

Customer Experience in Social Commerce Websites: Toward an Integrated Conceptual Framework

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Abstract

Social Commerce (SC) is the new stream of e-commerce, as it takes advantage of the interactive information technology platforms and help customers on their online activities. Although social commerce is another phase of e-commerce, the factors that influence customer experience in social commerce might not be the same as the factors that influence customer experience in e-commerce. This paper identifies the relationships that affect the customer experience phenomenon with respect to social commerce. To analyze the measurement and structural models, the authors employed “the Smart PLS application program, particularly the Partial Least Squares Structural Equation Modelling” (PLS-SEM) technique. This study is an in-depth analysis of the factors that influence customer experience in social commerce, which may add value to the existing literature on social commerce.

Keywords: customer experience, e-Commerce, social commerce, Saudi Arabia, SmartPLS, social influence, trust, word-of-mouth

1. Introduction

Social commerce is perceived as a subsection of eCommerce, which increases the use of social media to enhance consumers' experiences. Gartner Inc., a leading research company predicted that eCommerce businesses will gain high profits due to the use of social media and mobile applications and that will lead to improve the competitive advantages (Gartner, 2011). With the emergence of newly developed social environment or media, a considerable number of people interact globally and exchange information efficiently. Subsequently, various businesses remain competitive in different markets.

Several studies in social commerce recommend more investigations about consumers' needs after their purchasing experience rather than customers' buying intention. The customer experience includes the experience of interacting with the provider and the experience of attaining value that is facilitated by product/service offerings, whether or not the provider's work system is visible to customers (Alter, 2016). The safety of high-level transaction given to consumers will raise their trust levels among online shopping environments and social commerce sites.

Although social commerce is another phase of e-commerce, the factors that influence customer experience in social commerce vary significantly from those that influence their experience in e-commerce. Hence, it is vital to investigate the factors influencing customer experience in social commerce, and adds value to the existing literature on sCommerce. Subsequent sections of this paper present related literature review, theoretical background, hypotheses development, the research methodology, and conclusion.

2. Literature Review

The growth of sCommerce has shifted the way businesses operate, and has resulted in the development of new organizational models. Social commerce is not an easy fusion that exists between the social networking technology and eCommerce, but its inclusion with commerce activities and other mechanisms is for the promotion of social trust and interaction (Zhou, Zhang, & Zimmermann, 2013). There is a limited number of articles and studies have been written about customer experience, which explore the concept in detail from a theoretical perspective (Verhoef et al., 2009).

Customer experience includes "all cognitive, affective, emotional, social, and physical responses to the retailer." (Otnes, Ilhan, & Kulkarni, 2012, p. 386). In Addition, these characteristics help to increase the customer perception about the purchased service or product value (Vasiliiu & Cercel, 2015). Another study indicated that: customer experience originates from a set of interactions between a customer and a product, a company or part of its organization, which provoke a reaction (Gentile, Spiller, & Noci, 2007). This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual) (Gentile et al., 2007).

From the literature review and analysis, common factors that are associated with customer experience, involve communication (Grewal, Levy, & Kumar, 2009), long-term orientation (Alter, 2016), and a positive customer experience (Vasiliiu & Cercel, 2015). Communication

includes interactions between the customer and the product/service provider. Long-term orientation includes a strategy or a combination of strategies to encourage the customer to use the products/services again in the future (e.g., repeat business). The positive experience of the customer includes the impression that the customers have of the business after they make a purchase or use a service. These three concepts are all interrelated and have to be holistically linked to enhance customer experience.

