An Empirical Study on Consumers’ Perceived Value of Social Commerce

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Abstract. This study examines consumers’ perceived value in social commerce in terms of utilitarian, hedonic and social values. We developed a comprehensive model on consumers’ perceived value in social commerce, including antecedents of perceived values such as information quality, personalization, perceived playfulness, interactivity, and social presence, and the relationship between perceived value and attitude and purchase intention. Data was collected from an online survey. Results from the data analysis suggest that information quality and personalization affect consumers’ perceived utilitarian value; personalization, perceived playfulness and interactivity influence consumers’ perception on hedonic value; whereas interactivity and social presence contribute to consumers’ perceived social value.

1. Introduction

Social commerce, also known as social e-commerce, is an emerging form of e-commerce. Social commerce uses social media to facilitate social interactions and enhance online shopping experience [1] [2]. Examples of social commerce include Xiaohongshu in China and Facebook in the USA. Social commerce is growing rapidly, therefore, it is necessary to systematically examine its values of consumers and examine social commerce characteristics contributing to consumers’ perceived value in social commerce.

2. Literature review

2.1 Social commerce

Multiple definitions on social commerce exist. Social commerce is viewed as a subset of e-commerce by [2]. Stephen & Touibia regarded it as a form of social media powered by the Internet in which people can actively participate in marketing activities in online markets or communities [3]. Hsiao et al. defined it as a new form of business combining social networking and shopping where social and commercial activities can be integrated and synergized [1]. In this research, we define social commerce as a new business model powered by Internet technology that combines social media and e-commerce, which facilitates purchasing and sales of products/services online and enhances online shopping experience.

Compared with traditional e-commerce, social commerce supports the social aspects of online shopping [4] by enabling information sharing and social interaction. Therefore, social commerce exhibits some unique characteristics such as interactivity, sociality, and offers personalized recommendation [5].

2.2 Perceived value

Perceived value has been considered as a multi-dimensional construct. Zeithaml defines it as consumers’ overall assessment of the utility of a product/service based on perceptions of what is received and what is given [6]. Later, it has evolved to include both cognition and emotion [7] and include utilitarian value, which is experienced from high-quality products/services that satisfy expectations, and hedonic value that is experienced from feelings of pleasure [8]. In addition, social value, which is generated by a product/service that enhances the users’ self-concept in
society, is also introduced [9]. According to Rintamäki et al., perceived value is divided into three dimensions, namely, utilitarian, hedonic, and social value [10].

3. Research model and hypothesis development

In this paper, we explored characteristics of social commerce that influence consumers’ perceived value in social commerce including personalization, perceived playfulness, interactivity, and social presence.

3.1 Information quality

Information quality can be understood as the accuracy, usefulness, and understandability of information [12]. Higher information quality helps users to form a correct understanding of the products/services provided by social commerce and enables them to make better decisions. Therefore, information quality provides users with utilitarian value. Hence,

\[ H1 \text{ Information quality positively affects users’ perceptions of utilitarian value.} \]

3.2 Personalization

Personalization focuses on what users really want, and match products / services to users’ needs and preferences[13]. It helps users to collect information and complete transactions more quickly and efficiently [13]. Therefore, personalization may increase users’ perceptions of utilitarian value. In addition, personalization can result in more enjoyable shopping experience. Therefore, personalization affects consumers’ emotional perceptions of social commerce [14]. Hence,

\[ H2 \text{ Personalization positively affects users’ perceptions of utilitarian value.} \]

\[ H3 \text{ Personalization positively affects users’ perceptions of hedonic value.} \]

3.3 Perceived playfulness

Perceived playfulness refers to the degree individual feels their interaction with the system can increase internal enjoyment, devotion, and satisfaction [15]. Social commerce offers features that stimulate users’ sensory experience with smooth navigation and attractive interface, which increases users’ perceived playfulness, and improve their feelings of self-efficacy in dealing with complex shopping processes [16]. As a result, higher perceived playfulness can make users feel relaxed and pleasant [17]. Hence,

\[ H4 \text{ Perceived playfulness of social commerce positively affects users’ perceptions of hedonic value.} \]

3.4 Interactivity

Interactivity is considered as a strategy to create engaging consumer experiences through rich content, active information, and collaborative communication [18]. Social commerce platform offers features and functions that allow easy and continuous operation online and provides rapid response/feedbacks to users. Such features ensure that users have a pleasant experience [19]. Social commerce is also becoming an important platform for users to express themselves, which is important in building self-concept. High interactivity may enhance users’ self-concept and self-esteem, which leads to consumers’ perceived social value [20] [10]. Hence,

\[ H5 \text{ Interactivity positively affects users’ perceptions of hedonic value.} \]

\[ H6 \text{ Interactivity positively affects users’ perceptions of social value.} \]

