Social Commerce Adoption:
A Consumer's Perspective

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Abstract Social Commerce is enabling new business models through social media platforms. The efficacy of such models has been investigated with a particular focus on benefits to businesses. Conversely, research into consumers in the social commerce interaction is yet to attract much interest. To address this limitation, this study investigates the factors affecting the use of social commerce among Indonesian retail consumers. Towards such objective, an integrated model is developed, extending The Unified Theory of Acceptance and Use of Technology through the inclusion of Task-Technology Fit and social value dimensions. This integrated model, therefore, spans technological, social and economic dimensions, hence providing a holistic framework for analyzing social commerce adoption among Indonesian retail consumers. This holds promising potential for theory and practice in the rapidly evolving field of social commerce.

1 Introduction

Social commerce refers to the use of web 2.0 technologies that support interactions in an online space, used to support a customer's experience in attaining services or products through the internet, using platforms such as Instagram or Facebook for commerce (Hajli, 2013). This can be seen as the evolution of e-commerce, by implementing the benefits of social media in traditional e-commerce (Wang, 2012), with notable benefits to in advertisement, communications, and customer support (Vázquez et al., 2003).

Social Commerce utilizes social media such as Instagram and Facebook to elevate the traditional e-commerce model from a 'product-oriented environment to a social and customer-centered one' (Huang, 2013). When compared with brick-and-mortar or traditional e-commerce models, the defining factor of social commerce is the lowering of social distance between vendors and consumers, transforming user behavior from passive consumers to active content contributors (Hajli 2012; 2013). For example, social commerce now allows users to directly message a business, request specific items or leave feedback. This provides benefits for both buyers and sellers in terms of facilitating transactions and building relationships.

While the rise of social commerce is anecdotally evident, relevant research into such context is still scarce, forming a key motivator for this study. Moreover, current research predominately adopts a business/organizational perspective, for instance, pointing to service quality, social support and corporate social responsibility (CSR) as success factors of social commerce (Maris, 2014). The buyer/consumer aspect of social commerce is yet to attract much attention. Consequently, addressing socio-cultural influences will provide a more holistic view of the intrinsic motivators to social commerce adoption from the consumer's perspective (Venkatesh et al., 2012; Zhou et al., 2013).

To address the knowledge gap, the paper proposes the following research question, empirically contextualized in the Indonesian socio-cultural milieu: 'What factors affect the consumers' adoption of social commerce in the Indonesian retail sector?'. Indonesia is selected as a case study due to a number of reasons. Indonesia is ranked the 5th on the most time spent on social media daily worldwide (Kemp, 2020). However, scholarly research on social commerce in Indonesia is limited to the

business perspective (Vatanasakdakul et al., 2019; Zhu et al. 2020). In answer to this question, we propose a research model that provides a holistic consideration of social commerce adoption from technological, social and economic perspectives.

2 Literature review: Social Commerce Adoption in Asia

Several studies have investigated the success factors of social commerce in Asia from an organizational perspective. First, social media engagement among organizations is expected to lead to a positive increase in purchases and brand recognition (Vatanasakdakul et al, 2019). Second, social media use could lead to cost reductions, with an estimated 48% of businesses in Asia being able to reduce costs using such media (Kryptonite Digital, 2014; Akman, 2017). Moreover, perceived service quality is a top contributor to social commerce success, yet it is highly influenced by the customer's trust (Dhiranty, 2017).

Yet, while benefits to the revenues and expenditures cycles are well-acknowledged and documented, building consumers' trust in social commerce is to be understood. These points to a research gap as numerous researches into social commerce adoption highlight the need for social commerce to maintain trust, accessibility and social support (Bain & Company, 2016; Blazquez et al., 2019). To address this, a thorough consideration of social dimensions needs to be incorporated into a technology adoption model, in order to ensure that such a model would holistically address technological, social and economic motivators (Zhou et al., 2013). Empirically, this study will focus on Indonesia as the focal point of data collection, due to the popularity of social media use and social commerce platforms (Tambunan et al., 2018).

