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THE TRUST EFFECT TOWARDS ONLINE SELLER IN SOCIAL COMMERCE

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ABSTRACT. Social Commerce has gained its popularity among the Social Networks Sites (SNSs) user as online shopping medium. The popularity has engaged small online businesses to use the SNSs as their business platforms. However, trust remains as the main issues in Social Commerce due to its unique features. This study presents a conceptual model to evaluate the trustworthiness of online sellers which may influence customers' purchase intention. A pilot questionnaire was designed and distributed as the instrument. Data was collected and analyzed using SPSS to test on the item's reliability. The finding shows that the instrument can be empirically tested for further research.

Keywords: trust, social commerce, SNSs, purchase intention

INTRODUCTION

Social commerce evolved from the growing popularity of Social Network Sites (SNSs). SNSs acts as a tool for user to share online purchase experiences and exchange trustworthy information on products and sellers, that may influence purchase decision activity. Meanwhile, SNSs features help sellers to improve their business through promotional and positive reviews posted by their customer.

The evolution of SNSs in business platform is derived from the trustworthiness of users existed in it. Trust is important element when involved online business as users are virtual and requires non face-to-face communication. Trust is built based on experiences during social interaction with other users on particular products or sellers. The honesty shown by other users in the social interaction help to build customers' confidence in the social commerce (M. Hajli, Hajli, Khani, & Univeristy, 2012).

Current literature in social commerce (M. Hajli, 2012; Han, 2014; Teh & Ahmed, 2012) focusing on investigating trust issues from various aspects and dimensions. Little studies (Khalil Md Nor, Mohamad Nazarie, & Al-Ajamrosman Md YusoffYusoff, 2013) were conducted on formulating the trust factors that can enhance customers' purchase decision during transaction with online sellers involving SNSs platforms. Therefore, this paper will present the conceptual model on the trustworthiness of online SNSs sellers. Data collected from the pilot study will be analyzed to test on the reliability of the instruments. The finding from this paper will be used for further research in developing the model.

TRUST IN ONLINE SNS SELLERS

Trust plays an important role in social commerce since the transaction involved non face-to-face transaction normally with strangers that are geographically dispersed. At the same time, customers are lacking in direct product experience where they are not able to touch and feel the products. This will result in uncertainty and risks (Esmaeili Candidate, Mutallebi, Mardani, & Alireza Hashemi Golpayegani Assistant Professor, 2015). There is no payment or financial guarantees (Bai, Yao, & Dou, 2015) involved during the transaction. At the same time, high number of reported cases received from users that purchase online such as product quality, different product received and late delivery services (Kosmo!, 2016) which believe can influence users not to purchase online.

According to survey conducted (Ecommerce.milo, 2014), 74% of online business that set up their operation using social media are small businesses that consists of one to five people, which is also refers as SME. Meanwhile, 46% of them are individual sellers which also play the role as one-man show. The easiness to set up and availability to attract more customers, encouraged small businesses to use social media, mainly Facebook as their business platform (Ecommerce.milo, 2014). However, among the challenges facing by them to increase their sales are lack of customers' trust and little knowledge in technical skills (Syuhada & Gambett, 2013). The situation is different for established firms who integrate social commerce in their business operation. Established firms gain the reputation and trust from their customers which is normally inherits from the traditional brick and mortar business or e-commerce sites. From our observation, established firms use SNSs as their marketing tool. However, the transaction normally take place at the website itself.

Small online sellers with limitation in budget, technologies and manpower (Syuhada & Gambett, 2013) will optimum the SNSs as their business platform, not only restricted as their marketing tool but also for communication and transaction medium. In order to help them in expanding their business, a study need to be conducted to identify the factors to be considered to gain customers' trust. Our work focus on small online sellers that use SNSs as their business platform to startup the business. The identified trust factor which will influence customer's purchase intention will be used as a guideline for them to improve their business operation.

