

## Table of Contents

A Study of Two Stakeholders' Attitudes toward Sustainable Tourism Development: A Comparison Model of Penghu Island in Taiwan (*Chi-Ming Hsieh, Chang Huh, Sung Hee Park*).....2  
 Social Media Commerce: Town square to Market square (*Min Chung Han and Youjeong Kim*).....29  
 An Investigation of Credit Rating and Capital Structure: Empirical Evidence from Listed Companies on Vietnam Stock Market (*Nguyen Anh, Doan Thuy Duong, Taewon Yang, Sung Wook Yoon*).....47

### Editor

Taewon Yang (California State University - San Bernardino, USA)

### Associate Editor

Brandon Byunghwan Lee (Indiana University - Northwest, USA)

Myong Jae Lee (California State Polytechnic University - Pomona, USA)

### Managing Editor

Taewoo Kim (California State University - San Bernardino, USA)

### Review Board

Heungjoo Cha (Finance, University of Redlands, Redlands, USA)

Albert Chi (Computer Science, University of Maryland - Eastern Shore, USA)

David Choi (Management, Loyola Marymount University, USA)

Cedric E. Daukims (Management, California State Polytechnic University - Pomona, USA)

James Estes (Finance, California State University - San Bernardino, USA)

Sung-Kyu Huh (Accounting, California State University - San Bernardino, USA)

Liang Guo (Finance, California State University- San Bernardino, USA)

Stephen Jakubowski (Accounting, Ferris State University, USA)

Jeein Jang (Accounting, ChungAng University, Korea)

Yongseok Jang (Management, California State University - San Bernardino, USA)

John J. Jin (Accounting, California State University - San Bernardino, USA)

Il-Woon Kim (Accounting, University of Akron, USA)

JinSu Kim (Information System, ChungAng University, Korea)

Young-Hoon Ko (Computer Engineering, HyupSung University, Korea)

Du Hoang Le (Finance, National Economics University, Vietnam)

Habin Lee (Management Engineering, Brunel University, UK)

Kyung Joo Lee (Accounting, University of Maryland-Eastern Shore, USA)

Diane Li (Finance, University of Maryland-Eastern Shore, USA)

Qiang Li (Finance, National University of Singapore, Singapore)

Joon Son (Information Systems, California State University - San Bernardino, USA)

Yongsun Paik (International Business, Loyola Marymount University, USA)

Chanho Song (Marketing, California State University - San Bernardino, USA)

Hua Sun (Real Estate, Iowa State University, USA)

Sehwan Yoo (Information Systems, University of Maryland-University College, USA)

MoonGil Yoon (Management Science, Korea Aerospace University, Korea)

Sung Wook Yoon (Accounting, California State University - Northridge, USA)

1. Topics: All areas of business, economics, and information systems

2. Manuscript Guidelines/Comments:

Pan-Pacific Journal of Business Research (PPJBR) is a double blind peer reviewed Journal focusing on integrating all areas of business, economics, finance, and Information Systems.

PPJBR pursues high quality researches significantly contributing to the theories and practices of all areas of business, economics, and Information Systems. PPJBR is an academic journal listed on Cabell Directory. PPJBR consider for publication the following topics in all areas of business and economics including Accounting, Economics, Entrepreneurship, Finance, Hospitality Management, International Business, Marketing, Human Resource Management, Operation Management, Information Systems, Strategy, and Supply Chain Management:

- Current and new theories.
- New regulations and policies.
- Application of business and economic theories.
- Case studies exploring current issues
- Pedagogical issues in business education

3. Submission:

Authors are required to submit their article or manuscript electronically at [jjin@csusb.edu](mailto:jjin@csusb.edu)

Before submission, the article or manuscript should not be published in any other journal. The article or manuscript should be in MS Office Word format. It should be written in a single space with a maximum number of 15 pages and 12 font size. Title, the name(s), affiliation(s), address (es), phone number(s), and email(s) of authors should be on the cover page. Contact author should be indicated. Only an abstract of the article or manuscript in 250 words, title, and 4 key words should be shown on the second page.

PPJBR generally follows the American Psychological Association (APA) guidelines. Reference should be presented in a separate sheet at the end of the article or manuscript. Tables, figures, footnotes, and their numbering should appear on the appropriate page. The usage of footnotes should be minimized. The decision of acceptance usually takes three months. After acceptance, PPBRI has a copy right for the accepted article and manuscript.

The article or manuscript should be submitted to: Dr. Taewon Yang, Editor, 5500 University Parkway JB 427, San Bernardino CA 92407. Phone: 909-537-5704. Email: [taewon@csusb.edu](mailto:taewon@csusb.edu).

# Social Media Commerce: Town square to Market square

**Min Chung Han<sup>1</sup>**

*Kean University, USA*

**Youjeong Kim**

*New York Institute of Technology, USA*

## **Abstract**

The spiral popularity of social media has attracted businesses to promote companies, products and brands on social media. Some companies have taken it one step further to incorporate the e-commerce function into social media to take advantage of the vast number of social media users. Major social media company such as Facebook tested and introduced an instant purchase function to transform the biggest online community to an e-marketplace. However, there are no clear indications that people who joined social media community for exchanging information or communication would like the idea of turning it to a marketplace. This study examined whether social media users perceive social media commerce differently by their gratification when using social media and how actively they use social media. The result indicates that information and entertainment gratifications have significant positive influence on people's perception on social media commerce. Also, the time spent on Facebook had positive influence on social media commerce while the number of Facebook friends did not impact people's perception of social media commerce.

Keyword: Social media commerce, Social commerce, Gratification, Facebook

JEL: M31

---

<sup>1</sup> Corresponding Author. Contact info: [mihan@kean.edu](mailto:mihan@kean.edu). School of Management, Marketing and International Business, 1000 Morris Ave., Union, NJ 07083 USA

## 1. Introduction

Social media has become part of Americans' daily life, especially for young adults. Nine out of ten young adults use social media, and 87% of people between the ages of 18 and 29 use Facebook (Perrin, 2015; Pew Research Center, 2015). Facebook, the most popular social media platform, has an extraordinary 1.23 billion daily active users (Facebook, 2017).

