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Drivers of Social Commerce Through Brand Engagement

İrem Eren Erdoğan*, Şahika Burçin Tatar

**Marmara University, Bahçelievler Campus, Istanbul, Turkey*

Marmara University, Bahçelievler Campus, Istanbul, Turkey

Abstract

Social commerce is an important issue and a new area to explore in today's business world. To be successful at social commerce requires a strong brand engagement on the side of the consumers and well-crafted brand marketing strategies on social media channels. Here in this study, S-O-R model is utilized to come up with a model explaining how social commerce stimuli affect consumers' cognition, affection and activation (engagement) with brands, and thereafter lead to brand trust and purchase intention on social media. The social commerce stimuli includes sales campaigns, personalization, interactivity, consumer generated content and reviews. If tested, the results of the study are believed to guide brand managers and social commerce managers in creating right marketing stimuli for success in social commerce. Additionally, the results of the study are believed to add to the newly forming literature on social commerce, online brand engagement, relationship marketing, and online purchase intention.

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1. Introduction

Today, social media, defined as “activities, practices, and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media (Safko and Brake, 2009, p.6)” is an effective brand marketing tool, and is positively related to brand equity and brand-related consumer outcomes (Hassan, 2014; Andzulis, Panagopolous, and Rapp, 2012; Hennig

* Corresponding author. Tel.: +90 (212) 677 74 00; fax: +90 (212) 677 74 01.

E-mail address: ireme@marmara.edu.tr

Thurau et. al, 2010). By using social media, firms can conduct two- way communication, offer campaigns, reviews, and other relevant content to consumers, connect, interact and engage with them, and build better relationships and create value (De Valck, Van Bruggen, Wierengan, 2009; Long, 2011; Gillin, 2009).

Recent years had also witnessed the importance of social media as a platform for making the sale alongside building and conveying an image for the brands. For some firms, social media moved past the stage of engaging and communicating with consumers to the stage of generating revenues (Wang and Zhang, 2012; Barnes, 2014). Research shows that nearly 40 % of social media users had purchased a product after sharing or favoring it on social media sites. The increasing presence of big brands on social media sites also proves that these sites are experiencing growth in social media commerce, defined as using social media interaction and user contributions advice to assist online buying and selling (Pelet and Papadopolou, 2013; Liang et al., 2011).

Social commerce enables firms to sell to consumers from social media platforms such as Facebook pages, Instagram accounts (Shadkam and O'Hara, 2013). Social commerce is a more social form of electronic commerce, where the role of consumer is much participatory than ever before (Liang ve Turban, 2011). Therefore, impact of additional dimensions should be researched for understanding social commerce as different from electronic commerce. Thus, this paper focuses on social commerce, its dimensions and its consumer behavior consequences. More specifically, the aim of this paper is to understand which dimensions of social commerce are key in creating brand engagement, through which consumer outcomes of brand trust, and purchase intentions towards brands are achieved. Social commerce is a new area of exploration; therefore it is important to direct more academic attention to better understand the phenomenon (Liang and Turban, 2011; Zhang et al., 2014). This model proposal is believed to add to the extant literature on social commerce, online brand engagement, relationship marketing, and online purchase intention.

2. Stimulus-Organism-Response Model as the Theoretical Base of the Model

Past research have used the stimulus-organism-response (S-O-R) model as a theoretical framework to understand which features of online shopping environment influence the psychological processes of cognition, affection, and activation that lead to consumer responses (e.g., Jiang et al., 2010; Eroğlu et al., 2003; Animesh et al., 2011; Parboleah et al., 2009). Following their path, this research tries to identify which social commerce stimuli create positive consumer relationship and behavior outcomes through affecting consumers' cognitive and affective systems.

The (S-O-R) model posits that environmental and brand-related stimuli act as cues that shape individual's cognitive and affective reactions, which in return affect their responses (Mehrabian and Russell, 1975). Stimuli are related to marketing program that is offered to support the brand, including product, advertising, salesperson attentiveness, store atmospherics etc. The organism, on the other hand, refers to consumer's cognitive and affective state of mind, including her feelings and thoughts. The responses, on the other hand, include variables such as trust, commitment, purchase intention, loyalty etc. (Jacoby, 2002).

