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# SOCIAL COMMERCE ADOPTION BY SAUDI CONSUMERS: A CONCEPTUAL MODEL

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## **Abstract**

*This study aims to examine the factors that affect consumer adoption of social commerce technologies in the context of Saudi Arabia. The proposed conceptual model is extending the Unified Theory of Acceptance and Use of Technology (UTAUT2) by including other external factors: trust, perceived risk, innovativeness, and information quality. A quantitative field survey will be conducted to gain the data from a convenience sample of Saudi customers using a self-administrated questionnaire. The results of this study will be useful for learning how Saudi Arabian customers' adoption of social commerce technologies can be improved.*

**Keywords:** social media, social commerce, customer, UTAUT2, adoption, Saudi Arabia.

## **1.0 Introduction**

Social media plays an important role in the countries' economic development (Lea et al., 2006) as it offers new ways for both organisations and customers to connect with each other. Companies began to embrace social media websites as a way to improve information sharing, communication, and collaboration by implementing many innovative and essential business practices (Yates and Paquette, 2011). Social media drives companies to work faster by creating and managing more interdependencies and operating in global markets (Abed et al., 2015). Accordingly, the development of social media has improved a new e-commerce model called social commerce. The term of social commerce is defined as a concept of Internet-based social media, which enables people to participate actively in the selling and marketing of different products and services in online marketplaces (Kim and Park, 2013). This dynamic process helps consumers to get better information about different products and services provided by companies (Hajli, 2014).

The Kingdom of Saudi Arabia has witnessed the largest growth of diffusion of social media platforms, which is the strongest enabling factor to e-commerce adoption within the Kingdom (De Kerros Boudkov Orloff, 2012). Many large organisations, as well as small businesses and

new ventures, have set-up their companies and group profiles on Facebook, LinkedIn or other similar websites. In fact, Saudi Arabia ranks second in the Arab countries, after Egypt, for registering 5,240,720 Facebook users (Arab ICT Use Report, 2012). In addition, Saudi Arabia represents the largest proportion of Twitter users with approximately 830,300 users or 38% of total Arab users (Arab ICT Use Report, 2012). Furthermore, over 4 billion viewers watch YouTube in Saudi Arabia, the equivalent to 90 million video views per day. This is the highest number of YouTube viewings worldwide per Internet user (De Kerros Boudkov Orloff, 2012). These amazing facts have created a new landscape for business owners and managers as well as marketers to reach their potential consumers. However, although consumers in other countries such as China, South Korea, Hong Kong, and Thailand implement online shopping activities actively, generally Saudi consumers use online social media only to help them make buying decisions (ALMowalad and Putit, 2013). The remaining sections of the paper include the relevant literature review and a selection of appropriate theories. These are followed by an overview of the proposed conceptual model and the research methodology. Finally, the research conclusions and limitations are delivered.

## **2.0 Literature Review**

As the concept of social commerce is still new, limited empirical studies have been conducted within this context. Hajli (2012, 2014) extended the Technology Acceptance Model (TAM) to assess social commerce adoption by consumers. The researcher analysed some components of social commerce that affected the intention to buy among consumers. The model tested referrals and recommendations, forums and communities, ratings and reviews, and a role to help to introduce new business plans for e-vendors. The model also indicated that trust is an ongoing issue in e-commerce and can be examined through social commerce constructs. The researcher gathered survey data and applied structural equation modelling (SEM) for analysis. The results indicated that forums and communities and perceived usefulness have a positive impact on trust. The findings also indicated that trust has a significant effect on intention to buy (Hajli, 2012, 2014). Finally, there is limited research in the context of social commerce, which this study aims to address. Furthermore, no studies have been identified within the context of Saudi Arabia. This study proposes a new model that can be developed and extended by implementing more recent and comprehensive technology adoption theories as well as adding other more suitable constructs especially in the consumer context.