People mostly use social media to stay in touch with friends, seek entertainment, and learn about news and current events (Desreumaux, 2015). The spiral popularity of social media has attracted researchers to investigate what makes people use social media. From the perspective of uses and gratifications, social media users' major gratifications when using social media were identified as seeking entertainment, information, social interaction, and self-expression (Jung et al., 2007; Bradntzeg & Heim, 2009).

As people spend more time on social media worldwide, its popularity has captured the attention of businesses as well because social media offers cost effective ways to promote companies, brands, and products for companies from tiny start-ups to giant conglomerates. Companies create official corporate accounts on social media (e.g., Facebook, Twitter) to communicate with consumers and to promote their products and services.

Many businesses have used social media (e.g., 74% of Fortune 500 companies have a Facebook account and over a quarter of B2B Small and Medium size Enterprises in the UK use social media; Michaelidou et al., 2011; Barnds & Lescault; 2015) to increase their sales and to motivate e-commerce (Hajli, 2014) because 90% of all purchases are subject to social influence (Cheshire & Rowan, 2011) and 92% of customers trust recommendations from people they know online (Nielsen, 2012). When customers are happy with their purchased products and service, they often share the experience on social media with their friends. This sharing leads to sales. For example, the online ticket sales website Ticketfly had sales of 3.25 tickets on average from every single Facebook share or Twitter tweet (Ha, 2011).

Some companies have taken it one step further to incorporate the e-commerce function into social media, rather than re-directing consumers to their homepage, to take advantage of the vast number of social media users. Pampers tested social media commerce by selling new diapers on the P&G Facebook fan page before the product launched to market officially. P&G sold all of 1000 packs of diapers in less than an hour (Evans, 2010). Encouraged by a series of successes, major social media companies such as Facebook and Pinterest introduced an instant purchase function to provide additional e-commerce revenue channels for businesses.

However, there are no clear indications that social media users will be social media commerce users. Although many retailers hope that social media commerce can work, some marketers emphasize that people use social media to interact with their friends, not to purchase merchandise (Philips, 2012). Because social media commerce is a recent phenomenon, few researchers have investigated the success factors of this new category of online commerce. For example, Han (2014) examined how characteristics of social media (e.g., informativeness, interactivity, and convenience) affect users' trust of social media and their purchase intention on social media. Han and Kim (2016) measured what types of products (e.g., digital products vs. non-digital products) and what social factors (with friend's name vs. without friend's name) would facilitate social media commerce. Ng (2013) examined the effects of culture and trust in social media and their relationship to purchase intention. However, very little research has examined how social media users'

gratification and usage patterns affect their willingness to use social media commerce. We think it is important to understand the relationship between social media users' usage patterns and their attitudes toward social media commerce to make social media commerce really take off. We hope this study will fill the gap in social media commerce research.

This paper is structured as follows. First, we discuss the literature on the definition of social media commerce and gratifications. Second, we discuss our hypotheses. Third, we present our analyses, results, and findings. Finally, we discuss the managerial implications of this research as well as its limitations.

## **2. Theoretical Background**

### **2.1. Revisiting the Social Media Commerce Definition**

Although there is no ultimate definition of the term for the online commerce that happens within social media platforms due to its newness, generally e-commerce activities that derive from social media have been referred to as *social commerce* in previous research.

#### **2.1.1. Social Commerce**

The earlier definition of *social commerce* focused on Web 2.0 features applied to e-commerce, such as user-generated content and word of mouth (Kim & Srivastava, 2007). That is, when traditional online shopping sites like Amazon.com used customers' reviews or how-to videos to promote the website or to assist in commerce transactions, it was considered social commerce (Dennison et al., 2011; Liang & Turban, 2011). Some researchers view social commerce as social media-initiated or -assisted online commercial transactions and as a subset of e-commerce (Curty & Zhang, 2011; Kim & Park, 2013; Huang & Benyoucef, 2013).

Because social commerce has evolved with advances in internet technology, it is understandable that the definitions of the term vary and change accordingly. As more businesses embed online commerce functions in their social media sites, the definition of social commerce has been expanded accordingly.

#### **2.1.2. Social Media Commerce**

When the biggest social media website, Facebook, introduced *Facebook commerce*, or *F-commerce*, the definition of social commerce expanded from the previous definition because F-commerce focuses on developing e-commerce features within the Facebook site (Suraworachet, Prensiri, & Cooharajanone, 2012). Thus, the recent definition of social commerce indicates that there are two different approaches to social commerce, depend which site initiated. E-commerce websites can use social media features and the social media community to boost their business, whereas social media sites such as Facebook can add e-commerce functions to gain commercial profits (Zhou et al., 2013; Hajli, 2013)

As noted, there is no specific term that defines e-commerce within social media sites. Based on the aforementioned definitions and discussion, we define *social media commerce* as e-commerce within social media sites such that customers do not leave the site to purchase products but conduct the whole e-commerce transaction within the site. Social media commerce is a subset of social commerce and provides e-commerce service to built-in social media community members.

## **2.2. Social Media Uses and Gratification Theory**

To investigate how people use social media and its impact on perceptions of social media commerce, we examine previous research drawing from the *uses and gratification* perspective. Uses and gratifications theory assumes that people select a particular type of media seeking gratification and that their actions are goal-directed (Katz et al., 1973). This explains why people choose certain media and what they do with the media in order to satisfy their psychological needs (Katz et al., 1973; Rubin & Perse, 1987). With the prevalence of social media, scholars have investigated what motivates people to use this new type of online community. Some research divided motivations into outside factors and inside factors, such as extrinsic benefit (usefulness) and intrinsic benefit (enjoyment) (Lin & Lu, 2011). Xu et al. (2012) proposed splitting social media usage gratification into a utilitarian motivation and a hedonic motivation. Raacke & Bonds-Raacke (2008) found the main reasons for using social media were meeting friends and seeking information. Likewise, Park et al. (2009) identified information seeking and meeting friends as main reasons to use social media, along with entertainment and self-expression. Brandtzæg & Heim (2009) discovered similar gratification—information, entertainment, social interaction, and personal identity—among Norwegian social media users. Korean social media users showed similar gratification seeking from social media usage, such as self-expression, entertainment, passing time, professional advancement, communication, and trends (Jung et al., 2007). Among prior studies, we identified the four most common gratifications for participating in social media: information, entertainment, self-expression, and communication.