In the context of social commerce, stimuli pertain to sales campaigns offered, interactivity, personalization, and consumer-generated content about the brand. The organism is reflected through the consumer's engagement with the brand on the brand's social media account. The latest conceptualization of engagement posits a multi-dimensional concept, that includes cognitive, affective, and activation dimensions (Hollebeek et al., 2014), and is associated with focal consumer relationship and behavior outcomes such as trust, satisfaction, purchase intention and loyalty (Hollebeek, 2011). The organism includes cognitive, affective, and activation dimensions in this study capturing consumer's brand engagement on social media, and finally, the outcomes are captured through brand trust and purchase intention. This is one of the few studies that aim to explore social commerce by applying S-O-R model. Zhang et al. (2014) also applied the S-O-R model to social commerce, but utilized different constructs than this study's propositions. Their model considers technological features as stimulus, social presence, social support and flow as organism. Therefore, the model proposed here is original and adds to the extant literature.

3. Model and Hypotheses Development for Impact of on Consumer Responses

The research model depicted in Figure 1 shows how aspects of social commerce stimuli can affect consumer's engagement with a brand on its social media account (cognitive, affective, activation dimensions), which leads to brand trust and purchase intention.

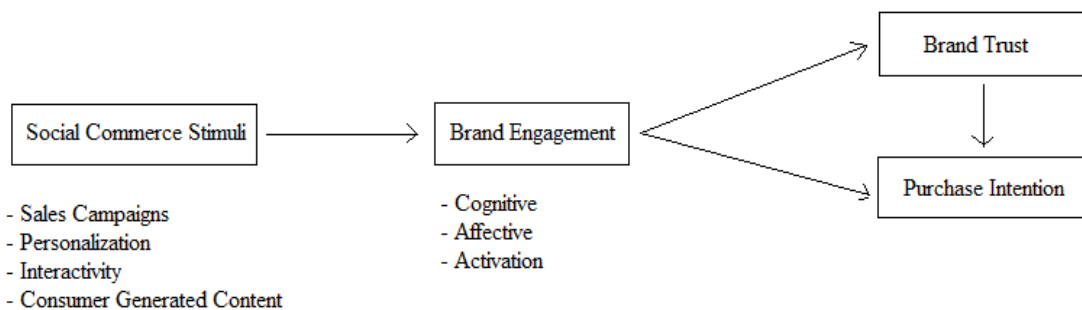


Figure 1: Proposed Model

3.1 Consumer's Brand Engagement on Social Media as the Organism

Brand engagement is defined as a psychological state that occurs by virtue of interactive, co-creative customer experiences with a particular object such as a brand, product or organization (Hollebeek, 2011; Patterson et al., 2006; Brodie et al. 2011). Engagement is characterized by specific level of cognitive, affective, and behavioral activities in direct brand interactions. For example, cognitive brand activity captures consumer's concentration or engrossment in the brand, affective brand activity

captures consumer's brand-related inspiration or pride, whereas behavioral brand activity includes energy exerted in interacting with the brand (Hollebeek, 2011).

3.2. Antecedents of Consumer's Brand Engagement on Social Media

Sales related information and campaigns are frequently used on brand social media accounts as strong drivers of attention and sales. For example, Hassan (2014) says that immediate sales related communication works well on Instagram, especially with women, whom can be considered as more deal-prone. The campaigns usually include discounts and coupons. They should also be fun, engaging, and rewarding for the consumers. The campaigns (promotions, contests etc.) increase engagement between the brands and consumers, which lead to better relationships, trust (Goor, 2012), and possibly positively effect purchase intention (Shukla, 2010). Thus;

H1: Sales campaigns on social media accounts are positively related to consumer's brand engagement on social media.

Personalization is a perception on the side of the customer as to the degree to which the seller provides differentiated services to satisfy specific individual needs (Yang and Yun, 2002). Targeted messages, offers, and recommendations may be considered as personalization. In fact, relationships between e-vendor and consumers are personal over social media (Hajli, 2014), what might increase the brand engagement of the consumer on social media positively. Thus:

H2: Personalization on social media accounts are positively related to consumer's brand engagement on social media.

Interactivity is defined as a user's perception of taking part in a two-way communication with a mediated persona in a timely fashion (Labrecque, 2014). Social media is a better platform for managing interactions with the consumers compared to traditional media because of its Web 2.0 qualities. Consumers like to interact on real time basis with the seller to ask questions, tell and exchange their opinions on social media. This two-way communication is an important driver of brand engagement, making up its essence (Hollebeek, 2011). Accordingly, previous research also defined interactivity as a primary antecedent of brand engagement (De Valck, Van Bruggen, Wierengan, 2009; Gillin, 2009; Bolton and Saxena-Iyer, 2009). Thus:

H3: Interactivity on social media accounts is positively related to consumer's brand engagement on social media.