Primarily, trust is a significant aspect that can influence the use of the websites relating to social commerce. Therefore, in a case whereby a social commerce business is able to develop techniques to build consumers' trust, it might need additional chances to grow as a sustainable and stable online organization. There are some Web 2.0 applications such as reviews and consumer ratings, remain the best solution for this barrier to overcome (Swamynathan, Wilson, Boe, Almeroth, & Zhao, 2008). In addition, the theory of social influence explores social interactions with others from a technological and behavioral perspective (Kelman, 1974). Furthermore, consumers should scrupulously select the sources they intend to use prior to purchase their products. Customers often consider the information quality provided by social commerce sites. Thus, a company's reputation is essential to create a strong relation with its customers and provide them better services quality and high level of care (Park, Gunn, & Han, 2012). Particularly, it's essential for customers to feel secure and safe about their online transactions and other activates. Basically, the word of mouth (WOM) is the communication of information and experience among customers, which help in settling on purchase decisions.

3. Theoretical Background and Hypothesis Development

Trust theory is utilized in this study to explore the relationship existing among the trust of consumers in social commerce. As indicated by Oliver (1980), trust has a considerable influence on customer experience. The following figure shows the research model and hypotheses of this study.

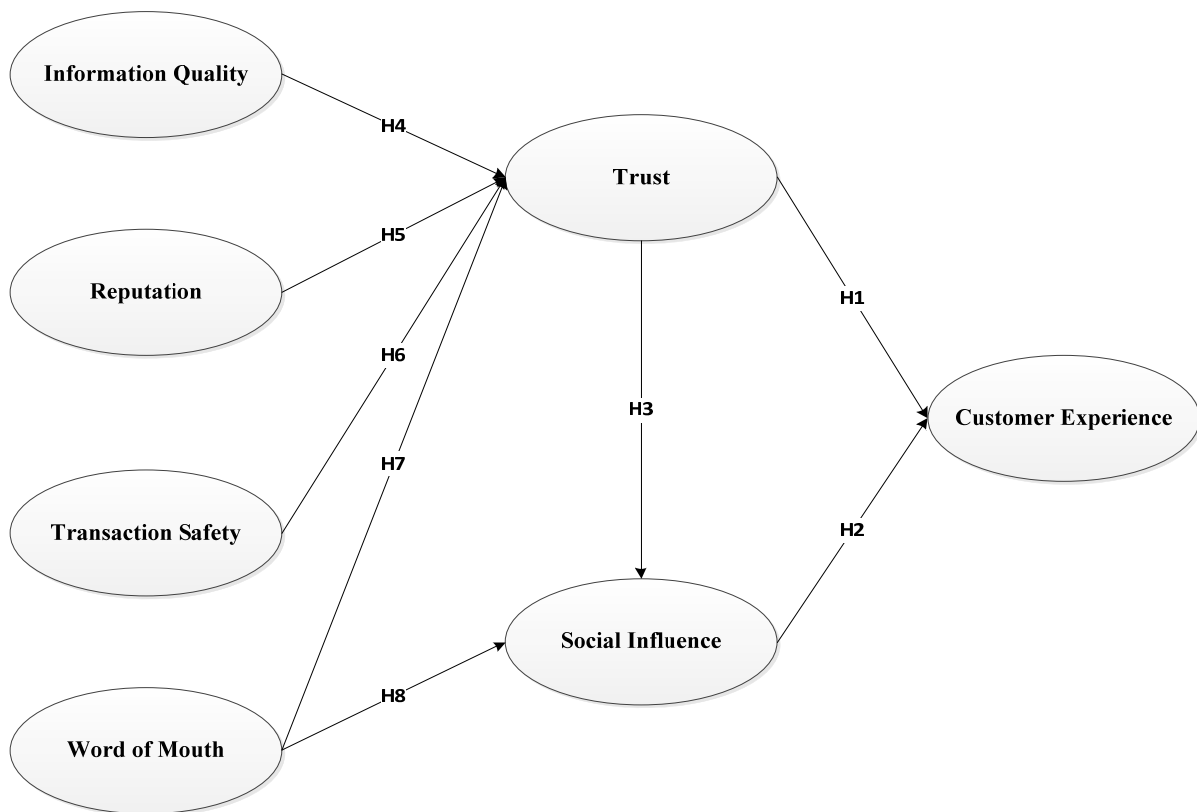


Figure 1. The Research Model and Hypotheses

It is important to consider trust as a priority for the experience customers will have at the end of making use of the social commerce sites since trust performs a major function in any online interactions. Meanwhile, social influence is a term that explains those changes that occur in the thoughts, attitudes, behaviours, feelings, and actions brought about from the interaction with someone or a group of people (Friedkin, 2006). As indicated by Tsai and Ghoshal (1998), there is a strong relationship between trust and social influence. Another study indicated that social influence is a critical component affecting consumers when making use of eCommerce websites (Bhattacharjee, 2000).

Businesses and customers should pay more attention on transaction safety as it can be easily affected by high level fraud. D. J. Kim, Ferrin, and Rao (2008) stated that customers rely more on transaction of safety, as they have limited information about the online products and services. As customers cannot feel the products or services physically on these sites, it is crucial for them to trust social commerce sites that have accurate information on a real-time basis, transaction safety and good reputation. In addition, some researchers articulated that social (WOM), accessible through the social networking sites, influences the level of trust on new items among social networking websites users. This online interaction among users through the sharing of information and experience of a newly produced item gives them the trust value (Hajli, Hajli, & Khani, 2013). Kuan and Bock (2007) claimed that WOM is an

