

# The Effect Of Social Commerce Factors On Customer Purchase Behavior(Case Study: Digikala Website)

Amir Shivafar, Pejman Sheibani Esferjani, Parviz Reeisi

Isfahan Islamic Azad University, Iran,00989131863581,  
*amirshivafar@gmail.com*

Multimedia University Malaysia,Iran,00989130153202,  
*Tourmanager20@gmail.com*

Department of H.S.E, Najafabad Branch ,Islamic Azad University,  
Najafabad ,Iran.00989133227582,  
*Parviz.reeisi@gmail.com*

**ABSTRACT:** Today using of internet and virtual media is member of people life. One of the most important dimensions is costumer shopping behavior. By developing online social commerce systems, people can buy all the goods easily without going to store. The main objective is checking the effect of social commerce factors of costumer purchase behavior on Digikala website. Four variables of social support, product uncertainty, seller uncertainty and third part information are included. This paper explores social commerce and the effect of them on purchase behavior has inspected. Statistical society is population of 20 years old of Isfahan who buy goods on Digikala website. According to Cochran c-0, sample size is 348 that out of 348 questionnaires between statistical society distributed, 333 questionnaire gained properly. Information is gained by Bay and colleagues standard questionnaire that narrative and reliability has approved. After data amassment, information has been analyzed by SPSS and AMOS. Data analysis method and hypothesis inspection showed structural equations and  $\beta$  coefficient is 0.05. Results showed that social support do not affect on costumer purchase behavior. Moreover Seller and product uncertainty has positive affect on product uncertainty. Also seller uncertainty and product uncertainty has positive and social support has negative effect on uncertainty product

**Keywords:** CUSTOMER PURCHASE BEHAVIOR, SOCIAL COMMERCE, DIGI KALA WEBSITE

## INTRODUCTION

Social commerce play important role in today's society, social commerce is the application of web 2.0 features, such as content generation tools, for the enhancement of user's interactions in e-commerce (Liang, Ho, Li, & Turban, 2011). The difference between social commerce (e.g. Starbucks Facebook and Tom's Twitter) and e-commerce (e.g. Alibaba) is that the former involves communities and conversation among members, while the latter mainly focus on individuals and one-to-one interactions to create value (Haug & Benyoucef, 2013). Digikala is the biggest e-commerce startup in Iran. It was founded in July, 2006 by twin brothers Hamid and Saeed Mohammadi who had an unpleasant experience when they tried to buy a digital camera, after which they used \$10,000 of their own savings to start the company (REUTERS SUMMIT, 2015-Amy Guttman contributor, 2015). Two factors such as purchase data and personal information provide e-business to discover purchase patterns, identify consumer segments and better predict consumer behavior. Social commerce is now well-established in the marketing literature (e.g. Haug & Benyoucef, 2013) however, further classifications could be helpful. social commerce refers to 'the delivery of e-commerce activities and transactions via the social media environment, mostly in social networks and by using Web 2.0 software (Hajili, Sims, H. Zadeh, Richard, 2017). According to the Centre for Retail Research (2015), a higher education research institute, online sales in western Europe are expected to grow by 18.4% in 2015 and to reach 185.44bn in 2016. social commerce is a phenomenon rooted in social media practice and web 2.0 technologies, which have

become popular consumer behavior tools to specialize and share commercial related information (Lin, Li, Wang, 2016). Social media usage may be a good strategy for businesses to increase sales by retaining current customers and developing new customers (Hajili, 2015a)

## SCIAL COMMERCE STUDY SOCIAL MEDIA:

Usage of social media is part of human life today, especially online social media has accepted by people, online social media is main product of Internet technologies and investment has increased. Social media usage may be a good strategy for businesses to increase sales by retaining current customers and developing new customers (Hajli, 2015a). In today's challenging business environment, social media tools have been actively used for firms to present their business online and achieve marketing values (Stephen & Toubia, 2010). Social media is the platform where social commerce activities occur, and focuses on users' online collaborative shopping via via information sharing, with an emphasis on improving WOM and brand loyalty (Trusov, Bucklin, & Pauwels, 2009; Wang & Zhang, 2012).