The *consumer-generated content and reviews* assist the online buying process, acting like a re-intermediary between the firm and consumers since they become a major way to learn about company offerings (Ahearne and Rapp, 2010; Branes, 2014). These content and reviews act like a public forum, whereby consumers can raise their own voices and also listen up other product information that affects their purchase decisions (Kozinets et al., 2010). Increasing number of consumers communicates with others or finds information via social media sites to help consumption decisions, and many base their brand responses to the consumer generated comments (Lueg et al., 2006).

Based on consumer socialization theory (Ward, 1974), which refers to the process by which individual consumers learn skills, knowledge, and attitude from others through communication, which then assist them as consumers in marketplace, it may be posited that communication among consumers affects each other's cognition, affection, and behavior. Thus, consumers develop consumption-related attitudes and behavior by learning from socialization agents, by observing or interacting with them (Churchill and Moschis, 1979). It may be claimed, then, that the consumer generated content (referrals, reviews, ratings or testimonials) leads to cognitive, affective, and behavioral responses in other words, brand engagement.

Thus:

H4: Consumer generated content and reviews on social media accounts are positively related to brand engagement on social media.

3.3. Consequences of Consumer's Brand Engagement on Social Media

Brand trust, conceptualized as the willingness of average consumer to rely on the ability of the brand to perform its stated function is a central element of relationship building (Morgan and Hunt, 1994) and plays a central role in the prediction of the future intentions of customers. Purchase intention, whether an individual intends to buy a specific brand (Laroche, Kim and Zhou, 1996), on the other hand, is used as a variable that gives an understanding of actual purchase behavior since, consumer behavior can be predicted from intentions that correspond directly in terms of action, target and context to that consumer behavior according to theory of reasoned action (Ajzen and Fishbein, 1980). Extant literature provides evidence to the positive impact of brand engagement on both purchase intention (Appelbaum, 2001; Hollebeek et al. 2014) and also on trust (Hollebeek, 2011). Trust is considered as a potential consequence of brand engagement especially for new customers, who are expected to engage first with the brand while they subsequently develop a relationship with the brand (Hollebeek, 2011). Thus:

H5: Brand engagement on social media is positively related to purchase intention on social media.

H6: Brand engagement on social media is positively related to brand trust on social media.

3.4. Impact of Trust on Purchase Intention on Social Media

Trust in an online environment is necessary for completing online transactions since sensitive information such as financial and personal information is going to be exchanged between the parties and assurance is needed that the firms will not engage in opportunistic behavior (Gefen and Straub, 2004; Pavlou, 2003). Previous research has shown that brand trust positively influences online purchase intentions (Chen and Barnes, 2007; Jarvenpaa and Tractinsky, 1999; Gefen and Straub, 2004; Verhagen, Meents, and Tan, 2006; Ling, Chai, and Piew, 2010). Thus:

H6: Brand trust is positively related to customer purchase intention on social media.

4. Conclusion and Future Research Directions

Social media is at the early stages of development as a social commerce tool; therefore, guidance to brands may be needed as to what drives brand engagement, trust and purchase intention in social commerce. The aim of this study was to build a social commerce model based on extant literature. The model proposed here may be tested for different social commerce platforms to understand whether differences exist related to the impact of stimuli on brand engagement, and thereafter on trust and purchase intention. Social commerce appears to be popular in different markets such as ready-to-wear or accommodation. It is also practiced by big brands as a business-to-consumer platform, or by small entrepreneurs or by consumers as a consumer-to-consumer platform. Thus, the model may also be tested taking into consideration these differences and compared and contrasted. It is believed that the results obtained from the test of the model may shed light on what to emphasize on which social commerce

platform, in which business model, and in which market. The results are believed to add to the scant literature on social media as well as provide practical guidelines. Nevertheless, it should be noted that the model has some limitations. The model is not inclusive of all stimuli that could be involved in studying social commerce, but has concentrated on most evident ones related with the social dimension of commerce. More dimensions can be drawn from e-commerce literature to form a more elaborate model. A qualitative research to understand consumer perspective may also be designed to help improve the model further.

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