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# SOCIAL COMMERCE ADOPTION MODEL

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## **Abstract**

*Interconnectivity and social relationships of customers on social platforms offered by Web 2.0 technologies drive value for business. Customers are using social technologies to share their information and gain access to others' information and advice, which helps them to know better the products and services. In these platforms they have social connections which assist them to reduce their perceived risk and persuade them to buy online. On the other side, businesses use these social platforms to improve their marketing strategies. This research proposes a social commerce adoption model based on the relationships of customers on the internet and social platforms to investigate customer behaviour. This research gathers survey data and applies structural equation modelling to analyse the data. The result shows forums and communities and perceived usefulness positively affect users' trust, leading to more intention to buy among consumers. The discussions, implications and conclusion are discussed at the end of the paper.*

**Keywords:** E-commerce adoption, social commerce, social commerce constructs, social media, social networking sites, TAM, SEM

## **1.0 Introduction**

The recent developments in information and communication technologies (ICTs) have seen the introduction of social platforms. Web 2.0 technologies and the emergence of social media and social technologies along with the popularity of these platforms have instigated new business models and developed e-commerce to social commerce (Liang & Turban, 2011). The environment has empowered customers to take an active position in cyber space and generate content for others, meaning these interconnectivities change the consumers from passive information users to active content generators (Hajli, 2012).

Web 2.0 technologies enabled customers to come online and co-create content (Zwass, 2010), this co-creation attracting more individuals to online platforms every day, where people are socially connected. The social relationships of people and interconnectivity of users through Web 2.0 applications developed e-commerce to social commerce. Social commerce is the use of social technologies to support social interactions of people in an online context to assist them for commercial purposes (Liang & Turban, 2011). In this environment users are encouraged to share product

information in their network and community, and to have access to peer information, thus providing a source of informational support (Liang, Ho, Li, & Turban, 2011) via social platforms provided by social commerce. For instance, forums and communities, ratings and reviews and referrals and recommendations are social platforms which have facilitated social interactions of users on the internet.

In this environment consumers are not only buying a product or service but they are creating content. This can be a two-way value creation for customers and e-vendors. Consequently, today's customer is participating in a business process with active behaviour. E-vendors may apply these interactions as an integration tool for their own purposes as it is a novel type of interaction with customers and can improve customer relationship management (Füller, Bartl, Ernst, & Mühlbacher, 2006).

These developments are mostly due to the popularity of social networking sites (SNSs) (Liang et al., 2011). However, the issue of trust is still being raised in e-commerce and now in SNSs (Shin, 2010). The trust concern in SNSs is mostly related to sharing information and building a new relationship (Shin, 2010). This research tries to postulate hypotheses to investigate the role of forums and communities, ratings and reviews and referrals and recommendations to build up trust in social commerce.

The present research investigates the role of social relationships of customers in social platforms, specifically in social commerce constructs (SCCs) such as forums and communities, ratings and referrals, and recommendations and reviews to find the influence of these constructs on intention to buy. This study also borrows some constructs of a technology acceptance model (TAM) to investigate the e-commerce adoption process through the impact of social commerce. The central role of trust is considered.

In line with the above conjecture, the author tries to answer these questions: 1) Do SCCs affect trust in SNSs? 2) Does trust affect intention to buy in SNSs? 3) Does perceived usefulness affect trust? 4) Does perceived usefulness affect a customer's intention to buy?

To answer these questions a theoretical model has been developed and the model will test by structural equation modelling to discuss the path relationships between constructs.

## **2.0 What Is Social Commerce?**

Social relationships of individuals on the internet through Web 2.0 applications is the main element in highlighting the difference between e-commerce and social commerce (Liang et al., 2011). It is argued that the emergence of social commerce is mostly related to the growth of SNSs (Liang & Turban, 2011) and interconnectivity of people on the internet (Hajli, 2012). The impact of social networks is considerable among internet users and the ways in which they communicate and share data today (Swamynathan, Wilson, Boe, Almeroth, & Zhao, 2008).

In social platforms provided by Web 2.0, customers can employ social technologies to interact with other customers to get advice from trusted individuals, find a proper product and then buy the product. In this type of commerce, consumers collaborate and their shopping behaviour is like social networking platforms. There are many different reasons why a consumer joins a social platform such as sharing information or seeking advice for their shopping. The research refers to this as social support (Liang et al., 2011). Customers join these platforms and interact with others to gain a better understanding of a product. For instance, a customer may look for another customer's reviews about a hotel before booking a room in another city, or may look for the ratings of a product before they buy it. In fact, there are some benefits for business in these platforms, as they can join and participate in social connectivity with consumers. This should be a goal for a business as it will improve customer service as well as create a situation for these customers to become permanent customers.

In a social commerce era, customers perform commercial activities by participating or involving themselves in a collaborative online environment (Curty & Zhang, 2011). This collaboration can be done by participating in forums or communities or writing reviews for a product or service and rating them. In this environment customers use social platforms to generate content and co-create content (Zwass, 2010) and share their information and experiences with other customers, who in turn have access to others' experiences and information (Liang et al., 2011). This sharing produces social support for consumers (Liang et al., 2011).

