

# The Power of Social Supports in Social Commerce among Millennials Generation

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**Abstract:** *The advancement of information technology nowadays has changed a new world of business transaction from e-commerce into social commerce which transferred human communication into web interconnectivity among users in the platform. In fact, the advancement of information technology has become social phenomenon, especially among millennials generation with special regards their actively involved in the online purchase. Social commerce sites is a new platform for social networking based technology media to enable users to participate in the buying activities furthermore, the users can compare as well as sharing the information about the products or services in the online marketplace and communities. Within just a few years, social commerce size and number in Malaysia showed a trend of continuous development and expansion, since then, social commerce is also beginning to receive for academic attention and business experts. However, due to the advancement of information technology makes the information exchange easily. Some said that the information delivered in the platform exposed to bias. For this circumstance, the impact of social commerce on the business, economics, and societies in the Malaysia also need to be understood in greater depth. As such, social commerce is still in early stages of development and limited in the market. With that, the aim of this research is to understand the factors purchase intention of Millennials generation in Malaysia. Also to test the mediating effect of social supports. A pilot survey is implied, and 100 respondents participated. A correlation and multiple linear regression analyses applied. The finding shows, there is a strong relationship between social commerce constructs and social supports on purchase intention among millennials consumer in Malaysia. Moreover, social support is proven as a partial mediator of the study. Additionally, the study also serves as a guideline for firms' manager on how to strategically use social commerce to influence purchase intentions among consumers.*

**Keywords:** *Social Commerce Constructs, Social Supports, Purchase Intention*

## 1. Introduction

The increasing popularity of social media such as Facebook, Instagram, and Twitter has created new business in electronic commerce [1]. Recently, [2] identified Facebook and Twitter as top social media to communicate with each other. Besides the collaborative users in the platforms, social media also offers firms to promote their business through e-commerce [3]. The increasing of e-commerce nowadays has penetrated the market and affects business profit in the traditional commerce as a whole [4]. The e-commerce has become a primary usage of internet marketing due to an increase of information communication technology (ICT) throughout the world including Malaysia. In developed countries, e-commerce has already been in common practice, meanwhile, in developing countries like Malaysia is still on the progress of expanding. According to [5] reported that 96% of Americans have made an online purchase in their life while Malaysia reported 65.7% users' penetrated online market and expected will increase in 76.8% in 2021. The [6] reported that revenue in the "e-Commerce" market amounts to RM1,121m in 2017 and the revenue is expected to increase by 23.2 % resulting in a market volume of RM2,585m in 2021. Besides, the markets reported that the largest contribution of Malaysia e-commerce revenue was "Electronics & Media" with a market volume of RM425m in 2017. Additionally, e-commerce defined as the online process of buying and selling of good or services [7]. Perhaps, in the early stage of e-commerce has opened a new platform when people started to seek the information

knowledge based on consumer's experiences. People started to converse on the platform as to get valuable information when they are less knowledgeable. Indeed, this opportunity was change from e-commerce into new business style to social commerce when they allow the activities and space for communicating and collaborate with each other [8].

Additionally, social commerce is an extraordinarily important part of Millennials' digital lives, in part because social commerce has become much more than a way to connect with personal matters, news, and information. According to [9] Millennials have been leading in technology. Moreover, [9] indicated that about (56%) of Millennials think technology would help to perform the job better and about (75%) of Millennials have created a social networking profile. However, the fastest technology growth and the rising number of users in the platform exposed information interchangeability [10] yet the issue has been raised as a result of fake ratings and reviews produced by third parties [11]. This phenomenon becomes critical when the growth in using internet among millennials increases. In fact, [6] reported the highest consumer makes an online purchase are millennials generation. Similarly with [5] reported that 51 percent of millennials would be likely to make a purchase on an online network and currently reported millennials have more than \$200 billion in buying power. The term millennials describe someone who born from 1980 onwards [12]. For this circumstance, there are few studies looking at the social commerce context [13]. Some other researchers identified that social commerce is still limited and scattered in an online industry [11], [14]. Hence, this area of research deserved to be studied. The aim of this study is to understand the purchase intention of millennials in Malaysia and to test which constructs have a significant influence on purchase intention. Moreover, testing the mediating effect of social supports on the relationship between social commerce constructs and purchase intention.

