

# The Role of Out-of-Store and in-Store Social Interactions in Social Commerce

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**Abstract**—Promoting social interaction between consumers is essential to the success of the social commerce intermediary. However, a few studies that have empirically validated the impacts of the in-store and out-of-store social interaction on the consumer purchase behaviors in social commerce. We have challenged to empirically validate the impact of the out-of-store social interaction (i.e. prior satisfaction and word-of-mouth about the general social commerce market) and in-store social interaction (i.e. social presence) on social commerce consumer reactions. We developed our research model based on construal level theory, social presence theory, institution based trust theory, and the literature of consumer purchase behavior. We conducted the scenario survey and over 300 data were analyzed by PLS algorithm. The results indicate that prior word-of-mouth and social presence could affect on the perceived usefulness, that prior e-market satisfaction could affect on the trust, and that these factors could affect on satisfaction and purchase behavioral intention.

**Keywords**—In-store- and out-of-store Social interaction, Social commerce

## I. INTRODUCTION

More than 945 million people visit SNS sites in the global scale in 2010[25]. Following the deployment of SNS, 'social commerce' (below 'SC') grows popular among the other e-commerce channels[17]. Total market size of SC would be exceed over the 30 billion USD in 2015 in global[2]. The SC defined as a sub-type of the e-commerce, which uses the SNS to support the social interaction and to enhance the online purchase experience[15]. The SC consumers visit the SC site mainly with their friends (89.2%) by the social interactions such as 'Word-of-Mouth'(below 'WoM')(7.9%), recommendation by friends(25.8%) and SNS(19.4%) [6]. Social interaction would be the most salient characteristics of the SC[25].

In spite of this characteristic of SC, only a few prior studies had investigated in the impacts of the social interaction supports of SC on the perception, attitude and behavioral intention of consumers[20,26]. Prior studies have mainly focused on the effect of network accessibility on the value of SC[20], or the effect of deal information on SC sales volume[26]. For explaining the rapid growth and popularization of the SC, we challenged to investigate the impact of two types of social interactions in the SC[10,14]. The one is the out-of-store social interaction from SNS that is the prior general market experience of SC customers. We captured the prior satisfaction on e-marketplace and the prior word-of-mouth on the SC general market from the other peers, as the out-of-store social interaction in SNS. The other

is the in-store social interaction that is the incumbent and post experience in the target SC site. We capture the social presence in the target SC site, as the in-store social interaction. We also tried to explain the planned and the unplanned purchase intention[10,18] based on the theory of the social presence[7], and the institution-based trust[16,19].

## II. THEORITICAL BACKGROUND

### A. Construal level theory and Social interaction in SC

Construal level theorists[14,24] argues that the common customers would have passed two stages of shopping decision making. The initial stage of shopping(e.g. 'pre-shopping stage') is a stage for needs recognition, where consumers are generally uncertain about where they buy what they want to buy and are thus susceptible to external influences. In that stage, consumers require the general market knowledge and experiences for concretizing their abstract shopping goals to more precise. The second stage(e.g. 'shopping implementation stage') is a stage for solution search for need fulfillment, where customers diagnose and judge about each alternative stores and products and select the specific one[11]. In this stage, consumers require specific product knowledge to select the best solution. Though the nature of information required could be different by stages, it is similar in both stages that individuals tend to be generally more receptive and open-minded toward available information. This higher receptivity to information is evident not only in a greater sensitivity to new information but also in an increased readiness and a faster speed of processing peripheral information[8,9]. One possible root of the peripheral information about the general market and the specific products are the peer customers(i.e. social interaction)[4]. In the pre-shopping stage of SC, the SC consumers could share their prior shopping experiences and general market knowledge by using the message feeds, discussion forum, news etc. in SNS, which located out of SC site. In the shopping implementation stage, customers could share their product specific experiences and knowledge by using the social interaction supports such as the number of customers interesting this product, Q&A about a product, product like-it scores, and online reviews etc., which located in SC site. We identified the general market knowledge sharing about SC by the SC consumers in SNS as the out-of-store social interaction, and the product specific knowledge sharing in SC site as the in-store social interaction. The conceptual comparison result between the in-store and out-of-store social interaction is shown in Table 1.