### **2.2.1. Information**

Information seeking was one of the main motivations of internet use (Papacharissi & Rubin, 2009; Luo, 2002) and proved to be one of the gratifications that social media users seek. Facebook users and Myspace users both used the sites to seek information (Raacke & Bonds-Raacke, 2008). Even when the users are in different countries and using different social media platforms, information seeking has been commonly found as a main motivation. For example, seeking information was major motive for using social media in the United States, South Korea (Kim et al., 2011), and Norway (Brandtzæg & Heim, 2009).

### **2.2.2. Communication**

Communicating with friends has been mentioned as one of the most common motivations in much of the social media literature. People are on social media to communicate with friends and family (Jung et al., 2007) and to talk about things with other people (Park et al., 2009). Furthermore, people are on social media to meet friends (Raacke & Bonds-Raacke, 2008), not only those they already have but also new friends (Wellman & Gulia, 1999). Communication is the most important reason why young college students join social media (Baker, 2009) while employees at large enterprises also use social media to connect with their co-workers to build strong bonds (Dimicco et al., 2008).

### **2.2.3. Entertainment**

People use the internet to enjoy entertainment (Ko et al., 2005; Papacharissi & Rubin, 2000) and join a virtual community for leisure (Ridings & Gefen, 2004). In addition to general motivations for using the internet and virtual community, prior studies also identified “seeking

entertainment” as a social media motivation (Jung et al., 2007; Park et al., 2009, Lee & Ma, 2012). Seeking entertainment is a hedonic motivation; people use social media for fun, pleasure, and enjoyment (Xu et al., 2012). That is, people go on social media to escape from work and study pressure, to relax, and to pass time (Whiting & Williams, 2013). Entertainment especially was the most important factor for continuing social media use (Lin & Lu, 2011).

#### **2.2.4. Self-expression**

A person has a need to express his or her identity to others (Jones & Pittman, 1982; Pierce et al., 2003); thus, people express their own thoughts, ideas, and opinions on the internet via user-generated content, such as videos, photos, and comments. Furthermore, people express themselves more freely online than offline because of the anonymity and invisibility (Tosun, 2012; Belk, 2013). Yet, people care how other people see them. People use social media to appear attractive to other people (Park et al., 2009) and to feel important and be admired (Lee & Ma, 2012).

### **2.3. Online Shopping Motivation**

The growth of online shopping has attracted academic researchers to investigate why people love to shop online rather than offline. Traditional shopping at shopping malls and supermarkets was motivated mainly by shopping convenience, social interaction, and shopping experience (Westbrook & Black, 1985; Bellenger & Korgaonka, 1980). Online shoppers are similarly motivated by shopping convenience (Mikalef et al., 2013; Huang & Oppewal, 2006), socialization (Slyke et al., 2002; Joines et al., 2003), entertainment (Fenech & O’Cass, 2001), product variety (Bagdoniene & Zemblyte, 2009), and product information (Korgaonkar & Wolin, 1999). Although the aforementioned studies identified similar motivations for two different channels of shopping, there are a few differences between shopping online and doing so offline. Although offline shopping provides immediate possession of products, online shopping does not serve the same gratification (McAlister & Pessemier, 1982; Menon & Kahn, 1995), which sometimes leaves consumers unhappy (McGann, 2004). On the other hand, people can buy products online at their convenience (e.g., any time of the day, any place where the internet is connected), purchase immediately, and bargain with sellers (e.g., Ebay, Groupon) (Korgaonkar & Wolin, 1999).

## **3. Research Model and Hypotheses**

Based on the aforementioned research, we identified information, communication, entertainment, and self-expression as the main gratification people seek from using social media. Thus, we chose to base our research model on uses and gratifications theory and augmented the constructs with people’s main usage of Facebook to seek gratification. We intend to test the direct relationship of these constructs on social media commerce perception in this study. We also intend to investigate whether the number of Facebook friends and the time spent on Facebook have any impact on users’ perception of social media commerce.

### **3.1. Hypotheses**

Prior research showed that information seeking was a common motivation both in social media and online shopping. People are on social media to seek information regardless of the type of social media (e.g., Facebook, Myspace, and Cyworld) or country (e.g., United States, South

Korea, and Norway) (Raacke & Bonds-Raacke, 2008; Kim et al., 2011; Brandtzæg & Heim, 2009). Consumers choose online shopping over other channels because they get product and product-related information for free or almost free, which lowers consumers' search cost (Lynch & Ariely, 2000). Considering that people who use the internet for product information tend to have a positive intention to use the internet for purchases (Shim et al., 2001), it is plausible to assume that people who use social media to seek information are likely to have a positive purchase intention on social media commerce. Therefore, this study hypothesizes the following:

**H1. Facebook use for information will have a positive effect on social media commerce acceptance, trust, and attitude.**

Social media use is motivated by the need for self-expression and self-promotion to boost the self-esteem of social media users (Nadkarni & Hofmann, 2012). Because the internet provides a unique venue to put forth their alternative selves by posting photos, videos, and posts, some people express the hidden self (e.g., certain characteristics), and some present ideal selves rather than real selves on social media (Manago et al., 2008). The desire for the ideal self leads people to purchase items online. Social media users purchase digital items such as avatars and decorative objects to present their online identity (Kim et al., 2012). Social media commerce being part of social media, we hypothesize that

**H2. Facebook use for self-expression will have a positive effect on social media commerce acceptance, trust, and attitude.**

Communicating with friends is the biggest motivation for young adults who use social media (Baker, 2009). Communication and interactions among friends influence commitment in online communities (Jang et al., 2008), and support from members of communities leads users to use social media to purchase items (Hajli, 2014; Park et al., 2007). Chi (2011) identified the social interaction motivation of social media as having a positive effect on trust in social media marketing (e.g., advertising on Facebook). Furthermore, people shop online to socialize with others (Slyke et al., 2002; Joines et al., 2003). These findings suggest that people who use social media for communication purposes are more likely to have a positive attitude toward social media commerce. Therefore, we propose the following hypothesis:

**H3. Facebook use for communication will have a positive effect on social media commerce acceptance, trust, and attitude.**