THE CONCPETUAL MODEL

A list of fourteen sub-factors was generated based on literature review. The sub-factors were groups into four key factors: E-WoM, Social Commerce Constructs, Information Quality, and People. The list of factors and its sub factors is shown in Table I. The relationship between all the factors and its influences on customer's trust towards online SNSs seller and purchase intention shown in Figure 1.

Table 1. Key factors and sub factors

Factors/ Sub factors	Definition	References
E-WoM		
Positive valence	Positive statement written by others in their SNSs on product, services or the seller	(N. Hajli, 2015; Thorsten Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004; S. Kim & Park, 2013; Leerapong & Mardjo, 2013; Noor, Sulaiman, & Bakar, 2014; See-To & Ho, 2014; Yichuan Wang & Yu, 2015; Youwei Wang, Wang, Fang, & Chau, 2013)

Negative valence	Negative statement written by others in their SNSs on product, services or the seller	(Thorsten Hennig-Thurau & Walsh, 2003; Yichuan Wang & Yu, 2015)
E-WoM content	The volume and quality of the E-WoM	(T. Hennig-Thurau et al., 2010; Lin, Wu, & Chen, 2013; Vimaladevi, 2012; Yichuan Wang & Yu, 2015; Yayli & Bayram, 2009)
Social Commerce Features		
Ratings	The measurement scale on a product, services or the seller.	(N. Hajli, 2015; Syuhada & Gambett, 2013)
Recommendations	Any positive or good statement on a product, services or seller written by the previous customer to known friends.	(N. Hajli, 2015; Khalil Md Nor et al., 2013; Syuhada & Gambett, 2013)
Information Quality		
Accuracy	The degree to which information is correct, unambiguous, meaningful, believable, and consistent.	(Chen, Su, & Widjaja, 2016; S. Kim & Park, 2013; Nelson, Todd, & Wixom, 2005; Wand & Wang, 1996)(Au, Ngai, & Cheng, 2008)
Relevance	The degree to which information is relevant to users depending on the context or their situation	(Au et al., 2008; Chen et al., 2016; Wand & Wang, 1996)
Completeness	The degree to which all possible states relevant to users are represented in the stored information.	(Au et al., 2008; Chen et al., 2016; S. Kim & Park, 2013; Nelson et al., 2005; Syuhada & Gambett, 2013; Wand & Wang, 1996)
Currency	The degree to which information is up to date	(Au et al., 2008; Chen et al., 2016; S. Kim & Park, 2013; Nelson et al., 2005; Wand & Wang, 1996)
Understandability	The degree to which information is easily understood by users.	(Chen et al., 2016; S. Kim & Park, 2013)
Format	The degree to which information is presented in a manner that is understandable to and interpretable by the user.	(Au et al., 2008; Chen et al., 2016; Nelson et al., 2005; Wand & Wang, 1996)
People		
Transaction Safety	The degree which the transaction and its related information are secure by the seller.	(S. Kim & Park, 2013; Noor et al., 2014; Syuhada & Gambett, 2013)
Reputation	The extent which buyer's confidence on seller's reliability.	(S. Kim & Park, 2013; Syuhada & Gambett, 2013)
Propensity to Trust	The degree which buyer personally believes that the seller is trusted.	(Khalil Md Nor et al., 2013; Syuhada & Gambett, 2013)

RESEARCH METHODOLOGY

Instrument. A questionnaire was constructed and adapted from previous literatures (Chen et al., 2016; M. Hajli et al., 2012; Han & Professor, 2014; Hsiao, Lin, Wang, Lu, & Yu, 2010; M.-S. Kim & Ahn, 2005; S. Kim & Park, 2013). The questionnaire consists of three sections: (i) demographic profile; (ii) experience in online purchase; (iii) evaluation on factors that influence trust on online SNSs sellers and purchase intention. The questionnaire consists of four constructs: e-WoM content, social commerce features, information quality and people. All items were measured using a five-point Likert scale anchored at 1 (strongly disagree) and 5 (strongly agree). The hypothesis are all the four constructs have a positive effect on the

customer's trust towards online sellers. The dependent variable for this study is purchase intention. Purchase intention measures the user's intention to buy from an online seller via SNSs.