## **2. Literature Review and Hypotheses Development**

### **2.1. Factors Influencing Purchase Intention**

The online intention is the construct of both technology acceptance model (TAM) [15], [16] and theory of reasoned action (TRA) [17]. Meanwhile, according to [18] online intention can be tested and predicted by two theories such as theory acceptance model (TAM) and theory of planned behavior (TPB). Specifically, purchase intention is the probability consumer intention to purchase a particular of products [19]. On the other hand, [20] defined purchase intention as products or services that desired by the consumer. In addition to above statement, purchase intention exist when it has product value and recommendations in the online network [21]. Purchase intention is the second option before they move to actual purchases. Also [22], posit that purchase intention is a predictor of actual buying behavior. In this study, social commerce constructs and social supports are vital by enhancing and convincing consumer in purchase intention. Indeed, consumers are likely to join in social commerce because there are lots of information and social interaction among members that also help in a purchase decision. According to [23] when consumer's knowledge products are high, this will enhance them towards purchase intention in an online network. According to above discussion, purchase intention is not the exception in an online network, since this variable has potential maintain long-term relationship community in the competitive business environment.

### **2.2. Social Commerce Constructs**

Most of the studies have classified social commerce constructs under three sources such as recommendations and referrals, ratings and reviews, forums and communities [11], [24], [25]. For this circumstance, [26] confirmed these three sources of social commerce constructs are the most important in explaining consumers purchase intention. Previous study [11] noted that recommendations and referrals, forums and communities and ratings and reviews have found the direct and significant effect of intention to buy. According to the context of this study, social commerce constructs will be measured based on three constructs such as recommendations and referrals, ratings and reviews, forums and communities. Recommendations and referrals defined as people suggestions regarding products performance-based experiences that would influence consumers purchase in future [26]. Forums and communities defined as a combination of various users in the platform sharing the ideas and support to each other [11]. This platform is more towards on sharing information between members regarding products or services [27]. According to [28] forums and communities not only provide information and develop the relationship but this platform also influences consumers to purchase the product. However, due to the lots of information sources, the consumers may expose to incorrect information because sometimes the users in the platform don't have any experiences with the product but willing to participate in the group. For this circumstance, forums and communities are vital in the online network because the collaboration among members would help them to convince towards the information delivered.

Ratings and reviews defined as an indicator assessment towards the performance of the product that indirectly informs other consumers about their choices and views [29]. According to [30] ratings and reviews are always utilized by the consumer before purchase. In fact, ratings and reviews also help in business perspective whereby the marketing manager can evaluate based consumer feedback regarding product performance. Previous study observed that 71 percent consumer reviews would help in purchasing the right product [31]. According to the website [32] reported that 84 percent of online users rely on reviews and ratings before making purchase decisions. Since then, ratings and reviews provide more valuable information that needed by the consumer. Specifically, individuals' activity in social commerce constructs such as recommendations and referrals, forums and communities, ratings and reviews can expose them to the process of purchases. Therefore, these research hypotheses:

H1: Social commerce constructs significantly influence purchase intention.

### 2.3. Social Supports

There are two main components of social supports such as informational support and emotional support. Informational support defined as social interaction that contains cognitive, feelings such as interpretations, plans, and suggestions [33] meanwhile emotional support defined as social interaction by people caring, concern, understanding, and help to each other [34]. Additionally, social support theory explained on how social interaction act in the community in order to help people comfort and confident [35]. According to the area of this study, social support is a social interaction between social commerce constructs and the ability of the consumer to transform this information into something that is valuable, meaningful and useful that will lead them to purchase intention. Based on a study conducted by [1] social support significantly influences purchase intention. For this circumstance, social support can be as a mediator between the relationship social commerce constructs and purchase intention. Hence, the following hypotheses are formulated:

H2: Emotional support fully mediates the relationship between social commerce constructs and purchase intention.