People use social media as an entertaining tool to relax, pass time, have fun, and escape from work (Kim et al., 2011; Xu et al., 2012). Some people do online shopping to achieve the very same gratification. These consumers, recreational shoppers, enjoy shopping as a leisure activity and find the shopping process itself entertaining (Bellenger & Korgaonkar, 1980). Research has discovered that people who find a website enjoyable and entertaining have a positive attitude toward the website and online shopping (Childers et al., 2001; Eighmey, 1997) regardless of the type of product (e.g., clothing, headphones) (Hassanein & Head, 2005). Therefore, we hypothesize that



**H4. Facebook use for entertainment will have a positive effect on social media commerce acceptance, trust, and attitude.**

Previous research found that experience with new channels may change people's previous views on the channel because people begin to trust the channel as they become familiar with it. Consumers' experience with the internet increased their trust in it and had a positive effect on shopping behavior (McCole & Palmer, 2002; Järveläinen, 2007). Studies also discovered that familiarity with a brand and an e-vendor help customers trust the products; brand familiarity is more important when the consumers are inexperienced internet users (Gefen et al., 2003; Chen & He, 2003). Based on prior research, people who use Facebook frequently may trust social media commerce more than people who do not use it frequently because of their familiarity with the brand and the website. Thus, we hypothesize that

**H5. Time spent on Facebook will have a positive effect on social media commerce acceptance, trust and attitude.**

Friends' and peers' views and actions affect consumers' attitudes and behavior in general; for example, teenagers have a positive attitude toward shopping and spend more money when they shop with friends than when they shop alone (Mangleburg et al., 2004). Similar findings were identified in an online setting. Friends' positive views on social media being socially desirable affects online users' attitudes toward advertisements on social media (Taylor et al., 2011; Järveläinen, 2007). Studies have found that Facebook friends also have significant impact on their friends' online shopping behavior: Product recommendations from Facebook friends increased the probability of purchasing a product (Wang & Chang, 2013). Given this notion, people who have many Facebook friends may have a more positive attitude toward social media commerce than people with fewer friends. Thus, we propose the following hypothesis:

**H6. Number of friends on Facebook will have a positive effect on social media commerce acceptance, trust and attitude.****4. Research Methodology****4.1. Sample and procedures**

A self-administered online survey was conducted to examine the relationship between Facebook users' activities on Facebook and their attitude, trust, and acceptance regarding social media commerce. Two different versions of a mock-up Facebook page, which showed a random product (an online movie or jeans), were created to examine Facebook users' response to a fictitious Facebook commerce function. The online survey respondents were given one of the two fictitious Facebook commerce webpages with a highlighted new function—a "Buy button"—to conduct an online purchase within Facebook. To rule out effects from types of product, this research showed a digital product (an online movie) or a non-digital product (jeans) randomly to respondents. Furthermore to avoid the brand effect, the fictitious page did not include any specific product name or brand name.

Our study sample consisted of 146 university students (male=54, female=92) in New York City in the United States. The subjects' ages ranged from 18 to 30 ( $M=21.90$ ). Subjects were given extra credit points for participating in the survey. Although the gender imbalance may influence

the results, often women respond to web surveys at a higher rate than men (Sax et al., 2003). Furthermore, women use Facebook at a higher rate than men: 83% of women use Facebook, while only 75% of men use Facebook, according to a Pew Research Center Report (2016). Roughly nine out of ten young adults ages 18 to 29 (88%) use Facebook, making them the biggest group of Facebook users among all adults. Given this, we deem that this sample of students represents American Facebook users reasonably well.

## 4.2. Measurement

The survey questions and items of measure were adopted from previous research and were measured on five- and seven-point Likert scales.

In the first part of the survey, respondents were asked to read and examine a fictitious Facebook page. Then they were asked to indicate the extent of their Facebook use by (1) amount of use per day (i.e., how many minutes per day they spend on Facebook, with “1” being less than 10 minutes per day and “5” being more than 2 hours per day) and (2) the number of Facebook friends they have (with “1” being 10 or fewer and “7” being more than 250).

The next part assessed the participants’ gratification when using Facebook. This part included the four major Facebook gratifications that we identified in the aforementioned literature review. Using items developed by Ellison et al. (2007) (e.g., “How frequently do you post pictures and videos on Facebook?”), gratifications were examined on a seven-point Likert scale, with “1” being “Never” and “7” being “Every time”.

Attitude, trust, and acceptance toward social media commerce were measured through items developed by Kalyanaraman and Sundar (2006) and Toukabri (2015) (e.g., “I intend to recommend that my friends use Facebook for online purchases in the future”), with “1” being “Strongly disagree” and “7” being “Strongly agree”.

## 5. Results

This research employed SPSS Ver. 22 to test the proposed hypotheses. Although a total of 151 university students in New York City participated in the survey initially, due to incomplete answers, only 146 responses were analyzed. Out of 146 respondents, 63% was female ( $N = 92$ ) and 37% ( $N = 54$ ) was male. The median age of respondents was 21.9 years, and age ranged from 18 to 30. For ethnicity, 55.5% ( $N = 81$ ) were white/Caucasian, 14.4% were African American/Black ( $N = 21$ ), 13.7% were Asian/Pacific Islander ( $N = 20$ ), 7.5% were Hispanic ( $N = 11$ ), and the rest ( $N = 13$ ) accounted for multiple ethnicities.

### 5.1. Reliability

A reliability test was employed for each dependent variable, and all items in the study achieved reliability. Social media commerce attitude ( $\alpha = .957$ ) and social media commerce trust ( $\alpha = .923$ ) were assessed by Cronbach’s alpha because it is one of the most popular reliability statistics in use (Santos, 1999). Social media commerce acceptance was assessed by Pearson’s correlation coefficient ( $\gamma = .749$ ) following recommendations from previous research for a two-item scale (Cramer et al., 2006).

### 5.2. Hypotheses Tests

To test our hypotheses regarding gratifications, we employed multiple regression analysis (See Table 1).

**Table 1. Results of the multiple regression analyses by gratifications**

	Acceptance			Trust			Attitude		
	$\beta$	t	p	$\beta$	t	p	$\beta$	t	p
Information	.169	1.637	.104	.117	1.110	.269	.216	2.088	.039*
Self-expression	-.072	-.649	.517	.073	.642	.522	.085	.763	.447
Communication	.020	.188	.851	-.072	-.648	.518	-.040	-.366	.715
Entertainment	.259	2.937	.004**	.191	2.119	.036*	.136	1.541	.126

Note. \*\*\*Correlation is significant at  $p < .01$ \*\*,  $p < .05$ \*

The first hypothesis, that Facebook use for information will have positive effect on social media commerce acceptance, trust, and attitude, was partially supported. Information gratification had a positive impact on attitude toward social media commerce ( $\beta = .216$ ,  $t = 2.088$ ,  $p = .039$ ). However, information gratification had significant influence on neither social media commerce trust ( $p = .269$ ) nor social media acceptance ( $p = .104$ ).