### **3.0 Selection of an Appropriate Theory to Propose the Conceptual Model**

In order to explain social commerce adoption successfully from the customer perspective, the conceptual model should deliver a clear image of social commerce aspects. From the analysis of the common theories and models in the field of technology acceptance, Venkatesh et al. (2003) developed the Unified Theory of Acceptance and Use of Technology (UTAUT) by combining eight IT acceptance models. The UTAUT has four main constructs including performance expectancy, effort expectancy, social influence, and facilitating conditions that influence behavioural intention to use a technology and usage behaviours. UTAUT was able to explain around 70 per cent of the variance of behavioural intention to use a technology and around 50 per cent of the variance of technology use (Venkatesh et al., 2012). Lately, Venkatesh et al. (2012) proposed an additional three new constructs to the original UTAUT model including hedonic motivation, price value, and habit. Venkatesh et al. (2012) claimed that the suggested additions to UTAUT2 present significant changes in the variance described in behavioural intention and technology use especially within the consumers' context.

Considering the limitations of the previously investigated constructs for social commerce adoption (Hajli, 2012, 2014), the UTAUT2 is more appropriate in the context of this study. This is because UTAUT2 was built on UTAUT, which has been accredited as the most comprehensive, and parsimonious, predictive model (Venkatesh et al., 2003, 2012). Besides, UTAUT2 is proposed particularly for explaining technology acceptance from the customers' contexts instead of organizational use (Venkatesh et al., 2012). Furthermore, the UTAUT2 have examined factors influencing users' acceptance of Pad Phones (Huang et al., 2013), mobile learning acceptance (Kang et al., 2015), and mobile payment uses (Slade et al., 2014) which shares similar technological characteristics with social commerce. Therefore, the UTAUT2 has been selected as the theoretical foundation of the proposed conceptual framework in order to understand the antecedents of customers and preference to purchase from social media websites, in a new cultural context (Saudi Arabia). This follows Venkatesh et al.'s (2012) suggestion that future research should apply UTAUT2 in different countries. This also follows the request by Venkatesh et al. (2012) for future research to examine the UTAUT2 on different technologies. Furthermore, in line with the recommendations of Venkatesh et al. (2012), other external factors (trust, perceived risk, consumer innovativeness, and information quality) will be considered along with UTAUT2 constructs in the same conceptual model. These additional constructs have been developed as part of an ongoing

research; a content analysis study was conducted to determine the current level of social commerce adoption in Saudi Arabia's businesses. As the validity of a content analysis is achieved by understanding the research objectives and reading the subset of relevant content, the researchers adopted the information model or 'I-model' created by Wang and Zhang (2012). The model can be used to demonstrate the similarities and differences among various related disciplines to examine, promote, and evaluate research programmes and studies. The I-model consists of four essential components which are: information, technology, people, and organisation/society. The study found that innovative businesses led to innovative consumers, the quality of online information affects consumers' adoption, trustworthy businesses are using social media, and online business strategies influence consumers' perceptions of the uncertainty. According to the results, additional constructs have been added to the UTAUT2 model to investigate consumers' adoption of social commerce. These constructs are trust, perceived risk, consumer innovativeness, and information quality.

#### 4.0 Description of the proposed conceptual model

Based on UTAUT2, the current study proposes a conceptual model by adding additional suitable constructs to the model to examine social commerce adoption by consumers. Accordingly, UTAUT2 constructs of performance expectancy, effort expectancy, social influences, facilitating conditions, hedonic motivation, price value, and habit are all suggested as having a direct effect on behavioural intention. Furthermore, facilitating conditions, habit, behavioural intention are the three factors from UTAUT2 that are proposed as direct determinants of adoption and use behaviour. This study also suggests that trust, perceived risk, innovativeness, and information quality have a direct link with behavioural intention. Unlike the original UTAUT2, this examination has excluded the interaction influence of age, gender and experience.