## ELECTRONIC COMMERCE SOCIAL COMMERCE:

Introduction Social commerce is a phenomenon rooted in social media practice and Web 2.0 technologies, which have become popular consumer tools to socialize and share commercial-related information. Due to the popularity and growth of social media tools, consumers are now able to

interact actively with consumer peers, which enhances their evaluations of products and leads to better-informed purchasing decisions (Wang & Zhang, 2012). Background Social commerce can be classified into three primary trends: adding commercial features to social media tools (e.g. SNSs), adding social media features to e-commerce sites (e.g. Amazon), and the increasing use of social media by traditional offline firms to improve business performance (e.g. customer service) (Liang et al., 2011; Ng, 2013).

### **SOCIAL SUPPORT:**

Previous studies have also revealed that social support exists in three forms: emotional, tangible, and informational (Schaefer, Coyne, & Lazarus, 1981). With the proliferation of Web 2.0 technologies, social commerce elevates online business with consumers being directly involved in the acquisition process through the sharing and dissemination of information. In other words, social commerce produces information-driven consumers where consumers create their own content, rate and review service and products and leave their comments on the Internet (Hajli, 2014a).

### **EMOTIONAL SUPPORT**

Emotional support includes being able to confide in and rely on another person and it contributes to the feeling that one is loved or cared about or even that one is a member of the group and not a stranger. In social commerce, emotional support is present when users perceive themselves as being cared for or empathized with based on the information provided by other users. Taylor and Heejung (2004) found that the emotional support provided by others in the group may reduce stress.

### **INFORMATIONAL SUPPORT**

The information produced by these social commerce platforms or communities can affect consumers' purchasing intention or behavior. More and more scholars have begun to study social commerce constructs. For instance, in a recent study by Hajli (2015), it is shown that consumers refer and recommend products or services through social commerce constructs, namely forums, communities, ratings, reviews, recommendations, and referrals.

### **USER-GENERATED CONTENT (UGC):**

More specifically, social features usually include a social networking platform, users, and user-generated content (UGC) (Liang and Turban, 2011). Commerce features refer to product factors and the certification/guarantee of product/services by third-party organizations (Dimoka, Hong, & Pavlou, 2012). Users gather social information in the process of purchasing a product on a social media platform. Meanwhile, they also collect other relevant information, such as the product quality, the seller's reputation, and the security of the third party. In e-commerce, studies have shown the factors surrounding the merchant (reputation, service quality, etc.) or product (specification, quality, etc.) significantly impact the consumer purchase intention. For example, Pan, Kuo, Pan, and Tu (2013) discussed the impact of online seller's reputation and product categories on the consumer

purchase intention. According to social support theory, in the social commerce environment, social support can be evaluated based on three factors aspects: user support, UGC support, and platform support. User support refers to the relationships among users in social commerce. Previous research has indicated that quality of user relationship as a significant influence on product purchase intention (Lianget al., 2012; Palmatier et al., 2006). In contrast, UGC support, such as reviews and recommendations, not only represents the social perspective but also influences awareness, expectations, perceptions, attitudes, behavioral intentions, and behavior (Ng, 2013; Weinberg, de Ruyte, Dellarocas, Buck, & Keeling, 2013).

### **Behavioral Intention:**

#### **World Wide Web (web 2.0)**

In general, academic researchers have not attempted to define Web 2.0, but have instead focused on studying the Web 2.0 nature and impacts of various Web2.0 technologies, though a few exceptions exist (Kim, Kwok-Bun, Hall, and Gates, 2009; Parameswaran and Whinston, 2007). However, common among this previous research is the tendency to lightly touch on the technologies that represent Web2.0, without specifically defining the term as a representation of the paradigm.