Table 1. Social interaction of SC

Index	Out-of-store social interaction	In-store social interaction
Stage	Pre-shopping	Shopping implementation
Contents	General market experiences and knowledge	Product specific experiences and knowledge
Goals	Searching alternatives	Diagnosing store and product
Source	SNS	SC site inside
Practices	Message feeds, discussion forum, news, social recommendation on the SC market etc.	The number of customers interesting this product, Q&A about a product, product like-it scores, and online reviews etc.

B. Social presence theory

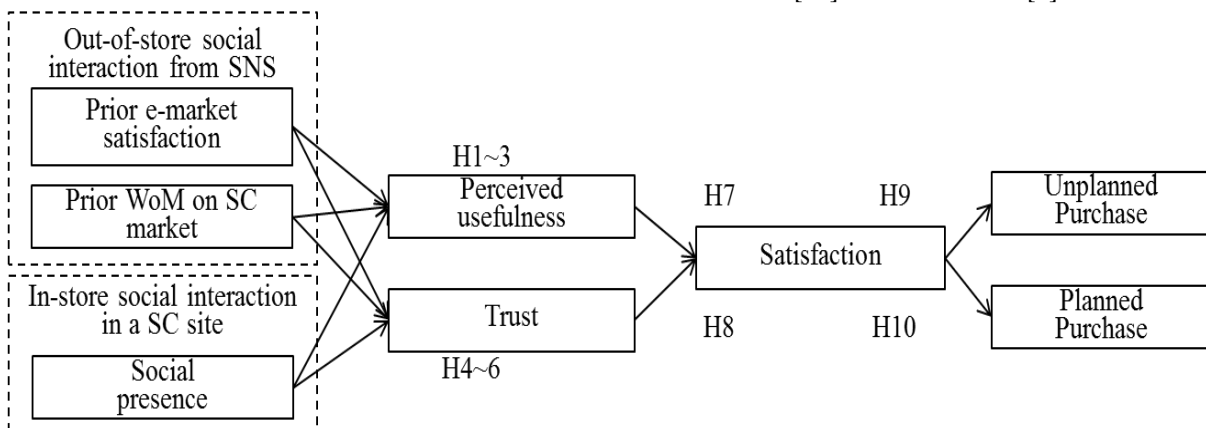
Social presence theory has successfully explained the effect of social interaction in the various e-commerce contexts [7]. Social presence refers the extent to which a man acknowledges the presence of the others and which he is psychologically connected with one another. This theory explains that IS users need the appropriate level of the social presence to perform the task effectively by using social interaction and collaboration supports in the web environment [27]. It is because that social presence could convey the social cues for judging about the information, reduce ambiguity and uncertainty of the task[22] and facilitate the collaboration between communicators. In online shopping, social presence could facilitate the collaborative shopping between consumers, generate the trust on the store, and induce the more purchase intention[27]. By using the various types of social interaction support, the SC site could provide higher level of service to consumers, and it could induce the more favorable reaction of consumers.

C. Social commerce consumer reactions

When consumers evaluate the service and product, they could compare a present experience in the store with the prior experience in the market of similar category. By referring the prior experience and market knowledge, consumers could set the performance standard and norms to evaluate the present service and service providers. After this comparison, consumers confirm their attitude to the service, and induce the various behaviors[3,13]. When the present service would be seems to be more beneficial over that standard than the prior service experience, they are satisfied with the target service. This phenomenon had been verified in the various

contexts, such as online application service provider[23] and web advisory service[16], even in IS field. When the IS could systematically support to provide the prior market experience and knowledge, and this IS could be useful to consumers.

