SOCIAL COMMERCE AND CONSUMER DECISION MAKING: A STUDY ON FACEBOOK USERS

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Declaration

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Abstract

Social Commerce and Consumer Decision Making: A Study on Facebook Users

The emergence of social commerce made a paradigm shift in the business-consumer relationship realm. In fact, more power has shifted from the seller to the buyer and predominately fueled to strengthen e-commerce acceptance. Thus, understanding consumer behavior in the context of social commerce adoption has become inevitable for organizations that aim to convince consumers by particularly exploiting the advantage of social relationships and support. Moreover, such social ties will be able to facilitate trust as the most promising benefit while alleviating the perceived risk, which were the major concerns with online commerce over the years. This research study comprehend the impact of social commerce on the consumer decision making process stages; need recognition, information search, alternative evaluation, purchase decision and post purchase behavior. In this context, pertaining literature in the field of social commerce; (1) lacks adequate explanatory model or (2) lacks substantial theoretical foundation or (3) consist practically complex models with inadequate empirical evidence. The research employs the Social Commerce Constructs (SCC): recommendations and referrals, forums and communities, and ratings and reviews to examine the respective influence towards the consumer decision making process stages. This research was conducted as a quantitative study involving cross-sectional survey data gathered from Sri Lankan Facebook users. 214 valid responses were captured by means of an electronic structured questionnaire. The data analysis was embarked with exploratory data analysis. Subsequently, descriptive sample characteristics were provided with the objective of proposing some generalizations. The data was analyzed and hypotheses were tested with Structural Equation Modeling (SEM). The findings exhibited that there were significant positive effect of social commerce constructs on all consumer decision making stages. Therefore, this study suggests that, regardless of the nature or type of the business organization, implementation of social commerce strategy is essential.

Keywords: Consumer Decision Making Process, Online Social Networks, Social Commerce, Social Commerce Constructs, Social Support

Acknowledgement

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List of Abbreviations

AGFI	Adjusted Goodness of Fit Statistic
AVE	Average Variance Extracted
CFI	Comparative Fit Index
CR	Composite Reliability
EDA	Exploratory Data Analysis
FGC	Firm Generated Content
GFI	Goodness of Fit Statistic
NFI	Normed Fit Index
NNFI	Non Normed Fit Index
OSN	Online Social Network
PNFI	Parsimony Normed Fit Index
RMR	Root Mean Square Residual
RMSEA	Root Mean Square Error of Approximation
SCC	Social Commerce Construct
SEM	Structural Equation Modelling
SRMR	Standardized Root Mean Square Residual
TLI	Tucker Lewis Index
UGC	User Generated Content

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