The rise of social commerce is also related to the emergence of Web 2.0 applications and facilities where social technologies have introduced people and enabled them to have social interactions on the internet. Moreover, the attraction of social media and SNSs as well as the popularity of these platforms (Liang & Turban, 2011) has

developed this stream in e-commerce. Social media, as a main foundation of social commerce, is now a top agenda item for policy makers and business executives (Kaplan & Haenlein, 2010). It is argued that today everything is online and social media is dominating many business plans and forcing policy makers to adopt social media into their business plans (Kaplan & Haenlein, 2010).

Social shopping is also a new concept which is different to social commerce. Social shopping is a collaborative network for online shoppers while social commerce is a collaborative platform for online sellers (Stephen & Toubia, 2010) and buyers. In fact, the origin of social shopping is the increasing attraction of Web 2.0, the application of which has attracted consumers to SNSs such as Facebook (Stephen & Toubia, 2010).

### 3.0 Research Model and Hypothesis

In this research the author develops a social commerce adoption model to address the adoption of social commerce. There are six predictors for the social commerce adoption model as shown in Figure 1.0.

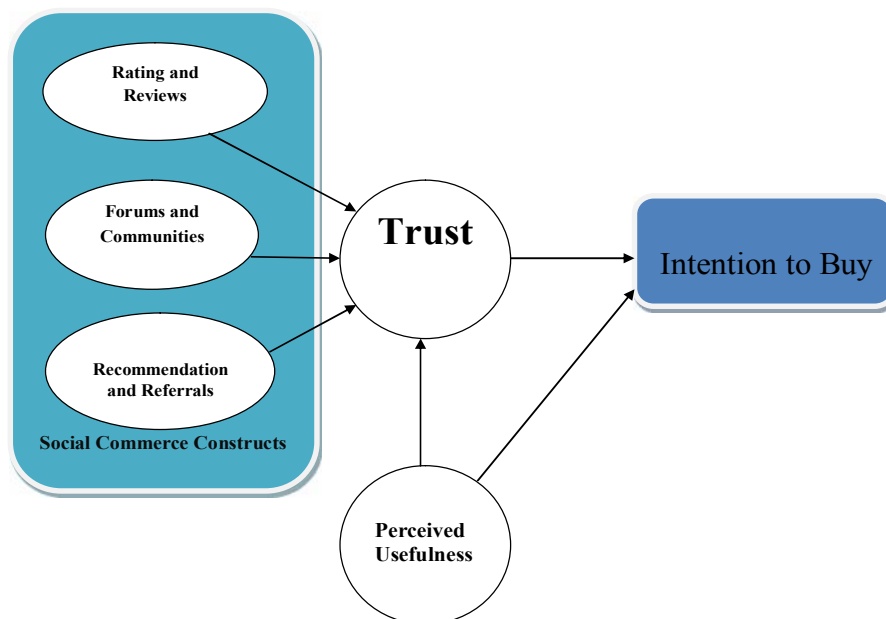


Figure 1.0 Social Commerce Adoption Model

### 4.0 Trust

Trust is a key issue in online activities for business purposes (Gefen, Karahanna, & Straub, 2003). The emergence of Web 2.0 applications and the attraction of social tools for customers have facilitated shopping in SNSs and social platforms. The popularity of SNSs attracts many people to these social networks. However, trust

becomes an issue in these networks (Shin, 2010). Research shows that trust in the social commerce environment has influence on intention to use (Hajli, 2012; Shin, 2010). In situations where people do not know each other, a high level of social trust can smooth the progress of exchange between them, creating growth in the economy due to reduction in transaction cost.

Trust has multi dimensions (Ba & Pavlou, 2002; Gefen, 2002). Benevolence and credibility are two distinct types of trust. Credibility based trust usually is impersonal and relies on reputation information and refers to the belief that the other party in a transaction is reliable and honest (Ba & Pavlou, 2002). Benevolence refers to repeated seller-buyer relationships (Ba & Pavlou, 2002). In this research trust was measured by benevolence and credibility in SNSs.

It is argued that if social networks are helping to improve the problem of trust in e-commerce, then adoption of this new concept would have a positive impact on the online market (Swamynathan et al., 2008). Hence, trust is an important issue in e-commerce and has a key role in an online context (Gefen, 2002; Pavlou, 2003). In SNSs and social platforms where people have social connections, social trust is important because it reduces “transaction cost” in business interactions (Mutz, 2005). It reduces the tendency to monitor other parties’ interaction, and also for sanctioning systems as reliable (Mutz, 2005). Moreover, trust is more important when risks are perceived to be high, as in the case of e-commerce (Gefen et al., 2003; Mutz, 2005).

