimate the model and proper justification and reasons are provided for the said model. Hajli also focused on social interactions among different consumers through ratings and reviews and social connections between business and customers. This exchange of ideas will affect intention to buy positively and promote co-creation, information sharing and collaboration. So Social commerce can prove beneficial for both manufacturer and consumer.

The Impact of customers review and rating has a sword impact on business strategy, Forman et.al (2008) concluded that the information in the online reviews are integrated with increase online product sales, however, negative reviews harm the online product sales more than positive ones (Basuroy et.al, 2003).

Recommendation and referrals, the second part of social commerce construct, where consumers depend on other consumers' experiences and feedback to reduce the consumer's hesitation of buy online because online market major cause is lack of tactility, clearly, online Recommendations and referrals affect the brand selection process (Quinton and Harridge-March, 2010).

The Third variable of Social Commerce constructs is Forums and communicates which it's known as the most obvious factor for social media and social commerce, Chen et.al (2011) concluded that online communicates are the fundamental utility for individuals to engage in exchanging information and knowledge. Online Community and Forums are different from any e-commerce website that it has been constructed on the basis of social support while in the e-commerce context consumers are do not actual social contact or even human interaction (Gefen et.al, 2003). Through the web 2.0 technology online communities and forums open the doors for the consumers to receive social support; these obtained supports can be informational or emotional which encourage the individuals to use the system again and again (Bhattcherjee, 2001). Lu, Zhao and Wang (2010) found that these social interactions cultivate consumers with more and better knowledge that enhance their trust to buy, furthermore, Hajli (2014) concluded that online communities and forums are the best component of Social Commerce Constructs to develop New products, and can be an excellent funnel to generate new ideas and modifications for the products, thus communities and forums can remodeling the business marketing strategy.

Trust in SNS

Trust plays a dynamic role in shaping consumer buying decision process (McKnight et. al, 2002). Trust has been studied from different aspects and disciplines; for instance; from information system (Salam et al, 2005), marketing (Li et al, 2008), product innovation (Hajli, 2014), technology acceptance model in online shopping (Gefen et.al 2003), social Commerce (Hajli, 2013), Social Network Sites (Lorenzo-Romero et al, 2011).

Mutz (2005) researched the trust as a factor that effect the consumers encouragement to buy online, the result was Trust is an essential factor in online market explaining the reason that the perceived Risk when buying online is high, Mutz (2005) strongly recommended that social trust is a significant solution to increase the user trust to instigate him/her to shop online and the contrast is true. Thus, Trust is a success factor for online businesses (Morid and Shajari, 2012), on the other hand, lack of trust is a failure factor for them (Jones and Leonard, 2008).

Ba and Pavlou (2002) identified two dimensions of trust: Benevolence and Credibility. Benevolence is defined as "repeated seller-buyer relationships" (Doney and Cannon, 1997) and Credibility is defined as "the belief that other party in a transaction is reliable and honest" (Ganesan, 1994). Also Gefen (2002) identified three dimensions of trust (Integrity, Ability and Benevolence) In the Social Network Sites perspective trust is backed by Security issue and still an obstacle to buy from Social Network sites SNS (Cha, 2013). Nick (2015) assured that Trust performs a pivotal role in Social Commerce, without any doubt; Trust is a compulsory variable to study and investigate in social commerce.

Perceived Enjoyment in SNS

Shin (2012) studies the consumer behavior regarding Social Commerce. The found that people enjoy those sites more where they already have friends and family related to. Even individuals enjoy and trust those Social-commerce sites more that has more members involved.

Shen (2012) studied the relevance of increasing interaction in the world through social sites and its impact on businesses. Enjoyment perceived by the users affected BI, suggesting the importance of engaging users and providing an enjoyable experience in designing such website.

Customers' Intention to buy

Intention to buy is a variable of Technology Acceptance Model (TAM) which introduced by Davis (1989) and has been studied widely to predict the user intention to use the approach. Han and Windsor (2011) studied the user's willingness to pay in SNS and found out that Trust effect users to buy in SNS, moreover Shin (2013) concluded that Intention to buy clarifies the user to use Social commerce which leads to real behavior to buy on it.

E-commerce and SNS in Jordan

Jordan was studied for a number of reasons. Jordan's first national information technology strategy REACH was created in 1999 to develop the information technology industry in Jordan and to enhance its competitiveness in regional and global markets.

The government's vision to adopt ICTs started in 2000. Furthermore, a literacy rate of more than 90%, which is one of the highest in the region, has led to more than 5,000 IT students graduating every year from these universities.

Moreover, comprehensive strategies for economic reform were commenced in Jordan when the country joined the World Trade Organization (WTO) in 2000. Finally, the National Strategy for Electronic Commerce was launched in 2007. It aimed to develop the technical and commercial abilities of the country's e-commerce sector, promote its adoption and make Jordan one of the leading countries for e-commerce activities in the Middle East.

Research Methodology

In this part, the researcher introduced a summery about Research Methodology as well as statistical analysis technique and the scope of the study. research method is used to answer the research questions. Therefore, the deductive approach is followed in this study to reach its aim. The methodological approach that used in this study is a quantitative approach Likert five- point scale questionnaire used to collect data that are represented numerically from one to five. The population of this study was the general customers

Reliability

According to the most popular test of inter-item consistency reliability is Cronbach"s alpha coefficient. Consistency indicates how well the items measuring a concept hang together as a set; Cronbach"s alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another.

SPSS (Version 22) software was used for the statistical analysis. As shown in table (1) all the result for alpha coefficient of the items of each variable alone and alpha's value of the whole instrument suggested that the items have relatively high internal consistency. They are greater than the guideline of 0.70, which means that the scale can be applied to the analysis with acceptable reliability.

Table (1)
Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.82	.753	15

Hypothesis Test

H1: Social Commerce Construct has a positive effect on consumers' intention to buy.

Table (2)
simple Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	sig
Social Commerce	.224	.132	.203	5.693	.0.01

From the results showed in Table (2), Social Commerce has a significant direct effect on consumers' intention to buy from sig value(0.01) which less than (0.05) and t value is (5.693).

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	sig
Social Commerce	.699	.200	.377	3.504	.001

From the results showed in Table (3), Social Commerce has significant direct effect on consumers' intention to buy because the sig is (.001) that is mean (sig <0.05), which lead to accept hypothesis and rejected null hypothesis.

Conclusion

Social Commerce considered as one of most important part of marketing especially with the largest number of customers. Therefore, the customer's decision to buy depends on ability of marketing work with different situations and requirements of customers. The study found that Social Commerce have a positive impact on consumers' intention. Based on the result companies should pay more attention to social network and benefit from it because it has a positive impact on customers.

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