CONSUMER TRUST IN SOCIAL COMMERCE: A CASE STUDY IN THAILAND

CHARUNYA PARNCHAROEN

College of Innovative Business and Accountancy, Dhurakij Pundit University,
Bangkok, Thailand
E-mail: charunya@dpu.ac.th

Abstract-This research aims to investigate the consumer trust in social commerce and to examine the relationshipsbetween social network activities usages and consumer trust in social commerce.A cross-sectional survey study was conducted and data were obtained from 400 consumers who lived in Bangkok and used to buy products or services via social network. Findings reveal that the majority of the respondents used Facebook, followed by Line, and Instagram. In overall, social network usage was in medium level with the highest usage of Reading Forums and Adding Comments. Results further reveal that the consumer trust in social commerce was in high level. Among those consumer trust elements, the Communication & Interaction with Customers is the most important element that affecting consumers' decision to purchase via social network sites, followed by Store Information, Store Reputation, and Transaction Security & Privacy, respectively. The results of hypothesis testing show the existence of a clear link between social network activities usages and consumer trust in social commerce.

Keywords - Consumer Trust, Social Commerce, Social Network Activities Usages

I. INTRODUCTION

Social networking sites such as Facebook, Twitter, LinkedIn, Line, and Instagram have increased in popularity [1], [2]and become a new kind of social communication at present time. Introducing of social networking sites has significantly changed in daily media usage habits of millions of people [3] since social networking sites provide a virtual space for people to communicate and establish or maintain connections with others via the internet, which might be an important agent of consumer socialization [1].Consumers can evaluate product, make recommendations to contacts or friends, and link current purchases to future purchases through status updates and twitter feeds [4]. This new form of consumer socialization has profound impacts on consumer decision making.The growing popularity of these social networking sites has initiate a new era of social commerce as they acts as a tool for consumers to share their experiences and exchange trustworthy information on products and sellers that eventually may influence purchase decision activity [5]. Social commerce uses the method of publicizing its products and services in social networking platforms to persuade the prospects to buy those and thus has changed our view about online shopping [6].Social commerce is a new expansion of e-commerce [7]. In e-commerce, the consumers often comment on products or services after consumption, which helps other consumers collect information, however, it is sometimes difficult for consumers to trust those reviews because the sellers may provide mendacious information such as sham comments. In social commerce, on the other hand, product information is quite accurate since consumers who share their purchasing experiences are friends or indirect acquaintances [8]. Therefore, trust is an important element in social commerce and noteworthy. Trust has been defined as "an expectation or confidence that something will happen as predicted" [9]. In this context, trust is a belief in the integrity, reliability, and fairness of the online sellers. The higher degree of consumer trust, the higher degree of buying intention and it is easier to develop long-term relationship with consumers [10]. In Thailand, social commerce claims a larger share of online commerce than in any country in the world. More than half (51%) of online shoppers in Thailand make purchases through social networking channel, far above the global average of 16% [11]. This suggests that social commerce is likely to grow further in Thailand.This study, therefore, intends to investigate the consumer trust in social commerce and to examine the relationships between social network activities usages and consumer trust in social commerce in Thailand. Understanding consumer trust in social commerce is important for both theoretical and practical reasons. For practitioners, this research can help the entrepreneurs in designing more effectively social commerce platform.

II.LITERATURE REVIEW

Social Commerce

In the last decades, millions of internet users around the world have visited a large number of social networking sites [12]. Social networking sites are the latest stages in the development of internet and help business to reach a worldwide customer population [13].The main purpose of social networking sites is to provide an opportunity for users to present themselves and start or keep up connections with others [14]. The most widely used social networking sites are Facebook, MySpace, LinkedIn, and Twitter [15], [16]. Today, social networking sites have been

gone from means to connecting with friends and family to an escalating business-networking platform for business-promotions, advertising and multimedia interaction [17]. Many businesses have a Facebook page, Twitter feed, and YouTube channel to update customers, offer special discounts, and organize special events for their customers [18].The term "Social Commerce" appeared for the first time on Yahoo in 2005 [19]. According to Kim and Park [20], social commerce is defined as a sort of online commerce composed of e-commerce and social media which is designed to satisfy daily demands of consumers by encouraging user to communicate and share experiences via social networking sites. It uses social networks, social media, and customer participation to facilitate the online purchase of products or services [21].

Consumer Trust

Trust is a challenging issue of online transactions where the absence of face to face contact and other tangible cues can cause partners to an exchange to be uncertain about the trustworthiness of their potential exchange partner [22]. In the marketing context, trust can be defined as "a willingness to rely on an exchange partner in whom one has confidence" [23]. Trust is a prerequisite in online shopping environment. The intention to buy online is built on the combination of trust and technology acceptance [9]. Many studies have shown the positive link between trust and online shopping intentionality [5], [20],[22]. Moreover, the study of McCole& Palmer [22] found a positive relationship between transaction frequency and trust in internet buying behavior.