Research shows the advancements in information and communication technologies (ICTs) have been used by businesses to increase social trust within the marketplace and online shops, while decreasing their risk perceptions in online behaviour (Grazioli & Jarvenpaa, 2000). However, these technologies are also used to deceive consumers by unreal trust building methods and systems of risk reduction (Grazioli & Jarvenpaa, 2000). In the Web 2.0 environment, unreal ratings and reviews for a product are a worry.

Given the concerns and risks about e-commerce, it is likely that there is a significant relationship between trust and online commerce behaviour. In fact, trust plays a key position in determining consumer’s behavioural intention and actual behaviour (Gefen et al., 2003; Shin, 2010). Social commerce and the emergence of Web 2.0, with social commerce constructs such as forums and communities, referrals and recommendations and also ratings and reviews may increase the level of trust and

reduce risk as customers have social connections on the internet and provide information and advice for each other (Hajli, 2012).

It is confirmed that trust has a significant role in enhancing intention (Shin, 2010). Having confidence and less perceived risk is presumably an important factor in searching for new items or services in the online environment (Hassanein & Head, 2007; Shin, 2010). Hence, it is important to investigate the role of trust on social commerce adoption. Applications on Web 2.0 like customer ratings and review would be a good solution to overcome this barrier. Apparently, interactions among the connected users in social networks sites increase trust (Swamynathan et al., 2008). Consequently the research postulates this hypothesis:

*H1: User's trust in social commerce websites has a positive effect on the user's intention to buy on SNS.*

## **5.0 Social Commerce Constructs**

Social commerce constructs (SCCs) are the social platforms developed by Web 2.0 technologies and have enabled e-commerce to have social interactions with customers. SCCs are forums and communities, ratings and reviews and recommendations and referrals (Hajli, 2012). E-vendors use these constructs as a platform to communicate with customers, increase the level of trust and to enable customers to communicate with each other.

Activities and interactions of people on online communities have influence on shaping a user's behaviour, intention and opinion (Bagozzi & Dholakia, 2002). Moreover, social network users engaged in transactions with friends of friends usually derive significant satisfaction from their shopping experience (Swamynathan et al., 2008). Online communities have strong influence on the behaviour of consumers regarding products and services through the information mechanism, normative, or both (Bagozzi & Dholakia, 2002). Members of online communities contribute to their group by sharing their information, these contributions then influence a consumer's behaviour and opinion (Bagozzi & Dholakia, 2002). With these interactions the level of trust will increase and consequently, sales will too (Swamynathan et al., 2008). Moreover, research shows that rating will also increase user satisfaction when they undertake a transaction (Swamynathan et al., 2008).

In line with the above discussion the research hypotheses:

*H2: The user`s forums and communities in social commerce have a positive effect on the user`s trust.*

*H3: User`s rating and reviews in social commerce have effect on the user`s trust.*

*H4: User`s recommendation and referrals in social commerce have effect on the user`s trust.*

## **5.1 5.1 Perceived Usefulness**

Perceived usefulness (PU) is defined as “People tend to use or not use an application to the extent they believe it will help them perform their job better” (Davis, 1989). Perceived usefulness was first introduced by Davis in 1989 and has been tested and validated by many researchers since then. Perceived usefulness along with perceived ease of use are two variables of the technology acceptance model (TAM), which is one of the most successful theories to predict an individual’s intent to employ a technology. There are two core theories to test and predict an individual’s intention to utilize information systems (IS) (Mathieson, 1991). These two theories are the TAM, introduced by Davis (Davis, 1989) and the Theory of Planned Behaviour (TPB) which was introduced by Ajzen (1985). Perceived usefulness is an important element of TAM and has been tested and validated by many researchers.

However, TAM is a development of the Theory of Reasoned Action (TRA). TRA was originally designed to describe virtually any human interactions (Davis, 1989), whereas TAM was intended “to provide an explanation of the determinants of computer acceptance across a broad range of end-user computing technologies and user populations” (Davis, 1989). Many authors believe that perceived usefulness affects users` intentions to use e-commerce (Gefen & Straub, 2000). This construct is applied here in social commerce as well.

Research shows there is a significant positive effect of the user’s perceived value of online connection on their willingness to pay other members of SNSs (Hajli, 2012; Han & Windsor, 2011). Moreover, useful and straightforward information on a website increases the level of online trust and consequently increases intention to use a system (Mei, Qingyu, & Seydel, 2005; Yu-Hui & Barnes, 2007). Research shows the more useful functions that a website provides such as good information and



content, the higher trust a customer will have (Yu-Hui & Barnes, 2007). Accordingly, PU should be a significant variable in the model.

*H5: The user's perceived usefulness in s-commerce websites has a positive effect on the user's trust.*

*H6: The user's perceived usefulness has a positive effect on the user's intention to buy on SNS.*

A table of hypotheses and associated referenced sources can be seen in Table 2.