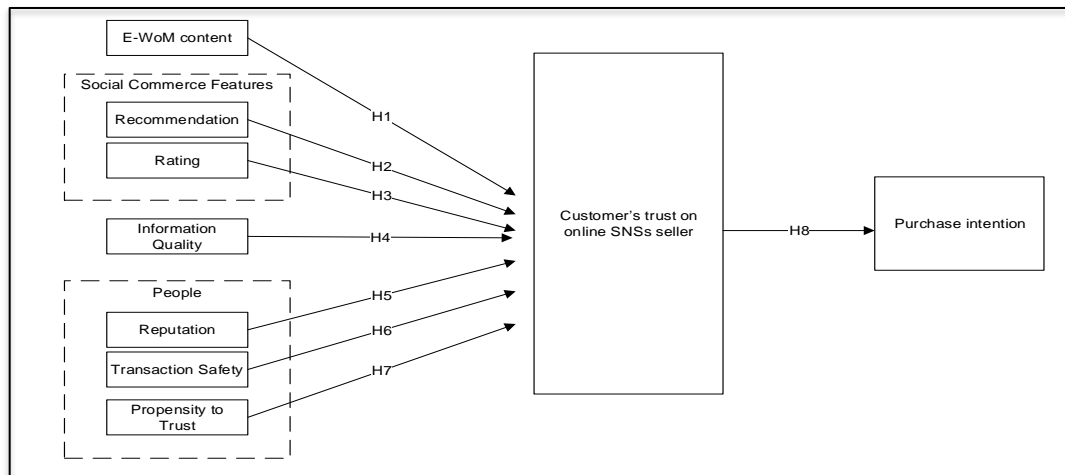


Figure 1. Conceptual Model

Pilot data collection. Pilot study was conducted to test the reliability of instruments used in this study. The questionnaire was distributed using Google Form among random respondents via email. We targeted on public who are a SNSs user. A total of 40 respondents were received. Majority of the respondents have experiences in online buying via social commerce.

DATA ANALYSIS AND FINDING

Collected data was analyzed using Cronbach's Alpha to test on the reliability. The accepted value for the reliability should exceed 0.70. In this study, all factors show the excellent strength of reliability where alpha coefficient was more than 0.7 (Table 2). The resulting values ranged from 0.884 to 0.965. All the factors used for measuring the trust scored mean value of greater than midpoint value of 3.00. From the analysis, it shows that all items in the questionnaire are reliable and has an internal consistency. In future, it will be used to collect large scale data and wider coverage of respondent for further analysis and model development.

Table 2. Reliability test

Items	No of item	Cronbach's Alpha value	Mean	Standard deviation
E-WoM content	8	0.907	3.70	0.719
Rating	3	0.884	3.60	0.735
Recommendation	2	0.905	3.72	0.716
Information Quality	8	0.943	3.50	0.734
Reputation	4	0.895	3.60	0.774
Transaction safety	4	0.936	3.55	0.851
Propensity to trust	3	0.887	3.50	0.809
Purchase intention	3	0.965	3.84	0.806

CONCLUSION

The study presents a conceptual model to evaluate customer's trust towards online SNSs seller and purchase intention. The model represents four key factors: E-WoM, Social Commerce Features, Information quality and People. From our study, limited studies are conducted on online SNSs sellers who are small business or SOHO. Majority focus on s-commerce firms who have gained their trust through their traditional businesses. Since small businesses depends heavily on SNSs as their business platform, it is important for this study to help them on identifying how the customer's trust affect their business. In future, developed instrument should be further applied for data collection in larger sample size to construct the trust model.

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