

The Impact of Social Media Commerce Constructs on Social Trust and Customer Value Co-creation

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Abstract

As one of the main privileges of Web 2.0 applications, social commerce is a new trend accelerated by the revaluation taking place over the social media marketing area. This has contributed several utilities such as it enhances customers' ability to establish a product's content, to provide social support, to share information, to rate and review customers' opinions, and to recommend brands. Social commerce could be described as the main online commerce transactions that are empowered and conducted by the facilities of social media and Web 2.0 applications. The importance of this field comes as a result of the rapid growth in social commerce research in recent years.

Keywords: Commerce platforms, Online marketplace, Customer, Social Media

JEL Classification: L81, M31

As a result of the growing trends of internet usage and social media engagement, businesses have begun to readily embrace social media technology in order to promote their products and services via social media platforms. In relation to communication, it is widely acknowledged that social media facilitates and enhances communication between businesses and customers in ways that previous sets of Information technology (IT) could not afford. Unlike traditional IT, social media affords organisations with visibility, persistence, editability and association of information.

For instance, the provision of real time information to stakeholders (employees, customers, supplier and shareholders) is an important functionality addressed by social media as it allows information to be shared (visible, editable, persistent and association) among stakeholders while removing possibilities of information asymmetry within organisations, consequently creating efficient and effective channels of information systems. The capability of social media to address such functionalities distinguishes social media from traditional IT across a range of attributes such as how content is contributed, structured and organised and flows of interaction.

Given the popularity and uptake of social media, companies have realised the huge potentials of social media, which includes the role of customer knowledge in enhancing a company's knowledge, which can result in potentially regarding outcomes for both. With respect to the business–customer relationship, the one thing that is common between social media activities is the ability to improve and exploit user relationships: evidence suggests that social media can increase relational outcomes such as online reputation and relationship strength.

The related issues of social commerce have been recently considered as one of the main trends worth researching due to its impact on the business and marketing implications due to its ability to combine business, people, technology, and information. The main reason behind building such social trust comes as a result of customers' ability to trust more the content coming from the customers' community rather than that coming from the organizational side. Customers find other customers' content and posts more useful and beneficial to their purchasing and consuming process, as long as the level of social trust is high from the customer's perspective. Accordingly, at this stage, users will have a kind of trust (i.e., social) that will enhance SNSs' interaction between customers and the online enterprise as well as between customers themselves to co-create their personal values (e.g. utilitarian, hedonic, and social). Thus, customers with similar values are expected to get together at the same SNS (Social Networking Service).

Social Commerce Constructs

Social commerce is a sub-set of e-commerce that enables consumers to be actively engaged in a commercial exchange process in social media platforms and allows the creation of content that invites users to share their experiences over different social media platforms via sharing their information.

There are two types of social commerce taking place: (1) sites that are utilizing Web 2.0 tools (e.g., Amazon) and that facilitate customers' content generation, although this type makes consumers' interactions limited, due to the lack of customers' ability to tag others and to send messages privately; (2) SNSs that utilize e-commerce features. Such social commerce platforms provide customers with channels to socially connect with others and make them more willing to initiate their value co-creation by sharing more experiences and information as well as creating their own content.)

Social commerce is a matter of commercial activities that take their own place over social media platforms. Similarly, social commerce is also defined as "forms of Internet-based social media that allow people to participate actively in the marketing and selling of products in online marketplaces and communities". The social commerce construct consists of the three dimensions: ratings and reviews (regarding a particular brand or product over the social media platform which provides other customers with the needed information), recommendations and referrals (based on consumers' experience), and forums and communities (which facilitate consumers' social interactions regarding a particular brand).

Social Commerce Constructs and Social Trust

Social trust relates to an individual trait which shapes a customer's worldview regarding the benevolence of other users within SNSs. Therefore, social trust could be defined as customers believe regarding other SNSs users trustworthiness. Within the context of social commerce, there have been discussions on the importance of social trust as a tool which provides SNSs with benefits such as reducing transaction costs, increasing the probability of customers shopping online, enhancing economic growth for the targeted countries, and reducing risks (regarding security and privacy and online behaviour) associated with buying brands over SNSs.

All the above benefits come as a result of people buying within the SNSs not knowing each other. Therefore, social trust is considered as an important factor within this context. Thus, social commerce using Web 2.0 facilitates customers' interaction and increases their social trust via their ratings and reviews over a particular SNS. Hence customers trust the

information provided by other customers in comparison to the e-vendor. As a result of the social interactions (via consumers' ratings and reviews and recommendations and referrals), customers allow themselves to exchange information and expediences with other customers which enrich their knowledge, increase their trust of the brands, and impact their purchase decisions.

With respect to the business–customer relationship, the one thing that is common between social media activities is the ability to improve and exploit user relationships: evidence suggests that social media can increase relational outcomes such as online reputation and relationship strength. However, despite the huge promise, there remain challenges around the implementation of social media and measuring the returns of social media. The fact that organisations are said to be struggling to implement social media has subsequently resulted in an increasing body of literature looking at social media strategy and their formulation.

Social Commerce Constructs and Customer Value Co-creation

Previous research on social commerce posits the positive relationship between social commerce constructs and customer value co-creation. Social media strengthens the interaction between online communities and thus enhances consumers' brand-generated stories with other online community members. Other researchers demonstrated the positive relationship between some of the dimensions of social commerce constructs and customer value co-creation. Customers usually follow and like brands on social media platforms as a kind of expression about their intention to catch and be updated about all news and information regarding the targeted brands. For instance, with intention to share their experience and knowledge regarding a particular brand, a customer is more likely to be engaged in different activities and conversations on the brands posted in Facebook pages. Consumers' interaction with a particular brand, in the form of liking it on Facebook, is a tool that informs friends on Facebook about the brand and hence affects consumers' social value.

Conclusion

As communication and information through digital platforms travel faster and faster, sharing experiences becomes easier and easier. As a result, this influences how the world communicates, especially in view of the current obsession with social media platforms. Exposure in social media has a profound effect on the reputation of a business. Therefore, with its growing importance, it should not be seen as a fad but instead implemented as a new marketing strategy.

Within the service-dominant logic, trust is formulated as a result of the dialogue and customers' interactions; therefore, co-creation is the expected result. For instance, in a relationship which is characterized by a high level of trust, customers are motivated to be involved in a social exchange. Accordingly, over the online community, a level of customers' trust between themselves is highly requested to guarantee an extant level of value co-creation. In the context of SNSs, the interaction between customers and enterprise as well as customers resulted in getting more information regarding the brand or product category.

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