## **6.0 Research Methodology**

### **6.1 6.1 Data Collection**

The research targeted students of University of London at both undergraduate and postgraduate levels. The range of participant age was from 18 to 45 years, of which 55% were women and 45% men. Data was collected by an electronic and paper questionnaire in November and December 2011. Before the main survey, a pilot with 30 students was used to make sure the questions and wordings were clearly understood by respondents. This pilot exercise was to debug the instrument. 1000 e-mail and paper questionnaires have been issued, with 252 usable questionnaires returned. The questionnaire items in this survey are shown in Table 2.0. We used a Likert scale of 1= strongly disagree to 5= strongly agree to measure the data.

### **6.2 6.2 Research Design**

The primary objective of this research is to develop an adoption model for social commerce and test the model by its constructs. To achieve this objective some research questions are posed, as presented in Table 1.0.

| Research questions |   |
|--------------------|---|
| RQ1                | Could the user's trust influence their intention to buy in SNSs?                |
| RQ2                | Could the user's perceived usefulness influence their intention to buy in SNSs? |
| RQ3                | Could the social commerce constructs influence their trust?                     |
| RQ4                | Could the user's perceived usefulness influence their trust in SNSs?            |

**Table 1.0      Research questions**

## **7.0      Data Analysis**

This research uses structural equation modelling (SEM) in the data analysis, as other authors (Gefen, Rigdon, & Straub, 2011; Gefen & Straub, 2000; Ringle, Sarstedt, & Straub, 2012) argue that SEM has distinct advantages over other methods, for instance Multiple Regression. SEM is also good in terms of path and factor analysis, especially when we are looking for reliability and validity of a research outcome from different angles, available through this approach. In the SEM approach we selected partial least squares (PLS) method as this method has good advantages compared to others, for example LISREL. Whereas sample size is important in SEM, PLS is good for a small sample size research (Ringle et al., 2012). According to (Chin, 1998), in PLS the minimum sample size needs to be 10 times the number of items related to the most complex variable or constructs. In the proposed model we have six constructs and three complex variables, which with a sample size of 300 is more than adequate for a proper PLS process. Moreover, PLS is also good for exploratory research (Chin, 1998; Gefen et al., 2011), which is the nature of this research. This method is also suitable for testing a new model and theory as it can be good for confirmatory and exploratory research (Gefen & Straub, 2000). Therefore, this method is used in this study in order to test the proposed model and is an exploratory work. It is argued that “PLS combines a factor analysis with multiple linear regressions to estimate the parameters of the measurement model (item loadings on constructs) together with those of the structural model (regression paths among the constructs) by minimizing residual variance.” (Gefen & Straub, 2004). The research uses the resampling method of SmartPLS for significance testing. In the present study the bootstrapping of 600 re-samples and 252 cases per sample was used in order to assess the path significance. The estimate of bootstrap provides the basis for confidence intervals allowing an estimation of factor stability (Ringle et al., 2012).

## **8.0      Findings**

In this research the author conducted an empirical study to validate the model and test related hypotheses. The constructs of this survey, including sources from previous research, are shown in Table 2.

| Codes                            | Scales   | Factor Loading  |
|----------------------------------|--|---|
|                                  | <b>Trust</b><br><br><i>Adapted from D. Gefen and D.W. Straub</i>   |   |
| T1<br>T2<br>T3<br>T4<br>T5<br>T6 | Q5. Promises made by SNSs are likely to be reliable<br>Q6. I do not doubt the honesty of SNSs<br>Q17. I expect that the advice given by SNSs is their best judgment<br>Q7. I believe SNSs have my information safety in minds.<br>Q8. SNSs give me an impression that they keep my privacy information safe.<br>Q18. SNSs (such as Facebook, MySpace) are trustworthy. | 0.820119<br>0.759686<br>0.716889<br>0.709509<br><b>0.660125( dropped)</b><br>0.764961 |
|                                  | <b>Perceived Usefulness</b><br><br><i>Adapted from J Cha</i>   |   |
| PU1<br>PU2<br>PU3                | Q9. Shopping services on the SNSs will be useful for me.<br>Q10. Shopping services on the SNSs will make me more efficient.<br>Q19. Shopping services on the SNSs will make my life easier.  | 0.885437<br>0.917816<br>0.905641  |
|                                  | <b>Intention to buy</b><br><br><i>Adapted from HAN, BO and WINDSOR, JOHN; Lu and Hsiao; D. Gefen and D.W. Straub</i>   |   |
| IB1<br>IB2<br>IB3<br>IB4         | Q14. I am likely to pay for fees to have speed dating on SNSs.<br>Q2. I am likely to pay for the membership if SNSs start charging fees.<br>Q3. I am very likely to buy books from SNSs.<br>Q4. I would use my credit card to purchase from SNSs.  | <b>0.535121( Dropped)</b><br><b>0.562006 ( Dropped)</b><br>0.877076<br>0.914253       |
|                                  | <b>Recommendation and Referrals</b><br><br><i>Adapted from HAN, BO and WINDSOR, JOHN</i>   |   |
| RE1<br>RE2<br>RE3<br>RE4         | Q11. I feel my friends' recommendations are generally frank.<br>Q12. I feel my friends' recommendations are generally reliable.<br>Q20. Overall, my friends' recommendations are trustworthy.<br>Q21. I trust my friends on SNSs and share my status, pictures with them   | 0.835450<br>0.838555<br>0.873439<br>0.765705  |
|                                  | <b>Forums and Communities</b><br><br><i>Adapted from HAN, BO and WINDSOR, JOHN</i>   |   |
| FC1<br>FC2<br>FC3<br>FC4         | Q13. I feel my friends on forums and communities are generally frank.<br>Q1. I feel my friends on forums and communities are reliable.<br>Q22. Overall, my friends on forums and communities are trustworthy.<br>Q23. I trust my friends on forums and communities and share my status, pictures with them.  | 0.777832<br>0.756506<br>0.870364<br>0.773958  |
|                                  | <b>Rating and Reviews</b><br><br><i>Adapted from HAN, BO and WINDSOR, JOHN</i>   |   |