essential factor that impacts consumers' trust and social influence in social commerce. Accordingly, we can propose the following hypotheses:

H1. There is a positive impact of trust on customer experience in social commerce.

H2. There is a positive impact of social influence on customer experience in social commerce.

H3. There is a positive impact of trust on social influence in social commerce.

H4. There is a positive impact of information quality on trust in social commerce.

H5. There is a positive impact of an organization's reputation on trust in social commerce.

H6. There is a positive impact of transaction safety on trust in social commerce.

H7. There is a positive impact of WOM on trust in social commerce.

H8. There is a positive impact of WOM on social influence in social commerce.

4. Research Methodology

The study samples concentrate typically on students from Saudi Arabia, studying in both Australia and Saudi Arabia and have had an experience with online purchase and social commerce sites. The students were chosen as potential respondents because of the easy access to some students through the work of the researchers. For the data collection, survey link distributed to Saudi students on Facebook, Twitter and social groups with Qualtrics software. The selected items of this study were consolidated from previous studies as shown in Table 1. A seven-point Likert scale was applied from 1-7, in which 1 represents strongly disagree to 7, which represents strongly agree to describe the agreement level. The pre-testing of the survey was reviewed by 10 academicians to assess the degree of relevance, including the length and clarity of the questionnaire.

Table 1. Consolidated Variables from Previous Studies

Latent Variables	Items	Items Source
Customer Experience	(17 Items)	(Liang & Turban, 2011); (Eid, 2011); (Doll & Torkzadeh, 1988); (Wang, Siu, & Barnes, 2008); (Ganesan, 1994)
Trust	(7 Items)	(Hajli, 2012); (Gefen, Karahanna, & Straub, 2003); (D. J. Kim, Ferrin, & Rao, 2009); (Kassim & Abdullah, 2010)
Social Influence	(6 Items)	(Liang & Turban, 2011); (Xu-Priour, Truong, & Klink, 2014); (Hsu & Lin, 2008)
Information Quality	(8 Items)	(S. Kim & Park, 2013); (D. J. Kim et al., 2009); (Barnes & Vidgen, 2002)
Reputation	(5 Items)	(Jarvenpaa, Tractinsky, & Saarinen, 1999); (D. J. Kim et al., 2009); (Doney & Cannon, 1997)
Transaction Safety	(7 Items)	(W. G. Kim & Kim, 2004); (Yoon, 2002); (Shergill & Chen, 2005)
Word of Mouth (WOM)	(8 Items)	(Hajli, 2012); (Srinivasan, Anderson, & Ponnaolu, 2002); (Harrison-Walker, 2001)