From the aspect of its demographic, over 150 million of Indonesian residents are active on social media, with Instagram being the most popular (Tempo Indonesia, 2016; Greenhouse, 2019). Instagram users in Indonesia are generally financially well off. 69% of Instagram users in Indonesia had a college degree, with an income 1.5 times higher than the national average. 74.9% of Indonesian users made their purchases from shops on Instagram. (Tradegecko, 2015). This context, therefore, presents an effective opportunity for collecting empirical data, to test the relevant hypothesis and refine the research model.

3   Research Model

To address the research question, the study adopts the Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) by Venkatesh et al. (2012), Task-Technology Fit model (Goodhue & Thompson, 1995) and social value factors (Zhou et al., 2013; Wang et al., 2016). These modules are then integrated leading to a theoretical model that consists of three conceptual dimensions, namely technological, social and economic. Figure 1 presents the proposed research model which provides a holistic view of social commerce adoption.
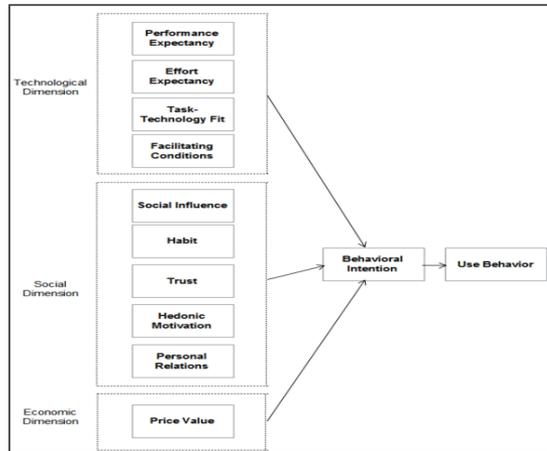

Figure 1: Research Model

The technology dimension examines consumer motivation when adopting social commerce relative to the merits the technology offers and the consumer's abilities to use it (Venkatesh et al., 2012). The technology dimension includes performance expectancy, effort expectancy, facilitating conditions from the UTAUT2 and task-technology fit models.

The social dimension examines the socio-cultural influences that can affect the consumer's willingness to adopt technology (Wang et al., 2016). The social dimension includes social influence, habit, and hedonic motivation from UTAUT2. Trust and personal relationships are introduced into the model in order to analyze

the extent in which they developed between consumers and vendors and how they influence social commerce adoption.

The economic dimension measures the consumer's perception on the financial aspects when adopting social commerce platforms. The factor in the economic dimension is price value (Venkatesh et al. 2012). It refers to the economic benefits or losses that the consumers may face when using social commerce (Venkatesh et al., 2012). The price value is suggested to be an important factor influencing social media adoption in Asia (Kryptonite Digital, 2014; Akman, 2017).

4   Conclusion and Future Research

This paper addresses a theoretical gap in social commerce adoption by proposing a holistic model that captures important technological, social and economic dimensions to investigate social commerce adoption among customers in Indonesia. The UTAUT2 model, TTF model, trust and personal relations were integrated to recreate the proposed model. Looking forward, quantitative empirical data is currently being collected through an online questionnaire using Qualtrics. Surveys were sent to 500 social commerce users in the Indonesian retail sector. Data collected will be compiled and analyzed using statistical software. Specifically, descriptive statistical analysis will be conducted using IBM SPSS while Partial Least Square Equation Modelling (PLS-SEM) will be conducted using SmartPLS software. The PLS approach was preferable for this study because it provides a better prediction capability and it is effective in the analysis of a high complexity model with small sample size compared to a large number of independent variables. In addition, it imposes no requirement of a normal distribution assumption which suits the nature of the data collected. It is hoped that the results will shed new light on factors motivating social commerce adoption among consumers – an area of theoretical and practical importance that is yet to attract research attention.

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