|     |  |          |
|-----|--|----------|
| RT1 | Q15. I feel my friends rating and reviews are generally frank.                         | 0.806354 |
| RT2 | Q16. I feel my friends rating and reviews reliable.                                    | 0.820149 |
| RT3 | Q24. Overall, my friends rating and reviews are trustworthy.                           | 0.889922 |
| RT4 | Q25. I trust my friends on rating and reviews and share my status, pictures with them. | 0.822587 |

**Table 2.0 Sources of the model constructs**

### 8.1 8.1 Reliability

Reliability in a survey is the stability of the measures it uses (Sapsford, 2006). The aim of this is to seek constant results in repetitive measurement. To measure reliability of this research we tested the internal consistency, which can be calculated by Cronbach's alpha. Since Cronbach's reliability coefficients need to be 0.70 or higher, this research shows a value of Cronbach's alpha greater than 0.70 as shown in Table 3.0, indicating adequate internal consistency.

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .920             | .921   | 25         |

**Table 3.0 Reliability Statistics**

Moreover, to improve the reliability of the test, we amended the questionnaire after the pilot test, as the check for reliability of the research depends on piloting of the instrument and question wording. These two types of reliability tests ensure we can analyse the data accurately for the survey.

### 8.2 8.2 Validity

As this research is exploratory work trying to work on a new stream in e-commerce, called social commerce, and probing an area which is not well understood, validities stressed on content validity; for construct validity with initial factorial tests and for reliability testing, researchers should go for internal consistency (Straub, Boudreau, & Gefen, 2004). An overview of PLS quality criteria is shown in table 4.0, which are discussed as follows.

|                        | AVE      | Composite Reliability | R Square | Cronbach's Alpha |
|------------------------|----------|-----------------------|----------|------------------|
| Forums and Communities | 0.633467 | 0.873282              |          | 0.806241         |

|                              |          |          |                 |          |
|------------------------------|----------|----------|-----------------|----------|
| Intention to buy             | 0.802560 | 0.890425 | <b>0.361328</b> | 0.755644 |
| Perceived Usefulness         | 0.815524 | 0.929871 |                 | 0.886895 |
| Rating and Reviews           | 0.697866 | 0.902202 |                 | 0.858335 |
| Recommendation and Referrals | 0.648499 | 0.879480 |                 | 0.815410 |
| Trust                        | 0.570443 | 0.868793 | <b>0.372118</b> | 0.811961 |

**Table 4.0 PLS Quality Criteria Overview**

### 8.3.1 Content Validity

In content validity we are looking for a way to make sure that the questionnaire measures are drawn from all potential measures of material under investigation (Straub, 1989). To have a high content validity we undertook a substantial literature review in the area of social commerce and piloted it with 30 students. Moreover some of the constructs – perceived usefulness, trust and intention to buy – are taken from existing literature and have been frequently shown to demonstrate evidence of strong content validity. The literature source for each construct which has been used in the literature review is indicated in Table 2.0. Noticeably, constructs drew their items from different validated sources, which improved the validity of this research in regards to the measurement of the constructs. However, we also considered face validity of the research by simply showing the survey to untrained people to make sure questions are understood by respondents. The research has been conducted on the main survey after these steps were taken.

### 8.3.2 Construct Validity

Construct validity can be checked by discriminant and convergent validity (Chin, Gopal, & Salisbury, 1997). *To test convergent validity, as mentioned above, we considered AVE, which should be at least 0.50 (Gefen et al., 2011). According to the results of PLS quality criteria overview, AVE in all constructs is more than 0.50 and we conclude that this research achieved this criteria.* Research shows that *PLS is a good method to test the discriminant validity by demonstrating the construct correlations (Gefen et al., 2011). According to (Gefen & Straub, 2004) there is not an exact threshold to apply for discriminant validity but they presented an example: “if one of the measurement items loads with a 0.70 coefficient on its latent construct, then the loadings of all the measurement items on any latent construct but their own should be below 0.60.”* This is shown in Table 5.0 and we can conclude that this model has discriminant validity. Moreover, composite reliability and Cronbach’s

alpha of each construct exceeds 0.70 and in most cases is 0.80, which shows the research has good discriminant and convergent validity.