#### **DIGIKALA WEBSITE**

Digikala is the biggest e-commerce startup in Iran. It was founded in July, 2006 by twin brothers Hamid and Saeed Mohammadi who had an unpleasant experience when they tried to buy a digital camera, after which they used \$10,000 of their own savings to start the company (REUTERS SUMMIT, 2015; Amy Guttman contributor, 2015). The company was reported to be valued at \$150 million in 2014, and \$500 million in late 2015. One of its investors is Russian billionaire Vladimir Potanin, although Digikala's main investor is Sarava Pars, an Iranian investment company (Ramil Sitdikov, 2016). Digikala offers same day delivery in Tehran and Karaj, and offers next day delivery in 20 other cities. Digikala is ranked by Alexa as Iran's 3rd most visited website. It has 1,700,000[8] unique visitors per day, and 85% of Iran's e-commerce now takes place on Digikala. The company does not publicize its revenue but has said sales are growing at a rate of 200% a year, and that it is receiving orders from even the most remote villages in Iran (Saeed Kamali Dehghan, 2015). Hamid Mohammadi said the main focus of the company remains expansion "even if that means we will not be profitable, which is how Amazon is operating (Wikipedia).

#### **Discussion and conclusion Introduction and summary**

The main goal of this research is the inspection of effect social commerce factors on customer purchase behavior in Digikala website. In first season generalizations checked and goals distinguished and the words of research defined. In second season the dimensions and theories about social commerce and customer purchase behavior and model dimension searched and research history inspected. In third season, the statistical society and research method checked, in this season has checked research method first. This research is scrolling. Statistical society is population of 20 years old of Isfahan that at least once has been bought on

Digikala website. According to Cochran c-0, sample size is 348 that 348 questionnaires between statistical society distributed, 333 questionnaires gained properly. In continuation of this season, the questionnaires checked. In fourth season, the statistical analysis has been done. First statistical description of the demography property sample processed. In this season, after the findings and results are extracted, we describe results of hypothesis test and then describe the limitations. In the end also performance suggestion presents for future researches.

### Description Findings

According to results, more of the responders are man with frequency percentage 67/6 and 32/4% of statistical society are women. According to table 1-4 and 2-4, people between 21-25 years old with frequency percentage 35/1 are the most statistical society. In table 3-4 and figure 3-4 has been showed the frequency of the responders according to educational degree. The people have bachelor's degree, their percentage frequency is 66/1. According to table 6-4, all variables have an average more than standard except social support. The majority of average is belonged to product uncertainly with 4/11 and standard deviation 0/05. It shows that Digikala costumers do not trust to products. Also according to this table, minimum of the average is belonged to social support. It shows that there is no sufficient support in Digikala website.

### Discussion and conclusion

First hypothesis inspection: social support has effect on consumer purchase behavior. First hypothesis has not confirmed and level of significance is up to 0/05. So results do not confirm. Means, social support has not effect on consumer purchase behavior. So when three dimensions of social support improves, customer purchase behavior won't improve. This support includes, user support, content support and software support. It shows that the repurchase of costumers are not related to user support and content support. So the costumers do not have any affection by other users encourage for buying products and aware of their ideas. Also content support has been done as well as costumers. This includes sufficient and suitable information that present by website for costumers. Also available software environment in Digikala website creates less limitations. In fact software support to continue by easy purchase, decreasing mistakes in ordering and feting order and having certain to customer that it seems normal in Digikala website and has not effect on customer purchase behavior.

Second hypothesis investigation: third-party Information has effect on customer purchase behavior. Second hypothesis has confirmed. And significance level is less 0/05. So relation is not ok. According to this research third-party person information presents by an organization and purchase process is secure. In Boy and co-workers research, an international website has been studied and it is so important to the buyers that what kind organization provides the guarantee and the purchase process. So, third-party information for the costumers in Boy and co-workers research has effect on the product uncertainly and so in this research, the guarantee has been confirmed by banking system and governmental organizations under government and banking system has effect on all financial and

purchase processes and so guarantee and confirmed third-party information are important on the Digikala costumers.