H3: Informational support fully mediates the relationship between social commerce constructs and purchase intention.

## 3. Conceptual Model

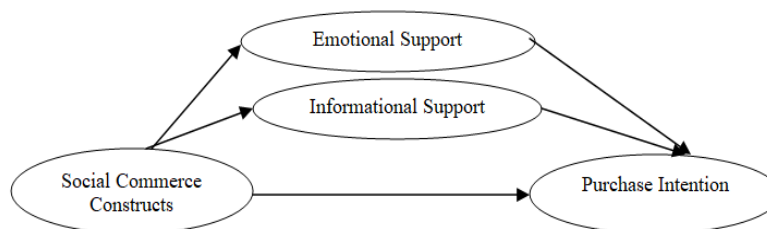


Fig. 1: Conceptual Model

In this research, a social commerce model has been developed in order to increase our understanding of social commerce among millennials consumer in Malaysia. In previous literature, there are the numbers of studies tested in relation to factors influencing purchase intention in social commerce. However, in this study, millennial generation in Malaysia is proposed due to fewer studies focusing on this type of generation as well as used the constructs in one model. Specifically, this research is to understand the factors purchase intention as well as social supports as mediator to discover the role of these constructs in a social commerce environment. Along with social commerce constructs, recommendations and referrals, forums and communities and rating and reviews, the researcher added social supports and purchase intention as shown in figure 1 above.

## 4. Research Methodology

The sample for this study is millennials consumer those born from 1980 onwards and the total number of respondents was collected in Malaysia. This study was targeted students as they are using social networking sites. To meet the objective of the study, a pilot study and questionnaire was adapted from previous studies to gather data on the social commerce constructs, social supports, and purchase intention. Participants were asked to judge the given statements on a 7-point Likert scale (1 = strongly disagree to 7 = strongly agree). In total 100 were

identified from universities and college located in Malaysia. Table 1 shows the adapted measurements, sources, and Cronbach alpha for each of the constructs.

TABLE I: Adapted Measurement of Constructs

Constructs	Sources	No. of Items	Cronbach's Alpha
Recommendations & Referrals	Han, Bo & Windsor, John (2011)	4	0.879
Forums & Communities	Han, Bo & Windsor, John (2011)	4	0.871
Ratings & Reviews	Han, Bo & Windsor, John (2011)	4	0.904
Emotional Support	Liang, Ho, Li, and Turban (2011)	4	0.882
Informational Support	Liang, Ho, Li, and Turban (2011)	4	0.864
Purchase Intention	Pavlov & Fygenon (2006)	4	0.938

## 5. Finding and Analysis

### 5.1. Frequency Analysis

For this study, there were two sections in frequency analysis that consists of section A (knowing social commerce and choices) while section E refer to demographic profile. Based from the analysis, indicated that (88%) most of the respondents heard about social commerce and the platforms choices (37%) from Facebook, (52%) Instagram, (8%) Twitter, (1%) LinkedIn and (2%) Tumblr. Apart from demographic analysis, most of the respondents are (78%) female and (76%) single. Since the study focusing on millennials generation, the range of age only qualified as 17 until 37 and reported most of them were aged between 20 to 27 years old (77%) while (15%) age between 28 to 37 years old. Furthermore, education background showed from Diploma (43%), Bachelor's Degree (25%), Certificate (19%) and Master's Degree with (13%) of the respondent.