It should also be mentioned that T5 from trust and IB1 and IB2 from intention has been dropped from the initial PLS analysis as these items had low factor loading. This step increases the levels of AVE and composite reliability. The author ensured that the dropping of these items did not have a negative effect on the overall quality of the model.

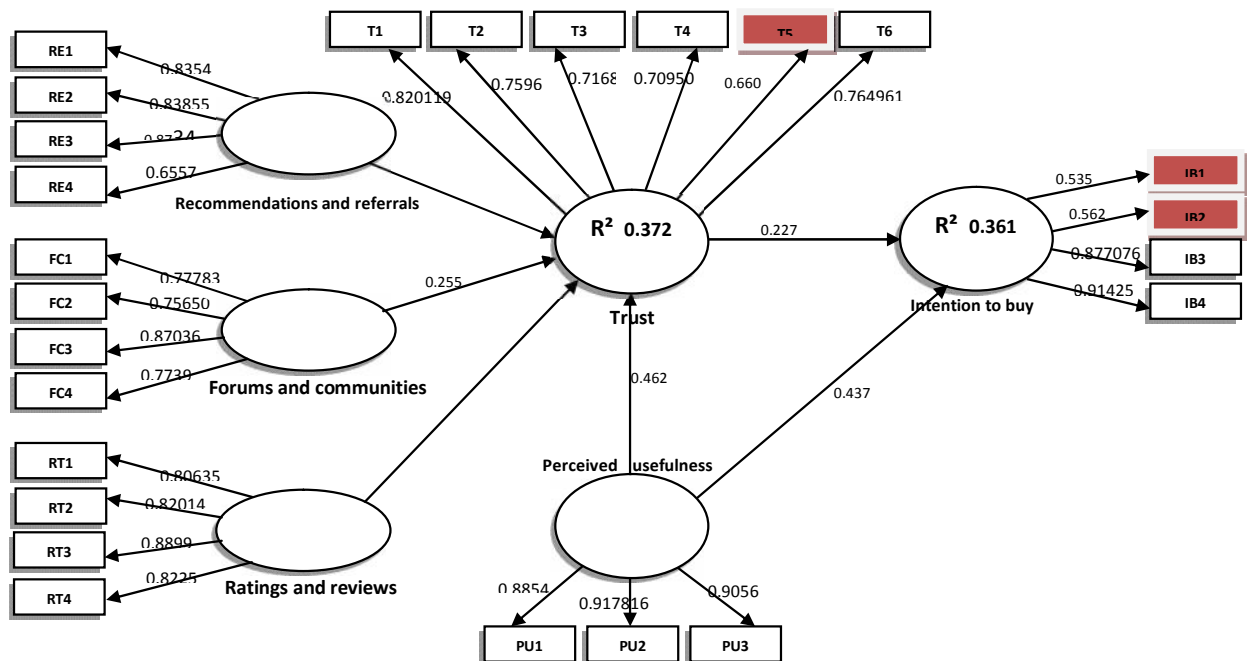
|     | <b>Forums and Communities</b> | <b>Intention to buy</b> | <b>Perceived Usefulness</b> | <b>Recommendation and Referrals</b> | <b>Rating and Reviews</b> | <b>Trust</b>    |
|-----|-------------------------------|-------------------------|-----------------------------|-------------------------------------|---------------------------|-----------------|
| FC1 | <b>0.777832</b>               | 0.333303                | 0.245478                    | 0.691151                            | 0.626140                  | 0.290742        |
| FC2 | <b>0.756506</b>               | 0.377197                | 0.302691                    | 0.517466                            | 0.517377                  | 0.366620        |
| FC3 | <b>0.870364</b>               | 0.278485                | 0.289098                    | 0.727555                            | 0.720841                  | 0.330638        |
| FC4 | <b>0.773958</b>               | 0.324467                | 0.248705                    | 0.636771                            | 0.728254                  | 0.352236        |
| IB3 | 0.341562                      | <b>0.877076</b>         | 0.449412                    | 0.272074                            | 0.285083                  | 0.419087        |
| IB4 | 0.398399                      | <b>0.914253</b>         | 0.567895                    | 0.350402                            | 0.377589                  | 0.425372        |
| PU1 | 0.291703                      | 0.557152                | <b>0.885437</b>             | 0.304459                            | 0.292882                  | 0.458173        |
| PU2 | 0.276981                      | 0.455833                | <b>0.917816</b>             | 0.306417                            | 0.282839                  | 0.502972        |
| PU3 | 0.357110                      | 0.533027                | <b>0.905641</b>             | 0.432673                            | 0.407804                  | 0.544047        |
| RE1 | 0.609486                      | 0.246926                | 0.314376                    | <b>0.835450</b>                     | 0.607424                  | 0.283767        |
| RE2 | 0.622357                      | 0.304045                | 0.258793                    | <b>0.838555</b>                     | 0.643675                  | 0.290821        |
| RE3 | 0.698357                      | 0.376338                | 0.410831                    | <b>0.873439</b>                     | 0.774110                  | 0.386086        |
| RE4 | 0.655659                      | 0.166519                | 0.233570                    | <b>0.765705</b>                     | 0.626889                  | 0.267503        |
| RT1 | 0.573050                      | 0.322645                | 0.291442                    | 0.665959                            | <b>0.806354</b>           | 0.276281        |
| RT2 | 0.605914                      | 0.320528                | 0.291792                    | 0.664560                            | <b>0.820149</b>           | 0.234277        |
| RT3 | 0.749184                      | 0.306496                | 0.327543                    | 0.762036                            | <b>0.889922</b>           | 0.330981        |
| RT4 | 0.747092                      | 0.305872                | 0.306894                    | 0.678775                            | <b>0.822587</b>           | 0.384769        |
| T1  | 0.385296                      | 0.500046                | 0.445959                    | 0.259986                            | 0.238722                  | <b>0.820119</b> |