Third hypothesis investigation: third-party information has effect on seller uncertainly. Third hypothesis has not confirmed. And significance level is up to 0/05. So relation is not ok. So, Third-party information in Digikala website can not be effect on research dimensions. In fact, third-party information includes guarantee and verification are not important for the Digikala costumers. Because guarantees and verifications has confirmed by Digikala costumers and the people look for more guarantees in the purchase process rarely. So the conclusion explains that presented confirmations and permissions in Iran for Digikala website do not improve the seller certain. Maybe some seller abuse of the permissions or related organizations does not control the sale processes. So having different permission and confirmations for Digikala website do not create the seller certain.

Fourth hypothesis investigation: social support has effect on product uncertainly. Fifth hypothesis has confirmed. And significance level is less 0/05. So relation is ok and  $\beta$  coefficient is -0/995. This explains that the product uncertainly will decrease because of social support. So in Digikala website when the social support in three dimension user's support, content support and software support increase, product uncertainly will decrease. In fact by improving users support in Digikala website, the costumers trust to the products more. In fact the idea of other users can be the average of presented good products. Also by improving Digikala content and increasing information of products causes that costumers find suitable information about the products and they buy the product with more certain. Also software support of the products and purchase process can increase the certain to the product.

Fifth hypothesis investigation: social support has effect on seller uncertainly. Fifth hypothesis has not confirmed. And significance level is up 0/05. So relation is not ok. According to boy and co-workers research, when social support in Digikala improves, Digikala certain will not increase. In fact Digikala website can increase the product certain by growth of social support but it can not increase the own certain. This matter alludes when user support in Digikala website increase, there is no attention to main seller (Digikala) and concentrate on presented products. Also software support and content form in forward of products not seller. Accordingly Digikala website can not increase certain of the website by growth of social support. So Digikala should help to itself by others methods.

### Research Limitations

Generally each research have the problems that if studies exactly, it can overshadow all research. The problems as follows:

1. This research on the Digikala customer and should extend it to other electronic sale website carefully.
2. The information has gained by questionnaire and it is possible that the responders encounter favoritism.

3. This research have done in 2016 and using of this result should perform in the future carefully because of growth technology and social commerce changes.

## 5-5. Research suggestions

### 5-5-1 Performance suggestion

Considering to results of hypothesis analysis, the research present some suggestions:

- 1- Digikala website can increase the social support for improving customers purchase behavior. Meanwhile it can use these solutions:
  - 1-1- Increasing informations related to products.
  - 1-2- Updating software and purchase website.
  - 1-3- Paying attention to users supports and points.
  - 1-4- Updating website and represent the customers needed information.
- 2- Seller uncertainly be caused products uncertainly. Meanwhile, some suggestion recommends to Digikala website:
  - 2.1. Improving sale systems and tracking products.
  - 2.2. Increasing purchase system security by increasing seller certainly.
  - 2.3. Declining software mistakes and Assuring to users for compensation mistakes.
- 3- Digikala should pay attention that product uncertainly can affect negative on the customer purchase behavior. Meanwhile, some solutions are recommends to Digikala:
  - 3-1- Improving product quality inception systems.
  - 3-2- Presenting original products to users.
  - 3-3- Presenting true information related to products.
  - 3-4- Digikala website should pay attention to the visual imagery.

### Research suggestion

- 1- The other researchers can use from other social commerce models and check influence variables.
- 2- Used tool was questionnaire, the researchers can use other methods like interview, observation, and then compare with results.
- 3- Researcher can choose statistical society instead of customers.
- 4- Other researchers can put the society groups in the social position and jobs then compare purchase behavior with the results
- 5- Researcher can check own authority opinion and the Digikala worker related to subject and compare the differences with the results.

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