3.5 Social presence

Social presence in social commerce refers to the ability of a website to support social activities and makes the users feel socially present in the online environment [21]. Social presence improves users’ sense of status and self-esteem, leading to consumers’ perceived social value [10]. Hence,

\[ H7 \text{ Social presence positively affects users’ perceptions of social value.} \]
3.6 Impact of perceived value on attitude

Attitude is the tendency of an individual to respond continuously to a specific situation [22]. In other words, attitude is an overall assessment of a matter in dimensions such as whether it is good, beneficial, pleasing, or pleasant [20]. Perceived value has been found to positively affect users’ attitude in social commerce [23]. Hence,

H8 In social commerce, users’ perceptions of utilitarian value positively affect user attitude.

H9 In social commerce, users’ perceptions of hedonic value positively affect user attitude.

H10 In social commerce, users’ perceptions of social value positively affect user attitude.

3.7 Impact of attitude on purchase intention

According to the theory of planned behavior, attitude towards the behavior is one of the main variables that determine behavior intention, and more positive attitude leads to greater behavior intention [24]. Hence,

H11 In social commerce, user attitude positively affects purchase intention.

4. Data collection and analysis

4.1 Data collection

Constructs measured in this study were adapted from existing literature and measured using 7-point Likert scale (with 1 being "completely disagree" and 7 being "completely agree"). Data was collected using online questionnaire with 469 valid responses.

4.2 Reliability and validity tests

SmartPLS was used to examine Cronbach’s alpha and composite reliability of the variables. Cronbach’s alpha values were above the threshold of 0.6, and composite reliability values were above the threshold of 0.7, indicating high internal consistency for all the constructs.

Convergent validity was examined on the basis of standardized factor loading and average variance extracted (AVE) of the measures. Factor loadings were all greater than 0.7 except for two factor loadings for utilitarian value, which were 0.689 and 0.691, and AVE was greater than 0.5 for all latent variables, indicating good convergent validity.

4.3 Hypothesis testing

Path analysis was conducted to test the proposed hypotheses. As shown in Fig. 1, for utilitarian value, $R^2 = 0.278$, meaning that information quality and personalization explained 27.8% of variance in utilitarian value. Similarly, 41.1% of the variance of hedonic value can be explained by personalization, perceived playfulness and interactivity; and 53% of the variance in social value can be explained by interactivity and social presence. Table1 showed the hypotheses, standardized path coefficients, T values, significance levels, and hypothesis test results. As shown in the table, all hypotheses were supported.
Table 1. Hypothesis testing.

| Hypothesis                                      | Path coefficient | T value | Supported? |
|------------------------------------------------|------------------|---------|------------|
| H1 Information quality → utilitarian value     | 0.353***         | 6.527   | Yes        |
| H2 Personalization positively → utilitarian value | 0.241***         | 4.956   | Yes        |
| H3 Personalization → hedonic value             | 0.145***         | 3.479   | Yes        |
| H4 Perceived playfulness → hedonic value       | 0.464***         | 11.361  | Yes        |
| H5 Interactivity → hedonic value               | 0.202***         | 5.037   | Yes        |
| H6 Interactivity → social value                | 0.309***         | 7.040   | Yes        |
| H7 Social presence → social value              | 0.506***         | 12.243  | Yes        |
| H8 Utilitarian value → attitude                | 0.460***         | 11.899  | Yes        |
| H9 Hedonic value → attitude                    | 0.296***         | 6.800   | Yes        |
| H10 Social value → attitude                    | 0.101*           | 2.374   | Yes        |
| H11 Attitude → purchase intention             | 0.594***         | 15.356  | Yes        |

Note: * P <0.05, ** P <0.01, *** P <0.001

Figure 1. Model test results.

6. Conclusion
The results of this study suggest that characteristics of social commerce such as information quality, personalization, perceived playfulness, interactivity, and social presence, positively affect users’ perceptions of utilitarian, hedonic, and social value. Consumers’ perceived value have shown positive impact on user attitude, with utilitarian value being the most significant, followed by hedonic and social value. This suggests that when shopping on a social commerce platform, which is a purposeful activity, users put more weight on utilitarian value. In addition, this paper proves that consumers’ perceived value positively influence their attitude and purchase intention in social commerce.
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