|    |          |          |          |          |          |                 |
|----|----------|----------|----------|----------|----------|-----------------|
| T2 | 0.222873 | 0.341787 | 0.442678 | 0.180883 | 0.203768 | <b>0.759686</b> |
| T3 | 0.373954 | 0.301122 | 0.415695 | 0.399731 | 0.415969 | <b>0.716889</b> |
| T4 | 0.186020 | 0.318640 | 0.330452 | 0.189953 | 0.183753 | <b>0.709509</b> |
| T6 | 0.399824 | 0.283886 | 0.454635 | 0.426511 | 0.385492 | <b>0.764961</b> |

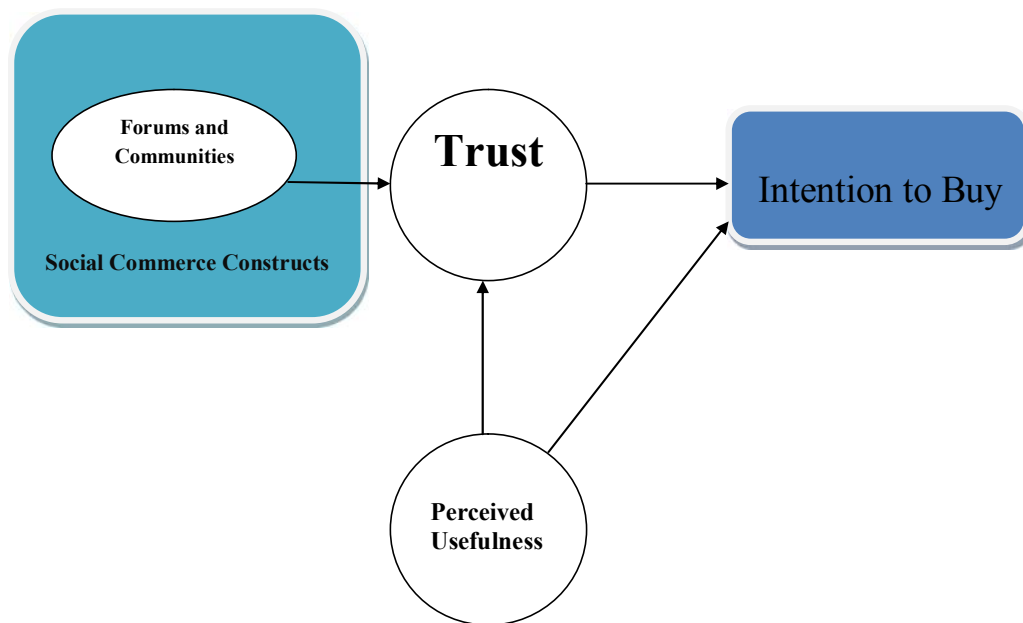
**Table 5.0 Cross Loading**

## 9.0 Structural Model

The PLS method test results are shown in Figure 2.0. The model validity is assessed by R square value and the structural paths (Chwelos, Benbasat, & Dexter, 2001). To do this the research performed bootstrapping to test the statistical significance of constructs path coefficient by means of *t*-tests. Table 4.0 also shows the *R* squares and indicates that almost 37% of the variance in the intention to buy was accounted for by the constructs in the model. It means intention to buy was, as hypothesized, affected by perceived usefulness and trust. Trust also has a good *R* square and means that 38% of the variance in this construct was accounted for by one of the social commerce constructs and perceived usefulness. This construct is ‘forums and communities.’



Trust and PU both have significant effects on intention to buy. Hence, H1 and H6 are supported. The effect of PU on trust is also significant, thus H5 is supported.



**Figure 3.0 Social Commerce Adoption Model**

The path coefficients show that the direct effect of PU on intention to buy is more than trust (0.450 vs. 0.221). This indicates that PU in intention to buy is more important than trust. PU also has a strong effect on trust and is more than its effect on intention to buy (0.468 vs. 0.450). The results indicate the key role of PU in the model. Among SCCs, forums and communities (0.286) is the only construct of social commerce that influences trust.