The hypothesis formulated after review of the literature is given below:

H1: There is the relationships between social network activities usages and consumer trust in social commerce in Thailand.

III. RESEARCH METHOD

Sampling and Data Collection

The target population of this study comprised social network consumers who lived in Bangkok. The sample sizes were calculated using Crochran[24]. Multi-stage sampling technique was utilized for collecting data. Out of 50 districts in Bangkok, 5 districts were chosen randomly and 80 samples were collected from each district.

Research Instrument

The method of self-administered structured questionnaire consisting of open ended questions was used to collect the data. For all measures, a five-point rating scale was employed.

Method of Analysis

Descriptive statistics comprising of frequency, percentage, mean, and standard deviation were utilized to analyze the data and Pearson correlation coefficient was used to test the hypothesis.

IV. FINDINGS

Demographics of Respondents

A total of 400 questionnaires were distributed and all of them were returned (100% response rate). Of these samples, 200 were male and 200 (50%) were female (50%) as designed.The majority of respondents were in age group of 26-35 years old (43%). Most of the respondents were single (76.75%) and graduated bachelor degree (54.25%). Mostly were in private sector job (43.75%) with having income between 10,001-30,000 Baht (52.25%).

Social Network Activities Usages

The majority of the respondents used Facebook (49.75%), followed by Line, and Instagram.In overall, social network usage was in medium levelwith the highest usage of Reading Forums and Adding Comments, followed by Uploading Pictures, Sharing Information, Updating Personal Status, Checking-in Places, and Uploading Video, respectively, as shown in Table 1.

Table 1. Social network activities usages

Transaction frequency	Mean	Standard deviation	Rank
Reading Forums and Adding Comments	4.50	.93	1
Updating Personal Status	3.24	1.15	4
Sharing Information	3.28	1.11	3
Uploading Pictures	3.29	1.11	2
Uploading Video	2.40	1.12	6
Checking-in Places	3.09	1.21	5
Total	3.30	.85	

Consumer Trust in Social Commerce

The analysis of consumer trust in social commerce is presented in Table 2. In overall, the consumer trust in social commerce was in high level. Among those consumer trust elements, the Communication & Interaction with Customers is the most important element that affecting consumers' decision to purchase via social network, followed by Store Information, Store Reputation, and Transaction Security & Privacy, respectively.

Table 2. Consumer trust in social commerce

Consumer trust elements	Mean	Standard deviation	Rank
Transaction Security & Privacy	3.53	.97	4
Store Information	3.84	.93	2
Store Reputation	3.80	.93	3
Communication & Interaction with Customers	3.92	.90	1
Total	3.77	.83	

Testing of Hypothesis

The results of hypothesis testing using Pearson correlation coefficient are shown in Table 3. According to the test results, every transactions of social network activities usages have positive relationship with consumer trust in social commerce. Among the six transaction s of social network activities usages, Reading Forums and Adding Comments and Sharing Information have positive relationship with every elements of consumer trust in social commerce.

Table 3. Correlation analysis results

Social network activities usages		Consumer trust				
		Security	Information	Reputation	Communication	Trust
Reading Forums and Adding Comments	r	.425**	.418**	.478**	.387**	.483**
	Sig.	.000	.000	.000	.000	.000
Updating Personal Status	r	.099*	.076	.100*	.009	.081
	Sig.	.049	.123	.045	.862	.105
Sharing Information	r	.222**	.210**	.229**	.143**	.228**
	Sig.	.000	.000	.000	.004	.000
Uploading Pictures	r	.182**	.141**	.225**	.069	.176**
	Sig.	.000	.005	.000	.168	.000
Uploading Video	r	.107*	.059	.077	.010	.072
	Sig.	.032	.237	.126	.843	.148
Checking-in Places	r	.169**	.120*	.157**	.085	.151**
	Sig.	.001	.016	.002	.089	.003
Usages	r	.250**	.210**	.261**	.140**	.244**
	Sig.	.000	.000	.000	.005	.000

** Correlation is significant at the 0.01 level.

* Correlation is significant at the 0.05 level.

CONCLUSIONS AND IMPLICATIONS

This study found that Facebook, Line, and Instagram were the most commonly social networking sites used in Thailand. This is supported by the study of Thailand Internet User Profile 2015 conducted by Electronic Transactions Development Agency [25] which found that the most online activity of Internet users via mobile devices was communicating via online social networks such as Facebook, Instagram, and LINE. The entrepreneurs, therefore, can increase their sales by using those social commerce platforms. This study found that among those consumer trust elements,the Communication & Interaction with Customers is the most important element that affecting consumers' decision to purchase via social network. According to FatemehTaheri&MehrnazAlaaeddinshourmasti[6], a successful communication has positive impact on the bond between the customers and the producers. This study is also found the existence of a clear link between social network activities usages and consumer trust in social commerce. This implies that in order to increase social commerce sales,the entrepreneurs should have better understanding of what key social commerce characteristics they should focus on to gainthe consumer trust. Specifically, they should engage in consistent communication and provide their customers with high quality information.

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