The perceived usefulness, trust on the service provider and satisfaction is the most frequently used for capturing the cognitive and affective reaction of consumers[5]. The more salient factors of IS usage is the usefulness perception on IS[12]. When the online consumer feels the target service be useful, they are apt to confirm positive attitude like satisfaction, and willing to use this service and buying something in that site[18]. Trust is another factor, which could forms the more favorable attitude to online intermediary and result in the behavioral intention. Especially in e-marketplace, institution-based trust literature had successfully explained the trust-generation and transference processes among consumers, sellers and online intermediary. Online environment has innately limitations to generate the trust between consumers and sellers[16]. It is because that the regulations and legal mechanisms in online shopping environment would generally be plausible[19], a seller could behave opportunistically. In this situation, the intervention by the trusted third parties such as peer consumers and online intermediary like SC site is essential. It is because that they are located besides the dyadic relationship, and that they could set institutional mechanism for guaranteeing transaction successes of consumes [16,19,21]. After the trust generation process for the trusted third parties, trust could be transferred to sellers. When the institutional mechanisms could have con-firmed, consumers could trust sellers. In that situation, sellers could not behave opportunistically, because this opportunistic behavior could be easily detected, restricted and punished in institutional mechanisms by the trusted third parties[19]. If consumers could transact with the online intermediary as SC site with the institutional mechanisms, they are apt to satisfied with the service of the online intermediary and apt to buy something in that intermediary[19]. There are two types of purchase behaviors as planned and unplanned purchase. Planned purchase refer to the purchasing behavior that are entirely determined before entering the store, and unplanned purchase refer to the purchasing behavior that were not specifically planned before the shopping event[10]. They argued that there could be the various in-store[10] and out-of-store[1] stimuli could make



\* Control : General Web experience, Information transparency in deals; Privacy concern (the marker variable)

the consumer recognize the forgotten needs, activate the information process and then could affect the consumer purchase behavior which is even un-planned[1,10]

### III. HYPOTHESIS DEVELOPMENT

As shown in Table 1, consumers could share their general shopping experiences and knowledge about the e-marketplace and SC marketplace in SNS at the pre-shopping stage, and these out-of-store social interactions could motivate consumers to visit SC sites. This knowledge could be used as the standard to judge about the SC marketplace and sites. When SNS could support consumers to share this knowledge and when SC site could support the link with this collective intelligence, consumers could consider a SC site to be useful and to be trustable to transact with them. Along with this type of social interaction, social presence supports in SC store could help consumers to diagnose the products and to transact successfully with each seller in SC site. These supports, which provided by the SC site, could be beneficial for consumers to select a best solution for need fulfillment, and to transact safely with the seller in SC site. When the consumers could perceive SC site to be useful and to be trustable, they would be more satisfied with the services of the target SC site and would buy something in that site. The conceptual mapping of hypothesis is as Figure 1.

### IV. CONSLUSION

We would conduct the scenario survey and over 300 data were analyzed by PLS algorism. It is because that SC sites could be reluctant to recruit the real SC consumers for not disturbing their consumers, as the case of e-marketplace. The measurement items would be retrieved from the prior studies and they could be adopted in this research after the two stages of the rigorous validation processes. We expect that prior WoM and social presence could positively affect on the perceived useful-ness of the SC site, because some participants of pilot test had mentioned that the prior WoM could sometimes focused on both the general market and a specific store. In addition, we expect that the prior satisfaction from general e-marketplace could affect positively on the trust on the SC site, because there are so many players in e-marketplace, and it could play a role as the root of hallow effect on a specific SC site. These expected results could contribute both academic & practical are-as. We would challenge to divide two types of social interaction in SC, and empirically verify the effect of both in emerging marketplace as SC. In practice, we could suggest the SC site to provide social interaction support not only in-store, but also out-of-store as SNS. The more outward relationship management practice could be used to attract consumers in SC.

*Acknowledgement: The detail contents will be presented in the ICIDB 2015, Seoul, Korea, 2015.*

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