The second hypothesis, that Facebook use for self-expression will have a positive effect on social media commerce acceptance, trust, and attitude, was not supported. Self-expression gratification had no significant effect on social media commerce acceptance ( $p = .517$ ), trust ( $p = .522$ ), and attitude ( $p = .447$ ).

The third hypothesis, that Facebook use for communication will have a positive effect on social media commerce acceptance, trust, and attitude, was not supported. Communication gratification did not have a significant effect on social media commerce acceptance ( $p = .851$ ), trust ( $p = .518$ ), or attitude ( $p = .715$ ).

The fourth hypothesis, that Facebook use for entertainment will have a positive effect on social media commerce acceptance, trust, and attitude, was partially supported. Entertainment gratification had a positive impact on social media commerce acceptance ( $\beta = .259$ ,  $t = 2.937$ ,  $p = .004$ ) and trust ( $\beta = .191$ ,  $t = 2.119$ ,  $p = .036$ ). However, entertainment gratification did not have any significant effect on social media commerce attitude ( $p = .126$ ).

To determine whether time spent and number of friends on Facebook have a positive effect on social media commerce acceptance, trust, and attitude, this study employed multiple regression analysis (See Table 2).

Regarding the fifth hypothesis, which examined whether the time spent on Facebook influences social media commerce attitude, acceptance, and trust, the results showed that time spent on Facebook had a positive effect on people's acceptance, trust, and attitude regarding social media commerce. As a person spends more time on Facebook, he or she is more willing to accept and trust social media commerce and has a more positive attitude toward social media commerce.

Regarding the last hypothesis, which examined whether number of Facebook friends has any positive impact on social media commerce attitude, acceptance, and trust, results showed that there is no significant connection between number of friends and social media commerce. That is, whether people have a few friends on Facebook or a few hundred, number of friends does not affect their attitude, acceptance, and trust toward social media commerce.

**Table 2. Results of the multiple regression analyses by Facebook use**

	Acceptance			Trust			Attitude		
	$\beta$	t	p	B	t	p	$\beta$	t	p
Time spent	.176	2.049	.042*	.198	2.322	.022*	.184	2.155	.033*
Number of friends	-.042	-.490	.625	-.116	-1.361	.176	.061	.709	.480

Note. \*\*\*Correlation is significant at  $p < .01$ \*\*,  $p < .05$ \*

## 6. Discussion

Because social media commerce is expected to be one of the most popular electronic commerce formats, we attempted to unveil factors that facilitate the use of social media commerce. This study examined whether social media users' perceptions of social media commerce differ by their gratification when using social media and how actively they use social media. In particular, this study attempted to shed light on the relationships between the types of gratifications people seek from social media usage and their perceptions of social media commerce. For our hypotheses in the study, the four most prominent social media gratifications from prior research (communication, information, self-expression, and entertainment) were examined to reveal their influence on social media commerce.

First, we found that information gratification (e.g., checking newsfeeds) had a positive effect on social media commerce attitude. This finding supports Chung and Austria's (2010) contention that information gratification is strongly related to consumers' attitude toward social media marketing.

Conversely, information gratification did not have any significant effect on social media commerce acceptance and trust. Previous research identified similar findings; that is, product information on social media did not influence a social media user's intention to use social media because of the ease of finding product information online via sources other than social media (Mikalef et al., 2013). According to Donthu and Garcia (1999), consumers who did not shop online still sought product information online that led them to shop elsewhere. We reason that social media users who seek information may search for information regarding products online but may prefer to purchase somewhere else because they do not trust this new type of e-commerce.

Second, we found that self-expression gratification had no significant impact on social media commerce attitude, trust, and acceptance. This finding diverges from previous research that found that self-presentation is one of the key motivations for shopping for digital items (Kim et al., 2012). This disagreement could be attributed to the different nature of the product. Avatars, pictorial representation of users, express their identities (Kim & Sundar, 2009). Therefore, non-avatar items may not produce same attitude toward social media commerce.

Third, we found that communication gratification had no significant impact on social media commerce attitude, trust, and acceptance. This finding supports Mikalef et al.'s (2013) claim that social interaction does not promote product browsing on social media because people want to be uninterrupted by others while they shop for products. It is clear that some consumers prefer shopping alone over shopping with companions, although shopping is a social experience (Borges et al., 2010), because communication with companions generates more to consider, such as encouragement, discouragement, and distraction (Prus, 1993).

Lastly, we found that entertainment gratification (e.g., watching “funny” videos) has a positive impact on social media commerce trust and acceptance. Prior research identified trust as one of the most important determinants that influences purchase intention and continued usage (Yoon, 2002; Chiu et al., 2012). It is also argued that consumers with high trust in a website tend to be influenced by the perceived entertainment of a website, which leads them to stay longer on the shopping website (Kim et al., 2010). Our findings suggest that those entertainment-seeking social media users might be recreational shoppers who enjoy shopping as a leisure activity (Bellenger & Korgaonkar, 1980) and find social media commerce to be fun and exciting and, thus, intend to use the service in the future.

In contrast, entertainment gratification had no significant impact on social media commerce attitude. This finding agrees with Chung and Austria's (2010) claim that entertainment gratification is not related to consumers' attitudes toward social media marketing. This finding suggests that entertainment gratification is not a significant factor in inducing positive consumer attitudes toward social media commerce. Because entertainment is not the only factor that affects consumers' attitudes toward online shopping, other factors (e.g., consumer traits, perceived usefulness) may have affected the result.

Regarding the fifth hypothesis, the amount of time spent on Facebook had a positive impact on consumers' attitude, trust, and acceptance regarding social media commerce. We attribute this result to the exposure effect (Zajonc, 1968); in which people develop positive attitudes toward things simply because they are familiar. Research has identified prior experience as a powerful predictor for intention to share news on social media (Lee & Ma, 2012) and a factor that reinforces the familiarity of internet service (Lee, Goh, Razikin, & Chua, 2009; O'Brien, 2010). Familiarity with e-commerce sites increases consumers' purchase intention, trust, and satisfaction (Yoon, 2002; Chang et al., 2005). Trust in social media is stronger when a person's familiarity with social media is stronger (Ng, 2013). Thus, as people use social media more, they develop positive attitudes and greater trust and acceptance.