However, in this model ratings and reviews, recommendations, and referrals path coefficients of their causal links are not significant. Therefore, H3 and H4 are not supported. Finally, the tested model has been shown in Figure 3.0. The significant level was 0.05%.

## **10.0 Discussion, Limitations, Implications and Future Research**

### **10.1 10.1 Discussion and Implications**

The emergence of Web 2.0 applications has seen the development of social platforms, which has encouraged the social relationship of customers in an online context. These social relationships developed e-commerce to social commerce. Social commerce, by the aim of social applications, empowered customers to have active behaviour and encouraged them to generate content. Forums and communities are attractive places



for people to share their information and experiences along with gaining access to others' information, thus increasing the level of trust in social platforms. Consequently, by reducing perceived risk in the online context, the more intention to buy will occur. The level of trust will also increase by perceived usefulness of the social platforms, also increasing intention to buy. The results of this research highlight the role of online forums and communities. The finding suggests to e-vendors that it is important to bring together and meet consumers by forming online communities to have better communication channels with them and then make use of the benefits of this community for marketing strategies. The communities and forums in the online environment offer different tools to customers to support each other through their information exchange and ability to generate content. This in turn attracts individuals to join and encourages them to become active. The interconnectivity of customers is a value for e-commerce which has emerged through social commerce.

Consistent with the prior literature, trust is an important factor in e-commerce and now in social commerce (Shin, 2010). Results from this study provide empirical support for the finding and the model presented in this research.

There is limited research in the area of social commerce which this study seeks to redress. This study proposes a new model which can be extended by other constructs. It is the first adoption model for social commerce. This research shows that at least one social commerce component is influencing trust and the consequent intention to buy among users. The variable trust is shown to have a strong influence and its effect is significant in reassuring consumers in social commerce. Accordingly, the position of trust in the model is important.

The present research emphasized developing a new theory by borrowing variables from TAM, and proposed a new model through new concepts in social commerce. The bases of the model proposed in this research are IT adoption and literature in the area such as PU and intention to buy or trust. These together highlight the key role of ICT in the behaviour of online customers. This is a development opportunity for e-commerce adoption models and the results signify that IS has a reference discipline for the behaviour of online consumers. This is an issue in marketing that they do not pay attention to the importance of IT and IS. Now customers are interacting with ICT advancement in e-commerce and new platforms. This has highlighted the new role of IS in management and has attracted practitioners to look at IS from a managerial

angle. Moreover, the fact is that in the near future, with the development of Web 2.0, the role of IS will become more important in predicting online consumer behaviour.

Much research in the area of e-commerce adoption uses TAM. This research built on previous TAM research introducing a new model of social commerce adoption. Indeed, TAM is still influencing technology acceptance research but social commerce has its own constructs, which are examined in this study.

The results suggest to researchers that work on e-commerce adoption should shift to include social commerce adoption. It is important to consider new platforms in e-commerce following the introduction of Web 2.0. This study provides a model to understand s-commerce and understand the behaviour of consumers in cyberspace.

## **10.2 10.2 Limitations and Future Research**

Social commerce constructs need more work and some influential aspects, like social presence, may need to be part of this model. We believe that social presence may influence perceived usefulness and trust. This can be a new construct and might be a future research direction.

There may be many other issues affecting s-commerce adoption such as social presence, user experience, the perceived ease of use, social shopping, social marketing and social advertising. These constructs can be added to the model and may be important for social commerce. However, the focus of this survey was on some crucial aspects in social commerce. Hence, as this research has high reliability and good validity in the proposed model, it could provide a useful tool for academics and practitioners.

In regard to trust as a main construct in the proposed model, it is important to mention that there are many issues around consumer trust. For example, we must consider the issue of how the vendor is to trust consumer transactions. The advent of e-commerce has created an opportunity for developing new forms of deception.

## **11.0 Conclusion**

This research proposes a social commerce adoption model to investigate the role of social commerce constructs namely forums and communities, ratings and reviews and referrals and recommendations in social networking sites. The results support the effect of forums and communities on trust and its ability as a tool to bring trust and

reduce perceived risk in SNSs and the e-commerce adoption process. The results reveal the social relationship of customers in social platforms is creating value, a value which is driving social commerce. Web 2.0 has increased communication between consumers with new channels such as social networks, social media and communities alongside new channels for firms to make closer relationships with their customers. These advancements bring benefits for business to formulate better customer relationship management.

Communities are important and a new generation of online businesses based on communities are attracting consumers. Therefore it is important for businesses to have business models adapted to social commerce. This is supported by the social commerce adoption model and supports the role of online forums and communities and their positive influence on trust.

The present research also supports the role of trust and perceived usefulness in influencing consumer behaviour. The findings of this research contribute to a basic understanding of social commerce adoption and the ongoing debate on this phenomenon. The main contribution of the research is to show how online communities and forums are influencing e-commerce and social commerce. The interconnectivity of customers is a key value for e-vendors, persuading businesses to plan their business strategies according to these developments.

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