In order for the measurement and structural models to be analysed, this study used the Smart PLS application program, particularly the “Partial Least Squares Structural Equation Modelling” techniques (PLS-SEM) (Ringle, Sarstedt, & Straub, 2012). The PLS-SEM integrates the factor analysis with close regressions, which brings about just minimal assumptions, with the consideration of variance explanation. Meanwhile, the study’s conceptual framework includes seven reflective and first order constructs, including the Customer Experience, Trust, Social Influence, Information Quality, Reputation, Transaction Safety, and Word of Mouth. Additionally, to calculate the outer links and the inner links, the SmartPLS application program was employed – indirect effects, path coefficients, outer loadings, etc. As illustrated by Sekaran (2006), it is obvious that reliability indicates the scale that was applied is consistent and stable in the measurement of the concept while the model validity indicates the capacity of the scale to represent the measured concept. In the measurement model, the items that represent the reflective first-order constructs need to show the validity and reliability. As such, a confirmatory factor analysis (CFA) is performed in the

SmartPLS for the uni-dimensionality to be ascertained (Wilden, Gudergan, Nielsen, & Lings, 2013).

To assess the indicator reliability with the use of the PLS algorithm calculation, the common path weighting scheme was utilized for the purpose of setting the inner weighting option. As indicated by Vinzi, Trinchera, and Amato (2010), this is a scheme that is highly recommended when compared to the centroid weighting and factorial weighting schemes. The high iterations' number is 50. The item loadings should be a minimum of 0.7 or more so as to accomplish the item reliability of roughly 0.5, as indicated by (Joseph F Hair, Ringle, & Sarstedt, 2013). Basically, composite reliability is another approach used for the evaluation of the reliability of internal consistency. Composite reliability ≥ 0.7 is considered satisfactory (Joe F Hair, Ringle, & Sarstedt, 2011). Moreover, discriminant validity helps in the measurement of the degree at which an individual construct is related to its own measurement items in comparison to other constructs. For achieving discriminant validity, two conditions need to be fulfilled - first, the measurement items must exhibit high loadings on their theoretically intended constructs and not on other constructs (Gefen & Straub, 2005) and second, the constructs themselves must show a satisfactory discriminant validity when the square root of their 'Average Variance Extracted' (AVE) value is greater than the inter-construct correlations (Fornell & Larcker, 1981). Fornell-Larcker standards and the investigation of the cross loadings are the prevalent approaches in use. Furthermore, according to Henseler, Ringle, and Sarstedt (2015), 'the Heterotrait-Monotrait' (HTMT) correlations ratio will be additionally used for the evaluation of the discriminant validity. If the HTMT value is below 0.90, discriminant validity is established between two reflective constructs.

At the completion of analyzing the relevance and importance of the path coefficients, the determination of the explanatory power will be done. This was possible through the determination of the coefficient, R^2 . The R^2 is represented by the quantity of variance that was defined in the endogenous constructs (Chin, 2010); meanwhile, this study included endogenous construct such as social influence, trust, and customer experience. The effect size is also considered, and this is a functional indicator for the model's worthiness. The SmartPLS software additionally computes the requirement of the predictive relevance known as Q^2 . This the predictive relevance measured within a range of 0 and 1 where values closer to 1 indicate better predictive relevance. The validated model of this study can be used in future research related to customer experience and testing hypothesis and theories related to this context in social commerce.

5. Conclusion

This study aimed to investigate the factors influencing customer experience in the context of social commerce. The results provided meaningful insights to businesses adopting the conceptual framework factors for developing an understanding for these factors and how businesses can enjoy greater competitive advantages and better performance. In addition, this study offered empirical evidence that can assist both individuals and organizations in recognizing critical factors that affect customer experience, particularly in social commerce.

Ultimately, this study may contribute to the existing literature on social commerce via the proposed hypothetical framework that illustrates customer experience through the use of social commerce.

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