Regarding the last hypothesis, somewhat surprisingly, number of friends did not have any significant influence on consumers' attitude, trust, and acceptance regarding social media commerce. This finding is not consistent with previous studies that reported that the presence of friends and peers increases purchase intention and positive attitude toward online shopping (Luo, 2005; Mangleburg et al., 2004). A plausible explanation may be the weak tie strength with social media friends. Americans have more inclusive social networks rather than exclusive because of their individualistic and low-context culture (Hall, 1976). They tend to have more casual, instrumental relationships with others, and this applies likewise to relationships on social networks; as a result, very close friends are only a minor part of American social media users' network (Kim et al., 2011). Additionally, considering the average Facebook user has 338 friends (Smith, 2014), we reason that the weak tie with their Facebook friends did not generate a significant impact on social media commerce.

## **7. Implications and limitations**

This study provides important managerial implications for marketing practitioners in particular. As aforementioned the results of this study confirmed the influence of information and entertainment gratifications on social media commerce while the other gratifications did not have any significant impact. This finding suggests that marketers should develop entertainment and

information oriented features to attract social media users to social media commerce. Marketers should also consider to mix entertainment and information components to make the whole social media commerce process as entertaining yet informational experience.

Another implication of this study is that unlike generally what people believe that higher number of friends did not have any significance on social media commerce. People who use Facebook for longer hours viewed social media commerce in more positive way but their friends' number did not affect their perception on social media commerce. Thus, it is important for marketers to remember that perhaps the level of friendship might be more important than the number of friends they have on Facebook to steer users to social media commerce.

Like all other studies, this study is not without limitations. First, the study sample was small students sample and gender imbalanced. While industry reports show that female users outnumber male users on social media, the imbalanced gender ratio might have affected the result. Furthermore, we used relatively small size of students' sample. Although we argued that sample students' age reflects major social media users' age, it is difficult to generalize the results.

Lastly, our study used fictitious Facebook page only to investigate social media users' perception on social media commerce. Although Facebook is the biggest social media at the moment, the result may not be applicable to other social media commerce sites. To conclude, we aimed to understand whether social media users would accept and use social media commerce as well. This study tried to provide the answer by investigating people's gratification using for social media and how these gratifications affect their perception on social media commerce. We found people who use Facebook for entertainment and information seeking, perceived social media commerce positively. The number of Facebook friends did not impact people's perception of social media commerce but the time spent on Facebook had positive influence on it. We hope the findings from this study contribute to understand social media commerce and employ successful marketing plan for practitioners.

## References

- Barker, V. (2009). Older adolescents' motivations for social network site use: The influence of gender, group identity, and collective self-esteem. *CyberPsychology & Behavior, 12*(2), 209-213.
- Bagdoniene, L., & Zemblyte, J. (2009). Online shopping motivation factors and their effect on Lithuanian Consumers. *Economics and Management, (14)*, 367-374.
- Bellenger, D. N., & Korgaonkar, P. K. (1980). Profiling the recreational shopper. *Journal of retailing, 56*(3), 77-92.
- Belk, R. W. (2013). Extended self in a digital world. *Journal of Consumer Research, 40*(3), 477-500.
- Borges, A., Chebat, J. C., & Babin, B. J. (2010). Does a companion always enhance the shopping experience?. *Journal of Retailing and Consumer Services, 17*(4), 294-299.
- Brandtzæg, P. B., & Heim, J. (2009, July). Why people use social networking sites. In *International Conference on Online Communities and Social Computing* (pp. 143-152). Springer Berlin Heidelberg.
- Cheshire, T., & Rowan, D. (2016, May 22). Commerce gets social: How social networks are driving what you buy. *WIRED*. Retrieved May 05, 2017, from <http://www.wired.co.uk/article/social-networks-drive-commerce>.
- Chiu, C. M., Hsu, M. H., Lai, H., & Chang, C. M. (2012). Re-examining the influence of trust on online repeat purchase intention: The moderating role of habit and its antecedents. *Decision Support Systems, 53*(4), 835-845.
- Chen, R., & He, F. (2003). Examination of brand knowledge, perceived risk and consumers' intention to adopt an online retailer. *Total Quality Management & Business Excellence, 14*(6), 677-693.
- Childers, T. L., Carr, C. L., Peck, J., & Carson, S. (2002). Hedonic and utilitarian motivations for online retail shopping behavior. *Journal of retailing, 77*(4), 511-535.
- Chi, H. H. (2011). Interactive digital advertising vs. virtual brand community: Exploratory study of user motivation and social media marketing responses in Taiwan. *Journal of Interactive Advertising, 12*(1), 44-61.
- Chung, C., & Austria, K. (2010). Social Media Gratification and Attitude toward Social Media Marketing Messages: A Study of the Effect of Social Media Marketing Messages on Online Shopping Value. *Proceedings of the Northeast Business & Economics Association*.
- Cramer, M. E., Atwood, J. R., & Stoner, J. A. (2006). Measuring community coalition effectiveness using the ICE© instrument. *Public Health Nursing, 23*(1), 74-87.
- Curty, R., & Zhang, P. (2011). Social commerce: Looking back and forward. *Proceedings of the American Society for Information Science and Technology, 48*(1), 1-10.
- Desreumaux, G. (2017, March 25). The 10 Top Reasons Why We Use Social Networks. *WERSM*. Retrieved May 01, 2017, from <http://wersm.com/the-10-top-reasons-why-we-use-social-networks/>
- DiMicco, J., Millen, D. R., Geyer, W., Dugan, C., Brownholtz, B., & Muller, M. (2008, November). Motivations for social networking at work. In *Proceedings of the 2008 ACM conference on Computer supported cooperative work* (pp. 711-720). ACM.