<b>Independent construct</b>	<b>Definition</b>	<b>Dependent construct</b>	<b>H#</b>
Performance expectancy	"The degree to which an individual believes that applying the technology will help him or her to gain in job performance" (Venkatesh et al., 2003).	Behavioural intention	H1
Effort expectancy	"Extent of ease connected with the use of system" (Venkatesh et al., 2003).	Behavioural intention	H2
Social influences	"The extent to which an individual perceives that important others believe he or she should apply the new system" (Venkatesh et al., 2003).	Behavioural intention	H3
Facilitating conditions		Behavioural intention	H4a

	“The degree to which an individual believes that an organisation and technical infrastructure exists to support the system” (Venkatesh et al., 2003).	Technology use	H4b
Hedonic motivation	The feeling of cheerfulness, joy, and enjoyment, which is stimulated by applying technology (Venkatesh et al., 2012).	Behavioural intention	H5
Price value	“Consumer’s cognitive trade-off between the perceived benefits of the application and the monetary cost for using it” (Venkatesh et al., 2012).	Behavioural Intention	H6
Habit	“The extent to which, people tend to perform behaviours automatically because of learning” (Venkatesh et al., 2012).	Behavioural intention	H7a
		Technology use	H7b
Trust	“Individual willingness to depend based on the beliefs in ability, benevolence, and integrity” (Gefen et al., 2003).	Behavioural intention	H8
Perceived Risk	“The consumer's belief about the potential uncertain negative outcomes from the online transaction” (Kim, et al., 2008).	Behavioural intention	H9
Consumers’ Innovativeness	“The degree to which the individual is willing to adopt innovations such as goods and services or new ideas without communicating with others’ previous purchasing experience” (Midgley and Dowling, 1978).	Behavioural intention	H10
Information Quality	“The consumers’ general perception of the accuracy and completeness of website information as it relates to products and transactions” (Kim, et al., 2008).	Behavioural intention	H11
Behavioural Intention	“The extent to which an individual intends to adopt the technology in the future” (Venkatesh et al., 2003).	Technology use	H12

**Table 1. Constructs definition and research hypotheses**

## 5.0 Research Methodology

Given the nature of this study, a quantitative approach is the appropriate foundation for helping to explain the adoption of social commerce by Saudi customers. This is because of the fact that technology acceptance is a mature research area with many theories that can be used to explain the interested problems (Bhattacharjee, 2012). Furthermore, the study aims objectively to examine the relationships between independent and dependent constructs based on the UTAUT2 model (Bhattacharjee, 2012). Consequently, this study aims to conduct a field survey questionnaire as the survey method is dominant in consumer technology adoption studies (Choudrie and Dwivedi, 2005). Furthermore, the survey questionnaire is cost-effective and objective in method in order to gain data from a convenience sample of 500 Saudi customers (Bhattacharjee, 2012). The structural equation model (SEM) seems to be a suitable statistical technique in order to test the underlying hypotheses and validate the good fit of the conceptual model (Kline, 2004).

## **6.0 Conclusion**

This study aims to identify the important factors that influence the adoption of social commerce by Saudi customers. UTAUT2 has been identified as a suitable theoretical foundation for proposing a conceptual model. The study has added other significant and frequently used factors (trust, perceived risk, innovativeness, and information quality) along with UTAUT2 constructs to formulate the model. The conceptual model excluded the moderating impact of age, gender and experience. In order to achieve the study objectives, a quantitative field survey will be conducted to obtain data from a suitable sample of Saudi customers; the data collection will be from a self-administered questionnaire. Finally, the gathered data will be analysed by SEM and the results will be presented.

## **7.0 Research Contribution**

The current study makes a significant contribution by proposing the UTAUT2 model for examining the adoption of social commerce technologies, which is a novel modern technology. Furthermore, the study also expanded the applicability of UTAUT2 by focusing on a new cultural context (that is: Saudi Arabia). Finally, this study is able to extend the theoretical horizon of UTAUT2 by including other external factors from the technology adoption literature.

## **8.0 Limitations and Future Research Directions**

A few limitations have restricted the current study. First, the current study only identifies theoretically the key factors that could influence the adoption of social commerce; however, it did not empirically examine these factors. Consequently, to validate the proposed model, an empirical study should be conducted. Second, other factors could be investigated that are excluded from the current study such as self-efficacy and technology readiness. These directions are worthy for future studies to take. Third, the proposed hypotheses are not discussed and fully justified. Further justification and explanation of these hypotheses is required.

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