### 5.2. Reliability Analysis

Previous author [36] confirmed that “reliability as an indicator of a measure’s internal consistency”. For this study, the adapted measurement is to ensure Cronbach alpha for measurement scale is reliable. The Cronbach’s alpha values of 0.60 and above are considered acceptable. For this study, the factors’ Cronbach’s Alpha values are greater than 0.7, the composite reliability is greater than 0.6 and the AVE value exceeds 0.5, which means good consistency and convergent reliability of the model.

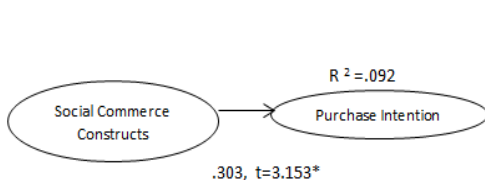


Fig. 2: Model with direct effects on purchase intention

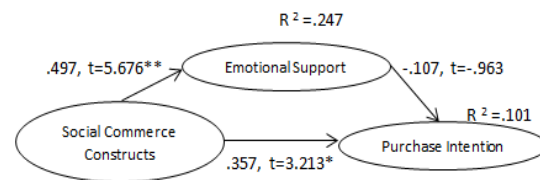


Fig. 3: Model with emotional support as mediator effects

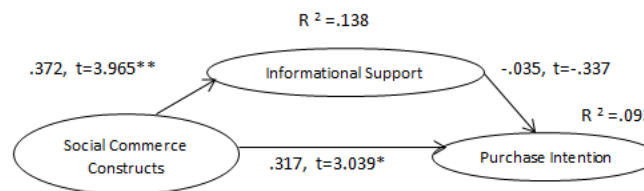


Fig. 4: Model with informational support as mediator effects

The result of standardized regression coefficients and t-values of mediators are shown in Figure 2, 3 and 4. Social commerce constructs significantly influenced purchase intention, thus supporting the hypothesis H1. Meanwhile, both emotional and informational support only partially mediates the path model. Even though the result found only partial mediate between the relationship social commerce constructs and purchase intention, the existence of mediator contributes to significant result between the relationship of social commerce constructs

and purchase intention. To be specific, emotional and informational support found not significantly influenced the relationship. Hence, the result of the hypotheses rejected H2 and H3.

## 6. Discussion

The first research objective of this research understands the factors purchase intention among Millennials generation. After conducting a pilot study first objective shown social commerce constructs influencing purchase intention among Millennials. The result found that ( $T=3.153$ ,  $P=0.002$ ). Meanwhile, the second objective test the mediating effect of social supports (emotional and informational support) between the relationship social commerce constructs and purchase intention. The statistic result confirmed that emotional support ( $T=-.963$ ,  $P=0.338$ ) while informational support ( $T=-.337$ ,  $P=0.737$ ). For both social supports confirmed as partially mediates and not significantly influencing the relationship. For this circumstance, there are few potential reasons first, due to small sample size. Second, social support analyze by first order while social commerce constructs analyze with second order. Third, shows Millennials are more influence with social commerce constructs which provide various information before they can purchase compared than social support.

## 7. Practical Implications

This study introduces a conceptual framework that integrates the social commerce constructs and the emotional and informational support from the social support to test purchase intention among millennials generation. The result of this study offers valuable implications to consumers and marketers in the online market space. The empirical result confirmed that millennials generations are influenced by social commerce constructs but not social supports (emotional supports and informational supports) in an online community. Additionally, the study could be useful for marketers that use social commerce who intend to leverage their business through an online network. In fact, by identifying factors consumer's purchase intention in social commerce, this will help companies easier to enhance their sales and remain competitive in an online market.

## 8. Limitation and future research

There are several limitations of this study. First, the generalizability of the results is limited due to a pilot study. Moreover, this study is only focused on students. Therefore, the results may not be applicable to other consumers in social commerce contexts. Future studies should enhance the sample size and number of respondents to generalize the result. Moreover, future research can look into another type of generations such as Baby Boomers and Generation X.

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