- Donthu, N., & Garcia, A. (1999). The internet shopper. *Journal of advertising research*, 39(3), 52-52.
- Duggan, M., Ellison, N. B., Lampe, C., Lenhart, A., & Madden, M. (2015, January 09). Demographics of Key Social Networking Platforms. *Pew Research Center*. Retrieved June 01, 2017, from <http://www.pewinternet.org/2015/01/09/demographics-of-key-social-networking-platforms-2/>
- Eighmey, J. (1997). Profiling user responses to commercial web sites. *Journal of advertising research*, 37(3), 59-67.
- Ellison, N. B., Steinfield, C., & Lampe, C. (2007). The benefits of Facebook “friends:” Social capital and college students’ use of online social network sites. *Journal of Computer-Mediated Communication*, 12(4), 1143-1168.
- Evans, K. (2017, February 13). Procter & Gamble sells on Facebook with help from Amazon. *Internet Retailer*. Retrieved June 01, 2017, from <https://www.digitalcommerce360.com/2010/10/01/procter-gamble-sells-facebook-help-amazon/>
- Facebook (2017). *Company Info*. Retrieved May 01, 2017 from <https://newsroom.fb.com/company-info/>
- Fenech, T., & O’Cass, A. (2001). Internet users’ adoption of web retailing: user and product dimensions. *Journal of Product & Brand Management*, 10(6), 361-381.
- Greenwood, S., Perrin, A., & Duggan, M. (2016, November 11). Social Media Update 2016. *Pew Research Center*. Retrieved June 01, 2017, from <http://www.pewinternet.org/2016/11/11/social-media-update-2016/>
- Ha, A. (2011, February 25). Ticketfly: Facebook really does fuel ticket sales. *VentureBeat*. Retrieved June 01, 2017, from <https://venturebeat.com/2011/02/25/ticketfly-facebook-ticket-sales/>
- Hajli, M. N. (2014). The role of social support on relationship quality and social commerce. *Technological Forecasting and Social Change*, 87, 17-27.
- Han, M. C. (2014). How social network characteristics affect users’ trust and purchase intention. *International Journal of Business and Management*, 9(8), 122.
- Han, M. C., & Kim, Y. (2016). Can Social Networking Sites Be E-commerce Platforms? *Pan-Pacific Journal of Business Research*, 7(1), 24.
- Hassanein, K., & Head, M. (2005). The impact of infusing social presence in the web interface: An investigation across product types. *International Journal of Electronic Commerce*, 10(2), 31-55.
- Huang, Y., & Oppewal, H. (2006). Why consumers hesitate to shop online: An experimental choice analysis of grocery shopping and the role of delivery fees. *International Journal of Retail & Distribution Management*, 34(4/5), 334-353.
- Huang, Z., & Benyoucef, M. (2013). From e-commerce to social commerce: A close look at design features. *Electronic Commerce Research and Applications*, 12(4), 246-259.
- Jang, H., Olfman, L., Ko, I., Koh, J., & Kim, K. (2008). The influence of on-line brand community characteristics on community commitment and brand loyalty. *International Journal of Electronic Commerce*, 12(3), 57-80.
- Järveläinen, J. (2007). Online purchase intentions: an empirical testing of a multiple-theory model. *Journal of Organizational Computing and Electronic Commerce*, 17(1), 53-74.



- Joines, J. L., Scherer, C. W., & Scheufele, D. A. (2003). Exploring motivations for consumer Web use and their implications for e-commerce. *Journal of consumer marketing*, 20(2), 90-108.
- Jones, E. E., & Pittman, T. S. (1982). Toward a general theory of strategic self-presentation. *Psychological perspectives on the self*, 1, 231-262.
- Kalyanaraman, S., & Sundar, S. S. (2006). The psychological appeal of personalized content in web portals: does customization affect attitudes and behavior? *Journal of Communication*, 56(1), 110-132.
- Katz, E., Blumler, J. G., & Gurevitch, M. (1973). Uses and gratifications research. *The Public Opinion Quarterly*, 37(4), 509-523.
- Kim, J. U., Kim, W. J., & Park, S. C. (2010). Consumer perceptions on web advertisements and motivation factors to purchase in the online shopping. *Computers in human behavior*, 26(5), 1208-1222.
- Kim, H. W., Chan, H. C., & Kankanhalli, A. (2012). What motivates people to purchase digital items on virtual community websites? The desire for online self-presentation. *Information systems research*, 23(4), 1232-1245.
- Kim, Y., Sohn, D., & Choi, S. M. (2011). Cultural difference in motivations for using social network sites: A comparative study of American and Korean college students. *Computers in human behavior*, 27(1), 365-372.
- Kim, Y., & Srivastava, J. (2007, August). Impact of social influence in e-commerce decision making. In *Proceedings of the ninth international conference on Electronic commerce* (pp. 293-302). ACM.
- Kim, S., & Park, H. (2013). Effects of various characteristics of social commerce (s-commerce) on consumers' trust and trust performance. *International Journal of Information Management*, 33(2), 318-332.
- Ko, H., Cho, C. H., & Roberts, M. S. (2005). Internet uses and gratifications: A structural equation model of interactive advertising. *Journal of advertising*, 34(2), 57-70.
- Korgaonkar, P. K., & Wolin, L. D. (1999). A multivariate analysis of web usage. *Journal of advertising research*, 39, 53-68.
- Lee, C. S., Goh, D. H. L., Razikin, K., & Chua, A. Y. (2009). Tagging, sharing and the influence of personal experience. *Journal of Digital Information*, 10(1).
- Lee, C. S., & Ma, L. (2012). News sharing in social media: The effect of gratifications and prior experience. *Computers in Human Behavior*, 28(2), 331-339.
- Liang, T. P., & Turban, E. (2011). Introduction to the special issue social commerce: a research framework for social commerce. *International Journal of electronic commerce*, 16(2), 5-14.
- Lin, K. Y., & Lu, H. P. (2011). Why people use social networking sites: An empirical study integrating network externalities and motivation theory. *Computers in Human Behavior*, 27(3), 1152-1161.
- Luo, X. (2002). Uses and gratifications theory and e-consumer behaviors: a structural equation modeling study. *Journal of Interactive Advertising*, 2(2), 34-41.
- Luo, X. (2005). How does shopping with others influence impulsive purchasing?. *Journal of Consumer psychology*, 15(4), 288-294.

- Lynch Jr, J. G., & Ariely, D. (2000). Wine online: Search costs affect competition on price, quality, and distribution. *Marketing science*, 19(1), 83-103.
- Manago, A. M., Graham, M. B., Greenfield, P. M., & Salimkhan, G. (2008). Self-presentation and gender on MySpace. *Journal of Applied Developmental Psychology*, 29(6), 446-458.
- Mangleburg, T. F., Doney, P. M., & Bristol, T. (2004). Shopping with friends and teens' susceptibility to peer influence. *Journal of retailing*, 80(2), 101-116.
- McAlister, L., & Pessemier, E. (1982). Variety seeking behavior: An interdisciplinary review. *Journal of Consumer research*, 9(3), 311-322.
- McCole, P., & Palmer, A. (2002). Transaction frequency and trust in internet buying behaviour. *Irish Marketing Review*, 15(2), 35.
- McGann, R. (2004). Online holiday purchases to grow despite growing security concerns. *ClickZ Stats*, 30.
- Menon, S., & Kahn, B. E. (1995). The impact of context on variety seeking in product choices. *Journal of Consumer Research*, 22(3), 285-295.
- Michaelidou, N., Siamagka, N. T., & Christodoulides, G. (2011). Usage, barriers and measurement of social media marketing: An exploratory investigation of small and medium B2B brands. *Industrial marketing management*, 40(7), 1153-1159.
- Mikalef, P., Giannakos, M., & Pateli, A. (2013). Shopping and word-of-mouth intentions on social media. *Journal of theoretical and applied electronic commerce research*, 8(1), 17-34.
- Nadkarni, A., & Hofmann, S. G. (2012). Why do people use Facebook? Personality and Individual Differences, 52, 243-249.
- Neilson (2017). Consumer Trust in Online, Social and Mobile Advertising Grows. *Nielsen*. Retrieved May 05, 2017 from <http://www.nielsen.com/us/en/insights/news/2012/consumer-trust-in-online-social-and-mobile-advertising-grows.html>.
- Ng, C. S. P. (2013). Intention to purchase on social commerce websites across cultures: A cross-regional study. *Information & Management*, 50(8), 609-620.
- O'Brien, H. L. (2010). The influence of hedonic and utilitarian motivations on user engagement: The case of online shopping experiences. *Interacting with Computers*, 22(5), 344-352.
- Papacharissi, Z., & Rubin, A. M. (2000). Predictors of Internet use. *Journal of broadcasting & electronic media*, 44(2), 175-196.
- Park, D. H., Lee, J., & Han, I. (2007). The effect of on-line consumer reviews on consumer purchasing intention: The moderating role of involvement. *International journal of electronic commerce*, 11(4), 125-148.
- Park, N., Kee, K. F., & Valenzuela, S. (2009). Being immersed in social networking environment: Facebook groups, uses and gratifications, and social outcomes. *CyberPsychology & Behavior*, 12(6), 729-733.
- Phillips, C. (2012, November 18). Infographic - The State of Social Commerce. *Power Retail*. Retrieved June 01, 2017, from <http://www.powerretail.com.au/pureplay/infographic-social-commerce-by-numbers/>

- Pierce, J. L., Kostova, T., & Dirks, K. T. (2003). The state of psychological ownership: Integrating and extending a century of research. *Review of general psychology*, 7(1), 84.
- Prus, R. (1993). Shopping with companions: Images, influences and interpersonal dilemmas. *Qualitative Sociology*, 16(2), 87-110.
- Raacke, J., & Bonds-Raacke, J. (2008). MySpace and Facebook: Applying the uses and gratifications theory to exploring friend-networking sites. *Cyberpsychology & behavior*, 11(2), 169-174.
- Ridings, C. M., & Gefen, D. (2004). Virtual community attraction: Why people hang out online. *Journal of Computer-Mediated Communication*, 10(1), 00-00.
- Rubin, A. M., & Perse, E. M. (1987). Audience activity and television news gratifications. *Communication research*, 14(1), 58-84.
- Santos, J. R. A. (1999). Cronbach's alpha: A tool for assessing the reliability of scales. *Journal of extension*, 37(2), 1-5.
- Sax, L. J., Gilmartin, S. K., & Bryant, A. N. (2003). Assessing response rates and nonresponse bias in web and paper surveys. *Research in higher education*, 44(4), 409-432.
- Smith, A. (2014, February 03). 6 new facts about Facebook. *Pew Research Center*. Retrieved June 01, 2017, from <http://www.pewresearch.org/fact-tank/2014/02/03/6-new-facts-about-facebook/>
- Suraworachet, W., Premisiri, S., & Cooharajanane, N. (2012, July). The Study on the Effect of Facebook's Social Network Features toward Intention to Buy on F-commerce in Thailand. In *Applications and the Internet (SAINT), 2012 IEEE/IPSJ 12th International Symposium on* (pp. 245-250). IEEE.
- Taylor, D. G., Lewin, J. E., & Strutton, D. (2011). Friends, fans, and followers: do ads work on social networks?. *Journal of advertising research*, 51(1), 258-275.
- Tosun, L. P. (2012). Motives for Facebook use and expressing "true self" on the Internet. *Computers in Human Behavior*, 28(4), 1510-1517.
- Wang, J. C., & Chang, C. H. (2013). How online social ties and product-related risks influence purchase intentions: A Facebook experiment. *Electronic Commerce Research and Applications*, 12(5), 337-346.
- Wellman, B., & Gulia, M. (1999). Net surfers don't ride alone: Virtual communities as communities. *Networks in the global village*, 331-366.
- Westbrook, R. A., & Black, W. C. (1985). A motivation-based shopper typology. *Journal of retailing*.
- Whiting, A., & Williams, D. (2013). Why people use social media: a uses and gratifications approach. *Qualitative Market Research: An International Journal*, 16(4), 362-369.
- Xu, C., Ryan, S., Prybutok, V., & Wen, C. (2012). It is not for fun: An examination of social network site usage. *Information & Management*, 49(5), 210-217.
- Yoon, S. J. (2002). The antecedents and consequences of trust in online-purchase decisions. *Journal of interactive marketing*, 16(2), 47-63.
- Zajonc, R. B. (1968). Attitudinal effects of mere exposure. *Journal of personality and social psychology*, 9(2p2), 1.

Zhou, L., Zhang, P., & Zimmermann, H. D. (2013). Social commerce research: An integrated view. *Electronic commerce research and applications*, 12(2), 61-68.